

SPORTS MARKETING

3.1 INTRODUCTION

South African sport has evolved into a professional commodity over the years (for rugby, since 1995), because the games and players have become saleable commodities in an industry that has generated millions. A commonly asked question is whether the concept of sport as a product differs significantly from other consumer goods and services. Most sports marketers, however, maintain that sport has certain core characteristics that make the sport product unique, thus requiring an approach that may vary from the approaches to traditional goods and/or services marketing.

In this chapter the nature of sports marketing, as well as the sports industry will be discussed. Sports consumer behaviour will then be examined. The chapter concludes by briefly focusing on how basic marketing principles apply to and should be adapted in the case of sports marketing.

3.2 THE NATURE OF SPORTS MARKETING

In South Africa, sport and recreation provide employment for approximately 34 325 full-time, 6 140 part-time workers and 8 000 volunteers. Sport and recreation contributed 2% to the gross domestic product (GDP) of South Africa in 2000, which was 0,1% higher than in 1997 (Govza, 2002:1). The concept *sport* can be defined as a game or competitive activity, especially an outdoor one involving physical exertion, and/or amusement, diversion or fun (Thompson, 1995:1346). Sporting activities include the organisation and operation of any kind of sporting events, outdoors or indoors for professionals or amateurs, as well as the operations of the facilities in which these sports are performed (CSS, 1993:180).

It has been argued that a number of peculiarities exist concerning the production, distribution and consumption of sport, thereby placing unique demands upon marketing management (Irwin, Zwick & Sutton, 1999:1). Most sports marketers maintain that sport has specific core characteristics that make the sports product unique, thus requiring an approach that may vary from the traditional approaches of goods and/or services marketing.

To understand the nature of sports marketing, one needs to consider the various differences between goods and/or services marketing and sports marketing (Wakefield, 2002:1-6). These differences are depicted in figure 3.1 and dealt with below.

Figure 3.1 The nature of sports marketing versus traditional marketing

	SPORTS MARKETING	GOODS AND/OR SERVICES MARKETING
Consumers	Spectators and consumers	Five markets, namely consumers, industrial, government, resale, international
Loyalty	Loyal	Varying degrees of loyalty
Competition	Cooperative	Noncooperative
Product	Unpredictable, uncontrollable, universal	Predictable, controllable, adapted
Promotion	“Free”	Paid
Price	Intangible benefit	Perceived value
Distribution	“Travelling road shows”	Geographic outlets
Management	Contractual power favours players	Contractual powers favours owners/manufacturers

Source: Adapted from Wakefield (2002:7)

3.2.1 CONSUMERS

Consumers are people with specific needs that have to be satisfied and who have the financial ability to satisfy them. In goods and/or services marketing, consumers consist of five markets, namely the consumer market, industrial markets, government markets, resale markets and international markets (Cant, 2004:48). Sport consumers consist of sport spectators, also known as fans, and sport participants (Wakefield, 2002:1). Sport participants are people who participate in sport (Shank, 2002:145) and sport spectators or fans are defined as people who (Wakefield, 2002:1):

- identify with and follow the behaviour or actions of a team and/or individual players of sports teams on or off the field
- purchase the licensed merchandise of sports teams
- often buy season tickets
- often travel to watch the games of a specific team outside of their local market
- devote significant social time attending, watching and discussing a team with others who are committed and devoted to the same or other teams

3.2.2 LOYALTY

The next difference is loyalty. In goods and/or services marketing, consumers display varying degrees of loyalty to different brands (Strydom, Jooste & Cant, 2000:206), where brand loyalty refers to repeat buying (Lehmann & Winer, 1997:234). In sports marketing, however, spectators or fans identify with teams and/or individuals. In fan identification, individuals react to events that occur to the team or players as if the events had happened to them, and although fans are loyal to teams in terms of repeat purchases, fan identification is a deeper psychological affiliation that also forms a basis for the fan to determine self-esteem and self-worth (Wakefield, 2002:2).

3.2.3 COMPETITION

Marketers of branded goods and services have traditionally not cooperated in their marketing efforts. Some wholesalers and retailers may engage in co-branding or cooperative strategic alliances, but as a rule, marketers of goods and/or services, unlike sports marketers, do not cooperate in cross-promotions (Wakefield, 2002:4). Sports marketers often cooperate to preserve the success of a sports event (Goff & Spence, 2003:1). For example, during the Super 12 season, the Natal Rugby Union would promote an upcoming rugby game by mentioning not only the Sharks team, but also the team it was up against.

3.2.4 PROMOTION

As reflected in figure 3.1, another factor that differentiates sports marketing from traditional goods and/or services marketing is promotion. Sport, unlike goods and/or services marketing, receives free promotion daily in newspapers, as well as on the radio and television (Mullin, Stephan & Sutton, 2000:16). Furthermore, in goods and/or services marketing, sellers pay for the development and placement of brand advertising and promotions, whereas in sports marketing sports teams and individuals receive indirect and direct financial support to advertise and promote themselves. Fans also promote their teams indirectly by buying and wearing or displaying licensed team merchandise. Sponsors promote sport teams directly and pay for advertising and media to do so (Wakefield, 2002:2). For example, in 2002, First National Bank's rugby and athletics sponsorship amounted to R22 million (Anon, 2002a:18).

Finally, the fact that sport is broadcast on television and radio differentiates sports products from other goods and services. Typical goods and services will find it difficult to entertain consumers using only their product or service as the main attraction of the broadcast (Wakefield, 2002:2).

3.2.5 PRICE

In goods and/or services marketing, price is the value that consumers place on the utility they receive from products and services (Strydom *et al.*, 2000:430). In sports marketing, sports marketers sell their products based on the benefits the products offer to consumers (Shank, 2002:18). Also,

according to Parkhouse (2001:301), sports marketers have no control over the sports products offered to spectators because sports products are inconsistent and unpredictable. In goods and/or services marketing, this is however, not the case, because marketers have control over the product offered to consumers (Longenecker, Moore & Petty, 1997:292).

Hence, sports marketers cannot determine a price according to the value of their product, because a sporting event, for example, offers a consumer benefits and not value in the sense of a tangible benefit. The reason for this is that sports marketers cannot control the sporting event, because sports are inconsistent and unpredictable (Goff & Spence, 2003:2). Sports marketers may therefore need to alter the traditional pricing strategy.

3.2.6 DISTRIBUTION

Another difference between traditional goods and/or services marketing and sports marketing is the fact that in the former, goods and services are designated to specific geographic outlets and customers receive service from specific locations (Strydom *et al.*, 2000:272). Sporting events and teams, however, move from location to location, city to city, and nationally and globally (Wakefield, 2002:2). Sports marketers may therefore also need to adapt the traditional distribution strategy.

3.2.7 PRODUCT

Another consideration that illustrates the nature of sports marketing is the sports product. The sports product is inconsistent from consumption to consumption – the main or core sporting event or performance is just one element of a larger ensemble and sports marketers have little control over the core product (Mullin *et al.*, 2000:117). Sports marketers need to realise the fact that sports consumers do not obtain value in the sense of a tangible benefit when attending a sporting event – hence sports marketers need to take this factor of sports products into account when developing a sports product strategy.

Furthermore, in goods and/or services marketing, consumer needs vary from country to country depending on the culture and level of economic development. Another constraint is an organisation's ability to sell the same product worldwide because of countries' different product standards (Hill, 1998:491). In sports marketing, however, the sports product has a universal appeal (Goff & Spence, 2003:2). Most sports are global commodities and need little translation or alteration to be accepted across cultures (Wakefield, 2002:4).

3.2.8 MANAGEMENT

As indicated in figure 3.1, the marketing of sport does not only differ from traditional goods and/or services marketing, but some aspects of the general management of sport may also show certain differences. In the first instance, in goods and/or services marketing, salaries and benefits are largely

controlled by the owners of the outlets. Although employees have mobility, they rarely are able to single-handedly affect the outcome of the organisation by making contractual demands. Employees of sports teams are more likely to possess contractual power over employees (Wakefield, 2002:5). Secondly, in goods and/or services marketing, the cost of setting up an outlet is the responsibility of the owner, entrepreneur or organisation (Longenecker *et al.*, 1997: 220). In sports marketing, however, the building of sporting complexes is usually the responsibility of the local government and is paid for by the taxpayer (Wakefield, 2002:4; Govza, 2001:1).

Although sports marketing may be based on generic marketing principles, it is clear from the above-mentioned factors, that sports marketing does in fact differ from goods and/or services marketing and that basic marketing principles should be adapted to accommodate sports marketing (Mullin *et al.*, 2000:12).

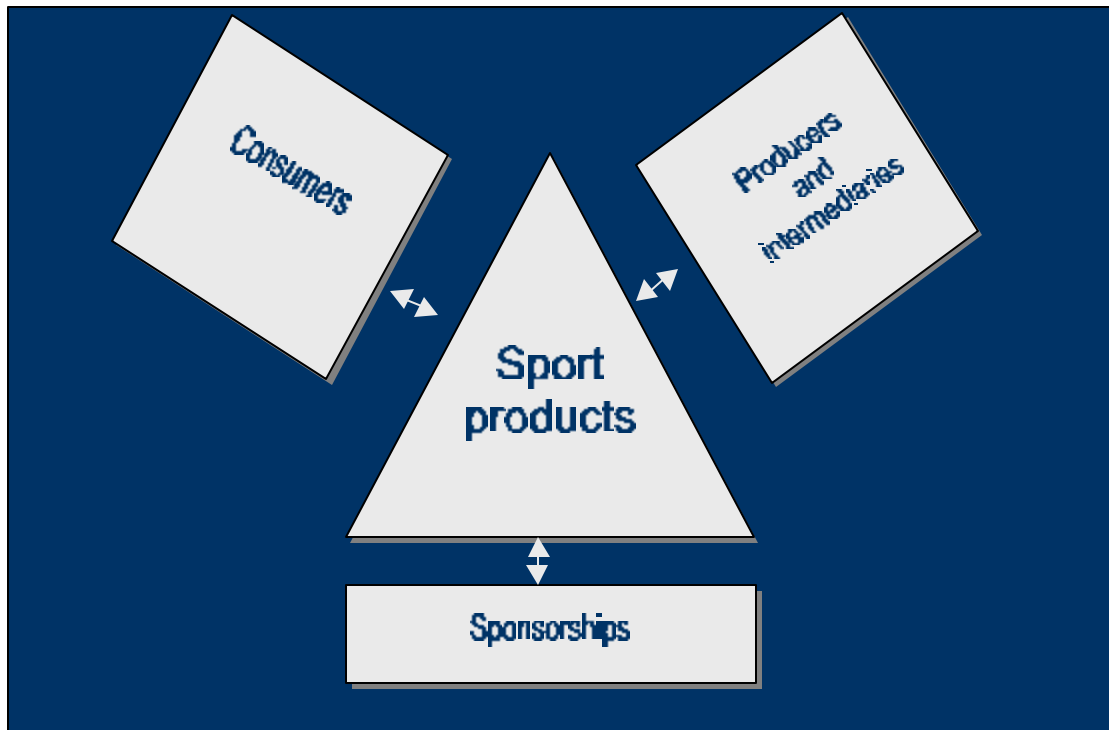
One may therefore infer that sports marketing involves building a highly identified fan base so that fans, sponsors, media and government pay to promote and support the organisation for the benefits of social exchange and personal, group and community identity within a cooperative competitive environment (Wakefield, 2002:5). To summarise, sports marketing is the marketing of sport products, which include events, services and equipment (Mullin *et al.*, 2000:8).

To succeed in sports marketing, sports marketers need to understand both the nature of sports marketing, as well as the sports industry. The sports industry will be discussed next.

3.3 THE SPORTS INDUSTRY

The growing interest in professional sports has turned sport into a lucrative business, generating large revenues annually (Shannon, 1999:518). In 1985, South Africa experienced a total corporate sport expenditure of R113 million. In 1998 the figure was R1,625 billion, and in 2002, R2,731 billion (Van der Merwe, 2003:1). Professional sport is a profit-seeking business competing for consumers in the entertainment marketplace (Irwin *et al.*, 1999:1). The sports industry consists of consumers, producers and intermediaries, sponsorships (Tuthill, 2002:1), as well as the sports product (Shank, 2002:11). These role players are illustrated in figure 3.2 and will be briefly discussed below.

Figure 3.2 Role players in the sports industry



3.3.1 SPORTS CONSUMERS

According to Shank (2002:11), the purpose of the sports industry is to satisfy the needs of sport consumers. Sports consumers and sports consumption entail many types of involvement with sports, including playing, officiating, watching, listening, reading and collecting (Mullin *et al.*, 2000:9). Each of these consumers will be dealt with in turn.

3.3.1.1 SPECTATORS AS CONSUMERS

Spectators or fans are consumers who derive their benefit from the observation of the event. According to Khumalo (2000:1), most South African spectators support soccer (54%), followed by rugby (10%) and cricket (7%). Spectators observe sporting events in two broad ways: they attend the event, or they experience the event via one of several sports broadcast media.

Spectators or fans may be either individuals or corporations (Shank, 2002:13). Corporations, for example, buy suites that are available in sports stadiums. The Wanderers Cricket Stadium houses, for instance, 171 corporate suites (Morgan, 2004:2) which are rented to large corporations. Spectator consumers can thus be classified into individuals or corporations, who either observe sporting events via media or attend a sporting event. Figure 3.3 illustrates the four distinct consumer groups.

Figure 3.3 Classification of spectator consumers

	In person	Mediated
Individual	<ul style="list-style-type: none">• In person	<ul style="list-style-type: none">• Television• Radio
Corporate	<ul style="list-style-type: none">• Suites	<ul style="list-style-type: none">• Television (boardroom)

Source: Adapted from Shank (2002:13)

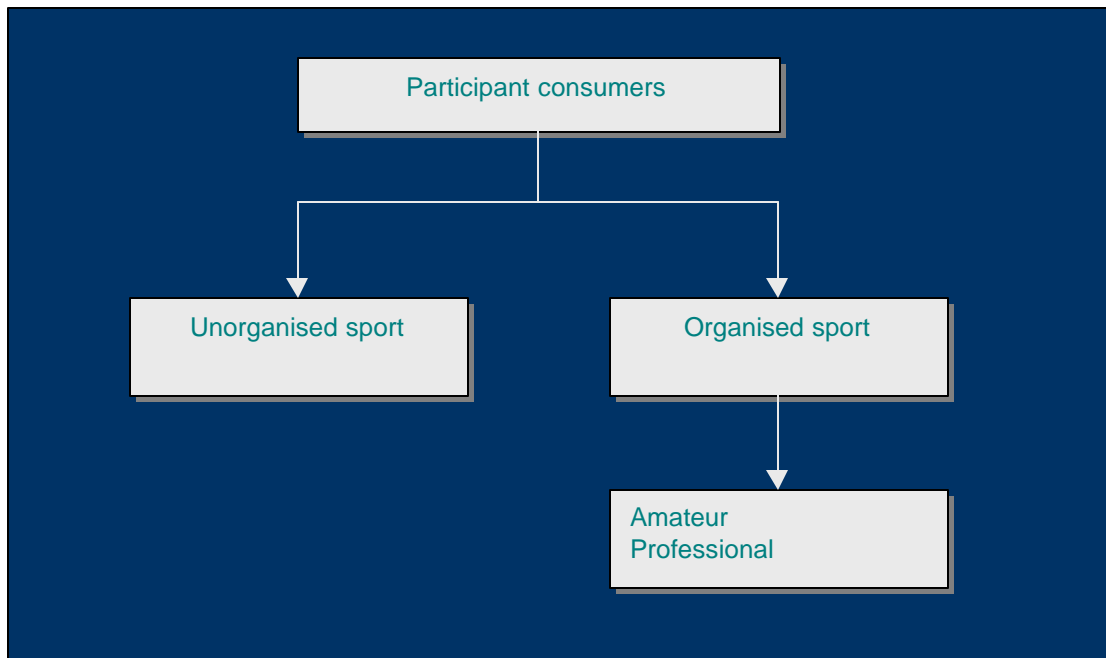
Identifying and understanding the different types of spectator consumption is a key consideration for sports marketers when designing a marketing strategy (Shank, 2002:14).

3.3.1.2 PARTICIPANTS AS CONSUMERS

In addition to watching sports, people are also active participants in various sports at various competing levels. In South Africa, only 10% of the country's population participates in competitive sport, which compares unfavourably with other countries, where ratios in excess of 50% are the norm (Govza, 2002:12). According to Shank (2002:14), as the number of participants increases, the need for sports marketing expertise in these areas also escalates. Parkhouse (2001:2) states that sport participants make up the

largest segment of sport. As illustrated in figure 3.4, participant consumers can be classified into those consumers who participate in unorganised sports and those who participate in organised sports (Shank, 2002:15).

Figure 3.4 Classification of participant consumers



Unorganised sports are the sporting activities people engage in that are not sanctioned or controlled by some external authority, such as local informal sports clubs. Organised sports, on the other hand, refer to sporting competitions that are sanctioned and controlled by an authority such as a province, association or sanctioning body, for example, SA Rugby. As reflected in figure 3.4, there are two types of participants in organised sports, namely amateur participants and professional participants. Amateur participants do not receive compensation for playing their specific sports, whereas professional sport participants do.

As reflected in figure 3.2, the sports industry consists of four role players of which the sports consumer is only one. Another role player is sports suppliers (also called sports producers and intermediaries).

3.3.2 SPORTS PRODUCERS AND INTERMEDIARIES

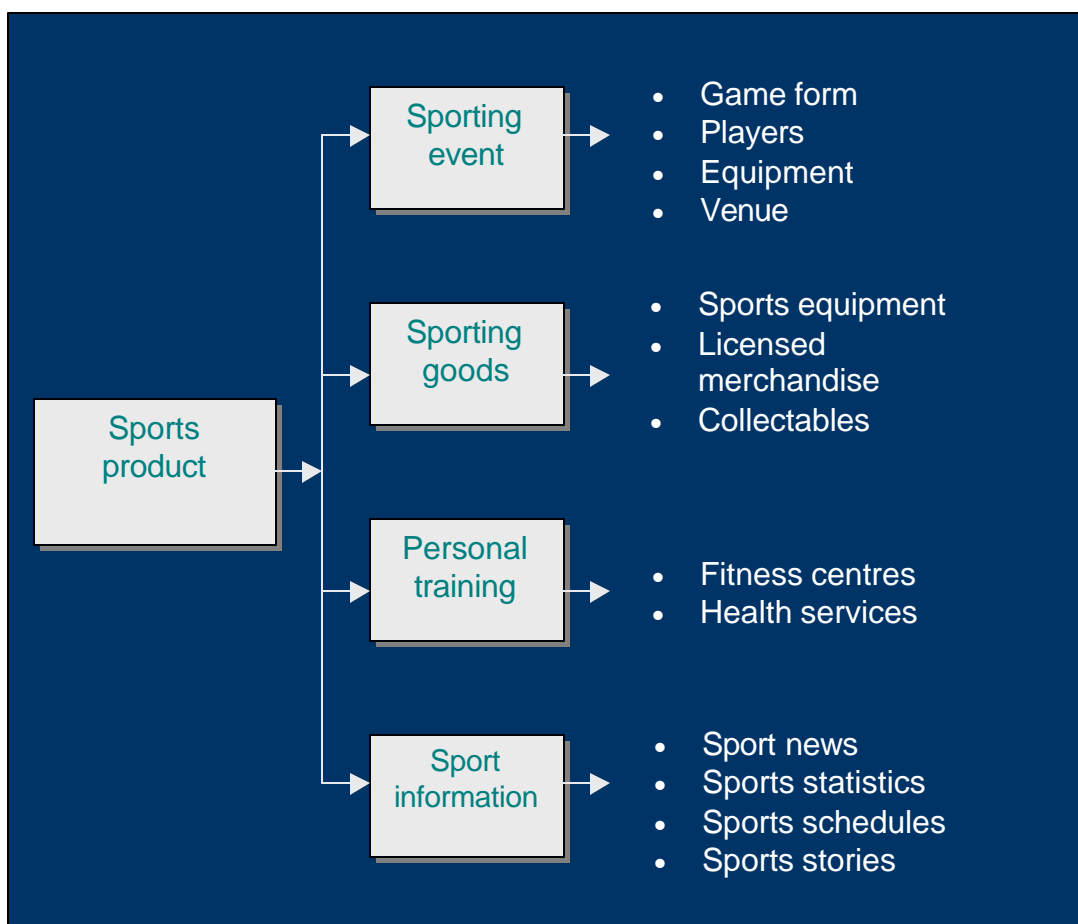
Sport producers and intermediaries represent the manufacturers of sport products or the organisations that perform some function in the marketing of sports products (Shank, 2002:25). According to Anon (2002b:520-521), the major sports organisations in South Africa are firstly NOCSA, which embodies 41 national sport federations of which 28 represent Olympic sports. Other sports organisations include Disability Sport South Africa (DISSA), Boxing South Africa, the South African Institute for Drug-free Sport, and finally, Women and Sport South Africa (WASSA).

South Africa's premier sport broadcaster is SuperSport, which reaches 1,2 million households in Africa. SuperSport targets predominantly the LSM (living standard measure) 9 and 10 categories and broadcasts to 44 countries across Africa covering 70 different sports types (Anon, 2004:1). Other sports broadcasters include SABC television and radio. Finally, sports products such as branded equipment and clothing ranges are usually supplied and distributed by sponsors (Chrislett, 1998:54).

3.3.3 SPORTS PRODUCTS

As reflected in figure 3.2, the sports product is the core of the sports industry. Sports products can be extremely diverse and complex (Mullin *et al.*, 2000:116), as is evident when the different types of sports products are considered. The various sports products are illustrated in figure 3.5.

Figure 3.5 Sports products



Source: Adapted from Shank (2002:16)

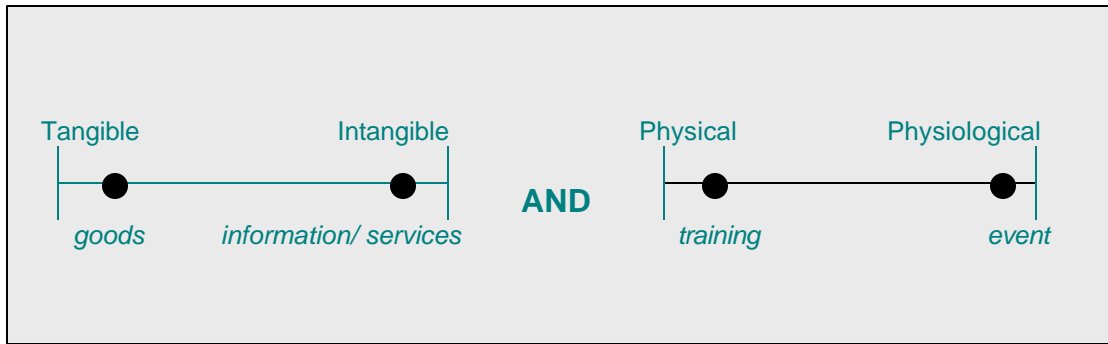
As illustrated in figure 3.5 the various sports products are as follows (Shank, 2002:16-23):

- *Sporting events.* The primary product of the sports industry is the sporting event. Sporting events refer to the competition which is needed to produce all the related products in the sports industry and consist of four components, namely the game form (rules/techniques), players, equipment and venue (Mullin *et al.*, 2000:117).
- *Sporting goods.* Sporting goods refer to those tangible products that are manufactured, distributed and marketed in the sports industry. These may include sports equipment, licensed merchandise and collectables, such as books on, say, the Rugby World Cup. In South Africa, the sports merchandising industry was believed to be worth R120 million in 2002 (Van der Berg, 2003a:5).
- *Personal training for sport.* Personal training for sport includes products that are manufactured to benefit participants in sport at all levels and include, say, fitness centres and health services such as the High Performance Centre at the University of Pretoria.
- *Sport information.* These products provide consumers with news, statistics, schedules and stories about sport. They may also supply participants with instructional materials.

Thus sports products can range from a tangible object, such as merchandise to intangible commodities, such as sports lessons. The range of sports products is illustrated in figure 3.6, and shows that some sports products are purely intangible (eg tennis lessons), and others purely tangible (tennis racquet). Other sports products are neither tangible nor intangible, but give

sports consumers some sort of physical (body building) or physiological benefit (attending a sporting event).

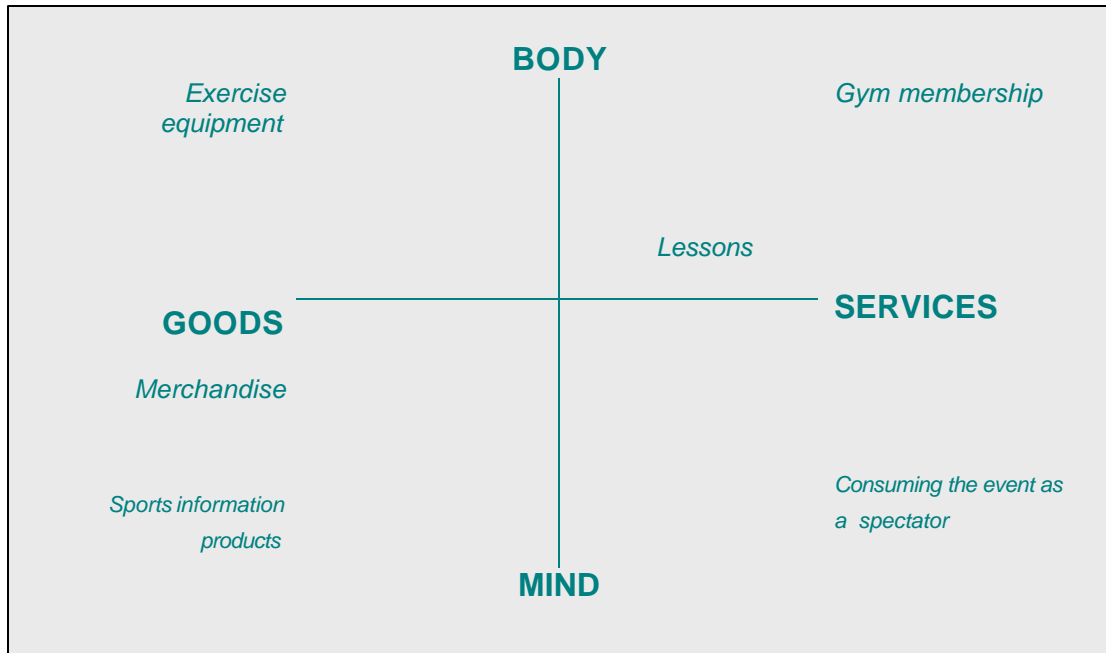
Figure 3.6 Range of sports products



Source: Adapted from Parkhouse (2001:315)

It is evident from the above that there is a wide variety of sports products, and that the definition used to define goods and services in goods and/or services marketing might be inadequate to define the total sum of sports products. Sports products are therefore more diverse and complex, because of an additional dimension, namely the body-mind continuum, which is based on the notion that some sports products benefit consumers' minds (sporting event), while other products act on consumers' bodies (participation) (Shank, 2002:24). This multidimensional nature of sports products is illustrated in figure 3.7.

Figure 3.7 The sports product map



Source: Adapted from Shank (2002:25)

As indicated in figure 3.7, the multidimensional nature of sports products is illustrated by using two dimensions, namely goods-services and body-mind. Some sports products, such as sports equipment, benefit consumers' bodies and can be classified as goods, whereas others benefit consumers' minds and are purely intangible, such as sporting events.

3.3.4 SPONSORSHIP

The final role player in the sports industry is sponsorships. McCauley (2001:9) defines a sponsorship as a partnership between a sponsor (eg a business) and a property (eg a team or a venue). Since most sports disciplines became professional, there is an ever-increasing number of events or opportunities into which sponsorships can buy (Chrislett, 1998:56). In

sport, the sponsor (which in most cases is an organisation) exchanges money or products for the right to associate its name or product with a sporting event or participant (Shank, 2002:16). A well-placed name (sponsor) can have a positive effect on business and positioning (Boostram, 2001:103). The decision to sponsor a sport may be complex. Factors that merit careful consideration include the type of sport, the level of competition, as well as whether a team or a player should be sponsored (Shank, 2002:16). In South Africa, sport such as football, rugby, athletics, showjumping, cricket and tennis attract interest from advertisers such as cellular network providers, beer manufacturers, banks and fuel manufacturers (Chrislett, 1998:53). According to Williams (2004:19), in 2003 the sport sponsorship market increased by more than R500 million to R3,23 billion in South Africa. In this country, Castle Lager is the most supported brand name among sponsorships, Vodacom second, Adidas third, Rothmans fourth and Telkom fifth (Khumalo, 2000:1). The Rothmans sponsorship was terminated in the mean time due to the ban on cigarette advertising in South Africa.

McCauley (2001:9) states that the various players in the sports industry are interdependent, with the sporting event as the core. One may therefore conclude that the primary marketing functions of the sports industry are the following (Mullin *et al.*, 2000:17):

- to provide packaged events to spectators at the venue or via the mass media

- to supply facilities, equipment and programming to participants, who then produce the game form
- to provide packaged games or events for spectators as well as facilities, equipment, and programming for participants
- to provide general administrative support, control and publicity to other sport organisations and people

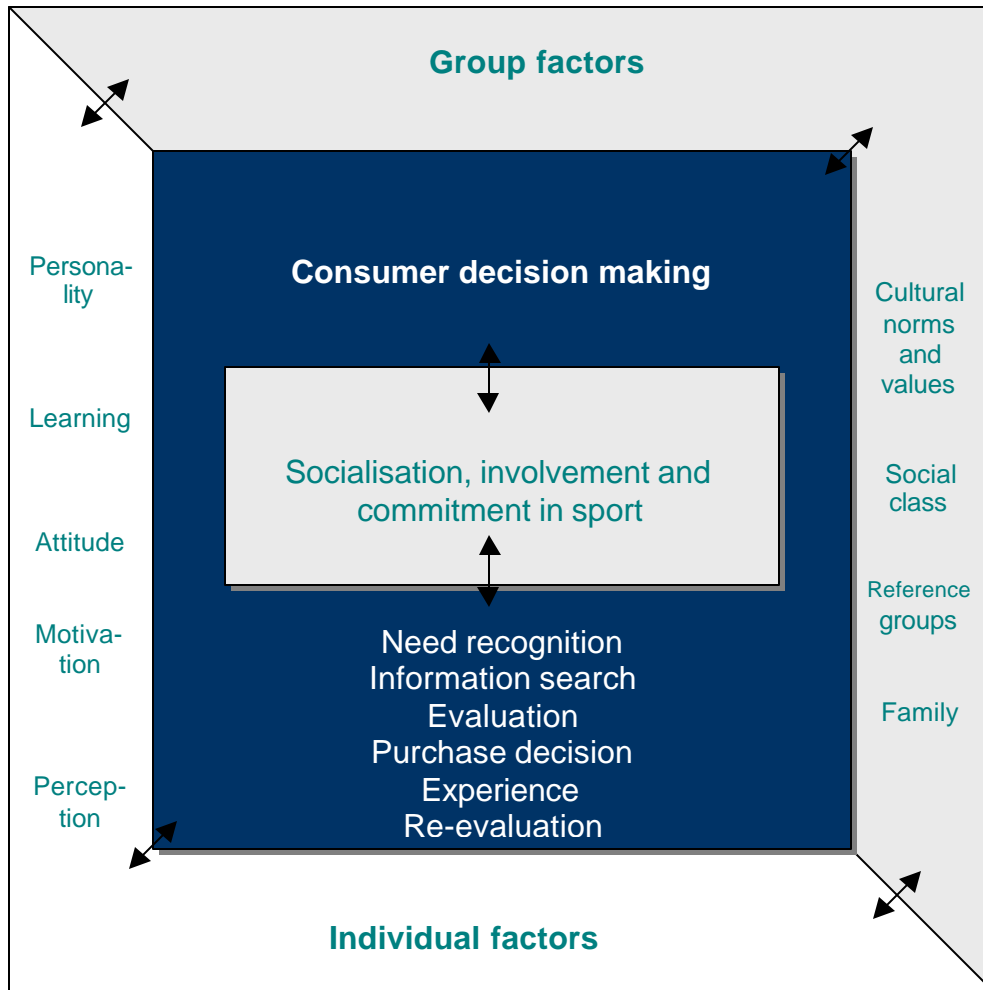
The success in the sports marketing industry will depend on the adaptation to new markets related to sport in the future (Tuthill, 2002:3). Hence to be able to reach existing and new markets, sports marketers should have adequate knowledge about sport consumers' needs and wants. To this end, sports marketers need to know the sport consumer's behaviour. This is the next topic of discussion.

3.4 SPORTS CONSUMER BEHAVIOUR

Understanding consumers' needs starts with an analysis of the behaviour of sports consumers (Parkhouse, 2001:304). Factors such as socialisation associated with sports consumption and involvement and commitment that sports consumers have towards a specific type of sport, sporting teams and/or players contribute to the uniqueness of sports marketing (Stotlar, 2002:55). There are various similarities between the consumers of goods and/or services marketing and sport consumers. These include the consumer decision-making process, as well as individual and group factors which

influence decision making. These are depicted in figure 3.8 and each will be dealt with in turn.

Figure 3.8 Consumer behaviour in sport



Source: Adapted from Mullin *et al.*(2000:58)

3.4.1 CONSUMER DECISION MAKING

The consumer decision-making process consists of the following steps (Shank, 2002:147-154):

- *Need recognition.* During the need recognition phase, consumers become aware of a need, which may, for example, be a need to learn how to play tennis.
- *Information search.* Once the need has been recognised, the consumer will search for information. He or she will gather information on all tennis coaches and/or tennis clubs, what the lessons will cost and how far he or she will need to travel for the lessons.
- *Evaluation.* When the consumer has gathered all the information, he or she will evaluate the various alternatives available.
- *Purchase decision.* Once the information has been evaluated the consumer will take action, which implies that the he or she will find a tennis coach at an affordable price and start taking lessons.
- *Experience.* During this stage, the consumer will physically attend a tennis lesson or play a game of tennis.
- *Re-evaluation.* The decision-making process concludes when the participant evaluates the tennis lessons experience. If he or she is satisfied, the decision process ends. However, if for some reason he or she is not satisfied, the whole process will start again where a new tennis coach or club or even a new type of sport will be sought.

Sports marketers should, however, keep in mind that throughout the decision-making process, consumers are influenced by external and internal factors. The external factors are better known as group factors which influence customer decision making, while internal factors are better known as

individual factors that influence customer decision making (Mullin *et al.*, 2000:58-72).

3.4.2 INDIVIDUAL FACTORS THAT INFLUENCE CUSTOMER DECISION MAKING

Individual factors influence how and to what extent people become involved in and committed to sport (Mullin *et al.*, 2000:56). Internal factors, such as in goods and/or services marketing include the following:

- *Personality.* Some sports marketers believe that consumers consume a specific type of sport because of their particular personality type. For example, aggressive people might be drawn to sports such as rugby or boxing. Shank (2002:156) concludes that although personality and sports consumption may be linked, one should not assume that there is a causal relationship between the two.
- *Motivation.* Motivation is an internal force that directs behaviour towards the fulfilment of needs. Parkhouse (2001:305) mentions that the factors that motivate sports consumers to consume sport are achievement, affiliation, health and fitness and fun and entertainment
- *Learning.* Product knowledge is a vital variable in consumer behaviour. According to Mullin *et al.* (2000:68) knowledge relates to involvement and commitment, and therefore, the more sport

consumers know about a certain sport, the more involved and committed they will be to it.

- *Perception.* Perception is a complex process of selecting, organising and interpreting information based on a person's past experience (Shank, 2002:161). For sports marketers to influence perception, they need to have their target market's attention first. This may be difficult because consumers tend to focus only on their specific needs and attitudes at that certain point in time. Hence, a good starting point would be for sports marketers to understand what their target market's perception is of the specific sport.
- *Attitudes.* Attitude is one of the long-term results of perceptions, learning and involvement. According to Parkhouse (2001:305) attitudes play a key role in consumer decision making, because people have attitudes towards all objects, which may be either positive or negative. The more positive a consumer's attitude to a certain sport or sporting team, the more likely he or she will be to either participate in the sport or support the team.

3.4.3 GROUP FACTORS THAT INFLUENCE CUSTOMER DECISION MAKING

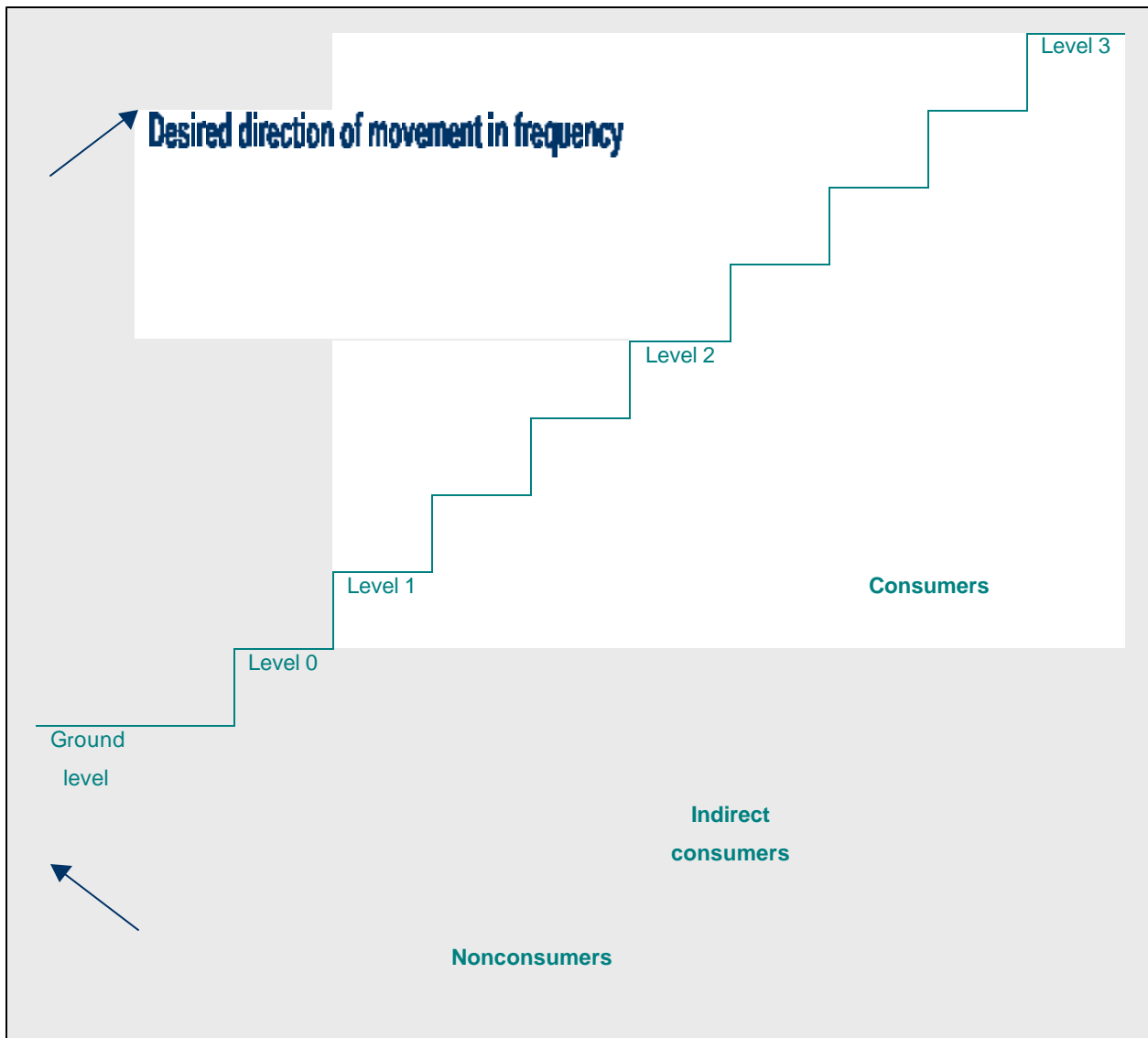
Consumers are surrounded by various factors that may influence their decisions about sport involvement (Mullin *et al.*, 2000:58). Group factors, as in goods and/or services marketing, include the following (Shank, 2002:166-172):

- *Cultural norms and values.* Culture refers to shared values, beliefs, languages, symbols and tradition passed on from generation to generation by members of a society. Cultural norms and values are widely held beliefs that affirm what is desirable by members of a society. These core values and beliefs are directly and indirectly linked to sports marketing.
- *Social class.* Social class is the homogeneous division of people in a society sharing similar values, lifestyles and behaviours that can be hierarchically categorised. Social class is important to sports marketers because it is a predictor of whether consumers will participate in or support a specific type of sport.
- *Reference groups.* Members of reference groups are individuals who influence the information, attitudes and behaviours of other group members.
- *Family.* Family is one of the primary reference groups that influences sports consumption. Sports marketers usually target families as spectators, and often use family packages to attract the whole family to, say, a gym.

From the above it is evident that sports consumer behaviour is similar to goods and/or services consumer behaviour because sports consumers also move through the decision-making process, and are influenced by individual and group factors throughout the decision-making process. However, there is a distinct difference between the behaviour of the two groups because sports consumers have an already established loyalty towards the teams or

individuals they support (Wakefield, 2002:2). Sports consumers therefore move through what is called a *staircase* or *escalator* (Mullin *et al.*, 2000:216). The escalator is illustrated in figure 3.9 and will be dealt with below.

Figure 3.9 The escalator approach to sports marketing



Source: Adapted from Mullin *et al.* (2000:117)

As illustrated in figure 3.9, sports consumers are committed to sport at different levels. Sports commitment refers to the frequency, duration and

intensity of involvement in a sport, or the willingness to expend money, time and energy in a pattern of sports involvement (Mullin *et al.*, 2000:57). There are four different commitment levels, as explained below:

3.4.3.1 LEVEL 0: NONCONSUMERS OR INDIRECT CONSUMERS

Nonconsumers or indirect consumers refer to nonaware nonconsumers, aware nonconsumers and media consumers. The nonaware nonconsumer is unaware of the existence of the sport product and consequently does not attend or participate in sport. The aware nonconsumer is aware of the sport product but does not choose to attend or participate. Media consumers are aware of the sport product and do not consume directly (by purchasing it from the organisation) but do consume indirectly through the media. This type of consumption is not limited to spectator sport but is also seen in participation sport that receives media exposure (Mullin *et al.*, 2000:215).

3.4.3.2 LEVEL 1: NONPATTERN ATTENDERS

Because they appear to attend or participate at the lowest frequency level, consumers on the first level are also referred to as light users. These consumers may be classified as having no established attendance pattern, for example, those consumers who obtained free tickets or who are first-time attenders. These people are motivated to attend by a variety of factors including weather, team performance or special events. The interest that these consumers have in the sport may or may not be influenced by factors

such as distance from stadium and financial resources. The light users appear to be the easiest of all consumers to move up the escalator (Mullin *et al.*, 2000:217-218).

3.4.3.3 LEVEL 2: ATTENDERS

Multiple attenders, or medium users, can be categorised as those consumers who attend between 10 and 30% of a team's home games or participate in an activity between 10 and 30% of the available dates. As indicated in figure 3.9, these consumers constitute the largest part the sports consumer market. Because the usage of these consumers may appear to be patterned or random, it may not be so easy for sports marketers to move them up the escalator (Mullin *et al.*, 2000:218).

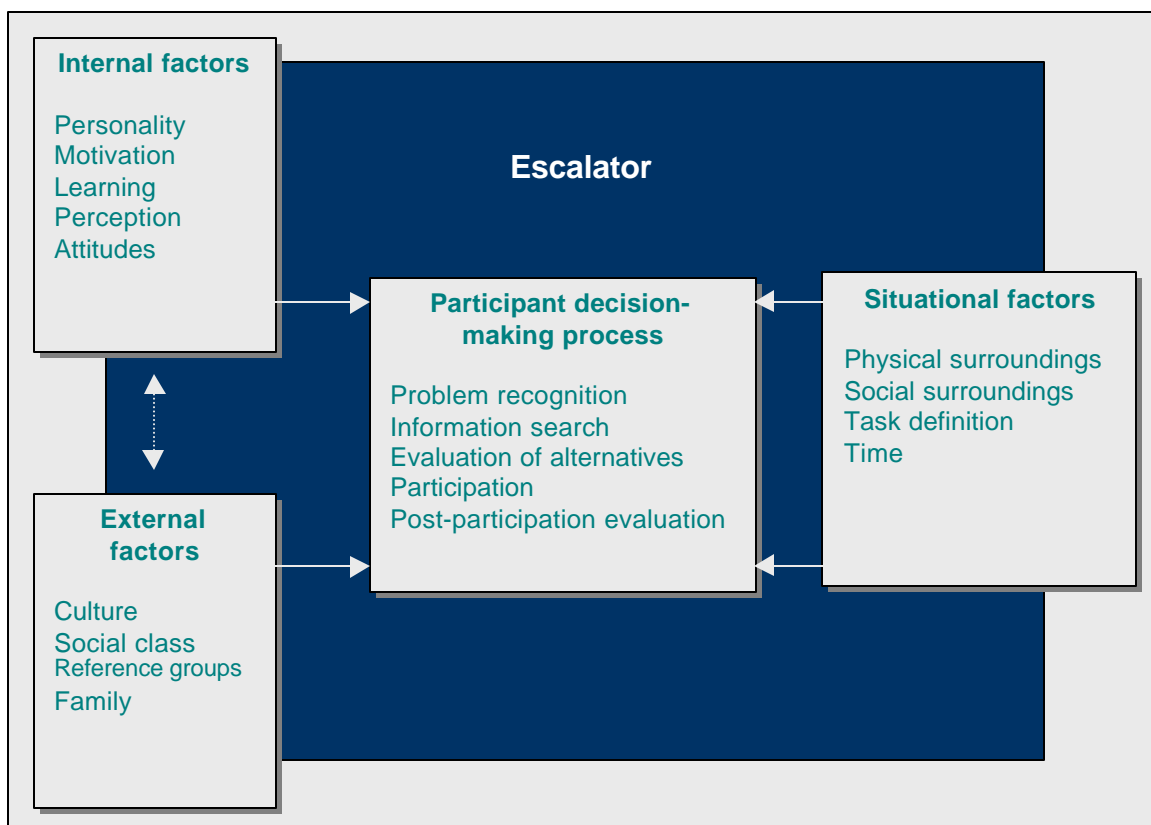
3.4.3.4 LEVEL 3: FREQUENT ATTENDERS

Frequent attenders or heavy users include, say, season ticket holders and suite holders or members of sport clubs. In terms of participation, these consumers would include the membership at a golf, tennis or fitness facility. The sports marketing strategy should include attempts to attract nonusers, but never neglect any groups currently on the escalator, who typically provide the bulk of all product consumption (Mullin *et al.*, 2000:218-219). Sports marketers should, however, keep in mind that although there are various similarities between sports spectator and sports participant consumers, there are also distinct differences between the behaviour of these two groups. Sports participant consumer behaviour will be discussed next.

3.4.4 SPORTS PARTICIPANT CONSUMER BEHAVIOUR

To successfully compete in the expanding sports participation market, sports marketers need to develop a thorough understanding of participant consumption behaviour and what affects it. Participant consumption behaviour is defined as actions performed when searching for, participating in and evaluating the sporting activities that consumers believe will satisfy their needs (Shank, 2002:145). Participation in each sport varies according to age. Some sports types are more appealing to the younger market, while others attract a more mature following (Skettino, 2000:9). Figure 3.10 illustrates the model of participant consumption behaviour and will be discussed next.

Figure 3.10 Model of participant consumption behaviour



Source: Adapted from Shank (2002:148)

Since the consumer decision-making process has already been discussed, as well as individual and groups factors that influence consumer decision making, only situational factors will be discussed below.

3.4.4.1 SITUATIONAL FACTORS

Situational factors are temporary aspects that affect participation and refer to those temporary factors in a particular time or place that influence the participation decision-making process (Shank, 2002:172). Sports involvement is the perceived interest in and personal importance of sports to an individual participating in sport (Mullin *et al.*, 2000:50). Situational factors are as follows (Shank, 2002: 174):

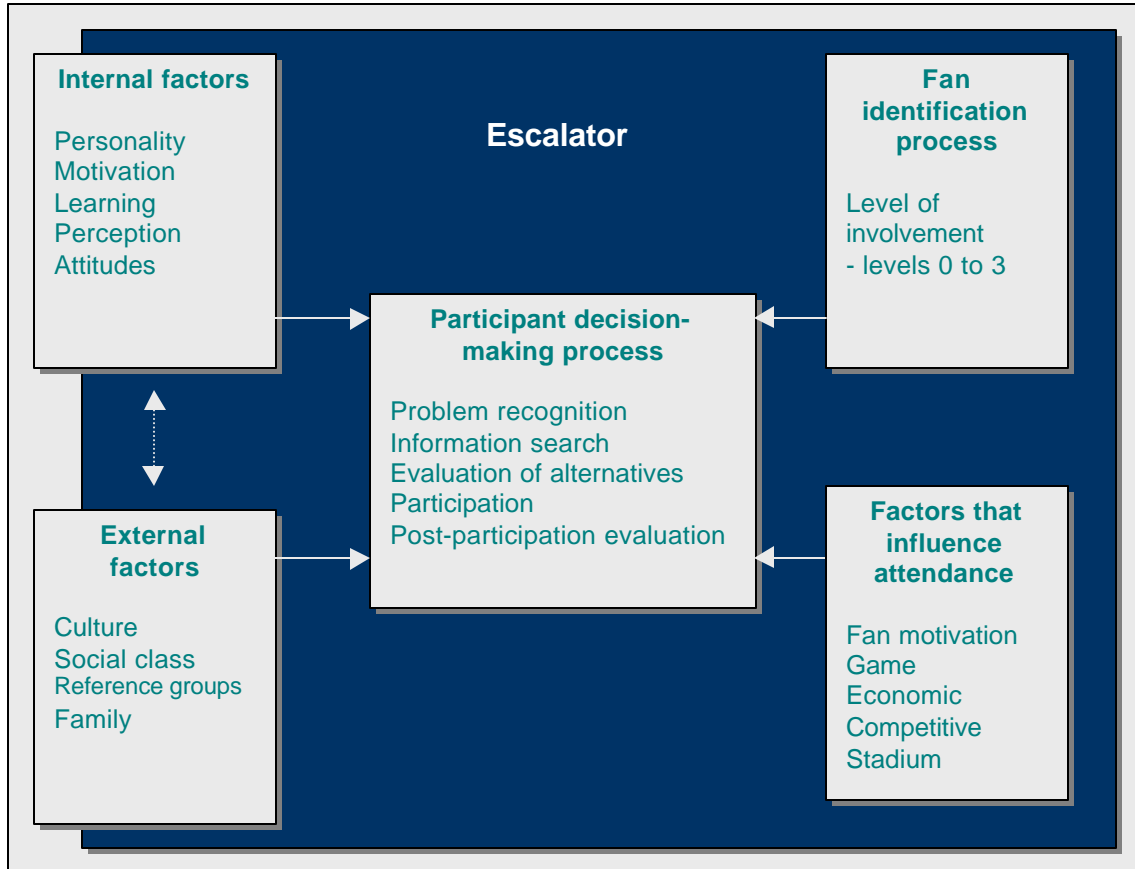
- *Physical surroundings.* Physical surroundings refer to the location, weather and physical aspects of the participation environment. For obvious reasons, factors such as weather will play a decisive role in sports participation decision making.
- *Social surroundings.* The effect of other people on a participant during sport participation is referred to as social surroundings. This implies that the person with whom the participant is, may have a positive or negative impact on participation decisions.
- *Time.* The effect of the presence or absence of time is another situational influence.

Sports marketing begins and ends with the consumer in mind (Parkhouse, 2001: 301). As stated earlier, in sports marketing there are two different types of consumers, namely sport participants and sport spectators. Although there are similarities between goods and/or services consumer behaviour and sport consumers, there are also differences. Participant consumer behaviour and the fact that sport participant decision making is influenced by situational factors have already been discussed. The topic of the next section is spectator consumer behaviour.

3.4.5 SPECTATOR CONSUMER BEHAVIOUR

As explained earlier, consumer spectators or fans are sports consumers who identify with and follow the behaviour of a team and/or individual players of sports teams on or off the field, purchase the licensed merchandise of sports teams, may buy season tickets, may travel to see games of a specific team outside of their local market and/or devote significant social time attending, watching and discussing a team with others devoted to the same or other teams (Wakefield, 2002:1). These fans identify with sports teams or individual players (Wysong, 2002:1). Fan identification is defined as the personal commitment and emotional involvement customers have with a sports team or organisation (Shank, 2002:206). Spectator consumer behaviour is illustrated in figure 3.11 and will be dealt with below.

Figure 3.11 Spectator consumer behaviour



Source: Adapted from Shank (2002:148)

According to Wysong (2002:1), spectator consumers identify with sports at different levels. Spectator identification can either be low, medium or high (Shank, 2002:208):

- *Low.* Spectators who attend sporting events primarily for social interaction or entertainment benefit of the event are characterised as low-level fan involvement.
- *Medium.* Medium identification fans identify with a team or player in the short term. These fans associate with a team or player if it or he

or she is having an especially good year, but when it or he or she starts to slump it or he or she is traded.

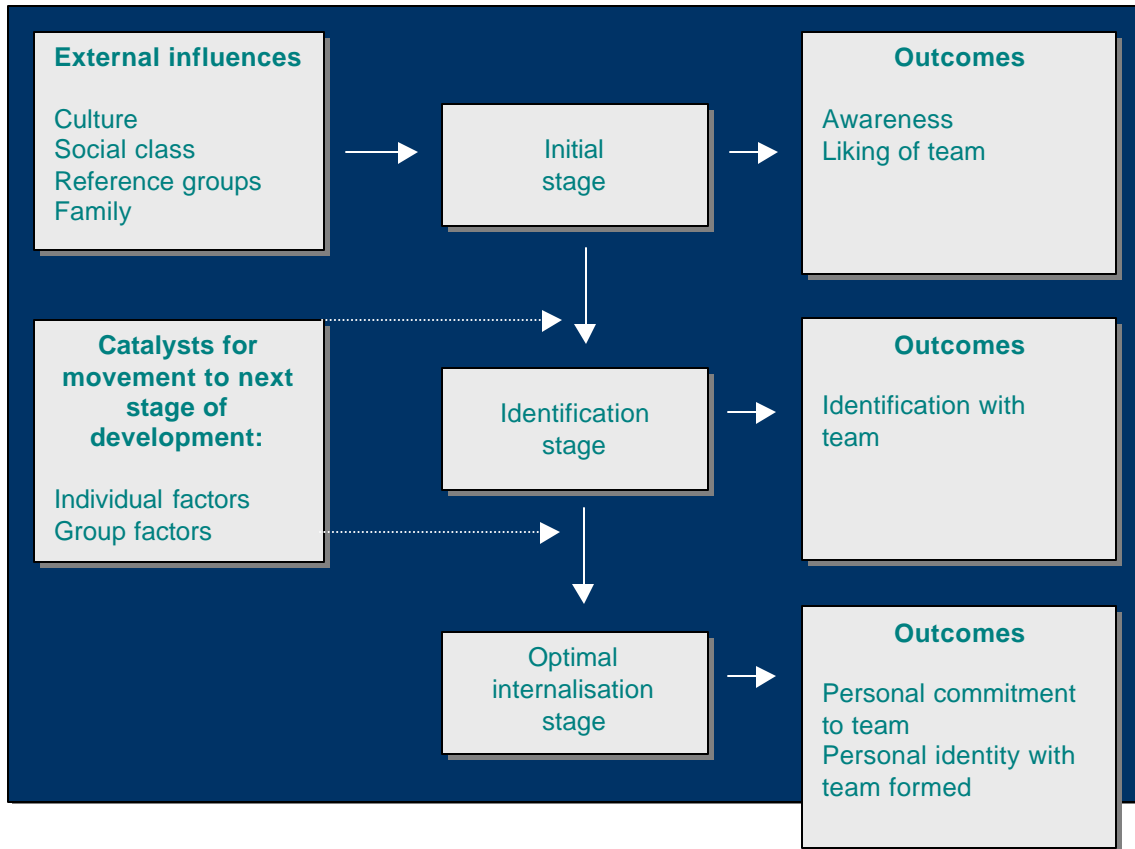
- *High.* Spectators that have high identification are those with a long-term commitment to a team or player. These fans often recruit other fans and view the team as a vital part of the community. High identification fans are the most likely to return to sporting events.

It is therefore essential for sports marketers to examine how fan identification impacts on the spectator consumer decision-making process (Wysong, 2002:1). The factors that influence participant decision making are also applicable to spectator decisions (Shank, 2002:184), but because spectator consumers have different levels of identifying with sports teams, their behaviour has a unique element. Spectator consumers move through what is called the *fan identification process* when they identify with a team and/or player (Kolbe, 2002:11-13). The process is illustrated in figure 3.12 and will be discussed below.

3.4.5.1 INITIAL STAGE

During the initial stage, the spectator consumer has minimal cognitive and/or emotional involvement with a team. He or she merely becomes aware of the team and as a result of this awareness might start liking them. During this stage, external influences such as family members, friends, media and team success are crucial factors that will contribute to the building of fan identification for the spectator (Kolbe, 2002:10). Sports marketers can create

Figure 3.12 Fan identification process



Source: Adapted from Kolbe (2002:10)

awareness and interest by communicating the availability of sport and sporting events, as well as the benefits and attitudes associated with sport and sporting events (Kelly *et al.*, 1999:473).

3.4.5.2 IDENTIFICATION STAGE

To persuade consumers to move over to the identification stage, sports marketers should ensure that fans are satisfied with their sporting experience by understanding and meeting their needs (Kelly *et al.*, 1999:473). During the identification stage, spectator consumers have a higher level of connection with a team – hence their distinct and exclusive preference for a team. During

this stage the consumer experiences personal success and failures. The spectator actually identifies with the team in this stage and external and internal decision making factors may have a strong influence on the consumer to move to the optimal internalisation stage (Kolbe, 2002:11).

3.4.5.3 OPTIMAL INTERNALISATION STAGE

At this stage of fan identification, consumers fully integrate the team into themselves, so much so that it actually becomes an extension of themselves. The consumers form a personal commitment to, as well as deep personal empathy with the team. These consumers are usually resistant to any changes made to a team (Kolbe, 2002:12). During this stage, consumers are also convinced that their team is the best compared with other teams or other forms of entertainment (Kelly *et al.*, 1999:473). Consumers are usually well informed at this point, and to such an extent that they think they are experts (Goff & Spence, 2003:1).

Understanding the depth of the relationship that a spectator has with a team is a useful characteristic that sports marketers can use to segment their markets as well as design communication themes (Kolbe, 2002:20). As mentioned above, sports spectators devote significant social time to attending, watching and discussing a team with others devoted to the same or other teams. Sports marketers need to understand why some sports spectators attend sporting events, and why others prefer to watch their team play on the television. As indicated in figure 3.9, various factors influence sports

spectators' attendance of a sporting event (Shank, 2002:18). These factors are as follows:

- ***Fan motivation factors***

Sports marketers need to understand why spectators attend sporting events. There are various motives for watching sport. The main fan motivation factors are as follows (Shank, 2002: 188):

- *Self-esteem enhancement.* Fans are rewarded with feelings of accomplishment when their favourite players or teams are winning. Fans are therefore sometimes called “fair weather fans” and their association with a team will increase when the team is performing well, and decrease when it is doing badly. For example, in 2000, when the Bulls rugby team was not performing well, a total of only 36 118 spectators attended their Currie Cup games. However, in 2002 they won the Currie Cup and a total of 107 192 spectators attended their Currie Cup games (Lake, 2002:2).
- *Diversion from everyday life.* Some spectators watch sport when they need to relax. Sport has been seen as a novel diversion from the normal routine of everyday life.
- *Entertainment value.* Sport is also a form of entertainment for many people.
- *Economic value.* Some sports fans are motivated by the potential economic gains associated with gambling on sporting events. Their

enjoyment stems from having a vested interest in the games as they watch.

- *Aesthetic value.* Others see sport as being a form of art and thus derive pleasure from the beauty of athletic performance.
- *Need for affiliation.* The need for belonging is satisfied by being a fan. Reference groups such as family and friends influence game attendance. Hence the more an individual's reference group favours going to a game, the more likely he or she is to attend a game in the future.

- ***Game attractiveness***

Game attractiveness is a situational factor that varies from game to game and week to week. The perceived quality of a single game or event is based on the skill level of the players playing the sport game. The more attractive the game, the more likely attendance is to increase. Although the Natal Sharks were Currie Cup champions as far back as in 1996, the attendance figures for their games at ABSA Stadium in Durban were relatively high and consistent. In 2000, the figure stood at 172 042; in 2001 it was 154 065; in 2002, 149 473; and in 2003 189 559 (Lake, 2002:2; Long, 2004:6).

- ***Economic factors***

Both controllable and uncontrollable economic factors can affect game attendance. Controllable economic factors include aspects of the sports

marketing environment that can be altered by sports marketers, such as the price of a ticket. Uncontrollable economic factors are those factors that sports marketers cannot influence and include factors such as the average income of the population or the economic health of a country. However, winning teams attract fans.

- ***Competitive factors***

Competition for sporting event attendance can either be direct, in the form of other sport, or indirect, in the form of other forms of entertainment. Of course, the less the competition for spectators' time and money, the more likely they will be to attend a specific sporting event.

However, one form of direct competition is the televised game. Sports marketers need to understand spectators' media habits and motivations to appeal to this growing segment.

- ***Stadium factors***

In the last eight years, the government has built more than nine new sports stadiums in South Africa (Govza, 2002:1). This has allowed more consumers to attend sporting events. Stadium factors refer to variables such as the newness of the stadium, stadium access, seat comfort and available parking. In sports marketing it is safe to say that the more favourable the fans' attitude to the stadium, the higher the attendance will be (McCauley, 2001:131).

Sportscape refers to the physical surroundings of the sports stadium which affect the spectators' desire to stay at the stadium and ultimately return it, and includes the following factors (Shank, 2002: 199-204):

- *Stadium accessibility.* Many fans have to walk long distances to reach stadiums because of the lack of parking facilities. The less accessible the stadium, the less likely spectators are to attend the sporting event.
- *Facility aesthetics.* Facility aesthetics refer to the interior and exterior appearance of the stadium. The newer the stadium, the more likely spectators are to attend the sporting event.
- *Scoreboard quality.* When attending a sporting event, fans continually monitor the scoreboard for updates on scores, player statistics or other forms of entertainment. It is thus important for a stadium to have a top-quality scoreboard, visible to all.
- *Perceived crowding.* Perceived crowding is believed to have a negative influence on the spectators' pleasure.
- *Seating comfort.* This refers to the perceived comfort of the seating and spacing of seats. The less comfortable the seating arrangements in stadiums, the less likely spectators will be to attend a sporting event there.
- *Layout accessibility.* Layout accessibility refers to whether or not spectators can move freely about the stadium to, say, reach the restrooms easily.

Sports marketing begins and ends with the consumer (Parkhouse, 2001:301). Because the needs and demographics of sport consumers have become more complex and competition for the spectators' support and the players' participation has increased, the demand for professional sports marketing has also grown (Mullin *et al.*, 2000:8). By understanding sports consumer behaviour, sports marketers can develop a sports marketing strategy that will reach their customers. This is the next topic of discussion.

3.5 THE SPORTS MARKETING STRATEGY

Professional sport executives agree that sport and business are managed in a similar fashion (Irwin *et al.*, 1999:1). Because sports marketing ideally consists of activities designed to meet the wants and needs of sport consumers (Mullin *et al.*, 2000:9). These activities are market segmentation, targeting and positioning, and the marketing mix, which will be dealt with next.

3.5.1 MARKET SEGMENTATION AND TARGETING

To succeed in the highly competitive sports industry, the sports marketer must know something about the people who will be the ultimate customers. This learning consists of examining the characteristics and needs of the target market, including the consumer's lifestyle and purchase decisions (Parkhouse, 2001:306). Because sports consumer trends appear to change rapidly, it is essential for sports marketers to gather information systematically and continuously (Mullin *et al.*, 2000:79). The information collected through

marketing research can be as basic as identifying where spectators live, how far they travel or how old they are (McCauley, 2001:63). Critical data to be kept at hand on the nature and extent of the sports market area are as follows (Mullin *et al.*, 2000:82-84):

- size of the market
- the purchase behaviours and consumption patterns of those residing and/or working in the market
- the level of spectatorship or participation in a sport broken down according to demographic categories
- data on future trends
- data on individual consumers
- data on competitors

The reasons why, say, fans attend or do not attend specific sporting events can be determined by marketing research (McCauley, 2001:163). SA Rugby, for example, estimates that it has nearly eight million adult stadium and television spectators (Lünsche, 2003b:1). Sports marketers need a marketing information system to segment their market (Mullin *et al.*, 2000:35). According to Parkhouse (2001:312), market segmentation is the process of dividing the overall market into groups with relatively similar product needs so that a specific sports marketing offering can be developed to match those needs. The aim of market segmentation is thus to segment the overall population according to common characteristics (Goff & Spence, 2003:1). Market segmentation can be extremely complex in sports marketing, because a sport

or sports player may appeal to several markets (Host, 2002:48). For example, a cricket player such as Makhaya Ntini may appeal to young people, black South Africans and cricket purists. The bases for market segmentation are as follows (Mullin *et al.*, 2000:34-35):

- *Demographic information.* Demographic information includes information on factors such as the age, gender, income and education of consumers. According to Fink, Trail and Anderson (2002:18) sports marketing should investigate gender differences in sport spectator behaviour regarding the development of loyalty and effectiveness of different marketing strategies.
- *Geographic information.* This includes information on the location of consumers, as well as the population density of the areas in which they reside. For example, in South Africa the most supported sport is soccer. However, the soccer target market (91% of which are black South Africans) need to travel long distances to attend soccer games (May, 2002:47).
- *Psychographic information.* Psychographic information refers to information on consumers' lifestyle factors such as activities, interests and opinions. For example, sports marketers need to determine what makes spectators attend sporting events.
- *Product usage rate.* This includes attendance frequency. According to May (2002:47), only a third of South African soccer spectators have not attended a live soccer match.

- *Product benefits.* Product benefits refer to product attributes or benefits that are most important to consumers, as well as consumers' perceptions of major benefits of the product and its competitors.

The target market comprises those sports consumers at whom promotional efforts are aimed (McCauley, 2001:6). Market targeting consists of the decision processes and activities conducted to find a market to serve. Once the market segments have been identified, the sports marketer can plan the strategy to reach the selected targeted segment or segments and initiate the exchange process (Parkhouse, 2001:312). Sport may have a variety of target markets and getting to them individually and as a whole is the key (Goff & Spence, 2003:1). For example, soccer marketers should keep in mind that among male audiences, 91% of blacks, 97% of coloureds, 63% of the Indians and 23% whites watch soccer - of which 74 percent of the total market are males and 63 percent females (May, 2002:47). Factors such as selling tickets, selecting promotions, booking entertainment and advertising will vary according to the target market. In sports marketing, sports marketers will select target markets on the basis of the level of the sports team (McCauley, 2001:81).

To succeed in sports marketing, sports marketers need to understand both the nature of sports marketing and the specific application of marketing principles and processes to the sports context (Parkhouse, 2001:319). According to Van der Merwe (2003:1), rugby, cricket and soccer have the

ability to be positioned in the higher reaches of the LSM scale, which includes higher-income earners and members of the upper social class.

If sports marketers have a good idea of who their target market is, and have positioned themselves in that specific target market, they can design their marketing mix accordingly.

3.5.2 MARKETING MIX DECISIONS

Sports marketing is commonly associated with promotional activities such as advertising, sponsorships, public relations and personal selling. Although this is true, sports marketers are also involved in product and service strategies, pricing decisions and distribution issues (Parkhouse, 2001:315). These activities are referred to as the sports marketing mix, which is defined as the coordinated set of elements that sports organisations use to meet their marketing objectives and satisfy consumers' needs (Shank, 2002:30). The four elements of the sports marketing mix, namely product, distribution, price and promotion, will be discussed next.

3.5.2.1 SPORTS PRODUCT

A product can be described as any bundle or combination of qualities, processes and capabilities (goods, services and/or ideas) that a buyer expects will deliver want satisfaction (Mullin *et al.*, 2000:12). Aspects of sports marketing, such as ticket sales, parking and stadium comfort, are

based on services marketing. Therefore sports marketers should also have an understanding of services marketing, because spectators equate value with high levels of consumer service (Shank, 2002:30). However, the peculiar bundling of the sports product distinguishes it from goods and/or services. For example, each sport is regulated by special rules, special facilities and special equipment and each specific sporting types requires its own physical prowess and physical training on the part of participants (Mullin *et al.*, 2000:12-13).

Furthermore, it is impossible to regularly sell out games without great support from the local spectators. Hence a team must be successful, or at the very least competitive, in every game (McCauley, 2001:83). The most important aspect of the sports product as part of the marketing mix is that it is unpredictable and uncontrollable (Parkhouse, 2001:301). Sports marketers could therefore offer additional entertainment at sporting events to ensure that the spectators feel they had a positive experience even though their team lost (Mullin *et al.*, 2000:336).

3.5.2.2 DISTRIBUTION

Traditionally, the role of distribution is finding the most efficient and effective way to get products to consumers. Factors such as inventory management, transportation, warehousing, wholesaling and retailing are all controlled by distribution managers (Strydom, 2002:6). Tangible sporting goods, such as sporting equipment and marketing sports products on the Internet are

examples of sports products that can be marketed via the traditional goods and/or services marketing distribution channels. However, delivering sport to spectators in the most effective and efficient way is also a function of the sports marketer. Elements that merit consideration include the sports stadium experience and ticket sales. The success of ticket sales depends on support from spectators or fans, the visiting team, the day of the game and the time of the season (McCauley, 2001: 83).

SA Rugby increased the accessibility of the physical game to consumers when they purchased Ticketweb, thus shortening the distribution channel and thereby ensuring that rugby game tickets were easy accessible (www, 2002d:29).

3.5.2.3 PRICING

As in the case of goods and/or services marketing, sports marketers are also concerned with pricing strategies such as setting pricing objectives, choosing a pricing technique and making adjustments to prices. For example, during the 2002 rugby season the Blue Bulls Rugby Union priced season tickets between R550 and R850. Season tickets sold for R450 to R650 in 2003 (Smith, 2003:2).

However, as stated in section 3.2, sports marketers have no control over the quality of the sporting event offered to consumers. If, for example, consumers are charged a premium price for a final between two teams, one would hope

that the spectators would be pleased with the performance of their team, whether the team wins or loses. This would imply that the spectator paid a high price for high quality, but because sports marketers have no control over the quality offered to spectators observing a sporting event, they need to consider other aspects such as giving the spectators the feeling that they received value for money, even though their team performed poorly. For example, after the Bulls' outstanding Currie Cup performance in 2002, 80% of Bulls' season tickets had already been sold before the 2003 rugby season had even commenced (Smith, 2003: 2).

3.5.2.4 PROMOTION

Sports marketing communication refers to communicating to those consumers who attend sporting events in person, as well as those who read about the event in a newspaper or magazine, listen to the radio, watch television, tune into the Internet and participate in the sport (McCauley, 2001:22). A key to the effective use of promotional strategies and activities is when sports marketers determine what they wish to accomplish and design a specific promotional activity to achieve this outcome (Parkhouse, 2001:321).

Sports marketers, like in traditional goods and/or services marketers can consider the following marketing communication elements (Shank, 2002:358-390):

- *Advertising.* In sports advertising, sports marketers present a paid message about their organisation's product (Parkhouse, 2001:322) and it includes print and broadcast media, billboards and signage.
- *The Internet.* The Internet is one of the most rapidly growing advertising mediums, and sports marketers can use a number of approaches to capitalise on the availability of this resource (Mullin *et al.*, 2000:1999). Most sports organisations in South Africa have their own website, where consumers can, say, check on scores or team selections.
- *Sales promotion.* Sales promotions are a variety of short-term, promotional activities designed to stimulate immediate product demand, and include premiums, contest and coupons (Shank, 2002:388). During the rugby season, sports consumers have various opportunities to win rugby tickets through local newspapers and radio stations.
- *Personal selling.* Personal selling is referred to as face-to-face selling (Mullin *et al.*, 2000:240) and is used in a variety of ways in sports marketing. For example, personal selling is used for securing corporate sponsorships or selling corporate suites at stadiums.
- *Publicity and public relations.* Publicity is a nonpaid, nonpersonal message about the sports product, and is often more credible than advertising (Parkhouse, 2001:324), while public relations is any activity designed to create goodwill for a business or enhance its image (McCauley, 2001:123). For example, negative publicity in the media

about racism in the Springbok team, could have turned away borderline supporters (Moodie, 2003a:30).

Sports marketers should keep in mind that sport has “free” advertising almost daily in newspapers, magazines, radio and television, which can be utilised to the benefit of all stakeholders.

3.6 CONCLUSION

Sports marketers need a rational, coherent system that can match sports consumers to sport products (Mullin *et al.*, 2000:8). In this chapter, sports marketing was discussed by first looking at the nature of sports marketing, which led to a discussion of the sports industry. Sports consumer behaviour was then examined, concentrating on sports participant and sports spectator consumer behaviour. The chapter concluded with a discussion of a sports marketing strategy.

To summarise, sports marketing is the marketing of sports products, events and services. In essence, aspects of sports marketing can be viewed as a special case of marketing a brand (Kelly *et al.*, 1999:472), although according to Moodie (2003b:1), managing a sports brand is complex. To enable sports marketers to build and manage a strong brand, they should first ensure identification of their brands with consumers and establish the totality of brand meaning in the minds of consumers. They should ensure that they have

established a strong brand by determining the brand equity. These concepts will be discussed in detail in the next chapter.