

CHAPTER 3

CONTEXTUALISING SPORT MARKETING AND SPORT SPONSORSHIP

"Sport has become a marketing medium in and of itself, with the ability to target, segment, promote, and cast products and services in heroic lights"
(Schlossberg, 1996:6).

3.1 Introduction

The literature review in the previous chapter indicates that marketing texts hardly devote any attention to sport marketing and sport sponsorships as theoretical constructs. This chapter will therefore cover the theoretical contextualisation of sport marketing and sport sponsorship.

In Chapter 1 (p7) the view was stated that the definition of sport marketing should focus on three main themes, namely the marketing of an organisation and its products and services through sport (usually through a sport sponsorship); the marketing of sport bodies and codes (often the main beneficiaries of sponsorships); and the marketing of sport products and services (where the option exists to include sponsorships in the marketing communication mix). Sport sponsorship is therefore covered by all three themes. It is therefore argued that sport sponsorship, as a theoretical construct should not be studied in isolation from its broader theoretical base, namely sport marketing.

In this chapter a number of views on defining sport marketing will be discussed. It is argued that a comprehensive definition should be formulated that will determine where sport-focussed marketing mix elements fit in for organisations who include sport sponsorship as a marketing tool in their marketing mix. Such a definition should include sport marketing strategy formulation, examples or applications of sport marketing, and also refer to the marketing of sport bodies and codes.

Before sport marketing is discussed a brief overview is needed to revisit current definitions of marketing and related theoretical constructs. The aim of such an overview is to apply general marketing constructs to sport marketing. If such application is possible it can be argued that sport marketing is an application area (or sub-discipline) of marketing such as services marketing, business-to-business marketing, retail marketing, international marketing and not-for-profit marketing.

3.2 Defining marketing and related constructs

Theoretical marketing constructs need to be defined to enable proper application to the development of sport marketing as a theoretical construct.

3.2.1 A brief perspective on defining marketing and related theoretical constructs

A selection of authors was consulted to determine views on marketing and the marketing concept, marketing management, marketing activities, marketing strategy, and the strategic marketing management process.

3.2.1.1 Defining marketing and the marketing concept

Marketing is defined as:

- A social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others (Kotler 1997:9).
- The process of influencing voluntary exchange transactions between a customer and a marketer (Zikmund & D'Amico, 2001:7).

Marketing is therefor an organisational management process that focuses on customers, needs and wants, and exchange processes.

The marketing concept refers to how marketing activities are integrated toward achieving organisational goals such as profitability by determining and satisfying needs and wants of target markets (Stanton, Etzel & Walker, 1991:640; Churchill & Peter, 1995:679; Kotler, 1997:19; and Zikmund & D'Amico, 2001: 651).

These authors emphasise that the marketing concept rests on four pillars: organisational goals, profitability, integrative marketing activities and need satisfaction.

3.2.1.2 Defining marketing management

The following definitions are based on the American Marketing Association's (1985:1) view that marketing management is:

- the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organisational goals (Churchill & Peter, 1995:7; Kotler, 1997:15; and Lamb, Hair & McDaniel, 1999:4).
- the process of planning, executing, and controlling marketing activities to attain marketing goals and objectives (Zikmund & D'Amico, 2001:30);

Marketing management refers therefor to how the process of customer need satisfaction is managed within a context of achieving organisational goals and objectives by integrating a number of marketing activities.

3.2.1.3 Defining marketing activities

In an earlier book, Zikmund & D'Amico (1999:31) state that advertising, pricing, & personal selling are marketing activities and "not marketing".

It is assumed that marketing activities refer to how marketing mix elements or variables are integrated in marketing plans, programmes or strategies that will subsequently be briefly addressed.

3.2.1.4 Defining a marketing plan and a marketing programme

Brassington & Pettitt (2000:838) define a marketing plan as a detailed, written statement specifying target markets, marketing programmes, responsibilities, time-scales and resources to be used, within defined budgets. Marketing programmes are tactical actions involving the use of marketing mix variables to gain an advantage within the target market and are the means of implementing the chosen marketing strategy.

3.2.1.5 Defining the strategic marketing process

Zikmund & D'Amico (2001:40) identify the six major stages of the strategic marketing process as: Identifying and evaluating opportunities; analysing market segments and selecting target markets; planning a market position and developing a marketing mix strategy; preparing a formal marketing plan; executing the plan; and controlling and evaluating the results. Lamb *et al* (1999:11) refer to the same sequence but they label it just as the "marketing process".

The strategic marketing process is the entire sequence of managerial and operational activities required to create and sustain effective and efficient marketing strategies.

3.2.1.6 Defining marketing strategy

- A marketing strategy defines target markets, what direction needs to be taken and what has to be done in broad terms to create a defensible competitive position compatible with overall corporate strategy within those markets (Brassington & Pettitt, 2000:837).
- A plan identifies what marketing goals and objectives will be pursued and how they will be achieved in the time available (Zikmund & D'Amico, 2001:31).

- A plan that involves selecting one or more target markets, setting marketing objectives, and developing and maintaining a marketing mix that will produce mutually satisfying exchanges with target markets (Lamb *et al* 1999:13).

These views led to the assumption that a marketing strategy matches organisational objectives with target market opportunities.

3.3 Applications or specialised fields of general marketing

Some authors of marketing texts, usually in chapters at the end of their texts, discuss a number of marketing applications or specialisations that are deemed to have significant differences in their marketing focus. These differences, although not specifically stated by most authors, seem to revolve around the particular marketing environment and the adaptation of the marketing mix to enable marketers in such an application field to apply general theoretical marketing constructs to marketing plans, programmes and strategies. They all seem to agree that theoretical marketing constructs discussed in section 3.2 apply in general terms to each of these application or specialisation fields.

The most notable applications or specialisations identified are:

- Marketing of services (Kinnear & Bernhardt, 1990:682; Stanton, Etzel & Walker, 1991:484; Pride & Ferrell, 1993:746; Dalrymple & Parsons, 1995:207; Churchill & Peter, 1995:380; Jobber, 1995:661; and Brassington & Pettitt, 2000:939);
- Business-to-business marketing (Pride & Ferrell, 1993:720; Boone & Kurtz, 1998:294; and Lamb *et al*, 1999:125);
- International marketing (Kinnear & Bernhardt, 1990:730; Stanton *et al*, 1991:524; Pride & Ferrell, 1993:778; Dalrymple & Parsons, 1995:397; Jobber, 1995:661; Kotler & Armstrong, 1997:525; Van der Walt, Strydom & Jooste, 1999:573; and Brassington & Pettitt, 2000:998); and
- Non-profit marketing (Kinnear & Bernhardt, 1990:708; Stanton *et al*, 1991:506; and Brassington & Pettitt, 2000:983);

- It must be noted that most of these authors include chapters on retailing as part of the P for place (distribution).

It must also be observed that Kotler & Armstrong (1997:525) refer to global marketing as an "extension of marketing". For the purposes of the debate in this script it would be assumed that "extension" to them would mean the same as "application" or "specialisation" to the other authors. In an effort to increase the readability of this section the term **marketing application** will be used from now on.

It is argued that if it was possible to apply general marketing constructs to a particular field of marketing and if a dedicated and differentiated marketing mix existed for such a field of marketing then this field should be regarded as an application area of marketing. In the absence of a dedicated marketing mix for such a field some discussion has to exist on how or why the traditional marketing mix had to be modified to suit the particular marketing environment of that application.

A question arises whether sport marketing can be regarded as an application field within the scope of general marketing. If its inclusion can be based on applying theoretical marketing constructs then it can be added to the identified set of marketing application fields (services, business-to-business, non-profit, international, and retailing). Its importance will have to be established before it could be included at different levels in marketing theory, research, discussion and training.

Before an attempt is made to answer the question whether sport marketing can be added as marketing application a brief literature overview is required on those fields that can be regarded as marketing applications. Particular reference will be made on whether marketing constructs were applied and whether a modified marketing mix exists.

3.3.1 Services marketing

A seminal work by Booms & Bitner (1981:47) identified that the services marketing mix had to be adapted to include three new Ps, namely people, physical evidence and process (see Chapter 2). Cowell (1993:69) agrees with their revised mix, but Lovelock (1991:223) modifies the traditional marketing mix to include the importance of customer service employees, while Bateson (1995:41) refers to the traditional 4Ps. Only a few authors (Jobber, 1995: 675 and Brassington & Pettitt, 2000:27) of general marketing texts have included a discussion on the seven Ps of services marketing. It can be concluded that some services marketing authors adapted and applied the theoretical marketing constructs and that a dedicated and differentiated services marketing mix exists.

3.3.2 Industrial marketing or business-to-business marketing

A number of texts on industrial marketing or business-to-business marketing such as Bingham & Raffield (1990:250-543); Reeder, Brierty, & Reeder (1991:137-241); Morris (1992:265-295); Haas (1995:290-328); Hayes, Jenster & Aaby (1996:45-66); Hutt & Speh (1998:223-501); and Dwyer & Tanner (1999:184-400) discuss how general marketing constructs can be applied to this particular marketing application. Although not specifically discussed, there seems to be general consensus that a marketing mix, different from the 4P-model, for business-to-business marketing does not exist. Emphasis is placed on the importance of certain marketing communication mix elements such as personal selling, business advertising, telemarketing, trade fairs and exhibitions, and trade-orientated sales promotions.

3.3.3 Retail marketing/retailing - retailing mix/retail mix

Levy & Weitz (1992:12) define the **retail mix** as the combination of factors used by retailers to satisfy customer needs and influence their purchase decisions. They include (p 13) the following elements in the retail mix: pricing, services,

merchandise, store design and display, advertising and promotion, personal selling, location and merchandise.

Lusch, Dunne & Gebhardt (1993: 845) define the **retail mix** as the set of major retail decisions consisting of pricing, merchandise, selling environment (location and store building), promotion, and selling. Mason, Mayer & Ezell (1994: 38) define the **retailing mix** as those variables that are used as part of a positioning strategy to compete in chosen markets. They add presentation (store design, layout and merchandise) and customer services to the traditional four Ps to create a retail marketing mix.

Lucas, Bush & Gresham (1994:19) define the **retail mix** as the controllable parts of the retail manager's environment and consists of elements such as pricing, merchandising, service, promotion strategies, as well as store personnel, ambiance, and location.

Mason, Mayer & Wilkinson (1993: xiii) add the selling unit to the **retail mix**. This unit consists of the presentation strategy (atmosphere, layout, and merchandise presentation) and the location strategy.

A number of texts on retailing doesn't specify a retail or retailing mix. By implication the following authors discuss aspects that could form the basis of modifying the traditional marketing mix to a retail marketing mix:

- Cook & Walters (1991, vi) merchandise, customer service, trading format, store environment, and customer communications strategy.
- Risch (1991, xi) merchandising and retail image.
- Levison (1991: xvi) site selection, merchandising and product, service, procurement, inventory, price, promotions, advertising.
- Pintel & Diamond (1991:ix) merchandise management, pricing, advertising, visual merchandising, sales

- promotion, direct retailing, and personal selling.
- Morgenstein & Strongin (1992:iv) store location, store image (design, layout, store services), buying, merchandise planning, pricing, retail selling, visual merchandising display, promotion (advertising, sales promotion, public relations and publicity).
- Berman & Evans (2001: xxii) store location, merchandise management and pricing, and communicating with the customer.

Most retail texts also discuss how general marketing constructs can be applied to this particular marketing application.

3.3.4 International marketing

The following authors apply general marketing constructs to this application field: Jeannet & Hennessey (1995:v); Czinkota & Ronkainen (1998:xv); Kotabe & Helsen (1998:xvii); Doole & Lowe (1999:vii); Cateora & Graham (1999:xi); Muhlbacher, Dahringer & Leihs (1999:xiv); Terpstra & Sarathy (2000:xi); and Jain (2001: v).

It must be noted that Jain (2001:96) argues that some frameworks and concepts such as market segmentation which may be at the core of local marketing decision-making is unusable in the global arena "not because the concept cannot be transferred but because the information necessary to make such a transfer is not available".

Terpstra & Sarathy (2000:491/2) state that "elements of the (marketing) mix have a different influence from country to country, (and) the appropriate mix for a given market should have some degree of individuality". Czinkota & Ronkainen (1998:509) include the following aspects in globalising the

marketing mix: product design, brand name, product positioning, packaging, advertising, pricing, distribution, sales promotion and customer service. Muhlbacher *et al*, 1999:692 emphasise the major interrelationships of logistics aspects with the other elements of the marketing mix such as communication and packaging, transport and public relations, product management and delivery. Johannson (2000:xvii-xix) identifies the following to be part of a global marketing mix: global products and services; global pricing; global distribution; and global advertising, sales promotion, publicity, public relations, sponsorships, direct marketing, and personal selling. Sponsorship is discussed (p 476) by referring to "sponsoring a World Cup match by plastering the brand name and piggybacking on the television broadcasts has helped companies to establish a strong identity in the global marketplace".

3.3.5 Not-for-profit marketing

Kotler, Ferrell & Lamb (1987:v) discuss a number of readings and views and emphasise that it is possible to address aspects such as services and service delivery, and pricing, marketing communicating and distributing such services, when a marketing mix for not-for-profit marketing situations is designed.

Kotler & Andreasen (1996:1-63) apply general marketing constructs to this application field and they define the not-for-profit marketing mix (p vi) to consist of product or service management, social marketing, marketing channels, and communications consisting of advertising, sales promotion, public relations, and personal selling

In conclusion to this section it can be stated that after a brief literature review on a selection of texts on services marketing, industrial or business-to-business marketing, retail marketing, international marketing, and not-for-profit marketing the following needs to be noted:

- Some authors have adapted and applied the theoretical marketing constructs (as discussed earlier in section 3.2) to fit the particular marketing situation of these application fields of general marketing. The same fit for sport marketing will be established in the next section.

- The main differences of opinion about these application fields are efforts by authors to define a set of marketing mix elements to enhance better decision-making in satisfying customer needs and exploiting profitable opportunities in their target markets.

In the next section a sport marketing mix will be defined and discussed to conclude the discussion on whether sport marketing has an important place in the scope of general marketing. If sport marketing were accepted as an application field of marketing the importance of sponsorship as a theoretical construct would also be enhanced.

3.4 Sport marketing as an application field of marketing

Sport marketing has some unique characteristics that differentiate it from the marketing applications discussed in the previous section. These differences require a significantly adapted approach in formulating sport marketing strategies and plans. The critical differences lie in the unique characteristics of sport as a product or service and the unusual marketing environment in which sport marketers need to operate.

3.4.1 Sport as a product or service has certain unique characteristics

Unique characteristics create "unusual marketing conditions in which the sport has to be marketed" (Gouws, 1997:296). These characteristics can be summarised as follows:

- a) *Sport organisations compete against each other but at the same time, also work together.*

In the first instance, various variables are observed in the market for sport products and services. No sport organisation can survive in isolation, because sport is based on competitive action. Where an organisation has to compete against opponents, it has to voluntarily co-operate with opponents in order to arrange a sporting event. Add to this that sport users usually regard themselves as experts while the outcome of the sport being played is totally

unpredictable. This explains partly why the marketing of a sport product or service is unique. No other business is perceived as simplistically by the spectator or user, as is the case with sport, and to make the matter even more complex, no business situation exists where the user of the product identifies so intimately with the business as in sport.

b) The sport product is usually also subjective, and not measurable.

Sport spectator experiences are totally subjective. This makes it very difficult for the sport marketer to measure the success of the sport product or service. For instance, a number of supporters of a certain team may attend a match and numerous different kinds of feedback may be given regarding the degree to which satisfaction has been achieved.

c) The sport product is not constant and is totally unpredictable.

A match contested today, will probably offer a totally different result a week later, even though it involves the same players, officials and facilities. Add to this the large number of variables such as the weather, player injuries, changes in team composition, the tempo of the match, the response of the spectators and the history of the two teams, and a totally different result and a different product or service outcome is possible. Even with individual participation where two tennis players, for instance, may play against each other, the product or service may differ from one match to another, even though the facilities and players may remain the same. The unpredictable result of the end product or service of a sporting event leads to tremendous mental participation by sport users ranging from fanatical support to psychological frustration.

d) Emphasis is placed on expansion of the sport product and not the product itself.

Because sport marketers cannot foresee the outcome of a match, they tend to, and are also forced, to place the emphasis on sport expansions and not

the sport product as such. With events such as the World Cup Rugby Tournaments, the value of sport expansion was realized. A large industry developed around the World Cup. Although World Cup marketers had no control over the outcome of the matches, there is a consistency in the quality of products that were manufactured and marketed as a result of the event.

e) *Sport is manufactured and consumed in public.*

All sport is manufactured in public and nearly all sport products and services are consumed in the presence of other people. In some cases, the enjoyment of the match and the satisfaction of the spectators depend on social interaction with other spectators at the match. The poor conduct of soccer hooligans in Europe, for instance, gave a bad reputation to soccer as a sport product.

f) *Sport is consumed by end-users and organisations.*

Sport is a product or service that is used by the end-user, but it is also used by large organisations to promote their products and services. This is one of the reasons why organisations at big sport stadiums purchase suites where their clients can be entertained, and in many cases, these clients are not even supporters of that particular sport or event. No product is linked so closely to personal identification and emotional involvement as sport. Supporters of a team regard themselves as part of the team and their participation, even as spectators, forms a large part of their view of life. Sport supporters (and to a lesser degree the participants) accept that the sport product is their property and to many spectators, this is a critical composition of their daily way of life.

g) *Control over composition content or quality.*

The sport marketer seldom has control over the composition of the primary product in sport and in many cases has no control over the content or quality of product expansions. The industrial marketer may, for instance, do research on client expectations and then create a product together with the production line, which will satisfy the client. Where sport is marketed to the spectator, this practice is not at all relevant. Even the structure of leagues or competitions

are managed by the administrators of the sporting codes concerned, without much input from the sport marketer

h) Sport has a universal impact.

Sport penetrates virtually into all levels of society. Sport is geographically presented in virtually every population group on earth, and up to now, it played a significant part in most cultures. Sport is also played and watched by all demographic segments (young, old, male, female, workers and managers) of the population. Sport can indeed be regarded as a bridge builder across different cultures - rugby and soccer in South Africa are good examples. Sport is also associated with all aspects of leisure-time activities and it satisfies the most basic needs of individuals. For instance sport is associated with relaxation, entertainment, exercise, eating habits, drinking habits, sex, gambling, stimulants, physical violence, social identification, the economic and legal environment, religion, business and industries.

In section 3.4.4 the final comment will be made on whether sport marketing should be added as an application field of marketing. A review of current thought on sport marketing is required first to determine to what extent sport marketing theorists have applied theoretical marketing constructs to sport marketing to accommodate the unique characteristics of sport as a product or service and the unique marketing environment sport marketers need to operate in.

3.4.2 A theoretical overview on defining sport marketing

In the following section two distinct streams of thought concerning sport marketing definitions are identified. The two streams are:

- Sport marketing is defined in terms of the general definition of marketing.
- Sport marketing is defined in terms of examples or applications of sport marketing.

Sources consulted seem to follow either one of these schools of thought. Their implications in defining a sport marketing mix will be discussed later in this chapter.

A chronological and theoretical overview of definitions of sport marketing from such sources, should highlight how the development of sport marketing as theoretical construct has developed since Kesler's definition was coined in 1979. It is argued that these views should indicate the level of thinking among authors that are reporting on their research projects or authors that are contributing to theoretical development and discussion.

3.4.2.1 A theoretical perspective on defining sport marketing based on general marketing constructs

Some authors apply traditional marketing constructs to sport marketing.

Stotlar (1993:7&8) does not define sport marketing but argues that any sport organisation should follow the traditional marketing approach in setting up a marketing plan:

Do a product and service analysis; do a situational analysis; analyse target markets; set marketing strategies; design the marketing mix (4Ps), penetration, diversification and niche development; set up a system for implementation and control; and do costing, public relations, and budgeting.

Pitts & Stotlar (1996:80) define sport marketing as the process of designing and implementing activities for production, pricing, promotion and distribution of a sport product to satisfy needs or desires of consumers and to achieve the organisational objectives. It is significant that they focus on the traditional 4Ps. Their definition addresses only the first thrust as described by Mullin *et al* (1993:6) i.e. the marketing of sport products and services - see section 3.4.2.3.

Parkhouse (1996:254) uses an approach that reflects the traditional definition of the marketing process: "...the identification of organisational and product-related characteristics and the incorporation of these characteristics in the development, presentation, positioning, and delivery of the sports product through promotional and media strategies to the selected consumer target market(s)".

Schlossberg (1996:1 - 6) has a range of views and describe sport marketing as:

- interaction with customers in the general public - having a customer orientation is one of the pillars of the marketing concept.
- how companies separate themselves by identifying with athletic heroes and their prowess - differentiation is part of marketing strategy.
- selling products, sponsoring teams and individual performances, providing souvenirs to players, providing scholarships and funding good causes, providing brands, samples and coupons for distribution at sport events, involvement in sport awards, manufacturing sport equipment and facilities - integrative marketing mix.
- how organisations use the emotional attachment of the fans to their sport heroes and teams to position themselves to sell more of their products and services, to increase their awareness and goodwill as the conduit to sports for the average fan, and to be sure trade customers feature and promote their products and services - relationship marketing and positioning as part of the marketing strategy.

His definition includes a range of important traditional marketing constructs, that may be regarded as important aspects in marketing decision-making i.e. customer orientation, differentiation, integrative marketing mix, relationship marketing and positioning. It is therefore important to note that Schlossberg (1996:6) categorically states that "Sport has become a marketing medium in and of itself, with the ability to target, segment, promote, and cast products and services in heroic lights". This view holds major implications for any

debate on whether sport marketing is an application of marketing such as services marketing.

The views discussed in this section emphasise that sport marketing can be defined in terms of general marketing constructs. Sport marketers should evaluate the sport marketing environment, identify sport marketing opportunities in terms of sport consumers' needs and wants, identify sport target markets and implement and integrate marketing mix elements to gain profitable advantages.

3.4.2.2 A chronological-theoretical perspective on defining sport marketing in terms of applications or examples of sport marketing

Some authors use examples and applications to define sport marketing.

Lewis & Appenzeller (1985:102) identify two applications to define the concept of sport marketing:

- The marketing of sport - the use of the marketing mix variables to communicate the benefits of sport participation and spectatorship to potential consumers; and
- Marketing through sport by using sponsorships as a vehicle to promote and advertise their products - usually to specifically identifiable demographic markets.

This definition is also used by Shilbury *et al* (1998:12).

McPherson, Curtis & Loy (1989:115) are of the opinion that sport marketing is: "... to sell sport products, requires innovative marketing campaigns. Sport is also a setting to entertain clients and a medium to market non-sport products".

Callecod & Stotlar (1990:76) define sport marketing as:

- the use of sport or sport figures to promote consumer products;
- the marketing of sport products; and
- the marketing of sport as a product.

DeVous (1994:173) defines sport marketing as "...from hosting a special event during the Super Bowl to officially sponsoring an Olympic team to underwriting a local tennis tournament". She also adds that "A sports marketing strategy begins by defining the organisation's sponsorship objectives".

Alonzo (1994:44 & 45) argues that sport marketing "includes promoting the sponsorship of an event enough to make an impact on the public's perception through:

- Advertising campaigns about affiliation to a major sport event;
- New packaging using the logo of the event on corporate publications;
- Event related promotions such as sponsoring pre-event tours and clinics;
- Entertaining customers at hospitality facilities; and
- Rewarding top salespeople with incentive trips to the main event

Jensen (1994:30) describes sport marketing programmes that can range from:

- A sponsorship of the US Olympic team or the NBA and using their logos in advertising;
- The sponsorship of a golf tournament or auto race that comes with perks like signage and hospitality;
- Involving people in the sponsor's products and also building relationships with dealers; and
- Providing global brand and product promotion opportunities.

Brooks (1994) did not provide a real definition but this author combines some of the P's (product and pricing) with sponsorship as an equal marketing tool. She also discusses sponsorship publicity.

Graham *et al* (1995:x) have a very broad view and use the term "sport event management and marketing" that includes the administration, coordination, and evaluation of any type of event related to sport".

Schaaf (1995:23) places a heavy emphasis on publicity and allude that sport marketing is simply any sales or publicity-related activity associated with an

organised sport event (or events), its personalities, or the celebrity lifestyle of its participants.

Evans *et al* (1996:207) summarise sport marketing as:

- the use of sport as a promotional vehicle for consumer and industrial goods and services;
- the marketing of sports products, services and events to consumers of sport; and
- sport associations adapt a market orientation to remain commercially viable in an intensively competitive environment.

Their views tie in with Van Heerden (1998:358) who formulated three scenarios that contextualise sport marketing and indicate that sport marketing has a three-pronged focus.

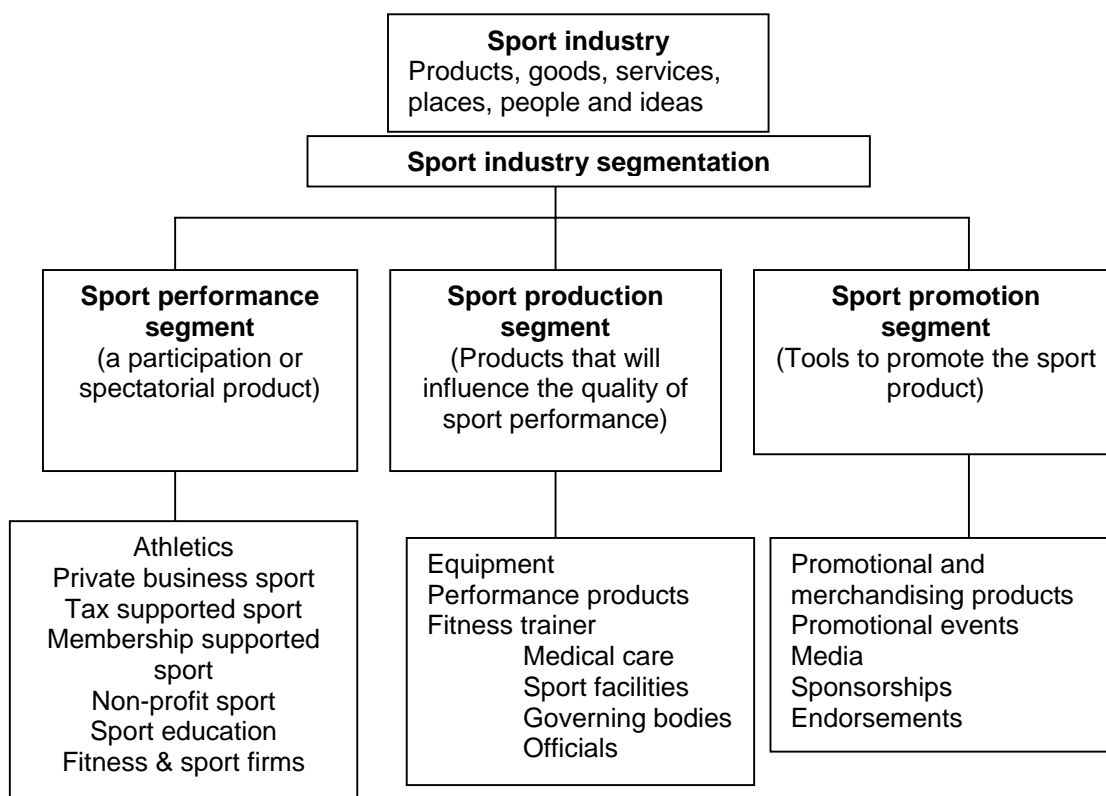
- the marketing of sport products and services, such as equipment and facilities, which might be consumed by professional athletes or amateur hackers; (Scenario 1)
- the marketing of an organisation through its association, such as a sponsorship, with sport events, teams or individuals; (Scenario 2) and
- the way sport bodies and codes market themselves and their events to attract sponsorships participants, spectators, funding, and corporate involvement (Scenario 3).

According to Van Heerden (1998:360-367) sport marketing therefore can range from lifestyle or leisure activity marketing (Scenario 1) to a corporate marketing strategy which includes some elements of sport marketing in the marketing mix (Scenario 2) to affinity marketing and/or event marketing (Scenario 3). The exact make-up of a generic sport marketing mix is therefore quite difficult and sport sponsorships will have a different application in each scenario. In scenario 1 a sport sponsorship by a marketer of sport products and services can be directed at specific user-target markets for example Speedo sponsoring the national swimming championship. Scenario 2 covers the situation where a non-sport related sponsor can use a sport sponsorship to market itself or its

products or services to sport-related target markets such as Mr Price being the clothing sponsor to sport teams. In scenario 3 the sporting bodies and codes and sporting personalities are the main beneficiaries of sponsorships. It can be argued that their level of marketing orientation and/or their marketing success rate (and perhaps professional behaviour) might influence their attractiveness to sponsors.

The notion that an organisation can market itself through its association, such as a sponsorship, with sport events, teams or individuals should therefore not stand on its own as a definition of sport marketing - some organisations are involved in sport and others not. Its involvement in sport is derived from its overall marketing strategy.

Another angle on defining sport marketing is the Sport Industry Segment Model (Figure 3.1).

FIGURE 3.1 SPORT INDUSTRY SEGMENT MODEL

Source: Pitts & Stotlar (1996:145)

This model postulates that sport marketing might have a three-pronged approach in terms of target marketing. These segments being:

- The sport performance segment) (a participation or spectatorial product);
- The sport production segment (products which will influence quality of sport performance); and
- The sport promotion segment (tools to promote the sport product).

Sponsorship is included in the third segment but the sponsorship decision-making process is unfortunately not described. This model is valuable in terms of describing that target marketing applies in sport marketing as it does in other forms of marketing and it also aids the understanding of how traditional marketing principles can and should be applied to sport marketing.

The views discussed in this section emphasise that sport marketing can be defined in terms of practical examples of how sport marketing is applied to reach organizational objectives.

3.4.2.3 Bridging the gap between the two main streams in defining sport marketing

In sections 3.4.2.1 and 3.4.2.2 two main streams of thought that sport marketing can be defined, firstly, by applying theoretical marketing constructs, and secondly, by defining sport marketing in terms of practical applications and examples were discussed.

In this section a number of views are discussed that link the two main streams. The view is that a more comprehensive definition of sport marketing should cover both streams. It would emphasise that sport marketing is based on sound theoretical marketing constructs and appropriate practical examples exist which prove that sport marketing is a vibrant application field of marketing.

Three seminal texts (Mullin *et al*, 1993 and 2000; Shilbury *et al*, 1998; and Shank, 1999) link both distinct streams of thought to sport marketing.

Mullin *et al* (2000:9) define sport marketing as all those activities designed to meet the needs and wants of sport consumers through exchange processes. They argue that sport marketing has developed two major thrusts:

- The marketing of sport products and services directly to consumers of sport, and
- The marketing of other consumer and industrial products and services through the use of sport promotions.

Shilbury *et al* (1998:12) regard sport marketing as the marketing of sport; and marketing through sport by using Lewis & Appenzeller's (1985:102) definition. They therefor define sport marketing in terms of applications and examples.

Their view that sport marketing is the "marketing of sport" - the use of the marketing mix variables to communicate the benefits of sport participation and spectatorship to potential consumers, ties in with the Participation Segment of the Sport Industry Segmentation Model of Pitts & Stotlar (1996:18) – see Fig 3.1, and the first major thrust as described by Mullin *et al* (1993:6).

"Marketing through sport" - by using sponsorships as a vehicle to promote and advertise their products and usually to specifically identifiable demographic markets ties in with the Performance Segment of the Sport Industry Segmentation Model of Pitts & Stotlar (1996:18) – see Fig 3.1, and the second major thrust as described by Mullin *et al* (2000:9).

Shilbury *et al*'s (1998) text is "Strategic Sport Marketing" and they manage to provide a comprehensive discussion on how the strategic marketing planning process can be applied to sport. Their views, which address the first stream of thought – defining sport marketing in terms of applying theoretical marketing constructs can be summarised as:

- Understanding the environment in which sport competes;
- Understanding the internal capabilities of the organisation; and
- Determining the marketing mission and objectives.

Shank (1999:2) defines sport marketing as "the specific application of marketing principles and processes to sport products and to the marketing on non-sport products through association with sport". He defines (1999:27) the sport marketing mix as involvement in promotional activities such as advertising, sponsorships, public relations, and personal selling and involvement in product and services strategies, pricing decisions, and distribution issues.

The text by Shank (1999:30) also follows a strategic approach to sport marketing in terms of a discussion that strategic sport marketing is the process of planning, implementing, and controlling marketing efforts to meet organisational goals and satisfy customer needs.

Most texts include sport product marketing or sponsorships as an ingredient of a sport marketing mix in their discussion of what sport marketing is. A neglected area of any discussion on sport marketing is the marketing of sport bodies and codes. Sport marketing texts hardly ever refer to this dimension. In the next section a theoretical discussion on the marketing of sport bodies and codes are suggested.

A comprehensive definition of sport marketing is also formulated in the next section and more debate is offered on whether sport marketing should be regarded as an application field of marketing.

3.4.3 Applying theoretical marketing constructs to developing sport marketing constructs

The different perspectives discussed in section 3.2 enables the researcher to apply theoretical marketing constructs to developing appropriate sport marketing constructs

The following applications of theoretical marketing constructs to sport marketing theory is suggested:

3.4.3.1 Defining sport marketing and applying the marketing concept

A combination of the definition of sport marketing by Shank (1999:2); the three-scenario approach of Van Heerden (1998:358); and the view of Evans *et al* (1996:207) is postulated as a comprehensive definition of sport marketing.

Combining these views would lead to the following definition of sport marketing:

Sport marketing is the specific application of theoretical marketing principles and processes to sport products and services; the marketing of non-sport and sport-related products and services through an association - such as a sponsorship - with sport; and the marketing of

sport bodies and codes, their personalities, their events, their activities, their actions, their strategies and their image.

A question arises whether the marketing concept, as a theoretical marketing principle, can be applied to sport marketing. It is argued that by referring to how sport marketing activities are integrated toward achieving organisational goals such as profitability and by determining and satisfying needs and wants of sport target markets (as adapted from Stanton, Etzel & Walker, 1991:640; Churchill & Peter, 1995: 679; Kotler, 1997:19; and Zikmund & D'Amico, 2000: 651), then the marketing concept can be applied to sport marketing.

The marketing concept as applied to sport therefor rests on four pillars:

- The organisational goals of sport sponsors, sport marketers, sport bodies and codes;
- Outcomes of the sport marketing programme such as profitability;
- Integrating sport marketing activities into the sport marketing programme; and
- Satisfying the needs of sport users, including participants, spectators, and sponsors.

3.4.3.2 Defining sport marketing management

Sport marketing management can be defined as:

- the process of planning and executing the conception, pricing, promotion, and distribution of sport events, personalities, ideas, goods, and services to create exchanges that satisfy individual and organisational goals (Applied and adapted from: Churchill & Peter, 1995:7; Kotler, 1997:15; and Lamb *et al*, 1999:4).

3.4.3.3 Defining the strategic sport marketing process

The entire sequence of managerial and operational activities required to create and sustain effective and efficient sport marketing strategies and the six major

stages (Adapted and applied from: Shilbury *et al*, 1998:19; and Zikmund & D'Amico, 2001:40) are:

- Identifying and evaluating opportunities in the general marketing environment, but in particular, in the sport marketing environment;
- Analysing sport market segments and selecting appropriate sport target markets;
- Formulating appropriate sport marketing objectives e.g. increase in the awareness of a brand after a specified sponsorship time frame or sponsored event;
- Planning a sport market position and developing a sport marketing mix strategy e.g. sport body is committed to development of previously disadvantaged groups;
- Preparing a formal sport marketing plan for marketing sport products and services, integrating sponsorship as part of an organisational marketing plan or a stand-alone marketing plan e.g. for sport bodies and codes, their events, personalities and their image;
- Executing the sport marketing plan through an integration of marketing and marketing communication variables; and
- Controlling and evaluating the results e.g. measuring sponsorship effectiveness and the return on investment in terms of sales and/or increased business.

3.4.3.4 Defining sport marketing strategy

A sport marketing plan identifies sport marketing goals and objectives, selects target markets, develops and maintains a sport marketing mix that will produce mutually satisfying exchanges between the sport marketer and the sport target markets (Applied and adapted from: Lamb *et al* 1999:13; and Zikmund & D'Amico, 2001:31). The target markets can then be applied and adapted from the Sport Industry Segment Model by Pitts & Stotlar, 1996:18 (see Figure 3.1). In the following section a comprehensive debate is offered on how the sport marketing mix should be formulated.

3.4.3.5 Constituting and defining the sport marketing mix

Shank's (1999:27) definition of the sport marketing mix is used as the starting point to discuss its constitution: "The sport marketing mix is commonly associated with promotional activities such as advertising, sponsorships, public relations, and personal selling. Sport marketers are also involved in product and services strategies, pricing decisions, and distribution issues". This definition does not differentiate sport marketing in clear terms from general marketing but further debate will now be offered.

In sections 3.4.3.1 – 3.4.3.4 definitions and some thoughts were given on the scope of sport marketing theory. At first one's marketing instinct urges that a sport-related marketing mix must have already been developed to cover all theoretical aspects of sport marketing.

Desk research revealed that only a small number of texts (see Table 2.2) discuss the relationship between different elements of the sport-related marketing mix and which elements should be included in such a mix. This unfortunately leads to a lack of understanding on the interdependence between such elements.

It can be postulated that the spotlight should be focused on how specific elements (product, price, place and integrated marketing communication - sponsorships, publicity, media relations and advertising) differentiate a sport related marketing mix from the traditional marketing mix.

The traditional marketing mix and some important issues regarding its conceptualisation need to be examined before its application to sport marketing can be understood. The traditional marketing mix was scrutinised in Chapter 2 to evaluate its extension to sport marketing. The traditional marketing mix consists of four major elements "Ps": price, product, promotion (or marketing communication), and place (distribution) (Kotler:1988; McCarthy & Perreault:1990; Kotler & Armstrong:1993 and Stanton *et al*:1994:68).

An elaboration of new sets of Ps, such as the 5 Ps of insurance (Pillsbury, 1989:10) and the 5 Ps of cellular telephones (Stanton, 1988:32) have been identified in marketing literature (see Chapter 2). Only Mullin *et al* (1993:36); Shilbury *et al* (1998:129); and Shank (1999:27) have yet tried to define a sport-related marketing mix that deviates from the traditional marketing mix. They have added promotional licensing to promotion and public relations as a separate “P” to the four traditional “Ps”. Proper research is needed to scrutinise the sport-related marketing mix elements as identified by Mullin *et al* (1993), for viability, all-inclusiveness and whether other elements still have to be/can be measured and quantified.

At this stage the scientific constructing of a unique sport-related marketing mix is somewhat inconclusive. It should be debated whether the traditional marketing mix and the services marketing mix are the only truly scientific and realistic approaches. The assumption is that the sport-related marketing mix should be based on the traditional marketing mix and in relevant situations some elements can be borrowed from the services marketing mix. New and specific sport-related elements should also be considered for inclusion.

It is this researcher's view that the scientific development of a sport-related marketing mix should focus on the following:

- Defining sport as a service product;
- Adapting the other traditional Ps - pricing, place and promotion to be included in a sport marketing mix;
- Critically examine and properly address how sponsorship fits into the marketing communication mix, and
- Adapting the marketing communication mix to differentiate sport marketing from any other application (such as retail marketing).

3.4.3.6 The elements of the sport marketing mix

3.4.3.6.1 The sport product

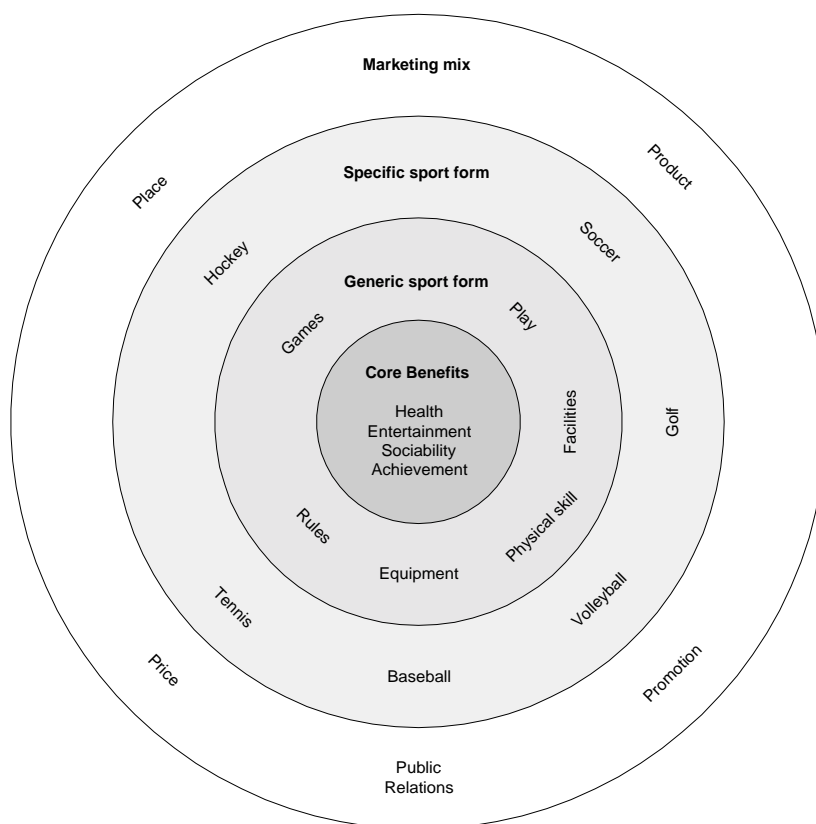
Shank (1999:231) defines the sport products as a good, a service, or any combination of the two that is designed to provide benefits to a sport spectator, participant or sponsor (for the purposes of this discussion these three groups of people will be referred to as sport consumers or sport-users). The sport product is therefore a bundle of benefits that offers need satisfaction to sport consumers and consists of a core product and certain product extensions which can be regarded as the augmented product.

a) Sport as a product is a bundle of characteristics

A product can be described generally as any bundle or combination of qualities, processes and capabilities (goods, services and ideas) that a buyer expects will deliver want satisfaction. The sport product can be bundled in a unique way, and is presented in Figure 3.2.

Figure 3.2 illustrates the importance of this special bundling for the sport product. At its core the sport product covers basic consumer needs such as health entertainment, sociability and achievement. There may be many other products that can offer the same core benefit. The sport marketer must understand why a consumer chooses to satisfy a given want or need by purchasing a sport product rather than any other type of product.

FIGURE 3.2 THE BUNDLE OF CHARACTERISTICS OF THE SPORT PRODUCT.



Source: Mullin *et al* 1993:11

The following elements illustrate the unique bundling characteristics of sport as a product:

- Competition between individuals and/teams.
- Competition spanning time and location.
- Regulation by special rules, laws and codes of conduct.
- Physical skills and abilities and physical conditioning to excel.
- Special facilities and equipment needed.

b) The core product and product extensions of sport

The sport marketer has little or no control over the composition of the core product and frequently has to rely on controlling the product extensions. Most

consumer and industrial product marketers have direct control in the composition of their organisation's product mix. In spectator sport marketing this is not the case. For instance the coaching staff and general manager play a big role if it comes to team selection and drafting players. However when it comes to poor results and keeping the empty seats full when a team is not performing the marketer is still held accountable.

Mullin (1985:101) as quoted by Shilbury *et al* (1998:87) defines sport participation as the core product and all other related activities such as consuming food and beverages, merchandise, half-time entertainment, video-screens and the sport facility as product extensions. The sport participation quality, whether from a participant's, spectator's or official's view, cannot be guaranteed. The quality of the product extensions has to make up for this lack of apparent quality by still offering an enjoyable experience.

A greater percentage of the marketing emphasis must be placed on the product extensions rather than on the core product, because no marketer can control how well a team will play or what the influence of the weather might be. In sport, marketers must emphasise the product extensions for which consistency can be achieved.

It is important to note that these extensions possess elements of service provision. Hence implications for service quality and customer satisfaction exist in how these extensions are offered. A higher than expected level of sport product extension quality can result in at least adequate customer satisfaction even if the result or quality of the core product were below the desired expectation.

The unique characteristics of sport and some of the core and extension elements reflect the nature of sport as a "service".

c) Sport as a service

The unique characteristics of services can also be related to sport. The following summary is based on Zeithaml, Parasuraman and Berry's (1985:33-46) description of factors that differentiate a tangible product from a service. These factors make it possible to describe sport as a service:

- *The sport product is invariably intangible, experiential and subjective.*

It is not really possible to define exactly what participants and spectators receive and experience from consuming sport. Performance, experience, atmosphere, mood and expectations might be relevant. These aspects are definitely intangible.

The main focus should perhaps be on sport as an activity. Although some elements of sport such as match tickets and supporters' clothing are tangible they have little meaning outside the context of attending a sporting event as an activity. It is difficult to "sell" the benefits of consuming sport because they are hard to describe. What each sport consumer sees in a sport is quite subjective, which makes it extremely difficult for the sport marketer to ensure a high probability of consumer satisfaction.

- *The basic sport product is simultaneously produced and consumed.*

Sport services cannot be stored and are time dependent. Unsold tickets to a sporting event is lost revenue. It is a perishable commodity that must be pre-sold and there are no inventories. Sport consumers are typically also producers, they help create the game or event - providing pre-match excitement, spectator involvement during the event and after-event participation - that they simultaneously consume. Pre-selling of season tickets or yearly memberships cannot guarantee consumption. Spectators and participants need to be present at the sporting event to maximise revenue from the product extensions as well.

- *Sport is generally publicly consumed and consumer satisfaction is invariably affected by social facilitation.*

Sport outcomes tend to be unpredictable. Sport results are inconsistent and the service delivery of people involved in providing support services at a sport event might vary. Most sport products are consumed in a public setting and in the organisation of others. Sport marketers need to recognise the role that social facilitation between participants, spectators, and officials plays. Special programmes and promotional plans need to be developed that maximise the enjoyment and satisfaction of all involved.

The sport product is inconsistent and unpredictable. People produce sport and people's output is inconsistent. A sport played today will be different from next week's game even if the teams are the same. There are numerous intangibles such as weather, injuries to players, momentum, the reaction of the crowd and the records and standings of the two teams at the time of play. All of these factors affect the outcome of the game and consequently the excitement and satisfaction experienced by the fan.

d) Sport is also a business-to-business product

Marketing theory classifies products into two categories: products consumed by an end user, called consumer goods, and products used by a manufacturer in the production of another product, called industrial goods. Sport is produced as an end product for mass consumer appeal for both spectators and participants (a consumer good). Business and industry that sponsor events and sport broadcasts also consume spectator and participant sports. They also advertise in association with sport events and organisations as a means of reaching their own customers. Organisations also use sport figures to represent, endorse and promote products. Many organisations also purchase tickets and private boxes at sport events to entertain clients (an industrial good). The marketing actions of sport bodies and codes aimed at gaining corporate sponsorship can also be regarded as business-to-business marketing.

e) Segmentation and positioning of sport

Parkhouse (1996:254) mentions that "there is a link between the positioning and delivery of the sports product through promotional and media strategies to the selected consumer target market(s)".

The success of sport as a service and/or business-to-business product relies on how well it addresses the needs of the intended target market - fans or sponsors. Understanding fan motivation is therefore important for sport to aggressively compete in the broader entertainment category and to avoid losing seat sales and supplemental revenues (i.e. concessions and merchandise sales), that can never be recaptured (Burton & Cornilles, 1998:29).

In order to increase the effectiveness of marketing efforts, sport marketers need to know who is using their product and why. This means that sport marketers need to segment the consumers using sporting products (attending live rugby matches or participating in golf rather than tennis or bowls). Segmentation allows managers to identify customer groups with the product-market (sporting events), each containing buyers with similar requirements regarding the sport product. This allows sport marketers to better tailor-make their product and capabilities to the buyers' value requirements. Through effective segmentation sport managers can increase customer satisfaction, by providing a value offering that matches the value propositions and in turn match the needs of the buyer (fan). Further, sport marketers should realise that winning is only part of the consumers experience (Gladden & Milne, 1999:21) - the total experience is more important.

Consumers may want to experience life on their own terms, unencumbered by group consumption, but motivated from within group status, therefore the individual may define sport as unique, having elements of fantasy, personal accomplishment and excitement. The desire for a unique self-defining experience may motivate consumers to associate with sport that they deem

as distinctive or extraordinary. These sport-related associations and the desire for unique self-defining experiences may lead to self-presentation strategies, such as identifying with a winning team, because by engaging in unique and self-defining experiences, one may present oneself also as unique or special.

Both the public identification with winning and the private search for self-defining experience have self-esteem overtones and illustrate how consumers use their spectatorship as a vehicle to achieve their psychological ends. Specifically, consumers identify with the positive outcomes of winning to associate with and engage in unique self-defining experiences. Thus identifying with winning and seeking self-defining experience will be mediated by perceptions of the unique self-expressive aspects of attending a game or event (Kahle, Kambara & Rose, 1996:54).

Sport marketers may take advantage of the temporary fans' attachment by reminding fans of the significant events that occurred during their attachment and making references to experiences that occurred with significant people. Marketers can for instance focus on how temporary fans felt after the narrow defeat of the South African national rugby team, the Springboks, during the Rugby and Cricket World Cup semi-finals against Australia in 1999. By marketing the next meeting as an opportunity for the South Africans to avenge the defeat, an emotional bond with fans is created. Another example is for a rugby team to give away team logo caps to fathers, on Father's Day. This could remind a father (and son) of their experience together at the event, thus re-enforcing the emotional significance of the sport, team, and perhaps personalities associated with that Father's Day outing and maybe increasing the consumers loyalty to the team or sport.

The results of Zhang, Smith, Pease & Jambor's (1997:31-40) study of the influence of market competitors on attendance at professional sport, confirms that the presence of other sporting attractions and substitute forms of entertainment negatively affect attendance. Their findings were also consistent with the suggestions by Stotlar (1989:33) that "...it might be possible for the main competition to come from movie theaters, shopping

malls or other community events. The main competitor for live sporting event attendance seems to be televised sporting events.” Particular sporting events have to be positioned against other sporting events and also other forms of entertainment that might not be sport-related at all.

Shank (1999:219) emphasises that the same sport or sport event may be positioned differently to different target markets. It must be remembered that positioning is all about how the sport consumer perceives the sport product relative to competitive offerings.

The sport product may therefore include the following aspects that underlie how target marketing, market segmentation and positioning should be addressed: The game form itself, the event and its stars; the sport body or code as service provider; and the image portrayed by the sport body, code, event, officials and participants.

3.4.3.6.2 Pricing

It is difficult to price the individual sport product unit by traditional costing methodology. Pricing the sport product is often based on the marketer's sense of consumer demand. A number of pricing aspects is important to note:

a) Price reflects value

Pitts & Stotlar (1997:170) argue that price should reflect value. Sport-users decide whether they want to spend money on travelling to a sport event, buy food and beverages, and buy an entry ticket or stay at home and watch the event on television. If live attendance is regarded to hold a more valuable experience then the sport-user will be willing to spend a part of his/her disposable income on attending. If the sport-user regards buying of food and beverages at the event as not holding superior value then he/she will pack a cool box and take food and drink to the match.

Shank (1999:441) argues that value is based on the benefits the sport-user perceives to be getting. The higher the perceived benefits the more such a sport-user will be willing to pay to attend an event.

The price of the core sport product in itself is also often invariably quite small in comparison to the total cost for the consumer of the extensions linked to the core sport product. A match ticket might be a small part of total expenditure – additional cost might be inter alia buying programmes, memorabilia, and food and drink. In Chapter 1 the following spectator expenditures for 1997 were listed: petrol (R67 million), taxi (R40 million), Bus/train (R27 million), overnight expenses (R151 million - including air travel and hotel costs), expenditure on snacks & food (R296 million), drinks (R185 million), merchandise/souvenirs (R69 million) and other unspecified (R12 million). Total expenditure is estimated at R847 million.

b) Price can be presented differently

Price can be presented to the sport-user in different ways. One of the tactics is to soften the word "price" (Pitts & Stotlar, 1997:171/2) as illustrated by the following examples that can be found in the sport industry.

- A **licensing fee** is the price a sports clothing organisation pays to the South African Rugby Football Union for the right to sell a T-shirt with the Springbok logo on it.
- The **ticket charge** is the price paid to enter a facility and watch a match.
- A **membership fee** is the price to use a fitness gymnasium's facilities.
- **Admission** is the price paid to enter a boxing tournament.
- **Rental** is the price paid to gain the right to use a corporate box at a sporting facility for a prescribed time period such as a season.
- A **league fee** is the price a club team has to pay to enter and participate in a league.
- A **sponsorship fee** is the price that Standard Bank pays to be the sponsor of all Day-Night Series Cricket in South Africa.

- **Registration fee** is the price paid for a scholar to attend a coaching clinic.
- A **signing bonus** is part of the price a professional Super 12-rugby team pays to assure the services of a player from one of the feeder unions.
- A **salary** is the price a Super 12-team pays for the services of coaches and players.
- **Commission** is the extra bonus-oriented price a sport marketing organisation would pay its sales people for their services.
- **Shipping and handling** are the price a sporting goods organisation pays to import sport products from another country.
- The **purse** is the price the organisers of the Nedbank Million Dollar Golf tournament pay to the golfers who were invited to participate in the tournament.
- A **bid** is the offered price for an item at a sport memorabilia auction.
- An **endorsement fee** is the price a sport shoe organisation pays to have a famous player such as the former Springbok Rugby captain, Naas Botha, state that he endorses, believes in, favours, prefers, or supports the products of that organisation.
- **Broadcasting-rights fee** is the price M-Net pays to televise the Tri-Nations rugby series.
- A **consulting fee** is the price a sporting body pays a sport marketing organisation to design and negotiate a sponsorship package with a sponsor.
- A **franchise fee** is the price an owner pays to enter a team in a professional sports league.

c) Price determination

Pitts & Stotlar (1997:172) identify four important aspects that should be considered when price determination is applied to sport:

- The consumer - considers aspects such as value-for-money, previous experience, the success rate of their team. Other important aspects for the marketer are *inter alia* age, income, education, geographic location, race, sexual orientation and gender of the sport target market. Some consumers will be willing to pay for a season ticket and bear the risk that matches might be cancelled and their team under-achieve, while other consumers will select to attend certain matches and also keep an eye on the weather before buying a match ticket;
- The competitor - competitive pricing strategies and the consumer's perception of the difference in value between competitor's prices – it must be kept in mind that the sport consumer not only has to select which sporting events to attend on a particular day but his/her disposable income is also diverted to other forms of entertainment (movies) or leisure (fishing or gymnasium);
- The organisation - Cost structure and profit objectives will influence price-setting. Operating costs need to at least be covered. Even in commercial health and fitness clubs, the indirect costs also need to be covered. In tight economic times, when sport bodies have to be more careful about increases in membership or activity fees, indirect revenue sources such as food, beverages, merchandising, personal services or even signage may take greater significance. Many sport bodies have rarely been required to operate on a for-profit basis - which is perhaps one of the reasons why sport marketing did not receive the professional status it deserves. Many sport organisations can rely on significant revenue from non-operating sources. At almost every level of sport, outside financial support exists but competition for the sponsor's Rand is increasing. Sport bodies and codes will have to market themselves at a "good price" and as a "safe investment" and as a "good return on investment" to their sponsors.

- The external environmental climate - Primarily external factors such as legislation, socio-political conditions, the economic situation and public attitudes can impact on price-changes.

d) Market sensitivity

Shilbury *et al* (1998:113) and Shank (1999:455) argue that market sensitivity need to be surveyed when price changes are considered. The demand/supply ratio, the availability of substitutes, and the price-increase history are important factors. Sport marketers need to do frequent research and scan the sport marketing environment to determine consumer tastes and the consumer pricing evaluation process.

3.4.3.6.3 Place

The distribution of tangible sport goods such as sport equipment follows the same approach as that of any consumer good. The sport goods are marketed through distribution channels and a range of intermediaries such as wholesalers and retailers are involved to ensure that the right product is available at the right time, at the right price and in the right quantities. Shank (1999:415) identifies the following elements of a sport retail mix (sport retailing products, pricing, distribution, and promotion). The details of such a mix will not be discussed in this thesis.

Sport as an intangible product or service holds unique distribution characteristics. According to Shank (1999:423-431) the sport facilities and the media as a distribution conduit are important aspects.

a) The sport facilities

The sport, and all its encompassing support services are consumed at the particular facility - i.e. attending a rugby match at Ellis Park Stadium in Johannesburg, parking in a secure parking area (at a fee), buying a match ticket and programme at the gate, consuming food and drink, attending an after-match party, and then riding a shuttle to the parking area.

The following spectator aspects are important when the facility is regarded from a "place perspective":

- the atmosphere and mood-creation of the facility;
- equipment and novelties;
- related services such as number of entry gates, food and beverage availability;
- ablution facilities;
- professionalism of personnel;
- convenient processes such as ticket buying;
- type of seating;
- facility layout;
- facility image;
- media coverage and distribution; and
- ticket distribution.

Shilbury *et al* (1998:268) state that when sport is regarded as a service the physical evidence integration with the place variable is visible through the sport facility itself. Aspects such as the name of the facility and high-tech scoreboards are important to create atmosphere and excitement.

b) The media as a distributor of sport

The various media such as television, radio, magazines, billboards, and even the Internet can be considered as intermediaries that deliver the sport to the final consumer. The sport format delivered ranges from preliminary reviews and live coverage to match reports and results.

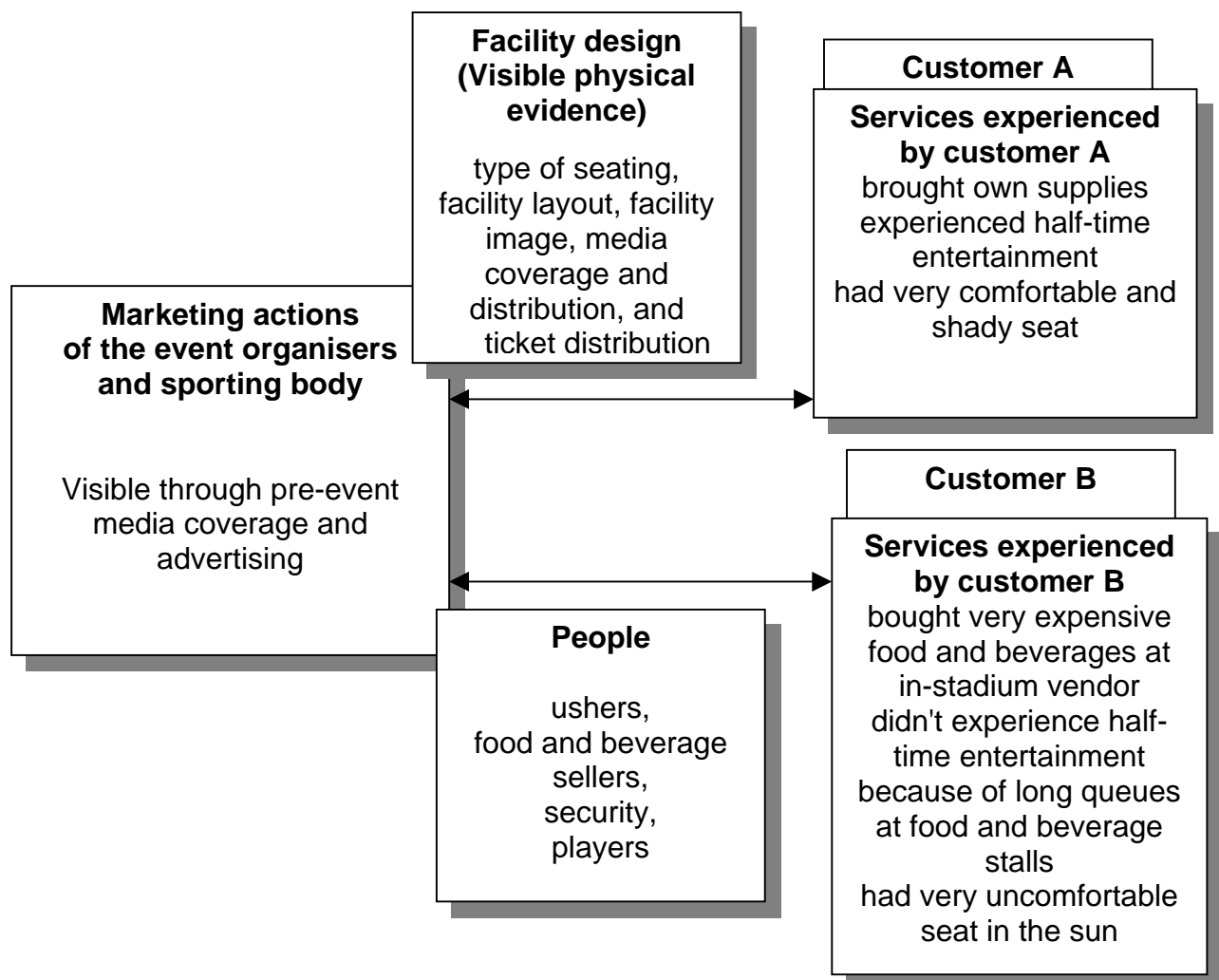
In the past sport depended heavily on publicity from the media as the primary promotion vehicle. Virtually every newspaper has a sports section and reports on a wide range of sport. As a result, organisations also want to be associated with sport, because sport is followed closely by specific consumer segments and organisations can use the wide availability of media vehicles to promote

their own products and services to these particular segments (Gouws, 1997:298).

c) The sport servuction system

This system was adjusted from Langeard, Bateson, Lovelock, & Eigler (1981) by Shilbury *et al* (1998:271). They illustrated certain linkages between sport as an intangible product (service), the physical facility as a place variable, and the people involved in service delivery. This researcher adapted Shilbury *et al's* (1998:271) adaptation (Figure 3.3) to also include the role of the media as sport distribution intermediaries and certain aspects discussed in the previous pages.

FIGURE 3.3 A REVISED SPORT SERVUCTION SYSTEM



Source: Adjusted from Shilbury *et al* (1998:271)

This adjusted model reflects that both sport customers, who might support the same team, were exposed to the:

- same marketing actions of the organisers and therefore had more or less the same expectations.
- same place factors (physical facility and intangible service factors surrounding the event).

But:

- had different experiences irrespective of whether their team won or lost - although a win might soften customer B's perceptions.

It illustrates that sport marketers at events will have to measure the level of satisfaction created by every tangible and intangible "place" element.

3.4.3.6.4 Marketing communication

A comprehensive discussion on marketing communication concepts that pertain to sport will follow in Chapter 4. It is deemed necessary to cover a few aspects in the rest of this section to conclude the discussion on the constitution of the sport marketing mix.

It can be accepted that sport sponsorship is part of the marketing communication mix. In Chapter 2 it was stated that more substantial discussions on sponsorships are found in texts on marketing communication (Coulson-Thomas, 1990; Burnett & Moriarty, 1998), advertising (Belch & Belch, 2001) or promotion (Wilmshurst, 1993; and Shimp, 1993).

Table 3.1 reflects different views on which elements should be included in the marketing communication mix. Some of the authors include sponsorship and some offer definitions of sponsorship.

TABLE 3.1 DIFFERENT VIEWS ON ELEMENTS INCLUDED IN THE MARKETING COMMUNICATION MIX

Author(s)	Elements included in the promotion or marketing communication mix
Govoni, Eng & Galper (1986)	Advertising, personal selling, sales promotion, and public relations (p 13-15)
Baker (ed)(1987)	Advertising, sales promotion, packaging and direct mail (p 288)
Park & Zaltman (1987)	Advertising, personal selling, and sales promotion (p 456)
Bennett, Lamm & Fry (1988)	Personal selling, advertising, and sales promotion (pp 513 - 514)
Hart (1988)	Advertising, direct mail, sales promotion and sales support. Also includes sponsorships as a means of promotion Sponsorship is defined as deliberate financial support given to an event to achieve brand awareness, enhance corporate image, increase goodwill, and raise employee morale (p 135)
Husted, Varble, & Lowry (1989)	Advertising, personal selling and sales promotion (p 446)
Assael (1990)	Advertising, sales promotions, personal selling
Coulson-Thomas (1990)	Advertising, sales promotion, personal selling Mentions sponsorship as part of sales promotion - to put a name across and promote an image (p 285)
Oliver (1990)	Advertising, personal selling & sales promotion (pp 300 - 301)
Cannon (1992)	Advertising, personal selling; merchandising Mentions sport as promotion application on television on p 226
Lancaster & Massingham (1993)	Sales promotion, advertising, and personal selling (p 265 - 291) Sponsorship is mentioned as a PR technique (p 272)
Pride & Ferrell (1993)	Advertising, personal selling and sales promotion (p 485)
Shimp (1993)	Advertising, sales promotions, point-of purchase communication, event marketing (sponsorship marketing) and personal selling (p 8) Event marketing is defined as the practice of promoting the interests of a organisation and its brands by associating the organisation with a specific activity (such as a tennis tournament) (p 8) Sponsorships involve investments in events or causes for the purpose of achieving increased sales volume, enhancing corporate and brand image and increasing brand image (p 598)
Wilmshurst (1993)	Advertising, sales promotion, direct marketing, sponsorship Sponsorship defined as financial or material support by an organisation for some independent activity such as sport not usually related to the organisation's normal business to achieve some benefit (p 367)

Author(s)	Elements included in the promotion or marketing communication mix
Dibb, Simkin, Pride & Ferrel (1994)	Advertising, personal selling, direct mail, sales promotion and sponsorship Defines sponsorship as financial or material support of an event, activity, person, organisation or product by an unrelated organisation or donor in return for prominent exposure of the sponsor's generosity, products or brands (pp 389 - 390)
Doyle (1994)	Advertising, sales promotion, direct response marketing, and personal selling (p239)
Hill (1994)	Advertising, direct mail, sales promotion, personal selling (p vii - ix) Discusses event sponsorship as a PR activity (p 279)
Kotler (1994)	Advertising, sales promotion, personal selling and direct marketing (p 597) Sponsoring a sport event is a major MPR tool (p 679)
Krugman, Reid, Dunn, & Barban (1994)	Advertising, sales promotion, personal selling, and public relations (p 43)
Stanton, Etzel & Walker (1994)	Advertising, personal selling and sales promotion (p 456)
Adcock, Bradfield, Halborg, & Ross (1995)	Advertising and direct marketing, sales promotion and sponsorship (p 245 & 263) Sponsorship is viewed as a form of sales promotion that creates publicity opportunities (p 263) It takes place when a payment is given in return for some consideration or benefit (p 274)
Bearden, Ingram & LaForge (1995)	Advertising, personal selling, sales promotion and direct marketing (p 416)
Jobber (1995)	Advertising, sales promotion, personal selling & sales management, public relations & publicity, direct marketing, sponsorship & exhibitions (p 428) Sponsorship is defined (Sleight:1989) as a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers in return some rights and associations that may be used for commercial advantage (p 452)
Bové, Houston, & Till (1995)	Advertising, sales promotion and personal selling (p 531)
Boyd, Walker & Larréché (1995)	Advertising, personal selling and sales promotion
Churchill & Peter (1995)	Advertising, personal selling and sales promotion (pp 543 - 544)
Wilmshurst (1995)	Advertising, personal selling and sales support, sales promotion and merchandising, packaging and display (p 41 & 125) Discusses sponsorship as an important promotion form in itself (p 284)

Author(s)	Elements included in the promotion or marketing communication mix
Kotler, Armstrong, Saunders & Wong (1996)	Advertising, personal selling and sales promotion (p 687)
Perreault & McCarthy (1996)	Advertising, personal selling, mass selling and sales promotion (pp 420 - 421)
Siegel (1996)	Advertising, personal selling, sales promotions and direct marketing (p 380) Sponsorship is mentioned as a promotional option (p 404 & 432)
Van der Walt, Strydom, Marx & Jooste (1996)	Advertising, personal selling, sales promotion, packaging (p 325) and direct marketing (p 357)
Zikmund & d'Amico (1996)	Integrated marketing communication: advertising, personal selling and sales management, and sales promotion (p 480) Event sponsorship (p 600) is viewed as a publicity generating and image-building exercise.
Kotler & Armstrong (1997)	Advertising, personal selling and sales promotion (p 428) Direct marketing is added as a growth trend (p 444)
Shimp (1997)	Advertising, sales promotions, point-of purchase communication, sponsorship marketing, publicity, personal selling (p 11); and marketing public relations (p 555) Sponsorship marketing is defined as the practice of promoting the interests of a organisation and its brands by associating the organisation with a specific activity (such as a tennis tournament) or a charitable cause (p 11) Sponsorships involve investments in events or causes for the purpose of achieving increased sales volume, enhancing a corporate reputation or a brand's image and increasing brand awareness (p 598)
Solomon & Stuart (1997)	Advertising, personal selling and sales promotion (p 555)
Boone & Kurtz (1998)	Personal selling, advertising, sales promotion, direct marketing and public relations (p G-8)
Burnett & Moriarty (1998)	Advertising, sales promotion, public relations, direct marketing, personal selling, packaging, point-of-purchase merchandising, sport event and cause marketing, trade shows (p 23)
Sirgy (1998)	Advertising, reseller support, word-of-mouth communication, public relations, direct marketing, personal selling, sales promotion (p 117 - 144)
Arens (1999)	Advertising, direct marketing, personal selling, sales promotion, public relations, sponsorship (p xxii) A sponsorship is a cash or in-kind fee paid to a property (which may be a sport, entertainment, or non-profit event or organisation in return for access to the exploitable commercial potential associated with that property (p 321)

Author(s)	Elements included in the promotion or marketing communication mix
Kitchen (1999)	<p>Advertising, sales promotion, personal selling, product publicity/marketing public relations (p 24) and sponsorship (p 361)</p> <p>Sponsorship is defined as a commercial transaction where both parties anticipate financial return - the beneficiary receives direct funds, while the sponsor's expectations are ultimately measured in terms of consumer's behaviour (p 362)</p>
O'Guinn, Allen & Semenik (2000)	<p>Advertising, event sponsorship, internet advertising, sales promotions, direct marketing, public relations/publicity (p xvii - xix)</p> <p>Event sponsorship is defined as a marketer's involvement in providing financial support to help fund an event, such as a golf tournament. In return the marketer acquires the rights to display a brand name, logo or advertising message on-site at the event (p 521)</p>
Belch & Belch (2001)	<p>Advertising, publicity/public relations, direct marketing, interactive/internet marketing, personal selling, sales promotion (p 15)</p> <p>Broadcast sponsorship is defined as under arrangement, an advertiser assumes responsibility for the production and usually content of a program as well as the advertising that appears within it (p 368)</p> <p>Event marketing is defined as a type of promotion where a organisation or brand is linked to an event or where a themed activity is developed for the purpose of creating experiences for consumers (sporting events, concert, fairs, festivals (p 555)</p> <p>Event sponsorship is an IMC activity where a organisation develops actual sponsorship relations with a particular event and provides financial support in return for the right to display a name, logo or advertising message and be identified as a supporter of the event (p 555)</p>

After reviewing those elements listed in Table 3.1 the following variables are suggested to be essential elements of the marketing communication mix as it should be applied to sport: advertising, sales promotion, personal selling, marketing public relations, corporate public relations, direct marketing, sponsorships, and promotional licensing.

Each will be briefly defined from a sport marketing communication perspective:

- Advertising - communicating through various media about sport products and services, sport sponsorships, and the activities of sport bodies and codes.

- Sales promotion - sport marketing activities such as competitions, free samples, sweepstakes, and premiums that provide additional value or incentives to the sport-user with the aim of consuming more sport products or services.
- Personal selling - person-to-person communication in a sport environment to assist and/or persuade prospective sport-users to purchase (or participate in) sport marketer's products, services, events or ideas.
- Marketing public relations including media relations - specific communication activities aimed at creating product, brand, service, event or sponsorship publicity - aimed at sport consumers - through professional media relationships.
- Corporate public relations including community relations - communication designed to promote overall awareness of an organisation or to enhance its image among specific target audiences such as employees, the community, the financial sector, and the government.
- Direct marketing - direct-response communication activities such as direct mail and telemarketing to generate immediate sales (e.g. buy sport product or service) or transaction responses (e.g. become a member).

It must be noted that Shilbury *et al* (1998:5) list sponsorship and promotional licensing as two different aspects of the promotion mix, while Mullin *et al* (2000:254) state that "promotional licensing" is an umbrella term that encompasses sponsorship but that they prefer using the term sponsorship in the following perspective:

"The acquisition of rights to affiliate or directly associate with a product or event with the purpose of deriving benefits related to that affiliation or association. The sponsor then uses this relationship to achieve its promotional objectives or to facilitate and support its broader marketing objectives. The rights derived from this relationship may include retail opportunities, purchase of media time, entitlement (the inclusion of the sponsor name in the event or facility name, or hospitality."

It is suggested that both terms be included as separate decision-making variables in the sport marketing communication mix and that the emphasis be differentiated as follows:

- Sponsorship - an IMC activity where an organisation develops sponsorship relations with a particular sporting body, its event(s), and its personalities by providing financial support in return for the right to display a name, logo or advertising message and be identified as a supporter of the body, events and personalities; and
- Promotional licensing - Sporting organisations and sponsors derive royalty income, from granting licenses to third parties, that give them the licensing right to use personality names and team logos on certain product items such as T-shirts, pens, ties and clothing apparel.

The widespread exposure that the mass media has given sport has resulted in an increased emphasis on sport marketing. Sport has not been forced to emphasise marketing and promotion to the same degree, as have other industries. Sport has been able to rely upon publicity as its major promotional tool. Every newspaper has a sport section, which in some cases is the largest single section of the paper and the major papers have special supplements devoted to sport. The broadcast media devote specific sport slots (such as Boots & All and Extra Cover on SuperSport) and usually the last segment of news bulletins to sport. The reason for this is simply widespread interest in sport.

Because of the visibility that sport enjoys, many commercial organisations wish to associate with sport. The exposure granted to sport by the media has not gone unnoticed by consumer and industrial product marketers. Sport provides a promotional vehicle for which the audience is often sizeable and the makeup of a sport audience for any given sport can be predicted quite accurately. In addition the attention and awareness of the sport audience is generally good. Each sport attracts a different audience, consequently sponsorships of an event allows a corporate sponsor to target its audience quite successfully when using different sports. Sport audiences and

participants are usually higher income groups who provide prime targets for product marketers. Sport's ability to have its promotional expenditures underwritten by corporate partners through sponsorships and tie-ins (joint advertising or promotion) is unequalled in any other segment of the economy.

Other aspects of the sport-related marketing mix

Within a strategic approach a product or service is a very strong bonding factor between the marketing mix elements. In sport marketing, sport as a product is difficult to define. Sport products such as running shoes are marketed through the traditional product marketing approach. It is an unsubstantiated perception that a lifestyle marketing approach has led to the positioning of sport equipment (such as training cycles - spinning) and facilities (such as gymnasiums – health and sport leisure activities) as niche or lifestyle products and services.

Sport participation, as athlete or spectator, can be physical or emotional. This is where the problem of defining sport marketing lies. Sport as product contains both tangible and intangible features. Intangible features such as being a fan of a specific team is internally generated but cannot be separated from physical properties such as living close to the team grounds, attending a sport event, or collecting team memorabilia.

3.4.4 Conclusion - Suggestion: Sport marketing is an application field of marketing

Earlier in this chapter it was noted that Schlossberg (1996:6) categorically states that "Sport has become a marketing medium in and of itself, with the ability to target, segment, promote, and cast products and services in heroic lights". In Chapter 1 the size and scope of the sport as an industry was discussed. Current literature is as yet undecided or discussions are inconclusive in deciding whether sport marketing is an application of marketing such as services marketing, industrial marketing or retail marketing.

In section 3.4.3 theoretical marketing constructs were applied to sport marketing to define sport marketing constructs. In section 3.4.3.6 a sport marketing mix was defined and outlined.

It can therefore be concluded that it is possible to apply general marketing constructs to sport marketing and a dedicated and differentiated marketing mix does exist for sport marketing. It is therefore suggested that this field be regarded as an application area (or sub-discipline) of marketing and as such should receive greater attention in marketing theory, debate, teaching and practice

3.5 CONCLUSION

In this chapter different views on defining sport marketing were discussed. It was argued that a comprehensive definition should be formulated that will determine where sport-focussed marketing mix elements fit in for organisations that include sport sponsorship as a marketing communication tool in their marketing mix. Such a definition should also include sport marketing strategy formulation and examples or applications of sport marketing and also refer to the marketing of sport bodies and codes.

The following is offered as a comprehensive definition of **sport marketing**:

The specific application of marketing principles and processes to sport products and services; the marketing of non-sport and sport-related products and services through an association - such as a sponsorship - with sport; and the marketing of sport bodies and codes, their personalities, their events, their activities, their actions, their strategies, and their image.

This definition suggests that sport sponsorship should not be studied in isolation from sport marketing.

A brief overview was also discussed to revisit current definitions of marketing and related theoretical constructs. The aim of such an overview was to apply general marketing constructs to sport marketing. If such application were

possible it could be argued that sport marketing is an application area of marketing such as services marketing, business-to-business marketing and retail marketing.

The following constructs were also covered: sport is a product, a service, a business-to-business product, and segmentation and positioning principles also apply to sport.

In section 3.4.3 theoretical marketing constructs were applied to sport marketing to define sport marketing constructs. In section 3.4.3.5 and 3.4.3.6 a sport marketing mix was defined and outlined. **It can therefor be concluded that it is possible to apply general marketing constructs to sport marketing and a dedicated and differentiated marketing mix does exist for sport marketing. It is therefor suggested that this field be regarded as an application area of marketing and as such should receive greater attention in marketing theory, debate, teaching and practice.**

The sport industry is a major contributor to South Africa's economy. The performance of sport teams and heroes also influence the nation's self-esteem. The performance of the South African sport marketing and sport sponsorship community is equally important to ensure the well-being of sport products and services and the support that different sport codes and bodies generate.

Proper development of sport marketing skills and abilities are therefor important to tie all loose ends together. Academics and practitioners who pay more attention to sport marketing research can achieve such development.

In the next chapter historical, theoretical and research perspectives on sport sponsorship management and decision-making will be reviewed and a comprehensive definition of sport sponsorship will be proposed.