

# Sports Marketing.

Seminar #1



# Introductions



...make a difference

## Todd Davey

Technology Commercialisation Group/Deloitte  
Adelaide, Australia



# Prof. Thomas Baaken

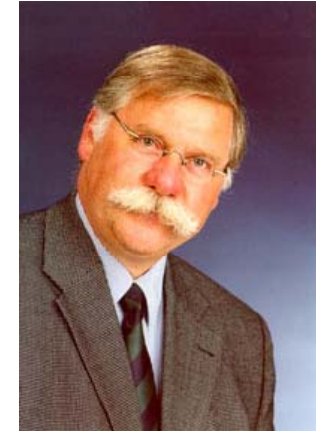


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## CURRENT

Thomas Baaken is Professor for business-to-business and high-tech-marketing since 1990

Leader of the research major "Science Marketing", funded by the Ministry for Science and Research Northrhine Westfalia, Germany



## PREVIOUS POSITIONS

Visiting professor for Technology Transfer & Management and Science Marketing at the Education Centre for Innovation and Commercialisation (ECIC) of the University of Adelaide from February 2003 to January 2004

Vice President (Deputy Vice Chancellor) Research and Development at the University of Applied Sciences, Muenster, between 1998 and 2003

## EXPERIENCE

Experience in business—to-business and high-tech-marketing, research strategies and programs, industrial liaison, entrepreneurial activities, technology transfer and the marketing, relationship and network building of universities.

PhD in Business Administration at the University of Berlin

Master of Business Administration at the University of Berlin

# Introduce yourselves



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- Name
- What course your are studying?
- Why you decided to come to this course?
- Do you have any experience with sports marketing
- Which clubs do you support?

# Strategic Marketing Course Structure



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## English Speaking Course

Strategic  
Marketing  
Lecture

Sports  
(Sectoral)  
Marketing  
Lecture

Innovation  
marketing and  
management

Sports  
Marketing  
project and/or  
case studies  
(Pacific  
Islanders)

OR

## German Speaking Course

German Equivalent



# Strategic Marketing Course Structure (English)

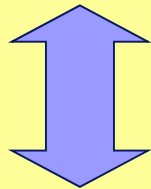


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## English Speaking Course

### STRATEGIC MARKETING

1. Strategic Marketing  
Lecture  
Tuesday, 4.15pm – 5.45pm  
Room D513

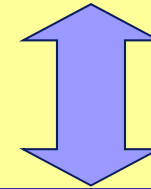


50%

3. Strategic Marketing  
Project  
Tuesday, 6pm – 7.30pm  
Room B411

### SECTORAL MARKETING

2. Sports (Sectoral) Marketing  
Lecture  
Monday, 12:30pm – 2pm  
Room B411



50%

4. Innovation Marketing and  
Management Lecture  
Tuesday, 12:30pm – 2pm  
Room C408



# Course Objectives



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## General aims of the course

### Objectives

Students should:

- Understand the nature of Sports Marketing and its unique aspects
- Examine the various mechanisms used in sports marketing in order to produce a successful result

Specific objectives:

- Understand the theoretical frameworks and concepts which have been developed to explain sport marketing
- Understand the various skills and demands on a sports marketer
- Gain practice at using various techniques for sports marketing
- Know how to prepare and present a sports marketing plan
- Understand the workings of each of the elements in a sports marketing mix

No	Date	Subject	Topics covered
1	Monday, 12 <sup>th</sup> October	Course outline and introduction	Introduction to sports marketing course #1
2	Monday, 19 <sup>st</sup> October		Introduction to sports marketing #2 - Marketing in the sporting environment
3	Monday, 26 <sup>th</sup> October	Sports Marketing	Strategic Sport marketing planning process (part 1)
4	Monday, 2 <sup>nd</sup> November		Strategic Sport marketing planning process (part 2)
5	Monday, 9 <sup>th</sup> November	Sports promotion & public relations	Developing public relations in the sporting environment
6	Monday, 16 <sup>th</sup> November		Sports promotion
7	Monday, 23 <sup>rd</sup> November	Sports Sponsorship	The sponsorship of sport
8	Friday, 27 <sup>th</sup> November	Block lecture	<ul style="list-style-type: none"> <li>▪ Merchandising, product licensing and different broadcasting rights</li> <li>▪ Economics perspective of sport</li> <li>▪ The future of sports business</li> </ul>
9	Monday, 30 <sup>th</sup> November	Summary	Sports Marketing course summary



# Course Structure



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- Compulsory reading - to be completed before next week, basics of marketing lecture notes
- Group learning - weekly lecture
- Support reading - (Not compulsory to read) textbooks stated in the following slides
- Follow a team / league / sport – follow a team throughout the season. Choose from a sport/league/team and check what they are doing each week. Report back to us anything interesting in a sports marketing sense
- Revision - At the start of each lecture, someone will go over the previous lesson and summarise it for the class in a 2 minute presentation (I have even given you the slides!)
- Lecture notes (Skripten) are available on the university's intranet, under my name (Davey)



# Assessment

(Bewertung)



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Aspect	When	%
<b>Strategic Marketing Lecture</b>		
Participation	During lessons	10%
Assignment **	weekly	15%
<b>Strategic Marketing Project</b>		
Participation	During lessons	10%
Final Presentation	End of Project	15%
<b>Total</b>		<b>50%</b>

Aspect	When	%
Participation - during lessons (both sports marketing and innovation) 20%		
Assignment ** (Choose either a sports marketing or an innovation assignment subject) Due: 31st February 2010 30%		
<b>Total</b>		<b>50%</b>

## **\*\* PLEASE NOTE:**

You can choose to do EITHER this assignment or the innovation assignment. You are able to write the assignment in either English or German.



# Assessment

(Bewertung)



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Aspect	When	%
In class participation	Jan 2009	25%

Assignment (innovation or sports marketing)	Due: July 31, 2009	50%
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- You can choose to do EITHER this assignment or the innovation assignment.
- You are able to write the assignment in either English or German.



# Assessment

(Bewertung)



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You will be given a set of topics on sport marketing and innovation which you can choose one from or choose your own theme. You need to investigate this topic by yourself and submit a 12-15 page paper (of course, the lecturer will assist you if questions arise) and PowerPoint summary file.

## *Key facts*

- The assignment can be written in German or English
- The assignment need to be submitted on the 31st February 2010 (10pm Central European Time). This allows you to finalise your paper after finishing your exams.

## *Requirements:*

- 12 to 15 pages including tables and figures as well as references (excluding appendix)
- Font: Times New Roman 12pt
- Line spacing: 1.5
- Top, left and right margin: 2.5cm; bottom margin: 2.0cm

A word template will be provided



# Grades



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German Notation	Comments
1,0-1,3	Outstanding quality, complete in every way; demonstrated real understanding and shows great insight.
1,7-2,3	Very good, complete in almost every way; demonstrated real understanding and shows insight.
2,7-3,3	Good, shows understanding of basic concepts and demonstrates initiative and clear thought; reasonably thorough and well presented; logical manner.
3,7-4,0	Satisfactory; some essential points understood; lacks total completeness or shows no 'insightfulness'
5,0	Unsatisfactory to very poor, some essential points not covered or expression of them unconvincing. May lack clear understanding of the course.

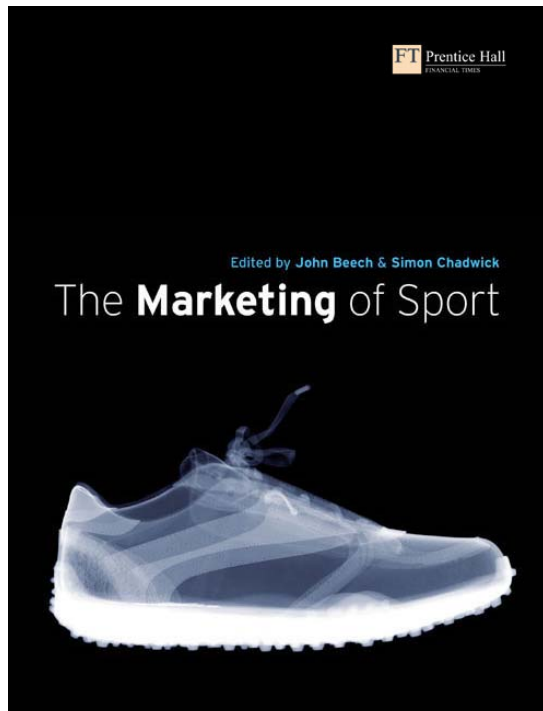


# Textbook accompanying course



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The course text will be John Beech, Simon Chadwick, *The Marketing of Sport*.



The Marketing of Sport

John Beech, Simon Chadwick

Dec 2006, Paperback

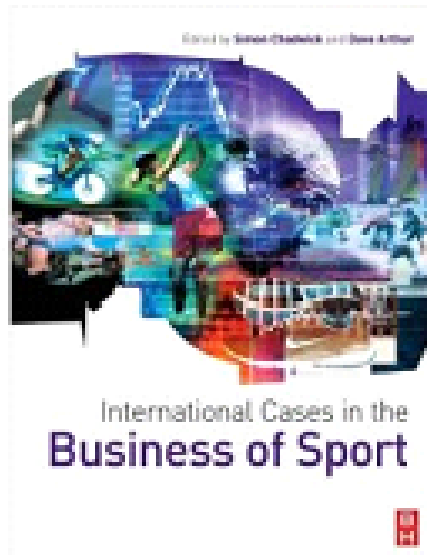
592 pages

ISBN13: 9780273688266

ISBN10: 027368826X

£36.99





[See larger image](#)

[Publishers: learn how customers can search inside this book.](#)

## International Cases in the Business of Sport (Paperback)

by [Simon Chadwick](#) (Editor), [Dave Arthur](#) (Editor)

List Price: \$43.95

Price: **\$43.95** & this item ships for **FREE** with Super Saver Shipping. [Details](#)

**Pre-Order Price Guarantee!** Order now and if the Amazon.com price decreases between your order time and release date, you'll receive the lowest price. [See Details](#)

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**International Cases in the Business of Sport** is a truly international text examining sports from a global perspective and including case studies on: football, rugby, baseball, athletics, cricket, motor sports and sailing. There is a companion website available for tutors using this text with further analysis, more cases and extra questions and exercises at [www.textbooks.elsevier.com](http://www.textbooks.elsevier.com)

- \* The first truly international contemporary case book on sport management
- \* Delivers cutting edge analysis, comprehensive diagnosis and a strong combination of academic and practitioner commentary on leading international sport business cases
- \* Written by high profile and leading experts in the field of sports management, the book will also be accompanied by comprehensive supplements available on [textbooks.elsevier.com](http://textbooks.elsevier.com)

# Format

- Structure of the lectures:
  - Lecture - Content (1 hour)
  - Case studies (1/2 hours)
- Very informal
- Hands-on
- I welcome feedback and questions
- Get out as much as you put in



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# Sports Marketing

1. **Introduction**
2. Process: Analysis
3. Process: Conception (objectives, planning, measurement)
4. Process: Implementation
  - a. Marketing mix - focus on promotion
  - b. Marketing mix - focus on sponsorship
5. Process: Controlling
6. Income streams from Intellectual Property (IP)
7. The economics of sport
8. Future of sports marketing
9. Course overview



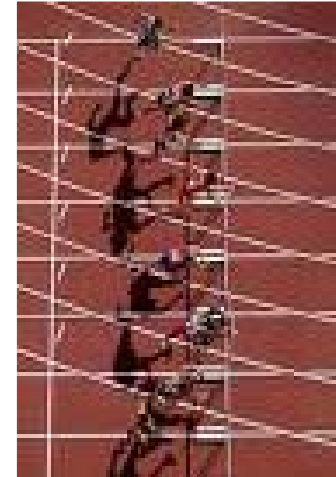
# Introduction to Sport Marketing



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On the completion of this module you should be able to:

- Identify the evolution of sports marketing
- Define sport marketing
- Discuss the unique factors and characteristics of sport marketing
- Identify the sport marketing mix
- Obtain marketing research information for better decision making in sport



# What is Sports Marketing?



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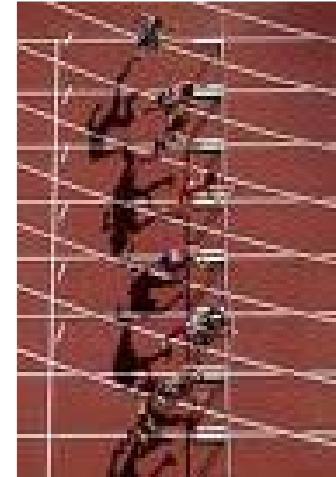
Def:

- Sport marketing is:

(1) the specific application of marketing principles and processes to sport (e.g., teams, leagues, events, etc.) and [< Video >](#)

(2) the marketing of non-sports products (e.g., cigarettes, beer, long-distance phone service, etc.) through associations with sport. [< Video >](#)

- For the purposes of this course, sports marketing will not include businesses or corporations whose principle business is the provision of sporting products or services



“The international business of sport is BIG business. Industry estimates range from \$25-50 billion dollars (p.a) depending on how you calculate the size of the industry.”

*John P. Bevilaqua*

# 2 paradigms of sports marketing



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## 1. Marketing of Sport

**Marketing & promotion of the sport**

The responsibility of sporting associations

**Marketing & promotion of the club**

The responsibility of the club

## 2. Marketing Through Sport

**Marketing & promotion through the sport**

The responsibility of sporting associations

**Marketing & promotion through the club**

The responsibility of the club



# Marketing of sport



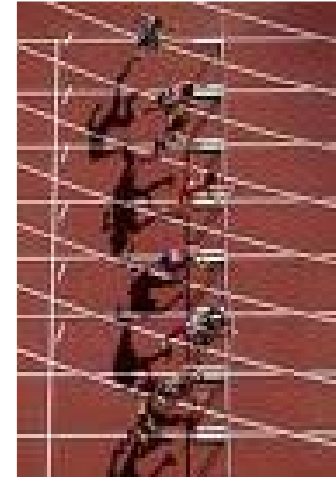
...make a difference

a) **Marketing and promotion of the sport** by associations involves:

- Promotion of the elite form of the sport
- Encouragement of participation
- Defining sporting rules, regulations and format to match social trends and improve watch-ability

b) **Marketing and promotion of the club** involves:

- Promotion of attendance of games, membership
- Encouragement of participation at a club level



# Marketing through sport



...make a difference

a) **Marketing and promotion through the sport** by associations involves:

- Sponsorship (corporate partnerships - which may involve elements below)
- Corporate events and boxes
- Licensed (and un-licensed) merchandise, names and images
- Advertising through broadcaster
- Advertising such as ground signage, clothing/equipment advertising
- Promoting at games
- Promoting using players/club/league
- Developing 'business opportunities'

b) **Marketing and promotion through the club** involves:

Mostly same as above

# Evolution of Marketing



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The following represent marketing approaches used since the start of the industrial revolution:

- **The production focus**
- **The product focus**
- **The sales focus**
- **The marketing focus**





# Milestones in Sports Marketing



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- 1851 First globalized sporting events:  
1. America's Cup (1851) 1st 'International' Competition  
2. Davis Cup (1900)
- 1877 First Wimbledon
- 1896 First modern Olympics (Athens, 1896) 13 countries
- 1903 Tour de France - First 'professional' sporting event. The event was organized with commercial goals by private and organized firms (L'Auto, Michelin tyres and Clément bicycles)
- 1914 FIFA - Development of the first international federation (involved 14 countries)
- 1927 Cycling - First world competition
- 1930 First football (soccer) World Cup in Uruguay
- 1930's Sport gave hope to people during the depression and was used by government to create national identity and **fuel propaganda**



# Milestones in Sports Marketing



...make a difference

- Post WW2 Sport's popularity increase because it acted as a 'healing' mechanism and represented hope
- 1968 Tennis moves into the 'open era' of professionalism
- 1977 The product is changed by media - World series cricket in Australia is broken apart by a media mogul
- 1984 The LA Olympics marks the 'growing up' of sport as an industry
- 1988 Adidas generates \$1 million from sales of Manchester United replica gear
- 1970's-1980's Proliferation of sporting 'World Cups' eg Cricket, Rugby, winter sports
- 1990's NBA (and Nike) took the lead in globalising their competition by using profile athletes. Golf and Tennis also promoted themselves using TV as the medium
- Late 90's Manchester United lead the 'globalisation' of a sporting club brand pushing strongly into Asia
- 2006 Soccer World Cup in Germany showcases all elements of modern sports marketing

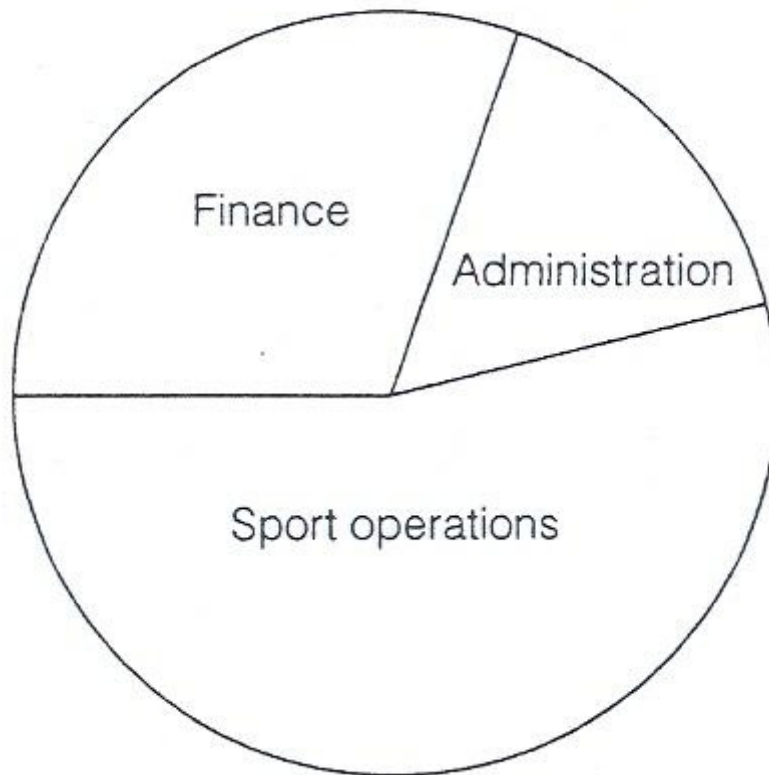


# Pre Sport Marketing



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(a) Pre sport marketing



## 1900's – 1960's

### [Product/Production focus]

- Mainly amateur club and associations
- Run by volunteers and administrators
- Leagues/competitions were formed
- Non-existent marketing component to sports marketing
- Focus on operation of club/league/association



# Transition to Sports Marketing



...make a difference

(b) Transition to professional sport



## 1970's - 1980's

### [Sales/product focus]

- Professionalism of sport
- Run by professionals
- Leagues/competitions were developed and strategically expanded
- Marketing professionals employed or outsourcing of sports marketing function
- Focus on promotion of club/league/association

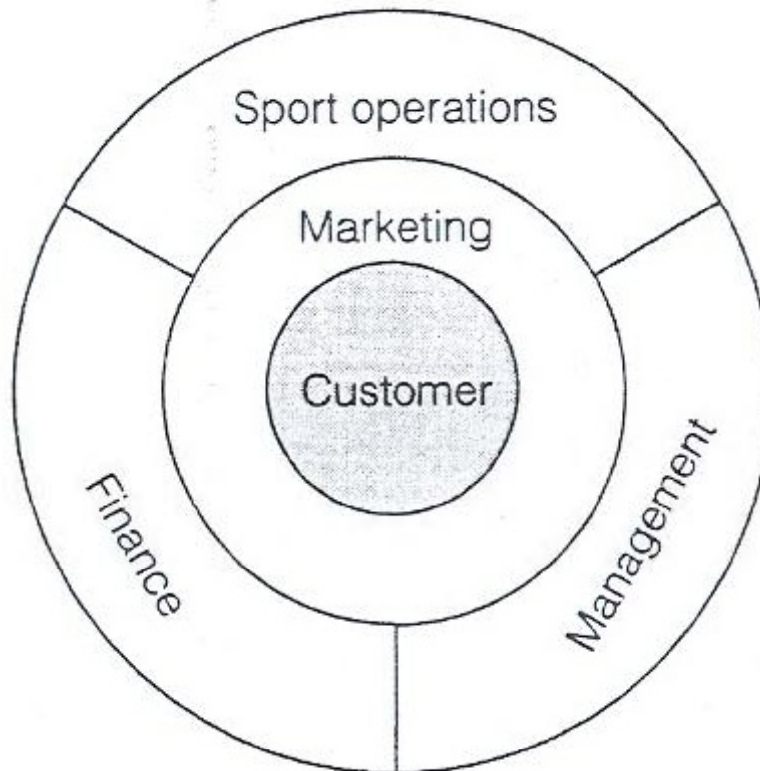


# Sports Marketing Central



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(c) The customer as the controlling function in sport marketing



## 1990's – Now

### [Marketing focus]

- Customer is central to sports marketing
- Intense competition for the attention of consumers from other sports, hobbies and entertainment
- Looking for new ways of generating revenue
- Consider altering the sports 'product' to suit the consumer
- Sports marketing profession firmly established

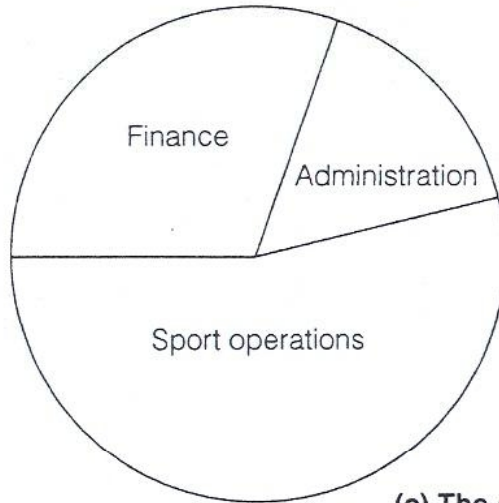






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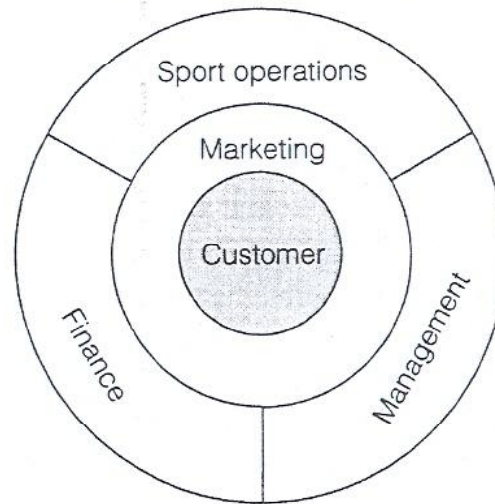
(a) Pre sport marketing



(b) Transition to professional sport



(c) The customer as the controlling function in sport marketing



# The changing face of sports marketing



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Some of the changes that has impacted on sports marketing include:

- Radical change in sport over 25 years
- No longer just an 'athletic endeavour'
- Increased competition for consumer leisure time
- Increased importance of 'marketing dollars'
- Greater exposure
- Multi-media' experience of the sporting product
- Greater understanding in the importance of marketing in sport
- Greater focus on 'intellectual property' of the sport
- Greater control of sport by TV through TV rights
- Globalisation of sport
- Sports marketing a profession in its own right



# Changing face of Sports Marketing

*“The days of slotting ex-players, equipment managers or relatives of influential team owners into executive positions within our industry are quickly coming to an end. Our business is simply becoming too sophisticated and the stakes are getting too high. This industry will thrive in the next millennium only by educating our youth about the lessons of the past, the challenges of the present and the promise of the future. In short, we need to make a formal education in the business of sports part of aspiring young sports executives' life experiences.”*

**Dean Bonham, CEO, The Bonham Group**



Sports Marketing is based upon  
standard marketing  
principles...

however there are a few things that  
make it unique

the objective of a professional football club is:

‘to provide entertainment in the form of a football match. The objective is not to maximise profit but to achieve playing success while remaining solvent’

*Gratten, C. and Taylor, P. (2000) The Economics of Sport and Recreation, from the The PEP Report on professional football (1966)*

The most common view about the main objective of a general firm within the economy on the other hand is:

that its goal is **profit  
maximisation**

Cooke, A. (1999) The Economics of Leisure and Sport

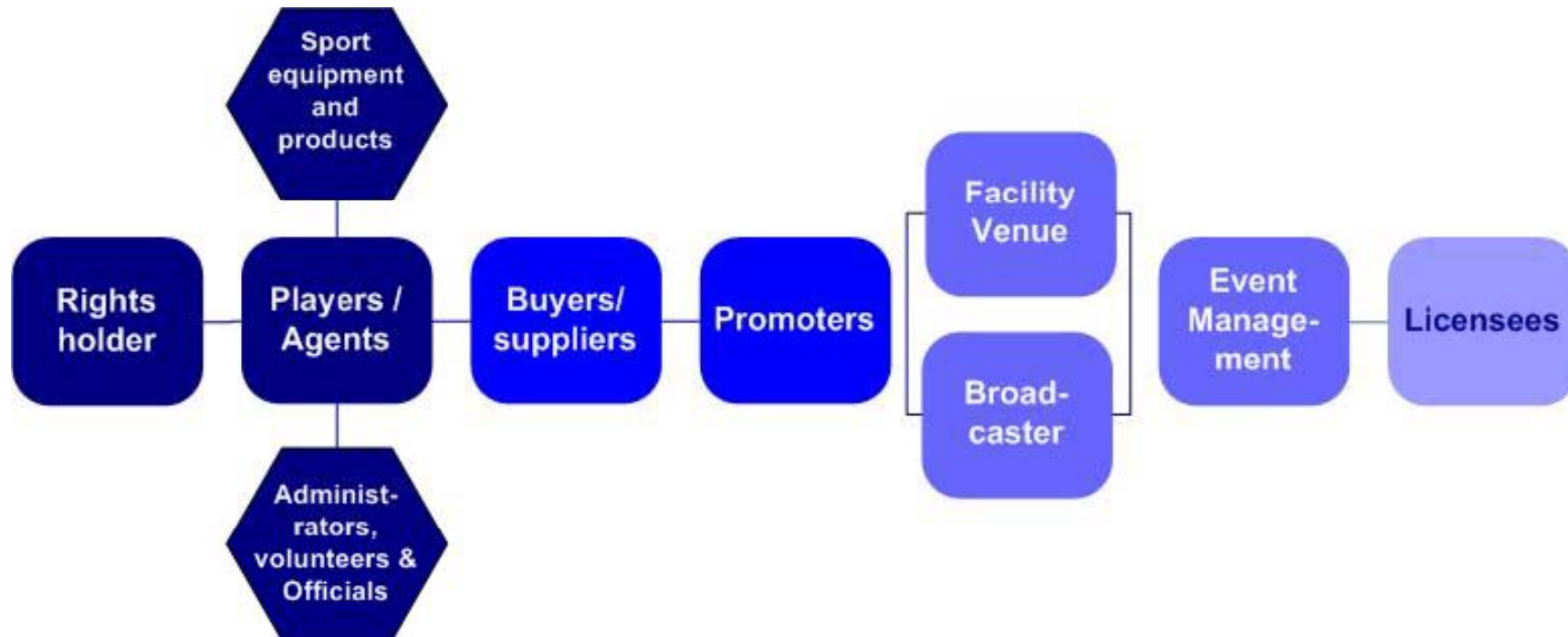
# Sports Marketing Value Chain



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! Who is involved in the sport value chain?

Eg



# Overview of the Values a Community Sees in Sports



- **Entertainment Value** - major league sports adds to the quality of life in a region
- **Community Pride** - a high value to the community pride that is created
- **Business Location Decisions** - the owners of businesses will find the community more attractive, and on the margin some location decisions will be influenced by the presence of major league sports
- **Value of Media Exposure** - There is also a tremendous advertising value to the exposure the community enjoys in the media as a result of hosting a major league team
- **Economic Impact** - quantifiable impacts are the creation of jobs, personal incomes, business opportunities in other supplier industries, and profits
- **Fiscal Impacts** - The economic activity of the franchise and arena also generates revenues for local governments
- **Stimulus to Real Estate Development** - Sports facilities are significant financial investments in the infrastructure and vertical development within urban areas

*Spickard (1995), Value of a Major League Sports Franchise to a Community*

# Difference Between Marketing & Sports Marketing



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## Marketing Def:

*The analysis, planning, implementation and control of programs designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organisation objectives*

.

*Kotler et al (1994)*

## Sport Marketing Def:

*(1) the specific application of marketing principles and processes to sport (e.g., teams, leagues, events, etc.) and*

*(2) the marketing of non-sports products (e.g., cigarettes, beer, long-distance phone service, etc.) through associations with sport.*



# The Sport Marketing Mix

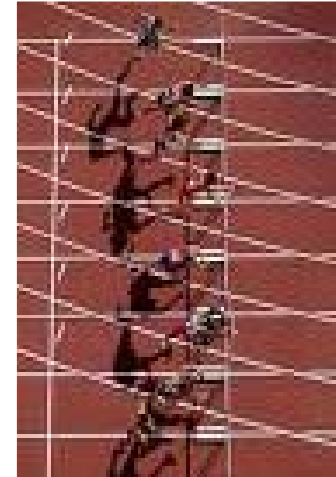


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The 4 P's of marketing:

- Product (sporting product/event)
- Price (the price placed on the product/event)
- Promotion
  - Advertising
  - Personal selling
  - Promotions \*\*
  - Sponsorship \*\*
  - Public relations\*\*
  - Promotional licensing \*\*
- Place (distribution)

**\*\* Greater component of sports marketing mix than other industries**



# The Sport Marketing Mix



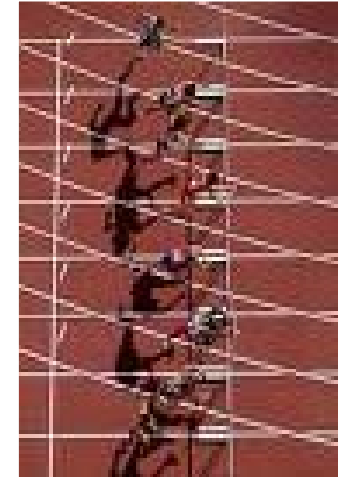
...make a difference

W.A Sutton (1991) developed the 8 P's of marketing in response to sports unique characteristics. The traditional 4 P's of marketing:

1. Product eg Golf Skins, One day cricket
2. Price eg family tickets, season ticket specials
3. Promotion eg advertising
4. Place eg venue, TV, web

Plus the four P's of sports marketing:

1. Planning (Understanding and delivering to a target market)
2. Packaging (How the game appears and is tangible)
3. Positioning (How the game is promoted and to what audience)
4. Perception (The effect the activities have on the market)

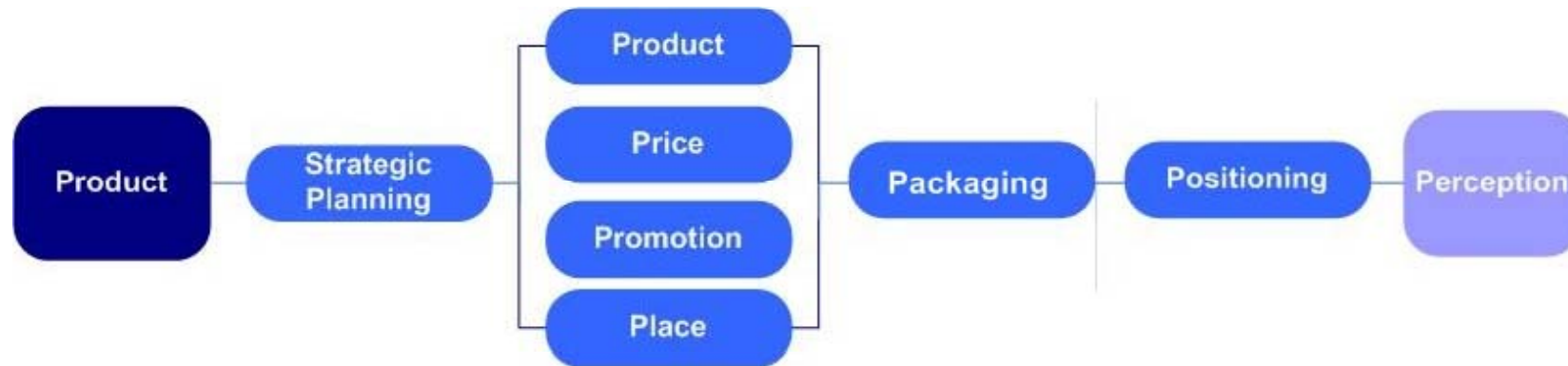




# The Sport Marketing Mix



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W.A Sutton (1991) realised:

- That sport relied very heavily on the marketing function
- The importance of market perception in sports marketing
- The need therefore to attempt to control these elements was paramount



„Sport is the only  
entertainment where,  
no matter how many times you go back,  
you never  
know the ending.“

US Playwright Neil Simon quoted in Pickering (2002)

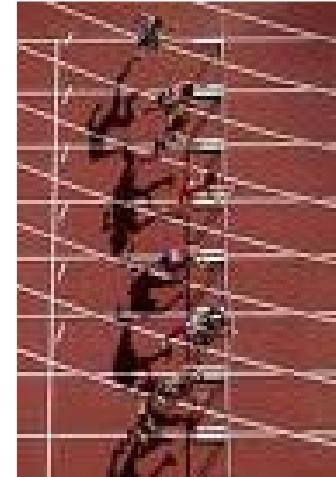
# Top Sports Marketing Differences



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- Uncertainty of outcome (Dobson & Goddard, 2001) drives interest through excitement and expectation
- Often, other objectives are put above the sports marketing function
- Sport need fans and fans need sport
- Scrutiny on the club's performance in all areas is much greater
- Team performance affects marketers ability to attain results
- Importance of the sponsorship and public relations components of sports marketing
- Affect of sport on people – Power to influence
  - [Affect of people #1](#)
  - [Affect of people #2](#)



# Top Sports Marketing Differences

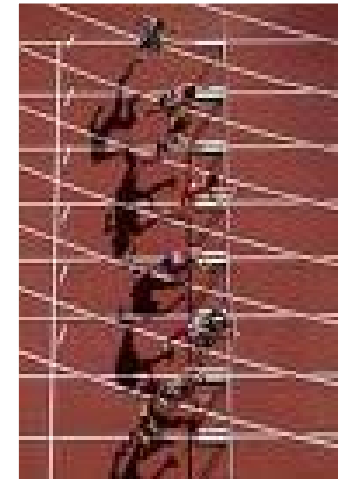


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- Growth objectives are more likely to be achieved for sporting organisations through growth in income
- Sport is very unpredictable as it is produced, delivered and consumed simultaneously at the one location
- Sport crosses geographics, demographics and socioculturally
- Promotion to encourage both buying (tickets, attendance, sponsorship) and participating in sport
- The power of sport to influence is enormous (refer to case study)
- Sport customers help to create the product #
- Sports marketers have limited control over their product #
- Consumers of sport are unlikely to purchase rival products #
- You will never have another job like sports marketing

#' The Marketing of Sport, J beech & S Chadwick, 2007)

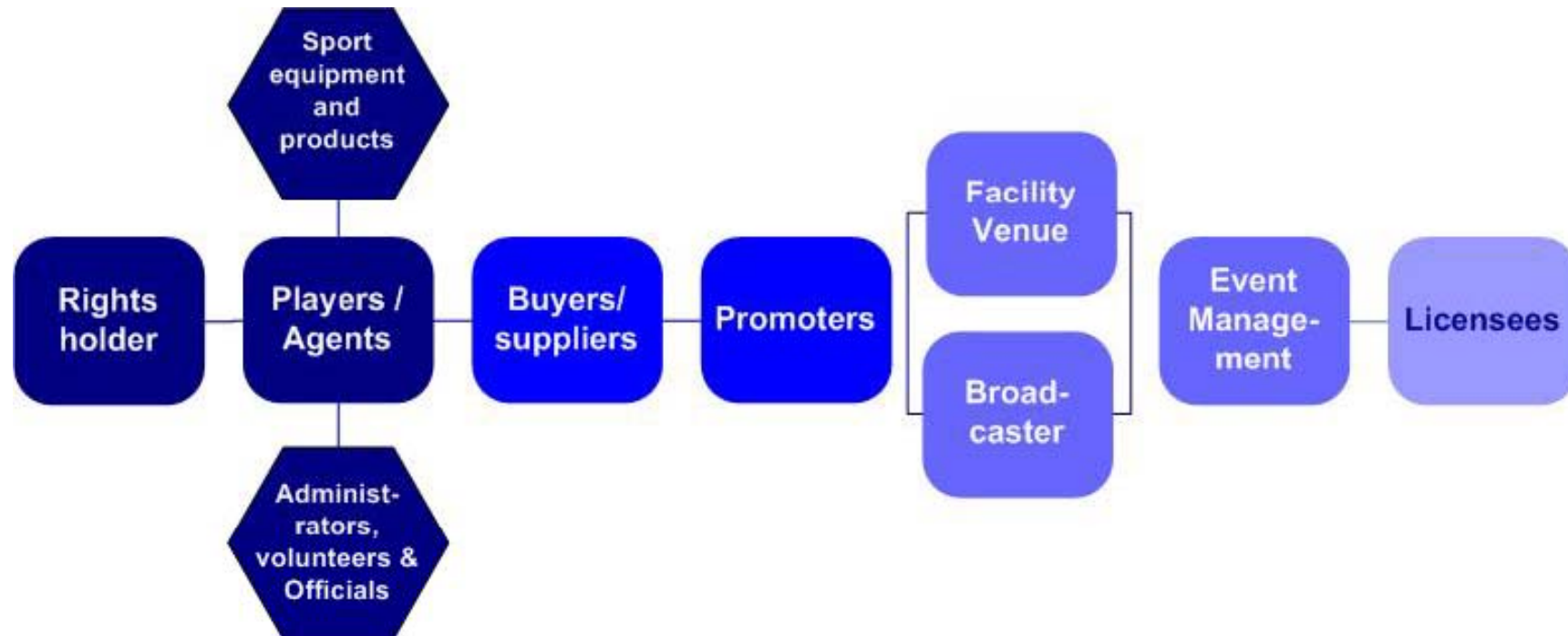


# Sports Marketing Supply Chain



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Who is involved in the sport supply chain?





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# 1/2 Time

## Activity and Quiz



# Battle of Münster

Pre-weekend Workers  
Marketing League  
Münster  
(PWWMLM)



## Crocodile Dundee

TAKEMON

## Trophy



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# Scoreboard



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(Week)	Final
<b>Team #1</b>	
<b>Team #2</b>	

*Team #1*

Coach  
Captain  
Team Colours

Members  
CCC

*Team #2*

Coach  
Captain  
Team Colours

Members  
CCC



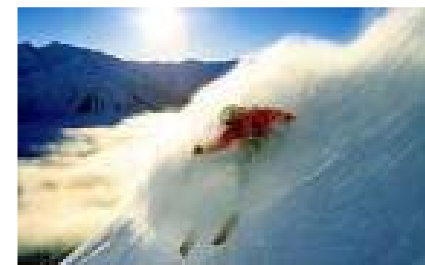
# Motivations of sporting organisations



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The motivations of the sporting organisation include:

- Performance of the team
- Profit objective must not compromise the team's performance
- Profit used to increase 'on field' success
- To engage the community and promote community principles
- To foster relationships with and between organisations including 'competing' entities
- To promote the sport, participation is sport as well as attendance at sport

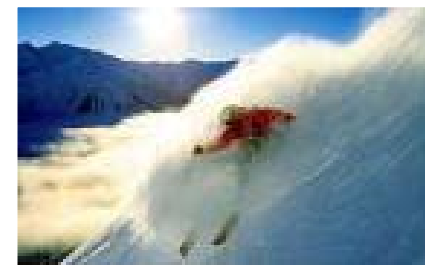


# Top Eight Sports Marketing Myths



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1. “Build it and they will come”
2. Loyalty to a club will keep spectators and sponsors coming
3. You can’t touch the game (The game is sacrosanct)
4. Participation levels will solve everything (you don’t need the game played at an elite level)
5. TV rights income will solve everything (you don’t need spectators)
6. Our position in the market is untouchable
7. A love of the sport is enough
8. An understanding of business is enough
9. Basic understanding of marketing principles is enough





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# Case Study: Manchester United



# Manchester United Case Study



- Some key differences in sports marketing you have found compared to normal marketing
- Key drivers of Manchester United's success
- Some of techniques they have used for developing a global market
- What might be some challenges facing Man U?



# Sports Marketing.

Course Outline & Organisation

