sports marketing
A PRACTICAL APPROACH

LARRY DEGARIS

Sports Marketing

Any sports marketing student or prospective sports marketer has to understand in detail genuine industry trends and be able to recognize solutions to real-world scenarios. *Sports Marketing: A practical approach* is the first textbook to offer a comprehensive, engaging, and practice-focused bridge between academic theory and real-life, industry-based research and practice. Defining the primary role of the sports marketer as revenue generation, the book is structured around the three main channels through which this can be achieved – ticket sales, media, and sponsorship – and explores key topics such as:
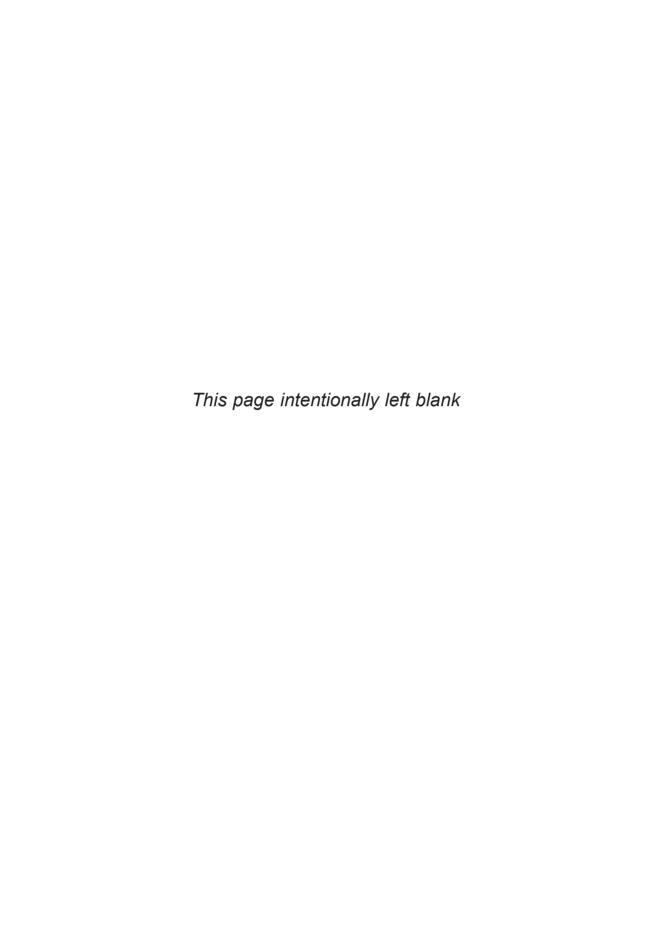
■ Sports markets and business markets (B2B)
■ Fan development
■ Brand management
■ Media audiences, rights, and revenue
■ Live sports events
■ Sponsorship
■ Merchandise and retail.

Integrating real industry-generated research into every chapter, the book also includes analyses of industry job descriptions and guidance for developing and preparing for a career in sports marketing. It goes further than any other sports marketing textbook in surveying the international sports market, including international cases and detailed profiles of international consumer and business markets throughout. A companion website offers multiple choice questions for students, editable short answer and essay questions, and lecture slides for instructors.

No other textbook offers such a relevant, practice-focused overview of contemporary sports marketing. It is the ideal companion to any sports marketing course.

Larry DeGaris is a leading research consultant to the sponsorship and sports marketing industries, and Professor of Marketing at the University of Indianapolis, USA. He has personally conducted over 100 research studies for sports organizations funded to well over $3 million, and is a sought after expert for the media.

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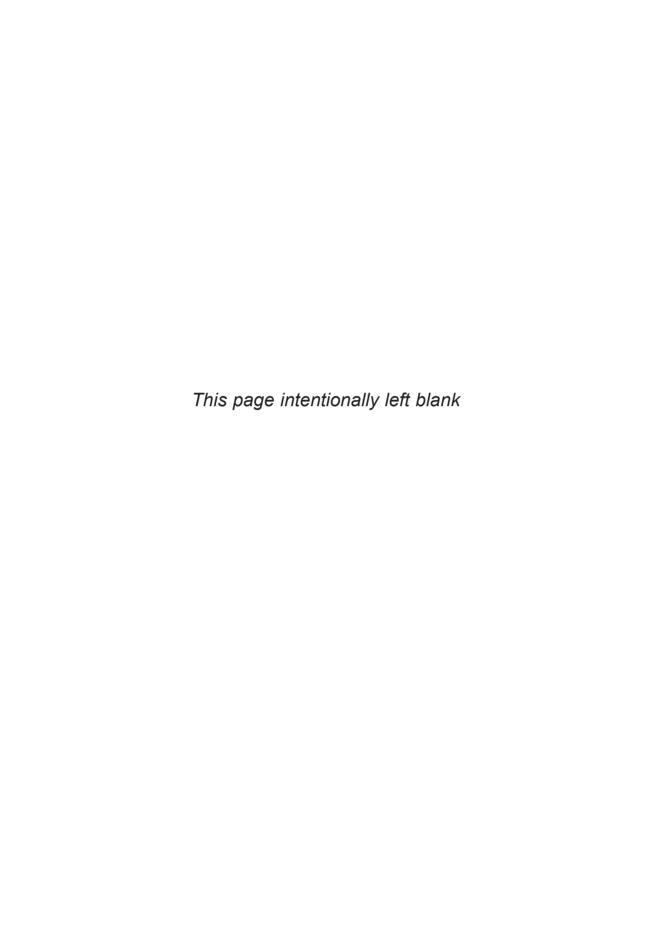Additional materials are available on the companion website at www.routledge.com/cw/degaris

Aim high. You're better than you think you are.

In memory of…
Don "Sonny Boy Hinko" Hinchey. The best wingman ever, in and out of the office.

And dedicated to…
Lani, both a distraction from writing and an inspiration for finishing.

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Preface

I learned marketing on the job. The first marketing class I was ever in was one that I taught. In reading leading sports marketing textbooks, I found little resemblance to my experiences working in sports marketing. This book is an attempt to bridge that gap.

I thank my editors at Routledge for providing the impetus for putting this book together. After criticizing sports marketing textbook proposals because they largely fail to reflect sports marketing practice, my editors at Routledge, Simon Whitmore in particular, provided me with the opportunity to do something different. That proved to be more of a challenge than I had anticipated. Most sports marketing textbooks follow the template set by leading marketing textbooks and apply marketing principles to sports examples, with a focus on the principles not the practice.

Marketing practice is more goal-driven than process-oriented. Therefore, this book attempts to focus on how sports marketing can be tied to larger business goals, especially sales and profits. In organizing the book, I "followed the money." This book tries to "follow the money" by (1) structuring chapters around revenue generation; and (2) emphasizing areas in which there are employment opportunities.

First, I look at revenue opportunities in sports marketing. Globally, the sports industry generates revenues from (1) live events, (2) media, and (3) commercial (e.g., sponsorship and licensing/merchandising). The first part of the book discusses marketing goals and strategies. The remaining three parts of the book discuss specific marketing tactics to generate revenue in each of the three revenue domains.

The book is also structured around revenue opportunities for readers of the book, i.e., jobs. Not surprisingly, the greatest number of job opportunities in sports marketing can be found in the areas which generate the greatest revenue. One of the features of this book is that it links strategies and tactics to job descriptions from actual job ads.

The sports business is a sales-based industry. "Sell or die" is the common mantra among sports executives. Consequently, the book is very sales-oriented, with four chapters devoted exclusively to the sales process as applied to specific sports domains.

One of the unique features of this book is its emphasis on sports' use in business-to-business marketing. The contribution of client entertainment and corporate hospitality is substantial with respect both to ticket sales and sponsorships. Both academics and practitioners have paid far too little attention to the B2B component of sports marketing. With this book, I hope to promote a more rigorous approach to this part of the business.

At the very least, I hope this book helps to further the conversation between academics and practitioners. I hope academics can use the books to better understand what practitioners are looking for; and I hope practitioners will start to look toward academia as a potential resource.

I'd also like to say a few words about "learning objectives" for the book. The main goal of this book is to provide readers with enough of a framework to think about sports marketing,

and enough interesting examples to spur thought. Readers will notice that I used a lot of examples from reports in the *SportsBusiness Journal*. I highly recommend a subscription to the SBJ as a companion to the book. Sports marketing is a rapidly evolving discipline. As readers will note, there is a premium placed on innovation and creativity in sports marketing, especially with respect to identifying new sources of revenue. Rather than reaching conclusions, I hope this book helps readers formulate some good questions.

Acknowledgments

I've been lucky.

I've had great teachers and coaches. They taught me both to love sports and to love school.

I've had great bosses. I'm grateful for the opportunity to have worked in the industry full-time. For that, I thank Tracy Schoenadel for taking a chance on a grad student in sport sociology and giving me my start with ROI Research at the Interpublic Group. Tim Taylor at the Bonham Group took a chance on hiring me despite concerns about my work being "too theoretical," and was gracious enough to provide me with opportunities to manage client projects, sharing successes when things went well and blame when they didn't. Marjorie White gave me the opportunity to work in areas beyond sports and gain exposure to public relations at Ogilvy Public Relations Worldwide. Thanks for the opportunity.

I've had great colleagues. Don Hinchey, in whose memory this book was written and who was taken from us too soon, was an enthusiastic advocate and a great sparring partner in internal strategy sessions. Don's genuine desire to see other people succeed continues to be humbling. I miss you, Donnie. Corrie West, my longtime colleague, business partner, and friend afforded me the luxury of having time to think about research design and results. I'm delighted to have had the opportunity to work together, grateful for her diligence and hard work, and proud of the work we've done. Thanks, CJ.

I've had great clients. I've had the privilege of working with clients across the sports marketing spectrum: properties/brands, big/small. I've worked with well over a hundred different clients in the sports industry who have provided collegiality, guidance, and funding. Thanks for the business and let me know if you need anything else!

I've had great students. Thanks for taking my classes. I hope you got as much out of them as I have.

Most importantly, I have great family and friends, and a special "special someone." Like I said, I'm lucky.

Part I
Strategy

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A practical approach to sports marketing

CHAPTER OUTLINE

1 Bridging theory and practice
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      ii Marketing goals
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3 Data and measurement
   a Goals
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BRIDGING THEORY AND PRACTICE

The relationship between the academic study of sports business and sports business practitioners historically has not been close or productive, more often ranging from distant to downright adversarial. The *Wall Street Journal* (WSJ) gave college sport management programs a "failing" grade in preparing students for work in the sports business.[1] The WSJ article recounted a speech to an association of academics by Andy Dolich in 2004, in which Dolich sharply criticized academic sports business programs for their lack of relevant course offerings.[2] The WSJ article recommends that students look for a program which offers "real-world experience" provided by faculty who are "real-life practitioners."

The dilemma of the academic study pitted against practical relevance is not limited to the sports business but extends to the broader fields of marketing and business. The gap between academic marketers and the needs of marketing executives has been described as "alarming" and "growing."[3] The WSJ does not place the blame on the gap between academics and practitioners solely on academia, noting that the sports industry has not invested in or nurtured sport management programs.

One of practitioners' main criticisms of the academic study of sports marketing is that it is "too theoretical." But what does it mean to be "too theoretical" and what would it mean to have a "practical" approach to sports marketing? In the common use, the term "theoretical" is meant as something which is abstract, which may or may not be relevant to a real-world situation. Practical, on the other hand, means performing or doing something. In this sense, a theoretical approach to sports marketing means looking at abstract principles or processes which may or may not be actively practiced. A theoretical approach focuses on *what sports marketing "is."* In contrast, *a practical approach to sports marketing focuses on what sports marketers do*.

In general, academic research and textbooks tend to take a more theoretical approach to sports marketing, focusing on marketing principles and providing examples from the sports business. Academics and practitioners even differ with respect to the name of the field: academics study "sport" marketing; practitioners do "sports" marketing. The terminologies represent different approaches: "sport" marketing as a field of academic study attempts to create a "general theory of sport marketing," which can be applied across industry segments.[4] One of the main criticisms of the academic approach to marketing is that it lacks context: what works in one research study might not work under different circumstances.[5] Practitioners are more concerned with what works than finding a unifying theory of the field, and they are concerned that what might work in one situation might not work in another.

Understandably, sports marketing practitioners' primary concern is with marketing problems which are "here and now,"[6] but by focusing on relevant practical problems, sports marketers often fail to take a systematic, rigorous approach. The academic study of "sport" marketing is characterized by a rigorous, systematic approach. Rigor can be both conceptual, or well thought out, and methodological, systematically analyzing empirical data. Academic research tends to focus on rigor to the exclusion of relevance. In contrast, sports marketing practice tends to maintain a laser-like focus on relevance, often at the expense of rigor.

Critics of the "academic" or "theoretical" approach to sports marketing overlook the benefits of a more rigorous approach which is informed by data. Practice-oriented sports marketers also tend to overlook a big weakness in the sports industry relative to other industries: as an industry, sports lags woefully behind other industries in its use of research and data. According to a recent industry study,[7] sponsors give properties (e.g., teams, leagues, and events) a failing grade for measurement and research. Table 1.1 provides some results from the study: nearly two-thirds (67%) of sponsors say properties are not meeting their expectations in delivering return-on-investment (ROI) measurement or research information; more than half (55%) do not have a standardized measurement process; nearly half (45%) spend 0% of their sponsorship budgets on pre-selection research; and about a third (32%) spend nothing on concurrent/post-event research. Sponsors are more likely to rely on their guts than hard data as "internal feedback" is considered to be a more important type of sponsorship analysis than "primary consumer research." The numbers are not good to begin with and might be worse, as respondents might be prone to overestimating their use of research because that would be the more desirable response. Most marketing practitioners would not like to admit that they make decisions about million dollar deals without rigorous, fact-based support.

Table 1.1 Sponsors' use of research

- ■ 67% of sponsors say properties are NOT meeting their expectations in delivering ROI measurement or research information
- ■ 55% of sponsors do not have a standardized process for measuring return from sponsorships
- ■ 45% of sponsors spend 0% of their sponsorship budgets on pre-selection research
- ■ 32% of sponsors spend NOTHING on concurrent/post-event research, despite 86% saying the need for validated results from sponsorship has increased during the past 1–2 years
- ■ "Internal feedback" is the most important type of sponsorship analysis (42% 9–10 on a 10-pt. scale), more than "primary consumer research" (29%)

Source: 12th Annual IEG/Performance Research Sponsorship Decision-Makers Survey.

It's not surprising that sponsorship properties get a failing grade from sponsors on research and measurement. Sports marketers have long had a skeptical and somewhat dubious view of research. Jon Spoelstra, a highly influential figure in helping to professionalize sports marketing as a discipline, eschews research conducted by "big professional research firms" – the type often used by "megacorporations" – in favor of "free research," or "going to your customers and talking to them one-to-one."[8] Along these lines, other sports marketers suggest executives "gather your own research," "walk around the arena and observe what's happening," and "introduce yourself as a team executive and ask random fans to share their experiences with you."[9] But while research by walking around might add insight to more systematic, rigorous data, on its own it's a terrible method of collecting information, prone to all sorts of individual biases and measurement errors. One of the main benefits of using rigorous methods to conduct research is to reduce biases of individuals and reduce risk in decisions.

There is, however, recognition of the importance of rigorous research, measurement, and data in the sports industry, although sports-related organizations tend to lag far behind their "megacorporation" counterparts. Table 1.2 provides some examples of research-related job responsibilities in job ads posted by sports organizations. The Special Olympics sees a Vice President who will build "off the data, research, and evaluation findings." Churchill Downs Racetrack, home of the Kentucky Derby, seeks a Vice President who will develop a "comprehensive data driven marketing strategy." The Chicago Fire, a Major League Soccer (MLS) team, seeks a Senior Director of Marketing who will oversee research initiatives, which will "heighten Fire's awareness of current business activity and grow/ develop future business opportunities."

So, practitioners criticize academics for a lack of relevance and academics criticize practitioners for a lack of rigor. To a certain extent, they're both right. The main goal of this book, therefore, is to provide a systematic and rigorous approach to the sports marketing practice, which is informed by data. This book adopts a practical approach to sports marketing and takes what sports marketers do and how you might learn how to do it as the starting points. That's not to say that there are no theories or principles involved in the practice of sports marketing. Theory and practice are not mutually exclusive, nor are relevance and rigor. Sports marketing practitioners don't make choices randomly; they operate from theoretical frameworks, though most practitioners would probably use the term "strategies."

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Table 1.2 Research-related duties for sports marketers

Job description	Comments
VP, Special Olympics position summary[1] ■ "The Vice President, Global Youth Activation and Education Policy will lead the global expansion and implementation of youth activation in each of seven Special Olympics regions around the world, as a core component of the community building pillar of the Movement's strategic plan. S/he will create an integrated overarching global blueprint for youth activation and school and education policy *building off the data, research and evaluation findings*, key characteristics and principles that ensure Project UNIFY remains a successful US youth activation program." (emphasis added)	Many sports marketing job descriptions seek candidates who can develop evidence-based programs. The Special Olympics sought a candidate who would build programs off data, research, and evaluation findings.
Senior Director of Marketing – Chicago Fire Soccer Club responsibilities[2] ■ "*Oversee development of all research initiatives* including surveys, questionnaires, focus groups, etc. Use such data to heighten Fire's awareness of current business activity and grow/develop future business opportunities." (emphasis added)	Major League Soccer's Chicago Fire sought a marketing director who would oversee research initiatives. Heightening awareness involves developing a more informed and intentional approach to marketing activities. The Fire also sought a Director who would use data to support business development. Research is often undervalued by sports organizations, especially on the property side, because it is difficult to establish a direct link between research and revenue, but many organizations endeavor to use research for sales support and product development.
Vice President of Marketing – Churchill Downs Racetrack essential duties[3] ■ "Leading and managing efforts to integrate technology, advertising, and other business intelligence into a comprehensive data driven marketing strategy. Analyzing demographic, geographic, behavioral and other data to effectively target and engage desired audience while quantifying results. *Conducting marketing surveys on new concepts, products, and innovations*." (emphasis added)	Churchill Downs, home of the Kentucky Derby, sought a candidate who would not only analyze existing data but actually conduct marketing surveys, which would inform new product development.

Notes
1 Vice President, Global Youth Activation and Education Policy. www.sportbusiness.com/marketplace/jobs/vice-president-global-youth-activation, accessed 1/11/2012.
2 Major League Soccer Job Board. http://mls.teamworkonline.com/teamwork/r.cfm?i=47233, accessed 8/9/2012.
3 Job Opportunities Churchill Downs Incorporated. http://churchilldownsincorporated.teamworkonline.com/teamwork/r.cf, accessed 8/9/2012.

While sports marketers use theoretical frameworks, they tend not to draw on academic research for their theories, developing "theories on the ground" based on experience or, less often, using market research.

A PRACTICAL APPROACH TO SPORTS MARKETING

> Sports marketers develop strategies and implement tactics to achieve goals.

What do sports marketers do? And where do they do it? Broadly speaking, sports marketers develop strategies and tactics to achieve goals. Sports marketers work for a property, sponsor, media rights holder, or agency.[10]

A sports *property* is a team, league, venue, event, governing body, or association. Sports marketing executives at sports properties are primarily concerned with the ***marketing of sports*** with the goal of generating sports consumers, fans, and/or participants. Manchester United and the New York Yankees are sports properties as are the leagues in which they compete – Barclays Premier League (BPL) and Major League Baseball (MLB) – respectively, and these organizations are concerned primarily with building their fan bases. National governing bodies for Olympic sports and your local gym are sports properties also concerned with building sports audiences but more focused on participants than fans.

Sponsors are companies or brands, whether sports-related or not, who pay sports properties for exploitable marketing assets, whether as official sponsors or as advertisers on sports-related content. Sports marketing executives working for or on behalf of sponsors are primarily concerned with ***marketing through sports*** with the goal of using sports to gain access to audiences of fans and/or participants. Sports properties build audiences which they can then deliver to sports sponsors.

Media rights holders, such as television, radio, and digital companies, play a vital role both in distributing sports products, especially event broadcasts to fans, and providing a vital source of revenue for sports properties. Media companies are appropriately named because they mediate the role between sports properties, playing a role in both building audiences and delivering them to corporate sponsors. Sports marketing executives at media rights holders are concerned with both building audiences, such as television viewers, radio listeners, or website visitors, AND monetizing those audiences through subscription fees and/or advertising.

Agencies perform specialized functions across sports properties, sponsors, and media companies. Sports marketers employed by an agency can represent a sports property, selling tickets or sponsorships, for example; they can represent sponsors, such as by developing and implementing sponsorship programs; or they can represent media companies. Some agencies specialize in sports marketing or a specialization within sports marketing, such as sponsorship or athlete representation. Other agencies offer sports-related services as one industry category among many. Typically, however, agencies offer a specialized expertise and capabilities in an area not possessed by their clients.

Goals

One of the biggest challenges marketers face day-to-day is how to allocate their time, energy, and resources. Marketers are faced with a dizzying array of choices about how to market their products and brands. Sports organizations as different as the Ultimate Fighting

Championships (UFC) and Ladies Professional Golf Association (LPGA) share the challenge of deciding how to spend their precious marketing dollars. As UFC President Dana White says, "Our biggest challenge is one of focus and resources."[11] LPGA Commissioner Gary Whan echoes the sentiment, saying his "biggest challenge on the job . . . has been focus." "If you're not careful," Whan warns, "you can actually finish a 10-, 12-hour day and realize you spent zero amount of time focusing on the most important thing: that is our business partners, who get our players on the golf course."[12]

For the UFC, given that pay-per-view broadcasts generate the most revenue, how much time, energy, and money do you spend on other activities? Other types of TV shows, such as reality shows on Spike? Video games? A UFC magazine? UFC gyms? These are big questions and we haven't yet touched on strategic questions, such as who UFC would want to reach (i.e., their targets) and what they would want to say (i.e., brand positioning). At some point, all marketers need to decide how much money they are going to spend and where they are going to spend it. And they'll need to spend it well. Determining and allocating budgets is where the rubber meets the road, especially in the face of increasing demands for accountability for marketers, as will be discussed later in this chapter. As Beth Hirschhorn, EVP, Global Brand, Marketing and Communications at Metlife says, "the challenge is to spend smart. Anyone can spend more."[13]

Most sports marketers will tell you that sports marketing is more about marketing than it is about sports. But many of the skills required to be successful in sports are similar to those required for success in business. There is evidence, for example, that individuals who participated in sports in high school make more money later in life, even when controlling for ability.[14] There are many factors which could possibly explain higher wages for athletes: work ethic, time management, discipline, etc. Success in sports, as in business, requires setting clear goals and making a plan to attain them. Successful athletes are likely to have learned goal-setting skills which enhanced their performance. While not automatically transferred to business settings, goal-setting is an important skill for marketing success, so in this case there's a valuable lesson marketers can learn from sports.

Let's take an example of goal-setting from sports. Most athletes want to get stronger to improve performance. How would you recommend someone go about "getting stronger"? General goals like "get stronger" are not likely to facilitate changes in behavior. So you'd break it down into more specific goals, such as increasing number of repetitions at 225 lbs. on the bench press. If I can currently do eight reps at 225, what's a reasonable goal for my next workout? The end of the year? Where do I want to end up and how am I going to get there? The same principles apply to setting sports marketing goals. Most professional sports teams want to increase attendance. How would you go about increasing attendance? If current attendance is 12,000 fans per game, what's a good attendance goal for the next game? The next season? Again, where do I want to end up and how am I going to get there? Sports psychologist Daniel Gould reviewed related research and offers some guidelines for effective goal-setting:[15]

■ **Set specific goals in measurable and behavioral terms.** If you want to get stronger, set specific goals, such as increasing the number of reps for 225 lbs. on the bench press. If a professional sports team wants to increase attendance, specific attendance goals must be set.

■ **Set difficult but realistic goals.** The most effective goals are challenging but attainable. If an athlete currently bench presses 225 lbs. for eight repetitions, what would be a difficult but realistic goal for the next workout? For next year? When David Freeman bought the Nashville Predators of the National Hockey League (NHL), the team was averaging slightly under 14,000 attendees per game. Freeman set a goal of selling out the arena, which has a capacity of slightly more than 17,000.[16] Is that a realistic goal? Maybe long-term, but probably not for the next game.

■ **Set short-range as well as long-range goals.** For Freeman and the Nashville Predators, increasing attendance by 20 percent to sell out their arena is attainable given an appropriate timeline and depending on the situation. You might not expect a huge increase over the course of a week or a month but over a season? Maybe. In order to reach long-term goals, such as selling out an arena or benching 225 for 15 reps, it's necessary to set more immediate short-term goals, such as getting one more rep on the bench in the next workout, or maybe selling a game on the schedule that's a potential sell-out date, maybe because of a popular opponent, and focusing resources and energy on that game.

■ **Set process goals as opposed to outcome goals.** Ultimately, most sports marketers are interested in bottom-line results: increased ticket sales, and more sponsorship and advertising revenue. Setting outcome goals such as attendance, however, neglects to address the process by which outcomes are achieved. An account executive selling tickets, for example, setting an outcome goal of "selling more tickets" might distract the exec from the process involved, such as increasing the number of sales calls. Process goals help individuals, athletes, and businesspeople alike, to maintain focus on the tasks and procedures required for successful results.

■ **Identify goal-achievement strategies.** Setting goals is meaningless if there is no plan to achieve them. As Jay Abraham, COO of NASCAR Media Group says, "The biggest challenge is making sure you have a clear strategic direction and that you focus your resources against those objectives, as opposed to chasing every opportunity that comes along just to make money."[17] A softball player trying to raise her batting average by 50 points might want to identify a goal achievement strategy of taking 50 extra practice swings after every practice. A professional sports team trying to increase attendance might identify a strategy of targeting more group sales and then hiring a full-time group sales executive and/or acquiring a list of 1000 additional community organizations for a direct marketing promotional offer.

■ **Provide for goal evaluation.** With processes and strategies identified, sports marketers, like athletes, need feedback about how their performances relate to both short-term and long-term goals. Many sales offices, for example, post cumulative and weekly sales for each salesperson in a department, a practice which would be familiar to any athlete on a team with a depth chart for starters and reserves. Outcomes such as weekly and monthly sales, however, must be tied to the strategies and processes associated with those outcomes: increased sales calls, asking more open-ended questions, qualifying prospects more rigorously, etc.

Despite the importance of goal-setting in business environments, many executives don't spend a lot of time or energy planning and developing goals. If goals are not rigorously

developed and vetted, they can have negative business consequences, such as a narrow focus, unethical behavior, a competitive environment, and reduced motivation, among other problems.[18] Poor goals lead to poor results. Since goals are used to guide behaviors, poor goals also lead to poor behaviors.

With respect to retail sales of licensed merchandise, some industry observers regard $100 million as the "hallmark" of a successful licensed merchandise program.[19] Why $100 million and not $80 million or $120 million? Likely because 100 is a nice, round number. "Double-digit" growth is a fairly common goal but the "digits" it refers to are our fingers. Suppose humans evolved with eight fingers instead of ten, like on *The Simpsons*. Would the hallmark of a successful licensing program be $80 million? Or what if baby Kaitlyn from reality show *Here Comes Honey Boo Boo*, who was born with an extra thumb and therefore has 11 digits, grows up to be a sports marketing executive? Would her goal be $110 million because of the extra digit? Would you want to plan your daily activities based on the fact that humans evolved with ten digits instead of eight or twelve?

Designing difficult but realistic goals requires a realistic analysis of the organization's current situation. Typically, a situation analysis, commonly called a SWOT analysis in marketing textbooks (strengths, weaknesses, opportunities, and threats), includes assessing an organization's capabilities and its external environment, such as competitors, technological developments, demographics, cultural trends, and the economy. Basically, everything. But conducting a situation analysis without tying it to goals fails to establish priorities that can guide action. In addition, analyzing what "is" ignores the more important question of what is possible.[20]

Sports marketers ask, where are we at now and where do we want to be? Sports marketers look to both understand and change reality. You can look at what competitors are doing, but just because they can't do it doesn't mean you can't. Conversely, because they *can* do it doesn't mean you *can*. After posting a 13.7 percent increase in commercial revenue at Manchester United, United's marketing manager said, "We don't know how far we can go. We certainly don't think we are reaching a limit," pointing to growth in fan-base numbers, engagement levels, and viewing figures.[21] Clubs such as Arsenal, Real Madrid, and Barcelona are reported to be attempting to replicate Manchester United's strategy, prompting greater investment from Man U in the area. What is required, then, is for sports marketers to take an integrated approach to developing goals, considering potential strategies and tactics, and environmental considerations. Inherently, goals are set in order to push current boundaries, establish new precedents, and create new realities.

Organizational goals

Goals must be developed specific to organizations and their environments, but there are certain goals which most business share. Most business executives want to increase the profitability of their business overall. Profitability can be broken down into:

- ■ **Increase sales.** Few business executives are content for the businesses to remain stagnant; most want to grow their companies. For many sports marketers, increasing sales is the end goal and the ultimate measuring stick for performance.

- **Reduce costs.** Sports marketers spend a lot of time trying to figure out how to get more bang for the marketing dollars. Increasing sales is a common goal but not if it comes at the expense of profits.
- **Increase productivity.** Sports marketing managers spend a lot of time trying to figure out how they can create environments in which employees can maximize their performance.

When it comes to sports, it's not all just about the money. "Sport" is not only a business, it is a social institution and is deeply connected to other social institutions, such as religion, family, education, politics, and the media. I'm not sure that makes sport unique as I think music might share many characteristics, but it does introduce the idea that many sports goals can be social in nature and not just business. Sports marketers often engage in what's commonly called "social marketing," or using marketing principles and techniques for the benefit of society.

- **Sport as diplomacy.** The United States Department of State has a program of sports diplomacy, which attempts to improve relationships with other countries through sports.[22]
- **Sport for development.** The United Nations uses sports to promote development and peace. The UN attempts to harness sport's universal appeal in order to connect people and communities.[23]
- **Sport as an educational institution.** According to the President of the National Collegiate Athletic Association (NCAA), the organization which governs college sports in the US, the NCAA's mission is, "to be an integral part of higher education and to focus on the development of our student-athletes."

Marketing techniques are a tool, much like a hammer. You can use a hammer to build a house or to hit someone over the head. It just depends on what your objectives are. Marketing principles can be applied to a wide variety of sports settings in order to achieve a broad array of goals, whether they are profit-centered business goals or social goals. So sports marketers can use their skills to achieve goals ranging from selling more tickets to a game to working toward world peace.

Marketing goals

What do you want said about your company or property at the end of the Olympics?[24]

> . . . it's brand equity and sales.
>
> Chief Marketing Officer, Samsung Electronics America

> . . . at the end of the day it's outcomes. Did we change consumers' attitudes and behaviors towards our brand? And did we sell more of our product more profitably?
>
> Vice President, Worldwide Media, Sports and Entertainment
> Marketing, Coca-Cola

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The ultimate goal for most sports businesses is to increase profits. As we've seen, though, focusing exclusively on outcome goals is an ineffective technique for setting goals. At the 2010 owners meeting, the NFL's commissioner set a goal of tripling the league's revenues over the course of an 18-year period, reaching $25 billion by 2027.[25] Certainly, it was an aggressive goal and as of 2013, the league is well off the pace to reach it. Setting aggressive goals can help improve performance but if you're focusing on financial outcomes, the question must be asked about processes required to achieve desired outcomes: How do you do it?

Ultimately, most businesses are concerned primarily with behaviors. Businesses want more people to spend money on their products and services and want people to spend more money. But people don't just *do*, they also *think* and *feel*. In order to promote behaviors, sports marketers attempt to influence people's thoughts and feelings. In academic terms, cognition (thinking) and affect (feeling) are closely related to conation (doing). Sports marketers want people to know about their brands, like their brands, and act upon that knowledge and feeling with behaviors, especially purchases.

The purchase funnel is a common conceptual tool used by sports marketers to break down marketing goals into different components. There are many versions of the funnel: try doing a Web search and see how many you find (see Table 1.3 for an example).[26] Most purchase funnels lay out the steps between awareness and purchase, though there is a lot of variation with respect to naming the different levels and/or stages. However, most funnels include some version of the following concepts:

- **Awareness.** Awareness is the extent to which a brand is recognized and/or remembered. Brand awareness is often an important goal for new brands and new products with existing brands. A new professional women's soccer league, for example, needs to first let people know they exist.
- **Knowledge.** Aflac is a well-known brand and most people who know the name also know that it's an insurance company. But Aflac sells "supplemental insurance," not the more familiar auto or health insurance that people buy. So, Aflac needs to explain what supplemental insurance is and why people might need it.
- **Liking.** Just because people know your brand doesn't mean they'll like it. Awareness and knowledge are cognitive outcomes but humans are not purely rational beings. Far from it. Emotions and feelings play an important and often dominant role in influencing human behaviors. More broadly, the goal might be described as developing favorable attitudes because it could include a broad range of feelings.

Table 1.3 The purchase funnel

Awareness
Knowledge
Liking
Purchase intent
Purchase

■ **Consideration.** The approach assumed by a purchase funnel is often referred to as a hierarchy of effects. The hierarchy of effects model has come under criticism because the stages don't follow an orderly sequence. Where the hierarchy is accurate, however, is in its importance because most businesses are ultimately concerned with the bottom line. One problem is that sales are influenced by numerous factors outside the purview of marketing, such as politics and the economy. In sports, most marketers don't have control over their products. Marketers can't control winning and losing. Therefore, purchase *intent* is often a goal for marketers because it is a more valid direct measure of their efforts.

■ **Purchase.** All roads lead to sales. For most sports marketers, cognition and affect are relevant to the extent that thoughts and feelings lead to behaviors. Purchase goals could include acquiring new customers, increasing retention rates for current customers, and/or increasing the volume of purchasing among current customers.

To summarize, it's about brand and sales, attitudes, and behaviors. "At the end of the day," it's about outcomes. Do people know who we are? Do they care? Will they buy our product? And how do we get there?

Table 1.4 Developing situation-based goals

Organization	Situation	Goal
Learfield Sports	Learfield Sports represents numerous college athletic departments in selling media rights. Digital technology allows colleges to create a lot of content inexpensively, but the challenge is driving traffic to the content. The first step is to generate awareness.	Generate awareness of digital content
Deutsche Eishockey Liga (DEL)	Germany's professional hockey league enjoys solid attendance. In order to increase awareness and knowledge of the league, it needs a bigger and better media presence.	Increase domestic media presence
Budweiser	Anheuser Busch developed Black Crown, a new upscale brand. Its challenge is to generate awareness for the new brand and knowledge about what the brand represents.	Introduce Black Crown
Formula 1 (F1)	F1 has lacked a consistent presence in the US. While most auto racing fans have heard of F1, they lack knowledge about the rules of the sanctioning body.	Educate US fans about rules
UFC	Known early on as "cage fighting" or a version of human cockfighting, mixed martial arts has been the subject of a lot of controversy. Ultimate Fighting Championships, therefore, set out to demystify the sport.	Combat misconceptions about the sport
EA Sports	EA Sports enjoys strong awareness and knowledge of their sports titles, but are challenged to get sports fans to want to experience their sports interactively.	Get sports fans to want to experience interactive sports

The funnel is often thought to depict a process, or stages, which individuals pass through on their way to becoming consumers. That's inaccurate, primarily because thinking, feeling, and doing are inter-related. People have stronger feelings for things they know about, and vice versa. They're more likely to buy things they like, and like things they buy. Sometimes people think, then feel, then do. Sometimes they feel, then do, then think. There's no set sequence or orderly process.

The funnel is, however, an effective visual representation of the number of individuals typically at each level. For example, just about everyone on the planet is aware of Coca-Cola. A smaller percentage like it. A yet smaller subset drink it. As such, a purchase funnel can be a useful conceptual tool in identifying opportunities and developing marketing goals.

Strategies

As we've seen, focusing solely on outcome goals is ineffective, so focusing on sales, even if that's the end goal, will not likely yield the desired results. Goals are achieved most effectively when they are broken down into their component parts and the processes needed to achieve goals successfully are identified. In marketing terms, processes are most often broken down into strategies and tactics. A strategy is an overall plan of action. A tactic is a specific action strategically planned to achieve a goal.

Broadly speaking in marketing, most strategy is guided by asking: Who do we want to reach? And, what do we want them to know about us? As a job ad for a marketing director for a MLS team states about responsibilities addressing strategy: "target audience, key message."[27] In traditional marketing terms, targeting is determining the audience you want to reach, and positioning is the key message. So, for example in Table 1.5, Coca-Cola wants to promote healthy, active living (key message) to moms (target audience).

Tactics

Tactics are the specific actions which are guided (hopefully) by strategies. In traditional marketing terms, tactics refer to the "4 p's" of marketing: product, price, place, and promotion.

Table 1.5 Sports marketing strategies

In their own words:

- ■ "Moms in the US are decision makers, and we want to continue to push the way our company promotes healthy, active living, and we want to continue to do that through moms."[1] Coca-Cola North America senior vice president of sports and entertainment marketing partnerships.

- ■ "We saw we had an Achilles heel – we weren't getting enough kids playing competitively at younger ages. If we really want to create lifetime tennis players ... and we also want to create future US Open champions, we need to get a bigger pool of kids playing tennis competitively."[2] Chief executive, USTA's community tennis division.

Notes
1 Mickle, T. (2012). Coke targets moms, along with teens, in Olympic marketing. www.sportsbusinessdaily.com/SB-Blogs/Olympics/London-Olympics/2012/07/cokeJuly16.aspx, accessed 1/9/2013.
2 Schultz, E.J. (2011). Tennis to market small-ball approach to find next pro star. *Advertising Age*, April 5. http://adage.com/article/news/tennis-market-small-ball-approach-find-pro-star/226799/, accessed 1/8/2013.

Table 1.6 Baltimore Ravens media summit[1]

Situation	Goal	Strategy	Tactic
Baltimore Ravens enjoy strong attendance but have gained control of local radio and TV rights for the first time	Create and sell media properties	"Take the game" to the New York media market	Invite local media execs to a team "summit" to showcase the club during the team's visit to New York to play the Giants

Note
1 Lefton, T. (2008). Ravens hosting NY summit to showcase team to media buyers. www.sportsbusinessdaily.com/Daily/Issues/2008/11/Issue-44/Sponsorships-Advertising-Marketing/Ravens-Hosting-NY-Summit-To-Showcase-Team-To-Media-Buyers.aspx, accessed 1/9/2013.

Tactics are the tools available to sports marketers to implement strategies. Sports marketers can create new or modify existing products; reduce or increase prices; invent new methods of distributing their products; and use advertising, public relations, sales promotions, and direct marketing to communicate their messages. With so many tools at sports marketers' disposal, however, the main challenge for many sports marketers is to find a way to bring all of these pieces together; to integrate tactics along a cogent strategy focused on achieving goals, which were developed based on an analysis of the situation.

The Baltimore Ravens, like most NFL teams, enjoy strong attendance (see Table 1.6). With consistent sell-outs at home, the growth in revenue from ticket sales is limited so opportunities for growth are likely to be found in media. Therefore, the team set a goal of creating and selling media properties associated with the team. Ravens executives developed a strategy of showcasing their offerings to New York-based "agency types and media buyers." In order to implement the strategy, Ravens executives created a "summit" featuring NFL Films narrator Steve Sabol, which attracted a crowd representing an estimated 34 agencies.

DATA AND MEASUREMENT

What industry execs are saying...

"Research helps us make choices"[28] Sports marketing executives should not rely on research to make decisions for them. Research does not provide definitive answers but can be helpful in assisting executives to make better decisions.

VP Media and Marketing Services, MillerCoors

According to the President and CEO of the Association of National Advertisers, an organization representing the biggest advertisers in the US, "Accountability reigns supreme in all aspects of marketing."[29] In the face of increased competition and decreased budgets, marketers are under pressure to demonstrate results. Does marketing work? That's a fair question, and one that marketers must answer. The increased pressure for accountability also increases the importance of making better decisions on the front end in planning