

The Strategic Sport Marketing Planning Process

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Abstract: *In many segments of the sport industry, sport marketers are pressured to increase their product sales to generate increased revenues for their organizations. This pressure poses a challenge. Because sport marketers are involved in persuading consumers to buy, they run the risk of exaggerating or misrepresenting their products in an effort to sell them. Today, and in the future, sport marketers should recognize this risk and monitor their marketing strategies to ensure that they communicate honest images and messages about their products that are consistent with the core values of their organizations.*

A marketing program is not delivered in isolation of the organization-wide planning process. In normal circumstances, the marketing planning process must reflect the overall plans for the organization.

Key words: sport marketing, strategy, marketing program, planning process

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Introduction

The term 'sport marketing' was first used in the United States by the Advertising Age in 1978. Since then it has been used to describe a variety of activities associated with sport promotion.

People tend to define marketing in terms of their experiences, instead of recognizing one of the most important roles of marketing—carrying out the mission of an organization. Some corporate executives might describe sport marketing as selling

goods and services to generate a profit. But sport marketing is more than selling. Sport marketing is more than advertising and public relations. Sport marketing is more than community relations.

Pitts and Stotlar (2007) defined sport marketing as „the process of designing and implementing activities for the production, pricing, promotion, and distribution of a sport product to satisfy the needs or desires of consumers and to achieve the company’s objectives”.

Sport marketing is the application of marketing concepts to sport products and services, and the marketing of non-sport products through an association to sport. Sport marketing therefore has two key features. First, it is the application of general marketing practices to sport-related products and services. Second, it is the marketing of other consumer and industrial products or services through sport.

Marketing ‘of’ sport and marketing ‘through’ sport

Marketing ‘of’ sport

This refers to the use of marketing mix variables to communicate the benefits of sport participation and spectatorship to potential consumers. Ultimately, the goal is to ensure the ongoing survival of the sport in rapidly changing environmental circumstances. Survival depends largely on the principal purpose of the sporting organization. National sporting organizations predominantly associated with elite-level professional sporting competitions will be striving to develop their marketing mix to ensure that the sport product is attractive as a form of live entertainment and live broadcast through television, the internet and other mobile outlets. Sports-governing bodies will also be

responsible for ensuring that participation in their sport remains healthy. Participants are the lifeblood of sport, as they become the next generation of champions and spectators.

Marketing ‘through’ sport

Sponsorship of sport by firms is an example of marketing ‘through’ sport. Large corporations use sport as a vehicle to promote and advertise their products, usually to specifically identifiable demographic markets known to follow a particular sport. Sports with significant television time are very attractive to firms seeking to promote their products through an association with sport. Developing licensing programs is another example of marketing through sport.

The sport marketer must be able to recognize and analyze business environments, determine their effects, and make strategic decisions that will enhance the success of the sport business.

The sport marketer must identify what needs and wants are being satisfied through the exchange process. What is offered in return for the sport consumer’s membership fees or entry fee may include social interaction, physical activity, an avenue for competition, health and fitness, as well as entertainment. Identifying the needs of various segments of the population is the challenge inherent in the early phase of the marketing process. Obtaining this information will allow the sport product benefits to be communicated in such a way as to define the sport’s positioning.

Having established the range of product attributes in relation to needs and wants, the sport marketer embarks on the challenge of effecting the exchange. Sporting organizations must develop a mix of marketing strategies to influence consumers to buy their products, via either attendance or

participation. Combined, the four variables of product, price, promotion and place are known as the traditional four Ps of marketing.

The strategic sport marketing planning process

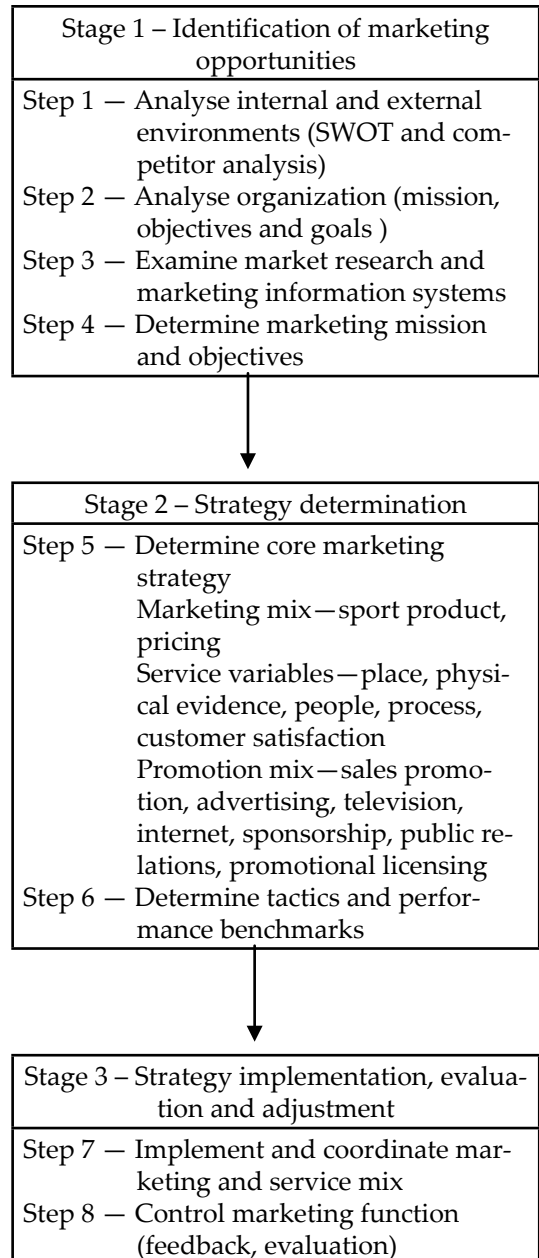
The strategic sport marketing planning process describes the stages and activities of sport marketing. It is the backbone of all sport marketing efforts. It is made up of three stages and is illustrated in Figure 1.

Stage 1 – Identification of marketing opportunities

Analyse internal and external environments

The first activity in stage 1 prescribes an analysis of the internal and external environments in which a sport organization is placed.

The internal environment refers to the unique circumstances of the sport organization for which the plan is developed. It is therefore essential to determine the strengths and weaknesses of the sport organization. For example, a local football club may be strong in terms of its positive community profile and the support it receives from a regional association which provides access to a well-organised competition structure. However, the club may be weak in financial terms and may have difficulty in attracting young players.



Source: adapted from Shilbury D., Westerbeek H., Quick S., Funk D., *Strategic Sport Marketing*, 3rd edition, Allen & Unwin, Sydney, Australia, 2009

The external environment refers to the marketplace in which a sport organization operates. This includes the immediate

sport industry as well as the national and international context. In fact, it is important to understand the industry-related external environment, the nature of competitors, and the broad national and global environment. In the example of a local soccer club, an analysis of the external environment may reveal that soccer is not a popular sport in the region, or that there is limited government support for its development. These external factors may also have a strong influence on the specific strengths and weaknesses of a sport organization.

The analysis of strengths and weaknesses should be focused on present-day circumstances. Common strengths may include committed coaching staff, a sound membership base, a good junior development program, or management staff with sound business skills and knowledge. Weaknesses should be seen as limitations or inadequacies that will prevent or hinder the strategic direction from being achieved. Common weaknesses may include poor training facilities, inadequate sponsorship, a diminishing volunteer workforce or a weak financial position.

While strengths and weaknesses should be focused on the present-day situation, opportunities and threats should be future oriented. Opportunities are the favourable situations or events that an organization can use to its advantage in order to enhance its performance. For example, common opportunities include new government grants, the identification of a new market or potential product, or the chance to appoint a new staff member with unique skills. Threats, in contrast, are the unfavourable situations which could make performance more difficult for the organization in the future. Common

threats include inflating player salaries, potential new competitors, or unfavourable trends in the marketplace such as the increased popularity of gaming consoles.

Every sport organization exists for a purpose. The organization defines this purpose in its mission statement, which represents the core values of the organization. Sport does not exist

in isolation; rather, various societal issues and trends affect sport. Therefore, the mission statement of a sport organization must reflect the values and beliefs that are prevalent in the environments in which it operates. If the organization does not have a mission statement, it should create one. Everyone in the organization should be involved in writing the mission statement so that all will be committed to carrying out the mission and acting in accordance with the core values. A sport marketing plan derived from and consistent with the organization's mission statement and core values is necessary to ensure that the packaging, promotion, and delivery of sport will be conducted in socially responsible ways.

Sports organization marketing strategies should balance commercial, social and environmental **objectives**.

A large majority of sporting organizations are becoming increasingly focused on commercial objectives (e.g. increasing the number of members and potential revenues). This commercial focus creates a real problem for both non-profit and for-profit organizations, as it is difficult for a club or a national federation to optimise income from their marketing activities while preserving their social base. It can lead to conflict between their values and the 'business' culture they have to develop. In addition, all types of

sports organizations, whether they are for-profit or non-profit, create social marketing programmes in an attempt to alleviate the social problems within their environment. This involves applying marketing concepts and methods to create and implement programmes that will influence the behaviour of the organization's target groups and that will improve the well-being of the groups to which these organizations belong.

Organisational goals refer to the broad aims that organizations strive to achieve. In sport, these may include ensuring financial viability, increasing participation, raising the number of members, and stimulating public interest in the sport.

Examining market research and utilizing information systems

Step 3 recognises that the important phase of marketing research is undertaken to ensure that decisions made in relation to marketing missions and objectives are based on a sound understanding of the marketplace. Basically, market research in sporting organizations seeks to answer six questions about consumers in relation to their consumption of the product. Initially, sporting organizations need to know WHO their consumers are, but this is only the tip of the iceberg. WHY they choose the particular sport product and WHEN and WHERE that consumption takes place are equally important. WHAT that consumption entails in terms of pre- and post-event activities, and HOW the product is used also are critical in terms of establishing a complete consumer profile.

To make informed decisions, organisations need information—and lots of it. Yet the collection of this material is only a starting

point for the construction of a management information system (MIS). Once compiled, this information must be integrated, analysed and used to guide the direction of the organization.

The sport marketer will need the information gained through research to formulate decisions and strategies concerning every aspect of the company and its marketing plan. Marketing research usually focuses on one problem. At the same time, broad databases may be established and maintained concerning specific aspects of the company or the company's consumer markets and competitors.

Stage 2 – Strategy determination

Defining the sport marketing mix

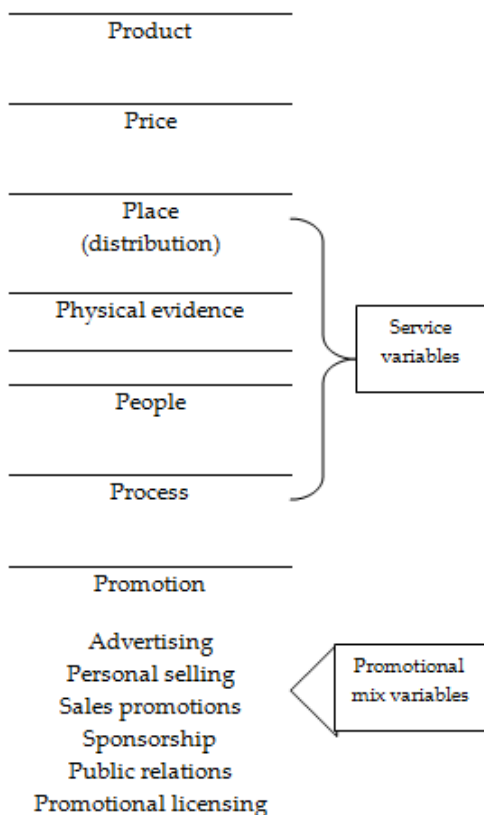
Figure 2 depicts the seven component strategies of the marketing mix, composed of the traditional 4Ps of marketing plus the 3Ps of service—process, people and physical evidence.

A brief description of the 7Ps is as follows:

- **Product**—ensures that product characteristics provide benefits to the consumer (includes identifying the actual product).
- **Price**—ensures that the product is priced at a level that reflects consumer value.
- **Place**—distributes the product to the right place at the right time to allow ease of purchase.
- **Physical evidence**—is the visual and/or tangible clues of the service product, such as the design and construction of the facility, and in general the aesthetic appeal.
- **Process**—represents the convergence of the marketing and operations functions and therefore affects real-time service delivery and quality.

- People—are responsible for delivering the event and are a major distinguishing quality factor in the consumption process.
- Promotion—communicates the product’s ability to satisfy the customer through advertising, personal selling, sales promotions, sponsorship, public relations and promotional licensing.

Figure 2: The marketing mix: The 7Ps



Source: adapted from *Shilbury D., Westerbeek H., Quick S., Funk D., Strategic Sport Marketing, 3rd edition, Allen & Unwin, Sydney, Australia, 2009*

Determine tactics and performance benchmarks

According to the principles of relationship marketing, marketing can be viewed

in terms of three complementary and inter-dependent sub-systems: network, market and internal. Consequently, sports organizations must implement actions aimed at each of these sub-systems. A sports organization’s relational strategy should cover the end-users within its market, the stakeholders it will have to engage in its programmes, and its relations with the people inside the organization.

Stage 3 – Strategy implementation, evaluation and adjustment

The sport business must have a system for managing the process of sport marketing. This system includes the implementation, management, and evaluation of all sport marketing components. Management is a multidimensional step that involves setting objectives for the sport marketing strategy, developing the sport marketing plan, selecting and managing sport marketing personnel, establishing a financial plan, establishing and managing an organizational structure, establishing and overseeing deadlines and scheduling, acting as the liaison between sport marketing personnel and top management, and coordinating all sport marketing functions.

The development of the sport marketing plan is an important task. Strategic planning functions to strengthen relationships between sport marketing and other management functional areas in the company. The sport marketing plan is the written, established plan of action for the company or for an element (or product) of the company. It drives the company.

The plan contains the marketing objectives, identified target markets, financial

strategies, and details of the marketing mix strategies. The marketing plan can be written for a single sport product, a group of products, a new promotional strategy, or the entire sport company.

The sport marketing plan should not be taken lightly. It requires time, research, and critical analysis. It should be the culmination of this effort during which every possible task, angle, financial analysis, and every function of the company and the product have been thoroughly studied and analyzed. The final plan should reflect informed decision making and strategy formulation.

Implementation involves establishing a system for planning and managing the implementation of the sport company's marketing strategies. Evaluation involves establishing a system for analyzing marketing strategies to determine if the strategies are accomplishing the established objectives.

Conclusions

This article outlined a 8-step process that it can use to develop a sport marketing

plan. The core of this process is the marketing mix, traditionally known as the four Ps (product, price, place, and promotion). The process also includes additional factors such as organizational, environmental, and consumer-related considerations (purpose, projecting the market, positioning, picking the players, packaging, and promise).

A sport marketing plan will most likely succeed when marketing is viewed as a comprehensive process of packaging, promoting, and delivering sport to consumers in a manner that satisfies consumers' wants and needs and simultaneously meets the sport organization's marketing goals and objectives. Tactical marketing mix strategies (product, price, promotions, place) should therefore communicate a distinct, positive, and honest image of a product and the consumers to whom it is targeted. Such strategies will enable the sport organization to establish a favourable position among its targeted consumers in the market and will subsequently fulfil the promise of socially responsible marketing that is linked to and consistent with the mission and core values of the organization.

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