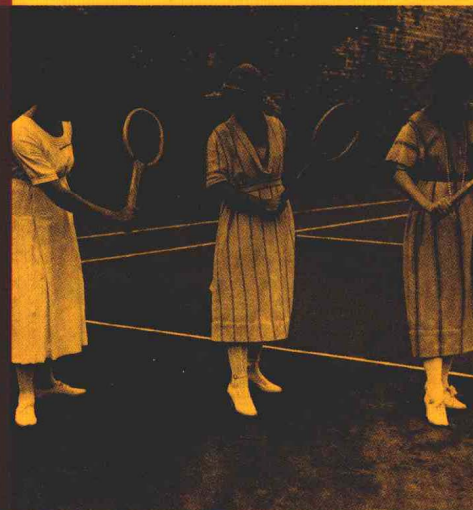
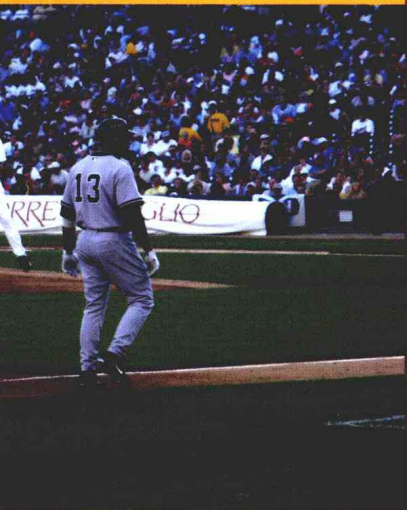


Sam Fullerton



★ *Sports* Marketing ★



Sports Marketing

Sam Fullerton

Eastern Michigan University



**McGraw-Hill
Irwin**

Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco St. Louis
Bangkok Bogotá Caracas Kuala Lumpur Lisbon London Madrid Mexico City
Milan Montreal New Delhi Santiago Seoul Singapore Sydney Taipei Toronto

I am honored to dedicate this book to the memory of Dr. H. Robert (Bob) Dodge.

Over our 32-year relationship, I was fortunate to be associated with Bob in several capacities. Among them was that he was my first marketing professor at Memphis State University. It was his insight and enthusiasm that led me to become a marketing major and then to pursue an MS degree in marketing. My first position in the academic world as an instructor at Pittsburg State (KS) University came about solely because of his trust and encouragement. My second position at Northern Illinois University allowed me to accompany Bob as he assumed the position as the head of the Marketing Department at NIU. I could even sense a fatherlike pride when I informed him of my decision to enroll in the doctoral program at Michigan State University. Over the years, we collaborated on many projects, including three textbooks, more than 20 national and international publications, a research grant from the state of Michigan, and several consulting projects. At the time of his death, we were laying the foundation for this text. During his memorial service, I recounted the roles that Bob played in my life. He was my teacher, my mentor, my colleague, and my boss. Above all else, he was my friend and I miss him greatly.

While this dedication is primarily designed to express my gratitude to Bob for his unwavering support, it is also designed to encourage the users of this book—students and teachers alike—to never overlook the importance of developing long-lasting, mutually beneficial relationships. Without that type of relationship in my life, this book would never have become a reality. So if you find the book useful in your career, understand that much of the credit belongs to my dear friend, Bob Dodge.

Preface

The discipline of sports marketing has grown in stature despite there being no consistent agreement as to exactly what the discipline encompasses. As sports have moved into the category of big business, new approaches to teaching the subject have surfaced. Textbooks focused on marketing principles with a few sports examples sprinkled in began to fill the void for students and professors. But few have taken an in-depth look at the applications of strategies germane to the discipline. This textbook has been conceived and designed in an effort to move sports marketing into a new arena. It recognizes the recreational nature of the industry but emphasizes that the focus has begun to shift to the bottom line. While many traditionalists may lament that transition, others view it as an opportunity. As a result, the need to develop effective marketing strategies has never been more important. Upon completing a course using this book, students should have a better understanding of how to apply strategies and tactics within the sports marketing environment.

The discipline of sports marketing encompasses two broad perspectives. The one that will probably most readily come to the student's mind is that of the *marketing of sports products*. This type of marketing might involve questions such as

- How do we get more people to attend a sports event?
- How do we increase the size of the various media audiences?
- How do we attract more participants?
- How do we sell more sports-related products?

To most people, questions such as these represent the totality of sports marketing. However, this misconception fails to recognize the immensely important component of *using a sports platform as the foundation for the marketing of nonsports products*. Tiger Woods's endorsement of Tag Heuer watches, Coca-Cola's sponsorship of the World Cup of Soccer, the use of venue naming rights such as those seen at FedEx Field, and the sale of merchandise bearing a sports organization's trademarks and logos such as Antigua shirts that incorporated the Olympic rings design are all examples of marketing through sports. This textbook is an effort to address both perspectives.

Content

As evidenced by the preceding discussion, this textbook reflects an effort to provide the most comprehensive overview of the sports marketing environment available within the textbook market. While intertwined, the two broad perspectives of sports marketing are quite different. Indeed, many universities have separate courses on the marketing of sports and marketing through sports. Whether the book is used in a single semester or over two separate courses, it will provide students with insight that cannot be gained from a casual examination of the literature or the Internet.

Every effort was made to provide a sports-related example to illustrate how marketing concepts can be applied in that environment. Sports, athletes, teams, and stadia from around the globe are referenced. Marketing is becoming more global every day, and sports marketing is no different in this regard. There is also an abundance of information

available on the Internet if you just know where to find it. Appendix A provides a listing of the URLs for many sports and sports marketing organizations around the world. Students are encouraged to use this reference to augment their learning experience.

After an introduction to the field of sports marketing in Chapter 1, the next 13 chapters focus on how marketers use sports as a platform for developing their strategies and tactics. Chapter 2 provides a broad overview of the techniques used to market through sports. Chapters 3 through 11 provide the basis for developing and assessing a comprehensive traditional sponsorship proposal. While the emphasis is on sports properties, the material will lead the students through the steps required to develop a proposal for many other types of properties available to prospective sponsors. At the end of Chapter 11, students should be able to complete a comprehensive written proposal and develop a sales presentation designed specifically for the prospect. Not only does the material provide insight for the sellers, but it also provides a basis for understanding on the part of the buyer. As such, this material represents a vital area that can be the basis for a class, group, or individual project. Chapters 12 through 14 provide detailed coverage of three special forms of sponsorship. The pros and cons of celebrity endorsements, venue naming rights, and licensing are discussed. Upon the completion of Chapter 14, students will have a solid understanding of how marketers such as Coca-Cola and Ford use a sports platform as the foundation for many of their marketing efforts.

Chapters 15 through 19 provide detailed coverage of the marketing of sports products. This includes strategic initiatives involving target market and marketing mix decisions. For students who are new to the marketing discipline, the marketing mix represents the set of four controllable variables that comprise the marketers' strategic domain. These variables are the decisions regarding the products being sold, the techniques involved in the distribution of the products, the pricing strategies employed, and the various promotional tools that are available to the marketer. One chapter is devoted to the process of identifying target markets and each of the four variables of the marketing mix. Coverage encompasses spectator sports, participation sports, and a broad array of sports-related products such as sporting goods and athletic shoes. Basic marketing principles are introduced in each of these chapters, and specific sports examples are provided as a means of illustrating how these concepts are applied in the sports environment.

The final three chapters examine issues germane to both marketing perspectives—the marketing of nonsports products through sports and the marketing of sports products. The issues discussed in the final chapters can have a profound impact on a marketer's accomplishments. Recognizing the importance of customer retention, Chapter 20 provides a detailed perspective of relationship marketing practices within the sports marketing industry. The role of technology, especially the Internet, is discussed in Chapter 21. While the emphasis is on the Internet, the role of other innovations such as virtual imaging and mobile technology are discussed. And finally, acknowledging that sports marketing is often subjected to intense scrutiny and criticism by many people, the text concludes with a chapter addressing many of the controversial issues that raise the ire of our critics. These controversies are grouped according to the five essential elements of marketing strategy: target markets, products, distribution strategies, pricing concerns, and criticisms regarding promotional practices.

The text takes a strong international focus. Examples that cover a broad array of sports, teams, and athletes are used to make the book relevant to students across the globe. This can be a positive learning experience, as students find out a little more about sports not commonly played in their home countries. But in this age of globalization, we will witness a geographic expansion of many of these sports. And for those students who will be working within the domains represented by the marketing of mainstream products through sports, it is imperative that they recognize these global opportunities.

Ancillary Package

A comprehensive ancillary package accompanies this text. For instructors, we offer an Instructor's Resource CD-ROM that includes the Instructor's Manual and PowerPoint slides developed by the author. We also included a test bank in MS-Word and our easy to use computerized test generator, EZ-Test. The test questions were written by Betty Pritchett.

Additional resources are found on our textbook website at www.mhhe.com/fullerton1e. Instructors can access the Instructor's Manual and the PowerPoint slides at the site for quick download. Other appropriate resources will be provided on a time-sensitive basis. For students, support materials include links to the Web sites referenced in the text, chapter summaries, learning objectives, and multiple-choice quizzes for self-assessing study. This array of materials will facilitate both the task of teaching sports marketing and the learning process on the part of the students.

—*Sam Fullerton*

Acknowledgments

No project of this scope is ever completed without the assistance of many important people. There are several who I would like to thank. First is the sponsoring editor for this project, Barrett Koger. Barrett showed both patience and faith that we would reach closure within a reasonable time frame. Her rapid response to any question was greatly appreciated. I must also thank Robin Reed of Carlisle Publishing Services, the developmental editor for the book. Her role in putting the final project together and interacting with the reviewers resulted in a text that is better than I imagined. Barrett and Robin definitely added value to this finished product. I would also like to express gratitude to my longtime McGraw-Hill/Irwin representative, Brian Murray. Brian was a student of mine some 25 years ago at Michigan State University. He was my first point of contact when this book was still in the conceptual stage. I can only hope that this book is as successful as Brian has been.

There were five reviewers who were quick to offer praise when it was warranted but also willing to provide constructive criticism when they thought the book could be improved. There is no doubt that the changes emanating from their comments have made this book more insightful and more user-friendly. My sincere thanks are extended to the following people.

Jeffrey M. Buck
Anderson University

Gary Donnelly
Casper College

Katherine Bohley Hubbard
University of Indianapolis

Susan Logan Nelson
University of North Dakota

Susan K. Osborne
Friends University

Without naming names, I would also like to thank the many sports marketing students I have had the privilege to teach at Eastern Michigan University, the University of Michigan, and Waikato University in New Zealand over the past 10 years. As I see former students who now work for organizations such as NFL Films, NASCAR, the St. Louis Blues, and the Chinese Sports Information Institute, I am reminded of why this job is so rewarding. I also appreciate the willingness of representatives of the Detroit-area sports teams to provide insight to my students while concurrently enlightening me. Finally, I must thank my late colleague Bob Dodge. It was Bob who first envisioned the housing of a sports marketing class within our Department of Marketing some 15 years ago. The dedication earlier in the book illustrates the debt that I owe Bob for his incredible contributions to the sports marketing discipline and my own academic career.



SPORTS MARKETING

Published by McGraw-Hill/Irwin, a business unit of The McGraw-Hill Companies, Inc., 1221 Avenue of the Americas, New York, NY, 10020. Copyright © 2007 by The McGraw-Hill Companies, Inc. All rights reserved. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written consent of The McGraw-Hill Companies, Inc., including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning.

Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper.

2 3 4 5 6 7 8 9 0 QPD/QPD 0 9 8 7

ISBN-13: 978-0-07-312821-4

ISBN-10: 0-07-312821-X

Publisher: *Andy Winston*

Sponsoring editor: *Barrett Koger*

Editorial coordinator: *Jill M. O'Malley*

Executive marketing manager: *Rhonda Seelinger*

Producer, Media technology: *Janna Martin*

Project manager: *Harvey Yep*

Production supervisor: *Gina Hangos*

Coordinator freelance design: *Artemio Ortiz Jr.*

Senior photo research coordinator: *Jeremy Cheshareck*

Photo researcher: *Mike Hruby*

Lead media project manager: *Brian Nacik*

Cover design: *Artemio Ortiz Jr.*

Typeface: *10/12 Times New Roman*

Compositor: *International Typesetting and Composition*

Printer: *Quebecor World Dubuque Inc.*

Library of Congress Cataloging-in-Publication Data

Fullerton, Sam.

Sports marketing/Sam Fullerton.

p. cm.

Includes index.

ISBN-13: 978-0-07-312821-4 (alk. paper)

ISBN-10: 0-07-312821-X (alk. paper)

I. Sports—Marketing. I. Title.

GV716.F85 2007

796.06'98—dc22

2006014467

Brief Contents

PART ONE

THE FOUNDATION OF SPORTS MARKETING 1

- 1** Introduction to Sports Marketing 2

PART TWO

MARKETING THROUGH SPORTS 23

- 2** Marketing Through Sports 24
- 3** Introduction to Sponsorship 50
- 4** Sponsorship Objectives and Components 65
- 5** The Sponsorship Commitment: Resources and Duration 87
- 6** Ambush Marketing 107
- 7** Leveraging 127
- 8** Developing and Selling the Sponsorship Proposal 141
- 9** Pre-event Evaluation 153
- 10** Postevent Evaluation 175
- 11** Sponsorship Foundation and Failure 196
- 12** Endorsements 211
- 13** Venue Naming Rights 233
- 14** Licensing 256

PART THREE

THE MARKETING OF SPORTS 279

- 15** Segmentation of the Sports Market 280

- 16** Product Decisions in Sports Marketing 295
- 17** Distribution Decisions in Sports Marketing 318
- 18** Pricing Decisions in Sports Marketing 340
- 19** Developing a Promotional Strategy for the Marketing of Sports Products 358

PART FOUR

EMERGING ISSUES IN SPORTS MARKETING 383

- 20** Relationship Marketing in the Business of Sports 384
- 21** The Role of Technology in Sports Marketing 413
- 22** Controversial Issues in Sports Marketing 434

APPENDIXES

- A** URLs of Important Sports Marketing Web Sites 453
- B** University of North Carolina Licensing Information 457

INDEX 463

Contents

About the Author xii

Preface xiii

PART ONE

THE FOUNDATION OF SPORTS MARKETING 1

1

Introduction to Sports Marketing 2

Marketing Through Sports 2

Marketing of Sports 3

Access to Spectator Sports Events 4

The Provision of a Venue for Participation

Sports 6

Sporting Goods and Apparel 8

The Need for a Sports Marketing Curriculum 8

Evolution of Sports Marketing as an

Educational Discipline 9

Economic Impact 10

Components of Economic Impact

Estimates 11

One-Day Events 11

Multiday Events 12

Participation Sport or Recreational Activity 13

Professional Team or Arena 13

Aggregate Economic Impact 14

Career Opportunities in the Field of Sports

Marketing 15

Internships 16

Sales 16

Advertising 16

Marketing Research 17

Hospitality 17

Facilities Management 17

Public Relations 17

Agents 17

Retailing 17

Sponsorship Purchasing 18

Sponsorship Evaluation 18

Participation Center Management 18

Career Trends 18

Closing Capsule 19

Review Questions 20

PART TWO

MARKETING THROUGH SPORTS 23

2

Marketing Through Sports 24

The Sports Marketing Environment 24

An Overview of the Sports Marketing

Environment 25

Traditional Strategies for Nonsports Products 26

Target Markets 27

The Marketing Mix 29

Mainstream Strategies 30

Target Markets 30

Price 31

Product 32

Place (Distribution) 34

Promotion 35

Emerging Promotional Strategies 42

Closing Capsule 47

Review Questions 48

3

Introduction to Sponsorship 50

Overview of Sponsorship 51

Sponsorship versus Advertising 51

Advertising 51

Persuasive Message 51

Standardization 52

Guarantee of Number of Consumers Reached 52

Evaluation 52

Turnkey 53

Sponsorship 53

Credibility 54

Image 54

Prestige 54

Internal Morale 54

Sales Opportunities 54

Access to a Live Audience 54

Sponsorship Categories 55

Overview 56

Key Concepts 57

Spending on Sponsorship 58

Spending in North America 58

| | |
|---|----|
| Special Cases of Sponsorship | 60 |
| <i>Endorsements</i> | 60 |
| <i>Venue Naming Rights</i> | 60 |
| <i>Licensing</i> | 60 |
| <i>Overview of Special Forms of Sponsorship</i> | 61 |
| Controversial Issues | 62 |
| Closing Capsule | 62 |
| Review Questions | 64 |

4

Sponsorship Objectives and Components 65

| | |
|---|----|
| Sponsorship Objectives | 65 |
| <i>Drive Sales</i> | 66 |
| <i>Improve Image</i> | 67 |
| <i>Create Greater Awareness</i> | 68 |
| <i>Provide Hospitality Opportunities</i> | 68 |
| <i>Enhance Employee Morale</i> | 69 |
| Importance of Each Objective | 69 |
| Matching Sponsorship Objectives with Sponsorship Components | 70 |
| Sponsorship Components | 70 |
| <i>Category Exclusivity</i> | 71 |
| <i>Signage</i> | 72 |
| <i>Rights to Use Event Trademarks and Logos</i> | 74 |
| <i>Distribution Rights</i> | 76 |
| <i>Hospitality Areas</i> | 76 |
| <i>Complimentary Advertising</i> | 77 |
| <i>Free Tickets</i> | 78 |
| <i>Right to Purchase Additional Tickets</i> | 78 |
| <i>Link on the Event Web Site</i> | 79 |
| <i>Designation</i> | 79 |
| <i>Inclusion in Event Promotions</i> | 81 |
| <i>Access to Property Mailing List/Database</i> | 81 |
| <i>Right of First Refusal</i> | 81 |
| <i>What Is Most Important?</i> | 82 |
| An Overview | 82 |
| <i>A Comprehensive Sponsorship Example</i> | 82 |
| Closing Capsule | 85 |
| Review Questions | 86 |

5

The Sponsorship Commitment: Resources and Duration 87

| | |
|----------------------------|----|
| Trends | 87 |
| Factors that Provide Value | 89 |
| <i>Tangible Factors</i> | 89 |
| <i>Intangible Factors</i> | 90 |
| <i>Geographic Reach</i> | 91 |
| <i>Market Factors</i> | 92 |
| <i>Price Adjusters</i> | 93 |

| | |
|--|-----|
| Price Determination | 96 |
| <i>Make the Sponsor's Investment and Benefits Measurable</i> | 96 |
| Alternative Approaches to Establishing a Price | 97 |
| <i>The Cost-Plus Approach</i> | 98 |
| <i>The Competitive Market Approach</i> | 98 |
| <i>The Equivalent Opportunity Approach</i> | 99 |
| <i>Relative Value Approach</i> | 99 |
| Methods of Payment | 101 |
| Sponsorship Level | 101 |
| Timing | 102 |
| <i>Duration of the Agreement</i> | 102 |
| <i>Timelines for Use of Sponsorship Designation</i> | 104 |
| <i>Projected Schedule of Sponsee Activities That Identify Sponsors</i> | 104 |
| <i>Timing of Payments to the Sponsee</i> | 105 |
| Closing Capsule | 105 |
| Review Questions | 106 |

6

Ambush Marketing 107

| | |
|---|-----|
| Ambush Marketing | 107 |
| How to Ambush | 108 |
| Why Ambush? | 109 |
| Implementation of Ambush Marketing Strategies | 110 |
| Piracy versus Ambush Marketing | 110 |
| Ambush Marketing Strategies | 111 |
| <i>Sponsor Media Coverage of the Event</i> | 111 |
| <i>Sponsor Subcategories</i> | 112 |
| <i>Make a Sponsorship-Related Contribution to the Players' Pool</i> | 112 |
| <i>Purchase Advertising Time during the Rebroadcast</i> | 112 |
| <i>Engage in Advertising to Coincide with the Timing of the Event</i> | 113 |
| <i>Other Dilution Strategies</i> | 113 |
| When to Ambush | 114 |
| Some Examples of Ambush Marketing | 115 |
| Protection from Ambush Marketers | 117 |
| Are Preventative Measures Effective? | 123 |
| Closing Capsule | 124 |
| Review Questions | 125 |

7

Leveraging 127

| | |
|--|-----|
| Leveraging: The Concept and Rationale | 127 |
| <i>A License to Spend</i> | 128 |
| Leveraging Techniques | 130 |
| <i>Theme-Based Advertising</i> | 130 |
| <i>Advertising during the Broadcast of the Event</i> | 130 |

| | |
|--|------------|
| <i>Advertising in the Event Program</i> | 131 |
| <i>Packaging</i> | 131 |
| <i>Distribution of Free Products or Premiums</i> | 132 |
| <i>Provision of Prizes</i> | 132 |
| <i>Point-of-Sale Display</i> | 132 |
| <i>Push Strategy for Retailers</i> | 133 |
| <i>Consumer Sales Overlays</i> | 133 |
| <i>Cross-Promotions with Co-Sponsors</i> | 133 |
| <i>Affinity Programs</i> | 134 |
| <i>Web Tie-Ins</i> | 134 |
| An Overview of Leveraging Techniques | 135 |
| Examples of Leveraging Programs | 135 |
| Overview of the Examples | 137 |
| The Make-Buy Decision | 138 |
| Closing Capsule | 139 |
| Review Questions | 140 |
| 8 | |
| Developing and Selling the Sponsorship Proposal | 141 |
| Preliminary Actions | 141 |
| The Sponsorship Proposal | 142 |
| <i>Introduction</i> | 143 |
| <i>History of the Event</i> | 143 |
| <i>Plan Components</i> | 143 |
| <i>Value Enhancements</i> | 145 |
| <i>Terms</i> | 147 |
| <i>Executive Summary</i> | 147 |
| Selling the Sponsorship | 148 |
| <i>Negotiating the Deal</i> | 149 |
| Closing Capsule | 151 |
| Review Questions | 151 |
| 9 | |
| Pre-event Evaluation | 153 |
| Factors Leading to Increased Emphasis on Assessment | 154 |
| <i>Increased Emphasis on Return on the Sponsorship Investment</i> | 154 |
| <i>Increased Cost Associated with Sponsorship</i> | 154 |
| <i>Increased Number of Sponsorship Opportunities</i> | 154 |
| <i>Growth in the Number of Sponsorship Opportunities beyond the Sports Domain</i> | 155 |
| <i>Better Descriptions of the Sponsor's and the Sponsee's Target Markets</i> | 156 |
| When Are Pre-event Evaluations Needed? | 156 |
| Evaluation by the Potential Sponsor | 158 |
| <i>Identify the Corporate Marketing Objectives</i> | 158 |
| <i>Delineate and Prioritize the Specific Objectives to Be Achieved via Sponsorship</i> | 160 |
| <i>Identify a Relevant Set of Evaluation Criteria</i> | 161 |
| <i>Assign Weights to Each Criterion in the Evaluation Model</i> | 163 |
| <i>Rate Each Opportunity on Each Criterion</i> | 165 |
| Applications by the Potential Sponsor | 169 |
| <i>Comparison of Alternative Opportunities</i> | 169 |
| <i>Benchmarking</i> | 171 |
| Sponsee Applications | 171 |
| Closing Capsule | 172 |
| Review Questions | 173 |
| 10 | |
| Postevent Evaluation | 175 |
| Sponsorship Accountability | 175 |
| Lack of a Standard Measure | 176 |
| Current Practices | 177 |
| <i>Qualitative Assessments</i> | 177 |
| <i>Market Response</i> | 178 |
| <i>Media Equivalencies</i> | 182 |
| Overview of Concerns Surrounding Postevent Evaluation | 186 |
| New and Improved Measures | 188 |
| <i>Recognition Grade</i> | 188 |
| <i>NTIV Analysis</i> | 189 |
| <i>Spindex Media Evaluation System</i> | 190 |
| <i>Sponsorship Scorecard</i> | 190 |
| <i>SPORTSi</i> | 190 |
| Sponsee Accountability | 191 |
| Closing Capsule | 191 |
| Review Questions | 192 |
| A Comprehensive Sponsorship Example | 193 |
| Case Study: College Bowl Game Media Impact and Brand Awareness | 194 |
| 11 | |
| Sponsorship Foundation and Failure | 196 |
| The Sponsorship Foundation | 197 |
| <i>Fundamental Requirements for Effective Sponsorship</i> | 198 |
| Other Reasons for Sponsorship Failure | 202 |
| <i>Decrease in Market Value</i> | 203 |
| <i>Cost Becomes Prohibitive</i> | 203 |
| <i>Change in Corporate Direction</i> | 203 |
| <i>Property Hopping</i> | 204 |
| <i>Timing Considerations</i> | 204 |
| <i>Failure to Understand What Is Not Received</i> | 204 |
| <i>Greenwashing</i> | 204 |
| <i>Overreliance on Small Sponsorships</i> | 205 |
| <i>Failure to Sell Internally</i> | 205 |
| <i>Failure to Deliver Sought Results</i> | 206 |

| | |
|---------------------------------|-----|
| Overview of Failure | 206 |
| Examples of Sponsorship Failure | 207 |
| Closing Capsule | 209 |
| Review Questions | 209 |

12

Endorsements 211

| | |
|---|-----|
| The Matching Process | 212 |
| Endorsement Applications | 212 |
| <i>Athletes as Endorsers</i> | 214 |
| Factors Favoring the Use of Athletes as Endorsers | 215 |
| Factors Impacting Endorsement Effectiveness | 217 |
| <i>Endorser Is a High Achiever</i> | 217 |
| <i>Endorser Has Believability/Credibility</i> | 218 |
| <i>Endorser Is Known</i> | 218 |
| <i>Endorser Is Likable/Popular/Admired</i> | 218 |
| <i>Endorser Is Recognizable</i> | 219 |
| <i>Endorser Provides Ease of Recall</i> | 220 |
| <i>Endorser Is Congruent with Target Market</i> | 221 |
| <i>Endorser Is Physically Attractive</i> | 221 |
| <i>Continuity Prospects</i> | 221 |
| Selection Process | 222 |
| Problems with Celebrity Endorsers | 225 |
| <i>The Criminal</i> | 225 |
| <i>The Prima Donna</i> | 225 |
| <i>The Fading Star</i> | 226 |
| <i>The Lightning Rod</i> | 226 |
| <i>The Tongue-Tied</i> | 226 |
| Overview | 226 |
| Other Potential Problems | 226 |
| <i>Ambush Marketing</i> | 226 |
| <i>Costs</i> | 227 |
| <i>Misrepresentation of Use</i> | 228 |
| <i>Endorsement Conflicts</i> | 228 |
| <i>Conflicts with Sport Regulatory Bodies</i> | 229 |
| <i>Amateur Status</i> | 230 |
| <i>Unwholesome Nonsports Products</i> | 230 |
| <i>Overexposure</i> | 230 |
| Closing Capsule | 231 |
| Review Questions | 231 |

13

Venue Naming Rights 233

| | |
|---|-----|
| History of Naming Rights | 234 |
| Benefits | 234 |
| <i>Benefits for the Fans</i> | 234 |
| <i>Benefits for the Community at Large</i> | 235 |
| <i>Benefits for the Resident Organization</i> | 235 |
| <i>Benefits for the Sponsor</i> | 236 |

Plan Components 236

| | |
|--|-----|
| <i>Signage</i> | 237 |
| <i>Logos</i> | 237 |
| <i>Advertising—Broadcast and Printed Programs</i> | 238 |
| <i>Designation for Leveraging Purposes</i> | 238 |
| <i>Category Exclusivity</i> | 239 |
| <i>Recognition on Public Address Announcements and Scoreboards</i> | 239 |
| <i>Hospitality</i> | 240 |
| <i>Complimentary Tickets</i> | 240 |
| <i>Web Presence</i> | 240 |
| <i>Distribution Rights</i> | 241 |
| <i>Other Marketing Initiatives</i> | 241 |

Key Success Drivers 241

| | |
|------------------------------------|-----|
| <i>Target Market Fit</i> | 242 |
| <i>Ability to Leverage</i> | 242 |
| <i>Integration within IMC Plan</i> | 243 |
| <i>Multipurpose Facilities</i> | 243 |

Value Determination 243

| | |
|--|-----|
| <i>Plan Components</i> | 244 |
| <i>Income Demographics of the Fans</i> | 244 |
| <i>Size of the Population</i> | 244 |
| <i>Geographic Location</i> | 244 |
| <i>New Opportunity</i> | 245 |
| <i>Potential Backlash</i> | 245 |
| <i>Enduring Resident Organization</i> | 245 |
| <i>Attendance</i> | 245 |
| <i>Sport Popularity</i> | 246 |
| <i>Team Record</i> | 246 |
| <i>Overview of Value</i> | 246 |

Sports Examples 247

| | |
|------------------------------------|-----|
| Beyond the World of Sports | 247 |
| Measuring the Results | 248 |
| Problems, Concerns, and Criticisms | 249 |
| Growth Opportunities | 252 |
| Brokers and Consultants | 253 |
| Closing Capsule | 254 |
| Review Questions | 255 |

14

Licensing 256

| | |
|---|-----|
| Historical Perspective | 256 |
| Key Concepts | 257 |
| <i>The Participants</i> | 257 |
| <i>The Intellectual Properties</i> | 258 |
| The Financial Perspective | 259 |
| Establishing and Maintaining Ownership | 260 |
| Types of Agreements | 261 |
| <i>Specific Products for Which Licensing Rights Will Be Granted</i> | 261 |

| | |
|--|-----|
| <i>Exclusivity</i> | 262 |
| <i>Geographic Scope</i> | 262 |
| Compensation | 263 |
| Compliance Reviews | 264 |
| Benefits | 264 |
| <i>Benefits for the Licensor</i> | 264 |
| <i>Benefits for the Licensee</i> | 265 |
| Selection Criteria | 266 |
| Infringement | 267 |
| Market Surveillance | 268 |
| <i>Infringement, Surveillance, and</i> | |
| <i>Remedies</i> | 268 |
| Developing a Licensing Plan | 270 |
| Examples of Licensing Contracts | 272 |
| Growth Strategies | 272 |
| <i>New Target Markets</i> | 273 |
| <i>New Up-Market Products</i> | 273 |
| <i>More Traditional Advertising</i> | 273 |
| Closing Capsule | 274 |
| Review Questions | 276 |

PART THREE

THE MARKETING OF SPORTS 279

15

Segmentation of the Sports Market 280

Segmentation Review—The Consumer Market 281

Segmentation of the Spectator Sports Market 282

Demographic Segmentation 282

Geographic Segmentation 284

Psychographics (Lifestyle) 284

Product-Related Variables 285

Segmenting the Fan Market—A Broad
Perspective 285

Players 286

Patriots 286

Appreciators 286

Socialites 286

Friends 287

Voyeurs 287

An Overview 287

The Participation Market 288

Segmentation of the Aggregate Participation
Market 289

A Comprehensive Example—The Golfer
Market 290

Other Less Comprehensive Applications 290

Closing Capsule 292

Review Questions 293

16

Product Decisions in Sports Marketing 295

The Product Variable 296

Basic Product Concepts 297

Sports Products 298

Spectator Sports 299

Participation Sports 299

Sporting Goods, Apparel, Athletic Shoes, and

Sports-Related Products 300

Sports Marketing Domains 302

Strategic Initiatives 302

Spectator Sports 302

Guidelines for Changing the Core Product 304

Participation Sports 308

Sporting Goods, Apparel, Athletic Shoes, and

Sports-Related Products 311

Closing Capsule 315

Review Questions 316

17

Distribution Decisions in Sports Marketing 318

Spectator Sports 318

Live Audience 319

Media-Based Fans 325

Market Development Strategies 329

Participation Sports 333

Dedicated Facilities 334

Open-Access Facilities 334

Sporting Goods, Apparel, Athletic Shoes, and
Sports-Related Products 335

Closing Capsule 337

Review Questions 338

18

Pricing Decisions in Sports Marketing 340

Fundamental Pricing Concepts 340

Definition of Price 340

Reaction to Price Changes 341

Substitute Products 342

*Buyers' Willingness to Forgo the Purchase of a Specific
Product* 343

*Buyers' Ability to Forgo the Purchase of a Specific
Product* 343

Factors that Influence Price 343

General Implementation Strategies 347

Pricing Applications for Sports Products 349

Spectator Sports 349

Participation Sports 352

| | |
|---|-----|
| <i>Sporting Goods, Apparel, Athletic Shoes, and Sports-Related Products</i> | 354 |
| Closing Capsule | 355 |
| Review Questions | 356 |

19 Developing a Promotional Strategy for the Marketing of Sports Products 358

| | |
|---|-----|
| Principles of Promotion | 359 |
| <i>The Communications Process</i> | 359 |
| <i>AIDA Concept</i> | 361 |
| <i>Components of the Integrated Marketing Communications Plan</i> | 362 |
| Implementation of Promotional Strategy in Sports Marketing | 365 |
| <i>Advertising</i> | 365 |
| <i>Personal Selling</i> | 368 |
| <i>Sales Promotion</i> | 369 |
| <i>Public Relations</i> | 371 |
| <i>Sponsorship</i> | 373 |
| <i>Direct Response Marketing</i> | 374 |
| <i>Overview of the IMC Components Available to Sports Marketers</i> | 375 |
| Brand Equity | 375 |
| Cross-Promotion | 377 |
| Effective Promotions—A Case Study of the NBA | 378 |
| Closing Capsule | 379 |
| Review Questions | 381 |

PART FOUR EMERGING ISSUES IN SPORTS MARKETING 383

20 Relationship Marketing in the Business of Sports 384

| | |
|--|-----|
| The Foundation of Relationship Marketing | 385 |
| <i>Benefits for the Marketer</i> | 385 |
| Components of Relationship Marketing | 386 |
| <i>The Core Relationship</i> | 390 |
| <i>The Expanded Relationship</i> | 391 |
| Applications of Relationship Marketing in Sports | 392 |
| <i>Clubs</i> | 392 |
| <i>Serial Marketing</i> | 394 |
| <i>Frequency Incentives</i> | 395 |
| <i>Affinity Marketing Programs</i> | 396 |

| | |
|--|-----|
| <i>Routine Periodic Communications (One-Way)</i> | 397 |
| <i>Interactive Opportunities</i> | 398 |
| <i>Gifts</i> | 399 |
| <i>Fan Appreciation Activities</i> | 400 |
| <i>Contests</i> | 400 |
| <i>Logo Merchandise</i> | 402 |
| <i>Direct Access/Personal Representative</i> | 403 |
| <i>Recognition</i> | 403 |

Overview of Relationship Marketing in the Sports Marketing Environment 403

| | |
|--|-----|
| Comprehensive Relationship Marketing Programs | 404 |
| <i>Integrated Relationship Marketing Program in Spectator Sports—NASCAR</i> | 404 |
| <i>Integrated Relationship Marketing Program in Apparel and Shoes—Reebok</i> | 405 |

Evaluating the Effectiveness of a Relationship Marketing Program 406

| | |
|---|-----|
| Recovery Marketing | 408 |
| Procedures for Recovery Marketing in Spectator Sports | 409 |
| Closing Capsule | 410 |
| Review Questions | 411 |

21 The Role of Technology in Sports Marketing 413

| | |
|--------------------------------------|-----|
| Foundation for Internet Applications | 413 |
| <i>Why?</i> | 414 |
| <i>Who?</i> | 414 |
| <i>What?</i> | 414 |
| <i>Where?</i> | 414 |
| <i>How?</i> | 415 |

Types of Sites in Sports Marketing 416

| | |
|---|-----|
| <i>Content Sites</i> | 416 |
| <i>Team or League Sites</i> | 416 |
| <i>Commerce Sites</i> | 417 |
| <i>Gambling Sites</i> | 417 |
| Revenue Streams | 417 |
| <i>Revenue Models for Content Sites</i> | 418 |
| <i>Revenue Models for Team and League Sites</i> | 419 |
| <i>Revenue Models for Commerce Sites</i> | 420 |
| <i>Revenue Models for Gambling Sites</i> | 421 |

Web-Based Objectives 422

| | |
|---|-----|
| WWW Applications in Sports Marketing | 423 |
| <i>Provide Information</i> | 423 |
| <i>Facilitate Distribution</i> | 424 |
| <i>Enhance Customer Relationship Management</i> | 426 |
| <i>Facilitate Operations</i> | 427 |

| | |
|---|-----|
| Technology Beyond the Internet and WWW | 429 |
| <i>Mobile Technology</i> | 429 |
| <i>Virtual Imaging</i> | 430 |
| <i>Electronic Funds Transfer Technology</i> | 430 |
| <i>Interactive TV</i> | 431 |
| <i>WiFi Stations</i> | 431 |
| <i>Global Positioning Systems</i> | 431 |
| Closing Capsule | 431 |
| Review Questions | 432 |

22

Controversial Issues in Sports Marketing 434

| | |
|--|-----|
| Controversial Issues in Sports Marketing | 435 |
| <i>Target Marketing Controversies</i> | 435 |

| | |
|-----------------------------------|-----|
| <i>Product Controversies</i> | 437 |
| <i>Distribution Controversies</i> | 440 |
| <i>Pricing Controversies</i> | 441 |
| <i>Promotion Controversies</i> | 445 |
| <i>Broad-Based Controversies</i> | 447 |
| Closing Capsule | 450 |
| Review Questions | 451 |

Appendix A: URLs of Important Sports Marketing Web Sites 453

Appendix B: University of North Carolina Licensing Information 457

Index 463

PART ONE

The Foundation of Sports Marketing

Part One provides a broad overview of the sports marketing environment. It provides an introduction to the concepts of marketing through sports and of the marketing of sports. It looks at the economic impact of the industry and identifies an array of career opportunities for students interested in sports marketing.