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FUNDAMENTALS *of* SPORT
THIRD EDITION
MARKETING

BRENDA G. PITTS | DAVID K. STOTLAR

FUNDAMENTALS OF SPORT MARKETING

THIRD EDITION

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FIT

Fitness Information Technology

a Division of the International Center
for Performance Excellence

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Foreword

Subsequent editions of textbooks usually do not surpass their predecessors; however, the third edition of *Fundamentals of Sport Marketing* has far exceeded all expectations. This latest version provides future sport management professionals as well as practitioners with substantial knowledge and skills required for all aspects of the sport business industry.

Dr. Pitts and Dr. Stotlar are proven sport marketing innovators and not only do they recognize the necessity for staying abreast of current trends, but they also keep readers up to date on what is *new* and *cutting edge* in sport industry marketing. This is evident in their unique method of imparting information on basic sport marketing concepts, market conditions within the sport industry, how these conditions are changing, the demands and requirements of key industry players, and the global impact of sport marketing over the past few years, ranging from economic and social concerns to an increase in participation in sport business by foreign countries.

Further, *Fundamentals of Sport Marketing, Third Edition*, places a strong emphasis on research and how it is conducted. I personally gained invaluable, professional experience in sport marketing research under the tutelage of these renowned authors. You can expect to enhance your research skills dramatically from what is taught in this portion of the textbook.

Fundamentals of Sport Marketing covers every facet of the sport business industry—from sport history to sport marketing theory, from marketing information systems to elements of sport marketing (the marketing mix), from promotion of the sport industry to how to market a sport business through endorsements and sponsorships. It is far and away the most comprehensive textbook ever written on this subject.

In addition to being an excellent current resource, *Fundamentals of Sport Marketing* provides extensive practical instruction and real-world case studies covering an array of issues in the sport marketing field. It is designed to help students and practitioners develop a thorough understanding of sport marketing from both a theoretical and applied perspective.

If you want to gain expertise and considerable experience in sport marketing as well as explore groundbreaking research in this industry, this textbook is for you. Congratulations to Dr. Pitts and Dr. Stotlar for another stellar job in providing the most authoritative source for the study of sport marketing.

Carol Lucas
Market Research Manager
Georgia World Congress Center Authority

Preface

Welcome to the leading sport marketing textbook—and it is now in several languages and sold around the world! We are very excited about this third edition of *Fundamentals of Sport Marketing*. When we started our careers as professors in sport management and developed our first courses in sport marketing, there were no journals or textbooks in the field. Although this might sound as though it was a very long time ago, it was only about 20 years ago. As we developed our course lectures and materials, we used the theories and fundamentals of marketing from general business literature as the primary foundation because sport marketing is marketing applied to one industry—the sport industry. We created sport marketing language, developed terminology and definitions, and developed theories, models, and fundamentals. This is what differentiates sport marketing courses from general marketing courses. It is what distinguishes the study of sport marketing. And this, we believe, is what gives this book a sound basis and distinguishes it from other marketing textbooks. Everything we have developed is based on sport marketing's foundation studies, such as, marketing, communication, athletics administration, the media, consumer behavior, sport history, internet marketing, sport sociology, sales, advertising, sport psychology, sponsorship, brand architecture, and marketing management.

In this third edition, there are numerous updates and new material. The updates and developments in this edition are based on research and developments that have taken place in sport marketing, sport management, and the sport industry since the publication of the second edition. We believe the new material provides the best and most current information and tools that students need as they prepare to begin their careers in the sport industry.

In addition, we, as authors, have unparalleled years of experience consulting and working in the industry, and of applying the theories and fundamentals of the first two editions in theoretical and applied research. The result is a third edition that is the most current, contemporary, and indispensable book on sport marketing on the market.

Further, we are excited about the companion workbooks that complement the main text. These include *Case Studies in Sport Marketing*, *Developing Successful Sport Sponsorship Plans, Second Edition*, and *Developing Successful Sport Marketing Plans, Second Edition*. Never before has there been such a complete and comprehensive set of materials to prepare students for their careers in sport business. We know that students in sport management today will end up in a wide variety of jobs and careers in sport business, so they will need sport marketing fundamentals that can be used in those jobs in any area of the sport industry.

Since the publication of the first edition of this textbook more than a decade ago, there have been many changes in the sport business industry. Today, for example,

the Web is a critical marketing tool for companies, NASCAR has become the most popular spectator sport, and women's sports, such as basketball and soccer, have exploded in popularity and commercial value. The evolution of "media content" as opposed to TV and broadcast rights has changed the way marketers distribute their products through video streaming via Wi-Fi and increased consumer interfaces through these technologies.

In addition, there have been changes in the world that will most assuredly impact sport business. We have always stressed the study of the interrelatedness between sport and society, culture, business, and the world. We can forget talking about the impending globalization of sport; it's here. Multinational mergers of companies like adidas and Reebok, the expansion of professional schedules into international markets, and the ongoing trade developments in developing countries are but a few of the examples.

As this book went to print, we are in wonder of what the future holds for sport business. Students in sport management will be faced with new problems to manage. This will certainly affect sport marketing efforts for a period of time. As in the first and second editions, this new edition stresses the importance of analyzing socio-cultural issues and events and predicting how they influence sport business.

Acknowledgments

We first want to recognize and thank all the students who helped us gather material. Dr. Pitts specifically thanks Ken Goglas, a dedicated graduate assistant. We both want to thank all the students and faculty over the years who have been willing to tell us exactly what they think about the book. Students working in industry who call to tell us how they are using everything they learned and have kept the book as a guide have provided helpful suggestions for updating material. Faculty and instructors who use the book for their classes have also offered valuable feedback and suggestions.

We want to thank the publisher, Fitness Information Technology, and its editors for their patience and persistence in the development and publication of this third edition and we look forward to many future editions.

Finally, Dr. Pitts thanks her family and partner, Melita, for her patience during those long hours at the laptop; and her Corgi, Jazz, for his complete commitment to fun—and the knowledge that deadlines are not what's important in life. Rather, the purpose of life is to get outside and play, chase a squirrel up a tree, and have fun!

Introduction

Fundamentals of Sport Marketing, Third Edition is a textbook on the theories, fundamentals, and practical application of marketing to sport business. Our approach has been to apply sound principles of marketing to the sport industry, modify and refine, define and develop, and eventually present theories and fundamentals of sport marketing that we know work in the sport business industry.

In this book, we use the definition of sport management and sport industry as it has been defined in the field of sport management by leading scholars who have extensive experience working in both academia and industry. According to these definitions, the sport industry is broad and varied, includes the many segments of businesses that toil behind the scenes, and is not limited to the selling of sports events. Two schools of thought regarding sport management and sport industry have emerged through the development of sport management as a field of study over the last three decades. One supports the notion that sport management is limited to the study of mainstream sports events and how to market and sell those to spectators. The other supports the position that sport management is the study of all businesses that exist in the sport industry, and the sport industry is defined as all businesses and enterprises whose products are sport or recreation-business related.

Like no other book in the field, *Fundamentals of Sport Marketing, Third Edition* covers the diversity of sport business, not merely professional and collegiate sport. This would include, for example, sport marketing research companies, sport sponsorship management companies, sporting goods manufacturers and retailers, sports broadcast companies, web sport enterprise, and sport tourism companies. All of these different types of companies are places where sport management and sport marketing students will be working. It is therefore incumbent upon sport management educators to prepare students with foundational knowledge that can be carried into any one of these types of companies. Therefore, our third edition is once again designed to meet these needs: sound foundational sport marketing knowledge that students can apply in any sport business.

This book is designed to introduce students to the business and practice of sport marketing. It provides an overview of the sport business industry, sport management, and sport marketing. It further provides detailed theories, fundamentals, and practical applications about how to conduct sport marketing. In conjunction with the companion books, these books offer the most comprehensive set of sport marketing materials to date. Moreover, sport marketing professionals working in the industry could easily use these books as handbooks for sport marketing, kept on-hand for constant reference.

This book is based on the belief that current and future sport industry professionals should be able to apply the fundamentals of sport marketing to any sport business. Therefore, different types of sport businesses are included as examples throughout the book.

Chapter 1 presents an updated overview of contemporary sport management definitions and concepts for sport, sport industry, sport business, sport management, and sport marketing.

Chapter 2 introduces the student to the global characteristics of sport business and how sport and global markets merge.

Chapter 3 orients the student to the foundations of sport marketing and introduces the Sport Marketing Management Model, which provides an illustration of the elements and tasks of the practice of sport marketing.

Chapter 4 introduces sport marketing research and its importance, as well as new examples of actual survey instruments that can be used for sport marketing research.

Chapter 5 presents the important sport marketing element of segmentation. Used to categorize and focus marketing efforts for consumer and business-to-business marketing, the importance of both consumer and industry segmentation are presented and thoroughly explained.

Chapter 6 provides the necessary tools for information management.

Chapter 7 lays the groundwork for the four Ps of marketing, each of which is the foci of chapters 8, 9, 10, and 11. Each chapter has been updated with new information from the sport business industry that arms the student with contemporary knowledge in relation to product, price, place, and promotion.

Regardless of which area of the sport industry or what type of sport business an individual is working in, at some point they will work with the media, sponsorship, and/or licensing and endorsements. Therefore, chapters 12, 13, and 14 cover these important sport marketing elements.

The Appendices—completely updated—are very important and are continued in this edition. Appendix A provides a brief directory to sport businesses. Appendix B contains a directory of sport business trade organizations. Appendix C provides a directory of sport business trade publications. For nearly every specific area of sport business, there is a trade publication to which you may subscribe. Appendix D provides a directory of sport management, sport marketing, and sport law journals and their information; it also contains directories of related sport business journals, sport management associations, sport management conferences, and information about the sport management curriculum standards. Appendix E contains several examples of sport marketing academic research. These will be helpful in finding research and locating where it is published. Finally, Appendix F contains seven different examples of research instruments commonly used in sport marketing that can be modified and used for actual research. This book is the only textbook that offers sport marketing instructors, students, and practitioners actual research instruments at their fingertips. Further, each instrument is provided with a description of

the topic of study, its purpose, type of instrument, methodology, and some practical uses of the data gathered by this instrument. Actual studies may be conducted using these instruments with appropriate guidance from the sport marketing course instructor.

Underlying Philosophies of this Book

Readers will welcome that fact that this book, like no other, is inclusive of diverse populations, such as people of various ages, genders, races, abilities, classes, sexual orientations, and cultures. The sport business industry contains these diverse populations, therefore, our philosophy of sport marketing reflects this position. For example, there are examples and information offered throughout the text concerning the many different populations and sport businesses. Further, the unbiased language used throughout the text is reflective of our recognition and embraces the diversity in sport business.

The sport business industry is vast and varied. We believe that today's sport business management and sport marketing students will attain jobs and careers in any one of the many different types of sport businesses in the industry. Therefore, we believe the student should be educated about fundamental sport marketing theories and practices that can be used and applied in any sport business. As such, we present a variety of sport businesses in discussions and as examples throughout the text.

Further, although this book is grounded in marketing theory as its conceptual framework and "parent discipline," we have intentionally presented the material in such a way that it can be used as a practical guide to sport marketing. In addition, the sport marketing theories and models developed and presented in this book may serve researchers in sport marketing well as their conceptual frameworks for important academic sport marketing scholarship.

Special Package: The Companion Books and Language Editions

This book is part of a package of sport marketing books by the authors which, when used in concert and with other sport marketing literature, offers the most comprehensive set of materials in sport marketing education available today. The main textbook provides the foundation of sport marketing theory and fundamentals. It also provides directories for networking and professional growth and instruments for practical application. *Case Studies in Sport Marketing* offers situations in which students can use their new sport marketing knowledge and analyze sport businesses and their possible marketing problems. Finally, *Developing Successful Sport Sponsorship Plans, Second Edition* and *Developing Successful Sport Marketing Plans, Second Edition* offers the student the opportunity to develop contracts and business plans involving sponsorship management and marketing planning.

In addition, this textbook is available in the following languages: Chinese, Polish, and Spanish, with plans for it to be translated into more languages.

Benefits to the Reader

Fundamentals of Sport Marketing, Third Edition is a book written by authors with unparalleled academic and sport business industry experiences, knowledge, consulting, research, and practical experience in sport marketing, both in the US and in

countries around the world. Some of their international experiences include speaking, working, teaching, or consulting in South Africa, The Netherlands, Spain, England, France, Singapore, Malaysia, Hong Kong, Mauritius, Australia, Zimbabwe, Japan, Cyprus, Scotland, China, Saudi Arabia, Hungary, Greece, Italy, Germany, Korea, and Taiwan. Both authors have received the top awards in the field: the North American Society for Sport Management Research Fellow Award and the Dr. Earle F. Zeigler Scholar Award—both of which recognize top scholars each year in sport management. Therefore, readers can be assured that the book is developed by years of scholarship and practical experience in sport marketing.

It is a book that can be used on the job as a handbook, guide, and reference. Since the first edition was published, students working in the industry report that they continue to use it and follow it as a handbook. The third edition builds on the foundation laid in the first and second editions.

It is a book that we believe can be used in practically any country. Even though the examples and businesses cited are primarily North American, the theories, fundamentals, and the Pitts & Stotlar Sport Marketing Management Model (found in Chapter 3) can be applied in any sport business in any country.

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