



## SPORTS MARKETING

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### Abstract:

#### Introduction:

Sports marketing are a subdivision of marketing which focuses both on the promotion of sports events and teams as well as the promotion of other products and services through sporting events and sports teams. It is a service in which the element promoted can be a physical product or a brand name. The goal is to provide the client with strategies to promote the sport or to promote something other than sport through sports. Sport marketing is also designed to meet the needs and wants of the consumer through exchange processes. These strategies follow the traditional four "P's" of general marketing Product, Price, Promotion and Place, another four "P's" added to sport marketing, relating to the fact sports are considered to be a service. The additional 4 P's are: Planning, Packaging, Positioning and Perception. The addition of the four extra elements is called the "sport marketing mix."

Sports marketing is an element of sports promotion which involves a wide variety of sectors of the sport industry including broadcasting, advertising, social media, digital platforms, ticket sales, and community relations.

Sports marketing are divided into three sectors. The first is the advertising of sport and sports associations such as the Olympics, Spanish Football league and the NFL, as well as sport teams like Real Madrid and the New York Yankees. The second concerns the use of sporting events, sporting teams and individual athletes to promote various products. The third

category is the promotion of sport to the public in order to increase participation.

In the first case, the promotion is directly related to sports. In the second case, the products can but do not have to be directly related to sports. When the promotion is about sports in general, the use of this kind of strategy is called "Marketing of Sports." When the promotion is not about the sports but sports events, athletes, teams or leagues are used to promote different products, the marketing strategy is denominated "Marketing through sports." When the promotion is about increasing participation among the public, it is called "Grassroots Sports Marketing." To promote the products or services, the companies and associations use different channels such as sponsorships of teams or athletes, television or radio advertisement during the different broadcast sports events and celebrations, and/or advertisement on sporting venues.

"Street marketing of sport" considers sport marketing through billboards on the street and also through urban elements (street lighters and sidewalks, etc.) to help promote and gain publicity during major worldwide sporting events such as the Football World Cup, the Olympic Games, or the Super Bowl.

#### Sport fans

Like all sectors of business, sports relies on market segmentation to effectively market itself. Sport fans differ according to a number of attributes including motivations to attend sporting events, emotional attachment, economic attachment, identity

and loyalty. These attributes also make sports different than other forms of entertainment as sport fans behave differently than consumers of other products and services.

Attributes such as loyalty can be recognized through the contracts players and athletes sign with sports companies in which they get paid to wear or use their products in each game or sporting event. By doing so, the players and athletes and also their fans develop a loyalty to the products for a longer time.

### **Types of sports**

With such an array of differences of sports fans, different types and levels of sports are found across the globe. For example, in many countries cricket and soccer are extremely popular while in the United States football, baseball, and basketball are most favored while college sports are also preferred. In addition to the classification of sports by levels, sports have also been classified as either mainstream or non-mainstream, also known as niche.

There are seven product attributes that differentiate mainstream sports from non-mainstream sports: accessibility, popularity, uniqueness, affordability, star power, player skill, and player similarity. Accessibility, affordability, and similarity are strongly related to niche sports while popularity, player skill as well as accessibility are strongly related to mainstream sports. Meanwhile, fans that are less-identified with a team are drawn to player similarity as they feel they can relate more with players while highly identified fans prefer the star power of players. Affordability also is a distinguishing factor among fans, as less-identified fans place greater importance on price. A practical marketing example of this is the National Lacrosse League mandating players to attend receptions of restaurants who sponsor the team. Other strategies that niche sports utilize to differentiate themselves from mainstream sports are providing easy access to team and player information, especially online, as well as offer affordable ticket prices and valuable promotions such as dollar beer nights and 25-cent hot dog nights. In contrast, popular

mainstream sports like Major League Baseball (MLB) and the National Basketball Association (NBA) highlight the star power of players, which is why teams go to great effort to promote their best players. This is also seen in media as nationally-televised sporting events often promote specific players leading up to games.

Fans also hold different expectations of different sport types and levels of sports, which is essential for sport marketers to understand. For example, fans attending a minor league baseball game will compare their experience to previous games attended at minor league baseball games, or even other minor league sports if they have little experience with minor league baseball. They will not, however, compare a minor league baseball experience to an NFL game as they understand the two experiences will be very different.

Sport differentiation is also important concerning sponsorship. Companies who sponsor niche sports place the most importance on attributes including cost effectiveness, spectator demographics, and the company fit with the sport image. Niche sports often allow companies who cannot afford to sponsor mainstream sports a channel to market their companies. Also, with niche sports shown to attract a different type of consumer, these companies desire to increase their public awareness within a specific target market. Other attributes important to companies sponsoring niche sports are enhancing both their image and community involvement, which may be easier to do through niche sports than mainstream sports.

### **Benefits of sport marketing**

The benefits of sports marketing are wide-ranging. Stakeholders involved in sports include leagues, teams, athletes, and fans as well as cities and countries hosting sporting events. The media and businesses who promote their products and services through sports also receive benefits. Direct benefits to leagues, teams, and athletes include revenue from tickets, media rights, and sponsorships. Cities and countries also receive revenue from taxes, and all of the

stakeholders gain from the exposure provided through sports.

### **The marketing of sports teams and events**

According to different authors and organizations the marketing of sports events and teams is defined as “Designing or developing a 'live' themed activity, occasion, display, or exhibit a sporting event to promote a product, a team, cause, or organization. Which in other words it can be defined as follows: The marketing of sports events and teams is the marketing strategy which is designed or developed a “live” activity, which has a specific theme. Mostly this kind of strategy is used as a way to promote, display or exhibit different things, such as a sports team, a sport association among others. There are different events that can clearly exemplify this concept, such as the Super Bowl, the Olympic Games, the UEFA Champions League, the World Marathon Majors, and the FIFA World Cup.

Major sports brands compete to link up with the best marathons in the world, the test for excellence in ‘running’, in what is a genuine showcase for strengthening its marketing strategy to its target audience. Adidas, Asics and Nike are dividing the market into the ‘World Marathon Majors’, the international athletics competition created in 2006 that brings together the most prestigious marathons on the planet.

The Super Bowl is an example of this concept because it is a massive sport event organized by a sport association, the NFL, which looks to promote the event, the sport, and as well the different football teams. The event is promoted through local and national media, and has also spread internationally. For example, in Mexico the NFL signed a contract with Cinemex, a Mexican movie theater chain, for the right to transmit its games in movie theaters. This displays the potential of sporting leagues and teams to promote not just the event, but the league and teams involved to a worldwide audience.

### **The marketing of products through sport**

‘Marketing through sport’ is a concept that's been used since the 1980s, but has increased in importance in the last two decades due to the growth and expansion that the different types of sports have enjoyed since then. “Marketing through sports” it is a marketing strategy that can be used in sports in two different ways. First, the use of marketing and promotion can be carried out through the sport or through the sports club. In the first case, the use of marketing is under responsibility of the different sporting associations, while in the second case, the responsibility falls on the different sports clubs. In this manner, marketing and promotion through the sport and through the club involve sponsorship, corporate events and boxes, licensed merchandise, names and images also known as “endorsement”, advertising through broadcaster, advertising such as advertising as ground signage/clothing/equipment advertising, promoting games, promoting using players/club/league or developing ‘business opportunities.’ The peculiarity of sports is that “sport is the only entertainment where, no matter how many times you go back, you never know the ending.” This singular fact is used by marketing companies as an advantage: every time the audience attends an event it will see the advertisements again and again, providing a wide range of opportunities for the different companies which operate on this field.

### **Examples of marketing of products through sport**

#### **Sponsorship of events**

One of the oldest examples of the marketing of products through sports is Slazenger's supplying of the official ball of Wimbledon (1902-2015). Another international example of marketing products through sport is Adidas' sponsorship of FIFA, which includes the company supplying the balls used in the World Cup and having its logo on the side boards along the field of play. In what it described as a "world first" in corporate sport sponsorship, in 2016 BNY Mellon and Newton Investment Management announced they had donated

their title sponsorship of the annual Oxford and Cambridge Boat Races to Cancer Research UK.

### **Sponsorship of teams**

Sponsorship of teams is found throughout sports. Some of the most visible examples are found in the MLS as company names and logos are featured on team jerseys. For example, Alaska Airlines is the official jersey sponsor of the Portland Timbers while Valspar is the official sponsor of the Chicago Fire. These are examples of sponsorships of companies that are not related to sports.

Turkish Airlines established a sports marketing strategy involving high-profile sports teams, players, and sport associations including Manchester United, FC Barcelona, the Euro league basketball competition, NBA player Kobe Bryant, the Turkey national football team, and tennis player Caroline Wozniacki.

Another example of sports marketing through sponsorships of teams is the apparel contracts seen throughout sports. In 2011 Nike agreed to become the official apparel company of the NFL in exchange for around \$220 million per year a deal that has been extended through 2019.

These are examples of sports marketing because as it is defined, sports marketing are a marketing strategy in which companies related to sports products or services promote their trademark through design, production or other resources. In this case apparel companies Nike, Under Armour, and Adidas, which are all completely related to sports, design the uniforms of these teams and as a consequence their trademarks are being promoted every time there is a game.

### **Sponsorship of athletes**

Apparel companies also sponsor professional athletes such as Kevin Durant who receives \$30 million per year from Nike. Stephen Curry is speculated to receive even more money than Durant from his contract with Under Armour. Meanwhile, Puma pays sprinter Usain Bolt \$10 million per year. Many athletes maintain contracts with a variety of companies, some that are related to sports and others that are not. Roger

Federer holds agreements with Nike, Wilson, Rolex, and Mercedes-Benz, and Gillette, worth in sum close to \$60 million each year. LeBron James' contracts with Nike, Beats by Dre, Coca Cola, Kia, McDonald's, and Samsung accrue the NBA player more than \$40 million per year. Peyton Manning meanwhile holds sponsorship agreements with companies including Buick, DirecTV, Gatorade, Nationwide and Papa John's worth in sum approximately \$12 million per year. Fellow NFL quarterback Drew Brees earns \$11 million each year from his contracts with Wrangler, Vicks, Verizon, Nike, and Microsoft.

Another example of marketing through sports is the strategy used by Gillette to promote its personal hygiene products through representative figures of each sport on television during broadcast sports events. Gillette uses athletes such as tennis player Roger Federer, golfer Tiger Woods, and soccer player Thierry Henry. In the commercial these celebrities appear using the products of the company showing the results in order to demonstrate that if successful people use the products you should use them to. It is a clear example of this concept, because the company using this marketing strategy is not related to sports at all, but through important personalities of each sport it has the possibility to get to its target audience.

Nike and Gatorade also hold sponsorship agreements with top athletes. Included among Nike's clients are Federer, Woods, golfer Rory McIlroy and tennis player Rafael Nadal while Gatorade has deals with NBA star Dwayne Wade, Serena Williams, and Peyton and Eli Manning.

### **The promotion of sport to the public to increase sport participation**

Grassroots sport marketing is part of the field of marketing known as social marketing. This refers to marketing something that is of benefit to the public, and is normally done by government or charities rather than private sector organizations. It is normally done with a much smaller budget than marketing of sports teams and event or marketing of products through sports as it does not bring

any direct financial benefit. Although this marketing normally drives people to clubs where they will pay to play sport it still needs to be subsidized in order to be run. The money therefore comes from local councils with a remit to increase participation or from public health sector which wants to decrease the cost of disease.

Examples of the promotion of sport to increase participation is the United States Golf Association's initiatives to increase golf participation<sup>[32]</sup> as well as MLB's One Baseball campaign, which attempts to unify baseball organizations at all levels with the overall goal of increasing youth participation and consequently creating new fans.

#### **Sport marketing through social media**

Professional leagues, teams, and athletes have begun using social media as part of their marketing strategy in recent years. The most popular social media platforms are Facebook and Twitter, but athletes and teams have begun using sites including Instagram and Snapchat. Like all business, the advantages of social media use in sports include building brand awareness, reaching a large audience in an easy and cost-effective way as well as creating brand advocates and engaging passionate sport fans. Numerous examples exist within sports of athletes and teams using social media well to execute their strategy.

For a brand like Babolat, for example, having a world icon like Rafa Nadal as its top representative is priceless. There is no better way to stand up to your competition than by joining up with the strongest. But you must know how to do it, it is not a case of anything goes. And this is where knowing how to use social media is fundamental. "A message on Twitter is not just an advertising channel with which you can win an audience. Its power lies in the message being relevant and credible", explains Edwin Schravessande (professor of e-marketing at the Johan Cruyff University of Tilburg).

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