

ADVANCED THEORY
AND PRACTICE IN
SPORT
MARKETING



ERIC C. SCHWARZ
JASON D. HUNTER



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Eric C. Schwarz and
Jason D. Hunter



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Marketing is the Oxygen of Business – Neil Parmenter
hence...

Sport Marketing is the Oxygen of Sport Business!

DR. ERIC C. SCHWARZ

I would like to dedicate this book to the memory of my father, Rolf Schwarz. His wisdom, intelligence, and strength are foundations of my being, and I hope somewhere he is looking down and is proud of this project, of what I have accomplished, and who I have become as a person.

I am personally indebted to my wife, Loan, whose love and support has been unconditional during the writing of this book, and always. I could not have completed this project without her calming influence and belief in my abilities. I love you and thank you!!!

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PREFACE

The field of sport marketing is infused in virtually all aspects of sport management. As such, it is inevitable that many students will be involved in some aspect of sport marketing during their career. This book is being published with the sport management educator and student in mind, specifically aimed at those whose sport management program is housed in the business and/or management department. Most sport marketing books restate concepts learned in an introductory marketing course prior to getting into sport marketing. This is appropriate for sport management programs housed in a department other than business and/or management. However, for sport management programs housed in a business and/or management division, where virtually all students have already taken principles of marketing course, the book is simply repetitive. *Advanced Theory and Practice in Sport Marketing* strives to go beyond the introductory marketing course by expanding the knowledge of the student with advanced marketing theory related to research, consumer behavior, ethics, logistics, products, advertising, sponsorship, promotions, sales management, e-business and e-commerce, and international and global marketing.

The other aspect of this book is the application of real-world situations into the text. Professors talk about what goes on in the field of sport marketing based on their limited experience. *Advanced Theory and Practice in Sport Marketing* publishes what goes on in the real world of sport marketing by having professionals in the field provide first-hand accounts of how they entered the field of sport marketing, information about what their current job entails, and advice to students who wish to enter the field of sport marketing. This allows the instructor to better prepare the student for life in the sport marketing profession. It is the goal of the author to have this book become a resource that sport marketing educators, students, and professionals will utilize as an everyday reference tool in pursuit of their goals.

The book reflects the authors' extensive research and varied experiences in the field of sport marketing. Dr. Schwarz has worked in and with professional, amateur, and non-profit sport organizations, as well as from the business aspects of sport marketing specifically related to consulting work in sport facility and event management. He has conducted and presented research in sport

marketing and experiential learning in the United States, Canada, Europe, and Australia. In addition, from June 2006 to August 2007 he was on sabbatical conducting research in leisure marketing and designing a postgraduate course in Applied Sport management at the University of Ballarat in Australia. Dr. Hunter supplements this knowledge by bringing extensive experience from the physical education, athletics, and coaching realm, as well as being a former owner of a sport retail firm and a sport facility.

Part I of the book serves to provide an overview of sport marketing, including a basic review of those topics commonly covered in an introductory marketing course. The remainder of this text will provide the reader a framework understanding of sport marketing by connecting traditional marketing to sport marketing. Each chapter will cover a specific aspect of traditional marketing and applying it to the field of sport marketing.

RESEARCH

The reader will expand their knowledge of the concepts of market segmentation, positioning, and demand analysis, and using that knowledge to develop basic capabilities in advertising research, competitive analysis, and strategic outcomes assessment in sport marketing. Inclusive of this will be the development and implementation of focus group research, survey research, and experimental studies; the identification, retrieval, and analysis of secondary data; the utilization of qualitative and quantitative research methodologies; and the application of the research method. Inclusive of this will be a description of research services within sport marketing research, including but not limited to studies of customer satisfaction, economic impact, need assessment, organizational behavior, and risk assessment.

INFORMATION SYSTEMS

The reader will gain an appreciation of the use of information systems for sport marketing goals and objectives through structure, organization, and communication. Inclusive of this will be an examination of sport consumer relationship management for both Internet and non-Internet environment using strategic database and software marketing, with the goal of being able to identify market opportunities, develop targets, and manage and evaluate promotional efforts in sport.

CONSUMER BEHAVIOR

The reader will learn how to utilize basic cultural, personal, social, and psychological principles to explain how those factors directly affect individual purchasing and consumption behavior of participants, fans, spectators, volunteers, community and corporate partners. Additionally, there will be an examination of

the various types of sport consumer studies, and how individual and environmental factors, socialization, and participation directly influence the decision making process for sport consumption. Inclusive of this examination will be an analysis of the expected demographic, psychographic, geographic, and behavioristic characteristics of the sport consumer.

PRODUCT MANAGEMENT

The reader will learn how to distinguish, identify, and classify the various elements of sport products and services, and the stages of the sport product life cycle. In addition, the concepts of branding, licensing, images, marks, and positioning will be identified as related to the sport product.

SALES MANAGEMENT

The reader will be presented with an overview of the strategies and techniques for promoting and selling the sport product, including sales theory models, promotion theory paradigms, and promotion application in sport marketing. Additionally, the distribution process of the sport product will be covered, including an analysis of the distribution principles related to time, place, and possession, as well as the process for selecting distribution systems.

PURCHASING AND SUPPLY CHAIN MANAGEMENT

The reader will be presented with numerous logistical functions that a sport business must manage, including inventory management, team and equipment transportation, warehousing, order processing, and information systems. Both network design and global logistics will be analyzed as a part of this focus. Additionally, there will be an explanation of the importance of the integration of these various systems, and the effects that integration has on the overall viability of the sport industry.

PROMOTIONS AND COMMUNICATION MANAGEMENT

The reader will learn about understand the other elements of the sport promotion mix, including licensing, publicity, personal contact, incentives, and atmospherics. The reader will know how to incorporate sport promotion activities into an integrated communications plan, how to plan an event, create pricing, location, and distribution strategies, and how to cost effectively promote

them. Areas to be covered will include sports information, media relations, public relations, and community relations. In addition, indirect (word-of-mouth) and direct (sales) promotional strategies will be covered in relationship to positioning, building brand equity, increasing credibility, and enhancing image transfer and association.

ADVERTISING

The reader will be provided an overview of the methods for bringing public attention to the sport product or business through print, broadcast, or electronic media. This will include a comprehensive examination of copy and design, media planning and buying, portfolio development, video production, broadcast advertising development, billboard/outdoor advertising development, and graphic design. The reader will also discover how to integrate the field of sport and the engagement of interdisciplinary thinking as it related to all areas of communication. Special emphasis will be placed on journalism, audio-visual communications, development communications, telecommunications, and mass communications.

SPONSORSHIP

The reader will gain an appreciation of the significant role sponsorship plays in the sport promotional mix. Through an explanation of the history of sport sponsorship, the reader will gain an understanding of the various areas of sport sponsorship, including governing body sponsorship, team sponsorship, athlete sponsorship, broadcast sponsorship, facility sponsorship, and event sponsorship. Through the articulation of corporate and brand goals, the reader will also learn about the various criteria for sponsorship, and how they are utilized in choosing the companies to partner with, developing sponsorship packages, and engaging in sponsorship negotiations.

RETAIL MANAGEMENT

The reader will gain an understanding of sport retailing and sport retail management through a presentation of various retail strategies and a strategic approach to retailing in the sport field. Inclusive of this chapter will be the concepts of strategic retail management; the factors and skills associated with situation analysis; the manners to target customers and gathering information; concepts associated with choosing a retail location; the concepts related to managing a retail business; the concepts related to merchandise management and pricing; the various ways of communicating with the customer; and integrating and controlling all aspects of the retail strategy.

E-BUSINESS AND E-COMMERCE

The reader will gain an understanding that in the 21st century, e-business and e-commerce have become staples within the field of sport marketing. Information will be offered regarding the factors that drive modern business through digital technologies. Inclusive of this will be concepts of managing digital enterprises via the Internet, the World Wide Web, and Intranets, including C2B and B2B, as well as potential future technologies. In addition, how sport businesses utilize electronic means to overcome barriers of geographic boundaries to market, produce, and deliver services will be covered.

INTERNATIONALIZATION AND GLOBALIZATION

The reader will gain an appreciation of the ever-growing internationalization and globalization of marketing in and through sport. This will be accomplished through an examination of the implementation of policies, procedures, and strategies within the parameters set forth by cultural, economic, political, and legal constraints of various worldwide markets.

ENTERPRISE MARKETING MANAGEMENT

The reader will gain an appreciation for this growing aspect of sport marketing. Though effective and efficient sport marketing is increasingly important due to tough competition and growing global opportunities, it has long been an island in most sport organizations, disconnected from core business processes and reliant on customized information technology that hampers communication and collaboration with other departments. This chapter will tie the topics from previous chapters to concepts such as brand architecture, investment measurement, and how to engineer creativity, and demonstrate how enterprise marketing management and customer relationship management work together to produce optimal sport marketing efforts by sport entities.

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PEDAGOGICAL FEATURES

Advanced Theory and Practice in Sport Marketing enhances learning with the following pedagogical devices:

- Each chapter opens with a Chapter Outline and a list of Chapter Objectives.
- Illustrations, photos, and charts throughout the text that clarify text material and enhance learning.
- Key terms appear alphabetically at the end of the book in the Glossary.
- Each chapter will have at least one case study embedded within the chapter to enhance critical thinking as related to real-world concepts associated with the text material. Suggested discussion topics associated with each case study allow the learner to apply theoretical knowledge to the scenarios.
- At the end of each chapter, there is a real-world case written by professionals from the field of sport marketing. These experts are from academia, professional sports leagues and teams, amateur sport organizations, and corporate sport. The information they provide will provide the learner with knowledge of how the individual entered the specific area of sport marketing, about the real world of sport marketing, and advice of what the learner can do to better prepare themselves for entry into the specified area of sport marketing.
- A comprehensive Conclusion at the end of each chapter that reviews the Chapter Objectives and pertinent information from the chapter.
- A Test Bank that includes Multiple Choice Review Questions and Discussion Questions to allow students to check their comprehension of the chapter's main concepts.

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CRITICAL THINKING

One of the most important skills for students to develop through their college and university years is critical thinking. This mental process of analyzing and evaluating information is used across all disciplines, and serves as a process for reflecting on the information provided, examining facts to understand reasoning, and forming conclusions and plans for action.

The authors of this book have provided a series of opportunities for students to enhance their critical thinking skills while also verifying their understanding of the materials presented in this text. For each chapter, there are 10 multiple choice questions that provide students the opportunity to verify their comprehension of the chapter's main concepts. To supplement that verification, there are also four discussion questions. These questions, which can be used as essay topics or in-class discussion issues by instructors, are based on the information provided in the chapter, the research available in the specific aspect of sport marketing, and the education and experiences of the authors.

In addition, each chapter has a minimum of one case study focusing either on the ethical or global nature of the specific sport marketing topics. These cases are a collection of "real-world" situations modified with a sport marketing twist to provide the student with the maximum opportunity to analyze, evaluate, and ponder possible solutions to the ethical or global situation. Suggested discussion topics associated with each case study will help the student focus their efforts on key theoretical aspects from the chapter, and apply that knowledge to deal with the specific scenario.

This text provides a unique opportunity for critical thinking in association with sport marketing in the corporate or professional setting. "From Theory to Practice" cases appear at the end of each chapter, written by professionals in the field of sport marketing. They provide information about how the individual entered the specific area of sport marketing, the professional world of sport marketing, and advice of what the learner can do to become better prepared for entry into the specified area of sport marketing.

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SUPPLEMENTS

Advanced Theory and Practice in Sport Marketing provides the instructor with the following teaching aids:

- PowerPoint presentations for each chapter.
- An electronic test bank.
- Suggested discussion questions associated with the case studies embedded in each chapter.

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ABOUT THE AUTHORS

DR. ERIC C. SCHWARZ

Dr. Schwarz has been a member of the faculty within the Division of Business and Management at Daniel Webster College since 2000. Currently holding the rank of Associate Professor, he serves as the Program Coordinator, and is the faculty advisory for the Daniel Webster College Society for Sport Management. During the 2006–2007 school year, he took a sabbatical leave to serve as a Visiting Senior Lecturer and Researcher at the University of Ballarat in Australia. His responsibilities included teaching classes, conducting research in leisure and professional sport marketing, and developing a postgraduate program in Applied Sport Management.

Dr. Schwarz received a B.S. degree in Physical Education from Plymouth State University in 1991; a M.Ed. in Administration and Supervision from Salisbury University in 1992; and an Ed.D in Sport Management from the United States Sports Academy in 1998.

Prior to coming to Daniel Webster College, Dr. Schwarz had worked with a variety of sport-related organizations in high school athletics, college athletics, and campus recreation programming. He also owned his own summer camp, clinic, and coaching training business.

Since coming to Daniel Webster College, in addition to his teaching and administrative responsibilities, he has been focused on research, consulting, and experiential learning. Dr. Schwarz has presented on various topics in sport marketing and experiential learning at conferences in the United States (SMA, EBEA), Canada (NASSM), Europe (EASM), and Australia (SMAANZ). Dr. Schwarz has been most active with the Sport Marketing Association, where he has been a regular presenter, and has had two articles published in the conference book of papers. In addition, a group of his undergraduate students finished in first place in the undergraduate poster competition at the 2004 conference in Memphis, and won the case study competition in 2005 in Arizona.