

2

The Four Domains of Sports Marketing

Learning Objectives

- See the lack of uniformity in the way that “sports marketing” has been defined over the years.
- Learn that sports marketing encompasses far more than the task of putting fans in seats.
- Better understand the three broad categories of sports products.
- Distinguish between traditional strategies and sports sponsorship-based strategies.
- Develop an understanding of the four domains of the sports marketing industry.
- Be able to identify actual strategies implemented in each of the four domains.
- Be able to classify any strategy into the correct quadrant of the Sports Marketing Environment Matrix.

Despite its acknowledged contribution to local, state, national, and global economies, there is no consensus as to exactly what is meant by the term *sports marketing*. In fact, there is not even agreement as to whether it is sport or sports. Chapter 2 attempts to clarify that ambiguity via the depiction of a classification system that is based upon two key dimensions: the type of product being sold and the form of sports involvement from the marketer’s perspective. By categorizing goods and services as either sports products or nonsports products and by differentiating between traditional strategies and sports sponsorship-based strategies, the four domains of sports

marketing are identified. They are the theme-based, product-based, alignment-based, and sports-based strategic domains. The underlying principles for developing this classification are discussed at length in this chapter, thereby laying the foundation for the more in-depth examination of the sports marketing industry that begins in Part 2 of this book. With a better understanding of the various marketing perspectives within the industry, better strategies should result. At the conclusion of this chapter, readers will more fully understand the reality that sports marketing is about much more than just putting fans in the seats at spectator sports events.

INTRODUCTION TO THE SPORTS MARKETING INDUSTRY

Sports marketing is a fuzzy concept for which a universal definition has long eluded those who work within the field and the individuals who provide an educational foundation for those aspiring to work within the sports marketing industry. In part, this ambiguity may be attributed to the fact that no consensus has emerged to answer the question of exactly what constitutes a *sports product*. Many outside the industry tend to take a narrow view about what the discipline of sports marketing encompasses. To them, the primary task is one of selling tickets and putting fans in the seats at organized sports events. Thus, the sports product is perceived as tickets to spectator sports. This definition when broadly applied includes the sale of tickets for minor events such as local high school sports and minor league ice hockey, but the prevailing thinking primarily focuses on major sports properties such as an National Collegiate Athletic Association (NCAA) Division I (Football Bowl Subdivision) college football game, a National Association for Stock Car Auto Racing (NASCAR) event, the Super Bowl, a Premier League soccer game, a cricket test match between Australia and England, and the Olympics. Undoubtedly, this perception is influenced by the massive marketing expenditures and revenues associated with major properties such as these.

In anticipation of the Summer Olympics in Beijing, Du Wei, the Vice Chairman of the *Institute of Beijing Olympic Economy*, stated in comments directed to Chinese companies that “sports marketing has become one of the most effective of all marketing strategies.”¹ However, Wei was not narrowly referring to the tasks associated with the selling of tickets to Olympic events; rather, he was using a broader definition by suggesting that marketers of nonsports products could benefit by becoming more involved with the Olympic Games. But since these firms were not selling sports products, how could their actions be characterized as sports marketing? In order to fully appreciate and understand the dynamics of sports marketing, it is imperative that the task of *marketing through sports* also be accepted as an integral component of the industry. Coca-Cola has been aligned with the Olympic Games since 1928; however, this relationship has never been focused on demand creation for one of the world’s premier sporting events. Rather, it focused on the sale of Coca-Cola products. Many marketers use a sports platform as the basis for appeals to consumers across a vast array of products, the majority of which have little or nothing to do with sports. Thus, the *marketing through sports* component of sports marketing tends to be overlooked by many outsiders. This oversight is unfortunate because it is this domain in which many marketing practitioners are employed and use their skills to implement sports marketing strategies.

A comprehensive review of recently published sports marketing textbooks reveals inconsistencies in the definitions of “sports marketing.” This conceptual weakness illustrates the need for including both the *marketing of sports* and *marketing through sports* so as to encompass the entire realm of the sports marketing industry. It is the purpose of this chapter to illustrate a broadened framework that is based upon this conceptual dichotomy.

Many marketers use a sports platform as the basis for appeals to consumers across a vast array of products, the majority of which have little or nothing to do with sports.

SPORTS MARKETING AS VIEWED BY SEVERAL AUTHORITIES IN THE INDUSTRY

Sportscaster Howard Cosell first uttered the expression “veritable plethora” in a sports context during the broadcast of a *Monday Night Football* game in the 1970s. That phrase can now be applied to the concept of sports marketing. Exactly what does the practice of sports marketing encompass? In other words, how can we define sports marketing? The reality is that there exist a veritable plethora of definitions of sports marketing. In fact, many spokespersons seek to differentiate between “sport” marketing and “sports” marketing. Much like any other business concept, the realm of sport(s) marketing has continued to evolve while encompassing a broader array of business activities. The disparity clearly indicates the need to better define the concept. Consider the following definitions.

The origin of the term *sport marketing* can be attributed to a story in a 1978 issue of *Advertising Age*. In that venerable publication, sport marketing was characterized as “the activities of consumer and industrial product and service marketers who are increasingly using sport as a promotional vehicle.”² Note the focus on promotion. In their contribution to a compilation of sports marketing literature, Gray and McEvoy noted that this set of activities is best characterized as “marketing *through* sport; that is using sport as a promotional vehicle or sponsorship platform for companies that market consumer, and to a lesser extent, industrial products.” However, it was noted that a perceived shortcoming of that definition was the absence of any reference to the “marketing of sport.” The implication is that there is a second major domain of sports marketing, one of “the application of marketing principles and processes to market goods and services directly to sports participants and spectators.” The amalgamation of *marketing through sport* and the *marketing of sport* provided the foundation for Gray and McEvoy’s broad-based definition: “the anticipation, management, and satisfaction of consumers’ wants and needs through the application of marketing principles and practices.”³ Presumably, this definition encompasses both major dimensions. Some organizations market sport products to a targeted set of consumers, while others market an array of nonsports products to market segments that have a personal attachment to sports events and teams.⁴

The origin of the term *sport marketing* can be attributed to a story in a 1978 issue of *Advertising Age*.

Similarly, sports marketing has been characterized in a way that encompasses both dimensions—or thrusts—as they have been described. The resultant definition is based on the premise that “sport marketing consists of all activities designed to meet the needs and wants of sports consumers through exchange processes. Sport marketing has developed two major thrusts: the marketing of sport products and services directly to consumers of sport, and the marketing of other consumer and industrial products or services through the use of sports promotions.”⁵ This definition was subsequently embraced by a number of other authors as they sought to find a consensus. However, it may be appropriate to question the narrow focus of “sports promotions” when faced with the realization that there is an abundant number of alternative approaches designed to sell everyday products such as cars and pizza. Promotional efforts are not the only method for creating a sports overlay. Another question concerns the designation

of exactly what actions fall within the category of sports promotion. Is it limited to sponsorship, or would an advertisement featuring a generic sports theme fit within this thrust of sport marketing? The question also concerns the premise that sports promotion is the sole approach for the creation of a sports overlay. Can strategic initiatives other than promotion be used to create a sports overlay such that these alternative strategies and tactics would fit within the spectrum of marketing through sports?

Promotional efforts are not the only method for creating a sports overlay.

Questions such as these have been addressed by other authors who articulated the point that the term sport marketing has been used in many contexts, thereby leading to confusion as to exactly what the term really means. Not only do they incorporate both domains, but they also expand one of the earlier perspectives by stating that marketing through sports encompasses far more than just advertising and public relations.⁶

Another early book on sports marketing did not specifically define the concept; however, it focused on the efforts of marketers who use sports as a marketing platform for nonsports products. More specifically, the author states that “sports has become a marketing medium in and of itself with the ability to target, segment, promote, and cast products and services in heroic lights. More and more companies you would never think of being remotely attached to sports are using sports to enhance and embellish their marketing.”⁷ In describing the efforts of companies such as Coca-Cola and Visa, the primary reference seems to be directed toward sponsorship activities.

With their focus on sports products, the authors of another early sports marketing textbook offered a different perspective of the practice of sport marketing. In their text, sport marketing is defined as “the process of designing and implementing activities for the production, pricing, promotion, and distribution of sport product to satisfy the needs or desires of consumers and to achieve the company’s objectives.”⁸ This definition was reiterated in a follow-up book that delineated the process of developing “successful sport marketing plans.”⁹ Of note is the inclusion of pricing, distribution, and promotion—three traditional elements of the marketing mix. This inclusion represents a meaningful extension of the earlier assertion that sport marketing was based solely upon promotional efforts by the marketer.

Similarly, while stating that “sports marketing does not have a single, consistent definition,” yet another definition focuses on the marketing of sports products as a basis for the generation of revenue for sports entities while developing marketing plans that will lead to the maximization of revenues accruing to the sports entity.¹⁰ However, the authors still incorporate marketing through sports by referring to sports entities such as athletes, teams, and programs in the firm’s marketing plan. Sponsorships such as Toyota’s involvement in “the Olympic Partner (TOP)” program for the cycle that included the 2018 Winter Olympics in South Korea and the 2020 Summer Games in Tokyo would fit within the parameters of their definition of sports marketing. (Because of the COVID-19 pandemic, the Summer Olympics were rescheduled for 2021.) Their early work offers a forward-looking perspective via their assessment that “attention to marketing tools is long overdue” in the marketing of sports products.

“Attention to marketing tools is long overdue” in the marketing of sports products.

PURPOSE OF THIS CHAPTER

While there continues to be no single, universal definition of the concept of sports marketing, one key consideration is apparent. As articulated earlier, the practice of sports marketing is generally recognized as consisting of two fundamental thrusts. However, while recognition of this dichotomy in the field of sports marketing is a necessary condition in the effort to conceptualize a sports marketing framework, it is insufficient. It fails to fully delineate the inherent differences among the multitudes of sports marketing practices that are commonplace today. Thus, there is a need to refine the dichotomy based upon the categorization of the actual activities common to the environment. The resulting classification system provides a more comprehensive perspective regarding sports marketing practices, and it is suggestive of sports marketing decision-making guidelines. In the remainder of this chapter, two important considerations that underlie sports marketing practices are identified and discussed. These two considerations are combined to form a new *sports marketing environment matrix* that results in the designation of four sports marketing domains. Numerous examples for each domain will be provided in an effort to illustrate how they are unique. To steal the words of the statistician, the four domains are mutually exclusive and collectively exhaustive. In other words, there is no overlap in the four domains, and they capture the entire array of activities germane to the sports marketing industry. Once those four domains are identified, a new and comprehensive definition of *sports marketing* will be articulated.

IDENTIFYING DOMAINS WITHIN THE SPORTS MARKETING ENVIRONMENT

Two important product-related aspects of the sports marketing environment are important. First is the obvious strategic focus aimed at the marketing of pure sports products. Less evident is the marketing of nonsports products while using a sports platform as the foundation of the firm's marketing efforts. Therefore, two prominent initiatives in sports marketing are identified. They are the marketing of sports products and the marketing of nonsports products through sports. Some universities offering sport management programs have opted to offer courses using this nomenclature. However, even with the acknowledgment of these two broad initiatives, the question of exactly what constitutes a sports product still begs to be answered. That question is addressed in the following section.

Sports Products versus Nonsports Products

In developing a model that depicts the sports marketing environment, an essential distinction is the difference between sports products and nonsports products. Making this distinction is not as simple as it may sound. The following overview is provided to address that question. It starts with an assessment of the broad array of sports products.

Sports Products

Sports products have been described in many studies. In fact, as discussed in Chapter 1, an early article that sought to estimate the gross domestic sports product in the United States went so far as to include agent services, sports law services, golf course construction, and pari-mutuel betting receipts.¹¹ While some

readers may agree with the breadth of this eclectic array of activities, others will view it as having no real focus. The latter view is assumed for the purpose of completing this chapter and the more detailed look at sports products in Chapter 7. From this point forward, in describing the sports marketing environment, three categories of sports products have been identified. They are spectator sports, participation sports, and a third eclectic category that is comprised of sporting goods, apparel, athletic shoes, and sports-related products. This third category is recognized with the acronym of SASS.

Three categories of sports products have been identified: spectator sports, participation sports, and a third eclectic category that is comprised of sporting goods, apparel, athletic shoes, and sports-related products.

Spectator Sports

From college sports to minor league sports, to the highest level of professional sports, and for international events such as the Olympics, one key marketing objective is that of selling tickets. Yet, it is not only those who purchase tickets to a game or event who are important but also these sports marketers who work to increase the media-based audience, which includes viewers and listeners who gain access through a variety of electronic media. These media include television options such as free-to-air TV, premium cable and satellite networks, pay-per-view for special events, enhanced access to a sport's broadcasts (such as DIRECTV's National Football League [NFL] Sunday Ticket), and devoted networks such as the Rugby Channel and the Golf Channel that are dedicated to an array of programming germane to a single sport. Other media include traditional radio; satellite radio; audio/video streaming on the Internet; and an increased emphasis on mobile technology such as mobile phones, tablets, and podcasts. Even movie theaters and smart watches are now considered viable media for the distribution of spectator sports programming.

With this in mind, the spectator sports product can be viewed from two perspectives. First is the sale of tickets that provide a fan with access to sports events; that access may be viewed by some as the product. But the reality is that access has no value without the competition on the field of play. Furthermore, it fails to consider those fans, such as TV viewers, who make up the media-based audience. Thus, whether the audiences of spectator sports events are members of the live audience or the media-based audience, it is the game or event itself, not the ticket per se, that represents the product in the spectator sports market.

Whether the audiences of spectator sports events are members of the live audience or the media-based audience, it is the game or event itself, not the ticket per se, that represents the product in the spectator sports market.

Participation Sports

The category of participation sports rightfully includes an array of activities that might not normally be perceived as sports. While organized soccer, golf, and tennis are recognized as participation sports, other activities that are done on an individual basis are not always acknowledged as such. The absence of competition that identifies a winner and loser may be the basis for this reluctance. Individuals who jog around the neighborhood or who lift free weights at home or even at the

health club may not be characterized as athletes. Furthermore, there is yet another tier of activities that represent participation and competition, although only the most liberal definition would permit them to be classified as sports. Among the most recent additions to this category is poker. Even sports networks such as Fox Sports, Sky Sports, and ESPN have begun to broadcast “Texas hold ‘em” poker tournaments. Other activities such as darts, fishing, competitive eating, and billiards are also noteworthy from a participation perspective. More recently, eSports has entered the sports marketing picture. The game being played may have a sports focus such as *Fédération Internationale de Football Association* [FIFA] 21, or it may fall outside of the traditional realm of sports such as Call of Duty. And not only are there participants who compete in eSports, but there are also fans who watch these competitions as members of a live audience or as members of the media-based audience who typically use streaming platforms such as Twitch. So, it can be stated that like many other sports products, eSports encompasses both the participation and spectator components of sports products.

Marketing’s role is to increase the number of participants and the frequency of participation in a specific activity.

In many cases, marketing’s role within the realm of participation sports is to increase both the number of participants and the frequency of participation in a specific activity. For example, golf course operators want to attract new golfers while at the same time inducing current golfers to play even more. The primary benefit to these sports marketers is that increased participation keeps facilities such as golf courses, tennis clubs, swimming pools, and health clubs busy. We also know that individuals who participate in a sport are more likely to be a fan of that sport. Thus, an increase in the number of people who play tennis likely translates into higher numbers of spectators in terms of the live audience and the media-based audience of tennis tournaments. A secondary benefit is that an increased level of participation also creates the demand for more sports equipment, apparel, and athletic shoes. This leads us to the third and final category of sports products.

SASS

The final category of sports products is somewhat more difficult to define. While sporting goods such as golf clubs, apparel such as skiwear, and athletic shoes such as a pair of “LeBron 18 Low Neon Nights” are easy to understand, the final subcategory, which is sports-related products, is remarkably diverse. Among other things, it includes sports souvenirs, publications, lessons, and a diverse assortment of products, many of which can be purchased at event venues. We will now take a look at the four subcategories comprising the SASS category of sports products.

Sporting goods include tangible goods specific to a participation sport or activity. These products may be sold to casual participants as well as those who take part in organized activities. The 40.1 million Americans who participated in bowling in the United States in 2020 created a demand for bowling equipment.¹² Golfers throughout the world have fueled a tremendous increase in the sale of clubs, balls, bags, and gloves on a global basis. Even casual bicyclists often ride around on expensive 21-speed bicycles. The marketing for sporting goods is huge and growing rapidly. The COVID-19 pandemic actually accelerated the growth rate for many of these products, especially those used in home gyms.

Apparel is clothing that is used for one of two primary reasons. First and foremost, it may be purchased to facilitate participation. The annual start of a new season for many sports creates demand for new uniforms. Style changes may induce golfers to abandon last year's clothing in favor of new styles, so that they look good, and contemporary, on the golf course. The second reason is based on the acknowledgment that sports apparel can be fashionable within certain market segments. These buyers may be fans who wear clothing that features the logos of teams that they support. Others may buy the same apparel, not because they support the team but because the clothing is in vogue among their contemporaries. It is simply part of their wardrobe.

The third subcategory of SASS is shoes, in particular *athletic shoes*. While these were once primarily devoted to the participant market, this has changed significantly since the advent of Nike's Air Jordan shoes. Today, athletic shoes are an integral part of almost everyone's wardrobe. For participants, there are designs that are deemed appropriate for specific activities such as racket sports, basketball, running, walking, and cross training. No longer are athletic shoes combined into the generic category of tennis shoes.

The final subcategory for SASS consists of a broad array of *sports-related products*. Included within this category are souvenirs that may be purchased at event venues and a number of other official retailers. Consumers often purchase sports magazines. These may feature sports in general, but many focus on a single sport or even a specific team. Lessons to improve one's skills at sports like tennis or golf fit best within this subcategory as well. But the broadest set of products in this subcategory is comprised of venue-specific products. While these products are not tied to a sport per se, they are purchased by spectators in attendance. So, while we might be reluctant to classify beer as a sports product, the reality is that it represents an important revenue stream for teams and stadium operators. Other beverages, food, game day programs, and souvenirs also fall into this subcategory. A more comprehensive look at the SASS category of sports products is provided in Chapter 7.

Nonsports Products

The final category is that of *nonsports products*; this includes those products that are not directly related to a sport. Examples of nonsports products include automobiles; airline tickets; fast food; consumer electronics; financial services; and beverages such as milk, water, and colas. Yet, as previously noted, even this category has some gray areas. When beer or fast food is sold at a sports venue, is it a sports product or not?

Brief Overview of the Four Product Categories Relevant to Sports Marketers

These four categories of products summarize the array of products that are sold within the various domains of the sports marketing industry. Sports marketers must understand which products are important to their target markets and develop a product strategy that meets those needs. Furthermore, the product strategy must be consistent with the other three elements of the marketing mix. Only then can the sports marketer take full advantage of the opportunities that exist. Box 2-1 provides a brief overview of the products that are sold by today's sports marketers. The dichotomy of sports products and nonsports products represents the first dimension used to create the sports marketing environment matrix. To finish constructing the matrix, our attention will next turn to the second dimension used to define the environment; that is how sports is incorporated within the marketing strategy or what is referred to as the *form of involvement* within the realm of sports.

Box 2-1

Products Sold by Sports Marketers

Sports Products

- Spectator sports products
 - The game or event itself
 - Tickets for attendance (as members of the live audience)
 - Viewership and listenership (as members of the media-based audience)
- Participation sports products
 - Organized participation (leagues and tournaments)
 - Casual participation (pick-up games and practice)
 - Access to public and private athletic facilities (golf course)

- Sporting goods, apparel, athletic shoes and sports-related products (SASS)
 - Sports equipment (snowboards, golf clubs, and soccer balls)
 - Sports apparel (hunting clothing, swimwear, and team uniforms)
 - Athletic shoes (golf shoes, running shoes, and tennis shoes)
 - Sports-related products (souvenirs and lessons)

Nonsports Products

- Goods and services not directly related to a sport

FORM OF INVOLVEMENT: TRADITIONAL VERSUS SPORTS SPONSORSHIP-BASED STRATEGIES

As we seek to incorporate a sports platform, there are two broad approaches. While pertinent for both sports products and nonsports products, this decision is critically important when the intent is to sell nonsports products while utilizing a sports platform. This decision refers to the form of involvement with sports. Here, the choices are broad but can be classified into two categories—traditional and sports sponsorship-based. Traditional strategies represent modest involvement, whereas sports sponsorship-based strategies employ a much deeper level of involvement by virtue of some official sponsorship with a sports entity such as a team, league, player, or special event.

Traditional Strategies

The first category represents a basic, but important, incorporation of sports as part of the organization's marketing program. As such, it typically involves the basic components of a marketing strategy: a target market and a corresponding marketing mix. It is essential to understand that strategies based upon traditional involvement utilize no official relationship with a sports entity such as a league, team, or player. Using *traditional* marketing strategy, the marketer identifies target markets and develops corresponding marketing mixes, that is to say, the product, distribution, pricing, and promotion strategies that are designed to appeal to each designated target market. A traditional strategy using a sports overlay may simply involve an advertisement that features actors or models playing a sport; it may involve the placement of an ad in a sports publication that reaches a similar target market, or it may utilize graphics on the packaging that feature a sports setting. Each component of the marketing strategy can be integrated within the marketer's effort to incorporate a sports theme.

Using *traditional* marketing strategy, the marketer identifies target markets and develops corresponding marketing mixes designed to appeal to each designated target market.

Sports Sponsorship-Based Strategies

In contrast to the traditional approach for integrating sports into the marketing of products, *sports sponsorship-based strategies* involve an array of activities whereby the marketer attempts to capitalize on an official relationship with an event, a team, a league, or some other sports organization such as the NFL, the International Olympic Committee (IOC), or FIFA. One article referred to sponsorship as having a “fairly loose meaning in sport.” In other words, the concept goes beyond the traditional sponsorship arrangement that most readily comes to mind.¹³ But it is essential to understand that a sponsorship involves two entities, the *sponsor* and the *sponsee*. To clarify that terminology, consider the relationship between Panasonic and the IOC. Panasonic is the sponsor, and the IOC is the sponsee. The easiest way to draw this distinction is to remember that it is the sponsor who pays for the rights to be associated with the sponsee.

The most readily acknowledged sponsorship can be characterized as the *traditional sponsorship*. The traditional sponsorship generally involves the acknowledgment of the sponsor by the sports property and the ability of the sponsor to use the property’s trademarks and logos in its efforts to leverage the sponsorship and reinforce the relationship in the minds of members of the sponsor’s target market. During a recent postseason game in Major League Baseball (MLB), each sponsor was recognized with a display on the scoreboard and through computer-generated virtual advertising for those watching on TV. The traditional sponsorship can involve title rights; for example, the “PlayStation Fiesta Bowl” and “Guinness Six Nations Rugby Championship” leave no doubt as to whom the primary sponsors are. In a somewhat more subtle implementation, a marketer might be recognized as the presenting sponsor. Two noteworthy examples are “the Rose Bowl Presented by Capital One” and the Professional Golfers’ Association’s (PGA) “Arnold Palmer Invitational Presented by MasterCard.”

In addition to these approaches for the implementation of a traditional sponsorship, three special cases of sponsorship can be used by today’s marketers. These include venue naming rights, endorsements, and licensing. Some might question the designation of these three strategies as being sponsorship-based. However, there is ample support for this premise.

Venue naming rights have often been characterized as “building sponsorships.”¹⁴ The National Hockey League’s (NHL) Toronto Maple Leafs play their home games in Scotiabank Arena. An article in *Brandweek* referred to “building sponsors” and the evolution of that type of strategy over the past few years.¹⁵ Even the venerable publication, *Advertising Age*, agrees with this characterization. In its review of venue naming rights, it noted that there are “more than 50 corporations involved in major *sponsorships* of U.S. sports facilities.”¹⁶ Today, that number is even higher. Similarly, the International Events Group referred to venue naming rights as “title sponsorship deals.”¹⁷ A. C. Nielsen provides a service called “Sponsorship Scorecard” with the express purpose of developing a better understanding of “the value that sponsors receive from stadium naming rights.”¹⁸ Based on this evidence, the important conclusion that can be drawn now is that venue naming rights do represent a special form of sponsorship. Therefore, when SoFi agreed to pay \$600 million over 20 years to have its name attached to

the National Football League stadium where the Los Angeles Rams play their home games, it was reasonable to presume that the company was implementing a sports sponsorship-based strategy in an effort to sell its financial services.

Endorsements have been referred to as “personal (or personality) sponsorships.”¹⁹ Furthermore, when referring to endorsement opportunities for the NHL’s Sidney Crosby, one Canadian publication stated that these personal “sponsorships could prove huge for Crosby’s pocketbook.”²⁰ Another publication referred to Tiger Woods’ significant earnings from “sponsor endorsements.”²¹ David Beckham is one of the most famous soccer players in the world, and although he retired as a player, his endorsement power is still staggering. *The Economist* magazine specially referred to his deals with Pepsi-Cola and adidas as “personal sponsorships.”²² Additional anecdotal support for the premise that endorsement deals fall within the realm of sponsorships can be found on the *SportBusiness International* website. Nike’s signing of Ladies Professional Golf Association golfer Grace Park was touted as a sponsorship deal,²³ and in a separate posting, the organization referred to Yao Ming’s endorsement of Pepsi-Cola as a “sponsorship agreement.”²⁴ It should now be evident that the general consensus within the sports marketing industry is that endorsements are indeed a form of sponsorship.

Of the three special forms of sponsorship, *licensing* may be the most debatable as to whether it truly represents a form of sponsorship-based strategy. But once again, there appears to be considerable support for this assertion. It is also important to note that many traditional sponsorship deals provide the right to use the sport property’s logos and trademarks for a variety of applications. For example, one common sponsorship category is that of *official supplier*. These sponsors are often granted the right to produce and sell logo apparel and a variety of other licensed products. For example, the NHL once characterized adidas as its *official apparel supplier*. A report out of the United Kingdom discussed *sports licensing* within the context of *kit sponsorships*.²⁵ The report went on to state that licensing provides sponsors with the opportunity to maximize the value of their sponsorship rights by virtue of the sponsor’s right to sell apparel and other products in the SASS category that bear the sponsee’s logo and other trademarks. Another example that ties the concept of licensing to that of sponsorship is Reebok’s arrangement that once allowed the use of the logos of MLB’s 30 teams in the marketing of a special line of footwear.²⁶ Nike now has the sponsorship involving MLB uniforms. Sears once used a traditional sponsorship with NASCAR with the primary objective of driving the sale of its Craftsman tools. But beyond that relationship, Sears also sold a broad array of NASCAR-licensed merchandise in many of its retail stores.²⁷ EA Sports contracted with NASCAR to retain exclusive rights to use the organization’s logos in the video game market.²⁸ The importance of this form of sponsorship is best summed up by the statement that “Nike and Adidas now have intellectual property rights whose value far exceeds that of the products through their association with leading sports teams and events.”²⁹ It is also noteworthy that venues selected to host premier events such as the Super Bowl and the Olympic Games are now required to implement stringent rules that protect this class of sponsors. Clearly, the literature bears witness to the co-mingling of the terms, “sponsors” and “licensing.” Given this fact, it seems reasonable to assume that licensing is indeed a special form of sponsorship. Thus, the marketer has one more tool in a wide array of options when the decision to implement a sports sponsorship-based strategy is made.

In summary, if a marketing decision-maker wishes to create a sports platform as a component of its marketing strategy, there are two choices. The marketer can opt to use a traditional marketing strategy approach based on the selection of

target markets and the development of a corresponding marketing mix for each of the designated target markets, or the decision-maker can choose to incorporate sports in a more formal manner by employing one or more of the four designated sports-sponsorship strategies.

BASIC PRINCIPLES OF SPORTS MARKETING

From the previous discussion, three principles are relevant for the assessment and understanding of today's sports marketing industry. They are

- the broad focus (marketing of sports or marketing through sports),
- the nature of the product being marketed (sports or nonsports), and
- the form of involvement of sports within the marketing strategy (traditional or sponsorship-based).

The broad focus and the nature of the product being sold are somewhat redundant, but it is still important to consider both of these distinctions as we seek to better delineate the sports marketing environment. An overview of the basic components of these three key principles is presented in Box 2-2. The latter two are used in the development of the sports marketing environment matrix that depicts the four domains of this dynamic and varied industry.

THE FOUR DOMAINS OF SPORTS MARKETING

As illustrated in Figure 2-1, the four domains comprising the sports marketing environment are identified as *theme-based*, *product-based*, *alignment-based*, and *sports-based* strategies. An explanation and rationale for each domain, along with illustrations of actual sports marketing strategies, are provided in the following sections.

Box 2-2

The Basic Principles of Sports Marketing

Broad Focus

- Marketing of sports
- Marketing through sports

Products Being Marketed

- Sports products
 - Spectator sports
 - Participation sports
 - Sporting goods, apparel, athletic shoes, and sport-related products (SASS)
- Nonsports products

Form of Involvement

- Traditional
 - Target market selection
 - Marketing mix decisions
 - Product
 - Distribution
 - Price
 - Promotion
- Sports sponsorship-based
 - Traditional
 - Special forms of sponsorship
 - Venue naming rights
 - Endorsements
 - Licensing

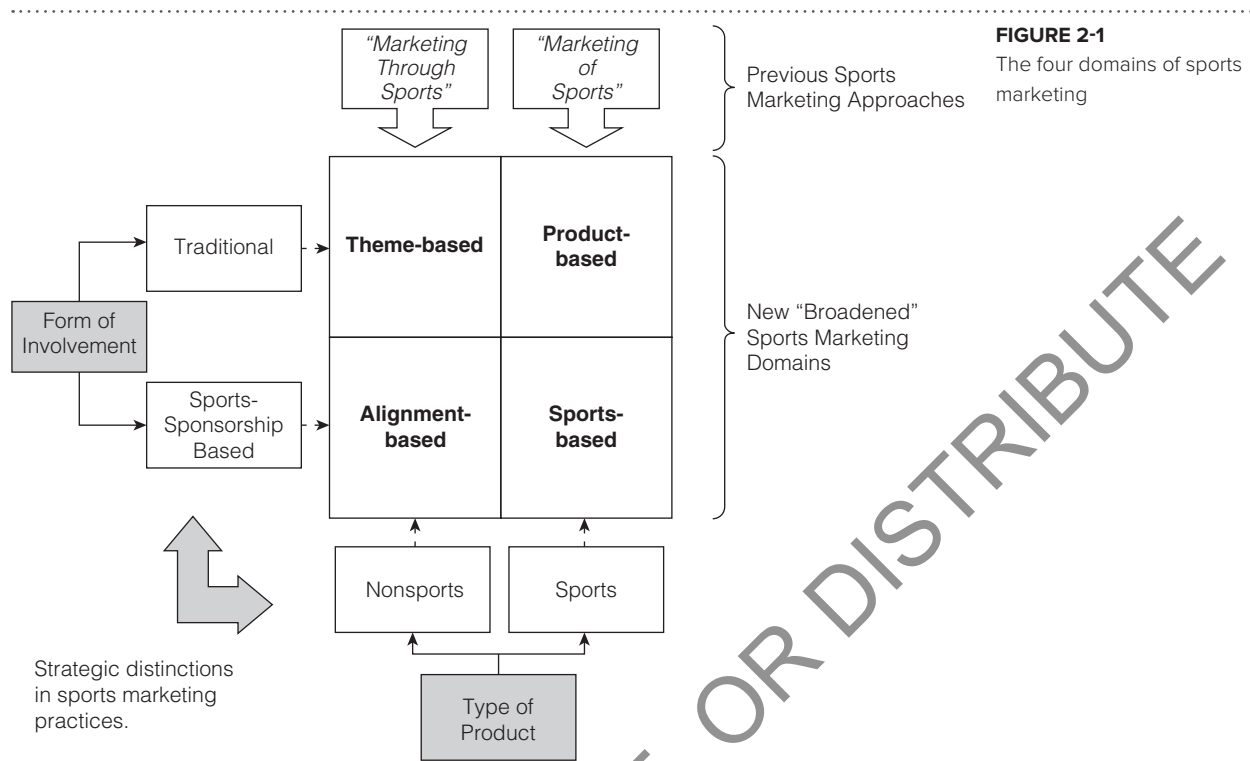


FIGURE 2-1
The four domains of sports marketing

Theme-based Strategies

Theme-based strategies can be defined as the use of *traditional marketing strategies* that incorporate a sports overlay into the marketing program for *nonsports products*. The marketer might opt to use a sports-related theme, or it might advertise its products in sports-related media (i.e., sports broadcast or sports magazine) that effectively reach its customers. A key aspect of theme-based strategies is that the marketer’s efforts are not based upon any official relationship with any specific sports entity in its effort to create the sports overlay for its marketing efforts. A bank that advertises in a sports magazine or during a TV broadcast of a sports event has incorporated sports at a rudimentary level. As such, this domain represents the most fundamental form of involvement of sports within the sports marketing environment. The following examples illustrate how marketers have used target marketing and the four variables of the marketing mix to implement strategies within the theme-based domain.

Theme-based strategies can be defined as the use of *traditional marketing strategies* that incorporate a sports overlay into the marketing program for *nonsports products*.

The first component of a marketing strategy to consider is often the organization’s **target markets**. For example, the implementation of a theme-based strategy may be achieved by placing advertisements in magazines or on TV programs that appeal to one or more of the marketer’s own target markets. Advertisements used in this type of strategy will not necessarily have a sports theme. For example, Lincoln automobiles ran a conventional advertisement that did not feature any

sports activity. Yet, it still created a sports platform by virtue of the advertisement being placed in a sports magazine that provided the marketer of automobiles with access to one of its key target markets. Likewise, Budweiser advertises its beer in *Sports Illustrated* as a means of reaching one of its primary target markets. Similarly, even when Coors Light was the beer sponsor of the NFL, Budweiser would typically air several advertisements during the broadcast of the NFL's Super Bowl game. In fact, due to the exclusive contract that Anheuser Busch has with the NFL, no other beer company is allowed to run advertisements during the original broadcast. Different magazines have different readership bases, and different TV programs have different viewing audiences. Marketers of nonsports products often reach different target markets by objectively selecting their media vehicles. For instance, a luxury carmaker such as Cadillac more effectively reaches its upscale target market with advertising in *Golf* magazine. Also knowing that golfers are more prone to purchase luxury vehicles, the marketer appeals to its target market by illustrating how an entire foursome's golf clubs can easily fit in the trunk of the car. Using that same rationale, marketers have come to recognize that a substantial portion of the viewing audience for the Super Bowl is female. Armed with this pertinent information, Victoria's Secret has broadcast commercials featuring its models wearing its intimate apparel during recent Super Bowls as a way of reaching its primary target market.

The second aspect of an organization's marketing strategy is its marketing mix. A well-conceived marketing mix will be tailored so as to coincide with the characteristics of a particular target market. To accomplish this, the marketer must consider the specific initiatives that are used in the task of defining its product, promotion, pricing, and distribution strategies. Thus, the task is one of utilizing one or more of these components in a way so as to create a sports overlay that will appeal to its target markets. The following examples represent actual strategic initiatives used by marketers that are implementing theme-based strategies to sell nonsports products.

A popular **product** strategy today involves sports bars; these establishments use the promise of televised sports programming as a way to sell food and beverages. In essence, entertainment has become part of the marketer's product. A London pub, the Pontefract Castle, uses rugby as part of its product assortment. Not only can patrons enjoy some fish and chips with a pint of lager, but they can do so while watching rugby on one of the pub's TVs. P. J. Gallagher's in Sydney, Australia, had special beer and food prices while showing the Super Bowl on some of the bar's TV screens. The Hard Rock Café in Chicago has used the NFL's Monday Night Football game in this same manner. In essence, the broadcast of a game is part of the product being offered by the restaurant or bar. Other examples of the implementation of a theme-based strategy predicated upon product initiatives involve companies that have created clothing that features a generic sports motif. For example, two articles of men's clothing that have used a golf theme to generate interest are a pair of men's underwear and a necktie. These products bear no trademarks of any sports entity; they simply feature a golf design. Tag Heuer markets expensive watches. Although Tag Heuer once had an endorsement deal with Tiger Woods, the firm developed a separate theme-based strategy that was completely independent of that sponsorship. The strategy was one that allowed 100 purchasers of a special "Tag Heuer Link Challenge watch" to participate in an invitation-only golf tournament. Visa's Signature card provides access to members-only events such as one held on the world-renowned Pebble Beach Golf Course. Such strategic initiatives can persuade a consumer to favor one company's product over another's. This is the power of a theme-based strategy.

Most marketers accept the premise that packaging represents part of their product strategy. Therefore, packaging that features a sports design would fall

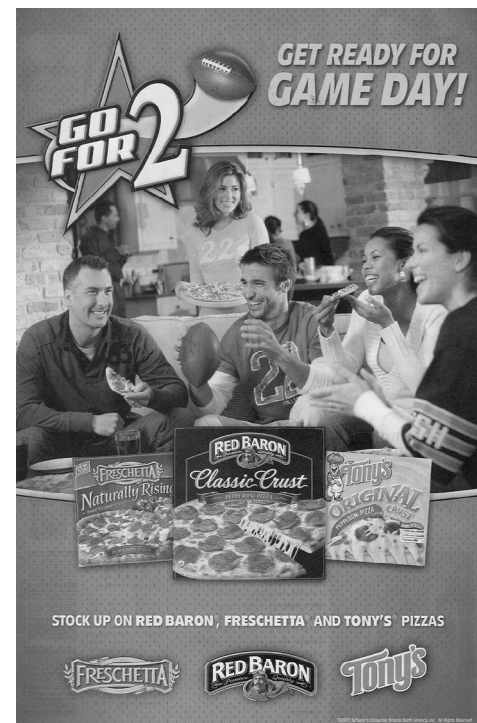
into this theme-based category. For example, confectionary products, cereals, and beverages may benefit from this type of strategy. M&M's once marketed a candy dispenser that had packaging that featured the term "racing team" and a checkered flag. Furthermore, the dispenser was only available at the website: www.mmsworld.com/racing. While there was some synergy with the company's NASCAR sponsorship, this strategy used no protected trademarks, logos, or other proprietary intellectual products that were associated with any racing property. Because the relatively generic strategy used by M&M's focused on the traditional elements of marketing strategy, it is best classified as theme-based. In a similar way, Crunch 'n Munch once used generic sports images as part of its package design. In this case, the image was one of a young boy playing basketball.

Because the relatively generic strategy used by M&M's focused on the traditional elements of marketing strategy, it is best classified as theme-based.

It is easy to create a sports overlay using **promotional** efforts. For instance, McDonald's ran a TV advertisement that featured kids being treated to a trip to McDonald's after winning their game. Another example of this type of strategy is the Sony commercial that explains why viewers get more enjoyment from watching televised sports when they watch it on a new Sony high definition TV. An intriguing promotional effort by a radio station, 99FM in New Zealand used print and outdoor advertising that featured its three morning personalities in the nude with rugby, cricket, netball, and soccer balls strategically placed to cover the "private" anatomical parts of their bodies. The accompanying tagline for the promotion was: "Breakfast with Balls." Panasonic associated its laptop computer with football on the premise that both were based on toughness and performance. Kraft provided a recipe for "game day cake" in a newspaper advertisement the week prior to the Super Bowl. While Kraft could not legally use the Super Bowl trademark, readers were well aware of the game to which the advertisement was referring. A promotional strategy similar to that used by Kraft is shown in Figure 2-2. The ad was run in traditional newspapers in a time frame preceding the Super Bowl. It features a reference to game day, it includes people wearing football jerseys, and one person in the ad is holding a football. However, it must be noted that no trademarks associated with the Super Bowl, the NFL, or the competing teams were present. While certainly capitalizing on the reality that most consumers who see the advertisement will associate it with the Super Bowl, this theme-based strategy uses a traditional marketing mix to reach the target market for its nonsports product—pizza. Some critics of this type of strategy might characterize it as *ambush marketing*—that is to say an effort to create the misperception that the advertiser is an official sponsor of the NFL when they are not. Ambush marketing will be covered in more detail in Chapter 5.

A new strategy for marketers of nonsports products is to place advertising on player apparel without having an official sponsorship. Small messages, typically just the advertiser's name or logo, are placed on jerseys and helmets. While these messages have been present on players' warm-up jerseys for a while now, they have become far more commonplace with their appearance on official game uniforms. One example of this emerging phenomenon is the NHL's Detroit Red Wings and their helmets that bear the logo

FIGURE 2-2
Selling pizza with a theme-based strategy



of United Wholesale Mortgage. While this strategy has been relatively common in Europe, Asia, and Australia, it has only recently become more widely employed in North America. Furthermore, it is also often based upon official sponsorships; in those cases, it would fall within the category of alignment-based strategies. Theme-based marketers also have a new tool at their disposal; *virtual advertising* technology can be used to place computer-generated signage at strategic locations during the broadcast of a sports event. During the recent MLB postseason games, TV viewers were exposed to a sign for a new Gillette razor, whereas the fans in the stands simply saw a blank green surface. The center circle on the pitch during a soccer game was transformed into the Coca-Cola logo. An advantage of virtual signage is that it can be changed during the broadcast. The virtual Gillette sign that TV viewers first saw during the aforementioned baseball game became a sign for State Farm Insurance later in the broadcast. It can also be used to display different signage to viewers in different geographic markets. Virtual advertising has become an important revenue stream for NHL teams while providing marketers with an opportunity to incorporate sports within their marketing strategies. In each of the aforementioned examples, the intent was not to sell a sports product; rather, it was to sell one's own nonsports offerings. The list of theme-based efforts that features a sports overlay through promotion is almost endless—no doubt a testament to the effectiveness of this type of strategic initiative.

Strategies involving the **pricing** variable and a sports overlay are a bit more difficult to implement. However, one common strategy is for casual restaurants and bars to offer discounts to patrons who are wearing their uniforms from a participation sport such as softball. Prices might likewise be reduced when one of the area's local team's games is being shown on one of the establishment's TVs. Another similar strategy is for hotels, restaurants, and bars to offer reduced prices for patrons holding a ticket to a particular sports event. The earlier example of P. J. Gallagher's in Sydney is an example where the bar is using product and pricing strategies simultaneously in order to create an effective sports overlay. In another type of application, it is the manufacturer rather than the retailer who initiates the discount pricing strategy. This discount is granted in return for the retailer's agreement to sell the manufacturer's products at a reduced price. By coupling this action with effective promotion, the marketers are able to create the sports overlay that can be used to appeal to one or more meaningful target markets.

The final element of the marketing mix is the **distribution (or place)** strategy. The food service industry has been effective and profitable by virtue of its ability to achieve a distribution point at a number of sports venues across the globe. One of the more notable efforts of this type involves the presence of a Hard Rock Café at the New Yankee Stadium in New York City. Similarly, there is a Quaker Steak & Lube restaurant located inside Toronto's Rogers Centre and a Nathan's Hot Dog Restaurant inside of the San Francisco 49er's Levi's Stadium. However, not all of these providers are so readily recognizable retailers. For example, Levy Restaurants are present at many sports venues across the United States; however, the Levy brand is not emphasized. But if you have bought a meal at Chicago's Wrigley Field, then you have patronized a Levy Restaurant facility. Marketers of alcoholic beverages have also sought to have their products available at sports venues. Mike's Hard Lemonade, Jose Cuervo, and Bass Ale may be available at one of your local sports venues. In an interesting distribution strategy, FedEx negotiated for the right to have a temporary shipping point located on the Oakland Hills Golf Course during a Ryder Cup competition. The strategy provided convenience for the spectators who bought souvenirs and incremental revenue for FedEx. Finally, marketers will consider the geographic aspects of

their distribution strategy. Budweiser's distribution of 8-packs of beer (in recognition of Dale Earnhardt, Jr., when he drove the number 8 car) was initially confined to the major NASCAR hotbeds: Charlotte, Darlington, and Atlanta.

It is important to remember that the intent of a theme-based strategy is to use the traditional elements of a marketing strategy to create a sports overlay in an effort to sell nonsports products.

Box 2-3 summarizes the array of examples that are best characterized as theme-based strategies. It is important to remember that the intent of a theme-based strategy is to use the traditional elements of a marketing strategy to create a sports

Box 2-3

Overview of Theme-Based Strategies (Traditional Strategies for Nonsports Products)

Target Marketing

- Lincoln Automobiles advertising in a sports magazine (*Sports Illustrated*)
- Budweiser using sports media to reach consumers (Super Bowl; *Sports Illustrated*)
- Cadillac advertising in *Golf Magazine* to reach upscale segment
- Cadillac appealing to the target market based on its ability to fit four sets of clubs in the trunk
- Victoria's Secret advertising during the Super Bowl

Product

- Sports bars featuring sports TV programming as part of their product assortment
- Clothing featuring a sports motif (men's underwear and tie featuring golf graphics)
- M&M's packaging featuring checkered flag graphic and racing team labeling
- Crunch 'n Munch packaging featuring a young boy playing basketball
- Tag Heuer's invitational golf tournament for buyers of an expensive model of its watch
- Visa Signature credit card providing access to exclusive properties (Pebble Beach GC)

Promotion

- McDonald's advertisement featuring kids after winning a sports competition
- Sony advertisement—you can enjoy sports more on a Sony High Definition TV
- New Zealand radio station—99 FM—"Breakfast with Balls" theme

- Panasonic laptop computers and football—Toughness and Performance
- Gillette and State Farm Insurance using virtual advertising during MLB broadcasts
- United Wholesale Mortgage—advertising (logos) on player uniforms
- Kraft's game day cake recipe during the time period preceding the Super Bowl
- Ambush marketing (Wendy's, American Express, Pepsi-Cola, and Telecom New Zealand)

Pricing

- Bars offering discounts to recreational sports participants (softball players)
- Restaurants/bars offering discount during broadcasts of select sports events
- Hospitality industry offering discounts to ticket holders of select sports events

Distribution

- Hard Rock Café inside the New Yankee Stadium in New York City
- Nathan's Hot Dogs Restaurant inside San Francisco's Levi's Stadium
- Levy Restaurants at Sports Venues (Wrigley Field)
- Alcoholic Beverages at Sports Venues (Mike's, Cuervo, and Bass Ale)
- FedEx at Ryder Cup Venue (Oakland Hills)
- Budweiser 8-Pack Distribution in NASCAR geographic markets (i.e., Darlington)

overlay in an effort to sell nonsports products; furthermore, it is not based upon any type of sponsorship relationship between the marketer and any sports entity. It is also important to note that the five elements of marketing strategy are not mutually exclusive; rather, they are integrated in a cohesive manner so as to create a synergistic effect. So, the question is not which element to use; rather, it is how the marketer can develop and integrate target marketing, product, promotion, pricing, and distribution strategies so as to capitalize on the opportunities presented by the sports environment while avoiding the high fees associated with an actual sponsorship? In answering this question, it is again important to note that many firms have adopted strategies that are referred to as *ambush marketing*. These efforts involve a nonsponsor developing a strategy that creates the misperception that it is an official sponsor of some sports property. Ambushing has become more common as the rights fees for premier properties have continued to escalate. It is also illegal in some countries. Companies such as Wendy's Hamburgers, American Express, Pepsi-Cola, and Telecom New Zealand have been noted over the years for their effective use of ambush marketing initiatives. Theme-based strategies will be examined more closely in Chapter 3.

Product-Based Strategies

Efforts to sell *sports products* using *traditional strategic initiatives* when the marketer is not attempting to capitalize on an existing official relationship with another sports entity are classified as product-based strategies. These initiatives may or may not involve a sports theme beyond the product offering. Consider the marketer of athletic shoes who drops prices and provides incentives for the retailers. It is apparent that strategic decisions of this type are independent of the sports environment from a sponsorship perspective; however, since the shoes are a sports product, this strategy clearly falls within the realm of sports marketing. More specifically, it falls within the product-based domain of the sports marketing environment. For efforts within the product-based domain, it is logical, but not imperative, for the marketer to implement strategies that incorporate sports themes. It is also important to understand that such strategies are not achieved solely by virtue of a marketer's promotional efforts.

MLB recently changed its rules in an effort to make the game more appealing to fans. This effort does not represent a sponsorship-based strategy because it fails to meet the litmus test of having a sponsor and a sponsee involved in an integrated marketing endeavor. MLB was simply trying to provide a better product that would be better received by fans and potential fans in an effort to sell more tickets while concurrently increasing the size of the media-based audience. A second example is the sporting goods retailer that chooses to put snowboards on sale so as to clear out inventory at the end of the winter season. Since efforts within this domain are implemented using the traditional elements of marketing strategy, it is worth reiterating the point that traditional strategies involve the selection of the target market and the development of a corresponding marketing mix. So, the question becomes one of how the marketer can use its target marketing, product, promotion, pricing, and distribution strategies to influence purchase behavior? In other words, how can they get consumers to purchase more of their sports products without investing in sports-based sponsorships?

The assessment of the product-based strategies begins with descriptions of how marketers of sports products use traditional strategic initiatives in their efforts to appeal to designated **target markets**. As an example of an effort on the part of one marketer of sports products to reach a key target market, consider

an ad that was placed by the PGA for its “Tour Partners” club in *Golf for Women* magazine. It is important to note that while the PGA used another sports entity (in this case, a sports magazine) to reach a key target market (female golfers), the use of a sports-oriented vehicle is not a condition for the product-based domain. For instance, had the advertisement been placed in *USA Today* or *BusinessWeek* magazine, the effort would have still qualified as a product-based strategy. The key distinction, in this case, is the absence of any type of sponsorship relationship between the PGA and the publication. Furthermore, they were selling golf, not magazines. In an effort to reach one of its target markets, the Women’s National Basketball Association’s (WNBA) Los Angeles Sparks made an overt effort to appeal to the LGBTQ segment and supported that initiative by staging a pep rally at an area bar that is frequented by gay and lesbian consumers. MLB has targeted the Hispanic segment, while the National Basketball Association (NBA) has targeted the Chinese-speaking segment of the sports market. In the aftermath of the first World Baseball Classic, MLB decided to nurture the interest that had emerged in several European markets. As one component of that strategy, the MLB Road Show, an exhibit, that allowed “fans” to experience the game of baseball by hitting in batting cages and pitching in an environment that allowed the speed of their pitches to be measured; the exhibit was staged in “new” geographic target markets such as Germany. Now, MLB is playing regular season games in London, England; they have likewise played games in other countries including Japan, Mexico, and Australia. This same tactic to reach a target market has been used by the NFL for several years.

Target market decisions are not confined to spectator sports. For participation sports, new facilities might be built close to an emerging geographic or otherwise underserved target market. The explosion in the number of fitness centers from a global perspective is just one example of this phenomenon. For the SASS category, Burton may find that advertisements in more youth-oriented magazines may do a good job of reaching its primary target market for snowboards, whereas Rossignol may find that it can reach its more mature target market for downhill skis by placing ads in a different magazine. Target market decisions are relevant for all three categories of sports products.

It should now be apparent that any alteration in the organization’s target marketing strategy is typically supported by concurrent changes in its marketing mix. The product is tweaked, the promotion is altered, the price is modified, or the distribution strategy is tailored so as to better work in harmony with the efforts to appeal to the designated target markets. Decisions regarding these five basic elements must be integrated in a cohesive and synergistic marketing strategy.

There are numerous examples of how **product** decisions can play a key role in the implementation of strategies within the product-based domain. Consider MLB’s San Diego Padres; the team provides a Spanish-language broadcast for its aforementioned Hispanic target market. This modification of the team’s product provides a better fit for some members of its media-based audience. It is important to understand that all buyers of sports products are not part of the consumer market. For instance, marketers of spectator sports often target large business accounts; the product that has become a prominent part of every new sports venue built in the past 25 years is the luxury box. There are few individual fans who would be interested in purchasing this product; in fact, even the few “super-wealthy” fans who can afford a luxury box would prefer to spend their money on the expensive premium seats at the venue. TV viewers frequently saw actor Jack Nicholson in the front row of Lakers games, director Spike Lee in the front row of Knicks games, and singer Kid Rock in the front row of Pistons games. But large

corporate customers can not only afford the price of luxury boxes, but they can also justify the expenditure based upon an anticipated return on what it deems to be an investment.

Some sports have opted to change the rules that govern their game. For example, after losing a season because of the inability to reach a labor agreement with the players association, the NHL introduced substantial modifications to its rules beginning with the 2005–2006 season. Similarly, in an effort to speed up its football games, the NCAA introduced rules changes that governed the starting and stopping of the clock. Virtually every major sport has changed its core product in some meaningful way over the past 30 years. Marketers of spectator sports must carefully consider any decision to modify the way their game is played or officiated as any changes will inevitably be met with resistance by some segment of the fan base. Yet, such changes are often viewed as an improvement to the product that will enhance its appeal among members of one or more key target markets. Another key product decision for management concerns the players who are on the field. A team may sign a new star to play in order to improve the quality of play and to induce a more positive perception of the team on the part of fans and the media. Consider the surge in interest in the NFL's Tampa Bay Buccaneers when they signed star quarterback Tom Brady. The product was indeed better than in the previous year as the team went on to win the Super Bowl that year.

Sports equipment is often altered in an effort to create brand preference. Even though they violate the official rules of the game, golf balls that float or travel too far are sought by some golfers. Golf clubs have been modified in an effort to provide players with the opportunity to hit the ball further and straighter; tennis rackets have larger sweet spots; and bowling balls have stronger hooking characteristics. The sale of basketballs has been enhanced by modifying its dimensions. A slightly smaller ball is used by women who play organized basketball (such as the WNBA). This smaller ball may also be more likely to be purchased by women who participate informally as a form of recreation and exercise.

There are myriad **promotions** that are used to sell sports products. New Balance shoes recently ran a series of commercials saying there are two groups of players—those who play for the love of the game and those who play for the money. The implication is that if you love the game, and since most of us do not play for money, then you should wear New Balance shoes. Certainly, the Internet has emerged as a valuable marketing tool for organizations selling a vast array of sports products. FIFA, the New York Yankees, the Windsor Spitfires, and Nike are but a few examples of sports entities that have embraced the Internet as part of their promotional strategy. The NHL's Phoenix Coyotes use email blasts and mobile media such as the fans' cell phone using a promotion known as college rush to sell discounted tickets to college students. Within this same context, MLB's Detroit Tigers typically use an email blast in an effort to sell tickets for postseason games in which they are playing. Other promotional strategies are also evidence for marketers of spectator sports. The Chicago Bears use a direct mail piece to reach season ticket holders every year in their appeal for renewal. A recent advertisement in a local newspaper sought ticket buyers for the Annual PGA Championship—a full 11 months prior to the event actually being played. Similarly, the NBA's Memphis Grizzlies advertised a “mini-season” ticket plan a full month prior to the start of the season. Sports teams often use sales promotion as a marketing tool; one of the more popular techniques is the giveaways that are designed to encourage attendance and to nurture relationships. For MLB's Los Angeles Dodgers, one of the more popular giveaways is the infamous bobblehead doll. For one tour of the Harlem Globetrotters, anyone purchasing six or more tickets could enter a special code in

the Internet ticketing service dialog box and receive a free basketball. Activities such as these reflect many people's narrow perspective of sports marketing, one that focuses on the question: how can we put more fans in the seats?

Sports teams often use sales promotion as a marketing tool; one of the more popular techniques is the giveaways that are designed to encourage attendance and to nurture relationships.

It is important to reiterate the earlier statement that spectator sports are not the sole province for sports marketers who utilize promotion as a means of implementing product-based strategies. Marketers of participation sports products and the varied array of sporting goods, apparel, shoes, and other sports-related products also rely extensively on promotion as an important component of their strategies. For example, Bowflex uses TV advertisements, the Internet, and a CD-ROM that is sent to prospects in their efforts to nurture demand. Curves, the popular women's fitness center, has used two-for-one coupons, while LA Fitness Centers used a Groupon promotion (with discounted price) to get customers through the door. A bowling center in Westland, Michigan, sent coupons to all of the registered league bowlers in its database by providing them with the opportunity to bowl a free game during the late summer, a notoriously slow period for bowling centers nationwide. Some marketers will provide premiums for buyers much the way that the marketers of spectator sports use the giveaway strategy. The example in this case is for subscribers of *Golf* magazine to receive a dozen new Titleist golf balls. Finally, marketers everywhere acknowledge that trial is often the prelude to adoption, so manufacturers and retailers of golf clubs often stage "Demo Days" at local pro shops. If the golfers like the new products when they try them, then there is a greater likelihood that they will buy them. Figure 2-3 illustrates a traditional promotional effort that was used in an effort to sell SASS. It is a frame



FIGURE 2-3

Selling sporting goods, apparel, athletic shoes, and sports-related products with a product-based strategy

from a TV advertisement for the aforementioned Demo Days, which is a regular promotion done by manufacturers of golf clubs in order to alert golfers to the opportunity to try out new products in a natural and risk-free environment.

In regard to **pricing**, many MLB teams work with local organizations and provide their members with discounts. Examples include a team's decision to sell discounted tickets to members of American Automobile Association (AAA) and American Association of Retired Persons (AARP). Another is the group sales strategy that provides discounts for employee groups and students at certain schools among other groups. The author of this book took a group of sports marketing students to a Cleveland Cavaliers' game each season; this allowed the team to get fans into seats at bargain prices. But the students paid retail prices for parking and concessions sold at the arena. Many marketers of spectator sports have begun to use *bundling strategies* as a mechanism for providing discount pricing. MLB's Atlanta Braves once offered fans their Grand Slam Ticket Pack that included four game tickets, four hot dogs, four Coca-Colas, a yearbook, and parking at prices starting as low as \$59. A variation of this strategy is the one used by Ford Field in Detroit; its package bundled tickets to three college football games: a local college game (Eastern Michigan University vs. Navy), a conference (Mid-American Conference) championship game, and the postseason college bowl game at the specially discounted price of \$39. Much like we see at fast-food restaurants, bundling has become a popular strategy in an effort to attract more customers and sell more products.

One interesting strategy for participation sports involves the task of making golf more affordable. The United States Golf Association (USGA) and its "First Tee" program have sought to reach kids, especially inner-city kids who may not have the financial resources required to play a round of golf. The strategy employed is one that features deeply discounted prices. Likewise, the marketing of athletic shoes has long been marked by controversy as the high prices often led to robberies and even murders by kids who simply could not afford to pay exorbitant prices for a pair of desirable sneakers.³⁰ In response to this concern, some marketers have begun to offer new shoes at greatly reduced prices.

In an interesting example that illustrates potential pitfalls in establishing higher prices that benefit the organization, the Chicago Cubs were once sued because of the team's decision to sell highly desirable tickets through its Wrigley Field Premium Tickets service. The result was that prices escalated far beyond the face value printed on the ticket. When the team was absolved of any legal violations, it was stated that this tactic would likely become more prevalent in situations where the demand for tickets exceeds the supply.³¹ The reality for fans is that each of the four major North American sports leagues now has a mechanism in place to service what is commonly referred to as the *secondary ticket market*. Consider, for example, MLB's contract with StubHub that allows a team, as well as season ticket holders, to offer tickets at prices far exceeding the face value shown on the original ticket. Some teams and events (as well as other entertainment events such as concerts) have even begun to offer the best seats through auctions in an effort to maximize revenue. From a different perspective, when a team or event has a large inventory of unsold tickets, they often use the secondary ticket market to sell tickets at discounted prices. These lower prices are not available to buyers on the primary market who purchase tickets at the box office or on the team or event's official Internet site. Thus, the bargain prices are not directly associated with their own efforts. Applying yet another pricing strategy, the Detroit Tigers auctioned off some of the front row seats at the team's on-deck circle during the final days of one of the team's runs to the playoffs. The Chicago

Cubs once auctioned off their Chicago Board Options Exchange (CBOE) season tickets, some of the best seats in the stadium, to the highest bidders. Similarly, the organizers of a boxing match between Lennox Lewis and Kirk Johnson sold 300 ringside VIP tickets to the highest bidders.

Each of the four major North American sports leagues now has a mechanism in place to service what is commonly referred to as the *secondary ticket market*.

From these examples, it should be evident that pricing decisions do not always involve discounted prices. While the focus has been on ticket prices for fans attending spectator sports, those marketers also have to think about the prices for access by the media-based audiences—those using TV, radio, the Internet, and mobile technology to watch or listen to the event. Pricing decisions can also be a key part of the strategy for marketers of participation sports, sporting goods, apparel, athletic shoes, and sports-related products.

The final area to consider in the product-based quadrant is distribution. How can the marketer implement **distribution** strategies that assist in the marketing of sports products? For marketers of spectator sports, this involves access to the event and efforts to distribute tickets to the fans. For the live audience, consideration must be given to the location of franchises. The NHL engaged in an aggressive expansion program that resulted in the location of new franchises in warm weather locations such as Phoenix and Miami. Leagues must also evaluate opportunities involving the relocation of struggling franchises. One of the most recent moves involved the relocation of the NHL's Atlanta Thrashers to Winnipeg, Canada. This move also addressed the league's belief that they should have more teams in Canada. Many marketers of spectator sports have begun to reach out to new international markets; MLB's season-opening games for the 2019 season were staged in Tokyo, Japan. NFL-Europe represented an effort to grow the sport internationally. While it did have some modest measure of success for some 17 years, the NFL dropped that aspect of its operations. But they now play several games each season at stadiums in London, England. Another difficult decision is the location of special events. Cities often engage in extensive marketing in an effort to have events that have a significant economic impact staged there. The Super Bowl, the Olympics, and the World Cup of Soccer evaluate the infrastructure of candidate cities as part of the decision-making process. In February 2015, the city of Brisbane, Australia, released details of its plan to become a candidate city to host the 2028 Summer Olympics. It was later decided that Los Angeles would be the host city. Location decisions of this ilk are typically determined on the basis of facilities, public transportation, the number of hotel rooms available, and the ability of the airport to accommodate the influx of participants, press members, and spectators.

COVID-19 played a meaningful role in the distribution strategies for many spectator sports events over the course of 2020–2021. Because of travel restrictions in Canada, American teams were not allowed into the country. Canadian teams could not leave and return without quarantine restrictions. So, the Canadian teams had to schedule many home games outside of Canadian borders. The Toronto Blue Jays of MLB played their "home games" in Buffalo, New York, and Dunedin, Florida. The NBA's Toronto Raptors began the 2020–2021 season playing their home games in Tampa Bay, Florida. While these teams were deprived of their home advantage, they had to decide where to best play their games. This was one distribution decision we all hope these teams never have to make again.

Tickets for most sporting events are now available through a variety of outlets; no longer is the fan limited to the traditional box office. Teams and events offer tickets through independent agencies such as Ticketmaster. Fans can purchase tickets over the Internet; in fact, they can even print their tickets on their own computer. Furthermore, many purchasers never receive a paper ticket as more organizations have moved to eTicketing. As such, this aspect of the distribution system for tickets to spectator sports events is less dependent on distribution decisions such as location and hours of operation for a box office. The fan is assuming more of the responsibility.

The media-based audience has become increasingly vital to the well-being of every marketer of spectator sports. We have seen the emergence of numerous TV options including team-dedicated networks (Manchester United Network and the Longhorn Network), general sports networks (ESPN and Sky Sports), specific sport networks (the Rugby Channel and the Tennis Channel), sports tiers (NBA League Pass and NFL Sunday Ticket), free-to-air TV (Fox), and pay-per-view (PPV for boxing matches and Ultimate Fighting Championship fights). The growth of satellite radio has also provided another distribution outlet. For example, NASCAR broadcasts many of its races on SiriusXM Radio. Perhaps the most significant innovation of the past few years has been the ability to use the Internet for audio and video streaming. MLB was quick to capitalize on this emerging source of revenue with its MLB TV programming. The NFL entered into a deal for the distribution of some of its content on YouTube. In 2021, International Basketball Federation signed a deal that allows Twitch to stream basketball games that are governed by the International Basketball Federation. An emerging application is the distribution of sports programming through mobile technology such as cellular phones and tablets; the Mobile ESPN service can be used to receive this type of content.

In the distribution of participation sports facilities, the emphasis is on supply and demand. Brunswick once evaluated each geographic area on the basis of the number of bowling lanes that it could support. Then, based on the number of existing lanes in that area, Brunswick would calculate the surplus or deficit and use that metric as a basis for determining whether or not a new facility should be built, and if so, how many lanes should be included in the new bowling center? In the absence of this type of objective assessment, the golf industry has overbuilt; as a result, decisions have had to be made regarding the closure of many courses.

For the marketing of sporting goods, apparel, and athletic shoes, consider Reebok's distribution strategy; it has historically been quite different from that of most of its key competitors. While most marketers of athletic shoes seek to use channels that emphasize large retailers, Reebok historically focused on smaller specialty stores that provide an enhanced level of customer service. Reebok's purchase by adidas may have ultimately impacted its selection of channel partners, but the focus on smaller resellers has proven to be relatively effective. It will be interesting to see how Reebok's strategy plays out in the future given the 2021 announcement that adidas was going to sell its Reebok operations. At the time this book was written, no buyer had been announced. The final example to consider is that of Callaway's marketing of golf clubs. It uses the Callaway Golf Tour Fit Van to go to remote locations and reach out to consumers. The van reaches golf enthusiasts who are given easy access to the marketer's products.

From these preceding examples, it is evident that marketers of each category of sports products will seek to implement traditional strategies that will allow them to take advantage of the opportunities that the marketplace presents. Marketers are acutely aware of the need to identify viable target markets and to

develop a series of corresponding marketing mixes that will appeal to each target market. Box 2-4 provides an overview of the series of examples that were used to illustrate the traditional strategic initiatives employed in the implementation of product-based strategies in efforts to sell sports products.

Marketers of each category of sports products will seek to implement traditional strategies that will allow them to take advantage of the opportunities that the marketplace presents.

Box 2-4

Overview of Product-Based Strategies (Traditional Strategies for Sports Products)

Target Marketing

- PGA focus on women (through magazine ad)
- WNBA's Los Angeles Sparks targeting the LGBTQ segment
- MLB targeting the Hispanic market
- NBA targeting Chinese-speaking fans (Mandarin language website)
- MLB Road Show in 13 cities in Germany

Product

- MLB changes in rules to speed up the game
- MLB's San Diego Padres' Spanish language radio broadcast
- Luxury boxes for large corporate customers
- Expensive premium seats for wealthy fans
- NCAA football rules changes to speed up the game
- Signing star player to improve the product (Tampa Bay Buccaneers signing Tom Brady)
- Sporting goods with performance characteristics (golf clubs, golf balls, tennis rackets, bowling balls)
- Sporting goods tailored to the target market (smaller basketball for female players)

Promotion

- Email blasts by MLB teams to sell postseason games (i.e., Detroit Tigers)
- Email and mobile device messaging to sell tickets to students (Phoenix Coyotes' College Rush)
- Creative appeals in advertising (New Balance—"for the love of the game")
- Internet site for dissemination of information (FIFA, New York Yankees, Windsor Spitfires, and Nike)

- Direct mail (Chicago Bears Season Ticket Renewal Solicitation)
- Newspaper advertising (Teams and Events [Memphis Grizzlies and the PGA Championship])
- Sales promotion—giveaways (Los Angeles Dodgers Bobblehead Dolls; Harlem Globetrotters Ball)
- CD-ROM (Bowflex mails to prospects identified through direct response advertising)
- Free trial (Golf products "Demo Days")
- Discount coupons (Curves two-for-one offer; LA fitness use of Groupon)
- Free participation (coupon for free game of bowling for registered league bowlers)
- Premiums (*Golf* magazine giving a dozen Titleist balls to subscribers)

Pricing

- Discounts for members of recognized groups (i.e., AARP and AAA)
- Group discounts for informal groups (i.e., parties, students)
- Bundling of tickets, food, beverages, and other products (Atlanta Braves Grand Slam Ticket Pack)
- Bundling of events (Ford Field College Football Package)
- Programs to make participation affordable (USGA's "First Tee" Program)
- New lines of athletic shoes selling at lower prices
- Premium tickets sold at premium prices (Chicago Cubs' Wrigley Field Premium Ticket Service)
- Auction—price determined by bidding (Lennox Lewis Fight, Chicago Cubs CBOE seats)

(Continued)

Distribution

- NHL expansion/relocation to warm weather locations (Miami, Phoenix, Tampa Bay, Las Vegas)
- MLB relocation decision (moved Montreal Expos Team to Washington, DC)
- Location of special events (2022 World Cup of Soccer in Qatar; 2028 Olympics in Los Angeles)
- Competitions in international markets (MLB Opening Day Games in Japan)
- Internet ticket procurement (Ticketmaster, Stubhub.com, Print-at-Home, eTickets)
- Alternative TV distribution (i.e., NFL Sunday Ticket, ESPN, the Golf Channel, pay-per-view)
- Satellite radio (NASCAR on SiriusXM Radio)
- Audio and video streaming on Internet (i.e., MLB TV, Twitch)
- Social media being used to distribute NFL video and live events (YouTube)
- Distribution via mobile technology (i.e., Mobile ESPN)
- Construction of participation facilities based on supply and demand (Brunswick Bowling Centers)
- Mobile retail facility going to the customer (Callaway Golf Tour Fit Van)

Alignment-Based Strategies

Many marketers of *nonsports products* officially align themselves with sports properties via one or more of the four forms of *sponsorship* that were highlighted earlier in this chapter. The nature of this sports sponsorship-based relationship reflects a higher level of involvement with sports within the sports marketing environment. A common strategy involves a sponsor that uses an association with a sports entity to effectively market nonsports products; this combination emphasizes initiatives that are classified as *alignment-based strategies*. In an effort to sell more fast food, McDonald's advertising and packaging will feature its official partnership with the FIFA World Cup. Volvo used its sponsorship of a high-profile sailing event to strengthen the public's perception of the carmaker as one that exudes prestige while concurrently emphasizing safety and technology. While the strategic initiatives that augment the sponsorship are important, the foundation for the resultant strategy is the fact that the marketer, by virtue of its official sponsorship, is highly integrated within the sports environment. Thus, the task for these marketers of nonsports products is one of implementing strategic initiatives that allow them to capitalize on their position within this realm of the sports marketing environment.

Examples using **traditional sponsorship** abound; however, two of the most noteworthy examples are Coca-Cola's relationships with the World Cup of Soccer (FIFA) and the Olympics. Other noteworthy Olympics sponsors include General Electric and Samsung. The Chinese company, Lenovo Computers, signed on as a TOP Olympic sponsor for one cycle with the belief that the Summer Games that were staged in Beijing would create a higher degree of global awareness for their laptop computers. McDonald's sponsorship contract with FIFA was not set to expire until the conclusion of the 2022 competition, and the fast-food giant had the option of renewing it. Of note is the fact that McDonald's did terminate its sponsorship of the Olympics (early) after the 2016 Summer Games in Brazil. NASCAR is replete with sponsorships; each car has a primary sponsor and a number of secondary sponsors. For example, for the 2021 season, there is the FedEx Toyota, the Monster Energy Chevrolet, and the Miller Lite Ford. Many of the races have sponsors; for the sake of illustration, consider the Coca-Cola 600 and the Quaker State 400 Presented by Walmart. Even the championship competition had a sponsor in the past; hence, the drivers long competed in an effort to win the Winston Cup—and more recently the Monster Energy Cup. In 2019, NASCAR changed

its sponsorship platform; there is no grand sponsor, but there are “Premier Partners” such as Xfinity and Government Employees Insurance Company (GEICO) that sponsor specific levels and forms of competition. For example, there is the NASCAR Camping World Truck Series. NASCAR’s official hotel is Best Western. From a similar perspective, in 2021, there was an exhibit on automobile racing at the Henry Ford Museum in Dearborn, Michigan. The exhibit was sponsored by General Motors. There was also a simulator that allowed patrons to “drive” fast cars at fast speeds. That portion of the exhibit was sponsored by Brembo, a leading developer of disc brake technology.

Golf Tournaments typically have a title sponsor, for example, there is the American International Group (AIG) Women’s (British) Open and the FedEx St. Jude Invitational. So do tennis tournaments, for example, there is the Rolex Paris Masters and the Citi Open. In 2019, Rolex extended its sponsorship of the Davis Cup. Bud Lite is the official beer of the NFL, while Sharp AQUOS is the official high definition TV of MLB. Bose entered into a contract to be the official headphone of the NFL, replacing Motorola that had been in that position for several years. Officials at Cadillac have said that they were counting on sponsorship of a number of high-profile golf properties to help return the luster to the venerable luxury car brand—first in the United States, but with an eye cast toward China. In this regard, Cadillac was once the title sponsor for the World Golf Match Play Championship; now the brand is the “Official Vehicle of the PGA.”

Wendy’s is a popular fast-food restaurant in the United States with growing popularity in other parts of the World. The NCAA basketball tournament—often referred to as March Madness—is one of the most popular sports events in America. In order to sell more from its new breakfast menu in 2021, Wendy’s was the tournament’s “Official Breakfast of March Madness.” One TV advertisement featured that slogan, the NCAA logo, and a second form of sponsorship, an endorsement that included former NCAA and former NBA star player, Reggie Miller. Another alignment-based effort involves Gatorade and the NBA. For years, the NBA’s minor league affiliate was simply known as the Developmental League—or the D-League. Now Gatorade is the primary sponsor, and it is now typically referred to as the G-League. One sidelight regarding the Gatorade efforts is that some individuals classify Gatorade as a type of sports product, specifically a sports-related product in the SASS category. If one accepts this interpretation, then it could be argued that these strategies more appropriately fall within the sports-based strategic category as you have a sports product that sponsors a second sports product. Moro was long recognized as the official energy bar of the New Zealand All Blacks rugby team, and Nature Valley Granola Bars are the official granola bar of the AVP Pro Beach Volleyball Tour. Barclay’s gains a great deal of exposure via its traditional sponsorship as the “official Banking Partner” of the English Premier League. The list of traditional sponsorship could continue for pages, but our focus will now shift to the three special forms of sponsorship.

The professional teams in Denver provide excellent examples of how marketers of nonsports products use **venue naming rights** (or “building sponsorships”) as a platform for creating demand. MLB’s Denver Rockies play their home games in Coors Field. The NHL’s Avalanche and the NBA’s Nuggets both play their home games in the Ball Arena. In this same vein, the NBA’s Memphis Grizzlies play in the FedEx Forum, while MLB’s New York Mets play their home at Citi Field. The newest entry in this category is the NFL’s SoFi Stadium, the home of the Los Angeles Rams, although PNC Bank signed a new contract in 2021 to renew its naming rights for the stadium where MLB’s Pittsburgh Pirates play their home games—PNC Park. Significant growth has occurred in the American

collegiate market; consider Ohio State's Value City Arena and the United Airlines Memorial Coliseum at the University of Southern California. There has also been a spate of venue naming rights contracts in minor league professional sports. Minor league baseball's Memphis Redbirds play their home games in AutoZone Park, while the Toledo Mud Hens play at Fifth Third Field. Most major venues in the United States now have a naming rights sponsor; as a result, much of the recent growth in this type of sponsorship activity has taken place in international markets. A few examples are Allianz Arena in Sydney, Australia; Rogers Arena in Vancouver, Canada; Cadillac Arena in Beijing, China; Mercedes-Benz Arena in Stuttgart, Germany; Mazda Stadium in Hiroshima, Japan; Estadio Corona in Torreón, Mexico; FMG Stadium Waikato in Hamilton, New Zealand; and DeBeers Diamond Oval in Kimberly, South Africa.

Venue naming rights inevitably provide benefits far beyond that of simply putting a corporate moniker on the facade of a sports facility. For example, the Pepsi Center in Mexico City serves Pepsi products and all of the ATMs in Comerica Park belong to Comerica Bank. Thus, venue naming rights can be an integral component of a marketer's strategy in its efforts to influence consumer attitudes and preferences as well as the purchase of its nonsports products by members of the sponsor's target markets.

The Pepsi Center in Mexico City serves Pepsi products and all of the ATMs in Detroit's Comerica Park belong to Comerica Bank.

The second special form of sponsorship is an **endorsement** strategy or what has been referred to as a *personality sponsorship*³² and a *personal sponsorship*. One can seldom watch a TV program or read a magazine without seeing at least one effort to use an athlete's endorsement as a means of cutting through the clutter. These celebrity endorsers are generally easily recognized, in part, because they have achieved a high standard of performance. While there are many types of personalities who can perform in the role of a celebrity endorser, within the realm of sports marketing, the focus is on athletes. In her capacity as a spokesperson for Ubrelvy, tennis star Serena Williams touts the product's ability to relieve the pain when she suffers from a migraine headache. Recall the earlier mention that Bose is using a traditional sponsorship with the NFL to reach and influence buyers of headphones. To counter that Bose advantage, one of its competitors Beats used a series of endorsements by NFL players in advertising during sports programs. Seattle Seahawks defensive back Richard Sherman was one of the noteworthy spokespersons. Another was controversial quarterback Colin Kaepernick. Former Green Bay Packers quarterback Brett Favre endorses an over-the-counter heartburn remedy Prilosec as well as the Wrangler brand of casual jeans and twinspires online sportsbook. Former NBA player Shaquille O'Neal has become a popular spokesperson. Some of his most visible endorsements today are General Insurance, Papa John's Pizza, Epson Printers, and Icy Hot pain reliever. In an effort to counter O'Neal's endorsement of the General Insurance, one of its primary competitors signed former NBA star Dikembe Mutombo to endorse its GEICO brand. Another recent example from the insurance industry involves State Farm; in 2021, the insurer aired a series of TV advertisements that featured two NFL most valuable players, quarterbacks Aaron Rodgers and Patrick Mahomes. Some of the commercials featured only one of the two personalities, while others included both current players. The insurance industry clearly values the role that current and former star athletes can play in the task of influencing consumer decision-making when it comes time to decide upon an insurance provider for the vehicles.

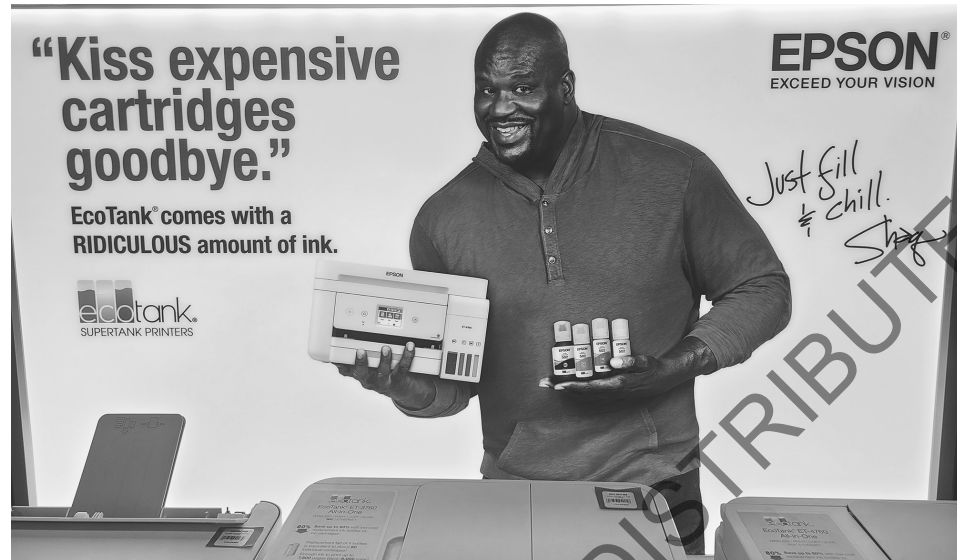
Because of their recognizability, golfers often make good celebrity endorsers. Fans get close to them at tournaments, and they have no masks or helmets that obscure their visibility on TV. Tiger Woods, Jordan Spieth, and Lydia Ko all endorse Rolex watches. Rory McIlroy and Sergio Garcia both endorse Omega, while Michelle Wie once endorsed Tag Heuer watches as does Tommy Fleetwood. Dustin Johnson endorses Hublot. This strategy is far from new, it has been reported that Ben Hogan endorsed Timex watches some 70 years ago! If you are a golf fan, then it is likely that you recognized all of these players. Because golf is viewed as a sport that appeals to higher-income consumers, these marketers are capitalizing on endorsement contracts with these top golfers to reach their target market for watches that often cost thousands of dollars each. Because of their recognizability, athletes who play individual sports like golf and tennis are highly sought after as endorsers who some refer to as brand ambassadors.

Retired soccer star David Beckham has an endorsement contract with Swedish retailer H&M. In 2021, former Olympic gold medal-winning figure skater Dorothy Hamill became an effective endorser for Aetna Insurance in its efforts to reach elderly Americans. In his later years, Arnold Palmer could be seen in advertising for Invacare as part of the marketer's efforts to appeal to elderly consumers with mobility problems. NASCAR drivers have a strong presence in the endorsement arena as well. Earlier in his NASCAR career, in an endorsement campaign aimed at capitalizing on his "Number 8" car, Dale Earnhardt, Jr., could be seen in ads proclaiming that Menard's Home Improvement stores were "GR8." Earnhardt also endorsed Wrangler jeans and Dollar General stores. While not proclaiming greatness, driver Tony Stewart recently signed on to endorse a line of fragrances by Old Spice. Danica Patrick was well-known for her endorsement of Go Daddy. Former NFL quarterback Peyton Manning has become a popular endorser. Among his recent spate of endorsements is one for Sony High Definition TV. In another campaign, Manning joins his famous father and brother (Archie and Eli) as part of the "Got Milk?" campaign for the dairy industry.

But be forewarned, endorsements by high-profile athletes do not guarantee success. Consider the following examples for which Tiger Woods was the celebrity endorser and the contracts were unceremoniously terminated. These include Buick automobiles and Accenture business services. In a more unusual strategy, a Gatorade drink that was marketed under the "Tiger" brand name failed and was discontinued within one year. Figure 2-4 illustrates an alignment-based strategy with an Epson display at a local retailer featuring Shaquille O'Neal in an effort to influence demand for Epson printers and printing supplies.

The final special form of sponsorship involves the use of **licensing** to sell nonsports products. One of the more interesting arrangements is a result of the COVID-19 pandemic. By selling face masks with the MLB team logos, Fanatics was able to capitalize on an unusual situation. But as in all licensing agreements, both parties reaped the benefits of the sponsorship-based relationship. For another example, consider the relationship between Mattel and NASCAR. By using select NASCAR trademarks, Mattel has been able to capitalize on the sport's popularity and sell more of its Hot Wheels toy cars. Consumers could once purchase a slow cooker from Rival; the marketer's "Crock Pots" bore the likeness of one of several NASCAR drivers. Continuing with the NASCAR theme is the alliance with Monogram lunch meats; the result was a NASCAR brand of bologna and hot dogs. Major credit card companies have entered into licensing agreements with virtually every major sports league and their teams. The resultant affinity credit cards can represent an attractive offering for fans. Two examples are the Visa "NFL Extra Points" card and the MasterCard that features MLB's St. Louis Cardinals. While

FIGURE 2-4
Selling printers and printer supplies with an alignment-based strategy



readers may not be familiar with the company van Dillen Asiatech, the marketer sold a lot of shirts by virtue of its licensing agreement with FIFA. The shirts bore the trademarks and logos associated with the World Cup of Soccer.

While readers may not be familiar with the company van Dillen Asiatech, the marketer sold a lot of shirts by virtue of its licensing agreement with FIFA. The shirts bore the trademarks and logos associated with the World Cup of Soccer.

The final five examples involve products not normally associated with sports. In an effort to appeal to hockey enthusiasts, Hawthorne Village produced a set of electric trains that bore the images associated with the "Original Six" NHL teams. York Heating and Air Conditioning sells units that feature the logos of several universities; among those available is the one featuring the "Block M" of the University of Michigan. Danbury Mint produces a multitude of products that bear the logo of an independent organization. While your author is particularly fond of the watch bearing the US Army logo, within the realm of sports, a fan can purchase a watch featuring the logos of MLB's New York Yankees. Glidden paint has a product line called "Team Colors." Glidden has agreements with the NCAA, NBA, NFL, MLB, MLS, NASCAR, and the Olympics that allow the company to sell paint that features the precise colors of the fan's favorite team. While Glidden could sell the colors without any licensing agreement, they could not use the logos of the various teams, leagues, and events in ways that are instrumental in the task of developing selective demand. For instance, the agreement allows Glidden to sell blue and red paint in hues that can be promoted as the official colors of MLB's Chicago Cubs. The final example is perhaps the most intriguing. Oak Grove Casket Company has agreements with several universities that allow them to feature the university logos on caskets. As a result, a true Buckeye fan can be laid to rest in an Ohio State University casket. In each of these examples, the presence of an organization's logo adds value to the product being sold. But

it is essential to remember that intellectual properties of this type cannot be used without the owners' permission. It is important to reiterate the fact that each of the examples delineated in this section on alignment-based strategies represents a marketer's effort to sell nonsports products. However, the efforts reflect a higher degree of involvement with sports within the marketing strategy than is in evidence with theme-based strategies. This is achieved through the use of some form of sponsorship that overtly and legitimately ties the marketer to some important sports entity. Box 2-5 provides an overview of many of the examples mentioned in this section on alignment-based strategies.

Box 2-5

Overview of Alignment-Based Strategies (Sports Sponsorship-Based Strategies for Nonsports Products)

Traditional Sponsorship

- Olympic sponsorships (Coca-Cola, Lenovo, and Samsung)
- Volvo Ocean Race (Volvo)
- World Cup sponsorships (Coca-Cola and McDonald's)
- NASCAR sponsorships (Miller Lite, Monster Energy, FedEx, Camping World, and Best Western)
- Racing exhibit at Henry Ford Museum (General Motors and Brembo)
- AIG (Women's British Open)
- PGA tournament title sponsors (FedEx)
- NFL "official" products (Bud Lite and Bose headphones)
- High-profile golf properties (Cadillac)
- NCAA "March Madness" (Wendy's Official Breakfast of March Madness, also featured endorsement by Reggie Miller)
- Official energy bar of the New Zealand All Blacks (Moro)
- Official granola bar of the AVP Pro Beach Volleyball Tour (Nature Valley Granola Bars)
- NBA Developmental League (G-League [Gatorade])
- English Premiership League (Barclay's)

Venue Naming Rights

- Denver sports facilities (Coors Field, Ball Arena)
- Memphis sports facilities (FedEx Forum and AutoZone Park)
- San Diego MLB facility (Petco Park)
- Pittsburgh MLB facility (PNC Park)
- Detroit MLB facility (Comerica Park)
- Los Angeles NFL facility (SoFi Stadium)

- College venues (Ohio State's Value City Arena)
- Minor league sports (Memphis Redbird's AutoZone Park)
- International venues (Allianz Arena, Cadillac Arena, Mercedes-Benz Arena, and Emirates Stadium)
- Other international venues (Estadio Corona, Mazda Stadium, and DeBeers Diamond Oval)

Endorsements

- Ubrelvy pain reliever (Serena Williams)
- Sony High Definition TV (Peyton Manning and Ryan Newman)
- "Got Milk?" (Peyton, Eli, and Archie Manning)
- Beats headphones (NFL players such as Richard Sherman and Colin Kaepernick)
- Prilosec, twinspires, and Wrangler jeans (Brett Favre)
- H&M (David Beckham)
- Tag Heuer watches (Michelle Wie and Tommy Fleetwood)
- Rolex watches (Tiger Woods, Jordan Spieth, and Lydia Ko)
- Omega watches (Rory McIlroy and Sergio Garcia)
- Timex watches (Ben Hogan)
- The General Insurance, Papa John's Pizza, and Icy Hot Pain Reliever (Shaquille O'Neal)
- GEICO Insurance (Dikembe Mutombo)
- Gatorade (Tiger Thirst Quencher [Tiger Woods])
- Invacare (Arnold Palmer)
- Aetna Insurance (Dorothy Hamill)
- Menard's Home Improvement (Dale Earnhardt, Jr.)
- Old Spice fragrances (Tony Stewart)

(Continued)

Licensing

- COVID-19-based face masks (MLB Team Logos)
- Mattel “Hot Wheels” cars (NASCAR)
- Rival “Crock Pots” (NASCAR)
- Monogram lunch meats (NASCAR)
- Visa (NFL)
- MBNA (MLB’s St. Louis Cardinals)
- Van Dillen Asiatech (FIFA World Cup)
- Hawthorne Village (NHL)
- York Heating and Air Conditioning (NCAA sports teams [University of Michigan])
- Danbury Mint (watches; NCAA teams [University of Michigan])
- Glidden Paint (an array of sports entities [i.e., NFL, NCAA, NBA, and US Olympic and Paralympic Committee])
- Oak Grove Caskets (NCAA teams [i.e., Ohio State University])

Sports-Based Strategies

The final domain, *sports-based strategies*, is characterized by *official sponsors of a sports property* who are selling other *sports products*. Because of the role of sports in both the product and involvement dimensions, this domain represents the greatest reliance on sports-oriented initiatives. It also represents the least common type of strategy employed by today’s sports marketers. Within this domain, a common strategy features the marketer of sporting goods or sports apparel in a traditional sponsorship of a sports team or sporting event. Strategies in this domain can be highly effective when appealing to customers who are excited by the sports that are used in the implementation of the specific strategic initiatives. For example, adidas sells sporting goods, and it uses advertising that complements its traditional sponsorship of FIFA and the World Cup of Soccer. This consistency produces the synergy that is characteristic of the sports-based domain. As with alignment-based strategies, each of the four types of sponsorships can be used in the implementation of a sports-based strategy.

One example of a sports-based strategy that features a **traditional sponsorship** is Nike and the New York Yankees. While the Nike swoosh is apparent on the team’s uniforms, Nike also sells an array of sports products that feature the team’s trademarks. A second example is the traditional sponsorship that adidas has with the New Zealand All Blacks (New Zealand Rugby Football Union). While this is similar to the aforementioned sponsorship of the World Cup of Soccer by adidas, the difference lies in the type of property with which the sponsor is aligned. In the former case, adidas is sponsoring an event; in the latter case, the marketer is sponsoring an organization and its famous team. It should also be noted that adidas also sponsored several of the national teams that competed in the World Cup; Germany and Argentina are but two examples. In a more novel partnership, the NHL’s Phoenix Coyotes entered a one-year sponsorship arrangement with a PGA golfer Jeff Quinney, which required the golfer to wear shirts that featured the NHL team’s logo during select tournaments. Another example of a marketer of sports products sponsoring a sports event is the relationship between Quiksilver and the Winter X Games. The final example involves the unusual sponsorship of a Formula 1 race team by the Real Madrid team of the Spanish Primera Liga. While each of these examples best fits within the realm of traditional sponsorship, the sponsors’ contracts typically provide them with opportunities to sell officially licensed merchandise and to gain the services of key players for endorsements. Thus, there is often an overlap in the types of sponsorships used by any marketer that is operating in the sports-based domain.

The three special forms of sponsorship can also be employed by marketers operating within the sports-based quadrant. However, the least common application of the sports-based strategies involves **venue naming rights**. Two past examples and one possible future scenario illustrate this strategic domain. Reebok once had venue naming rights for a soccer stadium in Bolton, England; Reebok Stadium was the result. A second example that is no longer in effect is Fila Forum in Milan, Italy. The potential future application is based on rumors as recently as 2021 that Nike was battling with Amazon for venue naming rights for the Tottenham Hotspur Stadium in North London where the home team competes in the Premier League. The stadium also plays host to a small number of the NFL games that are played in London each season. If Nike gets the naming rights, then it is implementing a sports-based strategy. However, if Amazon gets the naming rights, then that strategy best fits within the alignment-based domain. While a sports-based strategy that is based on venue naming rights is relatively uncommon for marketers of sports products, it may well become more commonplace as more new sports venues are being built with a focus on revenues from the marketers holding the naming rights for each venue. And even existing venues are seeking to sell naming rights. In some cases, naming rights may not involve the entire facility; rather, it might involve specific area within the venue such as a gate, a lounge area, or a place where fans gather during breaks in game action.

Endorsements for sports products that use athletes as spokespersons provide the best examples of the sports-based domain. It is important to recall that endorsements have been referred to as personality sponsorships; in essence, the sports organization can be viewed as the sponsor, while the athlete—or personality—can rightfully be characterized as the sponsee. Remember the question—who is paying whom in this relationship? Because of their potential impact, endorsements are a commonly employed sports sponsorship-based strategy within the sports-based domain, especially for sports products in the SASS category. Several examples merit our attention; most represent efforts to sell sporting goods and apparel that are used or worn by the endorsing athlete. A new campaign launched in 2021 by TaylorMade used six top PGA golfers to introduce its newest driver, the SIM2. Characterized as Team TaylorMade, advertising featured Tiger Woods, Rory McIlroy, Dustin Johnson, Collin Morikawa, Tommy Fleetwood, and Matthew Wolff. That is one powerful sixsome to have touting your newest golf club! Lionel Messi is used by adidas to strengthen its foothold in the global soccer market. To reach a younger segment, Burton Snowboards relies on the endorsement of one of the world's most recognizable snowboarders Chloe Kim. Storm competes within the bowling ball industry. To gain a differential advantage over its rivals, Storm relies extensively on the endorsement of one bowling's most prolific winners, Jason Belmonte. Michael Phelps is best known for winning multiple gold medals for swimming in the Olympics; he also endorses Under Armour products. LeBron James has a lifetime contract with Nike. Even retired athletes can be effective in this role. As a testament to this premise, consider Shaquille O'Neal's relationship with Reebok and Callaway Golf's contract with Annika Sorenstam.

Marketers of spectator sports can also implement sports-based strategies that capitalize on endorsements by current and past players. However, this strategy most often involves spokespersons who are still active in the sport. The PGA ran a "these guys are good" campaign that featured current golf stars. Similarly, the National Basketball Association long relied on its "the NBA is FANTastic" advertising theme that featured NBA stars. Some of its biggest stars including Michael Jordan, Dwayne Wade, and Julius Erving (Dr., J). The newest global competition

that has emerged is the World Baseball Classic. To generate awareness and interest for its inaugural event, MLB used endorsements of international stars such as Albert Pujols, Carlos Delgado, and Andruw Jones. That strategy has continued for each subsequent competition with several of that season's star players participating in an endorsement campaign. Nike's personal sponsorship of Michelle Wie (West) is one of the most recent and most noteworthy efforts of this type. Interestingly, early in Tiger Woods' career, Nike was criticized for its substantial payment for the golfer's endorsements of Nike's new line of golf products. Given the terms of his second contract, it is evident that Nike felt like the world's number one golfer contributed to its sales in a positive way as did Michael Jordan throughout his illustrious NBA career. Interestingly, as noted in the previous paragraph, Woods left the Nike fold and now endorses TaylorMade golf clubs, although he still wears Nike apparel. Nike has now dropped golf clubs and balls from its product assortment. Figure 2-5 depicts a picture of Tiger Woods, Rory McIlroy, Dustin Johnson, and Collin Morikawa in a TV commercial for their sponsor, TaylorMade. The combination of two sports entities qualifies this strategic effort as one that falls within the sports-based quadrant of the sports marketing environment matrix.

Finally, we turn our attention to **licensing**. It is important to reiterate the earlier point that the other three forms of sponsorship may convey to the sponsor the right to produce and sell an array of merchandise that features the trademarks, logos, and likenesses of the sponsee. Nike has licensing deals with a number of top-tier university athletic programs. Among the most noteworthy are the University of Alabama, Clemson University, Baylor University, the University of Michigan, the University of Memphis, Duke University, the University of Southern California, the University of Florida, the University of Texas, Oklahoma University, and the University of Oregon. Likewise, adidas has similar licensing deals with the University of Miami, Indiana University, Texas A&M University, and Kansas University. The newest significant player in this game is Under Armour, which has recently signed similar deals with several American universities including Notre Dame, Auburn, Navy, South Carolina, and Wisconsin in their effort to appeal to their younger target

FIGURE 2-5

Selling TaylorMade sports products with a sports-based strategy



market. Upper Deck uses a licensing agreement with professional sports leagues and players such as those in MLB as the foundation for its efforts to sell collectible sports trading cards. Reebok is the official supplier for the NHL; this sponsorship provides Reebok with the rights to sell authentic replica apparel and equipment that feature the NHL trademarks and logos. Similarly, Gilbert has the right to use Super Rugby logos on the rugby balls that it sells. The Gilbert strategy is similar to that of Wilson Sporting Goods and its relationship with the NFL. It is important to understand that the licensee is using its relationship with a sports property to influence demand for its own sports products. As such, this category does not include relationships such as the marketer of a cigarette lighter using a sports logo to induce sales. Even with the logo present, one would be hard-pressed to characterize a cigarette lighter as a sports product.

For each of the aforementioned examples, the synergy emanating from the two sports entities should be evident. As noted earlier, this domain represents the one with the greatest overall immersion into the world of sports; therefore, it can be extremely effective when the target market is comprised of fans of the sports entity with which the marketer has an official relationship. For example, fans of the New York Yankees may have a strong affinity for Nike shoes because of the official sponsorship relationship between the two sports entities. Adidas has a similar relationship with Manchester United. Fans of college sports may possess those same feelings if adidas is a sponsor of their favorite team. For example, adidas is an official sponsor of the University of Louisville athletics. It is based on the premise that the sponsorship helps adidas sell its own sports products while concurrently generating revenue for the university.

Devoted fans buy these products and other fans see them bearing the sponsor's logo. The outcome may be that the sponsor sells more of its own products. Clearly, the marketing of sports products can be impacted in a positive manner via the incorporation of a sponsorship of a recognizable sports property within an integrated marketing communications strategy. Box 2-6 provides an overview of the sports-based strategies that were cited in this section.

How to Determine into Which Domain a Specific Strategy Falls

Students are often faced with the task of examining a strategy and determining the appropriate domain in which the strategy under scrutiny falls. It is really quite simple. Consider the scenario whereby Kia/Hyundai uses print ads featuring soccer and the World Cup in an effort to influence demand for their automobiles. The first question is: is the marketer attempting to sell a sports product? Kia/Hyundai is trying to sell passenger vehicles—clearly not a sports product. Second, is there any evidence that the marketer, Kia/Hyundai in this case, is an official sponsor of the sports entity under scrutiny? For this question, the answer is yes. According to the FIFA website, Hyundai/Kia is one of six official “FIFA Partners” for the tournament. So, they are selling nonsports products by employing a sports-sponsorship arrangement. Now simply determine which quadrant of the sports marketing environment matrix corresponds to these two answers. Selling nonsports products using a sports sponsorship coincides with an alignment-based strategy. Now consider the situation where your university seeks to increase attendance at an upcoming basketball game by placing an advertisement in your school newspaper or via an email blast to the student body. They are selling a sports product, but they are using a traditional strategy rather than a sponsorship-based strategy. You

Box 2-6

Overview of Sports-Based Strategies (Sports Sponsorship-Based Strategies for Sports Products)

Traditional Sponsorship

- New York Yankees (Nike)
- FIFA and the World Cup of Soccer (adidas)
- New Zealand Rugby Football Union (New Zealand All Blacks; adidas)
- National Soccer Teams (e.g., Germany and Argentina; adidas)
- NHL's Phoenix Coyotes (PGA Golfer Jeff Quinney)
- X Games (Quiksilver)
- Formula 1 Race Team (Real Madrid Soccer Team)

Venue Naming Rights

- Reebok Stadium in Bolton, England (former)
- Fila Forum in Milan, Italy (former)
- Nike Tottenham Stadium in England (possible)

Endorsements

- Michelle Wie, Tiger Woods, and Michael Jordan (Nike)
- Lionel Messi (adidas)
- Team TaylorMade (TaylorMade)
- Chloe Kim (Burton Snowboards)
- Michael Phelps (Under Armour)

- LeBron James (Nike)
- Jason Belmonte (Storm Bowling Balls)
- Shaquille O'Neal (Reebok)
- Annika Sorenstam (Callaway Golf)
- Star PGA Players ("These guys are good" [PGA Golf])
- NBA Star Players ("The NBA is FANTASTIC" [NBA])
- International Star Players Baseball Players (World Baseball Classic [MLB])

Licensing

- Major Universities (Alabama, Duke, Michigan, Clemson, Baylor, and Texas [Nike])
- Major Universities (Kansas, Indiana, Texas A&M, and Miami [adidas])
- Major Universities (Notre Dame, Auburn, Navy, and Wisconsin [Under Armour])
- New York Yankees (Nike)
- MLB (Upper Deck collectable sports trading cards)
- NHL (apparel and equipment [Reebok])
- Super Rugby (balls [Gilbert])
- NFL balls (Wilson)
- Manchester United (jerseys [adidas])

cannot sponsor yourself. Based on this assessment, this example falls within the domain of product-based strategies. So, remember these two questions: is the marketer selling a sports product, and is there evidence of an official sponsorship with the sports entity under scrutiny? It makes the question as to which of the four domains a particular sports marketing strategy falls into an easy one to answer.

Can a Marketer Concurrently Use Strategies in Multiple Domains?

In one word, yes. In fact, this strategy is commonplace in today's sports marketing industry. Consider Snickers candy bars and its efforts to influence consumer purchase decisions concerning its nonsports products. Snickers is an official sponsor of the NFL. Packaging bears the logo of the NFL and the statement that they are an "official sponsor of the NFL." The marketer ran ads during NFL games including the Super Bowl. They also ran print ads that feature the NFL logo and acknowledge their official capacity as a sponsor. They sold multipacks of minibars that featured the logo of specific NFL teams on the packaging. Furthermore, they ran a "hungriest player" contest that recognized specific NFL

players for their “hunger to win” each week of the season. In addition to this strategic effort, Snickers ran an advertisement that featured celebrity Betty White playing a game of football with no acknowledgment of its sponsorship role in their “You’re not you when you’re hungry” campaign. They also ran advertisements during other sporting events and in sports magazines such as *Sports Illustrated* that did not focus on sponsorship. So, while the Super Bowl ad and many of its other strategic initiatives were part of the leveraging program for its NFL sponsorship, the advertisements run during other nonsponsored sports events and in sports-oriented magazines clearly reflect a traditional marketing strategy. So, Snickers was simultaneously involved in alignment-based and theme-based strategies. And if you argue that the company’s Marathon energy bar is a sports product in the SASS category, then when they pass out free samples at Walmart and distribute discount coupons in the mail, the company is simultaneously engaging in product-based strategy. But, if Marathon had a sponsorship of a runner competing in the London Marathon who served in the capacity of endorsing the Marathon Energy Bar, then it is engaging in a sports-based strategic initiative. So, it is conceivable that the parent company, Mars Incorporated, could be simultaneously engaging in marketing efforts that fall within the realm of all four of the strategic domains as delineated in the Sports Marketing Environment Matrix.

A New Definition of Sports Marketing

Now that there is a better understanding of the broad nature of sports marketing, it is time to address the lack of a consensus for the definition of the discipline. As the discussion in this chapter has shown, any definition must incorporate both the marketing of sports products and the use of a sports platform in the task of selling nonsports products. Likewise, it must encompass strategic initiatives other than promotion. It should recognize the past while focusing on the future. Taking all of this into account, a new definition has emerged. For the remainder of this textbook, *sports marketing* is defined as the implementation of proactive strategic initiatives designed to influence potential buyers’ preferences for an array of sports products or to otherwise create a sports overlay in such a way so as to have a positive impact on the sale of nonsports products.³³

Sports marketing is defined as the implementation of proactive strategic initiatives designed to influence potential buyers’ preferences for an array of sports products or to otherwise create a sports overlay in such a way so as to have a positive impact on the sale of nonsports products.

Closing Capsule

The purpose of this chapter was to provide clarity as to the activities that can be considered sports marketing strategies. It begins with the recognition that there are two distinct dimensions within the sports marketing industry: the *marketing of sports products* and *marketing through sports*. Thus, sports marketing is not solely focused on how to get more fans in the seats at a specific sports venue. By taking the type of product sold and the form of sports involvement into account, four strategic domains have been identified. The types of products have simply been designated as sports products and nonsports products. In this regard, there are three categories of sports products: (1) spectator sports,

(2) participation sports, and (3) SASS. Next, the marketers' form of involvement concerns the question of whether or not the marketer is involved with some sports entity in one of the four forms of official sponsorship or if its strategy is simply based upon the common strategic decisions regarding target market selection and the development of a marketing mix designed to appeal to each designated target market. As such, the two broad areas for involvement have been designated as traditional and sponsorship-based. Using these dimensions, the two-by-two matrix shown in Figure 2-1 emerges. This matrix provides the foundation for the definition and description of the four domains of the sports marketing industry.

At the most fundamental level, *theme-based* strategies use the traditional components of a marketing strategy—target market and marketing mix decisions—to sell nonsports products. This tactic can be differentiated from *product-based* strategies that represent the use of traditional marketing mix and target marketing decisions in an effort to sell sports products. Representing a higher level of involvement, many marketers have aligned themselves with sports properties via some form of sponsorship. The sponsorship-based strategies are represented by the *alignment-based* and *sports-based* strategies. Alignment-based strategies use sponsorship in an effort to sell nonsports products; it is the fact that the marketer is officially aligned with some sports entity that qualifies this type of strategy to be deemed one of the sports marketing domains. Conversely, sports-based strategies involve some form of official sponsorship of a sports property in the task of marketing one of the many sports products that crowd the marketplace.

The categorization of recent examples within the sports marketing industry provides evidence and documents the fact that these four domains are mutually exclusive and collectively exhaustive, thus meeting a basic test for the usefulness of any classification system. In addition, the broadened set of sports marketing domains highlighted in this chapter provides a method for classifying the many strategies that have recently evolved in the practice of sports marketing. This classification system has allowed for the development of a modern definition of the concept of sports marketing that encompasses the vast array of strategic initiatives undertaken by today's sports marketers. Specifically, we now define *sports marketing* as the implementation of proactive strategic initiatives designed to influence potential buyers' preferences for an array of sports products or to otherwise create a sports overlay in such a way so as to have a positive impact on the sale of nonsports products. This definition, along with the sports marketing environment matrix, provides the needed direction as we move to Part 2 of the text and begin to explore the multifaceted discipline of sports marketing.

REVIEW QUESTIONS

1. Look in a recent issue of a sports magazine. Identify one advertisement that represents an effort to sell a sports product; identify another which reflects an effort to sell a nonsports product by creating a sports overlay.
2. For the two efforts that you identified in question 1, indicate which of the domains of the sports marketing environment matrix that each falls into.
3. Create a theme-based strategy for the marketing of a new model of automobile.
4. Create an alignment-based strategy for the marketing of that same automobile.

5. Create a product-based strategy for an effort to sell golf balls.
6. Create a sports-based strategy for the marketing of those same golf balls.
7. Why are marketers of nonsports products willing to spend significant amounts of money to align themselves with sports properties via a sponsorship?
8. Go to the website of McDonald's Restaurants. List all of the properties that McDonald's sponsors (you may need to drill deeper into the website or other sources to find this information). How many of the sponsored properties are sports-oriented; how many represent a sponsee that is not a sports property?
9. Identify the sponsor and the sponsee for an alignment-based strategy that features a well-known sports property in your country. Explain why you do or do not think that the sponsor has implemented an effective strategy.
10. Attend a sports event such as a basketball game or a football game at your university. If possible, identify 10 brands that are visible or audible in some form during the game. For example, they could be seen on signage, on the scoreboard, in the program, and announced over the public address system or their logo might be emblazoned on the playing surface. Identify which quadrant of the sports marketing environment that each of the identified brand's strategies fall into.

NOTES

1. Anonymous, "Experts Urge Chinese Companies to Back Beijing Olympics" (September 2006), accessed September 19, 2006, www.sportbusiness.com.
2. D. Gray and C. McEvoy, "Sport Marketing Strategies and Tactics," in *The Management of Sport: Its Foundation and Application*, ed. B. Parkhouse (New York: McGraw-Hill, 2005), 228–70.
3. Ibid.
4. G. R. Merz and S. Fullerton, "Developing a Personal Investment Measurement Scale for Sport Spectator Behavior," in *Expanding Marketing Horizons into the 21st Century, Proceedings of Association of Marketing Theory and Practice*, ed. Joseph Chapman, (Association of Marketing Theory and Practice: Statesboro, GA, March 24–26, 2005), 394–99.
5. B. Mullin, S. Hardy, and W. Sutton, *Sport Marketing* (Champaign, IL: Human Kinetics, 2000).
6. F. Blann and K. Armstrong, "Sport Marketing," in *Contemporary Sport Management*, 2nd ed., ed. J. Parks and J. Quarterman (Champaign, IL: Human Kinetics, 2003), 193–217.
7. H. Schlossberg, *Sports Marketing* (Cambridge, MA: Blackwell, 1996), 2.
8. B. Pitts and D. Stotlar, *Fundamentals of Sport Marketing* (Morgantown, WV: Fitness Information Technology, 1996), p. 3.
9. D. Stotlar, *Developing Successful Sport Marketing Plans* (Morgantown, WV: Fitness Information Technology, 2001).
10. E. Moore and S. Teel, "Marketing Tools for Sports Management," in *Sport Business: Operational and Theoretical Aspects*, ed. P. Graham (Dubuque, IA: Brown & Benchmark, 1994), p. 6–17.
11. A. Meek, "An Estimate of the Size and Supported Activity of the Sports Industry in the United States," *Sport Marketing Quarterly* 6, no. 4 (1997): 15–21.
12. Anonymous, *2021 Sports and Fitness Industry Association Topline Participation Report* (Silver Springs, MD: Sports and Fitness Industry Association, 2021).
13. J. Felt, "How Sponsorship Can Help Your Brand," *Managing Intellectual Property* no. 125 (December/January 2003): 24.
14. J. Zoltak, "Skyreach Equipment Ltd. Purchases Naming Rights at Edmonton," *Amusement Business* 110, no. 49 (October 12, 1998): 1.
15. P. Green, "Sponsorship with no Booths or Logos," *Brandweek* 43, no. 45 (December 9, 2002): 16.
16. D. Lippe, "Inside the Stadium-Rights Business," *Advertising Age*, October 28, 2002, accessed November 13, 2002, www.adage.com/news.cms?newsID=36406.

17. L. Ukman, "Naming Rights: Not Just for Stadiums Anymore" (February 21, 2002), accessed February 22, 2002, www.sponsorship.com/learn/namingrights.asp.
18. Anonymous, "Nielsen Expands Sports Arm" (April 23, 2004a), accessed April 27, 2016, www.sportbusiness.com/news/index.
19. Anonymous, "Business: Branded Like Beckham; Sporting Endorsements," *The Economist* 368, no. 8331 (July 5, 2003a): 70.
20. Anonymous, "Sidney Crosby: Already an NHL Endorsement Superstar," *Marketing* 110, no. 27 (August 15, 2005): 14.
21. P. Kedrosky, "Tiger, Tiger Burning Bright," *Canadian Business* 78, no. 6 (March 14, 2005): 17.
22. Anonymous, "Business: Branded Like Beckham," 70.
23. D. Barrand, "Nike Signs up First Female Golfer" (February 26, 2003a), accessed July 14, 2016, www.sportbusiness.com/news/index?news_item_id=150250.
24. D. Barrand, "Yao and Coke Resolve Image Row" (October 20, 2003b), accessed October 20, 2020, www.sportbusiness.com/news/?news_item_id=152825.
25. D. Barrand, "Why Brands Are Banking on Sport," *Promotions & Incentives* (June 2005): 13–14.
26. Anonymous, "News Briefs," *Sporting Goods Business* 37, no. 5 (May 2004b): 12.
27. Anonymous, "Sears Maximizes Tools of the NASCAR Trade," *Retail Merchandiser* 43, no. 7 (July 2003b): 44.
28. K. Hein, "EA Drives into the Action as NASCAR's Solo Gamer," *Brandweek* 44, no. 34 (September 22, 2003): 9.
29. Felt, "How Sponsorship Can Help Your Brand," 24.
30. R. Telander and M. Ilic, "Senseless: In America's Cities, Kids Are Killing Kids over Sneakers and Other Sports Apparel Favored by Drug Dealers: Who's to Blame?" *Sports Illustrated*, May 14, 1990, 36–42.
31. D. Rovell, "Judge Decides Business Is Legit" (November 24, 2003), accessed October 14, 2005, www.sports.espn.go.com/mlb/news/index?_item_id=1670042.
32. R. Gillis, "Harnessing the Power of Personality," in *Sponsorship Works*, vol. 2 (London, UK: SportBusiness International, 2005), 4–6.
33. S. Fullerton and G. R. Merz, "The Four Domains of Sports Marketing: A Conceptual Taxonomy," *Sport Marketing Quarterly* 17, no. 2 (June 2008): 90–108.

DO NOT COPY, POST, OR DISTRIBUTE