



CHAPTER 2

Developing a Strategic Sport Marketing Plan

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At first, we couldn't be establishment, because we didn't have any money. We were guerrilla marketers, and we still are, a little bit. But, as we become No. 1 in our industry, we've had to modify our culture and become a bit more planned.

Phil Knight, Co-founder and chairman of Nike Inc.

CHAPTER OBJECTIVES

After completing the chapter, the reader should be able to:

- Understand and appreciate the concept of strategic sport marketing.
 - Adopt a systematic approach to examining the external and internal environment.
 - Understand the process involved in conceptualizing and developing a marketing plan.
 - Identify appropriate marketing goals and objectives.
 - Demonstrate the relationship between marketing tactics and marketing strategy.
 - Appreciate the process of implementing and controlling a marketing plan.
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Strategic Sport Marketing

Effective sport marketing does not happen by accident. Whether marketing a mega-event like the Super Bowl or a small, local event such as a youth field hockey camp, marketers cannot rely on guesswork to develop their marketing plan and hope everything will turn out as they like. Instead, organizations need to invest significant time and effort into creating a marketing plan that will help them accomplish what they want to accomplish. In today's business environment, it is vitally important that marketers make the right decisions as most sport organizations do not have the time or budget to engage in trial and error marketing. Mistakes can be costly, as sport marketers operate in a "real time" environment and cannot go back in time to sell unsold tickets for an event that has already passed or sign up participants for last summer's recreation program. Further, competition is especially strong for consumers' sport and leisure spending. If your marketing is not effective, a competitor's might be.

To ensure they are making good decisions, prudent organizations will take a strategic approach to sport marketing. Strategic sport marketing is an approach to sport marketing where organizations engage in careful planning prior to implementing marketing activities designed to meet organizational goals (Shank, 2009). This systematic approach helps management make better marketing decisions by providing direction and identifying activities necessary to move in that direction (Gray, 2001). Organizations do this by focusing on where they are, where they want to be, and what it will take to get there. Organizations also have to understand the environment is constantly changing, necessitating the ability to understand the world around them. Therefore, key questions have to be addressed with an understanding of the marketing environment, their customers' needs, and competing organizations (Bradley, 2003).

The strategic market planning process involves a series of stages including careful assessment of the marketing environment, development of specific objectives, target market identification, development of marketing strategies and tactics, implementation and evaluation. Each stage builds on the prior stage. For example, **target markets** are based on objectives while strategies and tactics are based on target markets, etc. This chapter focuses on the steps necessary to develop a marketing plan and describes the important activities and considerations at each stage.

Preparing the Marketing Plan

A **marketing plan** is a written document outlining an organization's strategy and the course of action necessary to implement that strategy. Regardless of whether your organization is large or small, professional or amateur, a marketing plan can be an invaluable document. Sport organizations typically develop marketing plans on a yearly basis to support their ongoing sport programs. In addition, organizations may develop marketing plans for new programs or products. For example, a parks and recreation department may need to develop a new marketing plan when they introduce a new competitive tennis league or a professional baseball team may develop a marketing plan for a new party deck at their ballpark.

Although there are multiple ways to arrange a marketing plan, the following elements are common to most marketing plans (Stotlar, 2009). The remainder of the chapter describes each of these elements in more detail.

- Introduction
- Data and analysis
- Goals and objectives
- Target markets
- Marketing strategy
- Implementation
- Evaluation
- Summary

While the written plan provides the road map, the process of developing the plan is also vitally important. Organizations need to carefully evaluate their situation and environment, consider potential strategies, and estimate the logistics of implementing the plan in order to make sure they are making sound decisions.

Most organizations will include individuals throughout the organization to generate ideas from different perspectives. Planning groups are typically comprised of personnel involved in developing marketing strategy as well as those involved in day-to-day marketing activities. For example, a marketing director interested in improving customer service may involve ushers, security providers, and concessionaires in the process since those people would have the most direct contact with consumers and have the most direct knowledge about problems and potential solutions.

To facilitate the planning process, many organizations will engage in brainstorming activities when developing the marketing plan. Brainstorming sessions involve members of a group generating ideas related to a problem or issue. This type of activity can encourage new and creative ideas as members work to inspire others' thinking. When brainstorming, it is important for groups to welcome unusual ideas and withhold criticism (Osborn, 1963). Criticisms such as "that is not how we do things around here" or "we've never done things that way" are the best way to stifle creativity and prevent improvement. By being open to all ideas (good or bad), groups open the door to new strategies.

Marketing Plan Introduction

Most marketing plans begin with an introduction providing the reader a basis for understanding the marketing plan. This section may start with a review of the organization's mission and background information on the organization's products and customers. By including this information, the reader (and author) is reminded of the organization's purpose. In addition, this section may include an overview of the marketing plan and a review of prior marketing efforts. This information puts the plan in perspective related to where the organization's marketing efforts have been and where they are going.

Data and Analysis

Within the process of making strategic decisions, sport marketers must take into account the environment in which they operate. Environmental factors can be either internal or external to the organization. Sport marketers must be aware of how both interact with the organization, as they will influence how the organization markets the product to the consumer. The following section will look at some internal and external factors that influence marketing decisions.

Examination of Internal Environment

The internal environment consists of potential influences on the strategic sport marketing process that occur from within the organization. These influences can include the organization's mission, goals, and objectives, organizational culture, and resources within the organization. The following section highlights how each may affect the marketing plan.

Organizational Mission/Vision

Organizations use mission and/or vision statements to communicate the organization's present situation and the direction of the organization. A **mission statement** differentiates the organization from other organizations by declaring what business the organization performs to and whom the organization serves. Mission statements are often accompanied by a **vision statement** that incorporates the primary vision of how the organization activates the mission statement. In the planning process, the development of the mission and/or vision statement is often the link between strategic and operational planning (Hums and MacLean, 2009). Considering this, mission statements play a critical role in influencing marketing decisions.

Marketing decisions need to be consistent with the mission of the organization. One organization that has made marketing decisions based on its mission is Little League Baseball, Inc. The mission of Little League Baseball identifies the purpose of the organization. This purpose will provide the basis for many of their marketing decisions.

Little League Baseball, Incorporated is a non-profit organization whose mission is to "to promote, develop, supervise, and voluntarily assist in all lawful ways, the interest of those who will participate in Little League Baseball and Softball." Through proper guidance and exemplary leadership, the Little League program assists youth in developing the qualities of citizenship, discipline, teamwork, and physical well-being. By espousing the virtues of character, courage, and loyalty, the Little League Baseball and Softball program is designed to develop superior citizens rather than superior athletes.

*(Courtesy of Little League Incorporated.
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Courtesy of Braden Sweeten.

Consistent with this mission, marketing decisions are focused on the ability to attract youth to the sport and expose them to positive values, rather than increasing revenues by extracting as much money as possible from participants, parents, and spectators. The following is a list of marketing decisions enacted to further the organization's mission:

- Establishment of a League program costs a reasonable \$16.
- The registration fee for play is not a prerequisite for playing and the league does not permit eligible candidates to be turned away.
- Little League Baseball offers financial assistance to all teams at each level of the Little League International Tournament.
- Admission to Little League World Series games is free.

(Little League Incorporated, 2011a)

Organizational Culture

Organizational culture is the shared values, beliefs, and assumptions of organizational members that guide and establish preferred behaviors within an organization (Shein, 1991). Within the sport industry, there are several examples of how organizational culture affects sport marketing:

- The New York Yankees' organizational culture emphasizes tradition, which lends itself to a more conservative marketing approach. As such, the team has worn the same uniforms for nearly 100 years while many other teams change to keep up with fashion trends (New York Yankees, 2011). Players wanting to grow facial hair are limited to only mustaches and are expected to be well groomed, which is in contrast to many other organizations who expect their players to be "colorful" or "full of character." You do not typically see outlandish promotions at Yankees games that you may see with other, less-conservative teams (Yes Network, 2010).
- Callaway, a leading manufacturer of golf equipment, attributes much of its business success to a culture of innovation. The organization emphasizes research and design by hiring engineers to design golf clubs. As a result, Callaway has developed some of the best golf products on the market and has become the number one seller of irons in golf. This has become a major staple in how Callaway markets and sells irons, as they are the only golf organization that can claim they manufacture "the number one irons in golf" (Callaway Golf, 2011).
- Nike's organizational culture emphasizes the need for employees to explore potential through diversity and imagination. This is done on a 177-acre smoke-free campus that includes two gyms, an Olympic sized pool, indoor and outdoor tracks, hiking trails, soccer fields, and walking paths. The integration of these components in the culture of Nike has led to two of the most recognized marketing slogans: "Just do it" and "If you have a body, you are an athlete" (Nike, 2011).

Organizational Resources

Organizations conduct business using a limited number of resources. These resources range from employees, technology, workspace, money, etc. Therefore, resources within an organization can be considered an internal factor that may affect decisions within the organization. Sport marketers must be aware of how to use available resources in a manner that is effective in achieving organizational goals and objectives. For example, The Ohio State University Athletic Department wanted to increase the number of children in their “Buckeye Kid’s Club.” They decided to use one of their most valuable resources—historic Ohio Stadium. Potential members were invited to play on the field and meet the cheerleaders and the mascot.

Using the makeup of an organization’s employees as an example, each organization is comprised of a unique cohort of individuals. Each individual has a different set of skills, attributes, and experiences the organization can use to achieve desired goals and objectives. However, it is not a guarantee that the employees within an organization at a given time will have the necessary skill sets to maximize potential opportunities that arise.

In addition, financial resources often dictate marketing decisions. Management may have incredibly creative ideas, but if the organization cannot afford to implement those ideas, they are of very little use. In the case of advertising, limited budgets prevent an organization from using television advertising to promote its product. As such, the organization would need to rely on other, less expensive forms of promotion such as outdoor, radio, or Internet advertising.

Examination of External Environment

The external environment consists of influences outside the organization that may affect the strategic sport marketing process. External contingencies may include the economy, environment, technology, social and cultural norms, legal issues, political agendas, educational institutions, and competition. Each of these factors is important for sport marketers to understand as they affect marketing decisions in different ways. The following sections will explain how these factors affect sport marketing decisions.

Economy

Sport consumers use discretionary income to consume sport. Therefore, the sport industry is sensitive to changes in both local and national economies. On a national level, the economy has been tumultuous over the past decade. When the economy is good, consumers and businesses are likely to be willing to spend more on entertainment. During the 1990’s and early 2000’s, professional sport organizations started emphasizing club seats, suites, and party rooms as a way to extract more money from consumers—and many consumers were willing to pay more for the added luxury, exclusivity, or convenience. When the economy suffered, many of those same organizations were forced to switch focus given that their target consumers had fewer discretionary dollars and were more concerned about paying their mortgages and supporting their children than spending major money for box seats (Sunnucks and Casacchia, 2010). While this was challenging for many organizations, the economy provided a key opportunity to shift marketing strategy to better meet consumer



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demand and need. Specifically, many organizations began to market value packages, affordable parking, and all-you-can-eat sections, as a way to either drop the price or add value to their offerings (Cyrec, 2009).

The economy's effect on sponsorships can also alter marketing plans. The Ladies Professional Golf Association (LPGA) cancelled three tournaments from the 2009 season and scheduled only 23 tournaments for the 2010 season, down 11 tournaments from the 2008 season. The LPGA has stated their inability to secure tournament sponsors due to the downturn in the economy has led to these organizational decisions. Sponsors like the SemGroup Corporation, Safeway International, and ADT either completely ceased their association with the LPGA or consolidated their sponsorship into lower tiered investments (DiMeglio, 2009).

Physical Environment

The environment is a critical component to sport as it has the ability to affect sport in many ways. The climate of a region can dictate both what and when certain sports are played. Golf courses in Colorado close between the months of October and March due to the cold winters, while courses in Florida are able to be open year round.



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In recent years, sport organizations have designed venues that can control the environment. Retractable-roof stadiums have become increasingly appealing to sport franchises as they allow the sport organization to control the environment. This is beneficial to the marketing of sport, as now marketers do not need contingency plans for inclement weather. Marketers have the ability to market sport all the time in an environment that is comfortable for both participant and spectator.

Technology

The sport industry is constantly changing with adaptations of new technologies that allow consumers to consume the sport product in a more timely and convenient manner. Sport marketers too must adapt to these new technologies as they relate directly to the marketing process. New innovations, such as smartphone applications, have increased consumers' ability to consume the sport product. No longer must the consumer be at the event or watch it live on television. ESPN offers an application to smartphone users that allows access to score updates, articles, and even live coverage of events on the ESPN3 network. The use of mobile technologies allows sport marketers to increase their distribution agents and incorporate a much larger market of consumers.

Another example of technology influencing the marketing of sport is social networking websites. Websites like Twitter and Facebook have revolutionized the distribution of information regarding sport. Athletes have engaged in sharing both professional and personal information through Twitter accounts. Professional golfer Stewart Cink boasts over 1.2 million followers, and he communicates everything from upcoming events to personal happenings in his life in an effort to help promote and establish a personal rapport with his fan base. Basketball star Shaquille O'Neal has over 3 million followers and has used Twitter to give away tickets to his fans.

Sport organizations have also begun to use Facebook as a distribution agent for communicating information on upcoming events. The 2010 FEI World Equestrian Games established a Facebook page to help promote the event in Lexington, Kentucky. The Facebook page provides updated posts about event happenings as well as a link to the official website where fans can purchase tickets to the event. The use of technologies like Facebook provides sport marketers an alternative to more expensive distribution agents like advertising.

Social/Cultural Trends

In many aspects, sport shares the same characteristics and issues that make up societies. Therefore, it is understandable that social or cultural trends may influence what sports are played, how they are played, and how they are marketed.

Societal norms will often determine how sports are marketed. For example, the Ultimate Fighting Championship (UFC) has sought to expand internationally with mixed results. The sport of mixed martial arts was easily accepted in countries such as Japan, South Korea, Brazil, and the United Arab Emirates where martial arts are understood and respected. However, the organization has experienced roadblocks in much of Europe where many of the locals see the sport as violent and barbaric. Even in North America, the UFC has struggled to gain approval to host events in the major markets, as key legislators do not see the sport as socially acceptable.

Social trends will also influence marketing decisions. A shift in culture away from rigid conservative team sports to a focus on creativity and individualism has helped drive the growth in extreme sports such as skateboarding, snowboarding, inline skating, and BMX. Various extreme sports were built around a culture of individuality and living life to the extreme. This culture is evidenced by the sponsors associated with these types of events, the outlandishness of many of the athletes, and the athletes' approach to competition. For example, Burton, a snowboarding apparel company, designed a two-layer Gore-Tex pant that looked like blue jeans for the 2010 Olympic Winter games. The distressed look of the pants went well with the carefree and loose culture of extreme sport.

A focus on the natural environment is another social trend that has gained more attention in recent years. Over the past several years, sport organizations have been emphasizing preservation of the environment while still maintaining high levels of entertainment. Sport organizations that have incorporated "green marketing" include the NFL's Philadelphia Eagles who have established the Eagles Forest, a 6.5 acre site to grow more than 1,500 trees and shrubs to replace their carbon footprint. The Eagles have also incorporated recycling and use of compostable concession products. The effects of these organizational decisions allowed the Eagles to power Lincoln Financial Field using 100% renewable wind energy for the 2008 season. These organizational decisions have influenced the marketing of the team with the initiation of the "Go Green or Go Home" campaign, playing off the organization's colors and the fact that spectators found littering are now kicked out of games (Philadelphia Eagles, 2011).

Legal/Political Environment

At times sport organizations will need to consider the legal and/or political environment when planning. Legal issues that typically influence sport marketers are trademark infringements, promotional liabilities, and ambush marketing. Sport organizations have an interest in protecting their brand through trademarks. Chapter 13 provides an in-depth discussion of legal issues associated with sport marketing. Outside organizations, attempting to exploit established brands, can engage in trademark infringement. Sport marketers must have established processes for monitoring the sport industry for potential infringements. Sport marketers must also be concerned with legal ramifications from promotional liabilities. On-court/field promotions have become an integral part of the fan experience and serve as creative marketing tools for increasing the sponsor's benefits. However, sport marketers may take an added risk when inviting spectators onto the court/field for a promotional activity. Sport marketers must be legally protected in the event injuries or other concerning issues occur



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during a promotion. Finally, the legality of ambush marketing is an issue sport marketers must be aware. While most forms of ambush marketing are legal, sponsors are contractually bound to the event/organization and therefore have a right in protecting the exploitation of the sport organizations. When this exploitation is jeopardized by ambush marketing tactics, sport marketers must be informed of any legal protection they can offer to their sponsors.

The need for sport organizations to gain political support is often centered on capital campaigns to build arenas and/or stadiums. Because the cost of arenas and stadiums has grown exponentially in the past 20 years, many sport organizations cannot afford to build these state of the art facilities without assistance. When the University of Louisville decided to build a new riverfront arena for the men's basketball program, the institution needed political support to secure bonds through Goldman Sachs & Co. In order for the university to get the necessary bonds to build the arena, they needed political figures like Mayor Jerry Abramson to support and promote the project. Without the help and support of political figures, they may have never obtained the necessary funds to finance the arena.

Competition

Marketers within the sport industry must have an awareness of how competition can impact the sport organization. An understanding of how competition affects the sport organization allows marketers the ability to make decisions on the marketing mix with less risk. Potential competitors can be in the form of both direct and indirect competition and will vary from market to market. For example, the University of Alabama and UCLA will market their football programs differently due to differences in competition. The University of Alabama has little competition from professional sports in their market area and few intercollegiate teams compete for fans, boosters, or sponsors. UCLA, on the other hand, competes in the same market as the University of Southern California (USC) and eight major league professional sports teams. In addition, their consumers have the option of going to one of many amusement parks, attractions, or beaches rather than attending a game.

Direct competitors consist of organizations that produce goods or services that are identical or very similar in both the product and benefit delivered to the consumer. An example of a direct competitor within the sport industry would be the relationship between the New York Mets and the New York Yankees. Both organizations produce professional baseball entertainment. In addition, both are vying for disposable income of residents within the New York City area. Because of the competition between these organizations, the promotional schedule of the 2010 season revealed no shared dates of promotional events.

Indirect competitors consist of organizations that produce products or services that are not similar but may offer comparable benefits to the consumer. Within the sport industry, entertainment is a core benefit sought by many consumers of sport products. Therefore, sport organizations that produce sport events must understand how other entertainment organizations affect their organization. Examples of indirect competitors to sport organizations consist of many other entertainment organizations such as restaurants, movies, and performing arts shows. For example, The Anaheim Ducks not only have to compete against the other professional teams in the Los Angeles area, but also have to compete with the various amusement parks, tourist attractions, concerts, and various outdoor recreation opportunities.

SWOT Analysis

After identifying relevant influences, organizations often conduct a situational analysis or **SWOT analysis**. In conducting this analysis, organizations identify factors to capitalize on (strengths and opportunities) and factors needing to be controlled or eliminated (weaknesses and threats). Strengths and weaknesses are internal and may include factors such as resources (human or financial), competencies, structural advantages, or product advantages.

Potential Organizational Strengths	Potential Organizational Weaknesses
<ul style="list-style-type: none"> • Product attributes • Financial capacity • Management experience • Community support • Brand image • Existing technology • Location • Facilities • Processes and procedures • History and tradition • Fan or participant loyalty 	<ul style="list-style-type: none"> • Product limitations • Financial restrictions • Lack of fan support • Brand image or reputation • Levels of product awareness • Technological competence • Lack of facilities or poor location • Lack of history or tradition

While strengths and weaknesses are internal factors, opportunities and threats are external factors (or out of the organization's control). These factors are typically related to the economic, social, technical, legal, or competitive environments.

Potential Environmental Opportunities	Potential Environmental Weaknesses
<ul style="list-style-type: none"> • Developing markets • Social movements or trends • New markets • Potential sponsors or partners • Economic growth • Advances in technology • Political and/or legal changes • Industry trends 	<ul style="list-style-type: none"> • Competitors • Environmental issues • Changes in community values • Labor, supplier, or transportation disputes • Economic conditions • Political or legal uncertainty

Goals and Objectives

Marketing goals provide direction for the marketing programs. They assist in defining the purpose of your plan, guide the planning process, and define what is to be accomplished. By setting goals, efforts are focused on the most important activities. Without goals, marketing programs are directionless and unfocused.

For example, the mission of the Louisville Sports Commission is to attract, create, and operate sporting events. Without direction, the organization would not know what types of events to bid on or host. The Commission must determine what type of events to target. It must be determined if large events, high-profile events, or the most competitive events should be targeted. Each type of event would take considerable time and effort to attract, and without direction, they may be wasting time on pursuing the wrong events for the city. In 2010, the organization set goals to attract sporting events that would fill hotel rooms, create opportunities for locals to participate in and watch, and promote a healthy lifestyle. As such, the organization has been able to attract events such as the NCAA Division II National Championships Festival and the World Cyclocross Championships. In addition, it has been able to identify which other events to pursue (Karman, 2010).

Although the terms “goals” and “objectives” are often used interchangeably, in this chapter goals are defined as broad, qualitative statements that provide direction. The following are some generic examples of sport marketing goals.

- Increase attendance
- Increase market share
- Increase sales
- Increase membership
- Raise participation numbers
- Increase profitability
- Create value for sponsors
- Enhance organization, cause, or community image
- Raise money for a cause or charity
- Promote a sport, location, or organization
- Create an advantage over competitors
- Enhance customer service

Marketing goals should be consistent with the organization’s overall mission and goals. If goals are not consistent, then the marketing plan may not yield favorable results. Different types of sport programs should have different types of goals, since each target different consumer segments. For example, organizations may have goals related to profit, image, or participation.

- Profit related goals (e.g., professional sports, major sporting events)—marketing goals should relate to generating revenue.
- Image related goals (e.g., charitable events, promotional events)—marketing goals should relate to generating awareness levels or generating a positive image.

- Participation related goals (e.g., recreation programs, intramural programs)—marketing goals should relate to generating numbers of participants or increasing repeat participants.

For each goal, **marketing objectives** are established. Objectives represent specific performance targets necessary to achieve each designated goal. Good objectives are specific, measurable, achievable, relevant, and timely (SMART) statements that support each marketing goal.

- **Specific**—Objectives should specify what needs to be accomplished. In many cases, the unit responsible is identified. Avoid statements like “work harder” or “be smarter.” Although they sound good, these types of statements are not measurable and provide little direction as to how to accomplish the stated objective.
- **Measurable**—Objectives should be quantifiable so that the organization can measure its progress in achieving its goals. It is important to be specific about how the organization should improve. For example, a minor league hockey franchise may desire to increase season ticket sales. The objective should be written to specifically identify what percentage of ticket sales stem from season tickets compared to individual game tickets.
- **Achievable**—Objectives should be reachable. Performance outcomes that are attainable should be developed relative to the organization’s available resources.
- **Relevant**—Objectives should connect to the goal in that if they are met, the goal will be met. Focus on performance outcomes that will have the most impact on the goal. Avoid objectives unrelated or only tangentially related to the marketing goal or organization’s mission.
- **Timely**—Many objectives will include deadlines for completing objectives.

The following is an example of some goals and objectives that a parks and recreation department offering swimming lessons may use. As you will note, each objective directly relates to the goal.

Goal—Increase participation in summer swimming lesson program.

Objective 1—Retain 80% of last year’s swimmers.

Objective 2—Register ten new swimmers for each section by the end of the early registration period.

Objective 3—Recruit eight youth groups to participate in lessons by July 1.

Objective 4—Increase participation in adult swimming lessons by 20%.

The following is an example of some goals and objectives that a professional bowling event may use. In this case, the organization has two goals, and the objectives are particular to each goal.

Goal 1—Increase overall revenue.

Objective 1—Sell 12% more all-tournament packages than last year's event by one month prior to the event.

Objective 2—Sell 200 walk-up tickets per session.

Objective 3—Sell 50 group tickets for each session by one week prior to the event.

Objective 4—Average \$6 per spectator in merchandise sales for the tournament.

Goal 2—Raise awareness of bowling in the community.

Objective 1—Double the number of mentions in local news coverage during the 60 days leading up to the event.

Objective 2—Operate ten youth bowling clinics in the 2-week period prior to the event.

Target Markets

One of the most important decisions marketers in any industry determine is which markets they will serve. Therefore, this section of the marketing plan provides an analysis of the consumer base. Customer analysis starts with addressing questions related to the ways in which the organization is meeting customers' needs. Typical questions to consider in this process include:

- What customer need is the organization meeting?
- How are customers currently meeting these needs?
- What can the organization offer to meet customers' needs?

From this analysis, marketers can address strategic opportunities.

- Is there interest in what the organization has to offer?
- Are there underserved markets the organization can reach?
- Can the organization offer new benefits to existing customers?

This section of the marketing plan should also provide a detailed description of the market. This portion of the marketing plan must also include information on market size, market trends, customer profiles, and purchase patterns. The following is a sample of some information a roller skating center may include in its plan in order to better understand its consumer market:

- According to data from a 2009 Synovate online panel, traditional roller skating (2x2) participation went from 8.9 million in 2007 to 7.8 million in 2008, a drop of 11.9%. Inline skating went from 10.8 million in 2007 to 9.6 million in 2008, a drop of 11.2%.

- In 2009, SGMA reported that roller hockey participation dropped from 1.8 million in 2007 to 1.6 million in 2008. Roller hockey participation had dropped 60% over the last eight years. Over 60% of roller hockey players played either at home or at a public facility.
- According to Roller Skating Association International (RSA), traditional roller skating has diminished among adults, but is still popular among 7–14 year old children. They report skating centers receive 23 million visits from “twens” each year and 18 million visits from younger children.
- According to a Matrix Group survey, more than 20 percent of indoor skaters skate between 31 and 99 times per year, while 12 percent go at least 100 times per year. In that same survey, participants ranked the reasons why they skate: It is fun (94%); my friends go (82%); I like the music (82%); I want to get out of the house (79%); I meet new people (70%); and it is a healthy activity (67%).

This information should be key in segmenting the market and identifying target markets. Organizations rarely try to market to every consumer. Instead, organizations identify smaller, homogenous groups with similar characteristics or similar needs. Marketers often identify segments using the following criteria:

- Demographic segmentation—dividing the market based on attributes such as age, gender, socio-economic status, geographic region, and education.
- Psychographic segmentation—dividing the market based on psychological characteristics such as lifestyle, attitudes, personality, opinions, and values.
- Product usage—dividing the market based on how often or how much consumers use the product.
- Product benefits—dividing the market based on the benefits consumers seek from an event.

After segmenting the market, marketers must identify and select **target markets**. Target markets are the segments for which marketers feel they will have the most success pursuing. Marketers should select targets based on a thorough analysis of consumer data, and choices should be consistent with marketing objectives. By identifying distinct targets, marketers can design strategies and tactics to meet the precise needs of each target. For example, Major League Baseball’s Tampa Rays have a program to cater to the needs of their “senior” fans, a significant population in the Tampa Bay area. The Golden Rays are the official seniors fan club of the Tampa Bay Rays. Fans 55 and older can join and receive special ticket offers, invitations to exclusive Golden Rays events, and an official Golden Rays tote bag (Raysbaseball.com, 2011).

Organizations must also consider how they will position themselves relative to competition and in the mindset of consumers. **Positioning** refers to the process in which marketers try to create an image for their organization, goods, or services in the mind of their target markets (Reis and Trout, 1981). Organizations have multiple benefits to offer consumers, but marketers often focus on a few key benefits that are most important to their respective target

markets. Many descriptions can be used to describe minor league baseball: traditional sport, family fun, developmental league, low price, interesting ballparks, star players, etc. Trying to communicate all of these benefits to consumers may leave them confused. Instead, marketers will often identify and promote the benefits most important to their target market. For example, minor league baseball's Round Rock Express, realizing its target market consisted mostly of families, positions itself as family entertainment. By doing this, the franchise hopes its target market will perceive its games as an ideal place for family fun. Further, organizations often position themselves against competitors. Curves, a health club, positions itself as a club exclusively for women wanting to include exercise as part of their busy routine. When customers in their target market (women with careers and children) are considering a health club to join, this position makes Curves stand out against the bevy of competitors such as Gold's Gym, Urban Active, and other similar clubs.

Marketing Strategy

In this section, marketers describe their marketing strategies and tactics, or in other words, their game plan (Miller, 1997). Marketing strategies typically refer to what is to be accomplished based on established goals and objectives, and marketing tactics are the strategies developed to accomplish the goals (Stotlar, 2009).

Marketers develop strategies in relationship to the marketing environment. Considering each organization faces different environmental factors and challenges, strategies are likely to vary greatly between organizations. Despite this, marketers can use some basic models to guide the development of strategies. The following section presents two common models marketers often used in identifying marketing strategies: The Ansoff Product-Market Growth Matrix (1965) and Porter's Generic Strategies (1980).

The Ansoff Product-Market Growth Matrix outlines four common strategies determined by the organization's desire to reach existing or new markets or its desire to offer existing or new products. The following is a definition of each strategy with examples of how a horse racing operation might utilize each strategy:

- **Market penetration**—Offer an existing product to an existing market. Organizations achieve this strategy by getting existing consumers to consume more or gain competitors' customers. One example of a horse racing operation utilizing this strategy would be the use of a rewards program offering perks for their customers based on how often they used the facility's services. In this case they are offering the same product (live racing) to the same customers (racing enthusiasts), but they are able to increase their business by getting these consumers to consume more.
- **Market development**—Offer an existing product to a new market. Organizations achieve this strategy by presenting existing products in a way that will attract new consumer groups. An example of market development would be one of the many programs horseracing operations offer to attract new consumers to their products, such as college nights or family promotions. The racetrack is still

offering an existing product (live racing), but adjusting or adapting the product to attract consumers beyond the typical racing enthusiast.

- **Product development**—Offer a new product to an existing market. Organizations achieve this strategy by creating or offering something new to current customers. Many horse racetracks have accomplished this by offering simulcasts of races at other tracks during times their racetrack is not hosting live races. Existing customers (racing enthusiasts) now have another product (races at other sites) upon which they can wager.
- **Diversification**—Offer a new product to a new market. Organizations achieve this strategy when they use existing capabilities to create a new venture. Many racetracks, realizing they have existing capabilities to host large events and crowds, have started offering concerts. The organization is offering a new product (concerts) to new customers (music fans) and is able to do so efficiently due to their expertise in event promotion, ticketing, concessions, parking, crowd control, etc.

Porter's (1980) generic strategies are three basic strategies related to gaining a competitive advantage. The following is a definition of each strategy with examples of how a soccer camp could take advantage of each strategy:

- **Differentiation strategy**—Offer a product with unique attributes or benefits competitors do not offer. A soccer camp may promote itself as the only camp in the region where campers get to participate on a professional field (or receive instruction from professional coaches, or compete against top teams, etc.). The key here is to illustrate the desired attributes or benefits your product offers that your competitors do not offer.
- **Focus strategy**—Offer a product to a narrow market. This allows you to focus better on the needs of a small group. A soccer camp may choose to become a “goalkeeper camp.” While limiting the operation to goalkeepers only, the market is much smaller; however, this may make the camp more attractive to kids playing goalkeeper because it focuses on their specific needs.
- **Cost leadership strategy**—Offer a product with a price lower than that of your competitors. A football camp may decide to drop its prices to make the camp seem more economical than competitors' camps.

Once planners identify strategies, they move to identifying tactics necessary to implement the marketing plan. Tactical planning addresses shorter-term actions necessary to implement longer-term marketing strategies (Boone and Kurtz, 2010). Marketing tactics are the specific solutions developed to meet marketing strategies, and tactical planning guides the implementation of specific marketing strategies. Marketing tactics often revolve around how to manage the marketing mix. The marketing mix is a set of marketing decisions related to the 4 P's—product, price, promotion, or place (also known as distribution).

Product Decisions

Product decisions are related to the goods and services the organization offers. In sport, the product is usually an intangible service (sporting event, recreational program, club membership, sponsorship, etc.) rather than a good (sporting goods). As such, sport marketers tend to make product decisions based on the experiential nature of the product rather than the physical characteristics. For example, the NBA's Golden State Warriors marketing team has no control over how the team plays, but it can influence how consumers may feel about the product. The organization desired to give its brand image a boost by reminding fans of its glory years. To enhance this strategy, the franchise created a new logo and unveiled new uniforms for the 2010-2011 season which featured a classic design and incorporated the same royal blue and yellow color scheme used from 1964-1997 (Thompson, 2010).

Some examples of product decisions are:

- Product development—what goods and services will you offer?
- Brand image—what will you call your program or event?
- Attributes—what attributes need to part of your goods and services to influence customers?
- Benefits—what are the important benefits your consumers seek from your product?
- Extensions—what are the amenities and related products that add to the consumer's experience?

Price Decisions

Price decisions are related to how much will be charged to spectators, participants, or sponsors for the products offered. Similar to product decisions, pricing decisions can be difficult due to the experiential nature of sport. In addition, the value of sport is often quite subjective, further complicating pricing decisions. For example, the value of a round of golf is only as much as what people are willing to pay or what the market will allow. When the number of rounds played dropped dramatically in 2009, Myrtle Beach's golf courses knew they had to adjust their pricing strategies. Demand had dropped, so area courses dropped their rates and provided other bargains, increasing the perceived value



Courtesy of Sal DeAngelis

to the customer and stimulating golfers to play more rounds. The result was increased revenue due to increased volume (Blondin, 2010). This is a prime example of how an economic threat to an organization can also serve as an opportunity for an organization to reconnect with its consumer base and generate additional revenues.

Some examples of pricing decisions are:

- Purchase price—what price will you set for your various goods and services?
- Pricing strategies—should you set a high price to maximize revenue or a low price to encourage participation?
- Discount policies—when and how would you lower your prices?
- Price lining—should you set different prices for different levels of the product (premium seats, full-service memberships, etc.)?
- Payment policies—when and how will you collect payment?
- Bundling—what added benefits will come with each purchase?

Promotion Decisions

Promotion decisions relate to communication with target consumer segments. In sport, promotion decisions can relate to a variety of goals such as creating awareness, stimulating demand, encouraging product trial, and retaining loyal consumers. In 2009, for example, the San Francisco Giants, with the goal of attracting a new target market, created Filipino-American Heritage night. The team brought in popular boxing champion Manny Pacquiao to throw out the first pitch, offered cultural entertainment from local Filipino performance groups, and gave away a special edition Filipino-themed Giants tee shirt. The team credited the promotion with bringing in an additional 10,000 fans for the night, many of whom were attending their first game (Rovell, 2009).

Some examples of promotional decisions are:

- Promotional objectives—what do you want to accomplish through your promotional program?
- Promotional budget—what will you spend and where will you spend it?
- Message content—what will you say to consumers and how will you say it?
- Promotional strategies—will you use sales promotion, advertising, direct sales, public relations, etc.?
- Media selection—what method will you use to transmit your message to your target audience?

Place Decisions

Place or distribution decisions relate to how you get the product to the consumer or how you get the consumer to your product. It would not make sense to have a great product if your consumers could not access it (Smith, 2008). These decisions typically relate to getting the

product to the consumer when they want it and where they want it. For example, the Portland Timbers soccer club plays at a stadium located in a downtown area with little parking. To make it easier for its customers to attend games, the team reached a deal with the local transportation authority to include ride fares on the city's light rail system with ticket plans.

Some examples of place decisions in sport marketing are:

- Location—where will you hold your events or activities?
- Facilities—what facilities will you use?
- Access—where will your products be available?
- Time—when will your products be available? When will you hold your events/activities/programs?
- Duration—how long will your events/activities/programs be?
- Distribution agents—will you use wholesalers, retailers, media, etc., to deliver your product to your consumer?
- Inventory—how will you manage your inventory (tickets, memberships, registrations)?

Implementation

In addition to identifying *what* strategies and tactics are necessary, the marketing plan should identify *how* to implement these tactics. Poor implementation and coordination has ruined many great ideas (Mullin, Hardy, and Sutton, 2007). In these cases, the organization may not have had sufficient resources, appropriate procedures, organizational support, trained staff, or the level of coordination necessary to execute the marketing plan. For example, the Louisville Fire indoor football team planned a team jersey giveaway for one of its home games knowing this would attract many young football fans to the game. The franchise was correct as the team generated increased ticket sales for this event. However, the team had neglected to order jerseys far enough in advance to disperse the jerseys at the designated game. Instead of having happy new fans eager to attend additional games, the franchise faced many angry parents swearing to never attend another game.

Implementation of the plan should address three factors related to each tactic: 1. each task necessary to implement the tactic; 2. people responsible for executing each task; and 3. the timeframe for each task (Luther, 2001). It is important to consider *all* the necessary tasks. Imagine marketing a baseball game with a “wet and wild” promotion predicted to be a major revenue generator. A frozen t-shirt contest, water balloon contests, and a slip and slide for on-field fun after the game has been planned for the event. Marketers must consider what is necessary to ensure the success of the event. Some considerations might include

- Obtaining approval from management to run the promotion
- Securing permission from the grounds crew (they are likely to be protective of their field)

- Generate a budget for the promotion and obtain funding
- Work out the details with the facility
- Train the staff on how to run the event
- Order materials
- Have materials set up and ready to go
- Try out the contests and activities in advance to ensure everything will work
- Consider how to minimize risks to make sure no one gets hurt
- Promote the promotion (the event cannot be successful if no one shows up)
- Schedule activities
- Write the public address script
- Mobilize security and ushers to make sure things don't get out of hand
- Develop contingency plans (i.e., what if it rains? what if someone gets hurt?)

After identifying everything needed to implement the plan, the plan must be implemented. At this stage, the marketer transitions from being a planner to an organizer and a leader (Shank, 2009). Timing and coordination are crucial as many activities occur simultaneously and at multiple times. Consider a management team developing a plan for a college football game. When developing its marketing plan, the need to improve customer service may have been identified and thus, strategies for improvement were developed. The marketers cannot execute this plan single-handedly. Instead, they must coordinate activities with parking attendants, ticket takers, concessionaires, ushers, and a host of other people who encounter the customer.

Evaluation

This section of the sport marketing plan is concerned with evaluating the level of success of the marketing plan. Evaluation is the process of comparing results against objectives to determine whether specific strategies or tactics were appropriate in meeting objectives. If the results of the plan met or exceeded objectives, marketers know strategies are appropriate and should likely continue with established tactics. In cases in which results do not match objectives, marketers must adjust, modify, or completely change future marketing plans.

Evaluation is an ongoing process that takes place throughout the entire planning process as well as the end of the process. This allows decision makers to adjust their marketing plans as issues arise throughout the implementation of the plan. Considering many sport marketing plans cover long periods of time, it is important to build in specific points of evaluation throughout the plan's implementation so that problems can be identified and corrected in a timely manner. For example, a professional football team may review customer service data after each game to rectify problems prior to the next game.

Marketing Plan Summary

The final section of the marketing plan is a summary of the key elements of the plan. In this section, remind the reader of the goals and objectives and summarize the activities necessary to reach those goals and objectives (Stotlar, 2009). Sometimes this section will be in the form of an executive summary, which appears at the beginning of the plan.

Key Questions to Address in a Marketing Plan

Introduction

- ▶ What is the organization's mission?
- ▶ What are our current products and who are our customers?
- ▶ What were the results of prior marketing efforts?

Data and analysis

- ▶ What are our internal considerations?
- ▶ What are our external considerations?
- ▶ How can we assess our strengths, weaknesses, opportunities, and threats (SWOT)?

Goals and objectives

- ▶ What are the overall marketing goals?
- ▶ What specific objectives need to be set related to those goals?

Target Markets

- ▶ How can we describe the market?
- ▶ Who are our target markets and how can we describe them?
- ▶ How will we position our product in the minds of our target markets?

Marketing Strategy

- ▶ What is the long-term marketing strategy?
- ▶ What tactics are necessary to accomplish the marketing strategy?
 - Product
 - Price
 - Promotion
 - Place

Implementation

- ▶ What tasks are necessary to implement the tactic?
- ▶ Who is responsible for executing each task?
- ▶ What is the timeframe for each task?

Evaluation

- ▶ How will we evaluate the effectiveness of the plan?

Summary

Effective marketing requires a significant amount of consideration and planning. Without this effort, the overall plan is directionless and much less likely to succeed. A significant part of the planning process involves collecting and analyzing the appropriate data in order to make educated decisions. Then, planners can identify goals and objectives, select appropriate target markets, identify tactics incorporating the four P's, and develop plans for implementation and evaluation.

Discussion Questions

1. What do organizations hope to accomplish through a strategic sport marketing approach?
2. Why is it essential to understand the internal environment and external environment before setting goals and developing tactics?
3. What are the criteria for setting good objectives?
4. In what situations would a differentiation strategy be most appropriate? When would a focus strategy be most appropriate? When would a cost leadership strategy be most appropriate?
5. Why is it important to include a plan for implementation in your overall marketing plan?

Critical Thinking Exercises

Assume you have been chosen to market a Women's Flat Track Derby Association (WFTDA) Roller Derby Regional Tournament. The event will be three days long featuring some of the best roller derby teams in the region. The top three teams will advance to the WFTDA National Tournament. Flat track roller derby is a contact, team-sport featuring two teams of five players on the track at once. Since the sport first gained prominence in 2001, it has grown to include teams in more than 400 leagues. Leagues are mostly made up of young (20–30 year old), amateur, all-girl teams who compete at local roller rinks. Through the sport, organizers hope to promote a positive, athletic, strong, female image.

1. Why would it be important for you to develop a marketing plan for this event?
2. What types of information would you need to market this event?
3. Identify and evaluate the organization's internal strengths and weaknesses.
4. Identify and evaluate environmental opportunities and threats.
5. What would be some appropriate goals and objectives?
6. How would you evaluate the success (or failure) of your marketing plan?

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