SPORT MARKETING IN THE WESTERN CAPE

WITH SPECIFIC REFERENCE TO THE

IMPLICATIONS FOR TOURISM

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and has not previously in its entirety or in part been submitted at an university for a degree.

SIGNATURE:

DATE:

ABSTRACT

Sport organisations in the Western Cape are finding it increasingly difficult to survive. The major problem seem to be a lack of financial resources, but the financial position of any sport organisation is the culmination of a number of factors which directly or indirectly influence the financial status of these organisations.

It is clear that sport organisations did not develop at the same pace as other business enterprises, with the result that they are still managed on an informal basis and, in many instances, by volunteers. It is therefore easy to realise why virtually no active marketing of sport organisations is currently being undertaken. It is absolutely necessary that sport organisations start applying the principles of the marketing science if they want to ensure their survival. A total transformation of the organisation might be required and the best way to face this possibility, is to undertake a process of strategic planning.

The sport organisation will then be forced to look at all aspects of its operations in a scientific manner. Strategies should be devised in terms of each one of the elements of the marketing mix for sport organisations, namely the sport product, price, place, promotion and public relations.

It is also clear that co-operation amongst sport organisations is vitally important in terms of the development of the sport industry. In addition, the appointment of professional marketing personnel will ensure the proper implementation of the sport organisation's marketing plan.

The key marketing success factors for the marketing of sport are presented in order to provide sport organisations with guidelines which could be of assistance in the planning process. The relevance of these success factors will be determined in each case by the nature and extent of operations of the organisation.

The implications of sport marketing for the promotion of tourism in the Western Cape are also considered. This is done primarily in the form of major sport events and its influence on the tourism industry.

This study proposes various recommendations for sport marketing and sport tourism. The outstanding feature of these recommendations is the recognition of the need for an organisation to foster co-operation amongst sport organisations and also between the sport industry and the tourism industry.

It is generally recognised that tourism in South Africa has potential for enormous growth over the next few years. In this regard, it is important to realise that sport has a unique role to play in the promotion of tourism in the Western Cape. Sport organisations are seemingly not aware of their current and future contributions to tourism, with the result that there is a lack of interaction and co-operation between sport organisations and the tourism industry. This situation will have to be addressed in order to integrate sport into a tourism strategy for the region.

OPSOMMING

Sportorganisasies in die Wes-Kaap vind dit al moeiliker om te oorleef, hoofsaaklik om finansiële oorwegings. Die finansiële posisie van enige sportorganisasie is die resultaat van die direkte of indirekte invloed van 'n aantal faktore op die finansiële status van sodanige organisasies.

Dit is duidelik dat sportorganisasies nie teen dieselfde pas ontwikkel het as ander sake-ondernemings nie, met die gevolg dat hierdie organisasies steeds op 'n informele basis en deur vrywilligers bestuur word. Dit is dus duidelik waarom daar huidiglik byna geen aktiewe bemarking van sportorganisasies plaasvind nie. Dit is absoluut noodsaaklik dat sportorganisasies die beginsels van bemarking op 'n wetenskaplike basis toepas om sodoende hul oorlewing te verseker. Dit mag 'n totale transformasie van die organisasie vereis en die beste manier om hierdie moontlikheid te aanvaar is om 'n proses van strategiese beplanning te onderneem.

Die sportorganisasie sal dan verplig word om wetenskaplik na alle aspekte van sy bedrywighede te kyk. Strategieë moet dan ontwikkel word in terme van elkeen van die elemente van die bemarkingsmengsel vir sportorganisasies, naamlik die sportproduk, prys, plek, promosie en eksterne betrekkinge.

Dit is ook duidelik dat samewerking tussen sportorganisasies uiters belangrik is in terme van die ontwikkeling van die sportbedryf. Daarbenewens sal die aanstelling van professionele bemarkingspersoneel die korrekte implementering van die sportorganisasie se bemarkingsplan verseker.

Die belangrikste faktore wat die behoorlike bemarking van sport sal verseker word voorgestel om sodoende riglyne, wat waardevol in die beplanningsproses kan wees, aan sportorganisasies te verskaf. Die toepaslikheid van hierdie faktore word in elke geval bepaal deur die aard en omvang van die bedrywighede van die organisasie.

Die implikasies van die bemarking van sport vir toerisme in die Wes-Kaap word ook in oënskou geneem. Dit word hoofsaaklik gedoen na aanleiding van die invloed van groot sportgebeurtenisse op die toerismebedryf.

Daar word algemeen aanvaar dat toerisme in Suid-Afrika groot potensiaal vir groei in die volgende jare inhou. In hierdie verband is dit belangrik om te besef dat sport 'n unieke rol het om te speel in die bevordering van toerisme in die Wes-Kaap. Sportorganisasies skyn nie bewus te wees van hul huidige en toekomstige bydraes tot toerisme nie, met die gevolg dat daar 'n gebrek aan interaksie en samewerking tussen sportorganisasies en die toerismebedryf bestaan. Hierdie

situasie sal aangespreek moet word om die insluiting van sport in 'n strategie vir toerisme in die streek te verseker.

Hierdie studie maak sekere aanbevelings ten opsigte van die bemarking van sport en die invloed van sport op toerisme. Die uitstaande kenmerk van hierdie aanbevelings is die besef dat daar 'n behoefte bestaan aan 'n organisasie wat samewerking tussen sportorganisasies, asook tussen die sportbedryf en die toerismebedryf, sal verseker.

ACKNOWLEDGEMENTS

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CHAPTER 1

INTRODUCTION

CHAPTER 1

INTRODUCTION

1.1 Introduction and background

South Africa has returned successfully to international sport and all the major competitions after important political changes have been made since 1990. The opportunities created for businessmen are in some instances even bigger and better than for sportsmen and sportswomen. A number of major sport events have already been staged in the country, but the list of future events is even more impressive, including the possibility of the Olympic Games in 2004.

It is against this background that the possibilities for tourism and the marketing of sport must be viewed.

1.1.1 Definitions

A clear definition of the term tourism must be established in the first instance. It must be realised that a number of definitions already exist and that the complexity of modern society can make it extremely difficult to narrow it down to a simple definition. Three definitions will therefore be offered, including a description of the tourist.

Smith (1989, p.1) states that in general, a tourist is a temporarily leisured person who voluntary visits a place away from home for the purpose of experiencing a change. The motivations for individuals to travel are therefore many and varied, but the writer indicates that the foundation of tourism rests on three key elements which form the following equation:

$$\text{TOURISM} = \text{LEISURE TIME} + \text{DISCRETIONARY INCOME} + \text{POSITIVE LOCAL SANCTIONS}$$
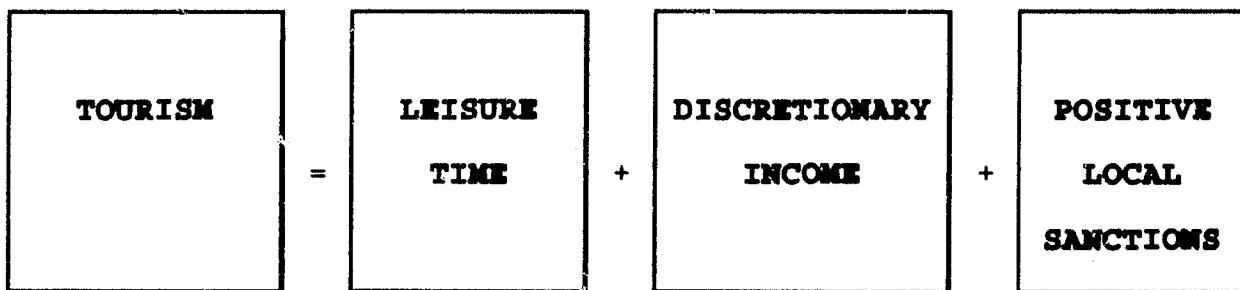
All three elements must be operative at a given point in time for the equation to be in balance.

Peters (1972, p.15), in trying to define tourism, finds it convenient to concentrate on the tourist in his outline. He describes tourists as temporary visitors staying at least twenty-four hours in the destination visited and the purpose of whose journey can be classified under one of the following headings:

-    Leisure (recreation, holiday, health, study, religion, sport).

-    Business, family, friends, meetings and mission.

Possibly the most complete and appropriate definition of tourism

is found in the Executive Summary of the Tourism Situation Analysis of the Western Cape Region (1994, p.5). Tourism is described as the temporary movement to destinations outside the normal home and workplace, the activities undertaken during the stay and the facilities created to cater for the needs of tourists. This definition highlights four elements, functioning within the supply and demand forces of the free market system, being:

- The consumer/market

- Destination area

- Information/marketing

- Transportation/travel

These four elements are all reflected in the tourism system as portrayed in Figure 1.

FIGURE 1:   THE TOURISM SYSTEM

POPULATION
Interest in Travel
Ability to Travel

INFORMATION
PROMOTION

TRANSPORTATION
Volume and
Quality of all
Modes

ATTRACTIONS
Resources Development
for Quality
Visitor Satisfaction

SERVICES
Variety and Quality
of Food, Lodging,
Products
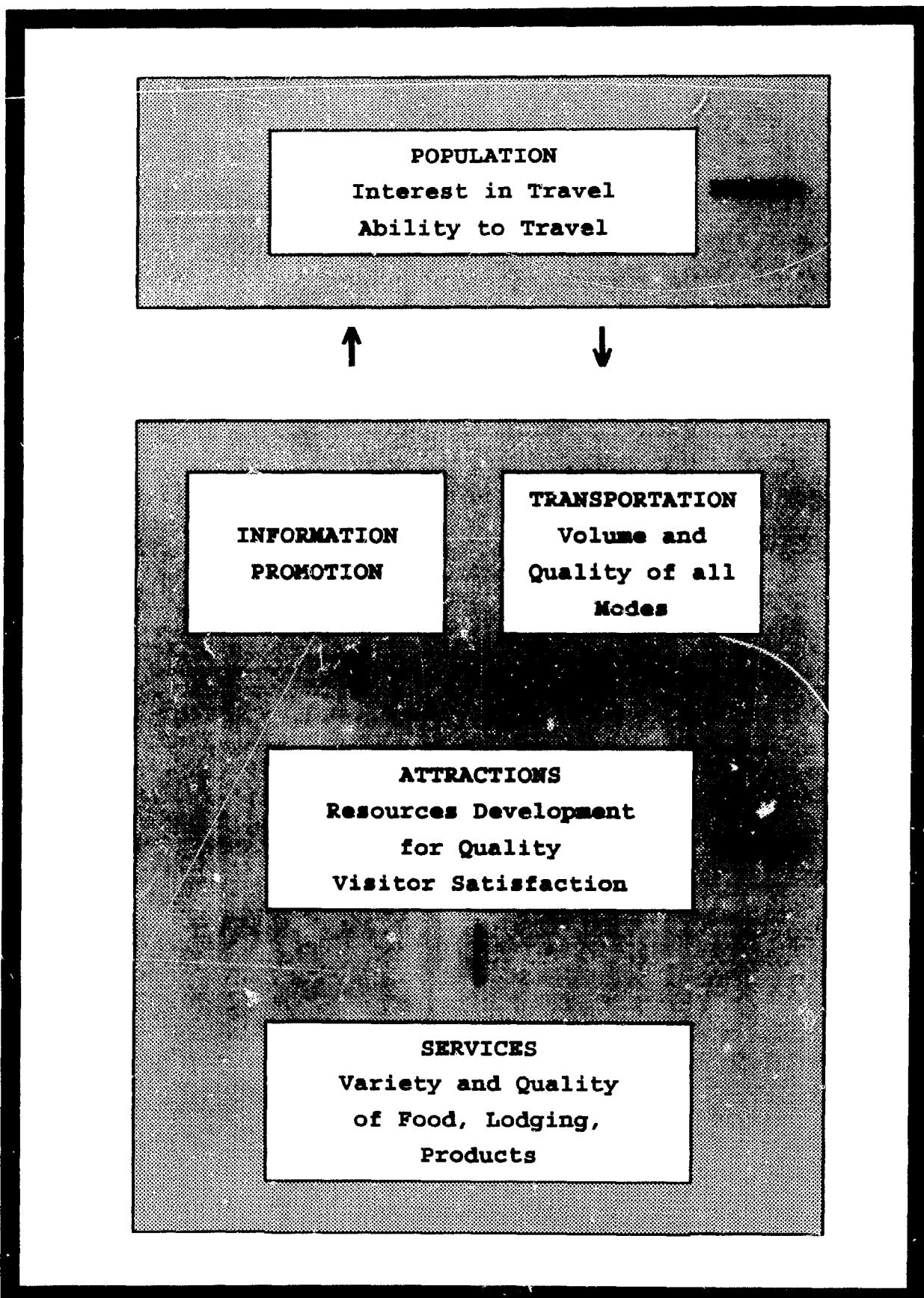
Source: Tourism Situation Analysis of the Western Cape Region,
Executive Summary 1994, p.5.

It is also necessary to explore definitions for sport and sport tourism. The Human Sciences Research Council Sports Investigation (No.2, 1982, pp.5 & 18), gives clarification regarding the essence of sport by means of the following six propositions:

- Sport is essentially play and contains elements of recreation.

- Sport is essentially competition.

- Sport is characterised essentially by fairness and justness.

- Sport requires exertion and preparation.

- Sport should be positive and constructive and to the advantage of man.

- Sport should be worthy of human beings: it should serve man and not vice versa.

These propositions culminate in the formal definition, which describes sport as a human action that is coupled with physical exertion, is closely associated with a playing area, equipment and generally - accepted rules. It also implies motor skills of the participants, coaching and goes hand in hand with organisation and planning.

There is currently no formal definition for sport tourism, but it can be derived from the definitions given for tourism and the tourist and within the framework of what is regarded as sport. The activities undertaken during the stay of the tourist must however be directly related to either participating in or attending a sport event, a series of similar sport events or a number of different sport events. An attempt at a formal definition could be as follows: Sport tourism is the temporary movement to destinations outside the normal home and workplace with the object to participate in or attend a sport event or sport events and by making use of the facilities created for this purpose.

A definition of sport marketing also needs to be considered at this stage. Mullin, Hardy and Sutton (1993, p.6) offer the following definition: "Sport marketing consists of all activities designed to meet the needs and wants of sport consumers through exchange processes. Sport marketing has developed two major thrusts: the marketing of sport products and services directly to consumers of sport; and marketing of other consumer and industrial products or services through the use of sport promotions".

The authors also make it clear that the term sport consumers encompasses many types of involvement with sport, including playing, watching, officiating, listening, reading and collecting.

1.1.2   Sport and Tourism in South Africa

Within the international tourism context, South Africa is still a small player with less than a one percentage share of the international tourism market. Within the national economy, the tourism industry makes a substantial contribution, maintaining a growth rate in excess of ten percent per year and having created 423 000 job opportunities throughout South Africa up to the end of 1993. In spite of the tremendous growth rate, the South African tourism industry's contribution to the Gross National Product (GNP) has never exceeded two percent, which is still way behind the accepted world average (Finansies & Tegniek, 15 May 1992, p.56 and Finansies & Tegniek, 5 November 1993, p.74).

The South African tourism industry has potential for enormous growth over the next few years and already the figures for overseas tourists visiting the country seem to increase all the time. It is however obvious that most of the country's potential as a tourism destination is still untapped and that everything possible must be done to encourage tourism. The tourism industry will indeed be forced to make its rightful contribution to the overall economy of the country as well as the Reconstruction and Development Programme (RDP) of the government.

One area which seemingly has been neglected and even ignored in the promotion of tourism in the past, is the sport industry. All indications are however that this situation will change

significantly in the future. An important new component of the South African Tourism Board's (Satour) marketing plan is to promote South Africa as a destination for major sport events (Finansies & Tegniek, 5 November 1993, p.74). Dr. Ernie Heath, Chief Director of Tourism Promotion for Satour, believes that sport is an enormous untapped source of tourism and foreign exchange. Recent international sport events staged in South Africa underline this belief. During the 1993 rugby series between South Africa and Australia, the number of Australian visitors to the country increased by 30,7%, while the number of visitors from Nieu-Zealand increased by 71,8%.

The contribution that sport can make to tourism in particular as well as the total economy of the country can best be illustrated by considering the impact of the Formula One Grand Prix held at Kyalami in 1992 and 1993. The total impact for both years is given in Table 1.

TABLE 1: **THE ECONOMIC IMPACT OF THE FORMULA ONE GRAND PRIX**

DIRECT SPENDING	1992	1993
16 Racing Teams	R 4,56m	R 2,3m
Foreign Media	R 3,66m	R 1,3m
Grand Prix guests & personnel	R17,30m	R11,3m
Foreign tourists	R16,66m	R10,1m
Local tourists	R 4,05m	R 1,4m
Company entertainment costs	R 5,06m	R 2,3m
Confidential costs	R14,60m	R16,0m
Other	R 1,11m	R 4,1m
TOTAL DIRECT SPENDING	R67m	R48,8m
INDIRECT SPENDING **(ONLY CERTAIN ITEMS)**	1992	1993
Hotel industry	R 4,7m	R 4,4m
Vehicle hire	R800 000	R152 000
Catering	R 2,3m	R 1,7m
Transport (local airline)	R 2,85m	R780 000
Transport (other)	R700 000	R155 000
Tax (VAT)	-	R 4,2m
Other	R95,85m	R66,71
TOTAL INDIRECT SPENDING	R107,2m	R78,1m

Source: Adapted from: Finansies & Tegniek, 5 November 1993, p.74.

South Africa also earned a tremendous amount of foreign exchange as a result of the two events. In 1992, R39,91 million of the R67 million in direct spending was attributed to foreign exchange, while R25,6 million of the R48,8 million in 1993 was foreign spending (Finansies & Tegniek, 5 November 1993, p.74).

With revenue of this magnitude possible when hosting major international sport events, there is great excitement for the possibility of hosting the Olympic Games in 2004.

1.1.3   Sport and tourism in the Western Cape

Cape Town has been hailed in many circles and on many occasions as one of the most beautiful cities in the world. It is therefore not surprising that Cape Town and the Western Cape region is extremely popular with both local and foreign tourists.

Some of the outstanding features which make the region the ideal tourism destination include the following: (Opportunities in Western Cape Tourism, 1993, pp.6-11).

-     Cape Town and environs are set in unparalleled scenic splendour. These include Table Mountain, the snow-white beaches, fertile winelands and huge expanses of forest, "fynbos" and wild flowers.

-     With Cape Town being South Africa's oldest city, the area has a strong sense of history, including the 17th century

Castle and over 60 museums open to the public.

- The Cape Winelands bring together stunning scenery, exciting wines and exquisite cuisine.

- The Victoria and Alfred Waterfront is a paragon of inner-city renewal and a booming business success. Attractions include restaurants, wine bars, taverns, hotels and craft centres.

- Cape Town is home base to a number of large South African and African industries, including oil, insurance, textiles, wine and retailing. The city is also the seat of South Africa's parliament.

Over the years, the Western Cape has consolidated its position as the most popular destination in Southern Africa for overseas tourists, with 73% of all overseas visitors to the country making a visit to the Western Cape. Concerning domestic tourists from outside the region, the Western Cape is the country's most important destination in the summer season with a 36% share of the domestic market (Tourism Situation Analysis of the Western Cape Region, Executive Summary, 1994, p.11).

Cape Town's image as South Africa's tourism mecca has however been negatively affected by a city council survey that exposes grave shortcomings in both service and infrastructure (Financial Mail, 12 November 1993, p.105). The main constraints on

developing the city's tourism potential are regarded as:

- A lack of promotional co-ordination.

- Air transport, especially the domestic service, is described as restrictive and expensive.

- Road and rail transport is considered inefficient, expensive and unsafe.

- Sedan taxis (not minibuses) are identified as unco-ordinated, expensive and substandard.

- The cost of tourism orientated merchandise and accommodation is high.

- Service is deemed below international standards, with Capetonians lacking a tourism culture and an understanding of the role of tourism in the region's economy.

- Shopping hours do not suit tourists, night life in the central city does not exist and litter and pollution are no longer under control.

- Long-discussed projects such as building a big conference centre and the upgrading of the airport and the Table Mountain cable car have not come to fruition.

The contribution of sport to tourism in the region is apparently either non-existent or it is not generally recognised. This situation is substantiated by the fact that there is a lack of sport venues of true international standard. In view of this, and also generally, the range of sport events is limited. Against the background of the huge tourism market for the region, this is indeed a disappointing situation. With South Africa's re-entry into the international sport arena, the Western Cape region, like the rest of the country, will get a number of opportunities to use sport as a vehicle for business. Even more important will be the possibilities which can be created for the sport industry to become an integral part of the total strategy for tourism in the region.

The city has an outstanding chance to host the Olympic Games in 2004. Some of the major games of the 1995 Rugby World Cup have also been played in the Western Cape. These events must be used to develop the region's potential to become a major centre for sport events.

There is general consensus that a lot of work has still to be done before this can be achieved. The major constraint is the fragmented sport fraternity with the accompanying lack of integration, both vertically and horizontally, amongst the various sport codes.

Add to this the finding of the city council survey that promotional efforts in the region are in general seen as

fragmented, duplicated and expensive (Financial Mail, 12 November 1993, p.105). The challenge to the tourism and sport industries is not an easy one. The opportunities are however increasing all the time to turn the tremendous potential of both industries into reality.

1.2 **Problem statement**

The tourism industry in South Africa has potential for tremendous growth over the next few years. With the identification of the huge potential of the industry, comes also the realisation that largely due to fragmentation, there are shortcomings in service as well as infrastructure.

The Western Cape region in particular has the potential to develop into one of the most sought-after tourism destinations in the world. Some of the unique attractions of the region have already been mentioned. The region is however struggling with the same problem as the rest of the country. The promotional efforts are generally seen as fragmented, duplicated and expensive.

The notion of a rational system for the marketing of sport is also relatively new. There is an emerging need to employ modern marketing principles to the domain of sport (Mullen, Hardy & Sutton, 1993, pp. 2-4). With the huge increase in media exposure of sport events, it might be expected that sport marketing has become progressively easier over the last few years. There are

however strong indications that exactly the opposite is true. Organisations of all types compete for the consumer's discretionary time and money. It is also generally accepted that the consumer's discretionary income will not increase dramatically in the next few years. Within the context of the current state of the economy in South Africa, it is reasonable to consider that the level of discretionary income might even decrease. Sport consumers have also become more complex in their needs as well as their demographic composition. The sport industry will have to recognise these changes and develop strategies to attract and retain consumer support.

In South Africa there is seemingly a complete ignorance when it comes to the marketing of sport in general as well as the marketing of individual events. Advertising and promotion campaigns are limited to a few prestige or international events. The lack of proper promotion is already evident in the half-filled stadiums at rugby and cricket matches around the country. In the past, these stadiums were filled from week to week without any significant promotion being done. The emergence of previously unknown sport codes such as baseball and basketball also pose a real threat to the existence of the established codes.

A major problem currently is that sport industries all over the world are not formally integrated. There is little vertical integration within any single sport and even less horizontal integration at any given level of competition across sport codes

(Mullin, Hardy & Sutton, 1993, p.xii). Even with the new political dispensation firmly in place in South Africa, there hardly seem to be a reduction in the number of controlling bodies in sport, nor any attempt to recognise the sport industry as a major force in business and in the economy.

This lack of recognition is also evident in the tourism industry. The proper marketing of sport is essential for the incorporation of the sport industry into the tourism industry. This incorporation in itself may be a fallacy, given the current state of tourism and the claims of fragmentation and duplication in the industry.

1.3 Objectives of the study

The primary objective of the study is the identification of the key success factors for the marketing of sport as an integral component of the tourism industry.

The secondary objectives are:

a) to explore the available literature in order to describe the dynamics of the sport marketing business.

b) to evaluate the current contribution of selected sport codes to tourism in the Western Cape region.

c) to make appropriate recommendations for the marketing of

sport and the integration of sport tourism into the tourism industry in the Western Cape region.

1.4 The scope of the study

The geographical scope of the study will be limited to the Western Cape region. The region is generally regarded as a premier tourism destination which offers a representative spectrum of the tourism attractions in South Africa.

The Western Cape region can also be regarded as representative in terms of the overall sport situation in the country. The current available facilities compare well with facilities elsewhere in the country and the region has been earmarked to host some of the major national and international sport events.

The functional scope of the study will be limited to the sport codes in the Western Cape for which organising or co-ordinating bodies exist. This will include the large sport organisations with full-time marketing staff members as well as the smaller organisations which is governed by an executive committee. Between the two extremes, the sport organisation which is maintained by part-time staff, will also be considered.

1.5 Methodology

Both primary and secondary sources of information will be used. The primary sources of information will include an empirical

research project to identify the key success factors for the marketing of sport and to determine the contribution of selected sport codes to tourism in the Western Cape region. Data will be collected by means of structured questionnaires.

The secondary sources of information will include all available national and international published and unpublished literature which is appropriate to be used in the study. The study of secondary sources will centre around the marketing of sport in general and the possible linkages with tourism. Specific information on sport marketing and sport tourism is generally limited, therefore the information from the general theory and marketing management science will be adapted to make it applicable.

1.6 **Structure of the study**

Chapter 1 serves as an introduction to the study and also gives the necessary background. The problems which motivated the study are indicated, the objectives and scope stated and the methodology introduced.

Chapter 2 explores the relevant principles of the marketing science, applied to sport events, in order to describe the concept of sport marketing.

Chapter 3 focuses on the sport consumer and aspects of sport consumer behaviour.

Chapter 4 investigates various types of marketing decision variables for sport marketing strategies.

Chapter 5 presents the empirical research planning and the findings of the primary research project concerning the key marketing success factors.

Chapter 6 outlines the key success factors for the marketing of sport and the implications for tourism.

Chapter 7 contains a summary of the preceding chapters, the conclusions which are made and the recommendations of the study. Possible research topics in the area of sport and tourism will also be given.

1.7 Summary

In this chapter the background to the study was presented. The problem statement was formulated and the objectives clearly defined. The scope of the study was then identified and the methodology proposed. In conclusion the structure of the study was outlined in terms of the various chapters.

CHAPTER 2

SPORT MARKETING: AN OVERVIEW

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SPORT MARKETING: AN OVERVIEW

2.1 Introduction

The recognition of the need to become marketing-orientated and apply marketing techniques in the sport industry is of recent origin. The need to identify, anticipate and satisfy client requirements profitably, rather than passively wait for clients to request products and services, therefore is overwhelming. Any individual working in the sport industry needs a basic understanding of general marketing philosophy and principles in order to market his product effectively. The important premise behind this statement is that the principles behind the marketing of sport are little different from the general principles of marketing.

Philip Kotler (1986, p.xix), whose classic works on marketing management have influenced countless students and practitioners in the structure of their thinking about a process of marketing management, states that people are often surprised to find how broadly applicable marketing is. Marketing is relevant not only to manufacturing companies, wholesalers and retailers, but to every organisation.

It must however be recognised that the marketing of sport requires a different approach compared to the marketing of goods. The marketing of sport therefore also requires special knowledge and practice.

The purpose of this chapter is therefore to identify the relevant principles of the general marketing management science and to reveal how these principles are applied in marketing generally and in the sport industry in particular. Many of these principles will be discussed in greater detail in subsequent chapters.

2.2 The marketing perspective

There are probably more references to and discussions about marketing currently than at any previous time in business. It is the term managers like to use to show that their company is modern and dynamic (Holloway & Plant, 1992, p.3). The fact is however that marketing in the true sense is seemingly not applied throughout the business world and even less in the sport industry. The number of sport organisations which have adopted the marketing philosophy seem to remain the exception rather than the rule.

Holloway and Plant (1992, p.3) identified two major reasons for this failure to accept the marketing philosophy. The first reason is the inherent conservatism of our society, the suspicion of new ideas and the reluctance to change the proven ways of

performing tasks. The second reason is the very real ignorance of what marketing is all about. This is the result of the tendency to believe that the best way of learning business is to recruit staff straight from school and train them in the tradition and methods of the company. Under this system, methods of business operation tend to perpetuate themselves and innovation, where it exists, depends on the instincts of the entrepreneur rather than on skilled analysis of the market.

It is therefore necessary to be absolutely clear on the meaning of the term marketing. Kotler (1986, p.4) illustrates the ignorance and confusion by referring to the responses of college administrators who were asked to give their interpretation of the term. Ninety percent of the three hundred administrators said that marketing was selling, advertising or public relations. Only nine percent said that marketing also included needs assessment, marketing research, product development, pricing and distribution. The majority mistakenly identified marketing with selling and promotion.

Kotler therefore states that many people are surprised to learn that the most important part of marketing is not selling. Selling is only one of several marketing functions and it is often not the most important one. If the marketer does a good job of identifying consumer needs, developing appropriate products and pricing, distributing and promoting them effectively, these goods will sell easily.

In the sport industry the selling and promoting mentality is still prominent. The focus remains on the selling of a ticket or getting another sale. There seem to be a general failure to find out what the sport consumer really wants and to produce the product to fit those needs. Sport organisations need to realise that marketing is the business of creating customers by looking at all activities through the eyes of the consumer and by supplying value satisfactions at a profit (Foxall, 1985, p.8).

There are a number of acceptable definitions of marketing, therefore only the one offered by the Chartered Institute of Marketing will be offered (Holloway & Plant, 1992, p.4).

"Marketing is the management function which organises and directs all those business activities involved in assessing customer needs and converting customer purchasing power into effective demand for a specific product or service, and in moving that product or service to the final consumer or user so as to achieve the profit target or other objective set by the company or other organisation".

This definition has three important implications:

- Marketing is a management function within the organisation.

- It underlies, and provides the framework for, all the activities which the business undertakes.

- It places the emphasis on customers' needs as the starting point for the business' operations.

A marketing-orientated organisation is therefore an organisation in which the philosophy of marketing pervades the entire organisation.

2.2.1 Orientations in sport marketing

All marketing efforts should be guided by a marketing philosophy or orientation. This orientation will form the basis for all marketing decisions and activities. Three approaches or orientations can be identified in sport marketing, namely:

- Product-orientation

- Sales-orientation

- Marketing-orientation

2.2.1.1 Product-orientation

The emphasis in this orientation is on the sport product. The underlying assumption is that there is always a ready demand for the sport product and that marketing is not necessary.

The product-orientation suggests that the integrity of the product supersedes all other considerations and that quality

alone determines the fate of the product. A critical flaw in this approach is that potential customers may not even be aware of the product's existence and therefore not in a position to evaluate it for purchase (Sobel, 1993, p.2).

An important feature of the product-orientation in sport marketing is the recognition that the sport product is a special product with unique features of which the quality cannot be guaranteed in all cases.

2.2.1.2 **Sales-orientation**

The sales orientation is concerned with communicating to potential customers the products and services the sport organisation has to offer. The focus is on persuading sport consumers to accept what the sport organisation has to offer.

A feature of a sales-orientated organisation is the problem of not being able to sell everything that is being produced. This results in a passion to sell, to get rid of output and to increase sales volumes. It is also characterised by a greater supply than demand (Wheatley, 1983, p.7).

A negative aspect of the sales-orientation is that organisations are sometimes not concerned with the practices that are utilised to achieve their objectives. Sales orientated organisations sometimes use high-pressure sales tactics, false and misleading advertising, worthless promotional allowances and various other

unethical techniques.

The sales-orientation is predicated upon the notion that sport consumers will not make purchases in the absence of strong selling and promotional efforts by sport organisations.

Organisations have little concern for the consumer's well-being once the sale has been made. As a result, dissatisfied customers tend not to return. This is normally not a cause of concern for the organisation since the idea exists that losing one customer will not make a difference. The major limitation of this orientation is therefore that it greatly underestimates the cost of losing a customer and wrongly assumes that there is a rather infinite universe of potential customers from which to draw (Sobel, 1993, p.2). This approach is often found in large sport organisations where thousands of spectators are present at every event.

The significance of the sales-orientation for the sport industry can be identified in terms of:

- the ever-increasing competition for the sport consumer's discretionary income.

- the stabilizing trend in the demand for sport products.

2.2.1.3   **Marketing-orientation**

The marketing-orientation is characterised by the identification of the range and mix of services and products that sport consumers will need. It involves the careful analysis of current and potential markets to gain a better understanding of what consumers want and need. The information obtained in this manner must be used to develop and shape the products offered by the sport organisation.

This approach is underpinned by the belief that the organisation would have the best competitive edge and the highest probability of developing and maintaining long-term customer loyalty if its products and services more closely meet consumer needs and desires (Wheatley, 1983, p.8).

The marketing-orientation is also underpinned by the following commonly accepted pillars (Journal of Marketing, April 1990, p.3 and Journal of Marketing, October 1990, pp.21 & 22):

a)   Customer focus.

A customer focus means that sport organisations should create value for the sport consumer by:

-       Increasing the benefits for the sport consumer in relation to the price of the sport product.

-       Decreasing the price of the sport product in relation

to its benefits.

b)   Competitor focus.

A competitor focus means that the sport organisation understands the strengths, weaknesses, capabilities and strategies of its key competitors in terms of satisfying the needs of the sport consumer.

c)   Co-ordinated marketing.

Co-ordinated marketing means the utilisation of all the sport organisation's resources in creating superior value for the sport consumer. It is generally agreed that the greater the marketing orientation of an organisation, the higher its business performance (Journal of Marketing, July 1993, p.57).

d)   Profitability.

Profitability is often viewed as a consequence of a marketing orientation rather than a part of it. For the sport organisation, it must be acknowledged that profita-bility is closely related to the marketing orientation and can therefore appropriately also be perceived as an objective of the organisation.

Initially, sport marketing referred primarily to the activities of marketers who were increasingly using sport as a promotional vehicle. In addition, many segments of the sport industry have allowed sponsorships and huge broadcast contracts to overshadow

the need for rigorous marketing. With the continued increases in the competition for the sport consumer's money, even in these industry segments, the organisations employing the most sophisticated marketing approaches are much more likely to prosper (Mullin, Hardy & Sutton, 1993, pp.6 & 9).

2.2.1.3.1 Societal marketing-orientation

Social, economic and political considerations and pressures have led to the recognition of a wider perspective of the marketing-orientation by all organisations. It has become necessary for organisations to also act in a socially acceptable and responsible manner if they wish to succeed or even survive. In South Africa specifically, consumer, environmental and political pressures have changed the marketing programmes in many organisations.

The reality of the South Africa situation is the huge population growth, continued urbanisation, the fact that the average consumer is younger and the emergence of the powerful black market in all industries. In addition, the population growth is creating massive unemployment as well. Environmental concerns are increasingly influencing most business decisions in terms of the limited natural resources as well as the broader environment. Political changes, and in particular the policy of affirmative action, have resulted in many organisations adding another dimension to their marketing programme. Virtually every sport programme has a development component to be in line with this

policy and to gain wider acceptance in communities. The underlying principle in this orientation is that in satisfying individual consumer needs, the sport organisation must also act in the best long-term interests of the society.

Kotler (1980, p.35) states the following implicit premises of the societal marketing-orientation:

- Consumers' wants do not always coincide with their long-term interests or society's long-term interests.

- Consumers will increasingly favour organisations which show a concern with meeting their wants, long-term interests and society's long-term interests.

- The organisation's task is to serve target markets in a way that produces not only want satisfaction, but long-term individual and social benefit as the key to attracting and holding customers.

It is therefore vitally important for the sport organisation to be aware of what is happening in a broader context and to understand the motivations of the people who buy its product.

2.3 Unique aspects of sport marketing

Theodore Levitt (1983, p.94) poses the following question: "Is the marketing of services different from the marketing of goods?"

The answer to this question is equivocal. The principles may be the same, but the translation into practice may be profoundly different. This is also true when considering the marketing of sport in the context of the principles of the marketing science. The peculiarities of the production, distribution and consumption of sport make the marketing of sport unique. The unique aspects of sport marketing can be identified in the market for sport products and services, the sport product, the price of sport and the promotion of sport (Mullin, Hardy & Sutton, 1993, pp.13-21). The characteristics which make these elements of sport marketing unique must therefore be considered.

2.3.1 The market for sport products and services

- Many sport organisations simultaneously compete and co-operate. Sport clubs, as well as governing bodies, need to work closely together in order to make the sport event possible. There are in fact very few sport organisations which can exist in isolation.

- Partly due to the salience of sport and partly due to the strong personal identification they experience, sport consumers often consider themselves experts. This is especially evident in the areas of selection of represenative teams, decisions by referees and umpires and the performance of participants. This is specifically evident in South Africa when listening to post-match discussions and reading reports on sport events. It is

true that no other business is viewed so simplistically and with such personal identification by its consumers.

- Consumer demand tends to fluctuate widely. The first reason for this is the seasonal nature of most sport codes. With a few exceptions, sport activities can easily be categorised as either a winter sport or a summer sport. Indoor facilities have gone a long way in addressing this problem. Other factors include the performances of teams and individuals, the strength of the opposition and injuries.

2.3.2   The sport product

- The sport product is invariably intangible and subjective. It cannot be inspected or sampled before the purchase, therefore an element of risk for the purchaser will always be present. The focus is here on the fundamental activity of sport. Although elements of sport (e.g. equipment) are tangible, they have little meaning outside the context of the activity itself. Sport products are naturally open to a wide array of interpretations by consumers. What each sport consumer sees in a sport is quite subjective, which makes it extremely difficult for the sport marketer to ensure a high probability of consumer satisfaction.

- The basic sport product is simultaneously produced and consumed. It is a perishable commodity that must be pre-

sold and there are no inventories. In addition, sport consumers, by their attendance, help in creating the sport event and can therefore also be regarded as producers.

- Sport is generally publicly consumed and consumer satisfaction is invariably affected by social facilitation. With a few exceptions, almost all sport products are consumed in a public setting and in the company of other people. Very few people attend sport events on their own and only a few sport codes can be practised without the participation of others.

- The sport product is inconsistent and unpredictable. Two sport events (e.g. rugby matches) will never be exactly the same, even if all the players, the referee and the venue are the same. In addition, a number of other factors also influence individual events. Examples of such factors include the inconsistency of the participants, the weather and injuries to key players.

- The sport marketer has little or no control over the composition of the core product and frequently has only limited control over product extensions. The person responsible for marketing a sport event is never considered when participating teams are selected. He has no control over the inclusion of star players and the exclusion of unpopular players. Yet it is his responsibility to fill the seats in the stadium. He also has no control over the

scheduling of the event as fixture lists are normally compiled centrally.

- A greater percentage of the marketing emphasis must be placed on the product extensions rather than on the core product. The sport product is inconsistent and the sport marketer cannot guarantee the performance of the team or individual players. He can however emphasize the product extensions for which consistency can be achieved. Examples would include luxury coach transport to and from the match, seats on the grand stand, free drinks and a post-match social party.

- Sport has an almost universal appeal and pervades all elements of life. Every nation on earth is involved in sport in one form or another. People of nearly any age, male or female, from any part of the world can be accommodated in a sport activity. Sport is associated with many aspects of life, for example, relaxation and entertainment, exercise, gambling and religion.

2.3.3   The price of sport

- It is difficult to price the individual sport product in terms of the traditional costing methods. It is, for example, virtually impossible to allocate fixed and operating costs to a ticket which is sold for a sport event. The price of the sport product is often solely

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based on consumer demand.

- The price of the sport product itself is invariably quite small in comparison to the total cost paid by the consumer of sport products. Some of the costs, which are often not taken into account, include transport, parking, food and drinks.

- Indirect revenues are frequently greater than direct operating revenues. The biggest indirect income item for the sport industry is undoubtedly revenue earned from television contracts. The other major source of indirect income is sport sponsorship. The attractive ladies in red leotards on the rugby field, logo's on boxing ring surfaces and protective padding on rugby posts are all signs that sport sponsorship is fast becoming the domain of creative marketers (Marketplace, 8 April 1991, p.15). Further examples of indirect income include food, beverages, clothing and parking.

- Many sport organisations are not operated on a profit basis. In most of these cases, the organisation rely on external financial support from various sources and in various forms.

2.3.4. The promotion of sport

- The widespread exposure that the mass media has given to

sport has resulted in a decreased emphasis on sport marketing. The sport industry has been able to rely upon publicity as its major promotional tool. Every newspaper has a sport section and television coverage of sport events is on the increase all the time.

- Many businesses wish to associate with sport because of the visibility it enjoys. As a result of the exposure that sport enjoys in the media, sport audiences have become prime targets for product marketers. Sport stars are often used to promote certain products while sport sponsorships have developed partnerships between sport organisations and a range of firms offering consumer and industrial products.

2.4 The Marketing Management Process in Sport

The need to become marketing-orientated and perform the marketing function in a disciplined and scientific manner has already been identified as the key to success for any organisation. A comprehensive framework of analysis is required to guide the decisions and activities in the organisation. The marketing management process offers such a framework. It is a flowchart of the logical progression in marketing thought and forms an ideal outline for any discussion on sport marketing. Not only is the marketing management process the backbone of marketing, it also communicates the interdependencies of the elements of marketing and highlights the futility of making decisions in a vacuum (Mullin, Hardy & Sutton, 1993, p.29).

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Figure 2 presents a marketing management process which has been adapted for the marketing of sport. The discussion will combine elements of this framework with elements from the general marketing management process.

FIGURE 2: THE MARKETING MANAGEMENT PROCESS IN SPORT
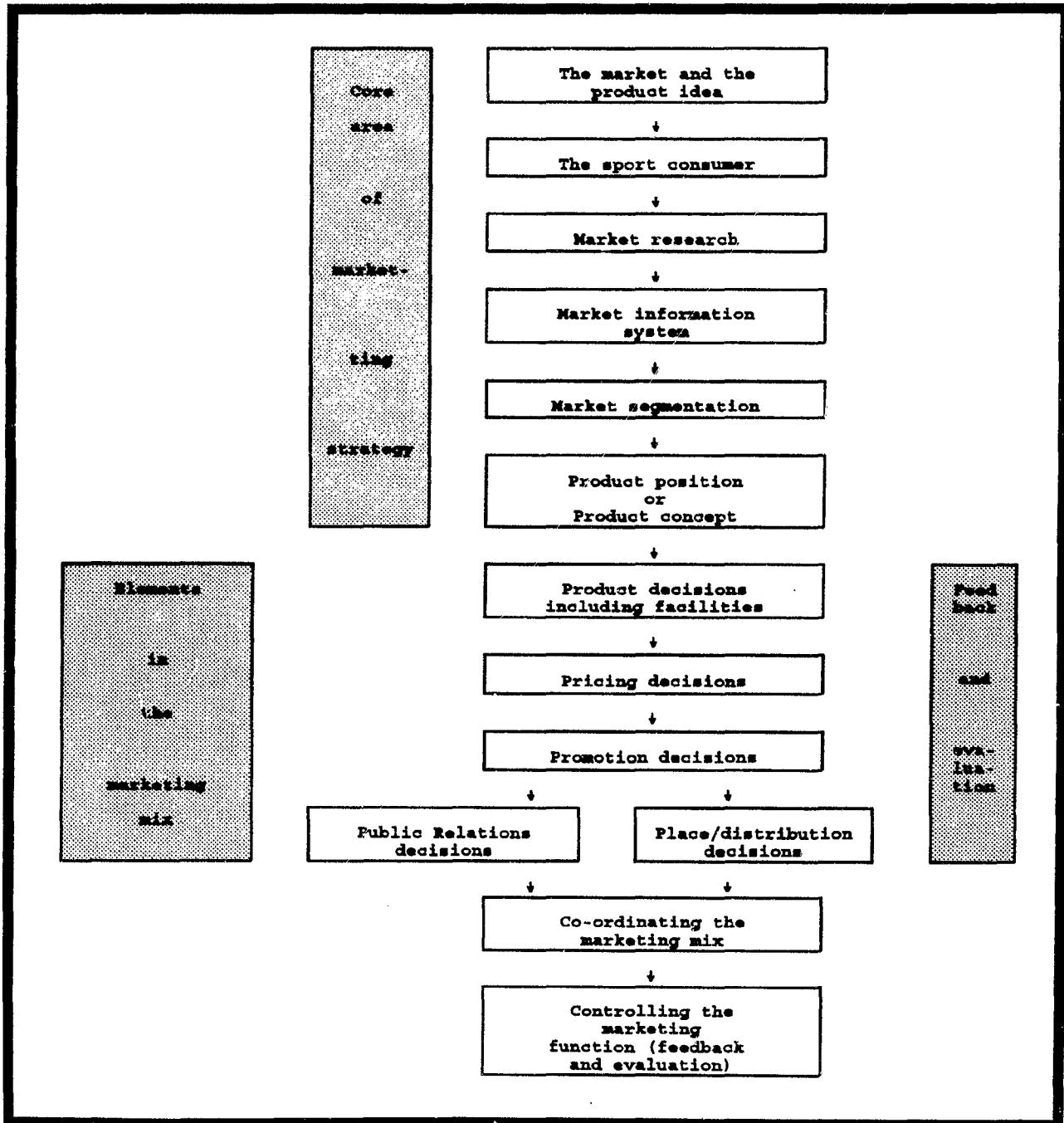
Source: Mullin, Hardy & Sutton, 1993, p.30.

2.4.1   Marketing Planning

"Planning is the process of anticipating the future and determining the courses of action to achieve organisational objectives." (Kurtz & Boone, 1984, p.66).

This definition indicates that planning is a continuous process that includes specifying objectives and the actions required to achieve them. This planning process must also include mechanisms to compare actual performance with expectations in order to determine whether the organisational activities are moving the organisation toward its objectives. These mechanisms are the control measures and form an important part of the planning process.

Marketing planning is the implementation of planning activities as they relate to the achievement of marketing objectives and forms the basis for all marketing strategies. It is designed to link the organisation's objectives and resources to its marketing opportunities and in doing so to make the best use of its resources. In a market that is destined for tremendous growth, like the sport market in South Africa, opportunities may be comparatively easy to identify and even relatively inefficient and poorly managed sport organisations may be able to survive and prosper. The marketing environment is however subject to constant change and if demand stabilises or declines, the failure to develop a strategic marketing plan which responds to the change may result in the failure of poorly managed organisations.

Kotler (1980, p.80) therefore describes the marketing planning process as a strategic marketing process which defines the larger context for carrying out the day-to-day marketing activities of the firm. He defines the strategic marketing process as a managerial process of analysing market opportunities and choosing marketing positions, programmes and controls that create and support viable businesses that serve the company's purpose and objectives. The strategic marketing process, and therefore also marketing planning, forms part of the overall strategic planning of the organisation.

It is absolutely essential that sport organisations do strategic planning and marketing planning. With the tremendous opportunities in the local sport market, these organisations will be forced to prepare not only the traditional five-year plan, but to incorporate an even longer term plan in the strategic planning process. These plans will include the overall objectives of the organisation which serve as a basis for marketing planning. From this the marketing objectives and plans are derived.

2.4.2   **Marketing research and its application in sport**

Marketing research is the planned, systematic collection, collation and analysis of data designed to help the management of an organisation to reach decisions and to monitor the results of the decisions that have been taken. It embraces all forms of research undertaken to help the marketing of products, including product research, price research, distribution research,

publicity research and consumer research (Holloway & Plant, 1992, p.30). Research into consumers and their patterns of behaviour is more commonly referred to as market research to distinguish it from the more all-embracing term of marketing research.

All marketing research should be done within the framework of the organisation's strategic plan. Research projects should be directed toward the resolution of marketing decisions that conform to the overall corporate strategy. If this is not done, it will result in the collection of useless information and unnecessary costs. The marketing research function is the primary source of information needed to make effective marketing decisions.

The marketing information system is a logical extension of marketing research. Stanton (1978, p.40) describes the marketing information system as an interacting, continuing, future-orientated structure of people, equipment and procedures designed to generate and process an information flow in order to aid managerial decision-making in a company's marketing programme.

A marketing information system is characterised by its involvement with the computer and with personnel possessing quantitative analytical capabilities. A modern marketing information system would not be possible without the computer because of the masses of data to be handled.

Sport organisations can find many uses for data generated by

marketing research and the marketing information system. In many cases valuable information, which is readily available, is ignored because of the perception that the marketing information system is an elaborate operation and costly to maintain. The information which is necessary for an effective sport marketing programme can be taken from numerous sources, which include lists of ticket-holders, applications, club members and members of other clubs, telephone enquiries and complaints. Even data of people who complain to an organisation but never attend the organisation's events need to be kept for future marketing research projects and marketing efforts.

2.4.3   The marketing environment

The marketing environment for the sport organisation consists of the following:

-    The external macro-environment

            -    Demography
            -    Economic conditions
            -    Social and cultural forces
            -    Political and legal forces
            -    Technology
            -    Competition

- The external micro-environment

    - The market

    - Suppliers

    - Marketing intermediaries

- Internal variables

    - Non-marketing resources

        - Personnel

        - Finance

        - Research and development

    - The marketing mix

        - Product

        - Price

        - Place

        - Promotion

        - Public relations

The relationship between the variables in the marketing environment is presented in Figure 3. For sport, an additional element, or "P", namely public relations, is added.

FIGURE 3:   THE MARKETING ENVIRONMENT
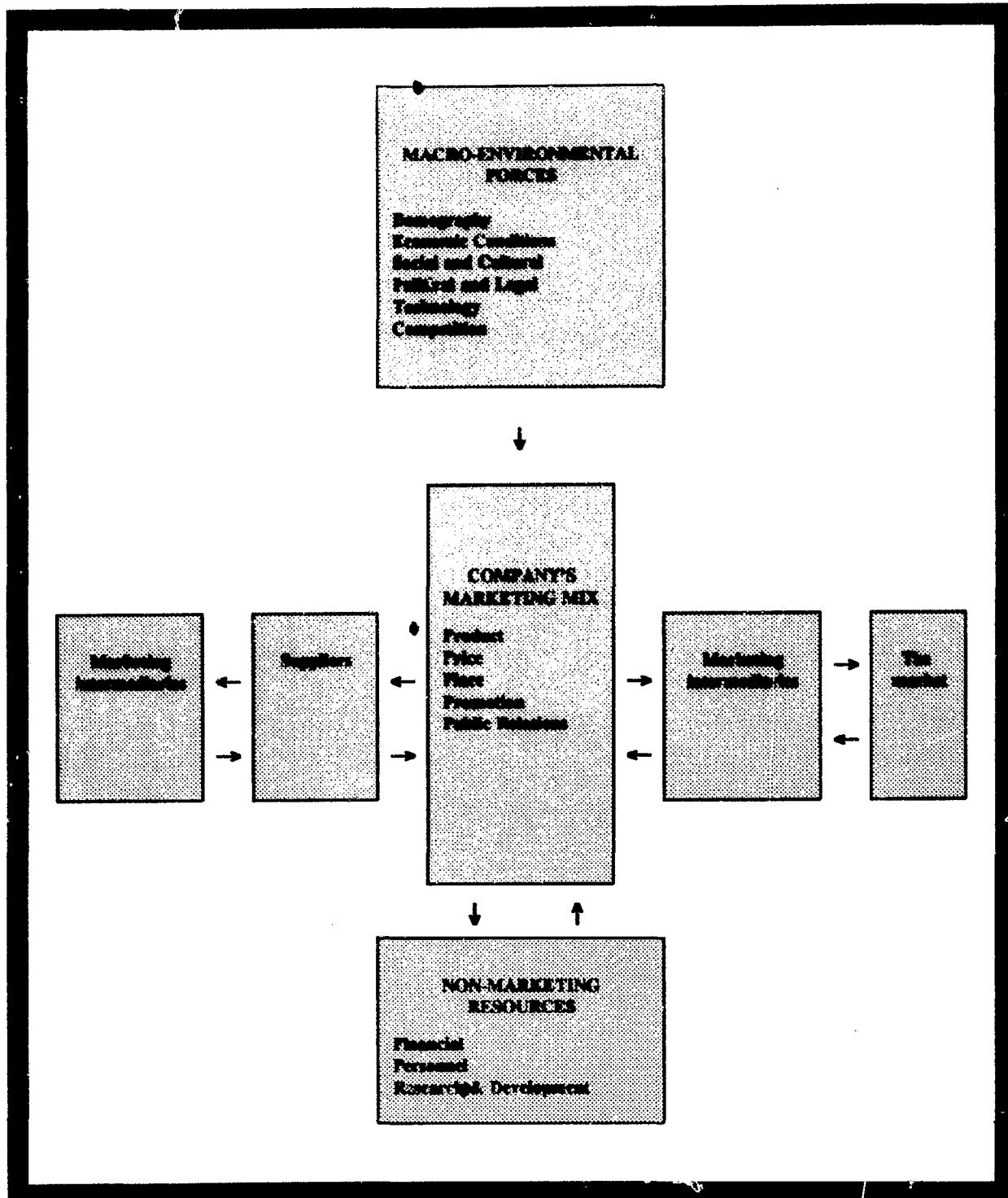
Source: Adapted from: Stanton, 1978, p.33.

2.4.4. The sport market

A market can be defined as people with:

- needs to satisfy,

- the money to spend,

- the willingness to spend it.

Three factors therefore need to be considered when analysing the market:

- the needs of people,

- their purchasing power,

- their buying behaviour.

It is clear from the definition and explanation that the sport market is not static and that it will change as the needs, purchasing power and buying behaviour of the sport consumer change. With the advent of television, there was a major change in the market for spectator sport and even more so with the increased viewing time for sport recently. Many consumers still prefer to watch sport events on television, but some major sport venues have already introduced large television screens to limit the effect of spectators loosing out on action replays.

Another major shift in the South African sport market is the movement from team sport to individual sport. The most notable of these changes is the increased participation in cycling. Accompanying this change was also the introduction of cycling as a family sport which created further potential in the sport market. The sport marketer must be aware of these changes in order to satisfy the needs of the sport consumer.

2.4.4.1 Market segmentation

Once the sport organisation has identified the potential market opportunities, the market should be divided into clearly defined homogeneous sub-groups. This division takes place on the basis of common characteristics of the groupings. Figure 4 presents four bases which can be used for segmenting consumer sport markets.

FIGURE 4: SEGMENTATION BASES FOR CONSUMER SPORT MARKETS
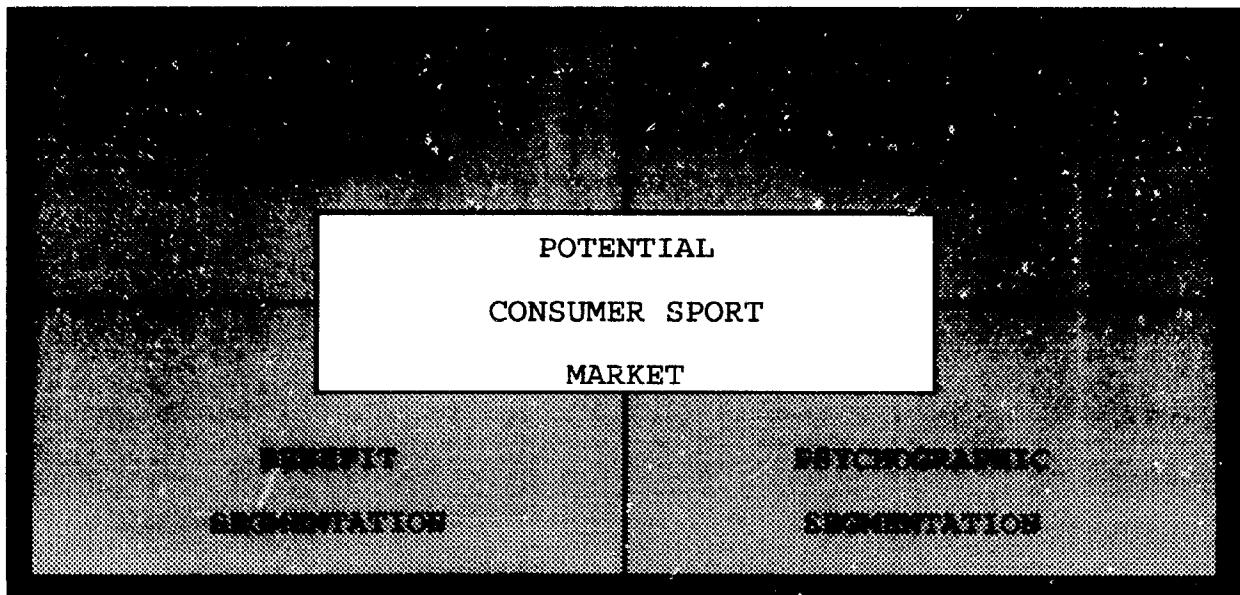
- Geographic segmentation divides the overall sport market on the basis of population location.

- Demographic segmentation divides the overall sport market into homogeneous groups based upon characteristics such as age, sex and income level.

- Psychographic segmentation utilises behavioural profiles developed from analyses of the activities, opinions, interests and lifestyles of sport consumers.

- Benefit segmentation focuses on the benefits the sport consumer expects to derive from the sport product.

2.4.4.2   The target market

The sport organisation should also make a decision as to the market segment that will be entered. Kotler (1980, p.206) indicates that there are three broad strategies to be considered when selecting the target market:

- The organisation might decide to go after the largest part of the market and try to attract as many customers as possible. This is called undifferentiated marketing.

- The organisation might decide to go after a single market segment. This is called concentrated marketing.

- The organisation might decide to go after several market segments. This is called differentiated marketing.

The sport organisation must analyse the current and future worth of the different market segments before selecting the target market.

2.4.5. The marketing mix

As already indicated, the marketing mix in sport marketing is a blend of the following elements:

- Product;   including the product position.

- Price;   considering also the true cost to the sport consumer.

- Place;   the distribution system, including the sport facility and ticket distribution system.

- Promotion;   including advertising, publicity and special promotions.

- Public relations;   including the marketing communication plan.

The full marketing mix will be discussed in detail in chapter 4.

2.4.6. Controlling the marketing plan

Any plan which a sport organisation introduces must be subject to control. The marketing plan must therefore be clear in its objectives, with each objective quantified and measurable. Control will be required over budget expenditure and the performance of each element in the plan will be monitored in order to improve performance or to consider alternative means of reaching objectives.

It must be stressed that the marketing plan is dynamic by nature. It is not a set of bureaucratic rules to be followed faithfully for the duration of the plan, but rather a fluid set of guidelines for action that will require constant updating in the light of changing circumstances (Holloway & Plant, 1992, p.29).

2.5 Marketing myopia in sport

Theodore Levitt described the failure of an organisation to recognise the scope of its business as "marketing myopia" (Harvard Business Review, 1991, p.3). According to Levitt, companies must ascertain and act on their customers' needs and desires and not bank on the presumptive longevity of their products.

The future growth of any organisation is therefore endangered when management is product-orientated rather than customer-orientated. It requires that organisational goals be broadly

defined and directed toward consumer needs.

Mullin, Hardy and Sutton (1993, pp.7-9) states that sport organisations have historically been guilty of marketing myopia. They have concentrated on producing and selling goods and services rather than identifying and satisfying the needs and wants of consumers and their markets. This is revealed by the continued emphasis on sales and promotions, which is merely one part of marketing. The lack of a consumer-orientation in sport is particularly evident in the following areas:

- The lack of professional marketing staff in sport organisations. Although some sport organisations have realised this problem, it is still the exception to find a qualified marketing professional in most organisations.

- The lack of marketing research and data collection. Sport organisations even ignore valuable information which is generated as part of the normal functioning of the business. More important is the lack of research into the needs and wants of the sport consumer.

- Sales techniques. In most cases, part-time and inexperienced people are used to handle ticket sales for sport events. The organisation should realise that consumer contact is vital and that the destiny of the organisation is in inexperienced hands.

Sport organisations should really reconsider the scope of their business and widen their appeal. Sport is a form of entertainment and therefore sport organisations are really in the entertainment business, competing with all the other forms of entertainment available to the consumer. Using this base, the sport industry should redefine its business and become customer-orientated in order to survive.

2.4.6 Summary

The current situation in the sport industry, both in South Africa and internationally, makes the adoption of a marketing philosophy and the use of marketing techniques absolutely essential for survival. There are numerous challenges for the sport organisation and change is always unsettling, but it is part of the tremendous opportunities for growth in the sport industry. The sport organisation that wishes to maintain its position and grow in order to ensure its future must pay particular attention to its marketing function.

The important premise is that the principles behind the marketing of sport are little different from the general principles of marketing. The sport marketer must however realise that there are fundamental peculiarities which is unique to the marketing of sport. The aim should therefore be to bridge the gap between the general principles and the actual sport marketing practice.

The first requirement is that sport organisations must adopt a

marketing-orientation. This means that the focus is on marketing rather than on selling. There is a shift from focussing on the needs of the seller to focussing on the needs of the buyer.

The marketing management process provides the framework for the sport marketer to perform his function in a disciplined and scientific manner. This is the only way to ensure that proper marketing decisions are made, which in turn, will ensure the general effectiveness of the organisation.

To ensure growth on the long term, sport organisations must define the scope of their business in terms of satisfying the needs and wants of consumers. This will also create new opportunities which were historically regarded as the domain of other industries.

The sport marketer will find the theory on sport marketing generally limited, but with the necessary adaptations and modifications to general marketing principles any marketing problem or programme can be approached in a scientific manner.

CHAPTER 3

SPORT CONSUMER BEHAVIOUR

3.7 Summary

CHAPTER 3

SPORT CONSUMER BEHAVIOUR

3.1 Introduction

The attractiveness of sport is derived from the variety of experiences it can offer to virtually every person. It was already mentioned in Chapter 2 that sport has an almost universal appeal and pervades all elements of life. People of nearly any age, male or female, can be accommodated in a sport activity. Sport, like work, is a typical form of human activity.

There are various opportunities and ways in which people can get involved in sport. Involvement in sport is not limited to participation only, but also includes the spectators, coaches, administration, newspaper readers, radio listeners and television viewers. The question is whether all these categories of interested parties can be regarded as sport consumers.

We need to understand in the first instance what a consumer is and how the term "consumer" is used. Walters (1974, p.4) describes a consumer as an individual who purchases, or has the capacity to purchase, goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants or desires. It is obvious that according to this

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definition everyone is a consumer, although not everyone is necessarily a consumer of the same products.

Given the universality of sport in the context of this definition, it becomes clear that the identification of the sport consumer should not be viewed simplistically. The purpose of this chapter is therefore to present alternatives for the identification of the sport consumer.

In addition, the interesting question of why people consume sport will also be explored. It is important for the sport marketer to understand the behaviour that sport consumers display in searching for, purchasing, using and evaluating the sport product which they expect will satisfy their needs. There are important internal and external influences that impel sport consumers to act in certain ways. These influences will be identified and examined.

3.2 The sport consumer

Although it is recognised that there are various categories of people who have an interest in sport, literature on sport marketing limit the sport consumer to two broad categories, namely the participant and the spectator. The Human Sciences Research Council Sports Investigation (No.1, 1982, pp.39-42) also supported this division, but presents the following classification, which is perhaps the most inclusive:

a) Direct involvement

    i) Primary producers

      - Participants

    ii) Secondary producers

      - Coaches and medical staff

    iii) Tertiary producers

      - Administrators

b) Indirect involvement

    i) Primary consumers

      - Spectators who attend sport events

    ii) Secondary consumers

      - People who follow sport on television and radio

    iii) Tertiary consumers

      - Newspaper readers

      - Magazine readers

      - Readers of books

It must be noted that the use of the terms "producer" and "consumer" can lead to confusion as it was indicated in Chapter 2 that sport consumers help to create the sport event and can therefore also be regarded as producers. Sport events would not

be the same without the support of enthusiastic crowds. Television viewers pay license fees which contribute towards payment to sport organisations for broadcasting rights. In many cases this constitutes the major source of income for sport organisations from which facilities are financed and players are paid. For the purpose of this study, the term "sport consumers" will be considered to include both producers and consumers as indicated in the HSRC-report. In the discussions, only the broad distinction between participants and spectators will be used bearing in mind that it may also include the secondary and tertiary categories.

3.2.1 The participant

It is impossible to give a profile of the average sport participant because of two major reasons, namely:

- The multitude of sport codes.

- The different levels of involvement.

Michener (1976, pp.33-63) attempts to describe sport participation by illustrating the different ways in which adults respond to the stimulus of sport. He identifies the following categories for the sport participant:

- The vigorous participant

- The moderate participant

- The mildest participant

- The therapeutic participant

3.2.1.1 **The vigorous participant**

The vigorous participant normally regards himself as tougher and faster than most other competitors and normally competes against the best in his chosen sport. His basic health may sometimes be threatened if it is a vigorous game, but generally it is enhanced as a result of his participation in the game, practice sessions and watching his diet. The vigorous participant is driven by a strong will to succeed which is derived from his ambition to be the best. With the advent of professionalism in sport, as with some of the major sports in South Africa, the vigorous participant will also fall in the category of being a paid professional and his participation would then be regarded as a job for which he is paid. On the negative side, many of the participants in this category find themselves after retirement with no education, no job and no prospect of a career.

3.2.1.2 **The moderate participant**

The moderate participant's involvement is still of a competitive nature, but the reason for participation is normally limited to the following:

- For health reasons.

- To gain and maintain a reasonable level of fitness.

- As a service to the sport club after vigorous participation.

Moderate participants also claim a change in attitude, diminution of tension, loss of weight and a generally improved outlook on life.

3.2.1.3   The mildest participant

The mildest participant's involvement in sport is in the form of relaxation. Some may regard it more as a hobby than sport, for example fishing. The sport normally has no public entertainment value and is relatively free from the pressure of competition. It is doubtful whether participation contributes much to physical health, but it is recognised that the outdoors and fresh air make a positive contribution to emotional health.

3.2.1.4   The therapeutic participant

The therapeutic participant derives no joy from the sport or exercise he is doing. In many cases, he is forced to be active in order to avoid punishment. A good example is the person who jogs in order to keep within the weight requirements prescribed by his company or organisation. These participants normally find

sport and exercise cruel and punishing and are constantly searching for something to make the torture bearable.

3.2.2 **The spectator**

The motivations for attending sport events vary from sport to sport and also with the importance of an event. Most spectators have never known the joy of active participation, but derive a spiritual pleasure from being a mere spectator. The physical benefits spectators derive from their involvement have always been questionable. Some good can possibly be derived from sitting in sunlight and fresh air, but it is not really significant. Excitement and partisanship cause many people to disregard financial implications in order to attend a sport event. It is even claimed that excitement stimulates blood circulation and can therefore prevent heart problems. For these spectators sport is indeed a bargain.

It has often been assumed that in terms of demographic characteristics, sport spectators are predominantly male (Goldstein, 1979, p.220). Fortunately, this perception has changed significantly over the last number of years. Although it has been suggested that the appeal of sport differs between the sexes, few people nowadays regard the differences as anything other than the consequence of sex-discriminatory processes.

Knowledge about the sport spectator may lead us to discover that differences between individuals are far more important than

differences between groups in comprehending involvement in sport. It is certainly the case that participants in different sports tend to differ in a number of specific personality and dispositional characteristics. It is certainly also probable that an individual spectator's personality and dispositions would influence the choice of sport, or whether to become a spectator at all. This could mean that whatever needs are satisfied by watching sport, might also be satisfied in other ways and by other activities for those people who show little affinity for the sport spectator's role. This means that although all people are not sport fans, understanding the needs of involved spectators may well enhance our knowledge of broader human motives.

The sport spectator must also be seen in the context of the role he plays in the sport event. Sport events will not be the same, and in some cases not possible at all, without the spectator. It has been determined already in this regard that the sport spectator as a consumer can also be regarded as a producer. Following this argument, it can be derived that in some cases the spectator can also be regarded as a participant without whose presence the sport event would be worthless. The main difference between the actual participants and the spectator in this regard would then be that the actual participant's involvement is accompanied by physical exertion while the spectator's involvement is aimed at relaxation.

3.3 Participation versus spectatorship

Active participation in sport is generally regarded as beneficial to the individual. The medical value of vigorous activities, which the engagement in sport competition usually requires, has long been recognised. This value is not in doubt at all and programs promoting physical fitness and, ultimately, good bodily health through the participation in sport appear to be founded on strong, compelling evidence (Goldstein, 1979, p.298). It is however useful to consider the bases for decision making should the individual have the option to decide whether to participate actively or be a spectator.

Regardless of the consideration of physical fitness, the view is widely held that participation in sport activities reduces tension and controls aggressiveness. Joggers, for example tend to insist that without their exercise they would be more susceptible to emotional problems. The opposite has, however, been proven to be correct in terms of aggressiveness. Zillman, Johnson and Day (in Goldstein, 1979, p.299) investigated the claim that contact-sport participants are comparatively hard to provoke. These researchers found that contact-sport participants responded more aggressively to provocation than did non-participants or participants in a sport with no physical contact.

In general, the benefits of participation could be summarised as follow:

-     It promotes physical fitness and health.

-     It is accompanied by the mental benefits of fitness.

-     It has recreational value.

-     It teaches a sense of fairness.

Most, if not all, of the projected benefits of active participation in sport are considered to be unattainable through spectatorship. Sitting in the stand or in front of a television set obviously does nothing for physical fitness. An unprejudiced look at sport spectatorship at large reveals that it may have many of the benefits of active participation (Goldstein, 1979, p.306). In terms of recreational value, sport spectatorship certainly meets all the criteria of a beneficial leisure activity. Just as active participation in sport does, spectatorship relieves boredom, relaxes tensions and even provides for personal development. In contrast to active participation, these benefits are within the reach of nearly everyone.

If participation in sport teaches a sense of fairness, so does sport spectatorship. Competitive sport can be viewed as a model through which fairness can be effectively taught. Last, but maybe not least, it should be mentioned the sport spectatorship does not present a health hazard. Active participation in sport is unquestionably of enormous value in promoting physical fitness

and bodily health, but it also places the participant at risk of pulling muscles, twisting ankles and breaking bones. In contrast, whatever benefits sport spectatorship has to offer, it can be attained without risk of injury or pain.

The choice between participation and spectatorship is however a personal decision and it could be based on much more than the factors which have been indicated. In other instances, this decision might be easier because of the particular characteristics or circumstances of the individual. A person with a natural talent for a particular sport will automatically be expected to participate. A person with a physical disability, on the other hand, will find that the opportunities for participation will be limited. What is however important is that sport can be an experience of some value to both participants and spectators.

3.4 Consumer behaviour in sport

It is important for the sport marketer to understand why people consume sport. This will demand a basic understanding of the behaviour of the sport consumer within the larger context of general consumer behaviour. This is also the approach which will be used in this study.

Schiffman and Kanuk (1978, p.4) defines consumer behaviour as the behaviour that consumers display in searching for, purchasing, using and evaluating products, services and ideas which they

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expect will satisfy their needs. The study of consumer behaviour in sport is therefore the study of how individuals make decisions to spend their available resources on sport-related items. The resources referred to will include money, time and effort. Sport consumer behaviour includes the study of what the sport consumer buys, why he buys it and how often he buys it.

The study of consumer behaviour in sport goes further and examines the feelings and actions of the sport consumer after the purchase of a sport item has been made, after a sport event was attended or after participation in a sport event. The sport marketer must be aware of the feelings of the sport consumer; whether it is a feeling of satisfaction, dissatisfaction or even remorse about his decision and these feelings will affect his future purchase decisions.

Consumer behaviour is a complex subject, even more so in sport, where there is a significant lack of literature to guide both the student and marketer. It is however reasonable to accept that, within the framework of general consumer behaviour theory, sport consumer behaviour in the broadest sense involves interaction between an individual and his environment. This relationship is demonstrated in Figure 5.

FIGURE 5:   COMPONENTS OF SPORT CONSUMER BEHAVIOUR
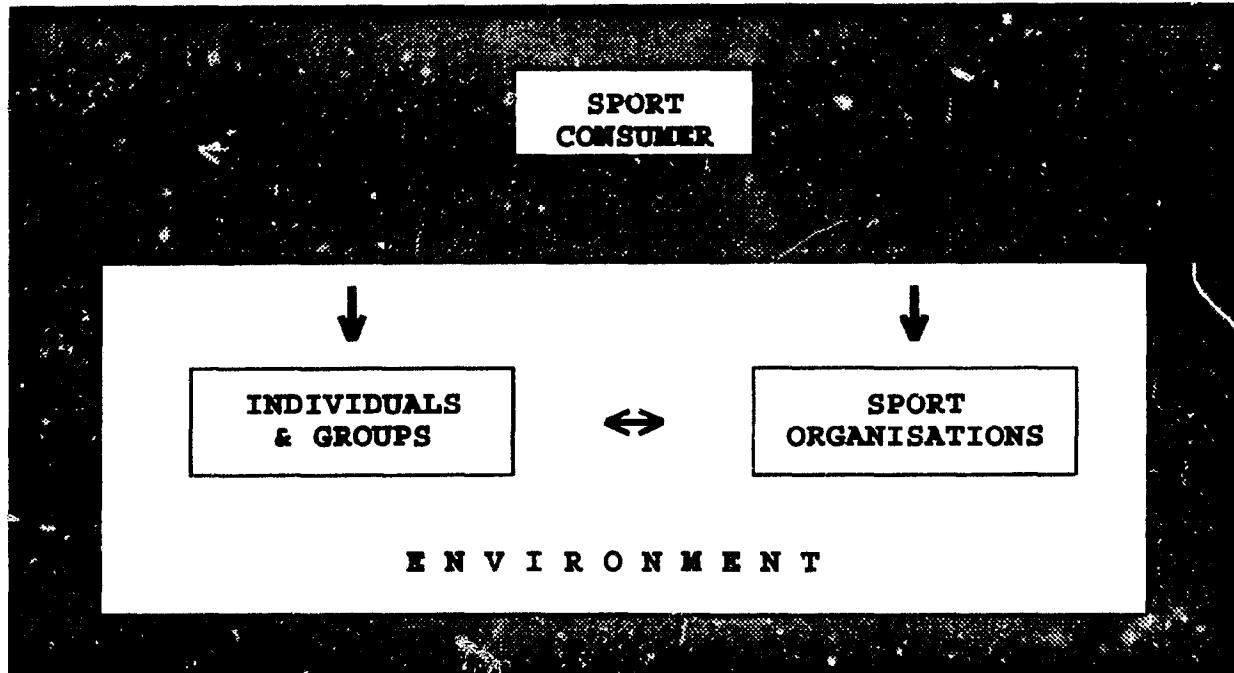
There are two types of components in the environment.   They are:

-     Social units

  -      Individuals

  -      Groups

-     Business firms

  -      Sport organisations

The sport consumer interacts with the elements of the units such
as   family,   friends   and   the   different   type   of   sport
organisations.   The individuals, groups and sport organisations
also interact and therefore the influence on the sport consumer
operates in both directions.   Figure 5 will form the basis for
the investigation into the behaviour of the sport consumer.

3.4.1 **The sport consumer as an individual**

3.4.1.1 **Sport consumer needs and motivation**

It is a generally-accepted fact that people are different. Different people seek different pleasures and spend their money in different ways. It is this apparent diversity in human behaviour that often leads to ignorance about the underlying similarities which serve to explain and clarify consumer behaviour. There seem to be general consensus among consumer behaviourists that most people experience the same kinds of needs and motives. They simply express these motives in different ways. For this reason an understanding of human motives is very important to marketers. It enables them to understand, and even anticipate human behaviour in the marketplace (Schiffman & Kanuk, 1978, p.23).

Consumer needs are often related to products and services and explained as a simple dichotomy consisting of necessities and luxuries (Walters, 1974, p.102). This dichotomy is of particular importance to the sport marketer. Necessities are defined as products that are necessary to maintain a subsistence level of living. Luxuries consist of the purchase of any products above the subsistence level of expenditures. It is clear that within this categorisation the sport product would be regarded as a luxury. The problem with this simple dichotomy for explaining needs is that what is one person's necessity may be a luxury for another person. Each person views his present standard of living

as necessary to his well-being.

The polarity of needs has to do with whether they are positive or negative. A negative need is a human requirement based on discomfort, pain or adverse tension. Negative needs include a lack of nutrition and physical pain. A positive need is one that revolves around satisfaction or feeling good, such as the need for pleasant-tasting food, social interaction and accomplishment. Involvement in sport would therefore be classified as a positive need. It must however be recognised that many needs can be expressed either positively or negatively. In sport there will always be negative aspects such as pain due to injuries and disruption of professional and personal time-schedules.

A motive is the driving force within the consumer that causes him to act or behave in a goal-directed manner. A motive is a reason for action and therefore a symptom of the consumer's need. Motives are often classified as to whether they are primary or secondary (Walters, 1974, p.122). Primary motives are founded on basic needs necessary to sustain life. Secondary motives, and normally sport is included in this category, arise out of social and psychological needs. Secondary motives typically become important only after motives related to primary needs have been satisfied.

The sport marketer should be more interested in consumer motives than consumer needs. Needs may be important in new-product development and innovation, but motives control the daily

decisions of the average consumer. It is the motive, not the need, that causes the consumer to act in a specific manner.

3.4.1.2 **The sport consumer as a perceiver**

Sport consumers act and react on the basis of their perceptions, not on the basis of objective reality. These perceptions are much more important to the sport marketer than his knowledge of objective reality as they affect the sport consumer's actions. Perception can be defined as the process by which an individual observes, selects, organises and reacts to environmental stimuli in a meaningful way (Du Plessis, Rousseau & Blem, 1990, p.67).

Questions related to sport consumer behaviour in terms of perception could be:

- What makes a person attend a rugby match instead of a soccer match?

- Why does the same person only attend certain rugby matches?

The answer to these questions can usually be found in the way the sport consumer perceive different sports and even different events of the same sport.

Consumers subconciously exercise a great deal of selectivity regarding the aspects of their environment which they will perceive. An individual may look at some things, ignore others

towards those purchases or activities which will yield the highest perceived satisfaction.

Sport marketers must therefore be aware that sport consumers choose decision strategies which are goal directed and maximise satisfaction in terms of the evaluative criteria which are important to them.

3.4.1.4   Personality and sport consumer behaviour

The concept of personality suggests that there are reasonably stable characteristics that reflect how an individual feels about himself, his social contacts and the events in his environment (Cratty, 1973, pp.76 & 77). The personality of a participant might have important implications for his performance, personal adjustment to competitive circumstances and general emotional well-being. In the same way will the personality of the sport spectator influence the sport he supports and the manner in which he does it.

Most of the research on the influence of personality in sport have been done with participants. For the sport marketer, personality is however a useful consumer behaviour concept because it enables him to categorise people into different groups on the basis of a single trait or a number of traits. If all sport consumers were different in all respects, it would be impossible to segment them into similar consuming groups. There would, as a result, be little reason to develop standardised

products and promotional campaigns.

3.4.1.5   Attitudes in sport consumer behaviour

Consumer attitudes are of extreme importance to the sport marketer.   Attitudes directly affect purchase decisions and these, in turn, directly affect attitudes through experience in using the product or service selected.   These attitudes referred to can broadly be defined as a person's basic orientations for or against various alternatives for purchasing and consumption (Engel, Kollat & Blackwell, 1973, p.266).

Attitudes have a clear effect on sport involvement.   The attitude of spectators toward certain teams, for example, will influence their perception of enjoyment and therefore also their decision to attend a particular sport event (Mullin, Hardy & Sutton, 1993, p.78).

An attitude is actually a way of thinking and the marketer can only know that the consumer has a particular attitude by being aware of what the consumer does.   When a sport fan attends all the home matches of the local team and talks enthusiastically about their performances, he has a positive attitude towards the club and probably also towards the particular sport.

3.4.2 Social and cultural dimensions of sport consumer behaviour

3.4.2.1 Group dynamics and consumer reference groups

A group may be defined as two or more people who interact to accomplish either individual or mutual goals (Schiffman & Kanuk, 1978, p.203). Within the broad scope of this definition are both an intimate "group" of two neighbours who informally decide to attend a soccer match together and a larger, more formal group, such as a supporters club for a particular team. Included in this definition too are more remote, one-sided social involvements where an individual consumer looks to others for direction as to which products to buy, even though such others are largely unaware that they are serving as consumption models. A sport spectator may decide to buy a particular pair of running shoes because most of the players in the team he supports wear that type of shoe.

3.4.2.1.1 Consumer-relevant groups

a)   Friendship groups

These groups are typically classified as informal groups because they are usually unstructured and lack specific authority levels. In terms of relative influence, it is the sport consumer's friends who are most likely to influence his purchase decisions.

b) Formal social groups

A person joins a formal social group to fulfill such specific goals as meeting important people, participating in a specific sport or pursuing a special interest. Formal social groups are of interest to the sport marketer because the members of the group often consume certain products together.

c) Shopping groups

Two or more people who shop together can be called a "shopping group". These groups are often derived from other groups. Sport consumers shop together for the following reasons:

- Where others can provide experience or knowledge about the sport product.

- It reduces the risk that a purchase decision will be unwise or socially unacceptable.

- Members of a shopping group may feel more confident with a collective decision.

d) Work groups

The amount of time that people spend together at work

provides ample opportunity for work groups to serve as a major influence on the consumption behaviour of members. The importance of work groups has long been recognised by sport organisations. Special deals and facilities for business firms have become a regular feature of most sport events.

3.4.2.1.2 Reference groups

A reference group is any interacting aggregation of people that influences an individual's attitudes or behaviour (Engel, Kollat & Blackwell, 1973, p.161). The use of the term "group" may be misleading because another individual, such as a sport personality, may perform the same function as a group. An important function of reference groups is that they provide normative guidelines on which the behaviour of people can be based. The normative function of reference groups is of great interest to sport marketers because it is a determinant of whether or not a product will be accepted by large enough groups to make it successful.

3.4.2.2 Family influences

The basic behavioural unit in almost all societies is the family. The development of consumer patterns in children is heavily dependent on the family unit. The effect, during the formative years, of the various family members on the behaviour of children, exerts a continual influence on the individual

throughout his life. The influence of parents, in introducing children to sport or acting as role-models, has a lasting effect on the involvement of individuals in sport. It is generally recognised that participants who reach the highest level of achievement in sport could at least depend on the encouragement of family-members and close relatives.

Accompanying parents to sport events or watching sport on television can lead in many instances to a child becoming either a participant or a regular spectator. Cratty (1973, p.214) found that normally there are shared feelings between husband and wife regarding the worth of physical activity. If these feelings are positive, it is reflected in the quality of their child's performance as well as in the amount of physical participation.

3.4.2.3   Social class and sport consumer behaviour

Every society has a number of status systems and social class is perhaps the most pervasive of these. Social class probably has the greatest influence on the social environment and power of the individual. Social classes are groups of people who are, more or less, equal to one another in prestige and community status (Walters, 1974, p.313). Social class enters into every aspect of our lives; marriage, business, work, government and sport.

Differences in class also relate to differences in lifestyle, which include differences in sport involvement. These differences need to be recognised by sport marketers as they

provide a broad picture of the values, attitudes and behaviour of members of a social class. Social class membership is therefore closely related to the choice of recreational and leisure-time activities. The astute sport marketer will have to differentiate promotional strategies for each social class, as social classification is an effective means to identify and segment target markets.

3.4.2.4 Cultural norms

Given the broad and pervasive nature of culture, its study generally requires a global examination of the character of the total society, including such factors as language, knowledge, laws, religion, food, customs, music, art, technology, products, work patterns, sport and leisure activities. In a sense, culture is a society's "personality". It is therefore not easy to define the boundaries of culture. Schiffman and Kanuk (1978, p.330) defines culture as the sum total of learned beliefs, values and customs which serve to regulate the consumer behaviour of members of a particular society.

The impact of culture is so natural and so automatic that its influence on consumer behaviour is usually taken for granted. Sport on Sundays is regarded as normal these days, but there is still strong opposition to organised sport activities and sport transmissions on Sundays from many individuals and groups. It is particularly important for participants competing at the top level as it has become common practice to present major

tournaments or matches on Sundays. In many cases it means that the participant must compete on Sundays or carry the risk of being omitted from the team.

3.5 Decision-making for sport involvement

Mullin, Hardy & Sutton (1993, pp.79-81) acknowledge that it would indeed be difficult to envision a model that captures the pattern of behaviour of the sport consumer. They, however, identified the following stages in the consumer's decision to become involved in sport:

a)   Need recognition

Any number of cues, particularly in the mass media, may trigger the arousal of a need or motive, which may be related to achievement, esteem, affiliation or health.

b)   Awareness

The consumer may have prior awareness of or may seek information about products that may satisfy aroused needs. This is the critical stage for the sport marketer as he must ensure that all the necessary information is at the disposal of the consumer.

c)   Evaluation of choices

Consumers make product choices at a number of levels, for example:

-    Product line: racquet sport

-    Product type: tennis

-    Product brand: Adidas

d)   Purchase decision

Numerous questions demand research concerning the sport consumer's purchase decisions. It is important for the sport marketer to know to what extent decisions to "purchase" a sport experience are planned and calculated or unplanned and impulsive.

e)   Sport experience

This stage may include a period of anticipation after the decision is made, a period of preparation, travel to the site of the experience, the main experience and travel from the main experience.

f)   Evaluation of experience

The experience is evaluated in terms of the level of satisfaction it provides to the consumer. Satisfaction can be maximised by increasing the benefits of the sport experience or by reducing the costs.

g)   Post-evaluation behaviour

The consumer can either repeat the experience or abandon the activity in the future.

3.6   The South African sport consumer market

The realities of South Africa today comprise huge population growth, continuing urbanisation, high unemployment and vast discrepancies in terms of income. After housing and education, sport featured third on South African's list of priorities (Successful Salesmanship, January 1992, p.17). This study also established that the average South African is black, aged twenty and an avid soccer fan. Sport marketers need to be aware of developments in this regard in order to stay in touch with the needs of potential sport consumers.

Of particular importance to the sport industry is that it is generally assumed that the discretionary income of consumers will decrease. This means that people will have less money to spend on sport, leisure and entertainment. Sport, being in the

business of entertainment, will also have to compete with all the other forms of entertainment for the consumer's discretionary income. In this regard, the empty seats at soccer, rugby and cricket matches throughout the country must indeed be a serious concern for the sport industry. It has been found that 78% of the persons between the ages of sixteen and twenty-four prefer to watch television while 50% of the males in the same age-group go to the cinema regularly (Professional Marketing Review, February 1992, p.22). Although sport is regarded as a priority, there are indications that at least certain sectors of the population have other preferences.

Participation in sport is also influenced by socio-economic development just as it is in respect of population growth and income. As the total population develops and modernises, so does not only a new lifestyle with new values and norms develop, but it is expected that certain individuals will have more time, money and energy at their disposal to spend on sport and other recreational activities. This is connected to the process of urbanisation and the emergence of a powerful black segment of the population (Human Sciences Research Council Sports Investigation, No.2, 1982, p.42). The Bureau for Economic Research of the University of Stellenbosch estimates that black spending could almost quadruple by the year 2000, even if wage levels increase only at the average annual rate of the past two decades (Du Plessis, Rosseau & Blem, 1990, p.144).

It is evident that the black consumer will become a major force

in many areas. Up to now their presence has been largely ignored by some sport organisations who continued to direct their marketing effort at the market they knew and felt comfortable with (Marketplace, 9 November 1992, p.1). It is clear that the major single factor for survival of sport organisations would be to shift their marketing strategy to the black consumer.

3.7 Summary

Two distinct categories have been identified in terms of the sport consumer, namely the sport spectator and the sport participant. For some people it is much better to be part of a crowd and to share in the enthusiasm than to sit alone listening to the radio or watching television. There are also various reasons why people participate in sport instead of being mere spectators. It is, however, obvious that both categories contribute towards the success of a sport event in that they are regarded as consumers and producers of sport.

Various dimensions have been identified in terms of the behaviour of the sport consumer. Sport organisations should use their knowledge of consumer behaviour to design their marketing strategies and to measure their marketing performance. This is particularly relevant to the South African situation where the political, social, cultural and economic changes present challenges which should not be ignored by any marketer.

CHAPTER 4

MARKETING DECISION VARIABLES FOR SPORT

MARKETING STRATEGIES

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MARKETING DECISION VARIABLES FOR SPORT MARKETING STRATEGIES

4.1 Introduction

Marketing strategy has been viewed as manipulating the "P's", the elements of the so-called marketing mix, in such a way as to best appeal to those customers the organisation seeks. The elements already identified for the marketing of sport are:

- Product,

- Price,

- Place,

- Promotion,

- Public relations.

These elements are interdependent and decisions regarding one element will invariably impact on the others. For example, if a sport event is to be marketed as a prestige event, the pricing

must reflect this, as should the promotional efforts and the distribution structure.

Many alternatives are possible for each of the elements and they may be mixed or blended in different combinations. If the strategy is to be effective, these elements should be tailored, compatible and co-ordinated as described by Hartley (1986, p.10) in the following guidelines:

- A mix should be specially tailored to a product or campaign, keeping in mind the particular target markets the organisation wishes to attract.

- The various elements of the mix must be screened for compatibility. If the firm wants to appeal to those consumers interested in a particular sport, its choice of prices, promotional efforts and the sport product itself should be geared to achieve this objective.

- Decisions regarding the elements should be co-ordinated and the complete marketing mix strategy made at one time.

In order to meet these guidelines, the marketing strategy is generally best selected by one person or a group of persons, rather than having each element decided independently. Sport organisations can accomplish this by placing authority for all elements of the marketing mix under the control of a marketing manager.

The purpose of this chapter is to examine the "five P's" in the marketing mix for sport marketing as the major decision variables in determining a sport marketing strategy.

4.2 The sport product

4.2.1 Description

The sport product has characteristics of both a tangible product and an intangible service. A product is any item that can be offered for sale or barter to satisfy the needs of customers. Services are activities or benefits that are offered for sale or barter to consumers (Parkhouse, 1991, p.321).

It is however significant to note that the sport product is different from other products or services. The sport team, for example, is different from other traditional products or services that can be purchased at supermarkets or other stores. This is both a blessing and a curse for the sport marketer. The very characteristics of sport that endear it to the public, such as player characteristics, uncertain outcome, emotion, public consumption and opportunity for socialising, also make sport difficult to market. The sport team, although composed of the same players, will not perform exactly the same way twice and whether the home or favourite team wins usually affects the consumer's satisfaction in the outcome.

In addition, the sport marketer has no voice in the selection of

the team, league schedule, weather and player injuries. All of these factors reduce the locus of control of the sport marketer and either contribute to or detract from customer satisfaction with the sport product. For these reasons, the sport marketer should market both the core product, which will be the **game** or event, and the product extensions. Product extensions include the following:

- concessions on the ticket price,

- safe parking facilities,

- half-time entertainment,

- a family atmosphere,

- child-care facilities and

- souvenirs.

4.2.2 Product planning

Before an individual or an organisation introduces a sport product to the marketplace, whether a new game, such as basketball in South Africa, or a variation of an existing sport, such as indoor cricket, they must determine how that product will fit into the marketing and management objectives of the organisation. The objective might be to introduce a product that

will enable the organisation to break into a market, increase market share or develop a reputation for being the first to introduce unique sport footwear and apparel. When the organisation's goals are determined, the next step is to proceed through the phases of the product development process.

4.2.3   **Product development**

Although a number of variations exist in the product development process proposed by different authors, Hiam and Schewe (1992, pp.245-252) indicate the following seven stages in the development of new products:

-    Generating ideas.

-    Screening ideas.

-    Developing and testing the concept.

-    Business analysis.

-    Product development.

-    Test marketing.

-    Commercialization.

During the first five stages the sport product or idea is tested

before it is actually manufactured or marketed. Although this process applies more to an individual or organisation wishing to develop a tangible product, the process is useful as a guide for developing a new league for a specific sport or a sport event. Each of the seven steps will be discussed briefly.

4.2.3.1 Generating ideas

The sources of new-product ideas are many and varied. This is especially significant for the sport product and the different product extensions that could be considered. One widely used method for generating ideas is brainstorming. This approach is based on the recognition that the really new ideas often mix several previous ideas to produce something that is really exciting. In this way, creative ways of looking at various aspects of sport will be generated.

4.2.3.2 Screening ideas

Once a large pool of ideas has been generated, the next step is to reduce it to a more manageable size. Three general criteria for screening ideas are suggested:

- New-product ideas should fit into the organisation's overall strategy.

- The ideas should also build on the organisation's resources and skills.

- The idea must have sufficient market potential to justify further consideration.

In this stage, the idea for a sport product is evaluated for its business value.

4.2.3.3 Developing and testing the concept

Throughout the stages of idea generation and screening, the product developers work with a general concept of the idea, for example a new indoor training shoe. In this stage, they try to make that idea more specific in terms of the use and benefits of the training shoe.

After the concept has been developed, the next step is to test it. Consumer reactions are obtained by using a verbal description or a picture of the product and asking for candid opinions. The objective at this stage is to improve the product idea and the best way to do this is to ask the sport consumer.

4.2.3.4 Business analysis

The next step in the new-product development process is to project costs, profits, return on investment and cash flow if the product is placed on the market.

Business analysis is a detailed realistic projection of maximum and minimum sales and their impact on the organisation's

financial health. It is at this stage where sport organisations, and even cities and countries in the case of international sport events, tend to be unrealistic and allow other factors, such as recognition and prestige, to override the basic realities of sound business planning.

4.2.3.5   **Product development**

In this stage, the product idea, if it is a sport event, is developed more fully or, in the case of a tangible product such as athletic equipment, a prototype is made. The benefits and attributes of the product or idea are then analysed to see whether it is feasible to try to market it to consumers.

4.2.3.6   **Test marketing**

The product must now be tested in one or more target markets to decide whether to proceed and commit large sums of money and human resources to the full development of the product. Sport products display their uniqueness in this regard. Some sport products are more easily test marketed and produced than others. The first season for a new soccer league or the first sport event of a particular type would be the test marketing phase. It is much more difficult for a new sport league to test market its ideas than for manufacturers of sport equipment to test market their tangible products.

The degree of acceptance of the sport product will result in

changes to the product. Once all the information and data from this stage of the product development are evaluated, the organisation can make a final decision on whether to begin full-scale implementation or production.

4.2.3.7 Commercialization

At this stage the product is produced or the idea implemented and marketing campaigns are developed. When the sport organisation arrives at this stage, the decision has definitely been made that the sport product or sport event has merit and is worth marketing.

If, at any stage of the product development process, the company determines that there is no market for the product, the product idea should be dropped.

4.2.4 The product position

The success of a product or service within a chosen target market depends on how well it is positioned within that market; that is, how well it is perceived to perform relative to competitive offerings and customers' needs in the target segment (Boyd & Walker, 1990, p.327). Positioning, therefore has to do with the perceived fit between a particular product offering and the target market. Generally, the better the fit between a product offering and the targeted customers' needs, the larger the market share it can obtain.

A comparison of alternative products in terms of their physical dimensions alone usually does not provide a complete picture of their relative positions. This is because positioning ultimately takes place in the mind of the customer. Even though a product's physical characteristics, its package, brand name and price can be designed to achieve a particular position in the market, customers may attach less importance to some of these characteristics than the organisation expects.

This is particularly true in the case of sport marketing. According to Sutton (in Parkhouse, 1991, pp.168 & 169), positioning starts with a product, a service, an institution, an organisation or even a person. Positioning is not, however, what the sport marketer do to a product. Positioning is what the sport marketer does to the mind of the sport consumer. The sport product must be positioned in the mind of the sport consumer. A popular form of positioning used in spectator sport is to position a sport event as more than the activity itself. The impression is created in the sport consumer's mind that he is receiving more for his money. A family day, for example, is a promotion and pricing strategy that helps position the sport event as a family outing, something wholesome and traditional that gives the family an opportunity to share an event.

Marketing research, and in particular consumer feedback and reactions, is the key to successful positioning. Marketing research is the key because the marketing solution is not inside the product, nor is it inside the mind of the sport marketer, but inside the mind of the prospective sport consumer. If, for

example, poor attendance at sport events is a problem, as indeed it is in South Africa, the sport marketer must find out from consumers why they attend and also research non-attenders to determine why they are not attending. The problem could be lack of awareness, product presentation, quality, price or a legimimate disinterest in the sport product. Solutions to the problem, and therefore also positioning, can only be effective when the receiver's reaction to the message is obtained and analysed.

The attitude of the sport consumer toward the sport product is often based on social or psychological attributes not amenable to objective comparison, such as perceptions of the product's esthetic appea , sportiness or status image. In many cases, therefore, the positioning of the sport product in the mind of the sport consumer has little to do with the product itself. The perceptual positioning of the sport product also requires inputs from marketing research about the perceptions and attitudes of potential sport consumers.

4.3 Pricing strategies

4.3.1 Description

Pricing decisions in sport concern the following:

-       The average level of prices to be charged.

-       The discount structures.

- The terms of payment.

- The extent to which price discrimination between different groups of customers is to take place.

These are very similar to the issues facing the marketer of other goods. Differences do, however, occur where the intangible nature of the sport product may mean that the price in itself can become a significant indicator of quality. The art of successful pricing is, however, to establish a price level which is sufficiently low in order to represent good value to consumers, yet high enough to allow the organisation to achieve its financial objectives.

Palmer (1994, p.245) states that the importance of pricing to the development of marketing strategy is reflected in the diverse range of strategic uses to which it is put:

- At the beginning of the life of a new product or service, pricing is often used to gain entry to a new market. This is why some prices are initially very low in order to create awareness and gain entry into the market.

- Price is used as a means of maintaining the market share of a product or service during its life and is also used tactically to defend its position against competitors.

- For organisations working to financial objectives, prices must be set at a level that allow them to meet their

financial objectives.

For sport marketing, price is a very visible component of the marketing mix and it is intricately related to the other major elements of product, place and promotion (Parkhouse, 1991, p.323). The sport consumer pays a certain price for a ticket to a sport event that has been promoted in various media and distributed through particular channels. If any of the elements of the marketing mix change, the price aspect must also be re-evaluated.

Price is most commonly considered as an amount of money. However, it can be more broadly defined as anything of value that is exchanged. Bartering, also known as trading-out, is a common practice in sport marketing and consists of an exchange that does not involve money. Tickets, scoreboard space and arena signage are valuable commodities to some sport organisations. These commodities should be used to trade for goods and services that are needed to execute the promotion campaign. Many sport organisations, for example, use tickets to trade for radio and television advertising. Tickets are given to radio or television stations in exchange for advertising equal to the face value of the tickets. These tickets are given away during programmes, in the form of a competition, resulting in a certain number of "mentions" for the organisation.

4.3.2   Pricing strategies

Early in the planning process the sport marketer will have to

choose a pricing strategy (Parkhouse, 1991, pp.323 & 324). Some of the more common techniques are:

- Skim pricing.

- Penetration pricing.

- Discount pricing.

4.3.2.1 Skim pricing

Skim pricing is the pricing of a product at the high end of the price range. This technique is frequently used to maximise profits when a product is introduced to the marketplace, particularly if the demand is inelastic (the demand does not change significantly regardless of the price) and there is little competition. As competitors enter the marketplace, the sport marketer may choose to lower the price of the sport product in an attempt to capture market share. This technique was successfully used by Nike in South Africa with the introduction of the "air" concept in its running shoes. The Nike running shoes were priced much higher than any of the other types of running shoes available at the time. When the other shoe manufacturers introduced the same concept in their sport shoes, the price of the Nike product was reduced significantly to prevent the loss of market share.

4.3.2.2 Penetration pricing

Penetration pricing is the opposite of skim pricing. In this strategy the sport marketer initially sets the price of the sport product at the low end of the price range to attract the mass market. Penetration pricing is also used at the later stages of the product life cycle, again to reach the mass market. Penetration pricing is an effective strategy when the demand for the sport product is elastic, meaning that lower prices will increase the quantity of the product purchased. A low penetration price may be called a "stay out" price in that it discourages competitors from entering the market.

4.3.2.3 Discount pricing

Often, for a particular game or event, the sport marketer will offer a discount from the regular price of the product or ticket. The discounts are usually offered under certain conditions, such as:

- A minimum number of tickets must be purchased.

- Cash transactions only are allowed.

- A service, such as a typesetter covering the costs of printing the programme, is provided in return for the discount.

Discount pricing is also useful in the marketing of a single

sport event to attract community, civic or school groups to games, or to increase attendance at events that otherwise would not be well attended.

Another benefit of discount pricing is that it is a way of lowering the price of the sport product without lowering its value. Discounting solves the dilemma of the sport marketer who wants to attract consumers, but not at the expense of reducing the perceived value of the event.

4.3.3 Factors influencing pricing decisions

The cost of producing any product or service represents the minimum price that the organisation would be prepared to accept over the long term for providing that product or service. The maximum price achievable is that which customers are prepared to pay for the product or service. This price will be influenced by the level of competition that is available to customers to satisfy their needs elsewhere. The relationship between maximum and minimum prices is illustrated in Figure 6.

FIGURE 6: THE KEY INFLUENCES ON PRICE DECISIONS

```
HIGH                          PRICE CEILING
                              Maximum price
                              that customers are
                              prepared to pay


RAND                          AREA OF
                              PRICE
                              DISCRETION


                              PRICE FLOOR
LOW                           The cost of
                              producing the
                              product/service
```
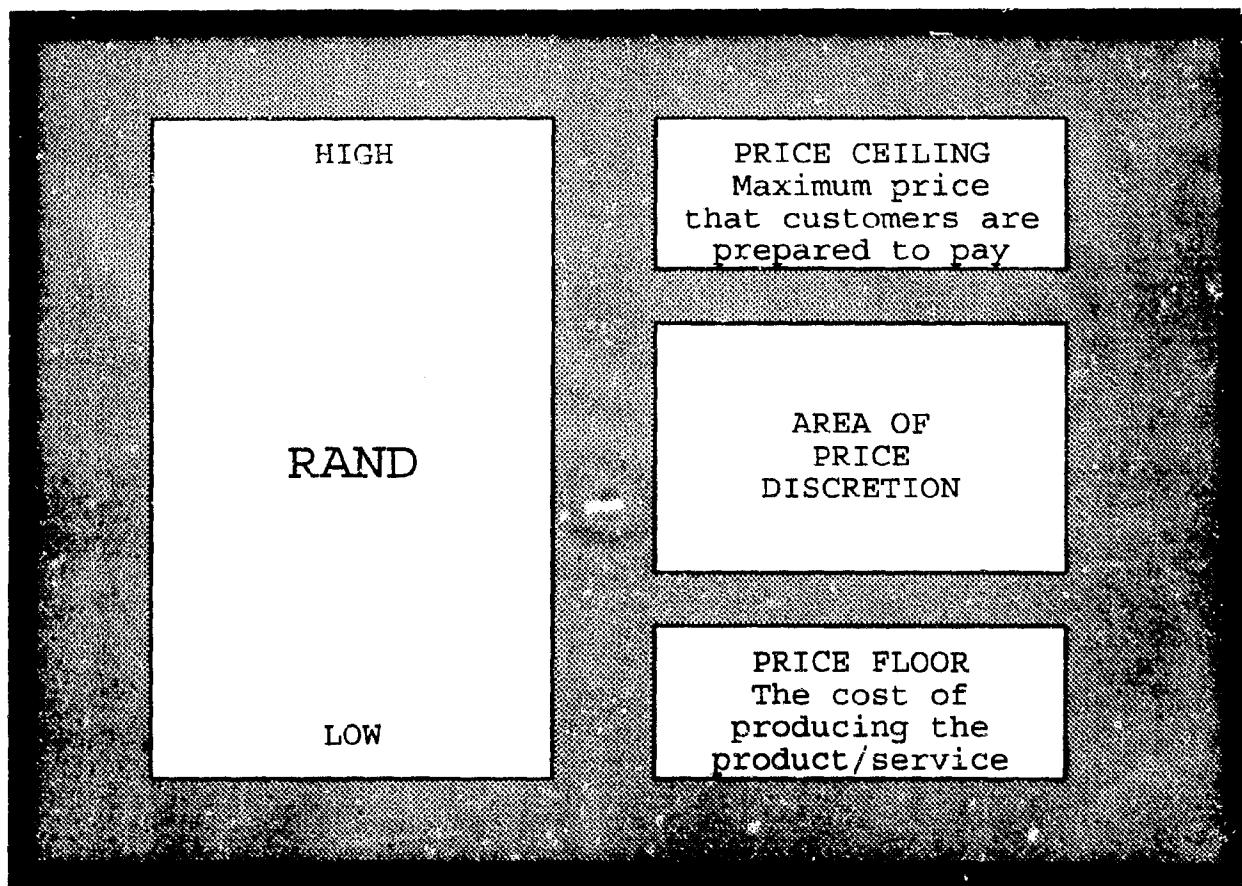
Source: Adapted from: Palmer, 1994, p.248.

4.3.3.1 Costs as a basis for pricing

The cost of manufacturing a product or providing a service is a basic factor in establishing its selling price. It is very convenient in sport marketing, especially in the case of sport events, where the precise nature of the product that will actually be provided is unknown at the outset. The only alternative would be to base the price in some way on costs. Even this might not be easy to do as many sport organisations use sport sponsorships to cover the costs of staging an event.

4.3.3.2   Demand-based pricing

The upper limit to the price of a product or service is determined by what consumers are prepared to pay for it. In sport marketing, it is generally found that different consumers often put different price ceilings on the price for the sport product. Successful demand-orientated pricing is therefore based on the effective segmentation of the sport market to achieve the maximum price from each segment. This is achieved by simply offering the same service to each segment but charging a different price. Scholars and pensioners are sometimes charged a lower price at sport events. The intangibility of the sport product makes the possibilities for price discrimination between different groups of sport consumers greater than is usually the case with manufactured goods.

4.3.3.3   Competitor-based pricing

There are very few situations in which the sport organisation can set its prices without taking into account the activities of its competitors. Just who the competition is against which prices are to be compared needs to be considered carefully, for competition can be defined in terms of the similarity of the product or service offered, or in terms of the needs that are satisfied. The sport organisation can therefore see its competition purely in terms of other sport organisations, or it could widen its competition to include any other form of entertainment, for example, the cinema and video rental shops. Having established what market it is in, and who the competition

is, the sport organisation must establish what price position it
seeks to adopt, relative to the competitors' prices.

4.3.4   Psychological pricing

The law of demand does not hold for some buyers of some products,
in particular sport products. This accounts for psychological
pricing strategies, which include prestige pricing to benefit
from snob appeal and the setting of prices to imply quality.

Psychological pricing strategies are dependent on consumer price
consciousness, which means that management should determine
whether consumers' perceptions of product quality are
significantly influenced by the product price (Cravens, Hills &
Woodruff, 1987, p.467). If this is the case, then the
perceptions of the sport consumer should also be considered in
setting prices for sport products. As the sport product is
difficult to evaluate, the price sometimes serves as an indicator
of quality. Determining the potential and appropriateness of
psychological pricing should be a strategic decision by the sport
marketer. Such a decision should be directly related to the
target market that is sought.

Psychological pricing for sport products is therefore based on
the sport consumer's perception of value. The willingness of
sport consumers to pay a higher price depends on their perception
of the fairness of the price and the quality they get for the
price they pay. Perceptions sometimes stray from reality. This
is why the sport marketer should also conduct research on the

perceptions of the sport consumer, as these perceptions affect the ultimate demand for the sport product.

4.3.5   Price bundling in sport

Price bundling is the practice of marketing two or more products or services in a single package for a single price. Price bundling has become very popular in the marketing of sport. The sport marketer must accept that there is a high level of interdependency between different requirements of the sport consumer. It is difficult to imagine a major sport event without bar facilities, restaurants and take-away kiosks, parking facilities and even transport. In many instances these services are considered to be an inherent and interdependent part of the sport product. The result is that different services are included in a package at an all inclusive price.

Price bundling of different services at sport events is frequently used as a means of building relationships with customers. In addition, and especially where the package results in comfort and peace of mind for the sport consumer, the sport organisation may be able to achieve a price for the "bundle" that is greater than the combined price of the "bundle's" components.

Two types of price bundling can be distinguished, namely:

-       Pure price bundling. The core product, together with the various services, can only be obtained as one complete package. This concept is used extensively for

international sport events where the package include the ticket for the event, accommodation, transport and meals.

- Mixed price bundling. The sport consumer can choose which services will accompany the core product. Some sport consumers, for example, arrange for their own accommodation and entertainment and might prefer to take only the ticket and the transport.

4.4 Place

4.4.1 Description

Place decisions refer to the ease of access that potential customers have to a product or service. The place or distribution function in sport differs from that of many industries. Apart from the sporting goods industry, there is little physical movement of the sport product from the site of production to the site of consumption. In both spectator and participant sport marketing, the site of production is also the site of consumption (Mullin, Hardy & Sutton, 1993, p.229). Consequently, the distribution function in sport marketing primarily concerns the facility, rather than the physical channels of distribution. Distribution channels are however important in the following areas in sport marketing:

- Ticket distribution.

- Distribution of physical sport products.

- Broadcast networks.

4.4.2   The sport facility

The most unique aspect of the distribution process in the case of participant and spectator sport is that the sport product does not move from the production site to a customer outlet. The production and consumption occur at the same site, namely the stadium or arena (Parkhouse, 1991, p.166). The consumption site, the sport facility, is therefore critical for the success of the sport organisation or the sport event. In many cases the choice of location is limited for the sport organisation due to the requirements of certain sports. Geographic factors such as a mountain, the beach or a river are inherent components of certain sport codes and they are therefore the key determinants of the location of a sport event. It is generally found that the level of spectator attendance and interest at these events are low, which makes the choice of location really insignificant as far as the sport spectator is concerned.

The location of the sport facility is really important for spectator sport in terms of the following factors:

- Accessibility.

- Attractiveness.

- Parking.

- Appropriateness.

4.4.2.1 Accessibility

The accessibility of the sport facility is a major determinant of the attendance of sport spectators at an event. Accessibility, or the relationship between the location of the product presentation and the location of the target market or consumer, is a key factor for the sport marketer. Accessibility is a convenience factor and the consumer's perception of this convenience may significantly affect the success of the sport event. Access factors which will affect consumer success in reaching the sport facility include the following:

- Freeways and other roads in the area of the sport facility.

- Public transportation.

- Transportation costs.

- Travelling time.

4.4.2.2 Attractiveness

Attractiveness refers not only to the sport facility itself, but also to the surrounding area. All the qualities of the sport facility and the surrounding area must combine to form a pleasing attraction to the sport consumer. Factors which must be considered include the geographical location, weather and safety.

4.4.2.3 Parking

Parking is a major problem for sport consumers at many sport events. This problem is particularly severe at the major sport facilities in the Western Cape. Parking facilities are usually provided by the sport organisation, as well as private individuals and schools in the area of the sport facility. This system seems to be working well, but it creates the problem of the sport organisation not being able to control the price being charged for parking facilities. This in turn leads to uncertainty for the sport consumer in terms of the total cost of the sport event.

4.4.2.4 Appropriateness

Appropriateness refers to the purpose for which the sport facility is used. Important factors are the number of spectators that can be seated and the design of the facility in terms of the requirements of the particular sport. The prestige of the facility or the sport consumer's opinion of the facility also affect its success. The sport marketer must also consider other purposes for which the sport facility can be used.

4.4.3 Distribution channels

4.4.3.1 Distribution channels for physical sport products

The distribution of the physical sport product (sporting goods such as clothing, footwear and equipment) is the same as for

other consumer goods. A channel of distribution is described as an organised network of agencies and institutions which, in combination, performs all of the activities required to link producers with users in order to accomplish the marketing task. By means of the channel of distribution, producers locate and supply the users of their products, and users find and obtain the products they desire (Cunningham, Cunningham & Swift, 1987, p.562).

In the consumer market for sporting goods, the distribution channels usually consist of an agent, a wholesaler and a retailer. Agents play a very important role as a large percentage of the merchandise which are locally available are imported from other countries. There can never be a standard channel of distribution for all sporting goods, and the variations which might be found are depicted in Figure 7.

FIGURE 7: DISTRIBUTION CHANNELS FOR THE PHYSICAL SPORT PRODUCT

```
┌─────────────────────────────────────────────────────────────┐
│  SPORTING   GOODS   MANUFACTURERS                            │
│                                                              │
│                                        ┌──────────┐          │
│                                        │  AGENT   │          │
│                                        └──────────┘          │
│                                             ↓                │
│                          ┌────────────┐  ┌────────────┐     │
│                          │ WHOLESALER │  │ WHOLESALER │     │
│                          └────────────┘  └────────────┘     │
│                               ↓               ↓              │
│        ┌──────────┐  ┌──────────┐  ┌──────────┐             │
│        │ RETAILER │  │ RETAILER │  │ RETAILER │             │
│        └──────────┘  └──────────┘  └──────────┘             │
│     ↓       ↓             ↓              ↓                   │
│  ┌─────────────────────────────────────────────────────┐   │
│  │         SPORT   CONSUMER                             │   │
│  └─────────────────────────────────────────────────────┘   │
└─────────────────────────────────────────────────────────────┘
```
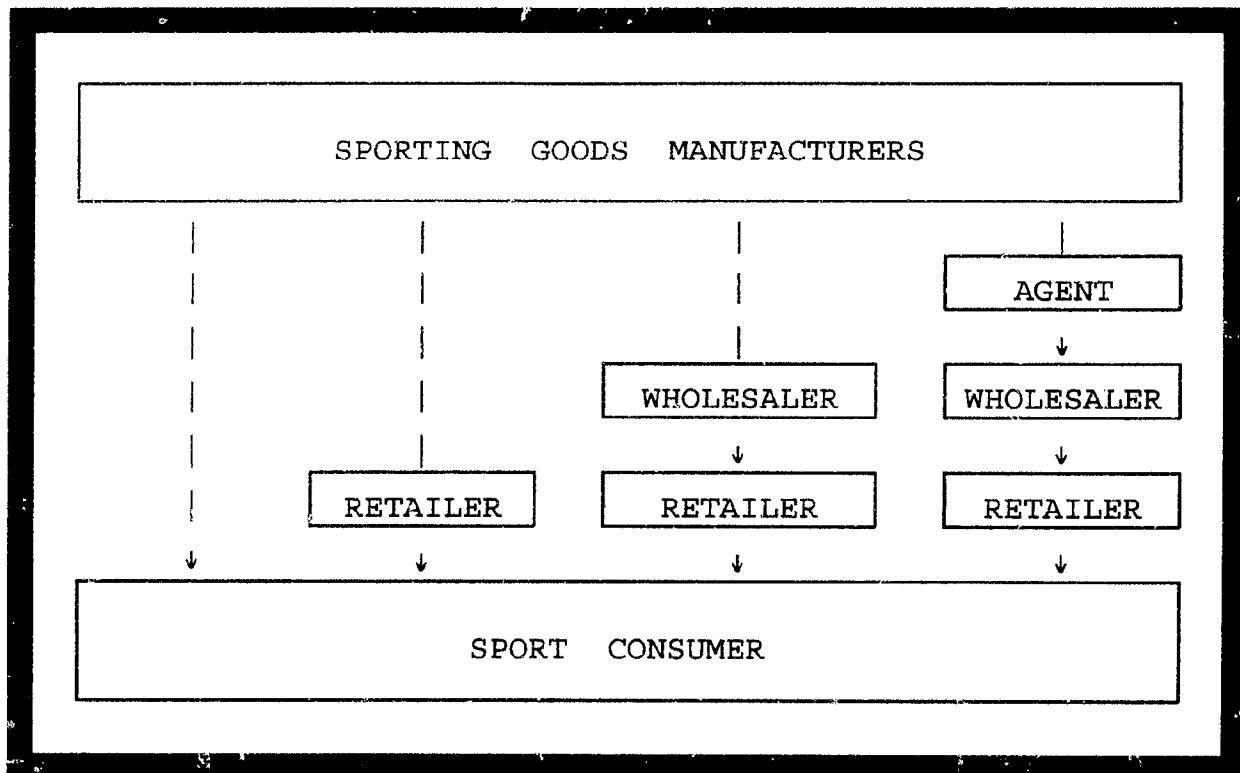
The primary determinant of the sport product's distribution should be the expectations of the sport consumer. The sport product should be sold where the sport consumer expects to find it. The sport industry makes use of selective distribution in this regard in that sporting goods are generally sold only through specialty sport stores and the major supermarket chains.

4.4.3.2   Ticket distribution

The physical distribution of tickets for sport events is an important part of the place aspect of the marketing mix. The goal of the ticket distribution system is to encourage consumer purchases by making the system as convenient and accessible as possible. Three methods of ticket distribution are currently being used in South Africa, namely:

- Gate sales.

- Sport stores.

- Computicket.

The practice of selling tickets at the sport facility or through sport stores has decreased dramatically, although it is still a popular form of ticket distribution for smaller sport events or to sell unsold seats shortly before the event.

Most of the tickets for the major sport events are however distributed through the network of Computicket outlets throughout South Africa. The advantage of such a distribution system is that ticket sales are handled by a well-established, professional and highly visible network of ticket outlets. The sport consumer can go to any of the Computicket outlets and buy a desired seat from the pool of available seats for a particular sport event.

A disadvantage of this system is the sport marketer's loss of control over the operation and therefore also the inability to monitor consumer satisfaction. Computicket also charges a service fee, which makes the ticket more expensive to the sport consumer.

Generally, there is still a great amount of dissatisfaction among sport consumers over the availability of tickets for the major sport events. Although other factors are also responsible for

this state of affairs, the proper distribution of tickets for sport events is an aspect that requires further consideration by sport marketers.

4.4.3.3   Broadcast networks

Many sport products cannot be physically moved to achieve customer distribution. Sport marketers must therefore aim to widen their market areas by using broadcast networks such as radio and television (Mullin, Hardy & Sutton, 1993, p.238).

The creation of a wide broadcast network not only generates widespread interest and awareness, but it can also directly impact on sales by creating "media consumers" who may later become light users. Broadcast networks can also generate revenue in both the short-term and the long-term. Direct, short-term revenues come from payments from the media for broadcast rights and long-term revenues come from increased sales.

4.5   Promotion

4.5.1   Description

Marketing consists of far more than developing a good product, offering it to the target market at the right price and making it readily available. Organisations must also communicate a considerable amount of information about the organisation itself, its products, its price structure and its distribution system to a variety of audiences including consumers, intermediaries and

the media. The term promotion, which is used interchangeably with the term marketing communications, has to do with persuading people to accept products, concepts and ideas.

Promotion must however do more than just create awareness. The success of a promotion campaign is ultimately determined by its ability to move the target audience to buying behaviour.

Promotion in sport is considerably more than just advertising. The sport marketer can draw on four major tools, called the promotion mix, namely:

- Advertising.

- Sales promotion.

- Personal selling.

- Publicity.

4.5.2 The promotion mix

4.5.2.1 Advertising

Advertising can be described as mass, paid communication which is used to transmit information, develop attitudes and induce some form of response on the part of the audience. It seeks to bring about a response by providing information to potential consumers by trying to modify their desires and by supplying

reasons why they should prefer the organisation's products or services (Palmer, 1994, p.282).

Advertising is probably the element of the promotion mix that is most commonly used in the sport industry. In order to determine criteria for decision-making and measurement standards for evaluating the advertising effort, the sport marketer must establish the advertising objectives. In the sport industry, there is always the temptation to express advertising objectives and to measure advertising effectiveness in terms of attendance or product sales. Reaching the attendance figure or sales goal, however, is not necessarily an indication of advertising performance, since many other factors influence attendance or product sales, including the opposition and weather in the case of sport events, and product availability and price in the case of physical sport products. Advertising objectives should therefore include awareness of the event or product as well as changes in consumer attitudes towards the particular sport, event or product.

The sport industry has a multitude of media at its disposal through which advertising can be done. These media include the following:

-   Traditional media such as newspapers, magazines, radio and television.

-   Signage in arenas, on play-field fences and scoreboards.

- Event programmes.

- Endorsements by the most popular participants.

The choice of the appropriate medium will not only depend on the objectives of the promotion campaign, but also on the characteristics of each medium, the cost of each medium, the target markets and the message.

4.5.2.2 Sales promotion

Sales promotional activity is essentially short-term oriented compared to advertising, which seeks to build a favourable long-term image. Sales promotion in sport generally consist of rebates on the ticket price, competitions and lucky-number draws.

Sales promotions are therefore incentives to attend sport events and it really includes any activity that cannot be classified as advertising, personal selling or publicity. These incentives range in value from a few rand to thousands of rand in the case of some competitions, for example a new car.

In many cases the expenditure on sales promotion can be much greater than for advertising. On the other hand, media costs have increased to a level where many sport organisations can simply not afford to use these media. In these cases, sales promotions would present a better option, even on a small scale.

Sales promotions can therefore be used effectively by many sport

organisations. These promotions can play a very important role in the recognition of a particular sport, event or product and it can also increase the trial rate for a new sport or a new sport product.

4.5.2.3 **Personal selling**

Personal selling is unique compared to other types of promotion because it permits the sport organisation to meet the sport consumer face-to-face. Although personal selling has limited application in the marketing of sport events, it can be used with great success in the marketing of sporting goods and also to promote the services offered by health and fitness clubs and indoor arenas such as action soccer and action cricket.

The sales task consists of three main activities, namely:

-       Providing information.

-       Generating sales.

-       Providing customer service.

Selling generally includes locating prospective customers, making sales representations, interacting with customers and closing sales. Many health clubs arrange personal interviews with prospective customers before membership is granted. It is therefore a requirement that the salesperson is properly trained, not only in the creative skills required to perform the sales

task successfully, but also in the technical knowledge about the sport product or the sport equipment. This is where many local fitness clubs and arenas go wrong in that they employ part-time workers, mostly scholars or students, to assist after hours or over weekends. In many cases these are the peak periods of business of these organisations. Many prospective customers might be turned away because the person on duty is unable to provide the necessary information about the services offered, or lacks the skill to finalise a sale.

Personal selling in sport can only be used where the number of prospective customers is relatively small and the income generated by the organisation is sufficient to pay the salaries of the salespeople. If this is not the case, the sport organisation may find advertising a better alternative. The task of the sport marketer is in any case to select the best combination of promotion mix elements in order to obtain the desired responses from target markets. The role of personal selling should therefore be determined in conjunction with that of the other elements of the promotion mix.

4.5.2.4 Publicity

Publicity is described as non-paid, non-personal communication about the sport product or the sport organisation. Usually the sponsor is not identified and the message reaches the public because of its newsworthiness (Parkhouse, 1991, p.165).

Non-profit sport organisations usually depend on publicity as a

primary tool to communicate with the public. The performance of a team or an individual can sometimes have a major influence on what is being reported in newspapers about a sport event. In many cases this will have a major influence on the attendance at these events.

In many instances the exact location of publicity within the promotion mix is not entirely clear. In some cases it is considered to be a part of advertising, while in other cases it is considered to be a part of the public relations function. Whatever the case may be, it is generally recognised that publicity plays a major role in the success or failure of a sport event or a sport organisation.

4.6 Public relations

4.6.1 Description

Public relations is an indirect promotional tool whose role is to establish and enhance a positive image of an organisation and its products or services among its various publics. Public relations is defined by the Institute of Public Relations as: "The deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its publics." (Palmer, 1994, p.297).

Public relations in sport therefore seeks to persuade people that the sport organisation is an attractive organisation with which to relate or be associated with. It is therefore directed not

only at the sport organisation's customers, but also at other publics who may be affected by its activities. Kotler and Bloom (1984, p.227) defines a public as any group that has an actual or potential interest in or impact on an organisation's ability to achieve its objectives. The following publics or audiences can be identified for the sport organisation:

- Participants.

- Spectators.

- Sponsors.

- Local communities.

- Employees.

- Suppliers of services.

The sport organisation needs to determine how each public thinks and feels about the organisation. Information must therefore be obtained on public knowledge and attitudes about the organisation which can be used to establish image and attitude goals for each public. The various public relations tools must then be used to develop a cost-effective public relations strategy to attain these goals.

Public relations is more than just customer relations and therefore it is handled at a corporate rather than the functional

level of marketing management. As a result it may be difficult to integrate public relations fully into the overall promotional plan. In large organisations, the responsibility for public relations is entrusted to the public relations department. In sport organisations, this department is also called the sport information department.

4.6.2   Public relations tools

A number of public relations tools are available to the sport organisation. These tools can be used to create or increase awareness of the organisation and its activities, but it tend to be less effective in the form of purchase decisions (Palmer, 1994, pp.298 & 299).

-    Special events.
     In order to attract media attention, sport organisations sometimes arrange events which are newsworthy and will stimulate awareness of the organisation or the sport. An example would be a pre-season tournament.

-    Exhibition matches.
     This is also a type of special event and it normally involves a number of famous sport personalities.

-    Sponsorship.
     One way that sport organisations can try to make their products more visible is to attempt to get customers to link the image of the organisation or sport with that of

another organisation or product.

- Press releases.

  Press releases are commonly used to announce events or significant achievements.

- Press conferences.

  Press conferences are used where a major event is to be announced and an opportunity for a two-way dialogue between the sport organisation and the media is considered desirable.

- Education and training.

  Training programmes aimed at specific target groups are necessary to promote any sport in certain communities and it also help to improve the image of the sport in these communities.

4.7 Summary

In this chapter, the marketing mix for sport was identified as consisting of five elements, namely:

- The sport product.

- Price.

- Place.

- Promotion.

- Public relations.

These elements are regarded as a set of tools which is available to the sport marketer to assist him to develop both long-term strategies and short-term tactical programmes for the marketing of the sport product. The sport marketer must therefore decide on the combination of these elements to achieve the marketing objectives of the organisation.

The study of these variables are seen against the background of the unique nature of sport and the sport product. Although there are similarities between the sport product and other products in terms of the theoretical framework, major differences have been identified in terms of the application of the principles involved in each case.

CHAPTER 5

THE STATE OF SPORT MARKETING IN THE WESTERN CAPE

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THE WESTERN CAPE

5.1 Introduction

It is clear that a proper understanding of the underlying principles of sport marekting is crucial for success in the sport industry. Sport marketers must have a sound knowledge of the marketing management process in sport, including the elements of the marketing mix. In addition, the sport consumer must be recognised as the starting point in the marketing effort of the sport organisation. It is only when the sport organisation is focussed on its customers that it can ensure that the sport product is valued and in this way earn the goodwill of sport consumers.

In order to get and maintain this focus, it is necessary to determine what the current state is in terms of the marketing of sport.* This should then be used as a basis for the identification of the key marketing success factors for the marketing of sport. In turn, this will enable sport marketers to plan their marketing programmes in a more scientific manner.

This chapter outlines the method that was used in the primary research project, as well as the findings of the project.

5.2 **The primary research project**

The primary research project can be described in terms of the following components:

- The objectives on which the project is based.

- The research process which consists of:

    ° The geographical scope of the project.
    ° The choice of respondents.
    ° The development of the questionnaire.
    ° Collection of the data.
    ° Analysis of the data.
    ° Evaluation of the feedback.

- The results of the research.

5.2.1 **Statement of objectives**

The primary objective of the primary research project is to determine the key marketing success factors for the marketing of sport in the Western Cape. The secondary objectives of the study are to determine:

- The marketing practices of sport organisations in the Western Cape.

- The contribution of sport to tourism in the Western Cape.

5.2.2 The research process

The research consists of a survey which was done by means of a questionnaire (See Addendum A). Where possible, the questionnaire was completed by means of a personal interview with the respondent. In other cases, a meeting was arranged with the respondent during which the objectives and content were explained. The respondent was then given a time period in which to complete and return the questionnaire. In a few extreme cases, the questionnaire was sent to the respondent and the necessary explanations given by means of telephonic contact. Again the respondent was given a time period in which to complete and return the questionnaire.

5.2.2.1 The geographical scope of the project

The geographical scope of the project is limited to the Western Cape region. The universe consists of all regional sport organising or sport co-ordinating bodies within the region. In some cases only national co-ordinating bodies exist for certain sport codes. Where appropriate, these organisations were included in the universe on the basis that the concentration of their activities is in the Western Cape region.

5.2.2.2   The choice of respondents

The universe in itself is limited and the choice of respondents was made at the researcher's discretion.   The sample can be accepted as being representative of the universe in that the whole spectrum of different sport organisations is represented in the sample.   The size of the sample was limited to ensure efficient administration and control.   A bigger sample would not have increased the representativeness of it in terms of the limited universe.

The following organisations were chosen as respondents:

- Western Province Cricket Association.

- Western Province Racing Club.

- Western Province Table Tennis Association.

- Western Province Netball Union.

- United Surfing Council of South Africa.

- Western Province Badminton Association.

- Western Province Sports Association for the Psysically Disabled.

- Tennis Western Province.

- Western Province Squash Racket Association.

- Baseball Association of Western Province.

- Western Province Motor Club.

5.2.2.3 The development of the questionnaire

Information was collected by means of a structured questionnaire (Addendum A). The purpose of the questionnaire was to ensure that the information obtained was relevant and accurate.

In order to achieve its objectives, the questionnaire is divided into four parts.

Part A is a general section about the nature of the sport organisation and its activities.

Part B is a survey of the marketing practices of sport organisations.

Part C is a survey of the key marketing performance indicators for sport organisations.

Part D evaluates the contribution of sport to tourism in the Western Cape region.

Different types of questions are used in the questionnaire. This included:

- Two-choice questions.

- Multiple-choice questions.

- Rating questions.

- Open-ended questions.

Provision was made as far as possible for respondents to include information which they considered to be relevant to the questionnaire. The questionnaire was tested beforehand to ensure that respondents would understand the questions and also to ensure that the required information could be obtained.

5.2.2.4 Collection of the data

The method of collecting the data was adapted to suit the particular circumstances of each respondent. The three methods used were:

- A personal interview where possible.

- A meeting with the respondent after which the questionnaire was completed and returned.

-    A telephonic discussion after the questionnaire was posted to the respondent. The questionnaire was then completed and returned.

The peculiar organisational structure and method of operation of each one of the respondents necessitated the adaptations in terms of the collection of data. Respondent organisations ranged from a formally structured organisation with permanently appointed marketing staff to an office which is operated on an ad hoc basis by volunteers. In extreme cases other members of the universe operated only by means of a telephone and an answering machine.

In addition, the majority of the respondent organisations are governed by an executive committee consisting of volunteers with full-time jobs in industry. This also placed additional pressure on the respondents in terms of the available time in which the questionnaire could be completed.

5.2.2.5   Analysis of the data

The empirical research was largely an opinion survey, therefore no real statistical analysis was done. The analysis consists of the summarising and tabulation of the data after each individual questionnaire was checked and, where applicable, the necessary adjustments were made.

5.2.2.6   Evaluation of the feedback

All the respondents reacted positively to the request to participate in the survey. All communications and contacts were friendly and positive and it was clear that the willingness to assist was genuine.

The respondents completed the questionnaires to the best of their ability and satisfied the researcher in that the feedback provided the information required in terms of the objectives of the research project.

5.2.3   The results of the research

5.2.3.1   The nature and objectives of sport organisations in the Western Cape

The primary activities of sport organisations are indicated in terms of the promotion and administration of the particular sport. The objectives are stated in similar terms, but there are some deviations, of which the following are the most significant:

-    To consolidate internal corporate image.

-    The rehabilitation of the physically disabled.

Most of the organisations have been in existence for a very long time, but there seem to be some uncertainty in this regard

because of the unification of sport organisations since 1990.

There seem to be two trends in terms of the offering of sport events, namely:

- There is a seasonal component to virtually all sports in terms of the offering of sport events.

- Events are predominantly offered on a weekly basis.

Interaction with other sport organisations' ranges from contact with organisations where there is some linkage in terms of the sports, to interaction with organisations where there is no obvious link. The frequency of contact is fairly regular, while the relationships are described as good in virtually all cases.

All the respondents belong to a national co-ordinating body for the particular sport.

5.2.3.2 Marketing practices of sport organisations in the Western Cape

Only four (4) of the respondents indicated that they have a marketing department. In most of the other cases the marketing is done by an executive committee. The majority of sport organisations do not make provision in their budgets for marketing their product or services.

The maintenance of records of consumers is indicated in Table 2. The totals represent the number of sport organisations in the sample who either keep or do not keep records of consumers.

TABLE 2:   MAINTENANCE OF RECORDS OF CONSUMERS

	YES	NO
Names, addresses and telephone numbers of consumers. (e.g. spectators)	5	6
Frequency of purchases. (e.g. tickets)	4	7
Quantity of purchases.	4	7
Dates of purchase.	5	6
Method of payment.	4	7
Location of payment.	4	7
Media read, viewed or listened to.	1	10
Patterns of consumption of consumers.		11
Visitor information.		11
Measurement of customer satisfaction.	1	10

Table 3 provides a summary of the services offered by sport organisations. The totals represent the number of sport organisations in the sample who provide the particular service.

TABLE 3: **SERVICES OFFERED BY SPORT ORGANISATIONS**

PARKING	3
COMPANY SUITES	2
PRIVATE SUITES	2
RESTAURANT	2
TUCK SHOP	5
BAR FACILITIES	5
SOCIAL FUNCTIONS	8
SOUVENIRS	3
TRANSPORT	2
OTHER	2

Other services indicated include:

- Clubs (shared corporate facilities).

- Information services.

- Facilities for the press.

The sport product is described by most of the respondents in terms of the sport activity or sport event. In many cases, certain product extensions are also mentioned as part of the product offering. Interesting responses included the following:

- Competitive skills.

- Excitement.

- Movie premiere.

- Socialisation.

The activities in which marketing staff members are involved are indicated in Table 4. The totals represent the number of sport organisations in the sample in which marketing staff members are involved in the various activities. The organisations in which the marketing function is performed by the executive committee, have been included in the summary.

TABLE 4: **ACTIVITIES IN WHICH MARKETING STAFF MEMBERS ARE INVOLVED**

Selection of teams.	1
Scheduling of events.	6
Provision of catering facilities.	3
Provision of bar facilities.	3
Appointment of match officials.	0
Other	4

Other activities indicated include:

- Marketing of suites, club seats and public seats.

- Scouting other events.

- Liaising with sponsors.

- Liaising with the media.

- Fundraising and social activities.

Only three (3) of the respondents are directed towards realising a profit. In most of the other cases, the primary objective is described in terms of the promotion of the sport and the creation of opportunities for participation.

Respondents generally could not indicate how the price for the sport product is determined. Most of the responses referred to the person or organisation who fixes the price.

The major sources of income are sponsorships and membership fees. Other sources of income included:

- Advertising.

- Sale of corporate facilities.

- Sale of refreshments.

- Hire of facilities.

A wide range of benefits and services are included in the price of the product. These included:

- First option on seats.

- Club cards.

- Information on fixtures.

An interesting response in this regard was the inclusion of excitement and pleasure as benefits that are included in the price.

The marketing tools that are used or have been used by sport organisations are indicated in Table 5. The totals represent the number of sport organisations in the sample who are using or have used the particular marketing tool.

TABLE 5:   MARKETING TOOLS USED BY SPORT ORGANISATIONS

ADVERTISING	6
DIRECT MARKETING	2
SALES PROMOTIONS	1
PUBLIC RELATIONS	9
PERSONAL SELLING	3
TOUR PACKAGES	2
HOTEL PACKAGES	0
CAR RENTAL PACKAGES	0
CO-OPERATION WITH TOURISM ORGANISATIONS E.G. SATOUR	2
OTHER	3

Other marketing tools indicated include:

- Radio competitions.

- Public appearance of players.

\-   Media coverage.

Table 6 provides a summary of the media channels that are used or have been used by sport organisations. The totals represent the number of sport organisations in the sample who are using or have used the particular media channel.

TABLE 6:   MEDIA CHANNELS USED BY SPORT ORGANISATIONS

TELEVISION	5
RADIO	11
NEWSPAPERS	11
MAGAZINES	3
BILLBOARDS	4
DIRECT MAIL	1
TELEPHONE	4
BROCHURES	2
OTHER	1

Other media channels indicated include:

\-   Word of mouth.

There seem to be no real problem in terms of the location of facilities of sport organisations. A major problem, especially for small organisations, is that they do not own their own facilities. This often mean that they have to accept what is available, and in many instances it causes inconvenience in terms of transport and safety.

Many of the respondents indicated that their public image is poor, although a variety of attempts have been made to improve their public image.

Virtually no segmentation of the sport market is currently applied within sport organisations as well as within the sport industry as a whole.

It is clear that development projects in disadvantaged communities are high on the priority lists of all sport organisations. These projects range from teaching basic skills to participants, to training coaches and umpires.

All the respondents felt that not enough marketing research is being done by their organisations, although there still seem to be a fair idea of the sport consumer's wants and behavioural patterns. The lack of research causes the marketing information systems to be inadequate. All of these problems arise because generally not enough marketing planning is done by sport organisations.

The major challenge for sport organisations is the lack of financial resources, while many of the smaller organisations also have membership problems. The major problem for the sport industry is to survive the battle between amateurism and professionalism in sport.

5.2.3.3 Key marketing performance indicators for the marketing of sport

Respondents indicated the following as the most important reasons for their success in the marketing of their events:

- Clear marketing objectives.

- Clear identification of target markets.

- Positive image of the organisation.

- Realistic pricing of the sport product.

- A sound ticket distribution system for large organisations.

- The location of facilities.

- Use of the available media.

The most important reasons given for the success of other sport organisations were:

- Financial support.

- Teamwork.

- Marketing.

- Media coverage.

Respondents indicated the following as the most important reasons for the lack of achievement of their objectives:

- Absence of a strategic plan.

- Insufficient marketing planning.

- Administration not up to standard.

- **Negative image of the organisation.**

- **Negative image of the particular sport in general.**

- **Staff not properly skilled to perform their tasks.**

- Lack of support from local authorities.

- **Lack of interest.**

- Sport organisations are not prepared to put any money into marketing.

- Too many choices for the consumer.

- Lack of finance.

- Not enough marketing.

- Poor public support.

- There is not a clear understanding of the sport product.

- Lack of media coverage.

The most important reasons given for the lack of achievement of their objectives of other sport organisations were:

- Lack of co-operation between organisations.

- Lack of sponsorships.

- Lack of media coverage.

- Lack of the necessary skills.

- Unpredictable weather conditions in the Western Cape.

- Lack of strategic planning.

- Credibility of leadership.

- Inability to afford full-time, paid marketing staff.

5.2.3.4   The contribution of sport to tourism in the Western Cape

Many sport organisations are not familiar with the concept of sport tourism. Those who are familiar with the concept, seem to have a fairly good idea about what it entails.

Many (six in total) of the respondents never had contact with tourism organisations. Those who did have contact, primarily interacted with Satour and Captour, although overseas tour operators and pop concert promoters were also mentioned as contacts. The nature of the contact included the following:

-       To secure tickets for international events.

-       To arrange promotions and launches.

-       Membership.

-       Brochure distribution.

-       Advertising.

-       To provide accommodation.

Table 7 provides a summary of the different forms of co-operation between sport organisations and various other organisations involved in the tourism industry. The totals represent the

number of sport organisations in the sample with regard to the form of co-operation.

TABLE 7: FORMS OF CO-OPERATION WITH TOURISM ORGANISATIONS

	FORMAL	INFORMAL	NONE
TRANSPORT COMPANIES	3	2	6
HOTELS	3	4	4
OTHER SPORT ORGANISATIONS	2	6	3
CULTURAL ORGANISATIONS	0	3	8
HISTORICAL ORGANISATIONS	0	0	11
ENVIRONMENTAL ORGANISATIONS	1	1	9
ENTERTAINMENT COMPANIES	1	3	7
RECREATION ORGANISATIONS	1	3	7
CRAFT MARKETS	0	2	9
OTHER	0	0	0

Drawing of customers from outside the Western Cape region is quite substantial; even up to ninety percent in some instances.

There seem to be general agreement that sport is making an important contribution to tourism in the Western Cape, although not sufficient provision is currently being made for the needs of sport tourists.

Respondents generally agreed that the Rugby World Cup Tournament in 1995 had a positive impact on both the economic and political environment in the Western Cape. Only two respondents indicated that they benefitted financially from the Rugby World Cup Tournament.

There also seemed to be general agreement amongst respondents on the following issues:

- There is a lack of co-ordination between the tourism industry and sport bodies regarding the organisation of major sport events.

- Accommodation for tourists, in the **Western Cape is inadequate.** However, one of the respondents, who **was** involved in finding accommodation for tourists during the World Cup Tournament, states explicity that the **opposite** is, in fact, true.

- **The sport facilities in the Western Cape is inadequate for major international events.**

- **There is a lack of adequate public transport in the region.**

- **There is a general lack of tourism culture in the Western Cape.**

- The hosting of the Olympic Games in 2004 could have a positive impact on the economy of the Western Cape.

- Sport organisations would benefit if the Olympic Games were held in Cape Town.

Respondents generally agreed that it would be possible to

integrate the sport industry into an overall strategy for the promotion of tourism in the Western Cape. A representative body of sport organisations and tourism bodies is suggested as a possible structure. All sport events also need to be actively promoted to all target groups as it is felt that certain groups, especially disabled people, are not being considered in the planning of sport events. Other challenges for such a strategy include:

- Lack of co-operation.

- Inadequate facilities.

- Inadequate public transport.

- Crime.

- The complexity in defining the sport product.

- To align the principles of sport provision with business principles.

- Funding.

- Beaurocracy at government level.

5.3 <u>The identified problems in terms of the marketing of sport in the Western Cape</u>

The empirical research project identified a number of problems in terms of the marketing of sport in the Western Cape. These problems indicate the following:

a)   There is a general lack of strategic planning in sport organisations. This lack of strategic planning leads to a number of other problems, namely:

   °   The marketing planning currently being undertaken by sport organisations is insufficient.

   °   The administration of sport organisations is not up to standard.

   °   The actual marketing initiatives undertaken are not aggressive enough.

b)   Sport organisations are experiencing serious financial difficulties. This is largely due to the following reasons:

   °   Sport sponsorships are getting increasingly difficult to obtain because of the intensified competition.

   °   There is a lack of support, financially and otherwise,

from local authorities for sport organisations.

c)   In cases where funds are available, no provision is made in the budgets of sport organisations for marketing. This has created the following problems:

    °   Sport organisations have been unable to appoint full-time marketing staff members.

    °   No funds are normally available for marketing programmes.

d)   There is a lack of co-operation amongst sport organisations. In many cases sport organisations operate without any contact with other organisations. This is referred to as a lack of horizontal integration.

e)   Staff members of sport organisations lack the necessary skills to perform marketing tasks.

f)   Marketing staff members are not involved in many of the activities that form part of the sport product. In the final analysis, they are expected to market these products.

g)   The public image of many sport organisations, as well as that of the particular sport, is regarded as being negative. This has resulted in the following:

o   A lack of interest in the sport.

o   A lack of support for the sport.

h)   No marketing research is currently being undertaken by sport organisations.

i)   No segmentation of the sport market is currently applied.

j)   There is no basis for determining the price of the sport product.

k)   Sport organisations do not have a clear understanding of their own product.   This is largely due to a limited description of the sport product.

l)   Many sports are experiencing a complete lack of media coverage.

m)   Sport organisations are starting to realise that the traditional sport consumer is confronted with many other opportunities which make demands on his discretional time and money.

n)   The unpredictable weather in the Western Cape is a source of concern for many organisations involved in outdoor sport.

o)   In many sport organisations, there are serious concerns about the credibility of the leadership.

5.4   **The identified problems in terms of sport tourism in the Western Cape**

The empirical research project identified a number of problems in terms of sport tourism in the Western Cape. These problems indicate the following:

a)   Many sport organisations are not familiar with the concept of sport tourism.

b)   The level of contact between sport organisations and tourism organisations is a cause for serious concern.

c)   There is a lack of co-ordination between the tourism industry and sport organisations regarding the organisation of major sport events.

d)   The exact situation in terms of accommodation in the Western Cape must be determined.

e)   The sport facilities in the Western Cape is inadequate for major international events.

f)   There is a general lack of tourism culture in the Western Cape.

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g) The increasing crime rate, particularly in instances where tourists are involved, is a real problem that needs to be addressed urgently.

h) There are also serious concerns regarding Cape Town's nomination for the Olympic Games in 2004.

i) Too many sport organisations with potential for tourism are not operated on business principles. This causes difficulties in incorporating these organisations into tourism strategies.

5.5 Summary

This chapter described the empirical research planning and the findings of the primary research project concerning:

- The marketing success factors for sport organisations in the Western Cape.

- The contribution of sport to tourism in the Western Cape.

From the results of the research project, a number of problems were identified in terms of:

- Sport marketing.

- Sport tourism.

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These are the problems that should be addressed in order to improve the marketing practices of sport organisations and to promote the integration of sport into tourism.

CHAPTER 6

KEY SUCCESS FACTORS FOR THE MARKETING OF SPORT AND THE IMPLICATIONS FOR TOURISM

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6.1 Introduction

Sport organisations are different from business enterprises in many ways. The factors which will ensure success for sport organisations are therefore in many instances peculiar to the sport industry.

Sport organisations need to be aware of these key success factors for the marketing of sport and the underlying principles in each case. It must be acknowledged that sport organisations are very different from one another in terms of the manner in which they operate and the extent of these operations.

The key marketing success factors which will be identified and discussed in this chapter should therefore be used as a basis and adapted to suit the particular needs of each organisation.

The influence that the marketing of sport has on tourism will also be outlined, with the emphasis on major sport events, also

referred to as hallmark events in this context.

6.2 Strategic planning

Every sport organisation must undertake a process of strategic planning in order to direct and govern its marketing efforts. Strategic planning is therefore concerned with the identification and actualization of long-term objectives for the sport organisation. It is an on-going process and sport organisations which confine their planning to a short period or particular activities cannot be described as market oriented.

Figure 8 represents a strategic planning process which sport organisations can use in order to determine objectives and strategies.

FIGURE 8:   THE STRATEGIC PLANNING PROCESS

| SITUATION ASSESSMENT | ORGANISA-TIONAL MISSION | ORGANISA-TIONAL OBJECTIVE | ORGANISA-TIONAL STRATEGIES |
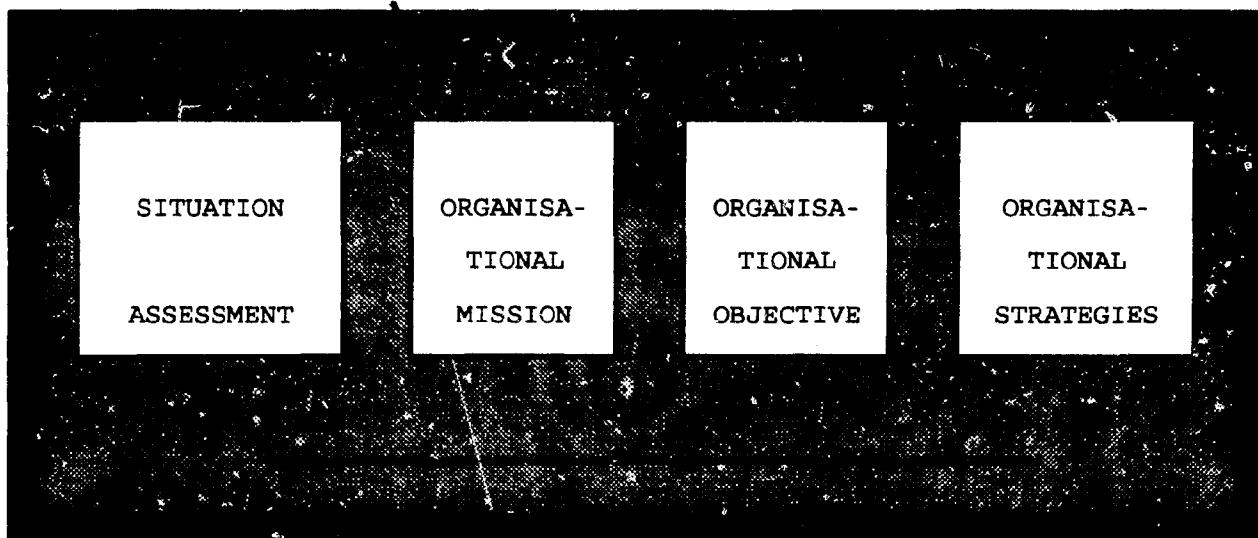
Source: Adapted from: Schoell & Guiltinan, 1990, p.83.

In terms of Figure 8, the management of sport organisations must:

-       Assess the organisation's environment and resources.

-       Define the organisation's mission.

-       Establish the priority of organisational objectives.

-       Select one or more organisational strategies.

6.2.1   Situation assessment

The factors that are most important to the sport organisation's future are referred to as stratetic factors and are summarised with the acronym S.W.O.T., indicating the Strengths, Weaknesses, Opportunities and Threats of the organisation. These strategic factors are investigated in terms of:

-       An environmental assessment.

-       An organisational assessment.

6.2.1.1   Environmental assessment

The external environment of the sport organisation consists of variables (Opportunities and Threats) that are outside the organisation and not typically within the short-term control of the sport marketer. These variables form the context within

which the sport organisation exists. The external environment has two parts:

- The task environment.

- The societal environment.

a) The task environment.

The task environment includes those elements or groups that directly affect and are affected by the sport organisation's major operations. Some of these elements or groups are:

- Sport consumers.

- Sponsors.

- National and regional authorities.

- Local communities.

- Competitors.

- Suppliers.

- Creditors.

- Trade unions.

- Special interest groups.

b) The societal environment.

The societal environment includes the more general forces, those that do not directly touch the short-term activities of the sport organisation, but can influence its long-term decisions. These forces can be identified as:

- Economic forces.

- Technological forces.

- Political-legal forces.

- Socio-cultural forces.

6.2.1.2 Organisational assessment

The organisational assessment is concerned with the internal environment of the sport organisation, which consists of variables (Strengths and Weaknesses) that are within the organisation itself, but not usually within the short-term control of the sport marketer. These variables form the context in which the organisation's work is done. They include the sport organisation's:

- Structure.

- Culture.

- Resources.

a)   Structure.

Structure is the way in which the sport organisation is organised in terms of:

-     Workflow.

-     Communication.

-     Authority.

It represents the organisational structure and is described by means of an organisational chart or organogram.

b)   Culture.

Culture is the pattern of beliefs, expectations and values that are shared by members of the sport organisation. Certain behavioural patterns emerge in sport organisations and this defines the acceptable forms of behaviour for all members of the organisation.

c)   Resources.

Resources constitute the assets of the sport organisation which will enable it to perform its functions. These assets include:

- The skills of all the members of the sport organisation.

- Financial resources.

- Facilities and equipment.

- Managerial talents.

6.2.2 Organisational mission

The organisational mission defines the purpose or reason for the sport organisation's existence. The statement of the mission answers the following questions:

- "Who are we?"

- "What business are we in?"

A well-defined mission statement defines the fundamental, unique purpose that sets the sport organisation apart from other sport organisations and identifies the scope of the organisation's operations in terms of the sport product and the sport market.

Mission statements should indicate the markets the sport organisation intends to serve in order to provide direction in selecting organisational objectives and strategies. At the same time, the mission statement should not be so constricting as to

deny the organisation an opportunity to adapt to modest environmental changes. Theodore Levitt, (in Schoell and Guiltinan, 1990, p.87) as indicated in Chapter 2, has crystallised the main cause of poorly defined missions through his concept of marketing myopia. He believes that organisations go into a state of decline because of excessively narrow views of what their business is. This occurs when organisations define their business in terms of products rather than customer needs. Sport organisations need to realise that they compete with all the other forms of entertainment and that they are in fact in the entertainment business instead of in the sport business.

The concept of an organisational mission implies that there is a common thread running through the organisation which directs any activity in which the organisation is involved.

6.2.3   Organisational objectives

Objectives state what the sport organisation wants to accomplish, by when and how it will be measured. Busch and Houston (1985, pp.47 & 48) indicates the following criteria which can assist in the process of developing meaningful, workable objectives:

a)   Priority.
Many organisations have multiple objectives which often conflict with each other. Prioritising objectives reduces conflicts and helps in the achievement of objectives.

b)   Measurable.

A statement of the means to measure the objective is also needed, for example to increase attendance by twenty percent.

c)   Consistent.

The objectives should be in harmony or consistent with each other. Sport organisations should not achieve results in one area at the expense of others.

d)   Reasonable.

Objectives should be challenging but reasonable. They should be tailored to the individuals who must achieve them.

e)   Time period.

Objectives should specify a time period in which it must be accomplished. A specific time should be set to measure whether these objectives have been met.

Some of the areas in which sport organisations might establish its objectives are:

-     Attendance

-     Profitability

-     Costs

- Reputation

- Contribution to society

- Survival

6.2.4   Organisational strategies

The sport organisation's strategies form a comprehensive plan stating how the organisation will achieve its mission and objectives. For example, to increase attendance the ticket price will be reduced and better seating provided. Strategies should aim to maximise the sport organisation's competitive advantage and minimise the organisation's competitive disadvantage.

6.2.4.1   Strategy implementation

Strategy implementation is the process by which the management of the sport organisation translates the strategies into action through the development of:

- Programmes.

- Budgets.

- Procedures.

This process might involve changes within the overall culture,

structure, and management system of the entire organisation.

Sport organisations should realise that strategic planning is a formalised process and that it leads to the creation of a formal written document, the strategic plan.

6.3 Sport Sponsorship

Sport sponsorship is defined as the support of a sport, a sport event, a sport organisation or competition by an outside body or person for the mutual benefit of both parties (Gratton & Taylor, 1985, p.218). The authors also express the view that the sponsorship of sport provides a service to sport as a whole and to the community which sport serves. In this respect it therefore also serves the public interest.

In many instances it might be suggested that sponsorship is similar to public sector (government) subsidisation and that it is a form of private sector charitable support. There is, however, more to sport sponsorship than suggestions like these. From the point of view of the sponsored sport or sport organisation, this may be true, but the aims of the sponsors are often purely commercial.

Three characteristics of sport sponsorship can be identified:

- The sponsor makes a contribution, in cash or in kind, to the sport or sport organisation.

- The sponsored activity or organisation is not part of the main commercial operations of the company.

- The sponsor expects a return in terms of publicity which does not reflect adversely on the sponsor. This characteristic also puts sponsorship in a similar position to advertising expenditure.

The popularity and positive image of sport events prompt many companies to affiliate with these events as corporate sponsors. One of the major functions of many sport marketing agencies is obtaining sponsors for sport events, or vice versa (Parks & Zanger, 1990, p.62). In turn, many major companies employ their own special event marketers to analyse proposals for sponsorship received from event promoters. In some instances, companies may even be seeking events to sponsor.

Corporate special event marketers are quite concerned with the appropriate match of their corporate name and products with a sport event or sport organisation. These marketers devote considerable effort to conduct marketing research that will help define the types of people who watch or participate in various events. The worst kind of sponsorship is when the public at large does not associate the sponsoring company with the sport or sport event. There would therefore be no positive shift towards the company or the product it sells as a result of the sponsorship (Marketplace, 17 February 1992, p.18). A good example is the cricket sponsorship of Gillette a few years ago

in South Africa. The assumption was that men play cricket and the bulk of spectators who watch cricket are men, therefore, in sponsoring such a popular sport, men in general would feel more positive towards Gillette products and, in doing so, buy these products.

The Gillette sponsorship failed to do this. Gillette became a name for a type of cricket competition. The goodwill that the company hoped would rub off onto their products did not materialise and in the end, they terminated the sponsorship.

6.3.1   Guidelines for sport organisations

Sport marketers must realise that there are huge numbers of individuals and organisations in competition for the limited available sponsorship opportunities. In order to be successful, the sport marketer must first determine why sponsors put money into sport organisations and what these companies expect to gain from their involvement (Marketplace, 7 September 1992, p.11). This means that the sport marketer must be able to approach the potential sponsor from a sponsor's point of view (Sleight, 1989, pp.246 & 247). There are many sport marketers who approach potential sponsors with a good idea of what they want money for, but they have not put sufficient thought into the reasons why the sponsor might find the proposition worthy of investment. Many of these marketers are indeed surprised when asked for a detailed financial breakdown of their project. They will therefore experience difficulties in producing the required information and

to justify it in terms of commercial realities.

The fact is that unless the sport marketer knows the planned project in detail and understand its potential benefits from a sponsor's commercial viewpoint, he will be unable to sell the idea to any marketing director.

Although sponsorship is one of the fastest growing communication media, it is certain that the number of individuals and projects requiring sponsorship is far greater than the number of companies prepared or able to consider the use of this medium in their communications mix. This means that the sport organisation seeking sponsorship has to face tough competition and must be prepared for a long, and sometimes dispiriting, marketing exercise. In order to achieve success in this competitive marketplace, a sponsorship proposal must be actively marketed rather than treated as a fund-raising exercise.

The Sport Marketing Institute (1986, p.17) suggests that a detailed sponsorship marketing plan should be developed. The sponsorship marketing plan, which will be presented to potential sponsors, generally consists of the following elements:

a)   The product or organisation profile.
      This is a description of the overall organisation and include the following components:

      -    a description of the sport.

- the number of years the organisation has been in operation.

- affiliations with recognised sport bodies.

- objectives of the organisation.

- the number and capacity of people involved in the organisation.

- an estimated budget.

- the organisation's structure.

- exposure to the media and public in the past.

- sources of revenue.

b) Components for sponsorship.

Each and every component, that is, activities or events planned by the organisa i. that could individually have sponsorship opportunities, must now be developed in terms of the following:

- dates and times.

- number of people involved.

- publicity and advertising plans.

- financial projections, including cost projections.

- special attractions and arrangements that are possible.

c)   One component is then selected and the sponsorship search is then focussed on this one component. Although each component is treated separately, it may be possible to group them or even regard them as a one complete package.

d)   The opportunities for sponsorship for each component are then determined. This also include opportunities in which the sponsors can be involved, for example concessions, programmes, signage and publicity.

e)   These opportunities must be outlined and the whole sponsorship marketing plan will then be presented to potential sponsors.

6.3.2   Guidelines for sponsors

The desire to be involved in sport as a sponsor ranges from the large national companies to the local community store. The reasons for this type of involvement in sport are varied, but there are some which can be identified as the prime ones and which are common to every sponsorship, large or small, national,

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regional or local. The Sport Marketing Institute (1989, p.1) states that sponsorships provide opportunities for companies and other business enterprises to:

- Demonstrate good citizenship.

- Demonstrate interest in the community.

- Generate positive visibility for a product or business on a continuing basis, thereby increasing sales.

- Generate favourable media interest and excellent publicity.

- Compete with other companies in an area other than the marketplace.

Sometimes, especially in the case of small enterprises, clubs or schools, sponsorships are undertaken only because the individual making the decision to sponsor is an active participant or loyal supporter, or has a child participating in the sport. In many cases, however, a combination of the reasons identified above play an important role in the decision-making process.

In many cases companies base their decision to sponsor purely on economic considerations. In these cases, sponsorship is equated with advertising expenditure and the assumption is also made that the overall objective of the company is profit-maximisation.

This rather simplistic view of advertising, and also of sponsorships, yields the direct conclusion that successful advertising and sponsorships lead to increased sales. The reality is, however, that many studies have attempted to estimate the effect of advertising on sales, but very few have been able to establish any relationship at all.

One of the greatest problems associated with the sponsorship decision of the company is therefore the uncertainty in terms of the returns of the expenditure. In this regard, sponsorships should be treated as an investment because the returns might be yielded over a period of many years. Sponsorships then become a vehicle by which a company builds its name, image and goodwill over time.

6.3.3   **General guidelines**

Sport sponsorship has undergone fundamental changes in South Africa over the past years. From the humble beginnings of Gillette Cricket, it has grown into an integral component of nearly every major sport event, for example, the Million Dollar Golf Classic at Sun City. Every major sport, whether it be cricket or athletics, has been influenced by sponsorship. The companies who get the best value for their money are those who use a creative approach to their sponsorships. With traditional media costs continuing to increase, more and more companies are seeking cost-effective alternatives. Sport sponsorship is such an alternative (Marketplace, 8 April 1991, p.15).

Brian Sims (in Professional Marketing Review, May/June 1990, p.24) indicates that while sponsorship is increasing in South Africa, several areas still need improvement:

- Sport marketers should try to present a more market-orientated approach in their proposals.

- Companies should accept that sport sponsorship is a viable marketing tool and adopt a far more professional approach to monitoring opportunities.

- The employment of sport marketing agencies should be as normal as using the services of an advertising agency.

- More attention should be paid to measuring the effect of specific sponsorship projects. Objectives should be established and results regularly evaluated.

- Joint sponsorships should not be regarded as ineffective. Some of the best sponsorship promotions have involved more than one company, particularly if one of them is a media publication.

- Sport sponsorship is a highly sophisticated marketing tool and can provide worthwhile results. There are statistics available that could assist companies to evaluate the potential offered by various sports. In addition, companies should not allow individual tastes to influence

business decisions.

6.4 Public relations, publicity and image

The relationship between sport marketing and public relations is often confused. One reason has been the lack of understanding about what sport marketing itself is, particularly amongst sport organisations. Public relations is regarded by many sport organisations as a relatively inexpensive way of obtaining publicity for a sport, but always as an add-on and not a major technique. With the marketing of sport being isolated by many sport organisations as an area of concern, public relations has developed into more of a management service which has to be alert to issues, perceptions, the changing environment and the impact on the organisation's image and reputation.

What is required is a close co-ordination between the two functions for a more integrated approach to be effective and consistent with the communications policy of the organisation as a whole. This might mean that the sport marketer assumes overall control of public relations. It can also lead to the evolution of the marketing communications department, which in itself is just a new way of organising what has been called the marketing department. This new structure arises both from a desire for more integrated communications overall, and from the realisation that the term "marketing" in its true sense is more than just a tactical communications technique.

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What is important is that the relationship between marketing and public relations is defined, understood and accepted, together with the realisation that public relations should play a leading role in the sport organisation's marketing strategy.

Sport publicity requires that sport as a form of entertainment be marketed in the same manner as music festivals, movie theatres, cabaret shows and plays. This is largely due to the fact that sport competes for the consumer's time and money just like the other forms of entertainment. Sport is, however, unique in that it has a highly exploited "star" system in which well-known individuals are publicised (Wilcox, Ault & Agee, 1992, pp.529 & 530). As a result, a special field of sport public relations has developed, using the same principles as other entertainment publicity, but with its own unique approach and technique. This task is perform largely by sport marketing and sport management firms in South Africa.

Publicity for the sport organisation should start with the appointment of a sport-orientated professional who can work closely with the sport marketer with a view to improving the image of the organisation and increasing crowd attendance by liaising with the various publics of the organisation. There will always be an emphasis on individual stardom, because sport stars sell tickets and star-studded winning teams fill the stadiums and therefore earn money for the sport organisation. Public relations departments in sport organisations try to create images for their organisation that will catch the sport

consumer's attention. Examples of these images in South Africa are the Blue Bulls of Northern Transvaal and the Golden Lions of Gauteng. A practice that has become extremely popular is to send the more popular and articulate participants to promotions at special events and shopping centres. It is believed that these personal contacts build fan loyalty.

Publicising individuals and promoting sport events constitute an important aspect of public relations for the sport organisation. This type of work requires intense contact with the media; by telephone, mail and personal contact. Exposure in the print and electronic media is crucial in terms of the intense competition for the sport consumer's time and money. Sport is therefore a form of entertainment in which energetic public relations efforts are necessary.

6.4.1   The internal image audit

Public relations is regarded as the planned and sustained effort to establish and maintain goodwill and mutual understanding between the organisation and its publics. The achievement of such a broad objective implies the sending and receiving of messages along the most appropriate channels of communication to reach the many diverse publics upon which the success of the organisation depends (Hart, 1995, p.24).

A new concept that sport organisations can make good use of, is to consider incoming messages from the perspective of the

receiver. This means that the organisation needs to be aware of the sources of messages that lead to the forming of attitudes towards or images of the organisation. The reality is that there might be numerous message sources of which the organisation might not be aware. These message sources can be divided into two broad categories:

a) External message sources.

These message sources include the various publics of the sport organisation.

b) Internal message sources.

There are many objects and activities whose functions are not remotely connected with marketing as such, but which inevitably contribute to the total marketing communications offering. These internal message sources are depicted in the form of an internal image audit, (Figure 9) which has been specifically compiled for sport organisations. The rating number is the maximum that should be scored against a particular item if it is thought to give a good impression in every way. If, on the other hand, it is thought to give an inferior impression, then the score allocated should be marked down accordingly as far as zero. Most of the factors are so obvious that judgement can be made by a small group of internal staff members (Hart, 1995, pp.39 & 40).

FIGURE 9:   INTERNAL IMAGE AUDIT FOR SPORT ORGANISATIONS

	ITEM	RATING	SCORE
1	Organisation's name	5	
2	Letter heading	3	
3	Facilities and buildings	5	
4	Reception area	2	
5	Literature	2	
6	Emblem	5	
7	Switchboard response	4	
8	Organisation's vehicles	2	
9	Entertaining of guests	3	
10	Team's performance	5	
11	Public appearances	3	
12	Job applications	2	
13	Advertising	5	
14	Press releases	4	
15	Exhibitions and displays	2	
16	Gifts	2	
17	Mail	2	
18	Charity support	4	
19	Entries in directories	3	
20	General documentation	3	

5.5 Facility management

The management of sport facilities in South Africa is currently in a state of change due to various reasons. Building and maintenance costs have risen dramatically and the owners of these facilities are faced with limited avenues for raising funds. As a result of these changes, facilities that were once reserved solely for the use of a particular sport is fast becoming extinct

(Parks & Zanger, 1990, pp.35 & 36).

A few single-purpose sport facilities still remain in South Africa, but all indications are that they may soon be utilised for other purposes also. It is worthwhile mentioning a few of the more significant examples in this regard.

- Ellis Park Stadium has recently been used for staging music concerts.

- Newlands Cricket Ground has also been used for an international soccer match.

- Loftus Versfeld Stadium has also been used as one of the venues for international soccer tournaments.

In the Western Cape, Newlands Rugby Stadium remains the only major single-purpose sport facility. Most of the smaller facilities could, and have been, used for purposes other than the primary activity. The concept of multi-purpose facilities brings a new dimension to sport management. Sport facility managers who have little previous experience with event promoters must take substantial care in these arrangements. Negotiation skills will become a necessity for facility management. Negotiations must produce terms and agreements that can provide financial benefits for both the facility owner and the promoter of a sport event. A trend that is developing slowly in South Africa is the utilisation of professional management for sport facilities.

Professional management means that a company specialising in sport facility management is hired to independently manage and run the stadium, arena or centre.

6.5.1 Current issues in facility management

6.5.1.1 Floodlighting

It is an absolute necessity for sport facilities to have proper floodlighting in order to accommodate more events and also different types of events. At this stage, the Newlands Rugby Stadium is the only major sport facility without floodlights. There are some distinct benefits in having proper floodlighting at the sport facility, but there is also some criticism. The major benefit is in terms of increased usage of the sport facility. Bale (1993, p.45) indicates that there are major benefits in terms of enjoyment for sport consumers in watching sport at night. He describes enthusiastically that there is a dramatic, theatrical quality about watching sport under floodlights. What floodlighting does is to bring sport closer to the theatre by highlighting the action on the field and obliterating, through the darkened background, any architectural details or elements of the landscape which could, incidentally, provide distraction or additional gratification for spectators. On the other hand, it can be argued that if the number of visible elements is reduced, the potential for enjoyment is also reduced. By focussing solely on the game, the urban context within which it is played is visually eliminated. The fact is, however, that

sport at night is extremely popular and all indications are that this trend will continue to grow.

6.5.1.2   **The all-seater stadium**

Another feature of modern sport facility development is the trend towards all-seater stadiums for most of the major sport events. All-seater stadiums were initially introduced to ensure greater comfort on the one hand and to reduce hooliganism on the other. Spectator attitudes towards these more comfortable, and more expensive, forms of accommodation are ambivalent (Bale, 1993, p.47).

Seating provides the spectator with a place of containment, while the terrace, on the other hand, provides less constraint and improves the potential for dialogue and interaction with other members of a group. The result is a greater sense of camaraderie and group cohesion. Seating may be more comfortable, but it is arguable whether it is more enjoyable. Indeed, there are many sport spectators who would argue that it is in many instances more uncomfortable. A good example is cricket, where the game is played over a number of days. Many of the major cricket grounds in South Africa are now converted into all-seater stadiums. It is generally believed that this could have an adverse effect on attendance and crowd participation. It will increase the price of the ticket and reduce the freedom of spectators to move about.

6.5.1.3   Competing facilities

It might be expected that the existence of other facilities nearby, including their pricing and programming policies, would have an influence on the demand for a facility, especially as distance from the facility increases. However, it is not always the case that other facilities are substitutes (Gratton & Taylor, 1985, p.79). This is currently the case with most of the major stadiums in the Western Cape. Indoor arenas and fitness centres are, however, experiencing competition from similar facilities in close proximity.

6.5.1.4   Performance and place

Although there has been a gradual tendency towards a neutralisation of the effects of the physical environment on sport, it cannot be denied that physical factors continue to greatly affect, and in some cases determine, sport events (Bale, 1989, p.26). Regional differences in the physical environment clearly influence the performance of sport participants. Temperature, wind, soil and rainfall vary from place to place and affect the outcome of sport events in a variety of ways. Among the most dramatic influences of place on performance was when the Olympic Games were held at high altitude in Mexico City. Spectacular performances were achieved in the sprints and jumps, with extremely modest achievements in the longer distance running events. Facility managers need to take these factors into consideration, especially with the scheduling of events.

6.6 Concentration on product extensions

Buying a ticket to a sport event is a risk that the sport consumer takes in that the satisfaction he will derive cannot be determined beforehand. A number of reasons, which contribute to this situation, have already been presented. Of particular importance in this instance is that the performance of individual participants or teams cannot be predicted. Even on the same field with the same officials, individuals and teams will never be able to repeat any previous performance in exactly the same detail. This presents the sport marketer, and also the sport consumer, with a serious problem. The sport consumer can either be satisfied with the experience, or he can be totally dissatisfied. If he is totally dissatisfied, the chances are that he will not buy a ticket for the next match. In order to cope with this unpredictability, the sport marketer must ensure in some other way that the sport consumer gets, at least some, satisfaction from his attendance at a sport event. This is done by means of product extensions. Product extensions are all the services and facilities included in the price of the sport product in order to:

-       Increase the satisfaction for the sport consumer.

-       Make the sport product more predictable.

-       Make the sport product more tangible.

The most common product extensions are:

- Restaurants and other eating facilities.

- Bar facilities.

It is generally agreed that these two services must be provided at all sport events. In addition, the following examples were also mentioned in Chapter 4:

- concessions on the ticket price,

- safe parking facilities,

- half-time entertainment,

- a family atmosphere,

- child-care facilities and

- souvenirs.

One product extension which is gaining fast in popularity, especially amongst the major sport organisations, is the concept of company suites or stadium skyboxes. These skyboxes is the outstanding feature in virtually every new stadium or alterations to existing stadiums. These luxury company suites allow certain categories of sport consumers, normally middle- and upper-

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managers, to treat their clients and friends with food, drink and high-technology electronics (Advertising Age, 5 August 1991, p.24).

In this way, much of the emphasis is shifted from the core sport product to the product extensions. In many ways this will guarantee a certain degree of satisfaction for the sport consumer. Most of these stadium skyboxes are used for business entertaining and employee incentives. It is clear that there are many distinct benefits for the owners of these suites, that is why the turnover of suite-owners are very low. The importance of these company suites is illustrated by the fact that although some companies experience decreases in profits, they still maintain their suites. It is generally believed that many business deals are concluded in these suites just before, or even during, sport events. The waiting lists for these stadium skyboxes are so long because companies take out leases of up to ten years.

Sport marketers need to recognise this development and accept that product extensions are integral components of the core sport product. In many cases the product extensions may even override the core sport product.

Another important issue in providing product extensions is the concept of price bundling as discussed in Chapter 4. There are distinct benefits for both the sport organisation and the sport consumer if a complete package at an all-inclusive price can be

offered to the sport consumer for sport events.

6.7 Sport marketing research

6.7.1 The role of sport marketing research

Sport marketing research focuses on understanding the sport consumer and in this way assists the sport marketer in making decisions regarding certain problems or critical issues. Sport marketing research can help identify the portion of the population that is most likely to use the sport facility or the sport product. In this way, the target market for any sport activity can be determined. Indoor cricket arenas, for example, discovered that young, married couples are better prospects for this kind of activity. Based on this kind of information, the sport marketer will be able to determine the type of promotions and product extensions which are the most effective in influencing this target market. Indoor arenas are popular for young married couples because they also offer bar facilities, play popular music all the time and offer child-care facilities in some instances.

It is clear that not many sport organisations undertake marketing research. For those sport organisations contemplating to do marketing research, Hiam and Schewe (1992, p.107) offer the following guidelines:

a)   Marketing research must be systematic.

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The research needs to be a planned, well-organised process.

b) Marketing research must be objective.

The information must not be biased by the researcher or the research process.

c) Marketing research information must be useful.

The process needs to produce information that helps managers make decisions.

d) Marketing research must be specific.

The information should focus on a specific problem.

e) Marketing research must be decision oriented.

When gathered, the information should result in a decision, otherwise it is a waste of time and money.

6.7.2   Sources of information

Sport organisations are sometimes not aware of the potential sources of information that exist and in this way a lot of valuable information may be ignored. Some of these sources may be able to provide formal information whereas others may provide information informally. The following are some of the more important sources of marketing information that are available to the sport marketer:

-       Books on sport marketing and sport management.

- Sport periodicals and sport magazines.

- Sport consumers, including ticket-holders and applications for club membership.

- Sport consultants and agencies.

- Research firms.

- The sport organisation's management information system.

- Public documents from competitors.

- The sport organisation's annual reports.

- The sport organisation's staff.

- The grapevine.

- Suppliers.

Sport organisations need to consider the services which are offered by marketing research consultants. These consultancies are able to satisfy virtually any research request and can even analyse sport events for clients. In many instances the consultants are able to design a customised study in collaboration with the sport organisation. The consultants collect the information and provide a research report at the end

of the project.

Sport organisations also need to consider the input of former customers (The Journal of Business Strategy, March/April 1992, p.25). Many organisations make the mistake of writing off customers who are definitely lost. Any organisation can learn a great deal by talking to former customers, either directly or through a consultant. There is absolutely no reason why the organisation should guess why customers do not attend events if these customers can be asked. The information they provide is likely to be more specific and actionable than the information provided by a general marketing research project. The sport organisation need to know the exact reasons why customers defect. Not all of the reasons for defection are preventable and result from forces that are external to the organisation. Other defections can be prevented if corrective action is taken or new strategies are adopted.

6.8 Media relations and media coverage

6.8.1 Media relations

When organisations consider the many publics upon whom they depend for success, they often overlook one of the most important; the media (Hart, 1995, p.175). In many cases this omission is not accidental.

Sport organisations, in many cases, view the media as channels

of communication which enable the organisation to reach the desired audiences. These organisations must realise that the media constitute one of the most important audiences. They should therefore receive treatment that is as considered and professional as for any of the other audiences.

If the sport organisation treats the media as "messengers", then it is unlikely to develop an effective programme of media relations. The result is that articles will appear as individual segments, rather than integral components (chapters) of a much bigger whole (story). This deeper coverage is more likely to result when the journalists concerned are kept fully briefed and they understand the policies of the organisation.

There is an incidental, but important, factor that supports this approach towards the media. Journalists and sport programme presenters are not commenting on the organisation only when they are writing articles or broadcasting, they are projecting a perspective every time they discuss the actions and policies of the organisation with the many key opinion-leaders with whom they regularly mix. It will definitely benefit the sport organisation to keep these influential persons well-informed and to ensure that they are positive in their approach towards the organisation.

For the sport marketer it is important to establish a positive relationship with journalists. Any person, including sport journalists, will prefer to liaise with someone who is friendly

and co-operative than with a person who regards them as an invading factor on their time.

6.8.2   Media coverage

6.8..2.1   Mass communication media

Mass communication media can be used to reach external publics and mass audiences (Lubbe & Puth, 1994, pp.150-153). These media are largely forms of uncontrolled communication because the publication of information depends on the policies and editors of the media concerned.

6.8.2.1.1 The press

The press is the most versatile and resilient of all mass communication media and includes regional, national and international newspapers and magazines.

a)   Newspapers.

Sport marketers should realise that newspapers are important sources of advertising and publicity. The amount of space allocated to sport coverage has increased dramatically over the last few years. Newspapers are accessible to almost every person. Even illiterate people and small children form certain perceptions and attitudes from pictures in newspapers.

b)   Magazines.

Magazines offer effective channels of communication to specialised publics. The number of sport magazines in South Africa is limited and their impact on the sport industry to date is questionable.

6.8.2.1.2 Broadcast media

Broadcast media are very different from the press and they have special advantages, but they are transient unless recorded on video or tape. Unlike printed messages it is difficult to retain broadcast messages. They usually have to be absorbed at the exact time of transmission. These media can be extremely valuable to the sport marketer as their publics may well exceed the readerships of newspapers and magazines.

a)   Television.

Television is arguably the most popular mass communication medium. In addition, the time allocated to sport coverage is increasing all the time. Many sport events have been designed specifically for the television viewer. Events like the Ellis Park Golf Tournament and Skins Golf would not have been successful had it not been for guaranteed television exposure. Sport marketers need to realise this power that television has over sport (Professional Marketing Review, May 1991, p.24). In this regard, M-Net has stated in strong terms that the channel is not just another awareness medium, but they want to enhance the

whole marketing strategy of organisations (Marketing Mix, July 1991, p.22).

b)   Radio.

Radio broadcasting, once thought to be on the decline because of television, today plays a useful and pervasive role in sport broadcasting in South Africa. Many older sport fans still prefer to listen to the commentary of sport events on the radio. There are also many instances where the television volume is turned down and the commentary is followed on the radio. Unfortunately the radio is highly underestimated and underused by sport organisations as a mass communication medium.

6.8.2.2   The use of media

Sport organisations should use the full range of the available media, especially with the current changes on virtually all levels in South Africa. Sport marketers must realise that there might be potential markets of which they are unaware. Although the press and television will always play a major role, the radio is the medium for reaching the whole range of consumers, and especially urban and rural consumers (Successful Salesmanship, January 1992, p.18 and Marketplace, 19 August 1991, p.12).

6.9 Promotions

Promotions are events or activities designed to stimulate or

change the behaviour of the sport consumer by making use of incentives, for example a free T-shirt or a cap after a certain number of games have been attended. Promotions give the sport consumer an additional reason to attend the sport event or buy the sport product. Promotions can take a number of forms and the type of promotion is largely dependent on the creative ability of the sport marketer.

Promotions must always be planned with the sport product in mind. No promotion will work if the sport event is not worth attending (Sport Marketing Institute, 1986, p.1). For this reason, it is important to ensure that all promotion efforts are integrated into the overall marketing plan. Promotional activities must be tailored to the expected audience, as well as be consistent with the organisation's desired image.

All special promotional events should do five things. They must:

a)   Enhance the organisation's and the team's image.

b)   Be newsworthy and generate publicity.

c)   Tie in with the sport event and the sponsor's name.

d)   Be well-advertised before and during the event.

e)   Have a long-lasting effect on the sport consumer and in this way create goodwill.

There seem to be a general perception amongst sport marketers that promotions are only tactical. The tactical capabilities of promotions should indeed be explored by sport marketers, but every promotion need to be developed in a strategic manner. A good promotion can be developed to address major, long-term strategic issues (Marketplace, 24 August 1992, p.28). The key point is that promotion is an integral part of the the marketing process and it requires the same attention and discipline as all the other elements. Promotions should never be just short-term initiatives. All short-term promotional efforts should be part of a long-term objective.

It is for this reason that promotions must no longer be viewed and executed as a disjointed collection of separate events to be conducted primarily on the basis of immediate need, but rather on careful planning as part of an overall marketing plan.

6.10 **Fundraising**

Fundraising is generally conducted by smaller, non-profit sport organisations to raise money for special projects and programmes. Although fundraising may involve finding one or several corporate sponsors, it is usually geared towards solicitation from either the general public or from target groups of people such as parents of children who participate in the sport. Solicitation projects can either be direct or indirect (Parks & Zanger, 1990, p.82).

6.10.1   Direct solicitation

Direct solicitation involves contacting people by telephone, by mail or in person with a request for contributions. University or technikon sport departments often engage in direct solicitation of graduates and businessmen to raise fund for sport scholarships or new sport facilities and equipment that cannot be obtained through the institution's budget. Direct solicitation involves asking for donations without offering anything more in return than the satisfaction of contributing to a worthwhile cause.

6.10.2   Indirect solicitation

Indirect solicitation generally involves raising money through the selling of mechandise, food, entertainment or services at special events planned specifically for this purpose. Bigger events, such as cocktail parties or dinners might also be considered.

6.10.3   Prerequisites for fundraising

Any fundraising campaign must have the suport of the whole organisation. There must be a commitment on the part of the leadership and a realisation that the campaign will be a team effort. A fundraising campaign cannot be successfully undertaken by fundraising staff alone. Dove (1988, p.5) states the following prerequisites for a successful fundraising campaign:

- Support and commitment from all the key groups in the organisation. This includes the executive committee of the sport organisation, participants and other sponsors.

- The organisation must have a clear image of itself and must incorporate the fundraising efforts into a strategic plan for its growth and improvement.

- There must be clear objectives based on important and legitimate organisational plans, goals, budgets and needs.

- All fundraising efforts should have a compelling case for support, always presented in a written document and, especially in larger, complex organisations, supported by appropriate documentation.

- A market survey should be undertaken to determine the feasibility and potential of the fundraising campaign.

6.10.4   Fundraising staff

The need for skilled and creative people to handle fundraising efforts is becoming more acute in all areas of amateur sport. Successful fundraisers will quickly show their worth and generate substantial revenues for the organisation (Parks & Zanger, 1990, p.82). Fundraisers should have strong communication and human relation skills. They must be persuasive, well organised and capable of utilising marketing skills to measure the types of

programmes and events that will encourage target populations to donate generously to the cause.

Many fundraising projects involve selling and sport organisations generally use volunteers for this purpose. These volunteers, especially in bigger fundraising campaigns, need to receive appropriate safety instruction and sales training. Common safety rules include:

- instructing younger volunteers to travel in pairs, or

- be accompanied by an adult, or

- sell only within their own neighbourhood,

- obeying all traffic laws and local regulations.

Stier (1994, p.6) indicates that teaching volunteers how to sell successfully means teaching how to:

- explain the nature of the sport organisation,

- clarify how the money will benefit sport and the community,

- identify potential customers,

- explain the product,

- emphasize the benefits to the purchaser,

- handle objections,

- thank the prospect whether or not a purchase was made,

- maintain accurate records.

6.11 Market segmentation and target marketing

6.11.1 Market segmentation

The concept of market segmentation and the segmentation bases for consumer sport markets were described in Chapter 2. The question at this stage is, however, whether market segmentation is applicable in the sport industry. This question is particularly significant as it is clear that there is a distinction between the very large sport organisations and smaller sport organisations in the Western Cape. For the large organisations, there seem to be a general public interest which could make segmentation of the market insignificant. For smaller organisations, there is a definite need to identify the sport consumer who would be interested in the particular sport as the number of different sport offerings will increase and stimulate competition in the sport industry. To these organisations, market segmentation is a matter of survival.

Sport marketers must therefore be able to identify and select

their target markets. In doing so, they can pursue either a strategy of mass marketing (market aggregation) or a market segmentation strategy.

6.11.1.1 Market aggregation

When sport marketers follow a strategy of market aggregation, also called mass marketing or undifferentiated marketing, the total sport market is not divided into segments. A single marketing programme is therefore used to offer the sport product to all consumers. Sport marketers use this strategy when they believe enough consumers will purchase the sport product as it is. This strategy can be used for standardised products and services, or products and services that the consumer think of as standardised (Hiam & Schewe, 1992, p.205).

Sport organisations that use the market aggregation approach realise that sport consumers may have different wants and needs, but they also believe that a sufficient number of consumers are similar enough to be treated as a homgeneous group. The sport consumer is therefore expected to compromise by accepting a product that may not suit their needs perfectly.

The advantage of the market aggregation strategy comes from lower marketing costs. Advertising costs, for example, may be lower because only one advertising campaign is used. Despite the advantages in terms of costs and efficiency, there are built-in dangers in the market aggregation strategy. By using an approach

that may leave some sport consumers' wants unsatisified, sport marketers expose themselves to challenges from competitors. In trying to satisfy the needs of the sport consumer reasonably well, sport marketers are vulnerable to competitors who satisfy those needs more precisely.

6.11.1.2 **Market segmentation strategies**

Market segmentation in sport is based on four assumptions:

- The market for the sport product is made up of particular segments where members have distinctive needs and preferences.

- Potential sport consumers can be grouped into segments whose members have similar and identifiable characteristics.

- A single sport product appeals more to some segments of the sport market than to others.

- Sport organisations can make their marketing efforts more effective by developing specific offerings for specific segments of the market.

The following segmentation bases for sport consumer markets were identified in Chapter 2:

- Geographic segmentation.

- Demographic segmentation.

- Psychographic segmentation.

- Benefit segmentation.

a) Geographic segmentation.

Geographic segmentation of the sport market is based on the division of the market into geographical units such as:

- countries,

- regions,

- cities,

- urban,

- rural or

- climatic regions.

Geographic considerations are important in many sport codes because of differences in climate and natural environment. Sport marketers must realise that the mere geographic location of sport consumers does not always explain their

preference for a particular sport. To understand the distinctive geographic patterns of buying sport products, sport marketers must more deeply examine the underlying values and lifestyles common to a geographic region. The reality is that South Africa is becoming more regionalised than marketers are prepared to admit (Marketplace, 23 July 1990, p.1).

b)   Demographic segmentation.

Demographic segmentation consists of dividing the sport market into groups based on variables such as:

-      age,

-      gender,

-      family life cycle,

-      income,

-      occupation or

-      home ownership.

Demographic and socio-economic statistics are probably the most commonly used method for segmenting any market because of the relative ease of obtaining the required data. However, the rapidly changing nature of the South African

society makes it extremely difficult to use demographic data alone to determine the preferences of sport consumers.

c)   Psychographic segmentation.

Psychographic segmentation, also called lifestyle segmentation, divides the sport market into different groups based on:

-     social class,

-     lifestyle,

-     personality traits,

-     attitudes or

-     interests.

Psychographic segmentation aims to measure psychological rather than physical characteristics of sport consumers. The reason for segmenting the sport market on psychological dimensions is the belief that common values can be found among groups of sport consumers and that these values tend to determine their preferences for a particular sport.

d)   Benefit segmentation.

Benefit segmentation is the division of the sport market on the basis of the benefits that sport consumers seek from

the sport product. Sport consumers are grouped into benefit segments that are based on what they want the sport product to do for them. Benefits could include:

- relaxation,

- convenience,

- prestige,

- accessibility or

- variety.

6.11.2   **Target Marketing**

Once the market segments have been identified, the sport marketer must decide which segment or segments will be selected. Three broad strategies which could be considered when selecting the target market have been identified in Chapter 2, namely:

- Undifferentiated marketing.

- Concentrated marketing.

- Differentiated marketing.

The choice of a marketing strategy depends on the specific

factors facing the organisation (Kotler & Andreasen, 1987. p.152). If the organisation has limited resources, it will probably choose concentrated marketing because it does not have enough resources to relate to the whole market or tailor special services for each segment. If the market is fairly homogeneous in its needs and desires, the organisation will probably choose undifferentiated marketing because little would be gained by differentiated offerings. If the organisation aspires to be a leader in several segments of the market, it will choose differentiated marketing.

6.12 Community involvement

Throughout South Africa, sport organisations are actively involved in promoting sport in communities, especially those communities who have been deprived of opportunities in the past. This community involvement is not only closely related to the image and acceptability of the sport organisation, but in many ways it can also determine whether the organisation will survive.

Sport organisations must regard themselves as citizens, possibly corporate citizens, with similar legal and moral responsibilities to those of individual citizens. It is therefore important for the sport organisation to get involved in the community, not only to serve the community, but also as a matter of self-interest.

Creating opportunities for community members to get involved in sport, can be at two levels (Parks & Zanger, 1990, p.58):

a)   Direct participation.

This means creating opportunities for personal participation in an activity by a participant.

b)   Indirect participation.

Indirect participation comes mainly in the form of spectating at actual sport events or through the use of electronic or print media.

6.12.1   **Sport and the RDP**

Sport organisations still generally restrict their community involvement to development programmes in deprived areas. It is critically important for sport organisations to plan any community involvement against the background of the Reconstruction and Development Programme (RDP) of the Government of National Unity. The RDP (1994, pp.72 & 73) gives very specific guidelines in terms of sport opportunities in communities. Sport organisations, in particular, should acquaint themselves with these guidelines:

-    One of the cruellest legacies of apartheid is its distortion of sport and recreation in our society, the enforced segregation of these activities and the gross neglect in providing facilities for the majority of South Africa's people. This has denied millions of people and particularly our youth the right to a normal and healthy life.

- It is important to ensure that sport and recreational facilties are available to all South African communities. Participation in sport and recreational activities should reflect the country's demographics. The removal of obstacles that preclude specific sections of the community from participation is crucial. This cannot be left entirely in the hands of individual sport codes or local communities, both of whom require support and encouragement.

- Sport and recreation are an integral part of reconstructing and developing a healthier society. Sport and recreation should cut across all developmental programmes and be accessible and affordable for all South Africans, including those in rural areas, the young and the elderly. The RDP must facilitate the mobilising of resources in both the public and private sectors to redress inequalities and enhance this vital aspect of our society.

- Particular attention must be paid to the provision of facilities at schools and in communities where there are large concentrations of unemployed youth. Sport and recreation are an integral and important part of education and youth programmes. In developing such programmes, it should be recognised that sport is played at different levels of competence and that there are different specific needs at different levels.

- The new democratic government must work with the National Sports Commission in developing and implementing a sport policy. This should include issues such as the establishment of an independent national sport controlling agency for the control of drugs in sport, as well as a national sport academy to undertake and co-ordinate training programmes concerning coaching, refereeing, umpiring and sport management.

6.13 Sport marketing implications for tourism

It is generally recognised that sport can make a significant contribution to tourism in any country. Major sport events, also called hallmark events in this context, have indeed assumed a key role in international, national and regional tourism marketing strategies. Their primary function is to provide the host community with an opportunity to secure high prominence in the tourism market (Hall, 1992, p.1). Hallmark events are also extremely significant, not just for their immediate tourism component, but because they may leave behind legacies which will impact on the host community far more widely than the immediate period in which the event actually took place. Examples are large-scale public expenditure, the construction of facilities and infrastructure and the redevelopment of urban areas that have been regarded as requiring renewal.

Hall (in Syme, Shaw, Fenton & Mueller, 1989, p.4) defines hallmark events as:

"Major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal and profitability of a tourism destination in the short and/or long term. Such events rely for their success on uniqueness, status or timely significance to create interest and attract attention."

A primary function of the hallmark event is to provide the host community with an opportunity to secure a position of prominence in the tourism market for a short, well-defined period of time. Significant for sport organisationss is the fact that hallmark events become the responsibility of the community, although the sport organisation may still assume a key role on many levels, particularly in the areas of planning and administration. The hallmark event is also different in its appeal from the attractions normally promoted by the tourism industry and the sport industry as it is not a continuous or seasonal phenomenon. In many cases the hallmark event is a strategic response to the problems that seasonal variations in demand pose for the tourism industry.

6.13.1   Characteristics of hallmark events

Sparrow (in Syme, Shaw, Fenton & Mueller, 1989, pp.252-254) indicates the major characteristcs of hallmark events.

-       A hallmark event is a core event primarily focussing on one theme with various pre-, during and post-impacts on the host.

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- Hallmark events by their very nature require the provision of a venue or several venues. The hallmark event in all cases has a spatial impact upon an area and in that regard the area's resources and infrastructure.

- The hallmark event of necessity becomes scaled to the host's ability to either provide or develop appropriate infrastructure.

- A hallmark event marshalls public and private sector resources. These resource commitments are usually proportional to the size and scale of the event which in turn determines the amount of profit or degree of recognition to be derived from the event.

- The hallmark event, on most occasions, provides the host, its towns and cities, its society and other tourism attractions with considerable recognition, and in some cases even provides the host with a new image or identity.

- The hallmark event may also provide significant economic benefits or costs to the host and the tourism industry.

- The staging of any hallmark event creates the need for various levels of organisational responses. These responses will vary in magnitude and will operate either over and above, or in concert with existing authorities.

- Hallmark events by tradition accumulate other events around them. A priority of associated events should be determined, having regard to the event's demands on infrastructure, financial resources and the willingness of the host to accept those demands and their anticipated impacts.

- A hallmark event, because of the commitment of resources, can change the course of a host's economic and social development and at the very least compress existing time frames for this development.

- Some hallmark events have a fixed location, for example golf and tennis tournaments. Others move on to new locations on each occasion, for example the Olympic Games.

- All hallmark events are held within a specific time-frame.

- A hallmark event has an indeterminate psychological value, whether it be for the host community at the local scale or through to the national community. Most of this can be described as pride, or at the large scale, as nationalism. This was particularly prevalent in South Africa during the Rugby World Cup in 1995.

- Hallmark events have another typical characteristic in that they have the ability to be further developed. This may lead to peripheral events which in their own right may

become hallmark events. Examples are the Junior World Cup in soccer and the Special Olympics.

6.13.2   A Western Cape perspective

The influence of major sport events in the Western Cape can be described in terms of two hallmark events, namely:

-    The 1995 Rugby World Cup.

-    The possibility of the Olympic Games in 2004.

6.13.2.1   The 1995 Rugby World Cup

Cape Town has been hailed as a "winning destination" for major sport events after the World Cup tournament. The way in which tourists were welcomed and treated resulted in positive feedback from many sources (Die Burger, 26 June 1995 and Die Burger, 6 December 1995).

The many problems predicted in terms of facilities, accommodation and transport did not materialise. The winning factor, according to the mayor, was however the people of Cape Town's hospitality towards the tourists. Many people were involved in creating the right atmosphere for the event throughout the Western Cape. The most noticable contributions in this regard were:

-    Appropriate banners on all the major routes.

- Completion of the Newlands Rugby Stadium in time for the start of the event.

- Additional lighting in the city centre.

- Improved traffic and cleaning services.

- The tremendous support given to the event by local residents.

Satour predicted that specific benefits would be derived from the tournament, of which the following are the most significant (Satour, 1994, pp.7-11):

- The creation of many part-time and full-time jobs. The building, transport and telecommunication industries were stimulated as a result of the tournament.

- Economic growth. This was the result of foreign spending as well as income from broadcast rights.

- Nation building. In many ways, the Rugby World Cup instilled a sense of nationalism in the country as a whole.

- A positive impact on the political environment. The tournament was met with great enthusiasm by politicians across the entire political spectrum.

6.13.2.2 The 2004 Olympic Games

Cape Town's hosting of the Olympic Games in 2004 is not yet a reality, but it is envisaged already that the opportunities and benefits would be enormous should this become a reality (Professional Marketing Review, February 1992, p.16). Many opportunities will be created in the following areas:

-    tourism,

-    marketing,

-    construction,

-    general employment.

The hosting of the Olympic Games is a formidable task for any city. To address the many challenges that will be encountered, it was realised that the Olympic bid initiative should be led by a community/private sector partnership with active participation from the sport organisations and the public sector (Leibold & Van Zyl, 1994, p.138). These challenges include the following:

-    Securing of the full support and reasonable financial backing of the South African Government for the bid, including underwriting risk.

-    Maintaining the full support of the Regional and Local

Government.

- Determining and implementing an integrated tourism strategy for Cape Town and its immediate environs, including a sport events strategy.

- Proactively marketing Cape Town to the world as a favourable business, tourism and living environment destination.

- Implementing a major programme of community sport facility development.

- Commencing extensive community programmes within the Western Cape, emphasizing Olympic awareness and opportunities.

- Finalising the Olympic bid, which will be an iterative process over a three year period.

- Marketing the Cape Town/South African bid throughout the world and particularly to the International Olympic Committee (IOC), athletic federations and athletes.

- Determining the organisational structure for the implementation of the bid after the IOC nomination.

6.13.3   Tourism and the RDP

Sport organisations also need to be aware of the guidelines of the RDP with regard to tourism as it is clear that sport tourism will play an important role in the tourism strategy for the Western Cape.   Bennett (1995, p.369) indicates that the RDP acknowledges the potential of the tourism industry and that the RDP-document refers to the following aspects of tourism:

-    Tourism has been geared largely toward servicing the needs of a minority of the population and tourism facilities were provided on a racial basis.

-    A process of reconstruction and development must be implemented within the ambit of tourism to unlock the local mass market and increase foreign exchange, thereby creating large number of sustainable jobs in tourism and allied industries and stimulating entrepreneurship.

-    This requires sound planning, based on thorough research, if the eco-tourism potential and cultural and political heritage are to be capitalised on.

-    Community involvement in tourism projects should be encouraged and communities should be trained to capitalise on local opportunities.

-    The co-operation of the rest of Southern Africa should be

enlisted.

- To ensure that the resources required for the tourism industry are locally sourced, tourism should be carefully integrated with development programmes at provincial and local levels.

- Because of tourism's dependence on our cultural and natural resources, tourism projects should adhere to environmental management principles.

6.14 Summary

In this chapter, the key success factors for the marketing of sport were described. It is clear that sport organisations need to consider a number of aspects very seriously if they want to survive.

Engaging in a process of strategic planning is absolutely essential to provide direction to the organisation's activities. Sport sponsorship is vital for the existence of every sport and specific guidelines were proposed to ensure that sponsorships are obtained.

The other key success factors included public relations, facility management, product extensions, research, media relations and media coverage, promotions, fundraising, market segmentation and target marketing as well as community involvement.

It is also acknowledged that sport can play an important role in the promotion of tourism in a region. This can be achieved by staging major sport events, also referred to as hallmark events. A brief overview was also given of two hallmark events and the influence it has on the Western Cape region in terms of planning and benefits.

CHAPTER 7

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

CHAPTER 7

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

In each chapter of this study, a summary was provided in terms of the relevancy of the content to the marketing of sport. It is however appropriate to provide a brief summary of the most important aspects in each chapter at this stage, in order to provide a clear overview of the whole study.

This chapter is divided into four parts:

a)   A summary of each chapter is presented.

b)   Conclusions are made on the basis of the problems identified in Chapter 1.

c)   Recommendations are made in terms of the marketing of sport as well as sport tourism.

d)   Possible opportunities for research are identified.

7.2 Summary

The primary objective of the study is the identification of the key success factors for the marketing of sport as an integral component of the tourism industry. The secondary objectives are:

- To describe the dynamics of the sport marketing business.

- To evaluate the contribution of selected sport codes to tourism in the Western Cape.

- To make recommendations for the marketing of sport and the integration of sport tourism into the tourism industry in the Western Cape.

Chapter 1 provides the background to the study and also defines the applicable terms. The background describes the current situation with regard to sport and tourism in the Western Cape, as well as in South Africa. Certain problems are identified and the objectives of the study are formulated. The scope and methodology of the study are determined and an appropriate structure is established.

Chapter 2 emphasizes the importance of being familiar with and applying marketing principles in sport organisations. The assumption is made that the principles behind the marketing of sport do not differ from the general principles of marketing. In applying these principles, the unique nature of the sport

product, as compared to other physical products, must be recognised. The aspects which differentiate the marketing of sport from the marketing of other products and services are also indicated. Sport organisations therefore need to adopt a marketing orientation, where the focus is on the needs of the sport consumer. This will force sport organisations to define the scope of their activities in terms of satisfying the needs and wants of consumers. The marketing management process is suggested as a framework within which the sport marketer can perform his task.

Chapter 3 focuses on the sport consumer and the behaviour of the sport consumer. The sport consumer should be the focal point throughout the planning and execution of marketing strategy. Involvement in sport takes a variety of forms and includes participants, spectators, coaches, staff, newspaper readers, radio listeners and television viewers. The two broad categories of sport consumers which are important to this study, namely the participant and the spectator, are described in terms of their motivation to either participate or be spectators. The various dimensions of the behaviour of the sport consumer are identified and described. It is also proposed that sport organisations should use their knowledge of consumer behaviour to design their marketing strategies and to measure their marketing performance, especially in the South African context.

Chapter 4 describes the marketing decision variables for sport marketing strategies in terms of the five elements of the

marketing mix which can be identified for the marketing of sport. The five elements are:

-    Product,

-    Price,

-    Place,

-    Promotion,

-    Public relations.

These elements can be used to determine the marketing strategies for sport organisations. The sport product is described in terms of its planning, development and positioning. Various pricing strategies are considered and the factors influencing pricing decisions are also indicated. The place-element of the marketing mix deals with aspects of the sport facility as well as the different types of distribution channels for sport marketing. The different components of the promotion mix and the various public relations tools are also described. These elements must be properly co-ordinated if the sport organisation wants to achieve its marketing objectives.

Chapter 5 outlines the planning and execution of the empirical research project. The purpose of the survey is to determine the key marketing success factors for the marketing of sport in the

Western Cape. In addition, the survey also attempts to determine the contribution of sport to tourism in the Western Cape. The results of the empirical research are indicated, and from this a number of problems are identified. The findings of the research project will serve as the basis to propose the key success factors for the marketing of sport.

Chapter 6 describes the key success factors for the marketing of sport and the implications this might have for the integration of sport into a tourism strategy. It must be realised that sport organisations differ substantially in terms of size and method of operation. The success factors which are indicated should therefore be tailored to the particular nature and needs of each organisation. It is also acknowledged that the marketing of sport will influence the promotion of tourism substantially, specifically in the form of major sport events, also referred to as hallmark events.

Chapter 7 entails a summary of all the chapters of the study, as well as the conclusions which are made. Certain recommendations are made in terms of the marketing of sport as well as sport tourism. Possible opportunities for research in sport marketing are also identified.

7.3 Conclusions

The underlying problems being addressed by this study are described in Chapter 1 and can be indicated in the following

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manner:

-   The notion of a rational system for the marketing of sport is relatively new, with the result that modern marketing principles are currently not applied to the domain of sport.

-   The actual marketing of sport and sport events that is currently undertaken, is insufficient.

-   Sport consumers are confronted with other forms of entertainment which are in direct competition with the established sport codes.

-   There is currently no horizontal integration across different sport codes.

-   Tourism promotional efforts are still fragmented, with sport tourism not receiving any priority and the existence of shortcomings in service as well as infrastructure being the major problems.

The statements made in terms of these problems have been proved to be valid according to the findings of the empirical research project. In terms of these problems, the most important conclusions that can be made on the basis of the results of the empirical research are:

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- Sport organisations are not doing enough marketing planning to give direction to their marketing efforts.

- Many sport organisations are not involved in the marketing of their products, and where it is attempted, the initiatives are not aggressive enough.

- No provision is made in the budgets of sport organisations for marketing the sport and the organisation.

- Sport organisations do not realise the importance of appointing marketing staff.

- Staff members of sport organisations do not have the skills to perform marketing tasks.

- Staff members of sport organisations are not allowed to give inputs in determining the sport product.

- No marketing research is currently undertaken by sport organisations.

- No segmentation of the sport market is currently applied by sport organisations.

- There is no basis for determining the price of the sport product.

- In many cases sport organisations do not have a clear understanding of their own product.

- Other forms of entertainment are direct sources of competition for sport organisations. The emergence of new sport codes are also not recognised as a source of competition.

- There is no co-operation amongst sport organisations in order to promote the sport industry.

- Many sport organisations do not know what sport tourism entails.

- There is a lack of contact between sport organisations and the tourism industry.

- The infrastructure, especially in terms of sport facilities, is inadequate.

7.4 Recommendations

7.4.1 Recommendations for the marketing of sport

The following recommendations, based on the results of the empirical research, are proposed to improve the marketing of sport in the Western Cape:

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All sport organisations must undertake a process of strategic planning in order to determine their current status and the role they should play in future in the sport industry.

The major component of the strategic planning should be a comprehensive marketing planning process where the emphasis is on the following:

o   The institution of a marketing research programme which could generate information on which marketing decisions can be based.

o   A proper description of the sport product must be developed.

o   The sport market must be properly segmented.

o   An acceptable basis for determining the price of the sport product must be established.

o   All the sources of competition must be evaluated.

The financial position and operations must be reviewed. Particular attention must be given to the potential sources of funds, especially sport sponsorships. More funds should also be made available for marketing activities.

- The appointment of marketing personnel should be incorporated into the human resource planning of sport organisations. Attention must also be given to the training of these staff members. In addition, marketing staff should be involved in all aspects of the planning process.

- A greater emphasis must be placed on media and public relations in order to improve the image of sport organisations.

- Appropriate administrative systems must be introduced with a view to establish an effective management information system.

- Sport organisations must gain the support of local authorities.

- Areas of co-operation with other sport organisations must be established.

- Attention must be paid to the management of sport facilities with the objective of maximising revenue.

- The involvement of sport organisations in local communities must be reviewed against the background of the RDP.

- All marketing initiatives must be properly implemented and

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evaluated.

- Sport organisations must ensure that all officials are democratically elected in order to gain acceptability and credibility regionally, nationally and internationally.

- The services which sport marketing firms and sport agencies offer must be investigated.

7.4.2   <u>Recommendations for the integration of sport into tourism</u>

The following recommendations, based on the results of the empirical research, are proposed to bring the integration of sport into tourism closer to reality:

- Sport organisations must investigate all opportunities to co-operate with organisations involved in the tourism industry. In this way, sport organisations will be able to determine their role in promoting sport tourism in the region. Many new opportunities for sport organisations may also evolve from this process.

- The potential of hallmark events to promote tourism must be recognised. Sport organisations must also realise that a major sport event is a collective effort involving many other parties.

- A programme of upgrading existing sport facilities and building new ones must be undertaken.

- The suggestion to form a Western Cape sport marketing organisation must be investigated. An organisation of this nature could facilitate proper liaison with tourism organisations.

- Within a wider context, the following issues should be attended to:

  ° The creation of a tourism culture in the Western Cape.

  ° An evaluation of the infrastructure and facilities with the emphasis on quality.

  ° Measures to improve the safety of tourists.

  ° Bidding for major sport events should be based on business principles.

  ° The guidelines of the RDP should be followed in establishing a strategy for tourism.

7.5 Opportunities for research

Based on the results of the study, the following recommendations are made in terms of the possible opportunities for research in

sport marketing:

- Comprehensive research which can assist sport organisations in the marketing planning process is absolutely necessary.

- The fundamental motivations behind the behaviour of the sport consumer should be established in a scientific manner.

- The dynamics of sport sponsorships should be researched, especially in terms of its feasibility for the future.

- A survey should be undertaken to propose tools for the evaluation of marketing initiatives of sport organisations.

- The seemingly limitless possibilities for sport product extensions could be investigated.

- An intensive study is necessary to propose a detailed plan for the integration of sport into tourism.

ADDENDUM A

University of Stellenbosch
Department of Business Management

QUESTIONNAIRE
Sport Marketing and Sport Tourism in the Western Cape

OBJECT OF THE QUESTIONNAIRE

To determine: - **the marketing success factors for sport organisations**

- **the contribution of sport to tourism in the Western Cape region.**

All information given in this questionnaire will be regarded as strictly confidential.

PERSONAL INFORMATION

SURNAME AND INITIALS: _____

ORGANISATION: _____

POSITION IN ORGANISATION: _____

TELEPHONE NUMBER: _____

This questionnaire consists of 4 parts:

Part A: **General**

Part B: **Marketing practices of sport organisations.**

Part C: **Key marketing performance indicators.**

Part D: **Contribution of sport to tourism.**

Where applicable, please indicate with a tick (✓) in the appropriate space.

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PART A: GENERAL

1. **What is the nature of your organisation's primary activity?**

   _____

   _____

   _____

2. **What are the objectives of your organisation?**

   _____

   _____

   _____

3. **How long has your organisation been in existence?**

   _____

4. **How frequently does your organisation offer sporting events?**

DAILY	WEEKLY	MONTHLY	ANNUALLY

5.(i) **Does your organisation interact with any other sport organisation?**

YES	NO

5.(ii) **If YES,**

   (a) **Which organisation(s)?**

   _____

   _____

   (b) **How often?**

VERY OFTEN	OFTEN	NOT OFTEN	NOT AT ALL

   (c) **How would you describe the level of co-operation?**

EXCELLENT	GOOD	FAIR	POOR

6.(i) Does your organisation belong to a national co-ordinating body?

YES	NO

6.(ii) If YES, please state the name.

_____

PART B: MARKETING PRACTICES OF SPORT ORGANISATIONS

1.(i) Do you have a marketing department in your organisation?

YES	NO

1.(ii) If NO, who is responsible for the marketing function?

_____

2. Does your organisation make provision for marketing your product/service (e.g. sporting events) in its budget?

YES	NO

3. Your organisation keeps an accurate record of the following:

	YES	NO
a) Names, addresses and telephone numbers of consumers. (e.g. spectators)		
b) Frequency of purchases. (e.g. tickets)		
c) Quantity of purchases.		
d) Dates of purchase.		
e) Method of payment.		
f) Location of payment.		
g) Media read, viewed or listened to.		
h) Patterns of consumption of consumers.		
i) Visitor information.		
j) Measurement of customer satisfaction.		

4.(i)   Which of the following services are offered by your organisation?

PARKING	
COMPANY SUITES	
PRIVATE SUITES	
RESTAURANT	
TUCK SHOP	
BAR FACILITIES	
SOCIAL FUNCTIONS	
SOUVENIRS	
TRANSPORT	
OTHER	

4.(ii) If OTHER, please state:

_____

5.   Give a description of the product (e.g. nature of attraction) your organisation offers to consumers.

_____

_____

_____

6.(i)   What activities are your marketing staff members involved in?

a)   Selection of teams.

b)   Scheduling of events.

c)   Provision of catering facilities.

d)   Provision of bar facilities.

e)   Appointment of match officials.

f)   Other

6.(ii) If OTHER, please state.

_____

_____

_____

7.(i) Is the organisation directed towards realising a profit?

YES	NO

7.(ii) If NO, how would you describe the organisation's primary objective?

_____

_____

_____

8. Please describe the method that is used to determine the price for your product.

_____

_____

_____

9.(i) What is the major source of income for your organisation?
Please indicate the percentage in each case.

	PERCENTAGE
SPONSORSHIP	
ENTRANCE FEES	
MEMBERSHIP FEES	
MATCH FEES	
BROADCASTING RIGHTS	
OTHER	
TOTAL	**100%**

9.(ii) If OTHER, please state:

_____

10.(i) Are there any benefits or services included in the price of the product?

YES	NO

10.(ii) If YES, please name:

_____

_____

11.(i) **Please indicate which of the following marketing tools have been used by your organisation:**

ADVERTISING	
DIRECT MARKETING	
SALES PROMOTIONS	
PUBLIC RELATIONS	
PERSONAL SELLING	
TOUR PACKAGES	
HOTEL PACKAGES	
CAR RENTAL PACKAGES	
CO-OPERATION WITH TOURIST ORGANISATIONS E.G. SATOUR	
OTHER	

11.(ii) **If OTHER, please state:**

_____

_____

12.(i) **Please indicate which of the following media channels have been used by the organisation:**

TELEVISION	
RADIO	
NEWSPAPERS	
MAGAZINES	
BILLBOARDS	
DIRECT MAIL	
TELEPHONE	
BROCHURES	
OTHER	

12.(ii) **If OTHER, please state:**

_____

13. How would you describe the location of your facility/facilities in terms of the following:

a) **Roads**

EXCELLENT	GOOD	FAIR	POOR

b) **Public transport**

EXCELLENT	GOOD	FAIR	POOR

c) **Selling of tickets**

EXCELLENT	GOOD	FAIR	POOR

d) **Labour market**

EXCELLENT	GOOD	FAIR	POOR

e) **Space for further development**

EXCELLENT	GOOD	FAIR	POOR

14. How would you describe your organisation's public image?

EXCELLENT	GOOD	FAIR	POOR

15. What attempts have been made in the past to improve the organisation's image?

_____

_____

_____

16.(i) Is any segmentation of the sport market currently applied within:

a) Your organisation

YES	NO

b) The sport industry

YES	NO

16.(ii) If YES, what is the base(s) currently used by your organisation?

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17.(i)   Is your organisation currently involved in a development project within the community?

YES	NO

17.(ii)   If YES, please describe the nature of this involvement.

_____

_____

_____

18.   Please indicate to what extent you agree or disagree with the following statements:

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
a) My organisation engages in sufficient marketing research.					
b) There is a clear understanding of the sport consumer's wants and needs in my organisation.					
c) My organisation is aware of the behavioural patterns of the sport consumer.					
d) My organisation has a sound marketing information system.					
e) Marketing planning is an integral component of the strategic planning of my organisation.					

19.   What are the major challenges facing your organisation?

_____

_____

_____

20.   What are the major marketing challenges facing the sport industry?

_____

_____

_____

21.   What improvements would you suggest for the marketing of your product?

_____

_____

_____

22.   What improvements would you suggest for the marketing of sport in the Western Cape?

_____

_____

_____

PART C: KEY MARKETING PERFORMANCE INDICATORS

1.(i)   What have been the reasons for your organisation's success in the marketing of your events in the past? Please indicate the relative importance.

	Very Important	Reasonably Important	Average	Reasonably unimportant	Totally unimportant
Clear marketing objectives					
Clear identification of target markets					
Proper marketing research					
Positive image of the organisation					
Realistic pricing of the product					
The location of facilities					
A sound ticket-distribution system					
Use of the available media					
Packages offered to local customers					
Package tours offered to customers from outside the Western Cape					
Other: (e.g. co-operation with other organisations)					

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1.(ii)   Please give an example of one of your recent events and your evaluation of its marketing success.

_____

_____

_____

_____

_____

_____

_____

_____

_____

2.   What, in your opinion, have been the reasons for success of other sport organisations in the marketing of their events in the past?

_____

_____

_____

_____

_____

_____

_____

_____

_____

3.(i) **What have been the reasons for the lack of achievement of your organisation's objectives in the past? Please indicate the relative importance.**

	Very Important	Reasonably important	Average	Reasonably unimportant	Totally unimportant
Absence of a strategic plan					
Insufficient marketing planning					
Administration not up to standard					
Negative image of the organisation					
Negative image of the sport in general					
Staff not properly skilled to perform their tasks					
Lack of support from local authorities					
Other:					

3.(ii) **Please give an example of one of your recent events and your evaluation of its marketing failure.**

_____

_____

_____

_____

_____

_____

_____

_____

_____

4.   What, in your opinion, have been the reasons for the lack of achievement of their objectives of other sport organisations?

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

PART D: CONTRIBUTION   OF SPORT TO TOURISM

1.(i)   Is your organisation familiar with the term SPORT TOURISM?

YES	NO

1.(ii)   If YES, how would you describe the term?

_____

_____

_____

2.(i)   Has your organisation had contact with a tourist organisation(s) in the past?

YES	NO

2.(ii)   If YES, please indicate which organisation(s).

_____

_____

_____

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2.(iii) **Please describe the nature of the contact.**

_____

_____

_____

3.(i) **Please indicate whether there is any form of co-operation between your organisation and the following organisations:**

	FORMAL	INFORMAL	NONE
TRANSPORT COMPANIES			
HOTELS			
OTHER SPORT ORGANISATIONS			
CULTURAL ORGANISATIONS			
HISTORICAL ORGANISATIONS			
ENVIRONMENTAL ORGANISATIONS			
ENTERTAINMENT COMPANIES			
RECREATION ORGANISATIONS			
CRAFT MARKETS			
OTHER			

3.(ii) **If OTHER, please state:**

_____

_____

4.(i) **Does your organisation draw any customers from outside the Western Cape region?**

YES	NO

4.(ii) **If YES, what percentage of your customers come from outside the Western Cape region?**

_____

5. Please indicate to what extent you agree or disagree with each of the following statements:

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
a) The sport industry is making an important contribution to tourism in the Western Cape.					
b) Sufficient provision is made for the needs of sport tourists.					
c) Your organisation benefitted financially from the Rugby World Cup 1995.					
d) The Rugby World Cup tournament had a positive impact on the economic environment in the Western Cape.					
e) The Rugby World Cup tournament had a positive impact on the political environment in the Western Cape.					
f) There is a lack of co-ordination between the tourism industry and sporting bodies regarding the organisation of such major events.					
g) Accommodation for tourists in the Western Cape is inadequate.					
h) The sporting facilities in the Western Cape is inadequate for major international events.					
i) There is a lack of adequate public transport in the region.					
j) There is a general lack of tourism culture in the Western Cape.					
k) The hosting of the Olympic Games in 2004 could have a positive impact on the economy of the Western Cape.					
l) Your organisation would benefit if the Olympic Games were held in Cape Town.					

6.(i)   Is it possible for the sport industry to be integrated into an overall strategy for tourism in the Western Cape region?

YES	NO

6.(ii) If YES, what would your suggestions be in this regard?

_____

_____

_____

6.(iii) What would be the major problems facing the implementation of such a strategy?

_____

_____

_____

7.(i)   Is there any other information in your opinion that could be relevant to this questionnaire?

YES	NO

7.(ii) If YES, kindly state this information. (Please indicate any other organisation or person who could be of assistance)

_____

_____

_____

_____

THANK YOU FOR YOUR
CO-OPERATION

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