

IMPACT OF SOCIAL MEDIA IN SPORTS MARKETING

GAURAV KUMAR GADIRAJU

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Supervisor:

Prof. Monica Ferreira, ISCTE Business School, Department of Marketing, Operations and
General Management

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ABSTRACT

The purpose of this research is to evaluate the impact of social media in the field of sports marketing. This is carried out through an in-depth analysis on sports marketing and the rising popularity of social media marketing for sports brands in the world. One such brand is Nike, Inc. This company has shifted its focus to digital marketing. As social media marketing started to explode, the traditional marketing methods such as print, radio and television have begun to slowly fade off into the sunset. The research revolves around the evolution of marketing from traditional to digital techniques over the years.

After a significant literature review, a questionnaire regarding the viewing and engagement habits of consumers in Portugal regarding the advertisements of sports brands on traditional and social media was distributed on the internet and 505 responses were collected from people living in Portugal.

The results of the questionnaires and the findings obtained lean towards the conclusion that traditional media still holds good value in the market place; at least in Portugal. Social media marketing can be an effective extension of traditional marketing for sports brands. This study demonstrates that sports brands do not need to eliminate traditional marketing methods altogether but must use social media as a supporting factor to their traditional media marketing techniques.

KEYWORDS: Social Media, Sports, Marketing, Internet, Advertising

JEL: M1 - Business Administration; M31 – Marketing; M37 - Advertising

RESUMO

O objetivo da presente pesquisa é avaliar o impacto dos *media* no campo do marketing desportivo. Este trabalho foi concebido através de uma profunda análise do marketing desportivo e da crescente popularidade do marketing dentro dos meios de comunicação para marcas desportivas. Uma dessas marcas é a Nike, Inc., que recentemente mudou o seu foco para o marketing digital. Com a popularização do marketing nos *media*, os meios tradicionais, como a imprensa escrita, rádio e televisão, começaram a cair em desuso. Esta pesquisa aborda a evolução do marketing desde os meios tradicionais às técnicas digitais e a sua utilização no sector do desporto ao longo dos anos.

Após uma vasta revisão de literatura e uma pesquisa aprofundada sobre o tema em questão, foi preparado um questionário, seguidamente distribuído através da internet. Foram obtidas 505 respostas no território português, com o objetivo de investigar o envolvimento dos participantes e dos seus hábitos com campanhas promocionais e conteúdos de marcas desportivas em meios de comunicação tradicional e social.

A conclusão alcançada através da análise dos resultados dos questionários é de que os *media* tradicionais ainda têm uma importância relativa no mercado. As campanhas de marketing dos sociais são uma extensão eficaz dos *media* tradicionais para as marcas desportivas. Este estudo revela que marcas desportivas não devem excluir totalmente o uso de meios tradicionais de marketing, mas sim utilizá-los como um suporte para as suas técnicas tradicionais de comunicação.

PALAVRAS-CHAVE: Meios de comunicação, Desporto, Marketing, Internet, Publicidade

JEL: M1 – Gestão de Empresas; M31 – Marketing; M37- Publicidade

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

ABSTRACT

RESUMO

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION

1.1 Background.....	1
1.2 Research Problem.....	3
1.3 Research Question and Objectives.....	4
1.4 Thesis Framework.....	5

2. LITERATURE REVIEW

2.1 Sports Marketing.....	7
2.1.1 Four Domains of Sports Marketing.....	8
2.1.2 Role of Internet Portugal.....	15
2.2 Merchandising.....	19
2.3 Web 1.0 and Web 2.0.....	21
2.4 Social Media.....	23
2.4.1 Web 2.0 Social Media and Creative Consumers.....	25
2.4.2 Social Media in International Marketing Strategy.....	25
2.4.3 Social media Umbrella.....	29
2.4.4 Usage of social media.....	30
2.5 Social Network.....	32

2.5.1 Top Social Networks.....	34
2.6 Social Media Marketing.....	38
2.6.1 Benefits of social media marketing.....	40
2.6.2 Impact of Social Media in Sports Marketing.....	42
2.6.3 Sports athletes and brands on Social Media.....	42
2.6.4 Popular sports brands using Social Media	44
3. NIKE	
3.1 Marketing Mix of Nike.....	47
3.2 Evolution from traditional marketing to digital marketing.....	48
3.2.1 Nike Digital Sport.....	51
3.2.2 #MakeItCount Campaign.....	52
3.2.3 In-house Social Media Marketing of Nike.....	52
3.3 Nike’s Social Networking.....	56
4. METHODOLOGY	
4.1 Research methods.....	58
4.2 Construction of the Questionnaire.....	59
4.3 Sample.....	60
5. RESULTS	
5.1 Major Findings.....	61
5.2 Discussions.....	64
6. CONCLUSION	
6.1 Limitations of the Study.....	67
6.2 Suggestions for Future Research.....	68
7. BIBLIOGRAPHIC REFERENCES.....	69
8. APPENDICES.....	81

LIST OF FIGURES

Figure 1: Sports market revenue from 2006 to 2015.....	2
Figure 2: The four domains of sports marketing.....	9
Figure 3: Sponsorship revenue growth from 2011 to 2015.....	14
Figure 4: Internet Usage in Portugal.....	16
Figure 5: Distribution of Portugal Football Fans.....	18
Figure 6: Merchandising revenue growth from 2011 to 2015.....	21
Figure 7: Age Groups of People on Social Media.....	25
Figure 8: Web 2.0, Social media and Creative consumers.....	26
Figure 9: A summary of 5 axioms.....	27
Figure 10: World Population on Social Media.....	31
Figure 11: Usage of social media in USA.....	31
Figure 12: Leading Social Networks Worldwide.....	32
Figure 13: Age distribution at top social networks.....	33
Figure 14: Information Sharing on Different Devices.....	39
Figure 15: Most Shared World Cup Ads.....	50
Figure 16 to Figure 36: Graphs in results of questionnaire.....	86-106

LIST OF TABLES

Table 1: Structure of the Thesis.....	6
Table 2: Facebook by the numbers.....	34
Table 3: Twitter by the numbers.....	35
Table 4: Instagram by the numbers.....	36
Table 5: LinkedIn by the numbers.....	37
Table 6 to Table 28: Tables in questionnaire.....	85-105

1. INTRODUCTION

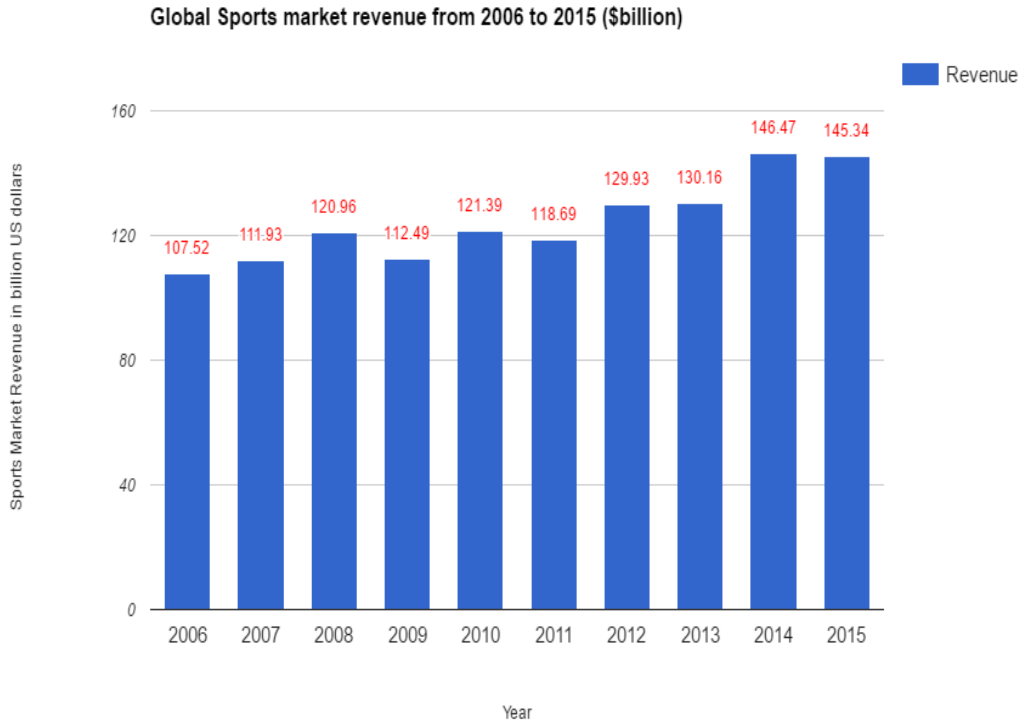
This particular chapter provides an overview of the various subjects that will be covered and analyzed in this particular research. It also provides the structure of the dissertation and the research problem that will be dissected and studied with suitable references, data and examples to follow.

1.1 Background

There might be ups and downs in the overall scheme of things, including the revenue generated by the sports industry; but given the stiff competition from other forms of entertainment, the global sports industry continues to not only survive but thrive. This is made possible due to the continuous improvements in technology and the way that sport is being presented to the viewer in the year 2016. The expansion of different sports to new markets around the world and the significant interest shown by the public to view this quality content has helped improve the health of the sports industry. Social media has also played a significant part in the grand scheme of things concerning sport in the last 10 years. Sponsors are biting their fingernails in anticipation of latching onto the next hottest thing in sport. Their aim is to build new relationships with popular sports brands, players and leagues to promote their products and services to millions of people worldwide.

The growth in the revenue of the sports market worldwide has been increasing for the most part over the last decade. According to a study by Statista (2015), the total revenue of the global sports market was \$107.52 billion in the year 2006 and it has increased to \$145.34 billion in 2015; as seen in figure 1 on the next page. The year 2014 was the highest revenue grossing year in the sports market with \$146.47 billion in the last decade; while the year 2009 recorded the lowest which was \$112.49 billion. The amount of money that is being generated in the sports industry is at its peak right now. Sponsorships, gate revenues, media rights and merchandising contribute to the growth of the sports market in a big way.

Figure 1: Sports market revenue from 2006 to 2015 (\$billion)



Source: Statista (2016)

The concept of social media is more important now than it has ever been before. Social media is not only being used by youngsters and adults to share their personal pictures and messages with their family and friends; but also most companies across the world as a medium to promote their brand and interact with their consumers in a systematic manner. It's a new, improved and a much faster technique of spreading the brand's message and connecting with the consumer on a personal level. Social media and its networks offer companies around the world a digitalised

platform to interact effectively with its consumers and gain a significant understanding of consumer needs and interests. It has become the go-to medium of communication, promotion and various other marketing and advertising techniques for brands. Social networks like Facebook, Twitter, Instagram, Snapchat and YouTube have become media destinations for brands to advertise their products because it reaches a huge audience. Nike, Inc. is one such sports brand that has taken social media marketing to the next level and created an iconic image for itself in doing so; as explored later in this research.

This thesis will demonstrate how social media has blended with sports marketing to create a win-win situation for all parties involved. The case of Nike and its social media practices in the present age of digitalization will be analyzed with examples. The traditional forms of media like radio, print and television that are slowly being side-tracked to make way for the digital marketing tools and techniques will also be discussed. The popularity of social media marketing around the world and exclusively in Portugal will be observed and analyzed with facts and figures.

1.2 Research Problem

While the concept of social media marketing can be very interesting, it is still a fairly new and an evolving form of marketing. As much as social media is being used in sports marketing, it is still just scratching the surface and there are many opportunities and ways in which sports brands can fully exploit the power of social media. The type of content that is being shared on social media these days by sporting brands is very diverse and takes the form of videos, podcasts, pictures, articles, blogs and other informative material about the brand's products and services. All this is done to reach one major goal. It is to increase the sales and generate more revenue for the entity in question; whether it be a sports club that wants to sell merchandise and match tickets, or a sports apparel brand that associates itself with different sports to connect with consumers who follow these sports, and hence use that fan following to help increase their sales accordingly.

But with the evolution of technology in the last 15 years, the consumers have huge expectations regarding how brands communicate with them. The consumers feel entitled to be provided the best service possible when they like a brand's Facebook page or subscribe to a brand's YouTube channel. Consumers these days are not naïve. If anything, they are smarter than they have ever been before and cannot be fooled easily.

As social media keeps gaining more steam in the marketing world, many brands are considering to completely do away with traditional marketing methods and focus only on social media marketing strategies. Brands should not completely eliminate their usual traditional marketing strategies to make way for social media. Traditional marketing methods may be old but they are not be completely ignored. There should exist a fine balance for managing both traditional and digital marketing efforts by brands. There are benefits to be reaped from both these marketing methods.

1.3 Research Question and Objectives

Social media marketing methods must not be an alternative to traditional marketing but an extension of it. Therefore the core research question stemming from the research problem as explained above; that can be formulated to explain the purpose of this work during this project is “How can social media marketing be an effective extension of traditional marketing for sports brands?”

The research question above can be answered by setting objectives for this thesis work and successfully achieving them with desired results. Thus the objectives are as follows:

a.) To provide an overall perspective and cover the main aspects of literature that surround the issue in question to gain a fair understanding of:

- Sports Marketing
- Social Media Marketing
- Social Media in Sports Marketing

b.) To understand the concepts of social networks and how they have changed the landscape of marketing in the current digital age using Nike as the primary example.

- To understand and analyze the social media strategies of Nike in detail and the company's approach in evolving from traditional marketing to social media marketing methods.
- To analyze the engagement and viewing habits of people regarding advertisements of sports brands on traditional and social media platforms; exclusively in Portugal through questionnaires distributed on the web.

c.) To reach an apt conclusion at the end of the research and point out the major findings and key takeaways from it.

1.4 Thesis Framework

This particular thesis comprises of the following chapters:

1. **Introduction:** This chapter provides an overview of the thesis and gives the background of the field of study for this research, the industry which it is a part of and the main topics and issues that will be discussed.

2. **Literature Review:** This chapter provides some fundamental theories and concepts that have been provided by various researchers over the years with regard to sports marketing and social media. The theoretical perspective of the subject is under consideration with adequate reasoning.

3. **Methodology:** The methodology used in this research was a mixed method of research that includes both qualitative and quantitative methodologies. Various books, journals and scientific articles were researched along with structured questionnaires that were distributed via the internet

to a global audience. The target population aged from 18 years and above in Portugal chosen by a convenience sampling method.

4. Nike: Evolution from traditional to digital marketing: The goal of this chapter is to dissect the particular case of Nike’s social media marketing strategies and the company’s decision to move away from traditional marketing methods. Nike’s evolution from traditional marketing to social media marketing will be explained. The issues that arise from this move will be discussed and analyzed after a thorough research on the subject.

5. Results: This is the chapter indicating all the major findings and key observations from the questionnaire that is distributed. The results are analyzed with explanations and proper reasoning.

6. Conclusion: After every chapter discussed above is thoroughly analyzed and understood, an apt conclusion is given. A clear indication of what was learned in this research will be pointed out. The limitations that occurred during the investigation process will also be pointed out. Suggestions for future studies on this particular topic regarding academic and professional purposes are also given.

Table 1- Structure of the Thesis

Chapter 1: Introduction - Brief Overview of the Thesis
Chapter 2: Literature Review - Theoretical concepts, models and examples
Chapter 3: Nike - Evolution from traditional to digital marketing
Chapter 4: Methodology - Types and methods of research
Chapter 5: Results - Observations and findings from questionnaires
Chapter 6: Conclusion - Final takeaway from the research with recommendations

2. LITERATURE REVIEW

2.1 Sports Marketing

Sports marketing has been defined by many authors over the years. Beech and Chadwick (2007) define sports marketing as “An ongoing process through which contests with an uncertain outcome are staged creating opportunities for the simultaneous fulfillment of direct and indirect objectives amongst sport customers, sport businesses and other related individuals and organizations.” According to these authors, people are exposed to sports marketing almost everywhere, either reading a newspaper or magazine, watching sports programs on television or simply by walking down the street through tools of marketing communication such as billboards and advertisements.

Sports marketing is divided into three sectors. The first is the advertising of sport and sports associations such as the Olympics, English Premier League and the National Football League. The second concerns the use of sports events, sports teams and individual athletes to promote various products. The third is the promotion of sport to the public in order to increase participation. In the first case, the promotion is directly related to sports. In the second case, the products can but do not have to be directly related to sports. When the promotion is about sports in general, the use of this kind of strategy is called “Marketing of Sports.” When the promotion is not about the sports but sports events; athletes, teams or leagues are used to promote different products, the marketing strategy is said to be “Marketing through sports.” In today’s world, it is absolutely vital that marketing of non-sports products through sports events be acknowledged as one of the essential components of sports marketing.

Marketing professionals understand the popularity of sports and have made them a centerpiece of marketing campaigns for decades. As the size and popularity of national sports has grown, the field of sports marketing has grown with it. According to CNBC (2015), Budweiser has spent almost 240 million dollars on Super Bowl ads alone over the last 10 years. As long as sports

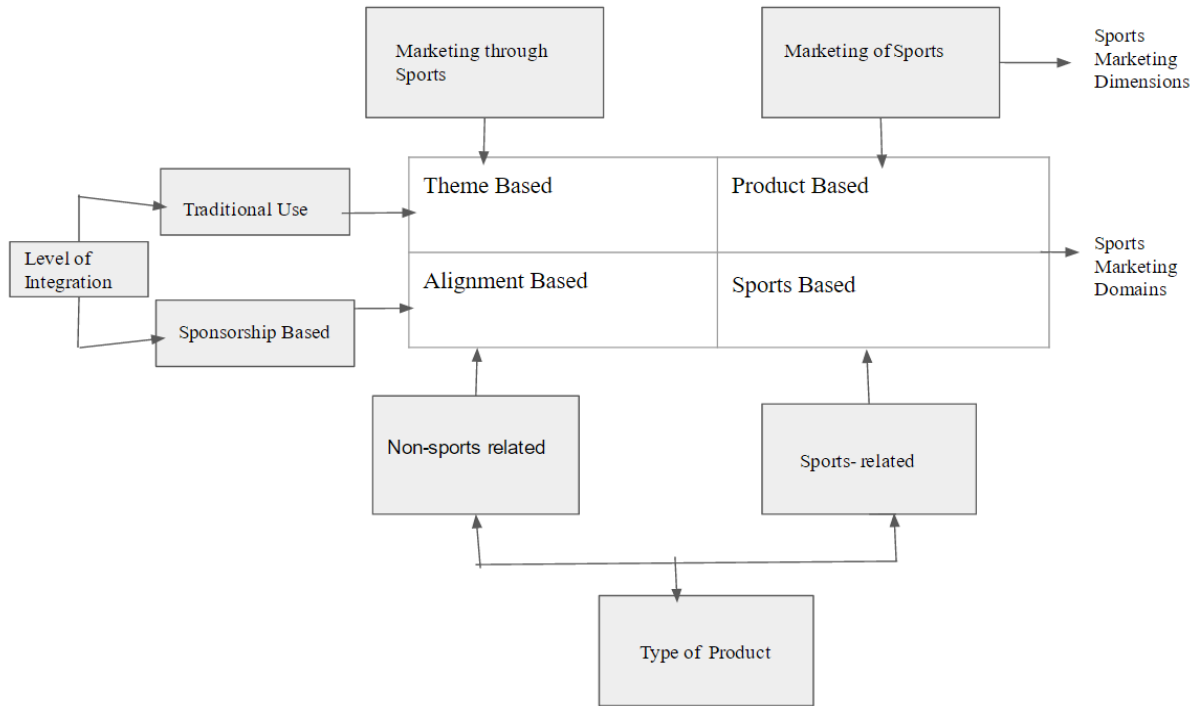
continue to thrill hundreds of millions of people, they will continue to be a prime events to deliver advertising messages. Sports marketing uses sports, in any form, to help sell goods and services. This particular style of marketing is less about using a single strategy and more about using the content of sports to assist marketing efforts. This is not limited to professional sports, and may include college athletics, minor leagues, or alternative sports. Since sports can be watched on a variety of platforms, sports marketing can take many different forms. Teams sell advertising space inside their stadiums to marketers who want to purchase billboards and other print ads, while TV networks sell airtime during the events. Famous athletes also sign contracts to work as celebrity endorsers and lend their images to marketers.

The biggest advantage of sports marketing is that it allows marketers to piggyback on the popularity and devotion many fans feel towards their favorite teams and athletes. If a baseball fan has loved a specific team since childhood, any marketer who associates themselves with that team gains instant credibility in that fan's mind. Since the revenue ultimately goes to support the team, the marketer is considered a sponsor and invested in the team's success. The only major disadvantage is that the sports marketing industry is so large that it can be hard to stand out in the crowd. A fan who watches a three hour football game will be exposed to dozens of different marketing messages. Marketers must advertise to a wide range of customers, but risk that their ad gets overlooked by fans more interested in the game.

2.1.1 Four domains of Sports Marketing

Sam Fullerton and G. Russell Merz (2008) propose the four domains of marketing to be theme based strategies, product based strategies, alignment based strategies and sports- based strategies as seen in figure 2.

Figure 2: The four domains of sports marketing



Source: Fullerton, Merz (2005)

a. Theme based strategies

According to Fullerton and Merz (2005), theme-based strategies can be defined as the use of traditional marketing strategies that incorporate a sports theme into the marketing program for non-sports products. Since there exists a large audience who tune into sports events, brands choose to advertise their products even though they might be non-sports products. Since the brands market their products through sports, it is called ‘**Marketing through Sports.**’

As seen in Figure 2 above, marketing through sports is a dimension of sports marketing that executes a theme based strategy. Many marketers use sports events as platforms to appeal to

consumers to sell a large variety of products. According to Gray and McEvoy (2005), most of these products have either very little or no relationship at all with sports. From the promotional side of things, some organizations market sport products to a particular customer segment while others market a range of non-sports products. Merz and Fullerton (2005) imply that by linking these non-sports related products with players, sporting events and teams, marketers cater to the needs of customer segments that have “personal investment” in these sports bodies. Mullin (2000) differentiate sports marketing into two dimensions and these dimensions are termed as “thrusters”. They argue that the domain of sports marketing includes all activities which satisfy the requirements of sports consumers in every possible way. For example, brands purchase advertising space in stadiums during popular sporting events like the Football World Cup, Wimbledon and the Super Bowl to name a few. The marketing of the brand is done by displaying the brand’s name and logo on billboards and various banners inside the stadium. The brands also purchase air time on television during the games that generate the most number of viewers. This proves to be expensive for brands but one expense that they are willing to make for sake of promoting the brand to the respective audience required.

Srinivasaraju (2012) states that “The marketing and promotion through sports and different sports clubs involve sponsorship, corporate events and boxes, licensed merchandise, names and images also known as “endorsement”, advertising through broadcaster, advertising such as advertising as ground signage/clothing/equipment advertising, promoting games, promoting using players/club/league or developing ‘business opportunities.’” Even non-sports entities and products associate themselves with sports entities for the purpose of marketing. A good example of a non-sports entity marketing its brand through sport is Turkish Airlines. It sponsors highly reputed teams, celebrity players and football teams including Manchester United and FC Barcelona among others. As millions of fans tune into to see these teams in action on the field, the brand of Turkish Airlines will be advertised to them and this is a very fruitful method of promoting the brand. It instantly increases the brand awareness as it is seen by millions of people around the world.

As of late, women in sports have risen among the ranks and are proving to be just as fierce, competitive and dominant in their field. Whether it be the likes of the fearless tennis star Serena Williams landing endorsement deals with companies such as 'Gatorade' and 'Beats By Dre', or the recent rise in the stardom for Ronda Rousey who was on a dominant undefeated streak in the Ultimate Fighting Championship (UFC), and is endorsing brands such as Carl's Jr and Reebok. It is thus becoming very evident that sports marketers of the top brands that may or may not be related to sports, which have a large marketing budget are looking to associate their brand with the hottest property in the sports market at that particular given time. This relationship takes the brand personality to the next level in the eyes of the fans. Aaker (1997) defines brand personality as the set of human characteristics associated with the brand. The fans of these sportspersons are automatically drawn to the brand that their heroes are endorsing and the brand benefits from this process.

b. Product based strategies

Product based strategies is another key domain of sports marketing. When different sports products are marketed using traditional sports marketing strategies when there is no relation to the sport in general, it is known as product based strategies. If a marketer of athletic shoes reduces the prices of the shoes as an incentive for retailers, this will be considered a product based strategy in spite of being independent from the sports entity since it is a sports related product. Since sports in general is being marketed in some way in such cases, it is called '**Marketing of sport**' which is another dimension of sports marketing. It is the promotion of a particular sport or a sporting event itself. Its objective is to attract more eyeballs to the sport and gain more viewership at sporting events. It basically means to advertise the sport to the public in order to create more awareness and interest to those who do not know about it or have less knowledge of the sport in general. For example, exhibition matches are sometimes played in countries where a particular sport is unheard of or is not very popular. By doing so, the public in those countries will hear about the sport, gain an understanding about it and will probably

even become a fan of the sport. At least, this is what the sports committee or organization hopes for when they execute marketing activities of sports. For instance, Cricket matches were recently played in the United States of America where the sport of cricket is not very popular. The objective of this tournament was to combine the all-time best players of all teams spanning the last two decades and pool the players into different teams. According to ESPN Cricinfo (2015), this league, termed as “Cricket All-Stars” attracted more than 60,000 fans to the three games played in New York, Houston and Los Angeles. The objective of the International Cricket Council to ‘globalize’ the sport of Cricket was successful as many Americans turned up to the stadium for the three games to learn the sport of Cricket, which happens to be one of the most popular sports in the world minus America and Europe.

c. Alignment based strategies

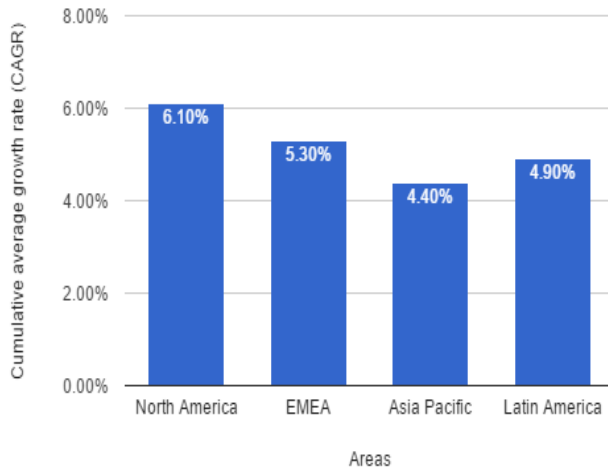
When marketers of non-sports products align themselves with sports entities via any type of sponsorship such as traditional sponsorships, endorsements, licensing agreements and venue naming rights; it is known as an alignment based strategy. For example, McDonald’s struck a deal to sponsor the Olympics in order to sell more fast food because millions of people watch the popular Olympic Games and it increases the awareness of the McDonald’s brand.

Over the years many authors have explained the meaning of sponsorship from their own perspective. Shank (2009) defined it as “investing in a sports entity (athlete, league, team or event) to support the overall organizational objectives, marketing and promotional strategies”. While Lagae defines sponsorship as ‘a business agreement between two parties. Lagae (2005) implies that the sponsor provides money, goods, service or know-how. In exchange, the sponsored party (individual, event or organization) offers rights and associations that the sponsor utilizes commercially’. According to Jobber (2007), there are multiple objectives as to why brands choose to be sponsors. They include creating promotional opportunities, improving community relations, fostering favorable brand and company associations, creating entertainment opportunities and gaining publicity.

Banks and insurance companies use sponsorship as a method of aligning themselves with popular sports entities to attain global recognition. For example, Standard Chartered sponsors Liverpool Football Club's shirts. This is a strategic move by the Standard Chartered because Liverpool Football Club is one of the most popular clubs in the English Premier League with millions of fans worldwide. The broad amount of reach of this club and the diverse variety of audience who watch their games worldwide is what encourages banks like Standard Chartered to foster a relationship with the club.

According to a PricewaterhouseCoopers (2011), the sponsorship revenue growth in North America was predicted to be the highest from the years 2011 to 2015 with the maximum touching 6.1% as seen in the figure above. Sports leagues like the NFL, NBA and NHL in North America are extremely popular with the viewers amounting to several millions. Hence it is no surprise that big brands and companies want to be associated with the teams in these leagues in some way, shape or form through a sponsorship deal. These leagues have the most hardcore fans who also support the brand that their favorite team endorses. The brands use this emotional engagement that exists between the fans of sports to their advantage and benefit from it in numerous ways. In the last 5 years, sponsorship revenue growth in North America topped the same in Asia as seen in the graphic below:

Figure 3: Sponsorship revenue growth by region



Source: PricewaterhouseCoopers(2011)

J.P Morgan is another banking company that invests heavily in sports sponsorships. JP Morgan sponsors ‘Round the Island Race’ that happens to be one of the world’s largest yachting competitions. JP Morgan dedicates an entire apparel range to the event. JP spent an overall of \$60m-65m on sports sponsorships.



Source: JP Morgan (2015)

As the market for sponsorship gets more competitive on a global basis, all sports are keen on securing the biggest sponsorship deals with giant brands. Since these companies invest a lot of money in the name of sponsorship, they obviously expect the rewards to be just as big if not more. Reports are created by companies these days in order to measure the effectiveness of associating their name with a sports entity.

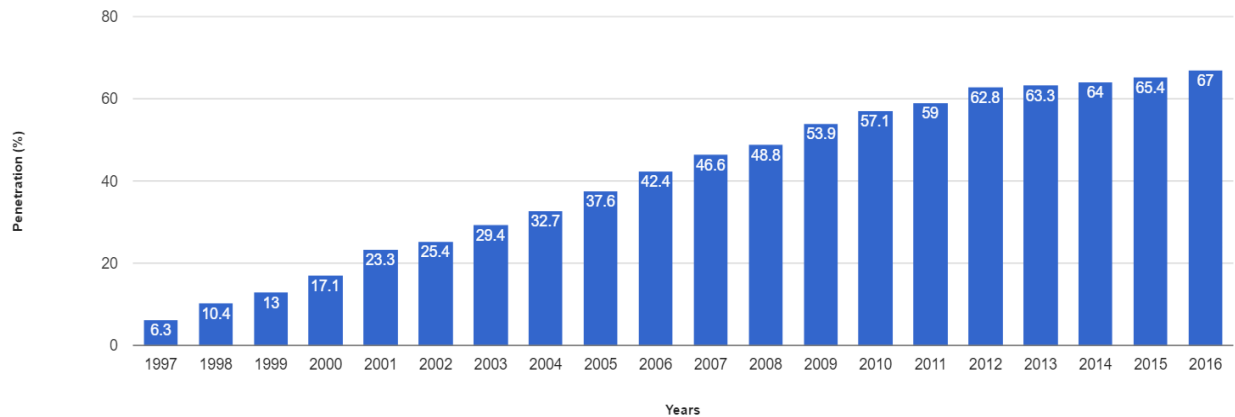
d. Sports-based strategies

When sports brands sponsor other sports entities it is categorized under sports-based strategies and it is the final domain of sports marketing. This makes the most sense because associating sports products to sport entities for marketing purposes leads to a win-win situation for everyone involved. For example, Reebok secured a venue naming sponsorship for a soccer stadium in England. This is a sports brand associating itself to another sports entity. The fans who come to the soccer stadium to watch the match always have the name of Reebok in their minds as it is the name of the stadium. This creates brand identity and increases the brand awareness of Reebok; more than ever before. Even endorsement partnerships are formed between various sports brands and sports athletes, clubs and other sports entities. For example. Nike sponsored popular athletes such as Michael Jordan, Cristiano Ronaldo and Tiger Woods at different times of its existence over the last 30 years.

2.1.2 Role of Internet in Portugal

It is no surprise that internet is widely used all over the world. According to research by the International telecommunication Union, almost half of the entire world's population have access to the internet. 3.2 billion people that represent 44% of the world's population. As it relates to Portugal, an estimated 6.93 million people have access to the internet and they represent 67% of the country's population in the year 2016. (Marktest, Bareme Internet, 2014)

Figure 4: Internet Usage in Portugal



Source: Markttest Bareme Internet (2014)

As seen in the figure above, according to Markttest Bareme research (2014) on internet usage in Portugal, there has been a steady rise in internet usage every year since 1997. From a penetration of 37.6% in 2015 to 65.4% in 2015, the country has seen a growth in the amount of people using the internet. This is only going to increase even more in the years ahead. It is hard to imagine life without internet in this day and age. From schools to universities to corporate work life, everyone has access to the web as it offers instant connectivity at a low price.

According to a research study by Obercom (2014), computers are the most used device to access the internet in Portugal representing 61%, followed by smartphones (42.3%) and tablets (25.7%). Even though the smartphones and tablets are gaining popularity, not many important tasks are performed through them. Laptops remain to be the most used for performing key tasks by respondents. Some of the most popular functions for which the internet is used is e-mails (92%), surfing the general web for news, weather and similar items (84%), the use of search engines (83%) and visiting social networks (77%) (TNS/ Google, 2014).

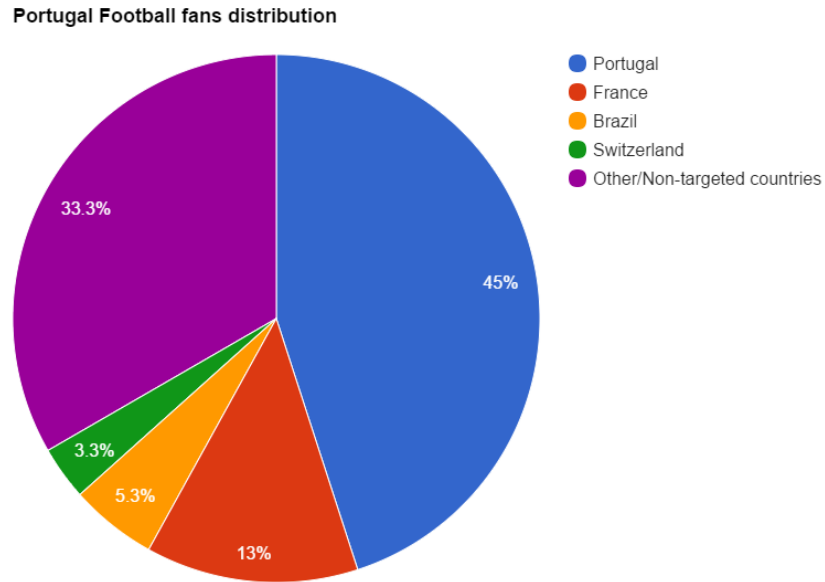
2.1.3 Social Networks Usage in Portugal

Just like the people of any other country in the world, the Portuguese use social networks extensively too. Marktest (2014) conducted a survey called "Os Portugueses e as Redes Sociais" in which it was discovered that 70% of internet users in Portugal use social networks on a frequent basis. While the average use of social networks in Europe is 57%, Portugal is well ahead of the average. 66.2% of Internet users follow brands or companies on social networks. Facebook has the most users followed by YouTube, LinkedIn, Twitter and Instagram.

With the technology advancing as much as it has as of late, people have adapted to using smartphones and tablets these days. Laptops and desktop computers are fading away slowly, at least when it relates to the access of social networks. According to Marktest (2014), it is easier and faster to download the apps of social networks like Facebook, Twitter, Instagram and Snapchat. Smartphones are the preferred device of choice to update a facebook status, post a picture on Instagram or write a tweet. Innovative applications like these are gaining a fair share of popularity in Portugal just like the rest of the world.

Social media marketing have a massive impact in the sports arena in Portugal, The sport of Football is the most popular sport in the country. There are three important and popular football clubs in Portugal, namely:, Sporting Clube de Portugal and Futebol Clube do Porto and Sport Lisboa e Benfica. These clubs have a massive following on their social media accounts. FC Porto have the maximum fans on Facebook with 3.9 million, Followed by Benfica club with 3.4 million and Porto with 2.4 million fans. These clubs use social media platforms like Facebook to reach out to their audience, sell merchandise, tickets and many other items through innovative content. Research by Social Bakers (2016) suggests that, the national football team of Portugal called 'Forca Portugal' has over 800,000 fans on Facebook. While the majority of them are Portuguese (45%), the rest of them are from France (13%), Brazil (5.3%) and Switzerland (3.3%) and various other countries (33.3%) as seen in the figure below.

Figure 5: Distribution of Portugal’s football fans



Source: SocialBakers(2016)

While football is the most followed sport in the country, a lot of other sports brands benefit from the popularity of this sport. Brands like Nike, Merrell, Red Paddle Co and Lacatoni Portugal have created quite the buzz on social media by producing sports goods and other accessories related to Football such as shoes, socks, wrist bands, head bands, jerseys, goalkeeper gloves, knee-pads and much more.

2.2 Merchandising

Merchandising is another key source of revenue for sports teams, organizations and the parties involved. Basu (2010) defines merchandising as the arrangement of products in a physical or online store to maximize sales. While the advertising campaigns are expected to drive the consumers to the stores, the merchandising department of an organization is expected to close the sale. In other words, it is responsible to make sure that the consumer who enters the store makes the purchase before leaving. Since sports in general has a unique way of gaining a special emotional connection with its fans, merchandising is an added bonus for sports leagues and organizations to take advantage of this bond that fans share with their favorite players and teams. Thus, the growth in licensed sports merchandise market is closely linked to the consumer spending patterns.



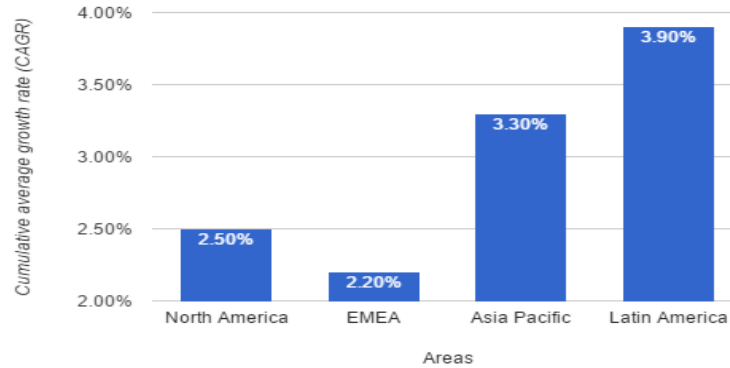
Source: Retail Design Blog (2015)

These sports teams assemble tons of merchandise ranging from t-shirts, shorts, pants, hats , shoes, socks and other sports related accessories for its fans to consume. In order to feel a sense of pride and associate themselves with their favorites, the people flock to these stores, both

physical and online and purchase whatever they like. Sports licensing and merchandising is big business. It generates millions of dollars of revenue. However sports organizations that sell licensed merchandise face a huge challenge. Liu (2011) states that in order to support their exclusive right to sell merchandised goods, sports teams and leagues rely upon trademark law. Licensing includes licensing of symbols, logos, names of players and names of various sport organizations. Once the organization owns the rights to using these different elements, tons of cash can be made provided there are good strategic marketing techniques for merchandising. In this day and age, consumers are showing more interest in purchasing sports related goods than ever before. Various sports related merchandise is flying off the shelves. For example, during the NFL season in America, the demand for authentic sportswear of all the teams involved is at its peak. Fans feel a sense of pride in wearing the official jersey of their favorite team when they attend the game live at the stadium.

All this interest shown by fans is capitalized upon by the sports bodies and different types of discounts, offers and special sales coupons are also offered to fans in order to maximize sales. As the old saying goes, “You have to strike, when the iron is hot.” Hence, maximum efforts are put in by the marketing and merchandising department during football season in the United States. The same goes for the FIFA World Cup and Cricket World Cup. It is during such big events that merchandise sales go through the roof. The selling of sports merchandise by various teams is also aimed at those fans who cannot attend the games live at the stadium or the arena. This helps to monetize sports brands. For example, Nike allows its customers to customize their trainers their various opinions and designs with friends and family members online. This is a great move by Nike as it helps understand the needs of its customer base and target market. Analyzing the sports merchandise market from a global perspective, it is the smallest category revenue compared to sponsorships, media rights and gate revenues. PWC (2011) predicted in its report that merchandising accounts would account or 14.5% of the total global sports market revenue. However, it accounts for 25.2 % of all revenue in North America. PWC illustrates that North America alone accounts for 71% of the total global sports merchandising market.

Figure 6: Merchandising Revenue Growth By Region



Source: PricewaterhouseCoopers(2011)

The graph above illustrated by PWC in its report , forecasted Latin America (3.9% CAGR)and Asia Pacific to have the highest growth rates from 2011 to 2015 and it indeed was accurate by the time the year 2015 ended. According to PWC, the strong fan engagement with sports and sports helps to monetize sports brands in international markets. It is healthy for the overall popularity of the sport. The sports merchandising market does contribute in billions of dollars of revenue to the global sports industry.

2.3 Web 1.0 and Web 2.0

We have often come across the terms Web 1.0, Web 2.0 and Social Media. Web 1.0 was a platform whose system operated on a one-to-many basis. According to research by Berthon and Pitt (2005), this meant that information could be passed on in a number of different ways. However, the interaction was limited. Web 1.0 was used by corporate organizations, businesses and individuals who held a one-way communication line over the internet. Organizations usually created websites that came to be known as “brochureware” as companies rushed to convert their corporate brochures to simple websites.

Berthon and Pitt suggest that, the moment that these organizations felt they had a grasp on the internet of things, along came a wave of new technologies which left the managers of these companies confused and helpless. As technology began to improve, it was now possible to generate many-to-many content. This concept came to be known as Web 2.0. The user benefitted the most in the age of Web 2.0. Users are now able to update sites, post blogs, videos and make it completely user friendly with as much content as needed.

Cormode and Krishnamurthy (2008) stated that “Web 2.0 is a buzzword introduced in 2003–04 which is commonly used to encompass various novel phenomena on the World Wide Web.” According to these authors, the main difference between Web 1.0 and Web 2.0 is the fact that the creators of content were very few in Web 1.0 with a heavy majority of users also being the consumers of the content while any participant could be a content creator in Web 2.0. The possibilities for the creation of content has been maximized thanks to many technological aids. Graham and Balachandar illustrate in their journal that Web 2.0 is democratic in nature, which allows the creation of a large number of nice groups that allow the creation and sharing of content that may include text, audio, video, pictures and any other form of data.

Another definition of Web 2.0 was given by Berthon and Pitt (2005) which reads “Web 2.0 can be thought of as the technical infrastructure that enables the social phenomenon of collective media and facilitates consumer generated content.” In other words, Web 2.0 enables the creation and distribution of the content that is social media. These authors suggest that technologies have enabled three effects: first, a shift in locus of activity from the desktop to the Web; second, a shift in locus of value production from the firm to the consumer; and third, a shift in the locus of power away from the firm to the consumer.

Social networking sites like Facebook, Twitter and Instagram all come under the umbrella that is Web 2.0 . In this day and age where there are so many websites, blogs and social media networks available, the platform of Web 2.0 serves as a housing for all these social networks to function effectively in the technological landscape. The internet traffic has increased significantly

ever since the launch of these social media sites. Web 2.0 include websites that incorporate strong social elements. These may include user profiles, sharing ability, visual elements and social connection via the internet. People are able to connect to each other no matter where they live in the world, as long as they can access the internet.

2.4 Social Media

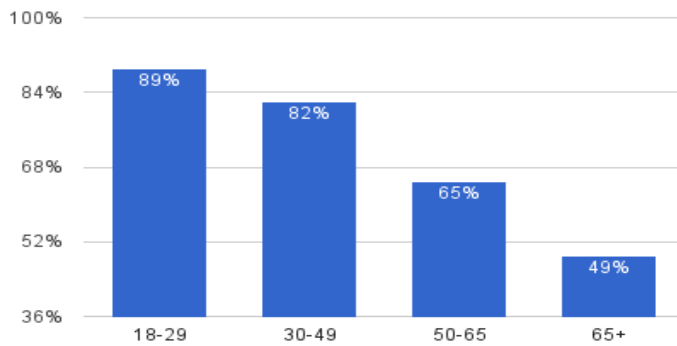
Over the years, many authors have explained what Social media is from their point of view. Kaplan and Haenlein (2010) define social media as "a group of Internet- based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." Social media content can contain text, audio, video and networks. Text was the first social media, mainly in the form of web blogs. Blogs are written content on the website which is created by the user. These may include day to day diary summaries, audio and also visual content like attached videos and pictures. As Web 2.0 began to explode with the evolution and improvement in technological tools, and social media being the fruit of the web that it is, started gaining more traction among the millennials. Soon there were plenty of social networks that came about and the masses embraced it. People were in awe of the fact that communication between themselves and their friends or family had become so easy. Mangold and Faulds (2009) say that social media have become a major factor in influencing various aspects of consumer behavior including awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase communication and evaluation. The development of social media has had a profound impact on the way client organizations communicate with their audiences. Baines (2010) observes the reduction in the amount of traditional media and an increase in the amount of digital and social media over the last several years. This is the reason we see a lot of online interactivity with organizations and its consumer base.

Social networks like Facebook, Twitter and Instagram are among the most popular and most used networks on the web today. Social networks that are part of the social media in general have become the go-to medium for people to interact amongst each other, generate and share

content, promote themselves and their businesses and for a number of other reasons that are beneficial to the user. While sites like Twitter have a maximum limit of characters that one can use in a “tweet”, that being 140 characters; other sites like Facebook and Instagram do not have a character limit for a user to post online. Instagram is exclusively for sharing pictures and videos. The video feature has a time limit of 15 seconds. All these popular networks are being used by brands across the globe to promote their products and to generate as much brand awareness as possible. People can also find friends, view their profiles, write comments and use all other interesting features available at for their perusal. Video- sharing websites like YouTube allows users to upload and share videos online. Users can also create their own channel on YouTube where they can maintain a collection of all their videos under one umbrella. All these users or consumers of social media are the ones who are generating content on these sites that drive a lot of traffic on the internet. Social media channels usually transform the monologues of broadcast media which is ‘one-to-many’ to social media which is to ‘many-to-many’.

According to a report by Search Engine Journal (2016), social media has attracted people of all age groups. Since social media mostly involves the use of smartphones and the internet, young adults belonging to the age group of 18-29 years top the list of users that use social media with 89% as seen in the figure below because the young generation across the world are more tech-savvy. The people belonging to the 30-49 age group are not far behind. 82% of them are active on social media. The older people do not use the internet as frequently and as much as the millennials do. Hence, 65% of the people belonging to the 50-65 years age group are on social media while only 49% of the population aged 65 and above have a social media presence.

Figure 7: Age Groups Of People On Social Media



Source: Search Engine Journal (2016)

2.4.1 Web 2.0 Social Media and Creative consumers

According to Berthon, Pitt, Plangger and Shapiro (2012) as seen in the figure below, “Web 2.0 can be thought of as the technical infrastructure that enables the social phenomenon of collective media and facilitates consumer-generated content. The latter are distinguished by the difference in focus: social media can be thought of as focusing on content, and consumer generation on the creators of that content. Simply, Web 2.0 enables the creation and distribution of the content that is social media.”

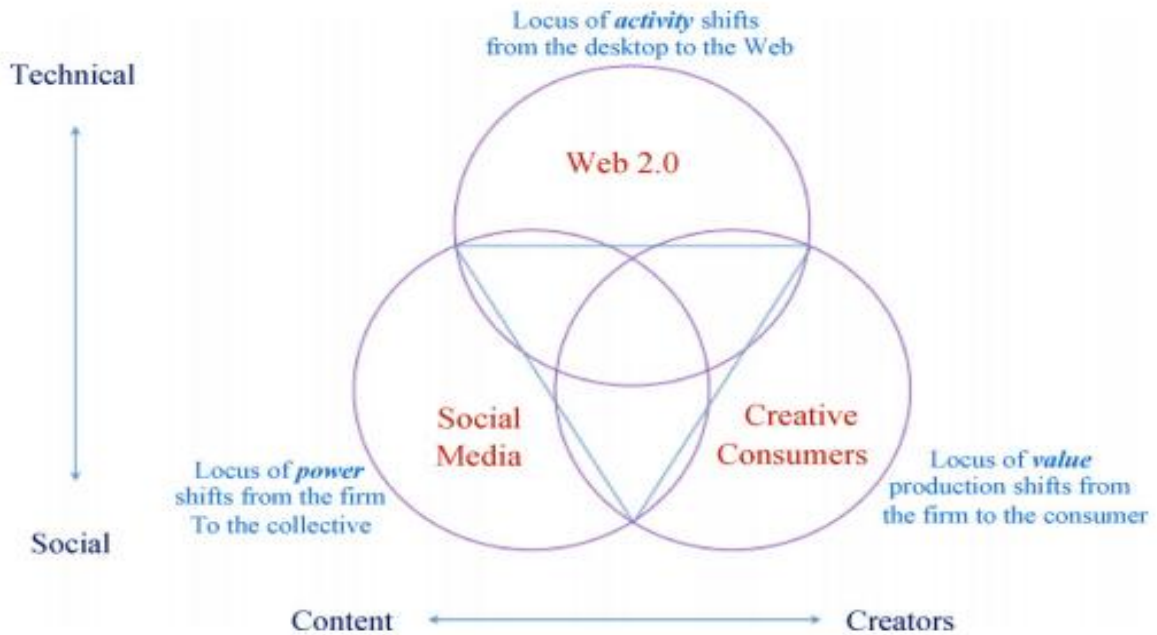
2.4.2 Social Media in International Marketing Strategy

These acclaimed authors also propose 5 different axioms for using social media and creative consumers in international marketing strategy as listed below and illustrated in figure 8.

1. **Social media is a function of the technology, culture, and government of a particular country.**

The social media profile of a particular country will be determined by three things- technology, culture and government of that country. Technology is important because it relates the average bandwidth and the speed that is available. For example, YouTube is not very popular in emerging countries as the site requires a more than average bandwidth to function properly.

Figure 8: Web 2.0, Social Media and Creative Consumers

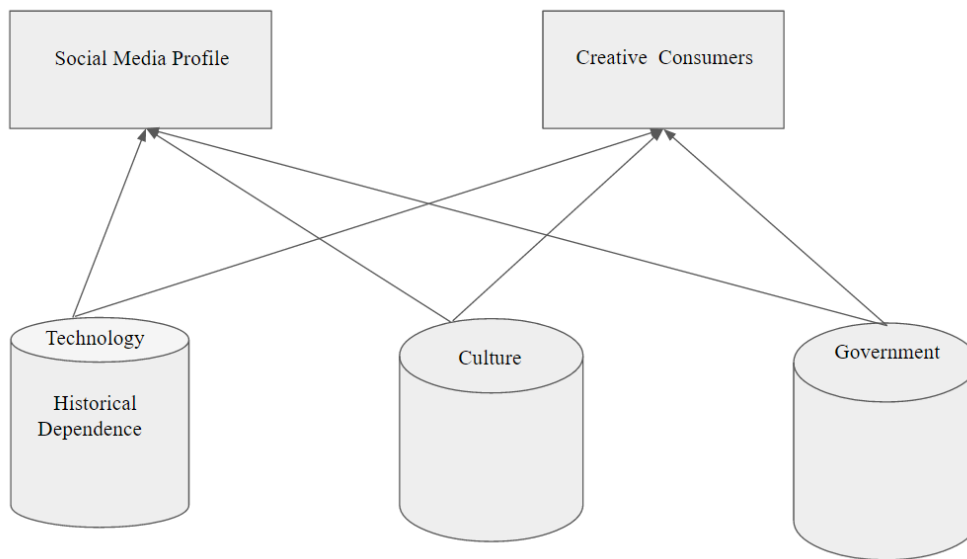


Source: Berthon, Pitt, Plangger and Shapiro (2012)

Secondly, the government’s rules and policies will also play a factor in social networking. For instance, Facebook is banned in China by its government much to the disappointment of tourists and other visitors. Thirdly, culture and values of a country also play a part in determining the

popularity of social media. For example, social networks like LinkedIn and Facebook are more popular in countries such as India and US than in some others. Thus, according to Berthon, Pitt, Plangger and Shapiro (2012), “from an international marketing strategy perspective, firms cannot manage a one-size-fits-all approach. The social media aspects of a global marketing strategy has to satisfy local needs.

Figure 9: A summary of the 5 axioms



Source: Berthon, Pitt, Plangger and Shapiro (2012)

2. In the age of social media, local events seldom remain local.

With the accessibility of the internet comes the power of social media and the power to share. While 30 years ago, anything important; good or bad, that happened in one country remained in that country; that is not the case anymore in today’s technological landscape. For example, the

brand of Nestle was targeted by Greenpeace because Nestle was a major purchaser of palm oil, which is created in Indonesia where forests are destroyed. Hence, an ad was created by Greenpeace against Nestle and released in YouTube that garnered a lot of attention and it became a viral video across the world. Nestle was under attack by people over the world and was very embarrassed. Therefore such events seldom remain local because information spreads on social media very quickly.

3. In the age of social media, general issues seldom remain general.

This third axiom proposed by the authors can be linked to the second axiom as it is complimentary. As local events become global, the global processes are re-interpreted locally. The general issues like global warming and financial crisis do not remain general and are treated locally. According to Aramendia (2010), a fashion brand like Zara for example, is very popular on social media for being the most tweeted brand in the fashion industry in Europe, it is not as popular in Spain or France on social media. Thus opinions often change on social media from region to region and they seldom remain general.

From axiom 2 and 3, social media performs functions in the international context as follows and is explained by the authors:

- a. They ensure the rapid dissemination of information
- b. They allow the accelerated spread that make sense of that information; and
- c. They allow the swift coordination of action or, to be more precise, inter-action.

4. The actions and creations of creative consumers tend to be a function of a country's technology, culture, and government.

According to Berthon (2007), creative consumers represent an enthralling contradiction for firms. They appropriate firm value and revenues with their blatant disregard for copyright and the

notion of intellectual property. They mess with products and in doing so, they can often produce results that can be dangerous. A particular country's technology, culture and government regulations will play into the actions of creative consumers. The quality of tools available at the hand of the creative consumers will direct the corresponding actions that they will take.

5. Technology tends to be historically dependent

The authors discuss that technology in a particular country tends to be historically dependent on three factors such as:

- a) The condition of both current and previously deployed technologies in that country
- b) The country's culture
- c) The legislation enacted by government in that country

The above 5 axioms proposed by these authors gives a clear picture as to how social media and creative consumers are to be used when dealing with international marketing strategy.

2.4.3 Social media Umbrella

There are thousands of websites, apps and other networks in this day and age of internet and social networking. This often leads to confusion as to which websites/apps are to be classified under the social media umbrella. According to Daniel Nations; a trends expert, there are four common social media features by which sites or apps can be identified if they fall under the social media umbrella; such as:

- a. User Accounts: When a website permits users to open their own account and maintain it, it is safe to say that social interaction exists on that platform. Without a user account, information sharing and interaction is not really possible.

b. Profile Pages: Having a profile page enables others to read about a particular person that they want. This enables communication as it represents an individual. Data such as a profile picture, bio, website, favorites can be added to the profile page.

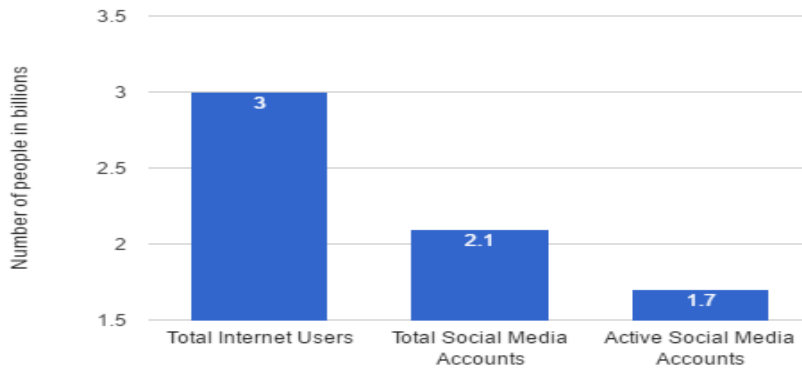
c. News Feed: When users are interested to receive information from certain people, they connect with them on social media. There is a real-time sharing of information in social media. For example, the social networking site Facebook has a newsfeed that enables its users to view the information of people who they are friends with and with celebrities who they connect with online.

d. Personalization: Nowadays it has become easy to customize a profile page according to the user's liking. From the background colors to the design of the page, everything can be personalized and changed. Even the information that one wants to see in their newsfeed can be organized through the settings in the user's profile.

2.4.4 Usage of social media

One can say that social media has become the most popular product of the internet in the last 15 years. The reach that social media has across the world is truly remarkable. According to Search Engine Journal (2016), 3 billion people in the world use the internet. That represents almost half of the entire world's population, 2.1 billion of these people have social media accounts while the accounts of 1.7 billion remain active.

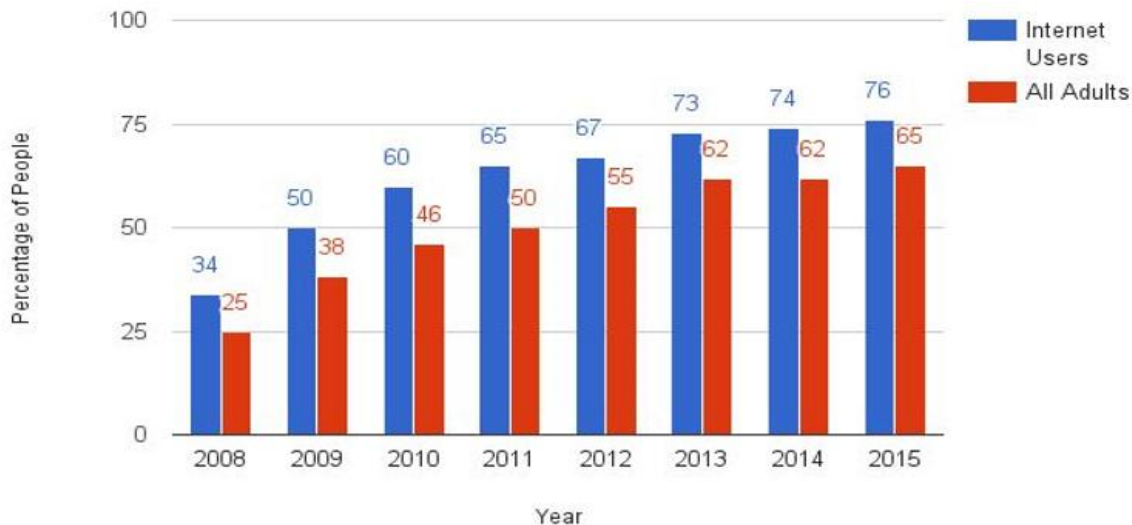
Figure 10: World Population on Social Media



Source: Search Engine Journal (2016)

Pew Research Center conducted an interesting research in the US market regarding the amount of social media usage over the last decade (2005-2015). As seen in the graph below, nearly two-thirds(65%) of American adults used social networking sites in 2015 which is a huge jump compared to the mere 7% that were a part of social media a decade ago.

Figure 11: Social Media Usage in U.S (2008-2015)

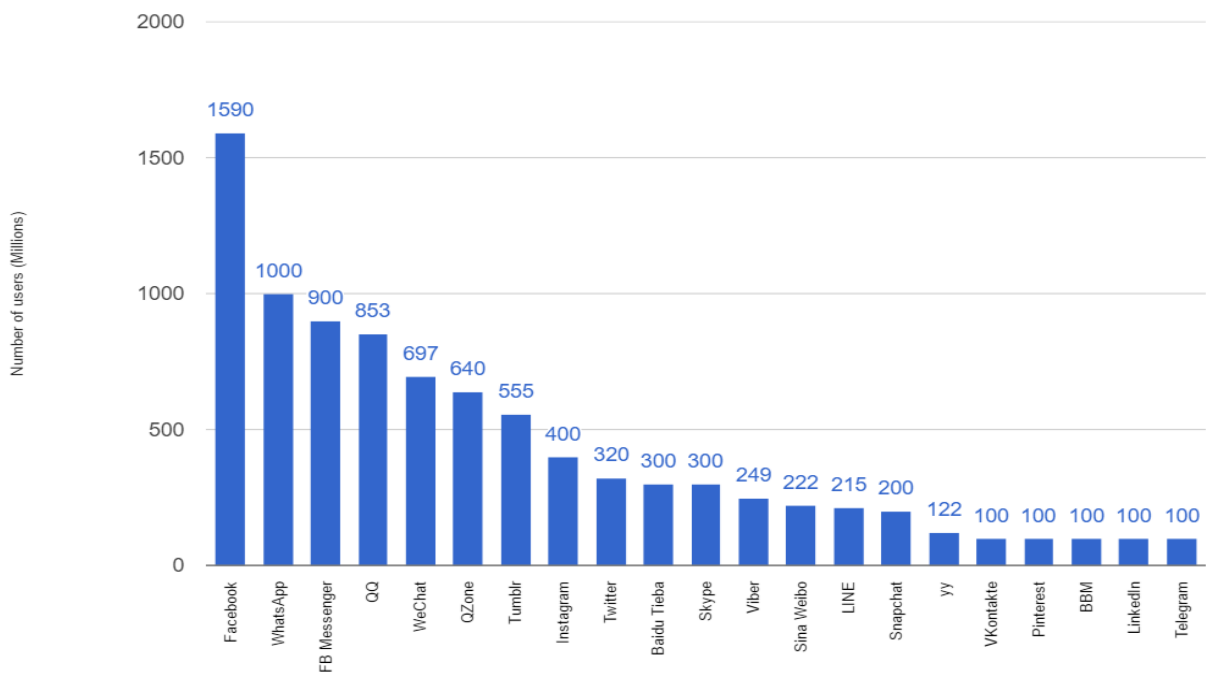


Source: Pew Research Center (2015)

2.5 Social Network

The technical definition of a social network according to Gomez-Arias, J. and Genin L. (2009), is — “A social structure made of nodes (which are generally individuals or organizations) that are tied by one or more specific types or interdependency, such as values, visions, ideas, financial exchange, friends, kinship, dislike, conflict, trade, web links, sexual relations, disease transmission, or airline routes.” Another definition as given by Boyd and Ellison stated “We define social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system.” (Boyd, D. Ellison, N. (2007). Social networking sites enable people to connect with each other in the easiest way using the technological tools available.

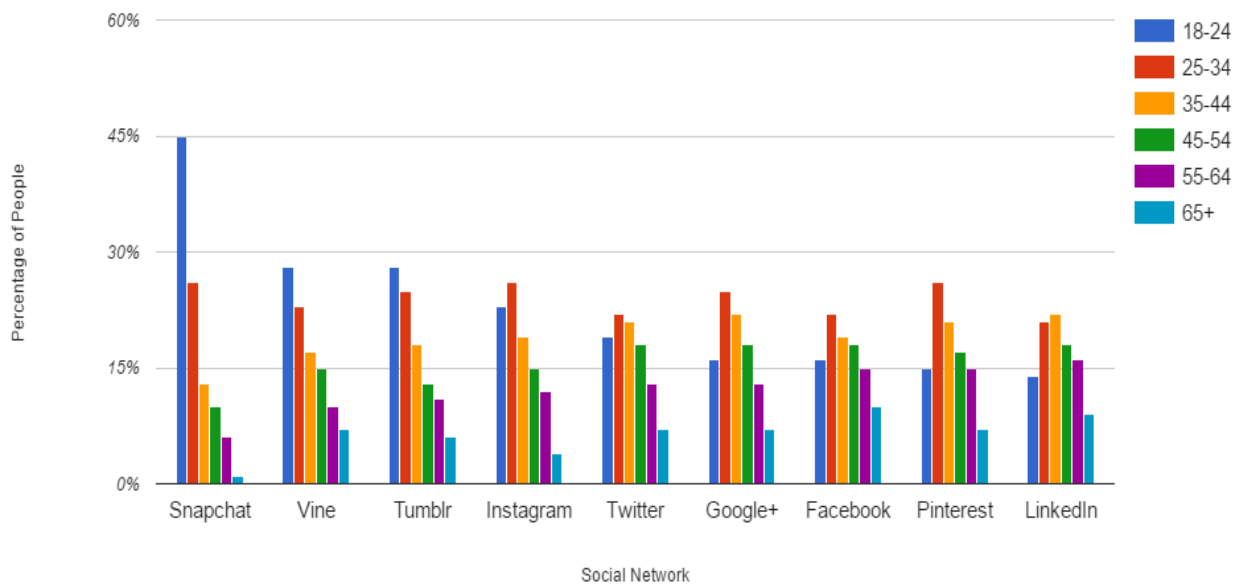
Figure 12: Leading Social Networks Worldwide



Sources: Statista, Facebook, We Are Social, Whatsapp, Tumblr, Google, LinkedIn (2016)

As seen in the figure below, social networks such as Facebook, Whatsapp, Facebook Messenger, QQ and WeChat make the top 5 in the list of leading social networks ranked by the number of active users in the year 2016. Instagram is the most popular image sharing application that has more than 400 million users. Skype, Viber, LinkedIn and Snapchat are other social network that show an impressive number and a strong user base. These are among the most popular platforms where most online human interaction takes place. The every growing production and consumption of smartphones combined with the existing superpower that is the internet enable billions of people to access social networks on a daily basis. The top social networks over the last couple of years have surely been the image- focused ones like Instagram, Snapchat and Pinterest. Image sharing on social media has become a constant hit especially with the younger generation. Another study conducted by Business Insider Intelligence (2015), in the US market clearly shows the demographics in which social media is mostly used as seen in the figure below.

Figure 13: Age Distribution at Top Social Networks



Source: ComScore, Business Insider (2015)

We observe that social networks like Snapchat, Vine and Tumblr have more of a youthful audience in the 18-24 year olds, while Instagram, Twitter, Google+ , Facebook and Pinterest attract the 25-34 year olds in the United States of America. LinkedIn which is a professional social network is most common among the 35-44 and 18-24 year old demographic. \

2.5.1 Top Social Networks

Social networks have taken the worldwide web by storm. Some of the best and most popular ones are as follows:

1. **Facebook:** Founded by Mark Zuckerberg and his college roommates in 2004 in the United States, Facebook has emerged to be the most popular social network in 2016. With over 1.5 billion users, Facebook has truly connected the world like no other social media network has. The ability of making new friends and finding old ones on this platform has helped it grow by leaps and bounds over the years. This site allows its users to share written posts, pictures, videos, links, status updates and also connect with their favorite sports teams, celebrities and others on its network. According to Clapperton (2009), Facebook was possibly the site that got social networking moving. It has more or less coincided with the social media revolution and is today the largest social network site to date in terms of numbers.

Table 2: Facebook by the numbers

Number of active users	1.55 billion
Average daily time spent	42 minutes
Mobile usage of Facebook	68%
Desktop usage of Facebook	32%
Millennials on internet using Facebook	82%

Other facts:

- 47% of internet users are on Facebook.
- 4.5 billion likes are generated daily.
- Direct upload of user videos to Facebook now exceed YouTube
- Facebook generates 4 billion daily video views

Source: Search Engine Journal (2016)

2. **Twitter:** Twitter might be the simplest social network to access. With a character limit of 140 characters for a ‘tweet’, it is sufficient to post a link, share a picture and write a message to one’s favorite celebrity or brand. More than 100 million users log in daily on this social networking site to connect with others.

Table 3: Twitter by the numbers

Monthly active users	316 million
Average daily time spent	17 minutes
Mobile usage of Twitter	86%
Desktop usage of Twitter	14%
Millennials on internet using Twitter	32%
Other facts:	

- Twitter has increased more than 50 million users in the past year.
- Over 37% of twitter users will buy from a brand they follow
- 53 million users of Twitter are residents of the United States

Source: Search Engine Journal (2016)

3. **Instagram:** Instagram is a unique photo sharing app that allows its users to not only share pictures but also add various filters to make the picture look more beautiful. With over 400 million users on its platform, Instagram has become a huge hit especially among the 18 to 35 years demographic section who utilize their smartphone for social networks the most. Images on Instagram can also be simultaneously posted to Facebook and Twitter. Facebook bought Instagram in 2012. While there may be several reasons as to why Facebook made this purchase, Tim Loughran who is the business professor at University of Notre Dame believes it is because Facebook didn't want a competitor like Google to snap it up first.

Table 4: Instagram by the numbers

Monthly active users	400 million
Average daily time spent	21 minutes
Mobile usage of Instagram	98%
Desktop usage of Instagram	2%
Millennials on the internet using Instagram	55%
Other facts:	

- 75 million daily active users
- 90% of users are aged under 35
- 70% of users are outside the United States

Source: Search Engine Journal (2016)

4. **LinkedIn:** LinkedIn is the most popular social media site for business connectivity and networking. It is really useful for maintaining a formal profile, applying for jobs and gaining new contacts in this technologically driven business world. From the employer’s perspective, LinkedIn is used as a platform for recruiting new employees, forming new partnerships with vendors and having a strong foothold with regards to business and industry news. With over 400 million users, LinkedIn has become the go-to social media network for professionals.

Table 5: LinkedIn by the numbers

Monthly active users	97 million
Average daily time spent	10 minutes
Mobile usage of LinkedIn	26%
Desktop usage of LinkedIn	74%
Millennials on the internet using LinkedIn	22%
<p>Other facts:</p> <p>LinkedIn users are spread across 200 countries and territories</p> <p>25% user growth among adults from 2012 to 2015.</p>	

Source: Search Engine Journal (2016)

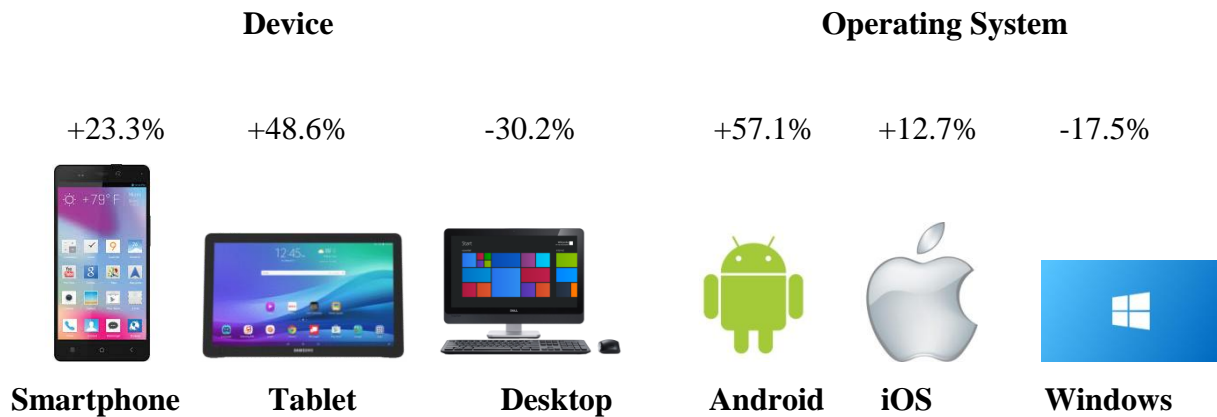
2.6 Social Media Marketing

Social Media can be effectively used to create marketing wonders. For businesses and organizations social media basically boils down to building a conversation with its customers and clients. While this interaction between brands and its consumers used to be established only at the physical location of site of selling; with the advent of technology and the boom in social media, the type of interaction nowadays occurs mostly on the internet. Marketing on social media has taken a life of its own with brands promoting their products and services to their target audiences on social platforms across the web. “Investopedia” describes social media marketing as “the use of social media websites and social networks to market a company’s products and services. Social media marketing provides companies with a way to reach new customers and engage with existing customers.” Various authors have also defined social media marketing. Weinberg (2009), “a process that empowers individuals to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels”. According to Mangold and Faulds (2009), social media is a hybrid element of the promotion mix because in traditional sense it enables companies to talk to their customers, while in a non-traditional sense it enables customers to talk to one another.” The companies utilize this concept by producing online content on social media which they hope will be shared by consumers with their friends and family. When a user likes a Facebook page or an Instagram page and reposts the same message, video or picture of the brand’s content on their personal profile, this enables friends and followers of that user to see that post. That post can further be shared by more people and so on.

Gaining instant feedback from consumers has never been easier than now for brands either. Brands can observe if the latest product that they are marketing on social media is getting praised or criticized. The amount of positive and negative reactions towards the message of the brand can also be tabulated and a concrete hypothesis can be generated. According to a report generated by social media company called Share This(2015), brands have adopted a mobile-first strategy. With

80% of consumers now owning a mobile device, strategies of social media marketing and ads shown by brands revolve around mobile centric user-base. Since sharing is a social activity, it makes sense that consumers perform it from the privacy of their mobile devices and tablets, which they use more at their leisure. According to Social Media Examiner (2015), with desktops and laptops serving as work platforms, consumers would be concerned about employers tracking Internet activity there. As seen in the figure below, presented by ‘Share This’ (2015) agency, the percentage of sharing of information on smartphones (+23.3%) and tablets (+48.6%) is more than that of desktops (-30.2%). This is due to the decrease in the use of desktops after the introduction of smartphones and tablets. Social media marketers are adapting quickly to what is new in the market to help their cause as effectively as possible.

Figure 14: Information sharing on different devices



Source: Share This Agency (2015)

When brands own social media accounts, they are accountable to answer the questions and concerns of their consumers and communicate in a professional manner. While criticism from consumers can be a bit too harsh sometimes, brands have begun to accept the fact that comes along with the territory that is social media. After all, without its consumers, brands wouldn't exist. Mangold and Faulds (2009) quote that “ignoring the realities of the impact of information

transmitted through these forums on consumer behavior is tantamount to surrendering the communications process to the vagaries of the marketplace.” While it is not possible to influence or manipulate the conversations that take place on social media concerning a particular subject, the management is expected to take it all in stride and accept it for what it is. Having a presence on social media is both challenging and fulfilling. It has its benefits and if not used properly, it sure has its flaws.

Diamond (2008) explains that social Media Marketing is marketing that focuses on people, not products. The products and services may be promoted on social media as much as possible by companies but the ultimate opinion of the consumers on these social media sites. Companies cannot just embrace the positive feedback from consumers and ignore the negative feedback. Parson (2013) explains that in addition to changing existing potential consumers into buyers, social media encourages those buyers to promote and share their purchases experience among their friends by giving their positive or negative opinions towards a purchased product. According to Miller (2010), stated in his research that social marketing has made a very important role in persuading consumers to buy online. He found that 70% of consumers are visiting Social Media to get useful information, 49% of them made the decision to buy certain product and 60% of consumers prefer to share their information about the products with others online. Everyone has an opinion. Social media has given the platform to people to share theirs. According to Evans (2008), the ability of influencing the crowd effectively is the main quality needed by the marketing team. One of the biggest advantages of social media marketing for marketers is the availability to grasp where the interest of the consumers lie.

2.6.1 Benefits of social media marketing

Although there is a perception out there that social media marketing is a dying fad, statistics beg to differ. In an article for Forbes (2014) by Jayson DeMers, “According to Hubspot, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media

Examiner, 97% of marketers are currently participating in social media but 85% of participants aren't sure what social media tools are the best to use." Jayson points out certain benefits that companies will experience by using social media marketing. Some of them include:

a. **Increased Brand Recognition:** Having a social media presence increases the visibility of the brand. It makes the brand more accessible to its customers. For example, a frequent user of Facebook may come across a particular brand after noticing one of the various posts that the brand makes on its Facebook page. When the brand has social media accounts on various social networks, it introduces itself to a whole new customer base and expands its reach of communication.

b. **Improved Brand Loyalty:** When customers engage with a brand more frequently, it tends to increase their loyalty for that particular brand. Two way communication is very important or a brand to succeed in this digital age. Social media gives companies a platform to talk directly with consumers. Twitter, Facebook and Instagram are prime examples where companies are excelling at this strategy of establishing a steady flow of communication. Starbucks is one company that continues to flourish by the utilization of social media.

c. **More opportunities to convert:** Jayson explains that every post made on social media by a brand is very important. Any particular post can be an opportunity for customers to convert and follow the brand. Whether it be an image, video, audio, gif or a blog, it has a chance to catching the eye of the customer on the social network. Every reply or reaction from a consumer could lead to a site visit that eventually leads to a conversion. Brands have become more humanized thanks to social media. The customer feels a real sense of connectivity by talking to brands on social networks.

d. **Decreased Marketing Costs:** According to a report by Social Media Examiner, 84% of Marketers found that six hours of effort per week for brands in social media is sufficient to generate increased traffic. Paid advertising through Facebook and twitter helps the cause a lot as

well because it promotes the brand's identity even more by pushing the brand's tweets and Facebook posts to the top of the newsfeed of its users. These costs are relatively cheaper compared to other forms of marketing.

2.6.2 Impact of Social Media in Sports Marketing

The sports industry is one of the many industries on a global basis that has successfully adapted to social media marketing. Sports franchises, organizations, clubs and players are taking the utmost advantage of the tools that social media offers in this day and age. The goal of any sports entity is to create a passionate and loyal fanbase. With the advent of technology this has become simpler than before. Sports fans love to be a part of everything that their favorite team, club or franchise represents. They are the most dedicated fans in the world. Using this as a key, sport organizations have launched so many social media campaigns on various social networks over the years. For example, according to Brian Clapp of 'Work in Sports' (2015), "The University of Florida is one example of a school that has aggressively marketed their athletic department through social media." The Florida Gators football franchise in America launched a hashtag campaign called "#GatorAlways". The marketing department of this franchise wanted to integrate their fans into their beliefs. The fans were encouraged to share their personal stories on social media using #GatorAlways. This allowed millions of fans to connect with their favorite team and players on an emotional level. This further contributes in cementing the loyalty of fans towards a team.

2.6.3 Sports athletes and brands on Social Media

Having a strong and cult following on social media is very important for sporting bodies to ensure that they are in the thick of things and in touch with the online community. It also helps when negotiating with potential sponsors who would be interested to forge a relationship with sports leagues and its players. In an article for the Telegraph, Andrew Cave and Alex Miller (2015) were quoted as saying, "By engaging fans via social media, sports rights holders can open

new communication channels with their audience that can be measured and valued as a new commercial opportunity with sponsors. Businesses that get involved through sponsorships and social media promotions, meanwhile, benefit from increased brand affinity and loyalty.” Since smartphones and tablets seem to keep everyone occupied for most of their time at any place, marketing on the internet makes more sense now than ever. Small videos, eye-catching images and hilarious GIFs are what are trending with today’s audience. Smart sport marketers have realized this and have made most of their marketing campaigns revolve around social media.

Sponsorships is one of the biggest contributing factor to the growth of the sports industry as explained earlier. Brands want to associate themselves with the most famous sports athletes who have a good reputation on and off the field. According to Carvalho, Scheerder, Boen and Sarmento (2013), just because people enjoy watching Soccer on television doesn’t mean that they will attend live games at the stadium. Popular athletes like Cristiano Ronaldo, Lionel Messi, Roger Federer, Wayne Rooney and Virat Kohli to name few have made big money by sponsoring brands. These athletes who have a huge social media following that accumulates millions of people across many social media platforms often post or tweet about the product or service that they are sponsoring. Thus, their message is seen by millions of their fans who follow them on social media and this generates more sales of the respected product or service. Cristiano Ronaldo is one these world famous athletes who has an enormous social media following. Ronaldo was the first athlete to cross more than 100 million Facebook fans. This is the reason why some of the biggest brands in the world like Nike, Tag Heuer and Herbalife have signed Ronaldo to endorsement deals to promote their products. With over 111 million Facebook followers and more than 42 million twitter followers and counting as of this writing, Ronaldo is the most followed sports athlete on social media. Kurt Badenhausen (2016) who also writes for Forbes notes in one of his articles that, Ronaldo posted six times on Facebook over two days about the watch brand “Don’t crack under pressure” ad campaign. The posts were viewed 35 million times with 2.4 million “likes” over two days. The posts generated an estimated value of \$380,000 for

Tag, according to research firm Repucom. Such social media marketing success speaks volumes for brands as their products are advertised to millions of people through these popular icons.

This popularity of sports athletes must also translate into selling of tickets at the stadiums. According to Charleston (2009), “Season ticket holders go to the same spot week after week, year after year, and generation after generation.” The die-hard fans will pay attention anyway. Sports teams, athletes and endorsers must work towards grabbing the attention of the casual audience. According to Tomlinson. Buttle and Moores (1995), sometimes the stadium capacity exceeds the demand. This is when sports marketers must develop innovative marketing strategies to keep the casual fans engaged. This is further explained by Lee, Lee, Seo and Green (2012) who suggest that in the sensory experiences of the attendance, both positive and negative feelings are grounded. As sports consumers, these sensory experiences define our positive and negative feelings when we attend live sporting events. These feelings will affect our decision making regarding attending future events.

2.6.4 Popular sports brands using social media

Social media marketing comes in very useful for sports organizations to promote their major events with interesting campaigns that involve the audience. Fans want to be engaged in action on social media. They are looking to enter sweepstakes, contests and other such activities through which they can express their love for their favorite club, player, team, organization or any other sports entity and also benefit from it by winning tickets to a match, autographed merchandise by the players and other similar prizes. Alan Cassinelli, a marketing specialist wrote an article for ‘Postano’ (2015) looking at some of the best sports marketing campaigns that embraced social media in the recent past. Some of the examples that Alan notes are:

a. WrestleMania 29 “Coming Home” campaign:

World Wrestling Entertainment, Inc. (WWE) which is a sports-entertainment and wrestling organization hosts its biggest event every year called ‘WrestleMania’. People from all around the world attend this event that takes place in the United States of America every year. In 2013, WWE’s marketing, digital and social teams did a phenomenal job of using their strong social media presence to engage their fans with creative crowdsourcing initiatives. One of these campaigns included the fans taking pictures of themselves pointing towards MetLife Stadium along with the number of miles they traveled to get there written on the sign. This social media campaign blew up all over Twitter, Facebook and Instagram with the fans using #ComingHome and posting their pictures online. WWE picked the best fan pictures and made a collage video and showcased it as part of its promotion content for the massive event. It proved to be a giant social media success for WWE.



Source: WWE (2013)

b. ESPNW – #98DaysToShine

With a goal of making its fan base feel more connected to the espnW brand, ESPNW started a campaign called “98 Days to Shine” that involved a new challenge every day of the summer.

Fans were asked to document their challenge and post it on social media using #98daystoshine. Prizes included the opportunity to be on Google+ hangouts with women sports icons like Skylar Diggins and Kerri Walsh Jennings. All the social media pages of espnW were filled with its followers posting their challenges with pictures and videos. By the end of the contest, espnW had winners from 30 states and 9,000 pictures posted on its main website. Alan notes in his article that the hashtag #98DaysToShine reached over 17 million social users, increasing espnW's social footprint by 24% on Twitter and 7,500% on Instagram.

3. NIKE

Nike is one of the world's largest suppliers of athletic shoes and apparel. It also manufactures sports equipment. Research by Hoovers, Inc (2012). By 1982, Nike topped the list of suppliers for athletic/sports and training shoes in America. While it was deemed to be a success, it was not until the early 1980's that the swoosh company achieved global success with the help of popular athletes as the face of their brand. Nike (2015) indicate that the company designed a first-ever signature shoe called "Air Jordan" for ace basketball player Michael Jordan and they registered record breaking sales thanks to Jordan's increasing global popularity at that time. Throughout the next decade Nike would go on to sign endorsement deals with the world's elite athletes and teams such as the US Men's and Women's soccer team, the Brazilian football team and golfer Tiger Woods. These working relationships were formed as a result of Nike's branding strategy of having the world's elite athletes defining its brand.

3.1 Marketing Mix of Nike

Marketing mix has been defined by many reputable authors and institutes over the years.

A couple of them are:

Gregory (2016) states that “The marketing mix is a combination of tactics, strategies and ideas through which a marketing plan is executed by a company with four important variables involved: Product, Price, Place and Promotion.”

Kotler and Armstrong (2013) state that “Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response.”

Nike Inc, is one company that focuses immensely on its marketing mix as it drives the consumers to purchase its products. Considering the global appeal that Nike has managed to sustain for the last 50 years, its marketing mix definitely has a lot to do with it.

The following is the marketing mix of Nike:

1. **Product:** Product is an element of the marketing mix that enumerates the physical outputs that the company offers to its consumers in exchange for money. Nike’s products include shoes, apparel, sport equipment and other athletic, digital and recreational products. The product that put Nike on the map was its shoes.. Specific shoes are offered for different sports like football, tennis, cricket, basketball and golf. According to Hoovers (2012), Nike also offers other accessories under different brand names like Nike+, Converse and Hurley International LLC all of which it owns.

2. **Price:** Nike uses the value-based pricing strategy for its products. This means that Nike senses the consumer’s perception of the value of the brand and how much money they are willing to pay in order to purchase its products. This determines the maximum price of its products. Nike’s

products are highly priced and they target the premium segment. Gregory (2016) notes that Nike constantly increases its maximum selling price on its products and it hence generates more revenues and profits for the company.

3. **Place:** Place is an element of the marketing mix that describes where the product or service is being sold to the consumer. Nike excels in selling its products through retailers, its own online store and Niketown retail outlets. The company has tremendous control over the sales of its products. Its online store is very popular and the option of personal customization of its shoes is possible through online methods. The company has thousands of stores across the world with a polished look as it caters towards the customers with a higher income.

4. **Promotion:** Nike does a terrific job at promoting its products. Whether it be by signing the world's best sports athletes to endorse their products or creating very innovative commercials that gets people talking; Nike has always been a promotional genius. Nike has created an everlasting brand image in the mind of its consumers that it is hard for people to ignore it. Apart from advertising, Nike also uses personal selling, direct marketing and sales promotion to achieve the goal at hand. The company also sponsors the best sports teams, athletes and celebrities to promote their products at the highest level.

3.2 Evolution from traditional marketing to digital marketing

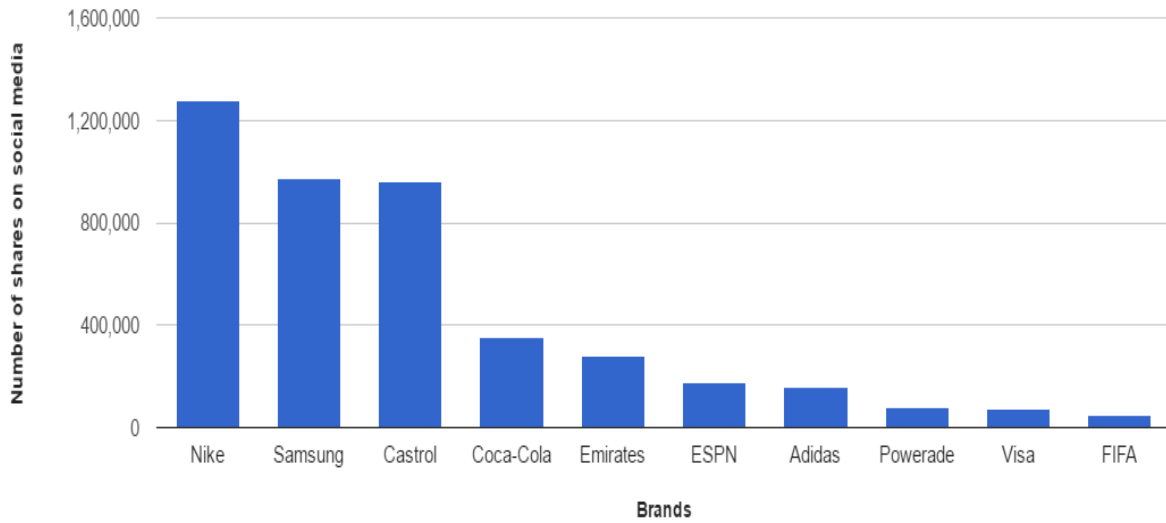
In the year 1996, Nike began to experiment with digital marketing. As the internet was gaining more steam, Nike officials felt that it would be the perfect time to adopt the marketing techniques of the new digital era that was just ushering in. As a result nike.com was launched in that year for the Summer Olympics. Utilizing its global popularity to the fullest, Nike began to launch innovative marketing campaigns on the worldwide web. According to Cendrowski (2012), Nike had its stumbles when it was still adapting to the digital world just like any large company would have. For example, it was promoting the NCAA March madness on its homepage in every

country. Its consumers in Europe had no clue what this was about. But it improved over the years and Europeans began to follow the action too.

In the year 2000 an exclusive website for sports called Nikefootball.com was launched. According to Ofek and Johnson (2011), the company worked with a media group called Gawker and internet video site YouTube in 2004 to gain a fair understanding of consumer interaction with brands on social media. In 2005 when Nike released the “Touch of Gold” ad on its YouTube channel that it had created. This ad involved the popular Brazilian footballer Ronaldinho receiving a new pair of Nike shoes on the field. He then kicks the ball back and forth off the goal’s crossbar which looked to be a very impressive feat to accomplish. The ad was so unique and it went viral across the internet by accumulating a mammoth 20 million views on YouTube in just a few weeks after it was release. Through this experiment, the marketing team at Nike understood the power of social media and reaching the consumer through this new platform. Cendrowski (2012) notes that in the same year, Nike’s id-online store which was deemed to be revolutionary at that time because customers were able to design their own shoes became an instant success with sales reaching more than \$100 million in just a few years.

Nike changed its social marketing approach and decided to go where the consumer is and provide them with great content and stories. Before the advent of social media, maximum number of eyes were on a commercial of Nike during the Superbowl. At once instance, about 200 million people tuned in to the superbowl and that was the biggest audience that Nike ever had. Cendrowski (2012) notes with all its social media accounts and a strong presence on the web, Nike can hit that number any day of the week. Jones (2009) states that we need to become part of people's lives and digital allows us to do that. There are going to be times when a TV ad is the right way to go, but that's the exception rather than the rule.” Nike invests a lot of money on creating quality content instead of spending all that money in buying media.

Figure 15: Most shared World Cup Focused ads



Source: Unruly(2014)

Nike’s social media popularity was at an all-time high in 2014 before the Football World Cup was about to begin. According to a report released by ‘Unruly’, the videos that Nike created topped the chart for the most shared World Cup focused ads, even going past the ads made by the official sponsors of the world cup like Budweiser and Sony which ranked 16th and 18th respectively. Tomalin (2014) shows that Nike received 1.28 million social shares followed by Samsung with 971,504, and Castrol with 962,206; as seen in the figure below;

While the inspiring stories of athletes that Nike tells through its ad campaigns remain of the same type, the platforms through which these stories and being distributed and displayed has changed dramatically over the last ten years. Social media and digital networking has made the communication between Nike and its consumers more interactive.

3.2.1 Nike Digital Sport

After Nike+ proved to be a successful endeavor for Nike, the company wanted to keep the innovation going on the digital side of things. It was clear to Nike officials that digital and social media was the way to go as far as branding and marketing were concerned in the future. Keeping this in mind, Nike launched a new division in 2010 called Nike Digital Sport. The objective of this division was to create products and services that help users track personal statistics in any sport which they are a part of. According to Cendrowski (2012), through this process of producing products exclusively under its digital sports division, Nike understood its consumer needs more now than it ever had before.



Source: Nike.com (2012)

One of Nike's premier products under its digital sport division was called the Nike+Fuelband and it was launched in the year 2012. This was a digital wristband to track the user's movement throughout the day. Nike believed that this would keep the user active for most of the day and stay motivated by checking their results and the progress which they made whenever needed. Retailing at a price of \$149, the Nike+ Fuelband also showed a new metric called the Nike Fuel.

3.2.2 #MakeItCount Campaign

Leading up to the launch of the Nike+ Fuelband, the @nike twitter account was created by the company. Up until that point, Nike was operating different twitter accounts for different sport

divisions. As Brettman (2012) suggests, Nike released a statement saying, “We’re now expanding the dialogue even more with the @Nike twitter account to further deepen our relationships with athletes of all levels in all sports worldwide.” Nike now used its primary twitter account to promote its products and systems by tweeting about it while using the hashtag #MakeItCount. One of its first tweets on the social network was “How will you #MakeItCount in 2012? This tweet provided a link to the release date of the Nike+ Fuelband. Nike,Inc. (2013) encouraged its top athletes who have a huge social media following on twitter to post their workouts and training tips by using the hashtag #MakeItCount. This strategy got people from all around the world to use the same hashtag with their tweets and it received a lot of attention on social media platforms. In just a few months, by April of that year, the #MakeItCount hashtag had been used in more than 66.000 tweets.

According to Piskorski and Johnson (2014), since 2010, Nike’s marketing strategies began to focus more towards the digital side. While for most part of the history of its existence, Nike focused on print, television and athlete sponsorships to promote the brand name, the tide began to shift in early 2010 with the company’s ‘Product+Experiences’ concept. With the creation of the Digital Sports division and incorporating social media marketing more than ever before; Nike hoped to get closer to its consumers by building social communities with the products it produced. This overlap of product and social experience that its consumers were receiving set Nike apart from any other sports brand in the world.

3.2.3 In-house Social Media Marketing of Nike

After the launch of the digital sports division, Nike officials wanted to shake up their social media marketing department. So Nike took its social media marketing in-house. According to Joseph(2013)While the responsibility of Nike’s social media management and marketing campaigns were previously outsourced to agencies like AKQA, Wieden & Kennedy, Mindshare and R/GA; Nike decided to manage its social media marketing efforts by itself. This was done to

gain a deeper relationship with its fans. It was a bold move by Nike to take its social media in-house so as to understand its consumers' needs and interact with them in a direct manner through its social media accounts. According to Joseph (2013), "The smarter agencies have figured out that their value in the mix is on the idea rather than the day-to-day community management." Guarda (2013) implies that apart from this, Nike was also managing its own social network called Nike+ and all the digital marketing efforts that came along with it.

Jessica Smith, a contributor on LinkedIn (2014) noted "Nike doesn't just "do it" when it comes to social and digital. They get it. They understand what companies need to invest in to make their social and digital endeavors successful." She listed three important aspects of digital marketing that Nike does very well:

1. Resources: Nike severely reduced its budget on traditional advertising and marketing as it was beginning to focus more on social media marketing with the ushering in of the digital era in the world. According to Guarda (2013), in the US alone, the company's costs in television and print advertising dropped by 40% in three years. Jessica (2014) refers that "Social media is an investment in resources to hire staff, create content, help the content spread, etc. One where we give, we receive."

2. Relationships: Nike has the innate ability to listen, connect and engage with consumers. By observing Nike's social media activities, it is evident that it responds to its consumers immediately and keeps in touch with their needs. The fact that it cares about its consumers strengthens the relationship between both sides. As seen in the image below, Nike is very interactive with consumers who send tweets to Nike's official twitter account.



Source: Nike on Twitter

3. Storytellers: Nike tells great stories through their advertisements. Jessica (2014) states, “Nike carried this ability to tell a story into their social channels, piecing together stellar content to paint a bigger picture.” With so much information and so many ads of different brands to digest on social media these days, Nike has found a way to grab a people’s attention on social media through its storytelling method of marketing. According to Jessica, social media is about tugging at customers with meaningful content that engages them. Cendrowski (2012) mentions that one instance is Nike’s cutting-edge style of presentation in its “Write The Future” commercial that featured the world’s best footballers imagining the riches that come with winning the world cup; a video that went viral across the internet as it accumulated 8 million views within a week of it’s release.

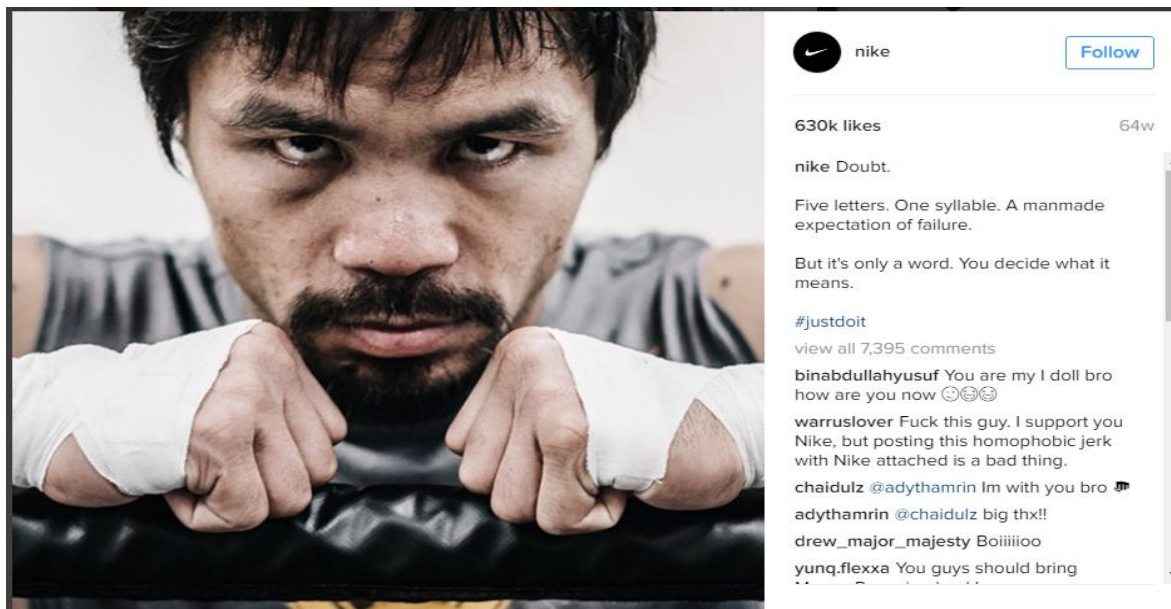
Another example is Nike's #BetterForIt campaign that was geared towards women. Nike saw a huge potential in products for women in the coming years because sportswomen across the world were turning a new leaf. Reilly (2015) notes that Nike predicted its women's line could add \$2billion in additional sales by the year 2017. A 60 second ad was created with some witty voice-overs that revealed the thoughts of women who were working out. According to Williams (2016), thoughts like insecurities, struggles and feminine problems were shown. This was produced as a film-series with new episodes every week on Nike's YouTube channel. This engaged the female audience online as they could relate to the characters in those commercials. The film series was quite the social media success and sales in women's sportswear witnessed an increase after this ad campaign. Nike encouraged women to use the hashtag #BetterForIt on social media and share their experiences. This increased the awareness of the social campaign and women around the world started to pay attention.



Source: Nike on Twitter

3.3 Nike's Social Networking

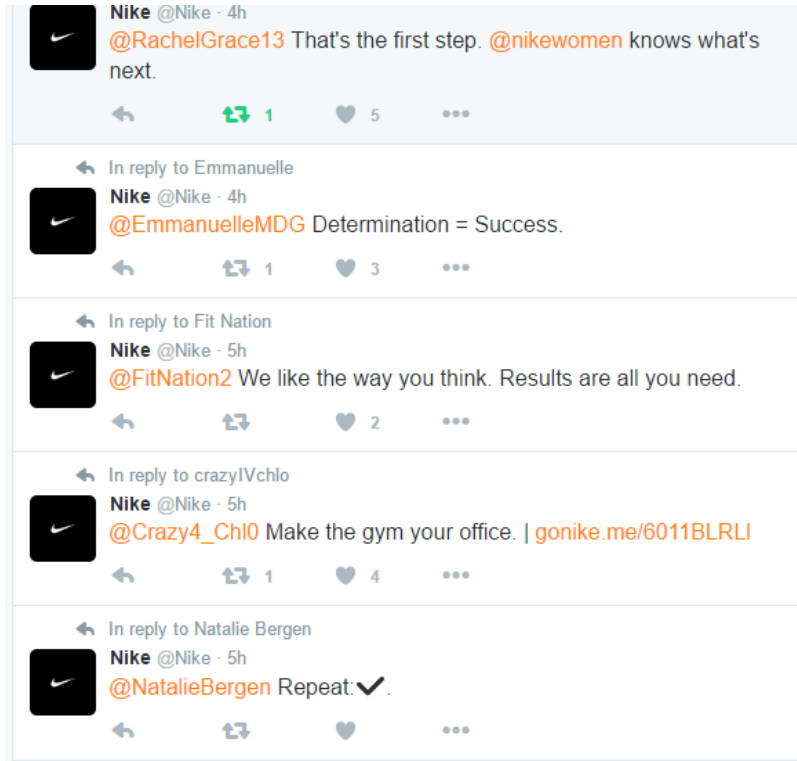
1. Instagram: Nike keeps it short and sweet on Instagram. The official instagram account @nike has over 57 million followers as of this writing and is filled with slick pictures with inspirational quotes as captions. Short videos are also posted from time to time of athletes using the Nike gear and playing different sports. Nike uses simple hashtags like #JustdoIt, #FindGreatness, #AlwaysBelieve and other similar ones that people can easily connect with on an emotional level. Nike's followers on instagram are encouraged to use such hashtags and thus a community is formed with people sharing pictures and videos all in the name of Nike.



Source: Nike's instagram

2. Twitter: Due to its enormous popularity across social media, Nike maintains several official twitter accounts for separate entities. An account dedicated to football @nikefootball, an account for the Nike Women series named @nikewomen and of course the main Nike twitter account @nike which has over 6 million followers as of this writing. Nike's main account generally post inspirational tweets and quotes and associate it to its brand. These tweets get over a couple of

thousand retweets and likes. This further spreads their messages or tweets to many twitter users who weren't following the Nike account before. Nike interacts very well with its followers and inspires them individually.



Source: Nike's Twitter

3. Facebook: With over 24 million followers on its main facebook account page, Nike is a marketing powerhouse on this social network. It doesn't spam its followers with continuous posts. Every once in few days an inspirational picture or video is posted. When a new product is about to be released, it is promoted with inspiring captions. Athletes who endorse the brand of Nike are prominently featured in posts on Facebook. Nike also has separate facebook accounts for Nike Football and Nike Basketball.

4. METHODOLOGY

In order to gain a fine grasp of how the sports industry works, it is important to follow certain particular methods of research. While there is so much information available regarding the sports market and social media, one should be careful during the process of doing research for a number of different reasons such as if the data collected is correct and genuine, its level of credibility and the proof that the data has not been tampered with. For the sake of this thesis work, both quantitative and qualitative methods were used for data collection and analysis. This means a mixed method approach that combined the two was followed. While quantitative research includes the collection of information that is measurable, qualitative research is more focused on interpreting results and delving into the opinions of people. Qualitative research methods include a smaller sample of population than quantitative methods.

According to Creswell (2014), “Mixed methods of research include theory as a framework informing many aspects of design as they collect, analyze, and interpret quantitative and qualitative data.” One of the forms of this framework is a social science framework which placed at the beginning of studies, provides an explanation for the quantitative and qualitative components such as data collection, analysis and interpretation of a study. It also informs the findings and results. “This kind of research approach was utilized in this work and it helped in understanding the subject of sports marketing and the role of social media in it.

4.1 Research methods

These methods were used in the review of the literature on sports marketing and social media. A lot of articles on the web, textbooks, magazines, journals and articles were studied to gather relevant data and significant information. In order to answer all the objectives that were set at the start of this thesis work, this data was systematically arranged to make the most sense to the reader. A lot has been said and written in the field of sports marketing that gives a varied perspective when conducting research. It should all be taken into account and only the

information with the most credibility is considered. The literature review offers an insight into the theories and concepts presented by authors regarding sports marketing and social media.

For the sake of research purpose, another type of research method that was used was observational method of research. According to Brassington and Pettitt (2000), this involved paying attention to events and observing the actions of people and management in sports marketing and the different situations they are faced with. Following the current scenario of things related to the topic at hand keeps the research and information collected fresh and updated. The various new sports marketing strategies, models and experiments are learned by studying the actions of popular sports brands like Nike which is used as a primary example in this research study. Data collection spanned from January 2016 to May 2016.

4.2 Construction of the Questionnaire

The quantitative research method aspect of this work includes the design and development of a structured questionnaire. The method of using questionnaires to collect data is one of the most popular techniques that are used in research undertakings. According to Kothari (2004), “The questionnaires are constructed with the same wording using the same order to all respondents.” This method was chosen to gather information as it is simple to understand and quick to analyze, this also allows a large number of people to express their opinion and it represents a sample of the target population. The questionnaire is designed to understand engagement and viewing habits of people as it relates to advertisements of sports brands on traditional media and social media in Portugal. This questionnaire is also used to assess the impact of social media in sports marketing and if traditional marketing methods still holds value for sports brands in today’s marketing landscape. A representative sample of Portugal was used in this questionnaire. The questions in the questionnaire are strictly designed to obtain the objectives of the research. Closed ended questions only are used in this particular questionnaire (Appendix-A). Kothari (2004) describes this as the type of questionnaire only allows the respondent to choose one of the many options that are provided based on which option the respondent feels is the most accurate

for that particular question. Reja, Manfreda, Hlebec and Vehovar (2003) imply that, close-ended questions limit the respondent to the set of alternatives being offered. The respondent cannot give an answer out of the provided options. The goal of any questionnaire should be to keep it short and to the point. Usually people avoid answering many questions if the questionnaire is too long. The results can be easily tabulated in this type of method. In this questionnaire, a total of 20 questions are asked. The types of questions are Yes/No and choosing one of the given options. Thus, these are closed ended questions. The questionnaire was then distributed via the internet to people belonging to Portugal of 18 years and above in age. A total of 505 people from Portugal answered all the questions accurately. The results to the questions were received on 21st August, 2016 and the analysis of the results followed soon after that.

4.3 Sample

This research endeavor applied a method called convenience sampling. This method is classified under the non-probability sampling method. According to Hill (2000), this type of technique has three advantages. It's fast, cheap and easy to apply. It doesn't require the headaches and hassles that come with using other types of sampling. Although it is a simple and ordinary process; convenience sampling does not represent the entire population and hence it has caught criticism by many authors and researchers over the years. While a total of over 800 people were approached to answer the questionnaire, only 505 of them responded with all the answers accurately; which are measurable and analyzed upon. The target audience is people aged 18 years and above.

5. RESULTS

The goal of this chapter is to analyze the results of the questionnaire regarding people's engagement and viewing habits concerning advertisements of sports brands on traditional and social media in Portugal. The value of social media and traditional media marketing on today's consumer is also analyzed and discussed with the help of the findings obtained.

The demographic characteristics that were taken into account in this particular investigation are gender, age, and education. These factors were considered more important for this study and hence any other factors weren't considered. The total number of trustworthy responses from the questionnaires distributed are 505. The data gathered from the questionnaire will be presented with a descriptive analysis with all the statistical figures displayed (in Appendices).

Now we take a look at the major findings from this research study.

5.1 Major Findings

While the purpose of this research was to evaluate the impact of social media in sports marketing, it is very evident from all the facts and figures provided in the above chapters that social media has a tremendous amount of impact on how sports brands are marketing themselves in this digital era which we now live in. Social media marketing in sports have become such a huge asset to popular sports brands around the world. As discussed earlier, Nike launched an entire digital sports division because there were so many digital and social media activities, campaigns and programs to run. Building a strong social media fan base does not happen overnight. The consumers must trust the brand and choose to follow the brand consistently on the web. That is how a brand builds a sustained audience. With this in mind and the results of the questionnaire, the following are some of the key findings of this research:

Sports industry is one of the most financially thriving industries in the world. The main revenue generators for the sports industry are sponsorships, merchandising, gate revenues and media rights. By the year 2019, the global sports industry is expected to be worth \$73.5 billion.

Everyone has always had an opinion. Now with the power of social media, people get to express their opinion. As Berthon, Pitt, Plangger and Shapiro (2012) pointed out, general issues seldom remain general these days due to the power and reach of social media. If the products of the brand gets bad reviews in one country, the message spreads through tweets on Twitter and Facebook posts and anybody in the world can see it. This brings bad publicity to the brands.

From the sample that we observed in the survey, more than half of the sample population (65.54%) follow their favorite sports athletes on social media. This indicates a strong linkage between the enormous presence of popular athletes on the internet and the immense dedication of their fan base that follows their every move on social media.

The majority of people (39.01%) do not use the respective hashtag of the social media campaigns that brands promote because they do not see any personal use in doing so, but just a waste of their time and effort. Half of the sample population (50.10%) interviewed are neither inspired nor influenced by the social media marketing campaigns of sports brands such as #AllIn by Adidas or #RiskEverything by Nike. Not many Portuguese (27.52%) belonging to the sample under consideration, watch ads on YouTube. This can prove to be a waste of money for brands to advertise on YouTube which is a very popular video streaming social network. People choose to watch their preferred video and often annoyed that an ad is played before their video loads.

Less than half of the respondents (43.37%) in the survey are connected to the brand on an emotional level after interactions with it on social media. While this is not a bad number, it should still be a concern for sports brands and they should discover new ways of making an emotional connection with the consumer; especially after having invested their time, money and effort in their social media campaigns. Another key finding from the sample population in

Portugal that was evaluated is that well more than half (75.84%) still prefer to purchase sports related goods in retail stores and not by online shopping. Sports brands must create interesting campaigns and online offers to drive consumers to their websites for them to make that online purchase. Consumers are not easily convinced to purchase the products that famous sports athletes endorse on social media. As 90.30% of our sample population have implied that they will only purchase the product if they need it, regardless of who the endorser is.

People seem to be more inclined and interested in short commercials by sports brands on social media. For example, the famous ad that Nike released on Facebook with the world's best football stars which was short and sweet with excellent quality of production. Such innovative out-of-the-box thinking by sports marketers helps the brand resonate with its audience. Another feature that people not only in Portugal but around the world enjoy the most about social networks is the ability to provide instant feedback and express their thoughts on a public platform with ease. With the recent exposure to new technology, consumers enjoy and expect fresh and innovative content from sports brands such as slick pictures, funny GIFs and well produced videos. The attention span of an average consumer has decreased drastically these days with so many sports and non-sports events occurring at the same time.

The popularity of social networks is at an all-time high right now with 97.82% of the sample surveyed in Portugal have an account on at least one social network platform; with 81.98% of them saying that Facebook is the one they enjoy using the most. The Portuguese that spend from 2 to 5 hours regularly on social media account for majority of the sample (52.28%). Majority of the Portuguese who were surveyed, through the questionnaire said they are more exposed to advertisements by sports brands through social media platforms accounting for (56.44%). Television ads attract a fair share (39.41%) of the consumers which is still a good number of people who watch television these days; considering the growth of social media usage by consumers.

5.2 Discussions

It is pretty evident from the analysis conducted and the findings obtained that social media marketing is a huge plus for sports brands. While traditional marketing has been existing for a while now, marketers are relying less on such methods with the evolution of technology and the utilization of social media networks in the marketing efforts of brands worldwide. Also, from the theoretical research in this work, it is understood that social media definitely plays a major role shaping the landscape of the marketing industry worldwide. Social media marketing can and must be an effective extension to traditional marketing methods for sports brands. According to Samuel Scott (2015), the problem is regarding the digital marketers in this day and age who do not have much experience of using traditional forms of media for marketing. Nielsen reports in 2014 also showed that television ownership has been increasing year over year in the United States of America. The television audience is still existing even with the over the top digital platforms that are available these days. The myth that “Television is dying” has been spreading for almost 10 years now and yet many companies are still fighting to purchase on-air time to showcase their commercials. Kathleen Elkins of Business Insider (2015) points out a recent example of a small pizza company in Philadelphia that became a traditional media sensation by offering customers an extra slice to the homeless. This strategy received so much television and newspaper attention. The owner of the company was also invited to be a guest on the Ellen Show hosted by popular television host Ellen Degeneres that attracts millions of viewers worldwide. This publicity on traditional media outlets helped the online presence of this company as the number of likes on its Facebook page increased by an enormous amount within days due to the brand awareness that was achieved. Therefore, marketers must find the appropriate linkage between social media and traditional media marketing methods to get the best results and cater to a larger audience. It is not an impossible solution.

As Fullerton, Merz (2005) pointed out in our theoretical research; the case of sports brands sponsoring other sports organizations or entities is a sports-based strategy. Therefore, Nike’s

marketing strategies that is explored in this research is classified under a sports-based strategy because Nike associates itself with other sports teams, organizations and athletes to advertise its products to the consumers. While its social media following is number one in sports brands category, this can also prove to be a problem sometimes as witnessed in the situation with the scandal of Tiger Woods. As pointed out in our theoretical research by Berthon, Pitt, Plangger and Shapiro (2012), general issues seldom remain general in the age of social media. Nike's brand image was damaged due to its immense popularity on social media around the world. Such theories are relevant in this research as they offer a good insight regarding the impact of social media in sports marketing. It also shows that the impact while mostly is positive can sometimes also be negative for the brand.

6. CONCLUSION

After considering the thorough research conducted and the respective findings obtained, both; from the theoretical research and the results of the questionnaire, it is safe to concur that even though social media attracts a huge audience it doesn't imply that consumers no longer use traditional media such as television, newspaper, etc. Television broadcasts still draw a respectable number of as people that watch live sports events, movies and other entertainment related programming. If sports marketers can think out-of-the-box as it relates to using traditional methods of marketing on television, billboards and print advertising, they can find more success than they currently are. Social media has changed the marketing game so much that marketers are losing faith in traditional marketing methods. While sports brands like Nike and other brands in general have surely shifted their focus to digital marketing, a strong case can be made that traditional marketing still holds a strong value and sentiment with the consumers in today's marketplace if positioned and presented effectively, as seen in this research study

It was observed that the growth of social media is definitely a big blow for traditional marketers. People are spending more time on the internet these days. The short attention span of consumers and a huge variety of content that is available on the internet in recent years has made life difficult for marketers focused on traditional marketing techniques. These marketers must find a way to collaborate the social media marketing strategies with their traditional marketing methods to reap rewards at both ends. While it is not easy, it can be done with strategic thinking and innovative marketing practices.

Hence, marketers should not completely shun away traditional forms of marketing but use them more wisely than before as there is still an audience for it. The bottom line is that social media marketing must be an effective extension of traditional marketing for sports brands but not a replacement of it.

This research study is useful for both academic and professional purposes. The case of Nike's marketing strategies was thoroughly explored and analyzed in this thesis. Nike's evolution from traditional to digital marketing will be useful for students studying in the marketing field at the Bachelor's and Master's level in universities. A lot can be learned from how the marketing industry in general was impacted with the ushering of the digital era and why sports marketers chose to embrace this phenomenon. This work may also be used in professional areas as it covers a wide range of marketing methods. If found useful to the reader, this work may be cited in future academic and professional undertakings of further research on topics involving social media and sports marketing.

6.1 Limitations of the Study

Although the best effort was put forward in this research, it did have a few limitations. Firstly, due to the time constraints in an academic setting, the depth of research for this particular study could only go so far. However there is a good scope for marketing professionals to use their knowledge in this field to explore further avenues of research and take it to the next level, if needed.

The sample population is based on random sampling as the questionnaires were sent out via the internet to people living in Portugal who are native Portuguese. While a convenience sampling method such as this may lead to a bias that can be a disadvantage in the study, the target audience were people aged 18 years and above of both genders and maintained a heterogeneous mix of respondents. More than 800 people were asked to answer the questionnaire but 505 responses were received in total. While this is still a significant number it would have been even better to receive more responses to gather the opinions of a larger audience.

Another limitation was that Nike didn't disclose its earnings generated from its social media campaigns and traditional marketing campaigns over the years as it cited it to be confidential, when approached for this research. However, the company allowed the researcher to utilize the

abundant information that is already available on the internet and in various other books, magazines, scientific journals and articles.

6.2 Suggestions for Future Research

After reading this dissertation, a suggestion that can be made for future research is to compare and contrast the financial profits that sports brands incurred; both through their traditional marketing campaigns and social media marketing campaigns to observe the difference that exists. Another suggestion is to evaluate the competitors of Nike to see how they manage their social media operations and if they have given up traditional marketing methods like Nike did. This research was more qualitative than quantitative since the questionnaire was constructed to gain a fair insight of the consumers and their personal interests and opinions regarding their traditional media and social media consumption. It is a more theoretical approach than a numerical one. However for further exploration and examination on this topic, quantitative methods can be applied at a deeper level and different statistical models can be applied to the results of the questionnaire and other variables may be integrated.

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APPENDICES

Appendix - A. - Questionnaire

The following questionnaire is a part of a research for a Masters dissertation written by *Gaurav Kumar Gadiraju*, a student of ISCTE Business School, University Institute of Lisbon. The purpose of this questionnaire is to understand the viewing and engagement habits of consumers with the advertisements and marketing campaigns of sports brands on traditional media and social media outlets exclusively in Portugal. This questionnaire contains 19 questions and will occupy a maximum of 10 minutes of the respondent's time to choose the appropriate answer.

The information gathered will be treated confidentially thereby ensuring its anonymity.

1. Do you have an account on any of the social networks such as Facebook, Twitter, Instagram and Snapchat?

- Yes
- No

2. What is your favorite social network to use among the following?

- Facebook
- Instagram
- Snapchat
- Twitter

3. How much time do you roughly spend on social media every day?

- Less than or equal to 1 hour
- 2 to 5 hours
- 6 to 10 hours
- More than 10 hours

4. Do you follow your favorite sports athletes on social media?

- Yes
- No

5. Do you like, comment or share the social media posts of your favorite sports brands in the world?

- Yes
- No

6. Do you often use the respective hashtags on Facebook, twitter, Instagram and other social networking sites when talking about a product or service of a particular brand?

- Yes
- No

7. Do inspiring social media campaigns like #RiskEverything by NIKE or #AllIn by Adidas influence you even more to purchase their products?

- Yes
- No

8. Do you feel more connected to the brand on an emotional level after interaction with it on social media?

- Yes
- No

9. Are you active on your social media accounts during major live sporting events like Football World Cup or the Olympics?

- Yes
- No

10. Where do you purchase sports related products like Shoes, Sneakers, Shorts, Jerseys, Swimming gear, hats, etc?

- Retail Stores
- Online shopping

11. Through which medium are you more exposed to the advertisements by sports brands?

- Television
- Internet/Social Media
- Newspaper
- Radio
- Billboards

12. Do customer reviews on social media networks like Facebook and Twitter influence your buying decision of the product?

- Yes
- No

13. Do you watch the ads on YouTube before your chosen video loads?

- Yes, I watch
- No, I skip them

14. Do you watch ads on social media that feature popular athletes like Cristiano Ronaldo, Lionel Messi and Serena Williams when they pop up in your newsfeed or timeline?

- Yes, I do
- No, I don't

15. When your favorite sports personality endorses a particular brand, what influence does it have on your purchase decision?

- I will purchase the product only if I need it
- I will purchase the product because he/she is my favorite sports athlete

16. What do you spend more time on among the following?

- Watching Television
- Internet/Social Media

17. Do you still subscribe to the daily newspaper?

- Yes, I subscribe
- No, I don't subscribe

18. Do you pay attention to the ads of sports products in the daily newspaper?

- Yes
- No

19.) Do you interact with brands on social media for queries, complaints or suggestions?

- Yes
- No

Appendix- B. Questionnaire Results

a) Gender

The majority of the respondents are male, representing 67.13% of the sample and the females accounted for 32.67% of the total sample while only one person who is a transgender answered the questionnaire accounting for 0.20% as seen in the table below.

Table 6: Gender distribution

Gender	Total	Percentage
Female	165	32.67
Male	339	67.13
Other	1	0.20

b) Age

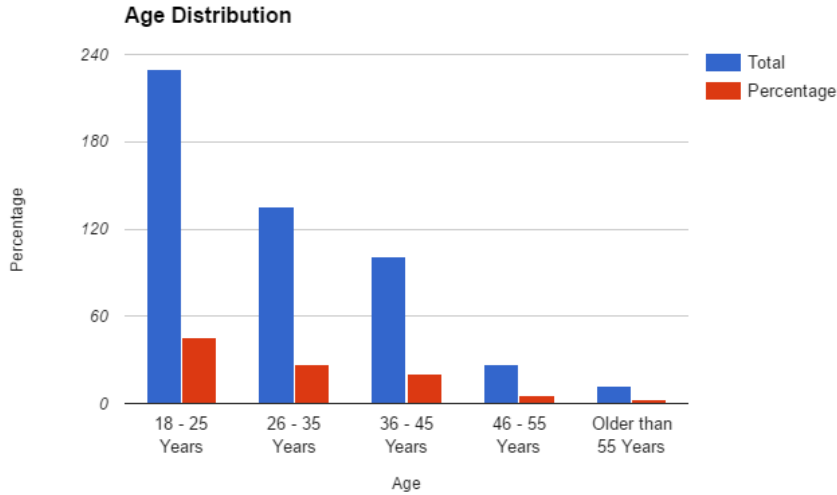
The target audience that was chosen for this questionnaire is 18 years and above. As seen in the table below, the majority of the chosen sample are aged between 18 to 25 years and 26 to 35 years accounting for 45.54% and 26.73% respectively. As seen in the table below, 21.40% of respondents are aged between 18 to 25 years.

Table

Table 7: Age Distribution

Age	Total	Percentage
18 - 25 Years	230	45.54
26 - 35 Years	135	26.73
36 - 45 Years	101	20.00
46 - 55 Years	27	5.35
Older than 55 Years	12	2.38

Figure 16



c) Education

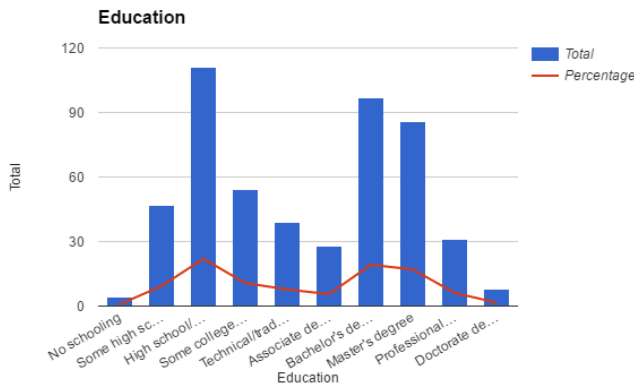
The majority of the respondents in the sample have a high school degree. This represents 21.98% of the entire sample. 19.21 % represent those who have a Bachelor’s degree and the rest are scattered around as seen in the table below.

Table 8: Education level

Education	Total	Percentage
No schooling	4	0.79
Some high school, no diploma	47	9.31
High school/HED	111	21.98
Some college, no degree	54	10.69
Technical/trade/vocational training	39	7.72
Associate degree	28	5.54

Bachelor's degree	97	19.21
Master's degree	86	17.03
Professional degree	31	6.14
Doctorate degree	8	1.58

Figure 17



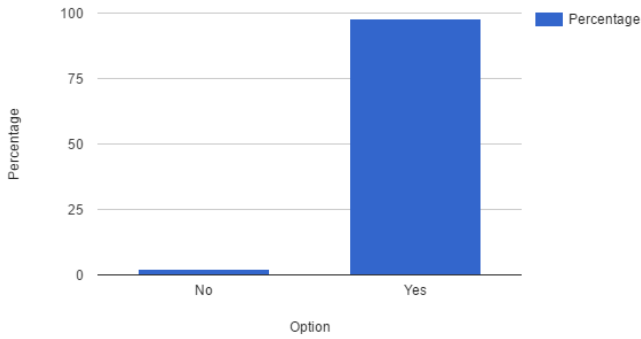
Q1. Do you have an account on any of the social networks such as Facebook, Twitter, Instagram and Snapchat?

Table 9

Option	Percentage
No	2.18
Yes	97.82

By looking at the table above, we can clearly observe that 97.82% of the respondents have an account on either Facebook, Twitter, Instagram or Snapchat. This is a huge number and it truly shows the interest that people have in social media and it is almost impossible to ignore its popularity.

Figure 18



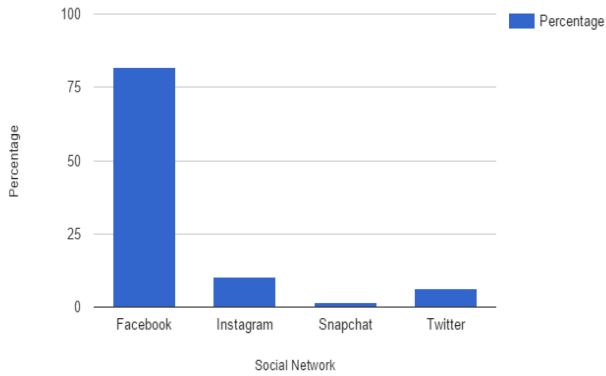
Q2.What is your favorite social network to use among the following?

Table 10

Option	Percentage
Facebook	81.98
Instagram	10.1
Snapchat	1.58
Twitter	6.34

Analyzing the table above and the figure below, it is evident that Facebook has remained to be the most favorite social network to use for most of the sample, 81.98% to be precise. Instagram follows with 10.1% and Twitter with 6.34%.

Figure 19



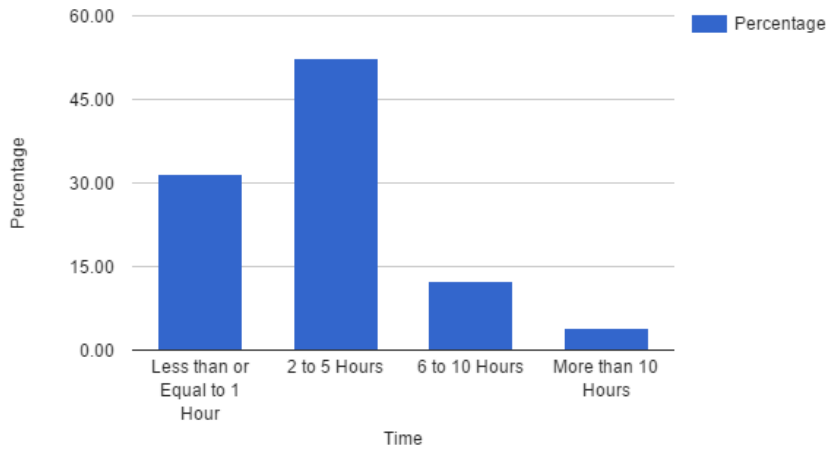
Q3. How much time do you roughly spend on social media every day?

Table 11

Option	Percentage
Less than or Equal to 1 Hour	31.49
2 to 5 Hours	52.28
6 to 10 Hours	12.28
More than 10 Hours	3.96

Analyzing the table above and figure below, the majority of people in the sample spend 2 to 5 hours on social media everyday, representing 52.28% of the sample. With the advent of smartphones, people seem to spend more time on social media now than ever before.

Figure 20



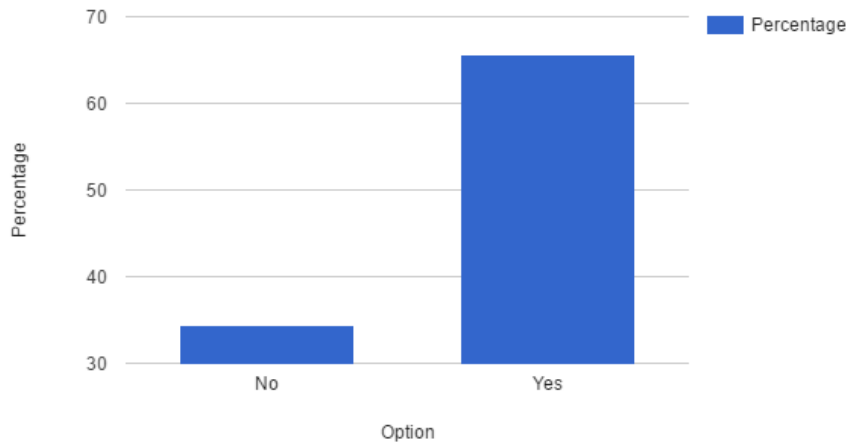
Q4. Do you follow your favorite sports athletes on social media?

Table 12

Option	Percentage
No	34.46
Yes	65.54

Analyzing the table above and figure below, 65.54% of the sample population follow their favorite sports athletes on social media while 34.46% chose not to. This is almost an equal divide between the two and it shows that not everyone is interested to follow sports athletes on social media.

Figure 21



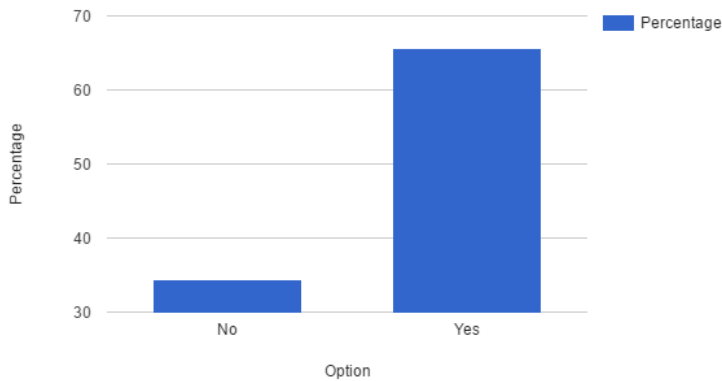
5. Do you like, comment or share the social media posts of your favorite sports brands and sports athletes in the world?

Table 13

Option	Percentage
No	29.70
Yes	34.06
Occasionally	36.24

Analyzing the table above and the figure below, it is almost an equal breakdown between the three options with 34.06% who like, comment and share the social media posts of their favorite sports brands and athletes while 29.70% don't and 36.24% occasionally do. Therefore, there is almost an equal divide of people's priorities with sports brands on social media.

Figure 22



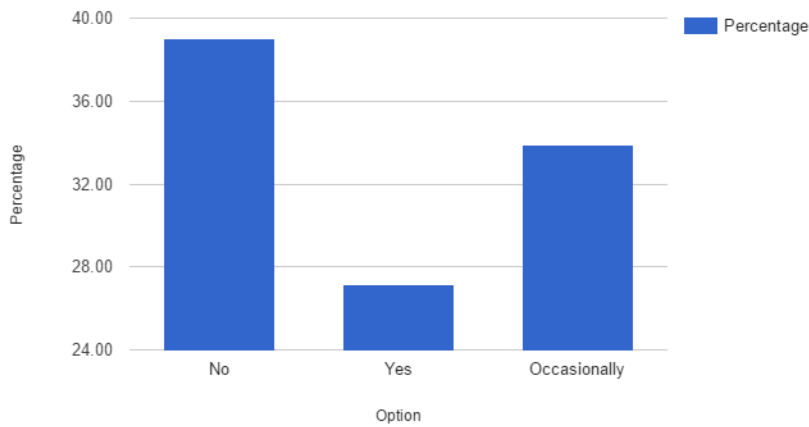
Q6. Do you often use the respective hashtags that brands promote on Facebook, Twitter, Instagram and other social networking sites when talking about a product or service?

Table 14

Option	Percentage
No	39.01
Yes	27.13
Occasionally	33.86

Through observation of the table above and the figure below, it is evident that the majority of people do not use hashtags of brands when talking about its product or service; representing 39.01% of the sample. 27.13% use hashtags and 33.86% do occasionally. From this, we can incur that only most fans of the brand are not interested enough to use hashtags on social media and the rest of them use it partially.

Figure 23



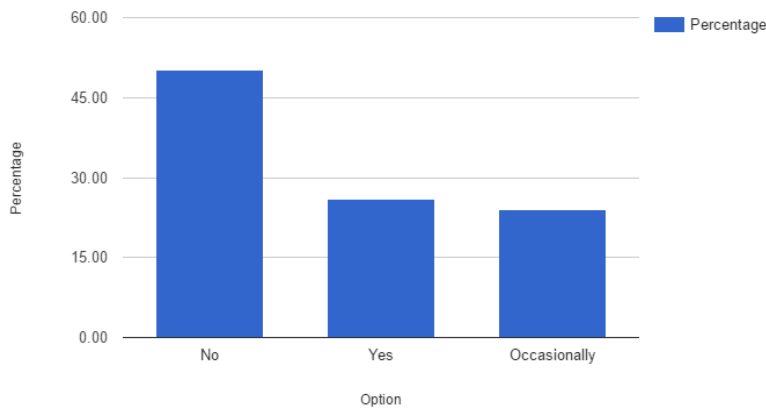
Q7. Do inspiring social media campaigns like #RiskEverything by NIKE or #AllIn by Adidas influence and inspire you even more to purchase the products of that brand?

Table 15

Option	Percentage
No	50.10
Yes	25.94
Occasionally	23.96

Judging from the table above and the figure below, the majority of the sample is not influenced and inspired by social media campaigns of that brand, representing 50.10% to be precise. This is because the majority of people see right through these campaigns and know what the brand’s intention is. While some of such campaigns click with the audience, there are many that do not as seen here. 25.94% are influenced to purchase the products of the brand after taking part in its social media campaigns while 23.96% are occasionally inspired.

Figure 24



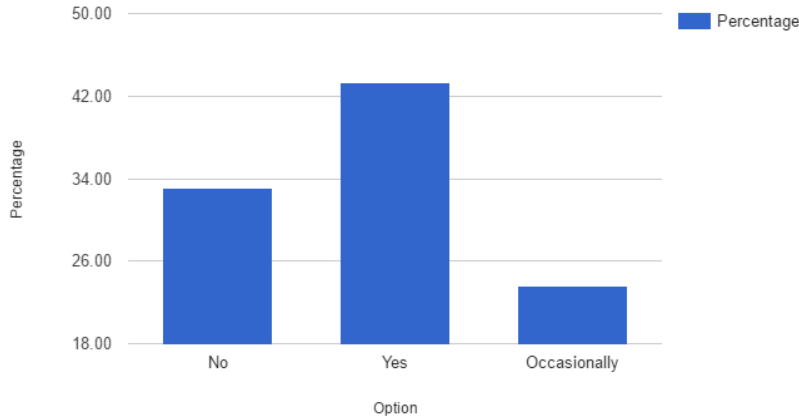
8. Do you feel more connected to the brand on an emotional level after interaction with it on social media?

Table 16

Option	Percentage
No	33.07
Yes	43.37
Occasionally	23.56

As seen in the table above and figure below, 33.07% of the sample do not feel emotionally connected to a brand after interacting with it on social media. 43.37% of people are emotionally connected which is the majority and 23.56% are occasionally connected on an emotional level.

Figure 25



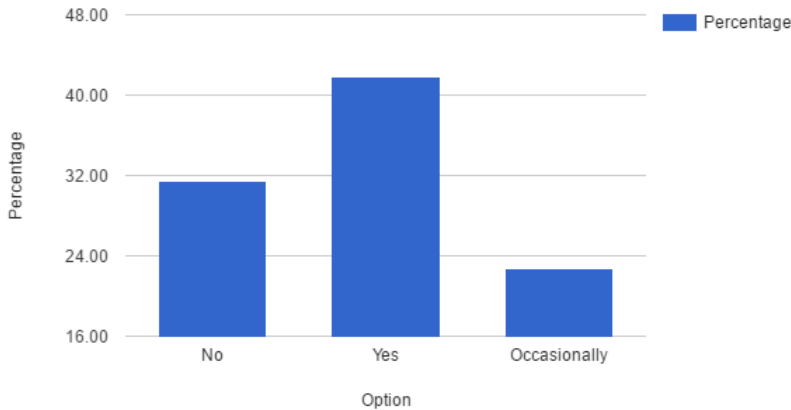
9. Are you active on your social media accounts during major live sporting events like Football World Cup, Cricket World Cup, Wimbledon, Olympics, etc?

Table 17

Option	Percentage
No	31.49
Yes	41.78
Occasionally	22.77

Observing the table above and figure below, 41.78% of the sample are active on social media accounts during major live sporting events and 31.49% are not. During live sports events, people tend to show more interest on expressing their opinions on the event with their friends and family. Sports captures the emotion of people and most interaction on social media occurs during live events of sports.

Figure 26



10. Where do you purchase sports related products like Shoes, Sneakers, Shorts, Jerseys, Swimming gear, hats, etc?

Table 19

Option	Percentage
Online Shopping	24.16
Retail Stores	75.84

By observing the table above and figure below, it's clear that majority of the people in the sample still purchase sports related products in retail stores; representing 75.84%. This is because people like to physically try out the sports gear before actually paying money for it. They feel that it's a safer option. 24.16% of the sample purchase sports goods online.

Figure 27



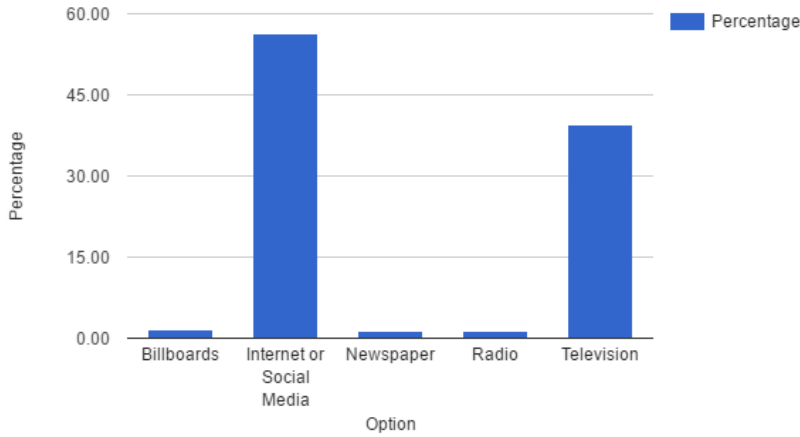
11. You are more exposed to the advertisements by sports brands through which medium?

Table 20

Option	Percentage
Billboards	1.58
Internet or Social Media	56.44
Newspaper	1.19
Radio	1.39
Television	39.41

Through observation of the table above and the figure below, maximum people are exposed to advertisements by sports brands through internet or social media; representing 56.44% while television ads attract 39.41% of the population sample. This shows there is still a fair amount of audience who watch television commercials.

Figure 28



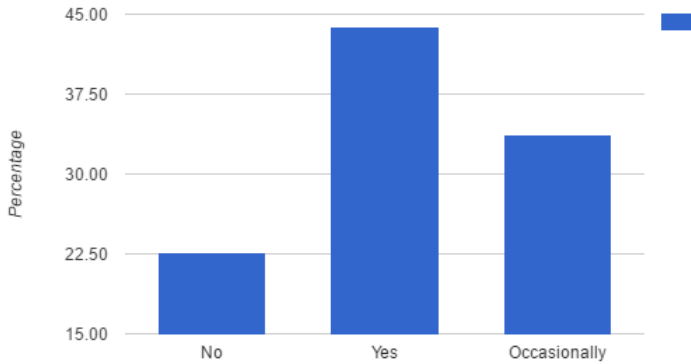
12. Do customer reviews on social media networks like Facebook and Twitter influence your buying decision of the product?

Table 21

Option	Percentage
No	22.57
Yes	43.76
Occasionally	33.66

From the table above and the figure below, 43.76% agree that customer reviews on social media influence their buying decision of products while 22.57% disagree with that statement. The majority agree because customer reviews often create a perception of the product in the consumer's mind. Nowadays, with everything being shared on social media, people's opinions are more visible now than they have ever been. 33.66% of the sample are occasionally influenced by customer reviews.

Figure 29



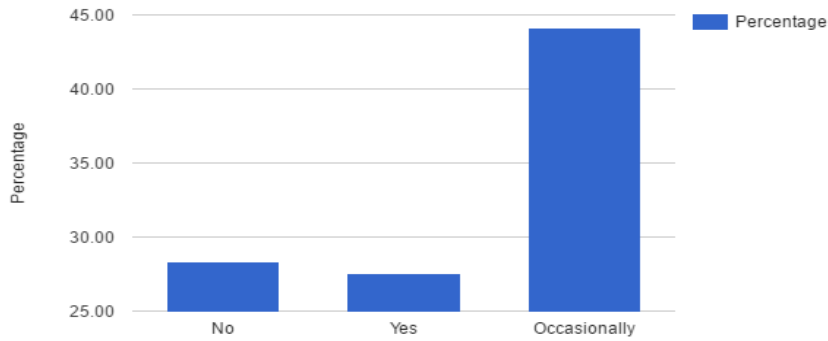
13. Do you watch the ads on YouTube before your chosen video loads?

Table 22

Option	Percentage
No	28.32
Yes	27.52
Occasionally	44.16

As seen in the table above and the figure below, 44.16% of the sample population occasionally watch ads on YouTube. 28.32 % of people occasionally do not watch the ads on Youtube before their video loads. This implies that not everyone watches the ads on YouTube and just skip them to get to their chosen video faster.

Figure 30



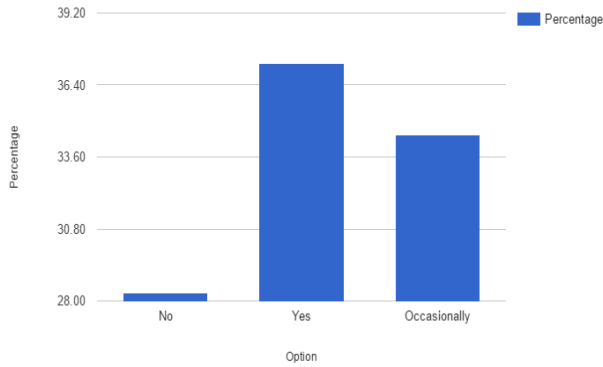
14. Do you watch ads on social media that feature popular athletes like Cristiano Ronaldo, Lionel Messi and Serena Williams when they pop up in your newsfeed or timeline?

Table 23

Option	Percentage
No	28.32
Yes	37.23
Occasionally	34.46

The majority of the sample population watch the ads on social media that include popular sports athletes; representing 37.23%. The percentage of people who do not watch it is 28.32%.

Figure 31



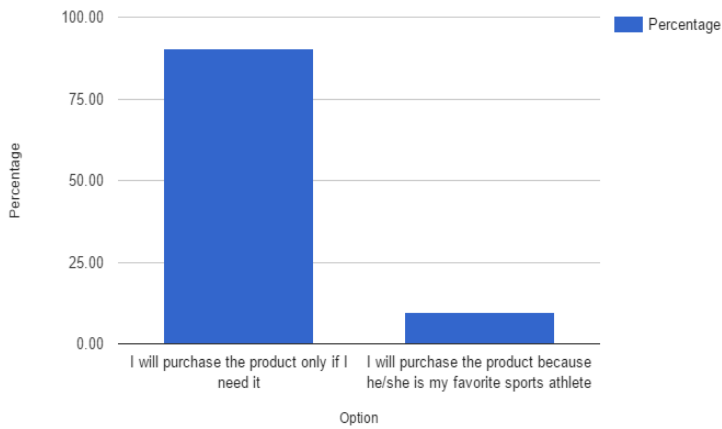
15. When your favorite sports personality endorses a particular brand, what influence does it have on your purchase decision?

Table 24

Option	Percentage
I will purchase the product only if I need it	90.30
I will purchase the product because he/she is my favorite sports athlete	9.70

The majority of the sample population say that their favorite sports personality has no influence on the purchase of the product that they endorse; representing 90.30%.

Figure 32



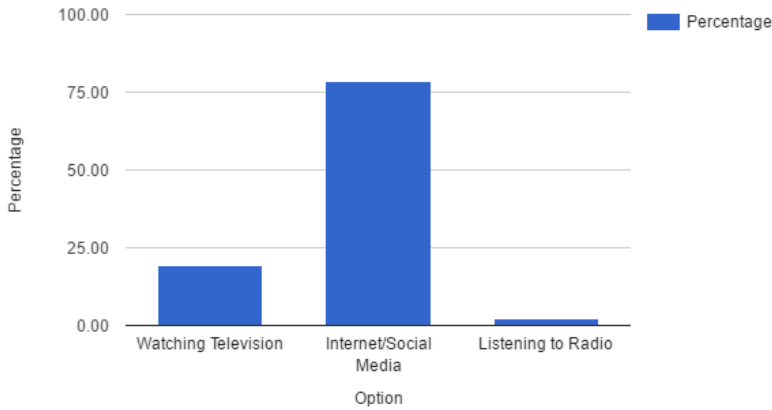
16. What do you spend more time on among the following?

Table 25

Option	Percentage
Watching Television	19.21
Internet/Social Media	78.61
Listening to Radio	2.18

From the table above and the figure below, it is evident that the majority of people in the sample spend more time on Internet/Social Media; representing 78.61%. This is the main reason that brands chose to advertise their products on social media and are moving away from traditional marketing methods.

Figure 33



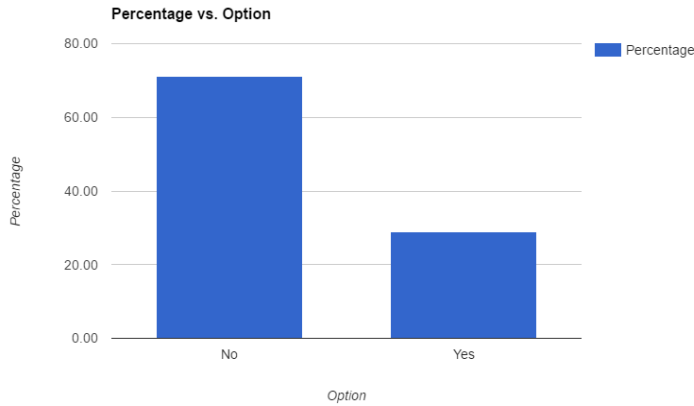
17. Are you still subscribed to the daily newspaper?

Table 26

Option	Percentage
No	71.09
Yes	28.91

The table and figure show that 71.09% are not subscribed to the daily newspaper and 28.91% of the sample population are subscribed. This shows the decrease in daily newspaper subscription has decreased as it is very easy to read the news on a smartphone and an internet connection. There are several news websites and online newsletters these days that majority of people are not ordering the physical version of the paper to their front door anymore.

Figure 34



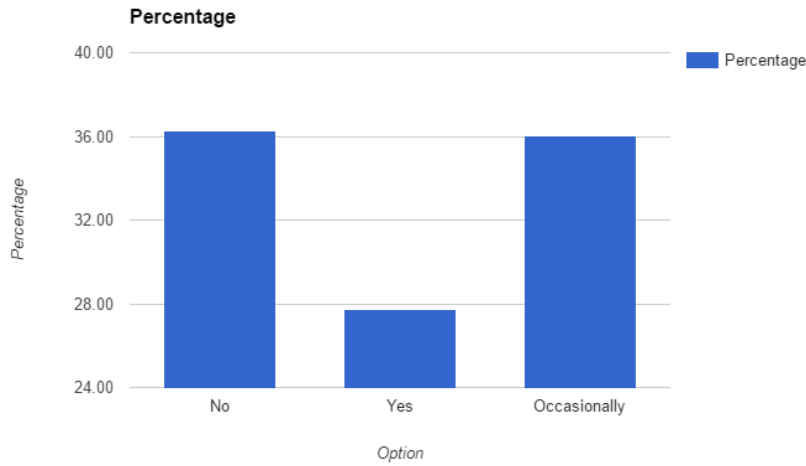
18. Do you pay attention to the ads of sports products in the daily newspaper?

Table 27

Option	Percentage
No	36.24
Yes	27.72
Occasionally	36.04

In the table above and figure below, we observe that many people do not pay attention to the ads of sports products in the daily newspaper; representing 36.24% . While just over a quarter of the sample population do pay attention representing 27.72% and those who do occasionally represents 36.04%.

Figure 35



19. Do you interact with brands on social media for queries, complaints or suggestions?

Table 28

Option	Percentage
No	40.59
Yes	25.15
Occasionally	34.26

From the table above and figure below, we see that the majority of the sample population does not interact with brands on social media; representing 40.59%. About 25.15% interact with brands and 34.26% of the people interact occasionally. This can be attributed to the fact that there are so many things to do on social media networks and unless it is truly necessary, consumers do not interact with brands on a regular basis.

Figure 36

