

The Specifics of the Sport Product and Their Implications within the Marketing Activity

by

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Abstract. In the economic sense, the term of sport product describes the sport good or service, offered to the consumer in order to satisfy his need for sport, be it spectator, viewer, active participant or sponsor. The sport product has a series of unique features that differentiate it significantly from the products corresponding to other fields of activity. The present article is presenting those features, starting with the ones corresponding to sport as a human activity, then going to the particularities of the sport consumer behavior and finishing with the characteristics of sport as part of the services sector. For each specific feature there are a series of recommendations for the marketing activity in order to better adapt the offer to the needs and demand of the sport consumer.

Key words: sport product, marketing activity, sport consumer behavior, social integration, competition

JEL classification: M 31, L 83

1 Introduction

In the economic sense, the term of sport product describes the sport good or service, offered to the consumer in order to satisfy his need for sport, be it spectator, viewer, active participant or sponsor (Shank, 2005; Pitts and Stotlar, 2007). Because of the peculiarities that characterize the sport as a human activity, the sport product has gained a much wider significance than the strictly merchant one (corresponding to the objective characteristics of the respective good).

Moreover, in the special literature, there are many cases in which the sport product is used when referring to a certain event offered by the sport organizations, as “producers”, to the wide or specialized audience as “consumers” (Mullin *et al*, 2007; Leeds and von Allmen, 2005; Lewis and Appenzeller, 1985).

The sport product has a series of unique features that differentiate it significantly from the products corresponding to other fields of activity. These differences require the design of marketing strategies and business plans adapted accordingly to the sports field.

The critical differences consist in the unique characteristics of sport and in the unusual business environment in which the specialists of

this field must operate. Equally important for the sports marketing strategies are the characteristics of sport as a component of the tertiary sector: intangibility, inseparability, variability and perishability.

All these features will be presented in this article, with the main purpose of highlighting how they influence the marketing activity.

2 The unique characteristics of sport

These unique features are based on both the actual features of sport activities and on the particularities of the sport consumer behavior:

a) Sport organizations are competing against each other, but, at the same time, are working together to realize sport products and services

No sport organization can survive isolated as sport is based on competition. When such an organization needs to compete against another, it is necessary for them to previously collaborate in order to organize the event. The best example here would be a demonstration game, when the teams are not competing for a trophy, but for the spirit of the show. This does not mean that there will be no competition between the players, as each of the teams wants to prove that they are the best.

The need to collaborate in order to offer a more attractive sport product is based also on the interdependence existing among the clubs that are part of the same league. They are attempting, through the performance offered, to contribute to the increase of the level of attractiveness of the league, considering that each participant team depends on the interest the audience is showing in that particular league. Although the final product is offered by the sport club, the league is the one offering the framework to realize the product (few people would be interested in the outcome of a match if it would not be carried within a competition that is appreciated by the public).

From the marketing specialist point of view, the league represents the sport product, considering that all teams are collaborating to attract the consumer to the events offered by that specific league.

b) The sport product is usually subjective and cannot be measured precisely

The experience of the spectators of a sports event is entirely subjective. This makes it very difficult for the marketing specialist to measure the success that the event had. For example, a number of supporters of a team will indicate different degrees of satisfaction obtained after participating to the respective event. Most of the time, even if the event was well organized, it may receive a bad review from the supporters of the losing team.

Thus, the marketing specialist must establish precisely the indexes through which he will measure the level of individual satisfaction, and also the method of analysis (qualitative or quantitative), in order to avoid as much as possible the paraphrase errors in the question asked.

c) The sport product is not constant and is entirely unpredictable

A game played today will probably give different results if played a week later, although it assumes the participation of the same players and use of the same facilities. If other variables are added, such as weather conditions, injuries of the players, changes in the team and audience participation, totally different sport products will emerge.

The unpredictable result of the sport product leads to a higher psychological participation from the players, supporters and other involved parties.

We must add also the fact that the result of the sport event is only known at the end of the competition, fact that is not possible in other fields, meaning that the consumer normally wants to know the final product before the purchase is done. But, within a sport competition, one cannot know, for example, what is the final score of a game before it ends. At least, this is how it is supposed to happen. There are also some exceptions that only hurt the sport image as a whole.

The unpredictability that characterizes the sport product as a whole is actually one of the main factors of attractiveness for the public that wants to enjoy thrilling and emotional moments within the sport event. This characteristic of sport has an increased importance for spectators and viewers, fact that influences indirectly the decision of two other categories of “sport consumers”: the mass-media (that wants to broadcast the sport events with the biggest attractiveness to the public, the show events that keep the viewers watching until the end) and the sponsors (that wish to associate their image with the sport events that are attractive to the public in order to expand their potential customer base for the products that they promote during the event).

d) The focus is on the expansion of the sport product and not on the product itself

As the organizers of a competition cannot predict or control its final result, they tend to focus on the quality of the games and on the performance of the participants to the competition. The same result may have different meaning for the supporters of two rival teams, that is why, the organizers are trying to emphasize primarily the sports show offered by the two teams (even if the final outcome is unsatisfactory for one of them).

The emphasis is placed on the consumer experience during the event, the most important aspect being that of the arena/stadium/hall where the event is taking place. Considering that sport is included in the services category, the ambiance is of highly importance when

considering the final level of satisfaction for the consumer. All these elements are determining the marketing specialist to consider an extended sport product that comprises also extra services besides the respective sport activity (shows for the audience during break and timeout, food services, transport, information services on the events, etc.)

e) Sport is performed and consumed in public

Most of the sports are performed in public and almost all are consumed in the presence of many other persons. In certain cases, the satisfaction of the spectators depends on the social interactions with the other participants to the event. For example, in Europe, the supporters' inappropriate behavior led to a bad reputation for soccer and to the participation in the events related to this sport. No product is so closely linked to personal and emotional identification than sport. The supporters of a team regard themselves as being part of that team and their participation represents an important part of their own life philosophy. Therefore, any product or service connected to their favorite team is positively appreciated by the supporters.

Starting from this idea, the sports marketing specialists developed a term called BIRG¹ (Cialdini, 1976), which refers to the behavior of the fans towards their favorite team, based on their performance: if the team wins, supporters will want to associate with them and their success (often using the phrase "we won"), and if the team loses, the fans display an attitude of dissociation from the team (stating that "the team lost").

f) Sport services address both end users and organizations

Sport is a product addressed to final consumers, but it is also used by large organizations to promote their own products. This is one of the reasons why organizations are purchasing tickets for the large stadiums seats in order to offer their customers the possibility to participate in a certain event, even if they may not be fans of the teams that are performing. This element is a good promotional instrument for sports teams within the organizations

targeted as audience. To convince these organizations, marketing specialists emphasize the effect that may be brought by purchasing subscriptions to all the team's games and offering them to customers or business partners. The most often mentioned effect is an increase in the company turnover.

Such an example is the NBA basketball team New Jersey Nets that offered to all its corporate customers a program to ensure effective investments in subscriptions to the team's games. The program is based on the following condition: if the ownership of the subscriptions does not lead to an increase in sales for the corporate customer, then the sports club offers to refund the cost of the tickets (8.500\$) plus interest. This commitment determined a large number of corporate organizations to purchase tickets and subscriptions to the New Jersey Nets games, resulting in revenue of over 250.000\$.

g) Low control for content and quality

Sport marketing specialists rarely have control over the content of a sport product or service and have no control over their extensions. In the case of "business to business" marketing, we can conduct a research on customer expectations, and, according to those expectations, we can develop the line of products to satisfy the consumers. These concepts cannot be easily applied in the case of sports marketing. We can take for example the world soccer championship from Germany in 2006. Nobody expected to see, in a world championship final, a scene like that between Zinedine Zidane and Marco Materazzi. This can be taken as an example to show how much the quality of the service delivered depends on the "actors" involved in providing it.

h) Sport has a universal impact

Sport has access to all types of society, is geographically present in the life of all ethnic groups and it represents an important element in most of the cultures. The sport is also performed and viewed by all demographic categories (young or elderly, women or men, workers or managers). We can regard sport as a connecting bridge between different cultures – two very good examples being soccer and football from South Africa. Sport is also connected to all leisure activities and it satisfies

¹ Basking in Reflected Glory

numerous individual needs. For example, sport is associated with relaxation, entertainment, exercise, alimentation habits, betting, stimulation, physical violence, social identification, the legal and economic environment, religion, business, and industry.

Given all these elements related to sports (through the need of individuals to practice or participate in sport events) the marketing specialist must consider the characteristics of the “new consumer” that wants to obtain as many benefits as possible from a single product, but at the same time is not very well informed and waits for the producer to submit their best offer (Voinea and Filip, 2011).

Returning to the universal impact of sport, due to the advanced technologies of data transmission, we can state that, even if the sport event takes place in a certain venue, the sport has been “delocalized”, as the events can be viewed by fans everywhere, some franchises having operational headquarters in various areas of the globe, based on the existing demand on the market and on the business development perspectives of that region.

3 The characteristics of sport as a component of the tertiary sector

Because the sport often involves providing a service, we can add to the above features also the four characteristics of services that leave their mark also on sports products: intangibility, inseparability, variability and perishability.

a) Intangibility

This is the main characteristic of services that is making their evaluation difficult and subjective. Compared to a product, a service is impalpable, intangible, cannot be seen, tried, tasted. Services can be found to have a material expression, but the intrinsic value of the material support of these services is generally much more inferior to the information conveyed: books, movies, computer programs etc. (Ionciă, 2003).

The intangible nature of services makes it difficult to design and promote them, and companies are bound to concentrate their efforts on “materializing” their offer, by using elements such as personnel, equipments,

information, symbols, tariffs, etc (Cetina *et al.*, 2006).

An effective marketing technique to diminish the negative effects of intangibility is the offering of free samples. The owner of a fitness gym may offer a free session to the potential customers, spectators are allowed to participate for free to the public training of the team before the big games, the organizer of an event provide free viewings of the previous editions of the event, etc. All these marketing tools contribute to shaping a clear image for the consumer, so that he is aware how his money, time and energy are spent.

b) Perishability

Usually not having a material form, services cannot be stored and kept for future consumption. This can lead to an imbalance in the supply-demand ratio and the effective realization of the service. So, unused serviced at the moment of the offer will not be kept for future use (for example the offer of seats from a sports arena). Also, when there is more demand than supply, this can lead to the increase of the tariffs charged for those respective services or to the dissatisfaction of several potential customers that will not have their demand met.

Perishability reflects the highest degree of marketing need, as the non-synchronization of demand with the supply involves losses due to the inability to “store” the services. To avoid such imbalances, several measures can be taken such as: differential pricing, so that when demand is declining customers are attracted through a price reduction (for an amateur sports club, using different rates during the week as compared to the weekend may determine the orientation of demand towards the less attractive periods of the week); offering complementary services for peak periods of demand, when customers are forced to wait for the production of the service (for examples offering magazines and newspapers in the waiting rooms); hiring temporary extended personnel when the demand is at its highest (during the big sports competitions a large number of activities are based on volunteer work, performed by persons that wish to be associated with that particular event, even if their work is not financially rewarded);

stimulating the participation of the consumer to service delivery (using self-service catering at sports arenas, for example).

c) Inseparability (simultaneous production and consumption of the service)

In most situations, there are two conditions to be met in order to provide a service: the existence of a direct contact between the supplier and the buyer, and the active participation of the consumer during the use of the service (for example the services provided by a fitness club). Not only the consumer behavior is very different, but also the one of the suppliers, as it is linked to the level of professional qualifications, the talent, skill, fairness and passion they are using to provide their services. Therefore, there is a difficulty when attempting to standardize services, as there are a limitless number of possibilities to differentiate the offer. This feature involves a series of consequences, such as: any mismatch of time or location leads to losses in the offer and/or unsatisfied demand (if a sports event has a demand exceeding the number of seats in the arena, then the potential customers that will not have their demand met will be unsatisfied and this may reflect on the global image of the respective sport event); changing a provided service is not possible, as it cannot be returned if it does not meet the expectations of the customer (although the big companies are using instruments to guarantee the quality of the service provided, it is not possible to exchange or return the sport service and this is influencing directly the consumer's decision to use for the first time a certain supplier of sports services); risk reduction can be done through extensive information and through building a trust relationship between the customer and the provider (there is a direct relationship between the fame of a sports club and the trust the consumer has on the quality of the sports event offered by that club).

An important aspect, linked to this characteristic is the fact that the performance of the service is dependant on the movement of the customer to the company's premises or the other way around. The consumer's travel to the sport event may bring the opportunity to spend the day with family/friends, which translates

into business opportunities for the companies associated to the sports event. Such opportunities are measured annually by the companies that specialize in sports marketing and the information resulted are used to shape the sports offer according to the needs and demands of the consumers. An example in this respect is the company Team Marketing Report that computes an annual index of the participation cost within a game at the major American sports events. This index (FCI)² has grown from an average of 158\$ in 1992 to 288\$ in 2010, corresponding to the participation to a game in the North American Basketball league (NBA).

d) Variability (heterogeneity) of the services

Variability refers to the impossibility of repetition of the service, in identical manner, from one performance to the other. This feature is influence by the specific of the provider, by the involvement and participation of the user, by the specific environment conditions, etc. Variability has significant influence on the quality of services, making it difficult to standardize them. In most cases, standardization is also not wanted, as it would limit the degree of attractiveness of the sports event. A more relevant solution is the personalization of the sports services, so that they better accommodate the needs and demands of the consumers.

The heterogeneity is a feature of the sport with a strong influence on the decisional process of the consumer; it characterizes the sports industry and influences the perception of the consumer towards the sport and the reasons behind the choice of a certain sport to practice. Considering this characteristic that is appreciated by the public, the sports marketing specialist does not need to rely on standardization, but rather to adapt the offer to the customer's needs (for example a fitness gym organizes separate classes for beginners and advanced, making the offer suitable for the various levels of consumers).

² FCI (Fan Cost Index) presents the costs incurred by a family of four members and includes: the average price of two tickets for adults, the average price of two tickets for children, four small drinks, two small beers, four hotdogs, two game schedules, parking and two adult caps.

4. Conclusions

Every product has specific features that differentiate it from the others, but the sport product, through its nature, has a series of characteristics that decisively influence both the marketing strategy, and the specific instruments used to attract and satisfy the demand.

In order to design a sport product well adapted to the consumer's needs, the marketing specialists has to consider:

- the particularities of sport as a human activity (linked with leisure and social integration)
- the special features of the sports consumer behavior (both for the amateur athletes and the professional ones)
- the characteristics of sport as a component of the tertiary sector.

Is necessary to mention the fact that the lists of characteristics presented in this article is not a exhaustive one, every sport having additional features link its rules of play, the market segments targeted and the national identity applied to each performance.

Acknowledgment

This work was co-financed from the European Social Fund through Sectorial Operational Program Human Resources Development 2007-2013 project number POSDRU 89/1.5/S/59184 „Performance and excellence in postdoctoral

research in Romanian economics science domain”.

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