SPORTS MARKETING – PRECISION MARKETING

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Abstract

Marketers have traditionally segmented markets on the basis of demographic, geographic, psychographic, and behavioral variables. Individual customers with similar attributes and needs are grouped into segments.

While sports marketers work under these same basic principles, the process has shifted from relatively static marketing planning models to include more dynamic customer relationship management models that quickly adapt to changing customer states and behaviors that can result in day-to-day or even second-by second adjustments.

Precision marketing offers customized benefits targeted to specific individuals based upon personal characteristics collected through the organization's customer database.

Keywords: *management communication, sports communication, sport management, sports club management.*

JEL classification*: M10; M30; M37; M37*

Introduction

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (The American Marketing Association, 2012).

Sports marketing is a subdivision of marketing which focuses both on the promotion of sports events and teams as well as the promotion of other products and services through sporting events and sports teams. It is a service in which the element promoted can be a physical product or a brand name. The goal is to provide the client with strategies to promote the sport or to promote something other than sport through sports. Sport marketing is also designed to meet the needs and wants of the consumer through exchange processes. (Huete L. (2004). *Service's Administration, P 760).*

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A. Goals of Precision Marketing through customer relationship marketing (CRM)

For organizing an sporting event, there are three major goals that precision marketing has touch in order to get sports consumers:

1. Generate new fans;
2. Enlarge attendance and purchases of current fans;
3. Motivate and maintain current fan loyalty and identification. (Wakefield, Kirk L, 2007, *Team Sports Marketing*, Elsevier Inc. Press, United Kingdom, p 39)

The key to all network-enhanced precision marketing efforts is the quality of the customer information in the database. As sports fans seek to affiliate themselves in some way with the team or players, the organization has ample opportunity to gather customer-specific data. Every time a ticket to a sporting event is purchased, vital customer information can be obtained. As fans buy individual tickets, mini-paks, or season tickets online, over the phone, or at the ticket office, the organization can gather information that will allow the organization to implement incentive plans that seek to convert these fans into even more frequent attendees. As fans attend games, fan surveys can gather customer information, so that specific fan segments can be identified, rewarded, and encouraged to motivate and maintain their commitment to the organization, its team, and its players. (Wakefield, Kirk L, 2007, *Team Sports Marketing*, Elsevier Inc. Press, United Kingdom, p. 40)

The organization must evaluate and search for ways to be market oriented, by effectively doing three things:

1. Generate customer information;
2. Disseminate customer information;
3. Respond to customer information in a way that meets customer needs and fulfills organizational goals. (Jaworski, Bernard J., and Kohli, Ajay K. 1993. "Market Orientation: Antecedents and Consequences." *Journal of Marketing* 57 (July): 53–70.)

It is typically not the sports marketing manager's responsibility to actually design the database information system, one should develop close, personal friendships with the organization's information technology (IT) employees, but the marketing team should be up to date with all new computer software programs that could help the company or club achieve the goals they set.

It is very important to **generate customer information** without knowing the fans, the organization is basing all the management and marketing plans on the manager intuition and experience. This can sometimes lead to ineffective management, so it is important for sports managers to have a background as an ex player, or an individual who was really close to the team.

In any case, no matter the background or training, management requires knowledge of their customers that exceeds their own abilities to observe and analyze. (Wakefield, Kirk L, 2007, *Team Sports Marketing*, Elsevier Inc. Press, United Kingdom, p. 41)

Sports marketers are not likely to gather all of the information discussed in the following section at one time. Rather, given their needs, the organization will gather selected spectator information that facilitates generating new fans, more fans per game, and more long-term fans for their organization.

Wakefield, Kirk L, in Team Sports Marketing designed a table in order to gather information properly

Sports Segmentation Variables	
Personal characteristics	**Measure**
Demographic	
Gender	Male/Female
Age	Year of birth: 19____
Marital status	Married/Single
Homeowner	Rent/Own home
Children	Number of kids under 18 living at home?____
Heritage	African American, Caucasian, Hispanic, Asian, Native American, Other
Education	High school or less, some college, 2-year degree, BA/BS, Master's, Dr/MD
Household income	<$25,000, $25–49,999, $50–74,999, $75–99,999, $100,000+
Vicinity	Miles you live from venue?
Zip code (address)	Zip code:
Email	Email:
Psychographic	*How accurately do these statements describe you? (inaccurate—accurate)*
Price sensitivity (*tickets, food/drink, parking, team merchandise, etc.)	I am willing to make an extra effort to find low prices for *. I will change what I had planned in order to take advantage of a lower price for *. I am sensitive to differences in prices of *.
Social motives (can substitute friends for family)	I go to the game to spend time with family as much or more than for the game itself. I go to the game only if (some of) my family goes. My family is the main reason I go to games.

Personal characteristics	Measure
Promotion-proneness	Promotions influence when I attend games. Promotions play a big part in my choice to attend games. If there's a promotion I like, I just go to that game instead of another one.
Variety seeking	I enjoy going to different entertainment spots for the sake of comparison. If I have a choice when I go out, I'd rather try someplace new than go to places I already know. I tend to go to a lot of different entertainment spots, just for the sake of a change of pace.
Behavioral	*How frequently do you use the following media to find information about the team? (not at all—very frequently)*
Information-gathering	Newspaper (list names or editions as needed) Radio (list stations) Television (list stations) Internet (team Web site or emails) Signage at/near stadium Magnet or pocket schedules
Consumption/Usage	Including this game, how many games have you attended this season? (____/*N*) How many games will you have attended at the end of this season? (____/*N*) When the team's games are on TV, how frequently do you watch? (never—all the time) When the team's games are on the radio, how frequently do you listen? (never—all the time) What seats do you prefer to buy? (list seat type; do not prefer—strongly prefer) How much did you spend on food and drink for yourself (not others) at this (last) game? How much did you pay for parking at this (last) game? How many team licensed logo items do you personally own? (1–5+) • Apparel: Jerseys, shirts, sweaters, shorts, jackets, caps, jewelry, etc. • Home use: pennants, posters, signs, mugs, clocks, etc. • Vehicle: license plate frames, license plate inserts, windshield signs, etc.

By applying these set of rules the manager can then create the profiles of the fan, (creating the demographics) with is later used in selling the information to potential sponsors or organizations that wish to target their goods to certain customers.

So in order the **disseminate customer information** a manger needs to know that sponsors are interested in targeting advertising to the majority of sports fans attending. While the sports organization also seeks to understand their own primary target markets, the organization is often interested in understanding the segments they are *not* attracting.

Demographic data can be easily collected whenever individuals purchase any form of ticket package. If properly coordinated, this data can be collected or augmented via onsite surveys as fans attend a game or event and compiled within the organization's customer information systems. Online registrations, either on the organization's Web site or other points of ticket purchase, routinely gather this

demographic information. (Wakefield, Kirk L, 2007, *Team Sports Marketing*, Elsevier Inc. Press, United Kingdom, p. 45)

According to a study done in 2010, the use of all types of communication channels outdoor and indoor marketing, sms, e-mail, you can get an individual to be more sport orientated and more active, thus becoming a sports consumer, this in combination with the demographic data can certainly lead to a successful information campaign. (Iacobini A., 2013. *"Influencing sports culture for the the general population through mass media"*, PhD Thesis University of Pitesti)

Respond to customer information in a way that meets customer needs and fulfills organizational goals

In addition to identifying with the team, individuals may be motivated to attend or not attend games due to individual psychological differences.

From the sports organization's perspective, the objective of promotional efforts aimed at price sensitive, socially motivated, promotion prone or variety-seeking segments is to increase patronage of infrequent fans, who hopefully will enjoy the experience, gain exposure to the sport and the team, and subsequently intend to return more frequently. Care must be taken that these promotional efforts maintain or enhance the perceived value of the ticket price.

Although sponsors may be paying or trading value for the right to distribute discounted or free tickets, frequent availability of cheap or complimentary tickets will reduce the value of the ticket to those who otherwise are willing to purchase regularly priced tickets. Sports marketing managers are always interested in finding out what fans think of prices for tickets, merchandise, and the like. By collecting information on these psychographic measures, management may find that they have been overestimating the price-sensitive or promotion-prone segments. (Wakefield, Kirk L, 2007, *Team Sports Marketing*, Elsevier Inc. Press, United Kingdom, pp. 45-48)

Listening to and understanding the needs of loyal season ticket holders are critical to any sports organization's success. Organizations need to spend as much or more effort in maintaining and keeping their current loyal fans due to the lifetime value (LTV) of a customer. To understand this concept, consider how much money you spend at your favorite restaurant, hair salon, dry cleaner, or other retail/service outlet while you are in college.

Conclusion

For marketing campaigns to be well targeted, teams must gather exact and reliable customer data and build a precise database that will help them have a precise targeting. If all of these are well done the organization will end up with less wasted effort and all CRM objectives will be achieved: getting more fans or maintaining the old ones and getting more purchases. This kind of marketing based on targeting will please the fans because they will receive information and offers from the team that correspond to their needs and they won't experience confusion like "Why did they send me this?" and waste their time viewing or deleting mails. Gathering customer data can also help the organization seek for sponsors or advertise just because of similar target markets. The data gathered by the organization must be related to demographics, geographics, psychographics and behavioral variables. In the end, if the organizations have a precise database will help everyone: the fans, the team itself and also the organizations that they work with.

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