Take any given Sunday and you will likely find a NASCAR race on television. NASCAR has grown dramatically in recent years to score television ratings better than baseball and just behind football and basketball. Race fans seem to enjoy the sport for the thrill of a close contest and to root for their favorite driver. In most sports, the teams have a geographic home base, which gives the teams a natural fan base. That is, fans tend to root for the hometown team over the visiting team. In NASCAR, however, the races migrate throughout the United States, which encourages fans to gravitate toward a particular personality behind the wheel.

NASCAR drivers and cars strongly rely on sponsorship. Sponsorship can be viewed as a form of product placement. On television shows like The Apprentice, sponsors pay thousands of dollars to have their brand used in a storyline. Sponsorship is a means to attach a brand to a popular or successful athlete. Cigarette companies were among the first to realize the potential of sponsorship back when advertising cigarettes on television was legal. Companies such as Tide, Home Depot, and even Viagra may spend as much as $700 million in sponsoring NASCAR.

Sponsorship tends to bring in positive dividends even amongst the clutter of hundreds of competing advertisements. For instance, Domino’s ran a three-year sponsorship of NASCAR and found that consumer awareness increased dramatically. When consumers were asked, prior to the sponsorship, to name three pizza companies, only 7 percent named Domino’s. After three years of sponsorship, the awareness increased to 87 percent.1

The typical winning NASCAR driver and car receives about ten minutes of total television exposure, which is equivalent to roughly $8 million of commercial air time. This translates well for the industry, as about half of all NASCAR viewers claim they will “almost always” buy from a sponsoring company rather than a closely priced competitor.2 NASCAR illustrates the growth of sport marketing in recent years.

In the following pages we will be discussing such topics as sports consumption from an experiential perspective, target marketing, marketing mix, spectatorship, participation, identification, sponsorship/endorsements, and sports marketing extravaganzas from a marketing perspective.
What Is Sport Marketing?

The sports industry is possibly one of the top ten industries in the United States. Despite this fact, some may question how sport marketing is a special topic of marketing. There is a need to explore sport marketing and show how it uses marketing concepts to achieve business success. Sport marketing is the “specific application of marketing principles and processes to sport products and to the marketing of non-sports products through association with sport.”

This definition involves two key elements: (1) marketing sports, such as encouraging viewership of the Superbowl and/or participation in a sporting activity, and (2) marketing products that have no direct relationship with sports by creating an association with the sport. Examples of the two elements are ubiquitous throughout our culture. Marketers directly promote sport in countless ways, such as through traditional media commercials, on-site giveaways, and event marketing.

To promote nonsports products, marketers often use sports celebrities such as Yao Ming of the Houston Rockets, who has been featured in recent Visa credit card commercials. Likewise, Peyton Manning of the Indianapolis Colts is featured in a series of commercials for MasterCard. Clearly, neither Ming nor Manning has a direct connection to the credit cards. The credit card companies are counting on their notoriety to increase awareness and thus sales.

One interesting event, which occurs annually at Kansas State University, exhibits elements of both facets of the definition. During the pre-game event called Harley Day, upwards of 100 Harley-Davidson riders circle the football field while revving their engines, encouraging fans to “get revved up” and show their positive emotions towards their team. The two elements of the sport marketing definition are exemplified here as follows: first, fans are encouraged to attend the game just to experience the spectacle of the Harley riders, and thus the sporting event is marketed. Second, while Harley-Davidson is not directly related to the football team, Harley gains some free promotion, as 60,000 fans attend the event. Harley Day transforms the routine football game into an “experience.”

Through this example we can appreciate sports from an experiential perspective. That is, consumers enjoy sports for the experience of the event rather than simply the outcome of the game. The experiential perspective on buying can be used to better understand the consumer's buying decision. Consumers do not always use a rational decision-making process. Consumers often make purchases to stimulate emotions and feelings or to create fantasies. This phenomenon particularly relates to the consumption of sports products. For example, on the first day of the season, every fan has “hope.” When the team wins, the fan's self-esteem is elevated. Sports fans often buy tickets from scalpers at highly inflated prices simply to “experience” the game. In this case, the fans may be emotionally attached to the team and are therefore willing to pay a premium. Another example is die-hard fans who forgo going to work in order to stand in line for tickets. In these two examples, the individuals may not be making a rational decision, but they feel the experience gained is worth the price (i.e., money and responsibilities respectively).

Target Market

The Phoenix Suns illustrate the focus on a target market. The Suns recently renovated America West Arena for $70 million to include playground areas, a courtside club, and attached retail stores. These upgrades cater to the two target markets of the team. The
dominant target market is defined as empty nesters making over $200,000 a year. These individuals require special treatment such as networking opportunities and luxury accommodations. The Suns’ second target market is families with small children. This group requires different amenities, such as the playgrounds and shops, to increase their attendance level. Additionally, the Suns organization utilizes a color-geographic grid of Phoenix that depicts where the target markets live. This allows the organization to send promotional campaigns directly to niches. The Suns example is just one case of how sport marketing uses marketing concepts and strategies.

The Marketing Mix

To illustrate the marketing mix in sports, we can evaluate a specific team, such as the Boston Red Sox. The Red Sox have enjoyed a strong fan base long before winning the 2004 World Series—breaking a supposed 86-year-old curse.

The loyal fan base can be attributed partially to the team’s commitment to tradition. In recent years, a number of teams have grappled with ways to increase revenues. Some teams have threatened to move unless their home city builds a new stadium. While a new stadium increases revenues for the sports organization, the allure and experience of history may be lost. The Red Sox have long suffered from being in the same division as the perennial top money generator: the New York Yankees. While tempted to build a new stadium, the Red Sox continue to play in historic Fenway Park while adding new revenue streams.

Here is how the Red Sox implemented the marketing mix and increased revenues. In the summer of 2003, 274 barstools, valued at $50 each, were added to the top of the Green Monster. The Green Monster is the 37-foot-high left field wall notorious for preventing many home runs. By adding these seats, the product (i.e., the game) is essentially unchanged. The seats, however, give fans an authentic experience without detracting from the mystique of the Green Monster. Sitting atop the Green Monster imparts to fans a sense of history and authenticity. In the pricing facet of the marketing mix, the Sox generated $1.3 million in additional revenue. The price was obviously not set too high, as fans bought out the entire 2003 season in one day.

In promotion of the marketing mix, advertising was not a huge expense for these seats. The media announced the new offering, and fans leaped at the opportunity. In distribution, sometimes called place, we can focus on the physical place of Fenway Park. From a geographic perspective, consumers are drawn to places that they are familiar with and that invoke a sense of nostalgia. This is often called a “sense of place.” For example, many people continue to root for their high school football team long after graduating. As mentioned, there is a long sense of tradition associated with Fenway Park. By adapting the ballpark to accommodate more seats and giving fans an “authentic” experience, the sense of place is maintained.

That same year, the Red Sox also renovated a luxury box. The Red Sox organization renovated a suite now called “Legends Suite” to generate additional revenue and create another unique experience. The Red Sox organization upgraded the suite to resemble a country club. Additionally, a plethora of past Red Sox stars like Dwight Evans, Johnny Pesky, and Carl Yastrzemski host the suite. Fans are able to talk baseball, take photographs, and get autographs from these legends. The Red Sox lease the suite for up to 20 people at a cost of $10,000 per game. These two examples, the Green Monster seats and the Legend Suite, demonstrate how one organization implements the marketing mix in its overall marketing program. These changes made by the Red Sox have dramatic implications for consumers as spectators. In the next section we will discuss spectators in greater detail.
We can track consumers’ interest in watching sports all the way back to early Roman times when gladiators fought to the death in the Coliseum. There are a number of reasons for consuming sports. To better understand how we consume sports, we can utilize four metaphors, as described below.5

Consuming as Experience

Consuming as Experience describes the emotional states that arise from consumption. Anecdotal evidence shows that while we feel positive exhilaration from team victories, the negative feelings from losses may evoke even stronger emotions. From a theoretical perspective, Prospect Theory suggests that losses affect us more negatively than wins affect us positively. That is, when consumers experience a victory, the positive emotion is intense, but the emotion lasts only for a short period of time. It isn't long before the consumer looks for the next victory. When a loss occurs, however, the consumer can be devastated for months or even years. For example, many Florida State fans are still upset about the losses to the University of Miami (i.e., in 1991, 1992, 2000, and 2004) when the infamous last-second field goal attempts went wide right/left.

In accounting, sports fans find that assigning meaning to events and keeping track of the subsequent events is a rewarding psychological activity. Baseball fans keep track of strikeouts by posting a large letter “K” on the outfield wall. In a football example, referees raise their arms to designate a touchdown. When a child first learns what the action symbolizes, the game becomes a richer experience. The activity of accounting enhances the experience by making the fans feel involved in the outcome.

Consuming as Integration

In Consuming as Integration, spectators create the illusion that their team or the sporting event is part of their own identity. Sports fans use objects to show that their identity is tightly interwoven with the team or event. To create this perception, fans personalize sweatshirts, hats, and even comments. You can probably think of a friend who has commented that he “sustained the same injury as XXX player,” or “used to dunk the ball like XYZ.”

Consuming as Classification

Consuming as Classification is described as using items to classify the individual relative to others. Think about the sweatshirt you wear to display your favorite college team. When you wear this sweatshirt, you are accomplishing two things: (1) you are showing your affiliation with the entity, and (2) you are building distinction. For instance, you are representing the team you follow while at the same time demonstrating you are not a fan of the rival team. Furthermore, consumers often publicly display irrelevant connections to teams. When a consumer who has never attended the University of Southern California displays a USC Trojans shirt, he is BIRGing, or bask in reflective glory.6 In doing so, the consumer is trying to create a positive connection with a successful team. This “meaningless connection” helps explain why the most successful teams on the field or court sell the most licensed gear.
Consuming as Play

In *Consuming as Play*, sporting events offer consumers a means to commune and socialize. This is particularly important because consumers who have a strong need for affiliation tend to identify more strongly with a team. One of the main reasons for attending a sporting event is the chance to socialize with others. Therefore, marketers should focus on the social aspects of sporting events to increase attendance.7

This section illustrated a number of unique aspects of spectator consumption. Overall, sports offer an opportunity to express our emotions and create “meaningless” attachments to teams. The next section will discuss another facet of consumption: participation.

Participation

Sports participation is a growing part of the sports industry. Americans spend more than $32 billion a year on sports participation, translating to $0.68 out of every dollar spent in the industry going towards participation.8 As a marketer, the research question we are most interested in is; what motivates consumers to participate? Following are some ways consumers may be motivated to take part in sports.

Sport Exercise Identity

An individual’s exercise identity plays a key role in whether or not the person participates in exercise. The sport exercise identity is a comparison between the individual’s exercise self-concept and the stereotypes associated with the particular exercise. To determine if an activity is right for an individual, the person evaluates his or her physique, physical condition, athleticism, socioeconomic status, age, and gender.9 For example, a 70-year-old woman may decide against windsurfing based on the stereotype of the typical participant. On the other hand, an 18-year-old physically fit man may be enticed to run a 5K race due to his exercise self-concept. To encourage more people to adopt the healthy lifestyle, marketers can work to remove any negative stereotypes and promote the positive stereotypes associated with a sport.

Image Perception

Another avenue to investigate in sport participation is image perception. Do we as people view others differently because they choose to exercise or not exercise? People change their evaluation of others based on whether or not that person exercises. Exercisers are viewed as better looking, fitter, stronger, friendlier, happier, more independent, and harder working than those labeled as nonexercisers.10 As some of these labels imply (e.g., friendlier, happier), the “exerciser” is viewed more positively even on traits unrelated to their exercise regimen. With this information, marketers could be better equipped to develop sports promotional campaigns.

Identification

A good place to start to understand consumers’ attraction to sport teams is theoretical support. One theoretical area that is particularly relevant to sports is identification. “While there is clearly aesthetic pleasure in merely watching a sport performance, the real intensity comes from identifying with an individual or team as
they strive to win.” Social identification occurs when one perceives a sense of oneness or belongingness to a group, organization, or team thereby defining him- or herself in terms of that entity. Individuals identify with all sorts of brands, such as Jeep, Harley-Davidson motorcycles, Coca-Cola, and any number of sports teams.

Social identity theory offers a means to understanding identification. Social identity comes from the social groups with which the individual feels some sense of belonging. Membership in these groups or categories communicates the person’s place in the social world. Social groups could be based on demographics, employment, religion, or even a team.

Social groupings are both relational and comparative. The groupings demonstrate that we have a relationship with some groups while being different from other groups. For instance, when a fan wears a North Carolina jacket, he is telling others that he is a “Tarheel” and not a Duke “Blue Devil.” This process not only expresses the person’s identity but it also enhances one’s self-esteem. By understanding why consumers are attracted to teams, sports marketers can better position their brand (i.e., team) to increase sales and attendance.

Sponsorship & Endorsements

Two very visible areas of sports marketing include sponsorship and endorsements. In sponsorship, firms offer funds in support of the entity, whereas endorsements are when sports celebrities act as a spokesperson for the brand. In today’s marketing environment, practically everything from stadiums to race cars to the chaps worn by a cowboy are covered with a sponsor’s name. Sponsors provide funds to support the entity while at the same time gaining commercial exposure. Over $6 billion a year is spent on sports sponsorship. Obviously, firms believe that their association with a sporting event relates to positive business returns.

The returns on stocks support this argument. Under the efficient market hypothesis, the price of a stock is reflected by all the known information about a company and the expected future returns. When new information is released about a firm, the stock moves up or down to reflect the information. On the day that a sports sponsorship is announced, the average stock price significantly increases. Consequently, firms can gain a positive immediate return by associating with a sports franchise.

Simply creating a sponsorships agreement, however, does not guarantee a successful campaign. There must be some degree of fit between the sponsored event and the firm. Fit is the degree of overlap or congruence between the entities. If we take Marlboro cigarettes, for instance, the brand has a good fit with NASCAR but a poor fit with beach volleyball. In these cases, the important fit to address is between the core market and the brand. When there is good perceived fit between the event and the sponsor, consumers are more inclined to like the event and to respond in a favorable manner, such as buying or attending the event.

Endorsers

In a related area, fit appears to be an important characteristic between an endorser (i.e., a spokesperson) and the product. Fit can be evaluated on a number of facets, such as attractiveness of the spokesperson. Attribution theory can be used to evaluate the attractiveness of endorsers. Attribution theory addresses the causes of why people commit behaviors. In the case of an attractive spokesperson vs. a less attractive one endorsing a product, the attractive spokesperson is seen as the master of his or her fate, while consumers may view the less attractive spokesperson as being coerced
into endorsing the product. The results demonstrated a better fit when an attractive spokesperson was used for an attractiveness-related product, such as cologne, razors, or jewelry.

Another important variable is the spokesperson’s expertise. By matching a spokesperson with a product in which he or she has some type of expertise, consumers’ attitude toward the brand tends to improve. In the experiment, respondents viewed either an athlete or an actor matched with either a candy bar or an energy bar. The respondents then evaluated the fit and a number of other facets. The respondents believed that the athlete was a significantly better fit with the energy bar and the actor a better fit with the candy bar. These two studies demonstrate that while attractiveness is an important variable, expertise is a more valid measure of fit with the brand.18

Sports celebrities are used as endorsers more than any other celebrity category, such as musician, comedian, actors, and politicians. In fact, more than 10 percent of advertising employs a sports celebrity as spokesperson. However, a question arises as to the value of using a sports celebrity. If we consider the value of a stock price, we can gain an evaluation of the spokesperson’s value. According to the efficient market hypothesis, the value of a stock is based on all the information known about the company. When bad news spreads, the stock price immediately drops, and vice versa. On the day that an endorser announcement is made, the stock price significantly increases over that of other days. This is despite whether the sports celebrity has a positive or negative reputation. Consequently, hiring a sports celebrity appears to be a favorable marketing strategy.

So, what factors should we consider when hiring a sports celebrity as an endorser? Research has demonstrated that a number of important factors may enhance the success of a marketing campaign. First, there should be good celebrity-brand fit. If the endorser does not fit with the brand, consumers may assume the celebrity is simply endorsing the product for the endorsement money rather than actually liking the brand. Second, celebrity “meaning” is important. Celebrities possess culturally acquired meanings due to the roles they play. You can think of a number of meanings associated with Andre Agassi, such as rebel tennis star, elite player, and devoted father. When the celebrity endorses a brand, all of these roles are transferred to the brand. Thereafter, these associations are transferred to the consumer as he or she buys the brand.

Finally, there should be a celebrity-audience match. Consumers are more likely to trust a spokesperson with whom they can identify. In some cases, a “bad boy” image may appear to be a risky endeavor, such as hiring Alan Iverson to endorse a product. Admittedly, not all consumers identify with Iverson. However, there is a target market that strongly identifies with the rebel basketball player. Overall, hiring a sports celebrity is a wise investment, providing that the firm properly selects the right person.

### Sport Marketing Extravaganzas

Sports extravaganzas are major periodic sporting events that draw huge audiences. These events are unique due to the audience size, composition, and rarity. Events like the Super Bowl draw upwards of 80 million viewers in the United States and over a billion viewers worldwide. The composition of the Super Bowl audience is quite different than the typical sporting event. Millions of viewers, who rarely watch sports, tune in to the Super Bowl. These individuals are attracted by a number of things, such as the communal event of watching the Super Bowl and the outstanding commercials.
With an audience size of 80 million in the United States, the game draws the largest television audience for the year. Ratings and share are the general barometers for the success of a television program. Ratings indicate the percentage of television sets tuned in to a specific program, while share indicates the market share a show has relative to all other programs airing in the same time slot. Since 1994, the highest rated Super Bowl was in 1996, when the rating stood at 46.1 with a share of 72%. A 30-second advertisement cost $1.08 million in 1996. In comparison, ratings in 2005 stood at 40.7, with a share of 61, and a 30-second ad cost $2.3 million. While the ratings may have dipped somewhat since 1996, the Super Bowl is by far the largest television audience each year.

You might question the practice of advertising on such a pricey vehicle. However, consider the cost per person viewing the advertisement. At 2.3 million, it actually costs 0.029 cents to reach each viewer. In comparison, the cost to advertise on CSI in the fall of 2005 was $600,000 for a 30-second ad. With viewers totaling 28.8 million, the average cost to reach a CSI viewer is 0.021 cents. While it is slightly more expensive to reach the Super Bowl audience, we should consider the fact that many viewers are more attentive during the Super Bowl. Twenty-five percent of the Super Bowl viewers watch the game simply for the commercials. Furthermore, the amount of time that viewers actually keep their eyes on the screen during commercials is higher during the Super Bowl, compared to commercials during regular programming: 49 percent vs. 33 percent.19

Not all companies should consider advertising on the Super Bowl. The audience may be large, but it is quite heterogeneous. Brands that appeal to mass audiences, as opposed to a niche market, are more likely to gain the most from the Super Bowl exposure.

Another sports extravaganza is the Olympics. Like the Super Bowl, the games draw a large worldwide audience. In fact, the largest worldwide television audience in history was captured by the opening ceremony of the 1996 summer games: obtaining an estimated 3 billion viewers worldwide. Due to the audience size, networks and sponsors are drawn to the event. NBC paid a record $3.5 billion to broadcast the games from 2002 to 2010. While the Olympics do not consistently draw ratings equal to the Super Bowl, the event is spread over a two-week period. Advertisers are therefore able to expose viewers (to their ad messages) several times. Additionally, in the case of the Summer Olympics, the games are usually shown in the summer hiatus when most television programming is in reruns. Viewers that are looking for new programming or less mainstream sports, such as gymnastics, are enticed by the Olympic games.

**Conclusions**

Sports continues to be an exciting area to market products. As we discussed in the previous pages, sports marketing commands a huge audience. While many of the traditional marketing principles apply, sports offers a unique context due to the intense loyalty. Sports fans strongly identify with teams, leading to many positive outcomes such as increased spending and viewing habits. Marketers are wise to use this venue as a tool to market products.
ISSUES FOR DISCUSSION AND REVIEW

1. NASCAR drivers and their cars are covered with sponsor’s logos. How can a single brand break through this clutter?

2. Think of a number of examples of how sports fans show their affiliation with a team while at the same time building distinction.

3. How can we encourage more people to adopt an active physical lifestyle?

4. Fit appears to be an important factor in selecting an endorser. Pick two radical and two conservative athletes and then defend why each would be a good choice to endorse a product of your choosing.

5. Understanding the size and composition of the Super Bowl audience and costs, what brands would gain the most from advertising during the game?

REFERENCES
