

USING SPORTS TO MARKET PRODUCTS





Objectives:

- Be able to understand the impact of sponsorship/endorsements, and the importance of public relations of athletes and organizations.



MARKET AUDIENCE SIZE

Consider the magnitude of sports fans and participants in today's market. Many businesses want to align themselves with sports teams or athletes. Estimated spending by sports advertisers is over \$150 billion per year.



AIR

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DREAMKAST

WEST COAST REMIX



THE POWER OF SPORTS

- More time and money are spent on sports than any other recreational area.
- Strong emotional ties to a sport or team.
- Popularity of woman's sports in new markets.





MARKETING THEORY

- 1ST a company buys the rights to advertise during a game or to use a logo on products.
- Next, networks sell broadcast time to teams and sponsors.
- Cities then buy the rights to host teams, and finally, the customer buys the product.

SPONSORSHIP

- A sponsor is a person, organization, or business that gives money or donates products or services to another in exchange for public recognition.



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- Think of an example of sponsorship



MICHIGAN STATE
F O O T B A L L





REASONS FOR SPONSORSHIP

- To increase sales
- Introduce new products
- Compete
- Identification with and event, organization, person
- Show commitment to the community
- Enter new markets
- Entertain clients, employees, or customers
- Enhance company image

NICHE MARKETING

- Researching a target market to determine the specific products a small group of people will buy.
- Examples: Auto racing (individuality of drivers & their sponsors), X games







PROMOTIONAL MIX

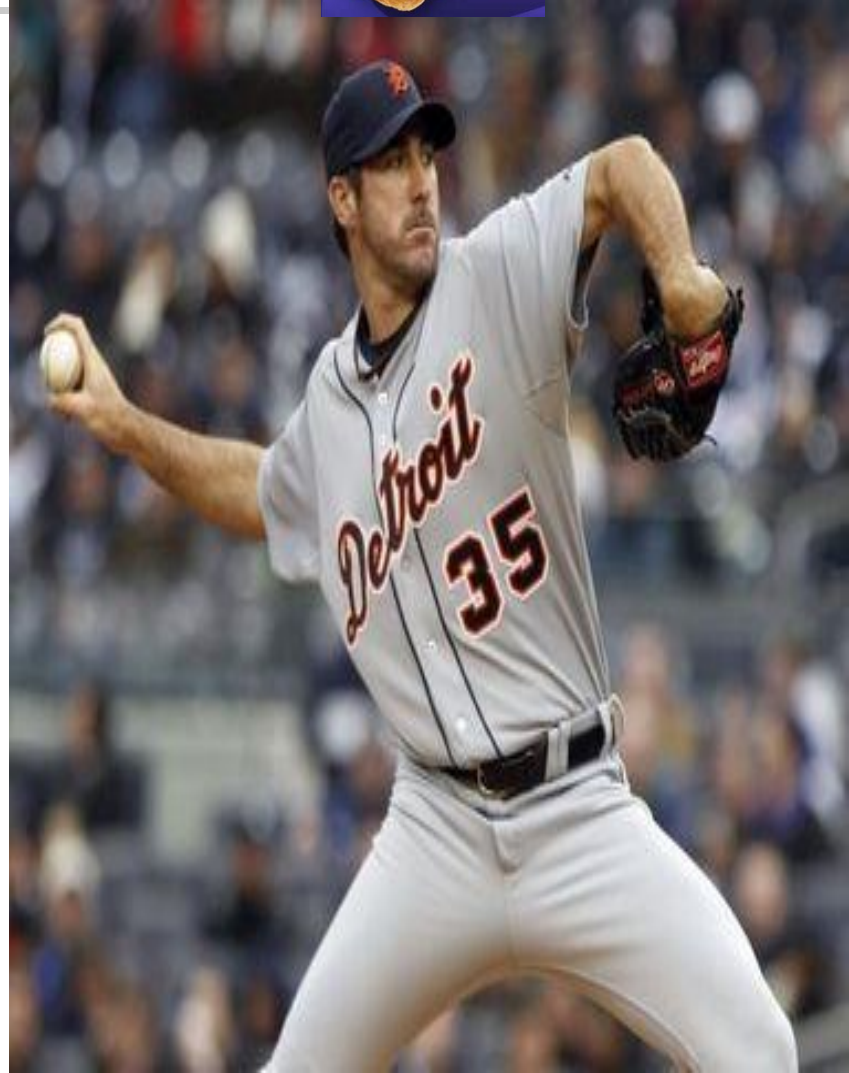
- Advertising/Direct Marketing
- Sales promotion
- Publicity
- Personal selling

ENDORSEMENTS



Got Taco
Bell on my
mind

- A person's public expression of approval or supports for a product.
- On a popular talk show Verlander stated that he eats Taco Bell before every start.





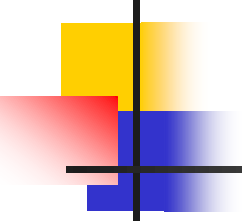
LEGAL RESTRICTIONS OF ENDORSEMENTS

- Must reflect the honest opinions and beliefs of the endorser.
- Endorser must have real experience.
- Must avoid deceptive or misleading statements.
- Must not distort the endorser's opinion.
- Endorser must use or believe in the product for as long as they are used in the advertisement.
- If the product changes, endorser must continue to use or believe in the product.



WHAT BUSINESSES LOOK FOR IN AN ENDORSER

- Someone with a positive, charismatic, trustworthy image
- A celebrity most consumers know
- A celebrity whose career is in process
- Someone who presents few risks
- Someone who has a believable relationship with the product

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- Think of an individual who endorses products. What products do they endorse?

PUBLIC IMAGES

- PUBLIC RELATIONS
- FANS
- PUBLISHING AND SPEAKING ENGAGEMENTS





THE P.R. ACTION PLAN

- Which forms of media are most appropriate for promoting the event or tournament. Ex. TV, radio, internet, magazines, newspapers.
- What will be used to create a favorable image for the player, team, or event. Ex. Charity, special needs children.
- How will the P.R. firm promote the event & cause. Ex. Ad campaigns to increase sales

ATHLETES & PUBLIC GOODWILL



- Goodwill is a general willingness to work with or assist a person or organization based on a positive reputation or relationship.
- It is important that athletes & organizations maintain a positive public image for the success of the sport.

FANS

- Fans are critical to the image of an athlete. Fans give athletes loyalty, positive media attention, and a following that results in ticket sales and merchandise items.





LICENSING & MERCHANDISING

- Sports merchandise is in demand by so many fans that it has created a multibillion dollar industry in licensing to third-party companies that produce, distribute, and sell merchandise. Ex. In 1997 the NBA had 109 licenses resulting in 3 billion in sales worldwide.



PUBLIC RELATIONS

- Public relations is the part of marketing that focuses on creating a favorable public image for an individual or organization.



MARKETING RESEARCH

- Marketing research is a problem-solving tool that helps focus decision making.



7-STEP PROCESS

- 1. Discover and define the problem
- 2. Analyze current conditions
- 3. Develop the process for data collection
- 4. Collect the data
- 5. Analyze and report the data
- 6. Determine a solution
- 7. Implement and evaluate results

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- List the components of the Promotional Mix