Introduction to sport marketing

THIRD EDITION

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Now in a fully revised and updated third edition, Introduction to Sport Marketing is a clear, straightforward, and concise introduction to the theory and practice of sport marketing, and the only sport marketing textbook you will ever need.

Built around a step-by-step framework for developing effective sport marketing plans, and full of real-world, international cases, data, and examples, the text helps students to develop the essential skills and subject knowledge required to thrive in today’s fast-paced sport industry. It covers sport marketing at all levels, from grassroots and community sport to international mega-events, and across all sectors from professional sport to public and not-for-profit organisations. Leading the reader through the marketing process, from analysis and setting a strategy to planning the marketing mix, implementation, and evaluation, the text introduces the products, services, distribution channels, and stakeholders that generate value, including brands, merchandise and licensed products, players and athletes, leagues and franchises, and events. This new edition includes expanded coverage of cutting-edge topics, including social media, digital sport marketing, esports, the social impact of sport, ‘sportwashing’ and soft power, innovation and fast prototyping, consumer psychology, and diversity and equity. It includes useful features throughout, from review questions to guides to further resources.

This is an essential textbook for any sport marketing course taken as a part of a degree programme in sport management, sport marketing, sport business, sport development, or business, management, and marketing.

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Many millions of people around the globe are employed in sport organisations in areas as diverse as event management, broadcasting, venue management, marketing, professional sport, community and collegiate sport, and coaching as well as in allied industries such as sporting equipment manufacturing, sporting footwear and apparel, and retail.

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CHAPTER 1

Sport marketing introduction

LEARNING OUTCOMES

At the end of this chapter, readers should be able to:

- appreciate the context in which sport marketing occurs, including the growth of the sport industry.
- consider the evolution of sport’s commercialisation and how it underpins the need for a specialised form of sport marketing.
- conceptualise the stakeholders in the sport industry and the structure of the industry.
- explain what the terms ‘marketing’ and ‘sport marketing’ mean.
- reflect on the history of sport marketing and its emergence as a specialised approach to marketing.
- describe how sport marketing can be represented by a philosophy, a process, a set of principles, and a suite of tools.
- understand the relationship between the philosophy, processes, principles, and tools of sport marketing.
- identify the two different ‘angles’ of sport marketing.
- consider how sport marketing has unique aspects that demand specialised responses.
- explain the difference between selling and marketing.
- identify the components of the Sport Marketing Framework.

OVERVIEW

A sound knowledge of sport marketing enables sport professionals to successfully position their sport, association, league, team, players, venue, or event so that it can secure a competitive edge. This text offers a comprehensive exploration of sport marketing, delving into its fundamental concepts and strategies for effectively promoting various aspects of the sports industry. The chapters sequentially introduce the concept of sport marketing, discuss the structure of sport markets, analyse consumer motivations and communication.
strategies, detail the identification and exploitation of marketing opportunities through a Sport Marketing Framework, elucidate the development of strategic marketing direction and positioning, examine product strategies and branding, explore pricing processes, delve into distribution channels and ticket distribution, explain the role and tools of promotion, describe sponsorship's significance in sport marketing, highlight principles of delivering quality sport services and establishing customer relationships, address digital marketing and social media’s impact, and conclude with guidance on implementing and controlling sport marketing strategies. This comprehensive coverage equips readers with a holistic understanding of sport marketing’s intricacies, making it an indispensable resource for navigating the dynamic landscape of sport marketing. Throughout the text, case studies from a diverse variety of sports and geographies help to reveal how sport marketing works in practice. Readers will find a case study summary in Appendix 1.

This chapter begins by discussing the context in which sport marketing occurs – the ‘sport business marketplace’ – leading to a brief introduction to the structure and stakeholders that comprise the sport industry. It next considers the growth of the sport industry, which stimulated the need for specific approaches to the marketing of sport, predominantly driven by commercialisation. In consequence of this growth, this chapter explains how sport marketing has emerged as a significant specialisation within marketing that responds to some unique properties and characteristics inherent in sport products and services. With the background to sport marketing laid out, this chapter elaborates on the concept of sport marketing, before explaining how its principles and tools can be applied to the marketing of sport organisations both professional and amateur. That is, sport leagues, governing bodies, players/athletes, sporting equipment and merchandise suppliers, and anyone running sport events. It also makes the distinction between two types of sport marketing. The first type involves the marketing of sport itself, while the second involves the use of sport to market some other, sometimes non-sport, products. It also introduces the basic marketing concepts and outlines the ‘Sport Marketing Framework’ that will be used to guide the structure and content of the remaining chapters.

THE SPORT BUSINESS CONTEXT

While neither this text nor this chapter aims to provide a detailed history of sport or its transformation into a business demanding professional and specialised sport marketers, it is instructive to briefly summarise some of the major developments that have shaped the industry’s marketing needs. A better understanding of the context in which sport marketing has emerged can yield insight concerning what makes sport marketing a task requiring dedicated texts like this one. Let us begin by introducing some historical developments noteworthy in the emergence of sport as a business and industry.

Much of sport’s modern impetus can be traced back as far as the early history of civilisation when sport provided training for the martial skills needed in war, now packaged as entertainment and competition. No account of sport can begin without acknowledging the Ancient Greeks who conducted the Olympic Games, first in 776 BCE, and which regularly attracted spectators from across the Greek empire. At this time, there was no organised business structure as such, with events organised by local authorities, but mostly
undertaken spontaneously and with leisure or skills training as goals for local communities or by individuals. Yet, sport was taken seriously, and for some, involved regular training, prize money, gambling, and spectators.

Skipping ahead to the late 19th century, the emergence of sport as a business and the early signs of professionalism marked an inflection point. In sports such as baseball, cricket, rugby, football (soccer), and boxing, players began to receive payments for their performances, chiefly because sports leagues had started to organise competitions into standardised structures. For example, in the United States, the formation of the National League of Professional Baseball Clubs in 1876, and the establishment of the first professional (American) football league in 1920, laid some foundations for modern sports business in North America. Meanwhile, in England, the FA (Football Association) Cup had been operating since 1871–1872. These leagues proved to be a formula worth duplicating for a mass of new leagues in over 200 sports to follow over the next century.

Until the early 20th century, most people could only experience competitive sport by being a spectator at an event. However, the first versions of mass media stimulated a prodigious transformation in the way sport could be viewed, and set up what was to become one the foundational features of the sport business landscape. Television broadcasts of major sporting events, such as the Olympic Games and the World Cup (of Football – soccer), transported sport to a global audience, and in so doing also delivered a lucrative new revenue stream for sport broadcasters and organisations through advertising and sponsorship. The first live television broadcast of a sport event was the 1936 Berlin Olympics, transmitted to 41 countries.

On the back of mass media coverage of sport, corporate sponsorship emerged as a major component of sport business in the 1960s and 1970s. Companies were starting to recognise the value of sponsoring sport events, leagues, teams, and athletes in reaching a large audience and to promote their brands through favourable associations. The first major corporate sponsorship deal was signed in 1960 between Coca-Cola and the International Olympic Committee (IOC).

With sponsorship arrived money from larger, ambitious companies, which were increasingly concerned with expanding their markets beyond local and national geographical borders. Their efforts propelled the globalisation of sport in the late 20th and early 21st centuries, especially as broadcasting and television access had spread almost everywhere in the world. Correspondingly, international competitions like the World Cup, the Summer and Winter Olympic Games, the Tour de France, the Cricket World Cup, the (American football) Super Bowl, the World Series (of baseball), the Wimbledon (tennis open), Formula 1 (motor racing), and heavyweight boxing underwent spectacular growth. With the growth came even more money, commercial opportunities, and the need for marketing to promote the events to a wide range of diverse geographic markets. At the same time, the expansion of sport franchises into new markets, such as the establishment of Major League Baseball (MLB) in Japan and the National Basketball Association in China, created new revenue streams for sport in places that a few decades earlier had never been contemplated.

With the 21st century well underway, digital technology and the exponential expansion of the internet brought another turning point in sport’s business scale. With it arrived the centrality of social media and streaming services along with new ways for content providers,
packagers, broadcasters, technology platforms, and sport organisations to invent innovative sport-related products and services, reach audiences anywhere and anytime, and, of course, create revenue streams. It also heralded questions about what can be included as sport since an inclusive view of the sporting industry might be seen to encompass any product or service in any way related or reliant on sport or physical competition. Perhaps even more important is the question of who watches all the different varieties of sport and why?

**CASE 1.1**

**World Wrestling Entertainment (WWE)**

WWE has accumulated an immense, global fan base, with millions of people watching – through network television, pay-per-view, streaming replay services, and social media – their favourite (and most despised) wrestlers compete in scripted matches. But why do so many people become WWE fans? Why do they love wrestling even though it is known to be orchestrated theatre? What draws them to this unique form of so-called sport entertainment.

Although we might guess that most WWE fans are (pre)adolescent boys, in fact the age range of most fans falls between 18 and 49. According to a recent report released by the WWE, the fan base is relatively diverse in terms of ethnicity, race, gender, and socioeconomic status. They also reside in different geographic locations, with fans from more than 100 countries tuning in to watch various kinds of WWE programming. The report further revealed that WWE fans are 70% men and 30% women, with 54% under the age of 35. In terms of education, 62% of WWE fans have completed some kind of post high school qualification, while 25% have a college/university degree. Finally, fans have an average annual household income of US$75,000 or less.

Common demographic characteristics of fans can be helpful in signposting why they follow certain forms of sport viewing or participation. However, sport marketers try to dig deeper when seeking to understand the fan motivations that lurk below the surface of stereotypes or assumptions. They use the term ‘psychographics’ to capture these deeper motivations, which might comprise fans’ interests, activities, opinions, attitudes, and goals, but can be summarised as their driving motivation. Not all fans share the same psychographic motivations. For example, some WWE fans report that they enjoy the storytelling aspect of wrestling, while others appreciate the athleticism and physical feats that the wrestlers perform, including for others still, a bit of ‘harmless’ violence. Then, for some fans, wrestling is an escape from reality, and they enjoy immersing themselves in the alternative world of WWE where they can for a brief period live vicariously through the experiences of their favourite wrestlers. Further psychographic categories might suggest that some fans enjoy the community aspect of being a wrestling fan, attending live events, and...
connecting with other fans online. In short, there are numerous different reasons why fans love WWE, including the athleticism and skill required to perform, the storylines and drama that unfold, the escape from everyday life, and the opportunity for social bonding.

Non-WWE fans might find it hard to understand the motivations described previously and may suggest that WWE wrestling is ‘fake’. While it is true that the matches are orchestrated, WWE fans counter-claim that the physical feats the wrestlers perform are real and that the injuries they sustain are also genuine, even if they were not caused intentionally. Curiously, most WWE fans recognise that the matches are predetermined, and that the drama is for spectacle, but accept this as part of the entertainment value of wrestling. In fact, fans might argue that the choreographed nature of wrestling also allows for complex storylines and character development that fans can follow and invest in. Fans enjoy watching their favourite wrestlers evolve and grow, and they become emotionally invested in the storylines that unfold on screen. In this respect, WWE has reinvented theatre through the collision of hyperbolic, larger than life heroes and villains, dramatic contests, breath-taking athleticism, and radical plots, all packaged into a stunning pageant of broadcasting commercialisation.

QUESTIONS

1. Start by reviewing the WWE website (www.wwe.com). Does it provide some insight into the motivations of WWE viewers and fans? Explain why.
2. There are nearly 30 million followers on the WWE Instagram page (www.instagram.com/wwe). Examine the content posted and discuss what common attributes and features it focuses on.
3. Choose a demographic segment (e.g., boys between 10 and 14 or women over 50) and describe what you think might be the primary motivations for being WWE fans.

THE COMMERCIALISATION OF SPORT AS A BUSINESS

Distinct from many traditional businesses, sport business is often deeply intertwined with the culture and identity of its fans and supporters. As a result, sport creates a unique emotional attachment and loyalty that can drive significant revenue and growth for sport organisations and the diverse mass of other enterprises which seek to offer products and services associated with, or around, sport. The loyalty and passion of sports fans also cultivate a sense of community, which lay at the heart of the remarkable engagement, brand loyalty, and even social change that sport organisations and its players and athletes can command. At the same time, sport business faces some challenges that are not conventionally found in other forms of business. For example, sport events often have a finite lifespan,
which means that sport organisations need to continually create new events, products, and services to maintain fan attention and, in a business context, ensure consistent and ongoing revenue streams. Another challenge is that sport organisations frequently must manage the complex relationships with stakeholders, such as athletes, fans, media, and sponsors, and balance their sometimes contradictory expectations and demands. Yet, sport business can also be seen as a form of entertainment. Many people view sport as a leisure activity, and sport events are often marketed as entertainment experiences, designed to create a spectacle, with music, lights, and special effects, and an almost theatrical promotion of players’ anticipated performances.

The metamorphosis into ‘sport-as-business’ begins with sport as a recreational and cultural practice where sport organisations are rudimentary, their revenue streams are modest, sport is played mainly for fun, and activities are organised and managed by volunteer officials or schoolteachers. This model is sometimes described as a kitchen-table approach to sport’s management and marketing since the game is administered by few officials making key decisions from a member’s home. It has some strengths since it not only ensures the involvement of grassroots players, members, or students, and provides a strong local community club focus but it also nurtures a strong set of values that centre on playing the game for its own sake and the associated ideal of amateurism. At the same time, it perpetuates a primitive system of management driven by an administrative committee – or in the case of some parts of the world like North America – school or college officials.

The second phase of commercialisation is characterised by a nascent professional model, where more revenue streams are exploited, and both staff and players are paid for their services. Whereas the kitchen-table model depends upon member subscriptions, player registration fees, school support, and social activities for their financial viability, the commercialised sport model uses sport’s commercial value to attract corporate and other sponsors. In this phase, sports that have the capacity to draw large crowds also seek to increase an awareness in their ‘products’, secure a special and exclusive sales channel, or obtain access to a market segment that will be receptive to their product. Sport is still a recreational and cultural practice, where the sport’s overall development is the primary goal, but there is also an emerging or secondary strategy that focuses on elite development and the building of pathways by which players can move to a more elite level in college or in a professionalised league or competition.

The third phase is bureaucratisation, where the structures of sport organisations become more complex, administrative controls are established, and functional specialisation increases. This phase is heavily dependent upon the preceding phase since an effective bureaucracy requires additional resources. In this phase, club, league, association, or school structures are transformed to include a board of directors or independent governance specialists, whose prime responsibility is to set the strategic direction and ensure compliance with regulation. The transfer of governance authority establishes an organisational divide between the steerers (the board) and the rowers (the chief executive officer and operational staff), who are expected to implement the board’s plans and policies. In addition, a business-like set of functions and processes are created, which are built around administrative support, marketing, finance, game development, coaching and player development, and human resources. In this phase, less management space is given to the sport-as-recreation-and-cultural-practice model, and more to the sport-as-business model.
The fourth and final phase is corporatisation, where sport fully embraces the business model by valuing brand management as much as it does player and fan relations. Revenue streams are increasingly dominated by sponsorships and broadcast rights fees, merchandise sales are deepened, and managers adopt a more professional outlook where the need to secure a competitive edge overrides the desire to hold on to old traditions. This is the phase in which players become full-time employees, player associations are established to protect their interests, and the sport’s governing bodies take on the role of employers. A formal industrial relations system is created that leads to detailed contractual arrangements, collective bargaining agreements, and codes of conduct. The marketing process also becomes increasingly sophisticated as the sport enterprise becomes a brand, members and fans become customers, sponsors become corporate partners, and the brand name and image are used to strengthen its corporate partnership arrangements and build up a merchandising arm. This phase also features a hearty move towards managerialism, whereby sport becomes more accountable to its stakeholders for its performance and use of resources. One area managerialism is particularly evident may be seen in sport’s relationship with government, where government funding becomes increasingly contingent upon sport meeting certain specific and agreed upon outcomes.

Managerialism also leads to greater transparency through an emphasis in performance measurement. It is no longer appropriate to only measure player performance but also internal processes and efficiency, financial performance, market performance, employer, and, in particular, player behaviour, social responsibility, and, of course, marketing outcomes. Finally, sport becomes more regulated, with some being defined by government-framed parameters and legislation and others being internal to sports, leagues, or the competitive structures in which college teams participate. The more government-bound controls involve venue safety, anti-discrimination programmes, and crowd control policies, for example. Internal regulation is highly visible within professional sport leagues and competitions, where player recruitment is governed by drafting rules, player behaviour is constrained by a combination of collective agreements and codes of conduct, salaries are often set within a total wage ceiling, revenues are redistributed from the wealthiest to the neediest clubs and associations, and games are scheduled to ensure the lowest cost and greatest revenue. While corporate regulation can be problematic because of its heavy emphasis on bureaucratic control and detailed performance measurement, it also creates a common discipline, which can improve the overall viability of a sport competition by creating a guiding purpose, setting a clear strategic direction, and harnessing the marketing and branding power of the collective.

Sport’s corporatisation demands an emphasis on leadership and strategy, revenue growth and value creation, building and sharing profits, product quality and innovation, building brand equity, converting fans and customers into core business pillars, and, finally, establishing a global market. While the cultural dimensions of sport, which focus on its capacity to provide meaning, identity, and sociability, are still relevant, an increasing amount of resources are allocated to sport’s commercial imperatives, which in the corporate phase is essentially about entertainment, attracting fans, selling merchandise, securing sponsors, getting the best broadcast rights deal, establishing new revenue sources, and generally building the brand. In other words, cultural and community values are subordinated to business and commercial values, where it unambiguously pursues consumer capitalism.
A pre-condition for the transition from the kitchen-table model to the sport-as-business model is a productive economy where most people are educated to higher level secondary school, a majority of the workforce is employed in the service sector, and a minority in agriculture. As a result, society becomes highly urbanised, new technology increases productivity, leisure time expands, and the desire to engage in sports and games, as either players or spectators, becomes increasingly strong. These conditions not only produce high disposable incomes that can be spent on sport activities but also provide the capital base for the building of sport infrastructure, the development of educational pathways including elite sport, the establishment of professional sport leagues, and the staging of mega-sport events.

From the early days of competition and entertainment to the rise of professionalism, the expansion of media, the growth of corporate sponsorship, globalisation, and digital technology, sport has developed into a substantial global enterprise driven by an equally extensive marketing demand. In fact, sport has become an immense and complex ecosystem of stakeholders, all with customised marketing needs.

THE SPORT INDUSTRY

The global sport industry is a vast network of stakeholders such as athletes, teams, leagues, media outlets, sponsors, and fans. Sport marketing plays a critical role in this industry, as it seeks to build brand values and generate revenue for these stakeholders. By way of brief introduction, some major stakeholders in the structure of the global sport industry are highlighted next, along with their relevance to sport marketing.

First, athletes, clubs, and teams are the heart of the sport industry, as they provide the value that drives fan engagement and therefore revenue. Sport marketing strategies for athletes and teams focus on building a strong brand identity and maximising exposure through sponsorships, endorsements, and media coverage. This can involve developing a personal brand for individual athletes, creating a unique team culture, and leveraging social media and other digital platforms to engage with fans. High-profile examples include the Manchester United Football Club in the English Premier League, the New York Yankees in MLB, and the Los Angeles Lakers in the National Basketball Association.

Second, fans and consumers provide the demand for sport content and drive revenue through ticket sales, merchandise, and other consumer products. Sport marketing strategies for fans and consumers focus on enhancing the fan experience and building long-term loyalty by creating unique fan experiences, developing loyalty programmes, and leveraging technology like social media platforms and ‘apps’ to improve the fan experience both in-stadium and online.

Third, leagues and governing bodies play a central role in regulating and promoting sport’s competitive environment. Sport marketing strategies for leagues and governing bodies focus on enhancing the fan experience and generating revenue streams such as broadcasting rights, ticket sales, and merchandising. Increasingly, leagues and governing bodies dedicate resources to creating new and innovative formats or rules, expanding into new markets, and developing strategic partnerships with sponsors,
media outlets, technology providers, and venues. Examples include the National Football League (NFL) in the United States, the IOC, and the Union of European Football Associations (UEFA).

Fourth, sport broadcasting and media outlets such as television networks, streaming services, and social media platforms are key players in the sport industry, as they provide the channels for fans to watch and engage with sport content. Sport marketing strategies for media outlets focus on distributing content, increasing fan engagement, and monetising content through extra features, advertising, and subscriptions. This can involve creating unique and engaging content, leveraging data and analytics to improve the targeting of new fan groups, personalising the product offering to them, and developing strategic partnerships with leagues, teams, and sponsors. Examples include ESPN in the United States, Sky Sports in the United Kingdom, and beIN Sports in the Middle East.

Fifth, sponsors and advertisers deliver critical revenue sources for the sport industry, as they provide financial support in exchange for exposure and an association with the sport and its athletes. Sport marketing strategies for sponsors and advertisers focus on creating brand exposure through partnerships with athletes, teams, and leagues. It can also involve data and analytics to target specific demographics, creating engaging events, and developing long-term relationships with key stakeholders whereby sponsoring companies become firmly associated with the sponsored sport property. Examples include Coca-Cola’s sponsorship of the Olympics, Nike’s endorsement deals with top athletes such as footballer Cristiano Ronaldo and UK track star Dina Asher-Smith, and Red Bull’s support of extreme sports events or the Formula 1 Motor Racing Team.

Sixth, sport facilities and infrastructure provide the venues instrumental for sport events to take place. Examples include Wembley Stadium in London, the Staples Center in Los Angeles, and the Birds Nest in Beijing.

Seventh, sport equipment and apparel companies manufacture the tools, materials, and gear used by athletes to play, as well as the means for fans to show support of their favourite teams and athletes. Examples include adidas, Wilson, Umbro, and Under Armour.

Eighth, major events give fans motivation to travel to different locations to attend major sporting events and participate in sport-related activities. They also provide content for broadcasters and media. Examples include Wimbledon, the Rugby League World Cup, and the Super Bowl.

The sport industry comprises a dynamic and constantly evolving network of participants, which means that the previous list is far from exhaustive depending on where the boundaries of the sport industry are drawn. In addition to these eight major categories of sport industry stakeholders, there is a steady series of new entrants into the sport marketplace who seek to take advantage of various niches, new technologies, and demographic or social shifts. Examples include the astonishing rise of esports, leisure and recreational ‘apps’ designed to support or add value to athletic experiences including wearable devices, dedicated social media platforms, sport tourism operators, sport documentary makers, and sport marketing and branding specialist companies. New products and services emerge almost daily, some of which operate at the periphery of sport like cryptocurrencies and non-fungible tokens. Others offer entirely new sport experiences.
The Drone Racing League (DRL) is a professional drone racing league that was founded in 2015 and provides an illustrative case of an entirely new sport and its premier competition, which has successfully transformed a hobby into an entertainment arena. The league has quickly become a popular spectator sport, attracting viewers – mainly online – but also in-venue. One interesting aspect to the DRL’s success is the role of what sport marketers call a ‘brand strategy’, which has helped to establish the league as a leader in the world of drone racing by focusing on specific features of their product and experience that are distinctive and resonant with fans and sponsors. Like many brand-new sports and competitions, the DRL’s brand strategy is centred around innovation and technology. As a result, the league’s marketing materials and events showcase the cutting-edge technology that goes into drone racing, highlighting the speed, agility, and precision of the drones. To emphasise these features, the league also uses bold colours and futuristic designs to give spectators the sense of a dynamic and exciting entertainment experience.

In terms of its actual entertainment product, the DRL produces intense and action-packed events designed to underscore the excitement and drama of drone racing. To further accentuate the product attributes, the events are held in unique locations, such as abandoned buildings, sports arenas, and even in the middle of forests, which means that they incorporate innovative course designs, with twists, turns, and obstacles that challenge the pilots, demonstrate the speed and agility of the drones, and encourage spectacular incidents.

Since the mainstay of DRL’s audience are younger males conversant with smart, mobile technology, the league focuses its marketing through a strong social media presence, with intense activity on platforms like X (formerly Twitter), Facebook, Instagram, and YouTube. For example, it shares updates on upcoming races and events, as well as behind-the-scenes content, drone technology, and drone racing tips. Partnerships with major brands such as Allianz, Swatch, and BMW have also helped promote the league to new audience segments, including middle-aged men and younger women.

With access to a dedicated audience, the DRL has been well placed to grow further by injecting more resources into the competition through the revenue growth delivered by sponsorship deals. They have secured several high-profile sponsorships to help fund its operations and promote the league. In addition to the partnerships mentioned earlier, the DRL has also signed up with companies such as FORTO Coffee Shots, the US Air Force, and the US Army. These partnerships not only bring in revenue but also help to position the DRL as a leader in the new sport.

The DRL case reveals the arrival of a new sport and league that has raced to become a legitimate and growing presence in the world of competitive sport. It
has attracted a large and passionate fan base possessing significant expertise in the technology behind the sport, with viewers tuning in from around the world to watch races live and through streaming options. To underpin its drive towards a greater footprint, the league has also secured significant sponsorship deals and is enjoying some attention in major media outlets like ESPN, Forbes, and The New York Times.

QUESTIONS
1. Go to the DRL website (www.thedroneracingleague.com). What is your impression of the sport and competition based on the experience of navigating the site?
2. Visit the DRL drone racing simulator arcade (https://www.drl.io) and visit the app store, download it, and play! Based on the experience, describe the attributes of drone racing as a sport and explain why it might be so appealing to its participants and audience.
3. What current sports or leagues is the DRL comparable to? What advantages or disadvantages does the DRL possess in relation to these?
4. In terms of viewing experience, what does the DRL have that is unique and distinguishes it from other, mainstream leagues or events?

WHAT IS MARKETING?

Marketing as a business concept is quite young. There were a few references to the marketing of household products in the late 19th century, but it did not really emerge as a serious business issue until the early part of the 20th century. It all started with the initiatives of Frederick Winslow Taylor, who later became known as the father of scientific management as the result of his now famous publication Principles of Scientific Management in 1911. Taylor was the first industrialist to examine the production of material goods from a scientific perspective using tools such as time and motion studies. One of Taylor’s most cited studies involved the shovelling of coal, where he determined the most efficient way of undertaking physical labour and manual tasks. His maxim that the principal object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee, provided a catalyst for other business theorists and practitioners to move further down the production and distribution chain, and see how salesmanship and retailing could also become better organised and more efficient. W. Hoyt, in his 1913 publication, Scientific Sales Management, explained how sales management could be made more productive, and most of the ideas he outlined revolved around the ‘Taylorist’ principle of standardisation. This involved breaking down sales jobs into their component parts and discovering ‘new tools’ to secure more customers and consequently increase sales volume. Sales management techniques could, for example,
be made more effective if sales territories and travel routes were rationalised, and the
salesperson’s ‘sales talk’ could be placed within a standardised framework. Advertising was
also made subject to standardisation.

The major philosophical shift in the idea of selling came when industrial societies
became more affluent, more competitive, and more geographically spread out during the
1940s and 1950s. This forced business to develop closer relations with buyers and clients,
which in turn made business realise that it was not enough to produce a quality product at a
reasonable price. In fact, it was equally essential to deliver products that customers wanted.
Henry Ford may have gotten away with producing his best-selling T-model Ford in one
colour only (black) in 1908, but in modern societies this was no longer possible. The modernisation of society led to a marketing revolution that destroyed the view that production,
and the accompanying salesmanship, would create its own demand. Customers, and the
desire to meet their diverse and often complex needs, became the focal point of business.

Today the term ‘marketing’ has universal currency, although it still tends to be used in a
variety of ways. Some think of marketing as the use of advertising, publicity, and personal
selling techniques to make others aware of a product or to attract more consumers to buy
it. That is, it’s all about making a sale. However, marketing is now far more comprehensive
than this narrow and mechanistic interpretation. Put simply, and in the most general of
ways, marketing is all about satisfying the needs of customers and consumers. In the case
of sport marketing, it is about meeting the needs of sport customers and sport consumers.
These customers and consumers include people who play sport, but it goes much further
than this. It also includes people who watch or listen to sport programmes, buy merchandise, collect memorabilia, purchase sports goods such as clothing and shoes, and additionally ‘surf’ sport-related websites to find out the latest gossip surrounding their favourite
team, player, or event.

Readers may have already noted that the terms ‘consumer’ and ‘customer’ have been
used to describe those people who buy sports products. A sport consumer is someone who
generally uses sport products or services. A sport customer is someone who pays for the
use of a specific product or service. In the light of the very slight difference in meaning, it
is legitimate to use the terms interchangeably to refer to those people who use and pay for
sport products and services.

*Chapter principle 1.1*: Marketing is more than promotion, advertising, personal selling,
or sales gimmicks.

Satisfying the needs of consumers obviously involves more than just putting together a
slick advertisement or offering a temporary discount. For example, marketing involves
making decisions about what different groups of consumers may need or want: the most
effective way of selling a product or service, the best way of making the product or service
available, the idea behind a product or service, the unique features of a product or service,
and, ultimately, its price. Marketing demands a process where a range of issues are consid-
ered in order to maximise the likelihood that a customer will first of all be attracted to the
product; will, second, make the decision to buy it; and, third, be satisfied by the product
or service once it has been consumed and used. These processes can then be combined in
order to construct a workable definition of marketing.
The marketing process

Marketing is generally described as the process of planning and implementing activities that are designed to meet the needs or desires of customers. Marketing pays attention to the development of a product, its pricing, promotion, and distribution. It aims to create an exchange, where the customer gives up something (usually money), for a product or service they believe is of equal or greater value. Although the term ‘product’ directly refers to tangible items, it is quite common to use it to represent the entire offering to consumers including services. Thus, it is conventional to speak of the ‘sport product’ in a global sense as a representative term for all offerings associated with sport, whether in physical form, such as sport equipment, or as a service, such as entertainment. Marketing aims to not only entice people to try products or services but also keep them as long-term customers.

Chapter principle 1.2: Marketing aims to create an exchange where the customer gives up something for a product or service.

What is sport marketing?

Sport marketing is a relatively new phenomenon. In the 1940s and 1950s, most sport was not heavily commercialised and was thus seen as an activity people just ‘did’. Sport was taken for granted, and the attitudes young people had about sport were usually shaped by tradition, family values, and peer-group influence. Tennis, for instance, was for the most part a middle-class activity that attracted both males and females. It had no body contact and thus was not a sport most working-class males got excited about. These highly energised young people wanted a bit more rough-and-tumble in their leisure time practices, and hence football was their preferred pursuit. On the other hand, tennis had a strong connection to women who wanted something athletic and moderately vigorous but not heavily masculinised. There was, if you like, a type of natural selection operating, where people gravitated to the sport based on its structure, stereotypical image, and aesthetics. No marketing or heavy sales pitch was needed to motivate people to join tennis clubs. It just happened. The proximity of clubs also played a part in driving demand. Tennis clubs were everywhere in Australia; they had a relatively strong presence in New Zealand but were far more dispersed in Britain and the United States. The game’s social status also had a role to play in shaping demand. In Britain and the United States, it had a slightly snobbish image, and it was played mostly within the confines of private clubs. In Australia, on the other hand, tennis clubs were spread across the nation, and every small country town had its own public tennis courts. It came as no surprise to find that not only was tennis one of Australia’s most popular sports, but also that Australia produced most of the world’s most successful players at this time.

Today things are completely different. National governing bodies for tennis operate in most nations around the world and in every case are fighting for the hearts and minds of every young person with an interest in sport. What is more, they are competing against scores of national governing bodies from a range of other sports. Every national governing body for sport now has a modified games unit, schools support unit, a player development unit, a promotions unit, a marketing unit, a media unit, and a partnership and
sponsorship unit. Each unit is expected to use appropriate marketing strategies to attract more junior players, get more parents involved as volunteers, keep everyone in the game for longer, build up the public image of the game, attract more spectators to the big events, get a lucrative sponsorship deal, and, in a best case scenario, secure a massive broadcast rights agreement. Every sporting body around the world now recognises that its ‘product’ can only grow if it is underpinned by a professionally run marketing campaign. To better understand the nature of sport marketing and the need to cultivate specialist marketing skills and expertise, it is useful to appreciate some of the major inflection points that shaped the emergence of sport marketing.

### CASE 1.3

**Major League Eating**

Nathan’s Hot Dog Eating Contest is the marquee event in Major League Eating (MLE), the governing body for the professional sport of competitive eating. It might come as a surprise that competitive eating is a sport, let alone that it has an elite, professional, and international league. Yet, MLE includes the sport’s global governing body, the International Federation of Competitive Eating, and operates around 70 events annually. The most famous of these events is the Nathan’s Famous Fourth of July Hot Dog Eating Contest held in Coney Island, NY, named for its hot dog manufacturer sponsor, and first held in 1916. Like Nathan’s, and more so than most sports, MLE attracts a large involvement from sponsors unambiguously associated with the event itself, as the contest typically revolves around who can eat the most of the sponsor’s food in the fastest time. According to the MLE, their other sponsors include Hostess, Hooters, Heinz Ketchup, Pizza Hut, Old Navy, Bass Pro Shops, 7-Eleven, ESPN, Taco Bell, Jimmy John’s, Pepto Bismol, Wingstop, Harrah’s Entertainment, Isle of Capri Casinos, and Roy Rogers. In addition, MLE stages contests at events known for food, such as the New Orleans Oyster Festival, the National Buffalo Wing Festival, Norfolk Harbor Fest, and the Wisconsin State Fair.

Even if you have never heard of competitive eating or the MLE, it would be premature to conclude that it is parochial and transient. The sport has expanded immensely over recent years, particularly with the rise of social media and the curiosity factor associated with sharing remarkable eating achievements. Amongst such achievements is the now legendary performance by Joey Chestnut – the world’s number one ranked eater – in setting the world Nathan’s record of 76 hot dogs and buns in 10 minutes in 2021. Accompanying the sport’s more mainstream exposure has been the attention of sport marketers, broadcasters, sponsors, and social media influencers.

To enhance the spectacle for Nathan’s viewers, the contest employs professional commentators to provide play-by-play (dog-by-dog) analysis and uses music, lights,
and statistics to create a lively atmosphere. The organisers also strive to create a sense of community and identity amongst fans. For example, Nathan’s offers merchandise such as T-shirts, hats, and mugs featuring the contest’s logo and other branding. Of course, the company encourages fans to sample their products, as well as share photos and videos of themselves participating in extreme eating challenges for posting on social media. Like many sports and events, Nathan’s recruit celebrity guests to promote the contest, including high-profile athletes and entertainers. Finally, the event’s marketers liaise with their broadcasting partner ESPN to curate documentary-style features about the contest and its participants, increasing the profile and appeal of extreme eating as a sport and lionising the eaters as heroic athletes.

According to MLE’s figures, the Nathan’s contest generates over 300 million consumer impressions on domestic television and hundreds of million more in traditional and digital media. In addition, the ESPN telecast has been viewed by at least 1–1.5 million live viewers for more for 15 consecutive years and is covered by thousands of network television affiliates.

QUESTIONS

1 Do you think competitive eating and the MLE use the same kind of sport marketing strategies that more mainstream sports employ? What would these constitute?

2 Why do you think that competitive eating and MLE have grown so much recently, and do you foresee its viewing audience continuing to grow rapidly? Explain why.

3 Visit the MLE website and the YouTube channel of an MLE social media star like Matt Stonie (www.majorleagueeating.com; https://www.youtube.com/@mattstonie). What is the appeal of the sport and to whom?

The emergence of sport marketing

This section begins with some brief observations about the historical context in which sport marketing developed. This section goes further in pinpointing some pivotal moments and influential people in sport marketing with the aim of providing a more granular context to understand how and why the field emerged.

Sponsorship offers a compelling starting point as it is one of the oldest and most important forms of sport marketing. The first major sponsorship deal was recorded in the 1920s when a chewing gum company paid baseballer Babe Ruth to endorse their product. Of course, sponsorship has since become a major revenue stream for sports teams, leagues, and athletes, especially once propelled by the introduction of television in the 1950s.

Mark McCormack could in some ways be considered a founder of sport sponsorship and marketing. He established the company International Management Group (IMG) in 1960, which became the first sport marketing agency. McCormack signed some of the biggest names in sport at the time, including golfers Arnold Palmer, Jack Nicklaus, and
tennis player Bjorn Borg. While McCormack codified sport marketing, Evel Knievel – a daredevil and motorcycle stunt performer who gained fame in the 1960s and 1970s – was busy inventing new levels of self-athlete promotion and branding. Noted for his high-flying stunts, which often ended in spectacular crashes, Knievel captivated audiences and made himself into a cultural icon. Knievel was a master of self-promotion, taking personal athlete branding to the extreme, often reinforced using extravagant costumes and daring feats. He also sold merchandise such as T-shirts, posters, and toys, the most famous being his own action figure.

Around the same time, in 1964, Bill Bowerman and Phil Knight set up Nike, which went on to become one of the most successful sport brands in history, its success largely attributable to its innovative marketing campaigns featuring sponsored athletes. Nike was one of the first companies to use celebrity endorsements. Most famously, Nike is associated with Michael Jordan, one of the most successful athletes in history, and in-sport marketing. Jordan’s partnership with Nike, which began in 1984 with the release of the first Air Jordan sneakers, revolutionised the sporting apparel industry. It is no exaggeration to say that Jordan’s endorsement deals, which also included Gatorade and Hanes, introduced a new era of athlete branding and product marketing. Nike also pioneered the use of product placement in film and television, such as placing its shoes in the movie Back to the Future.

Television allowed fans to watch live games and events from their own homes. In so doing, it created opportunities for those seeking to market sport because it vastly increased exposure for teams and athletes and the ability to sell advertising time during broadcasts. Roone Arledge might be the most important figure in the history of sport broadcasting, serving as the president of the US television network ABC Sports, where he led the coverage of major events such as the Olympics, Monday Night Football, and the Super Bowl. Arledge introduced instant replay, slow motion, and other innovations that transformed how sports were broadcast on television. Arledge also pioneered the use of graphics, music, and storytelling to make sport broadcasting more entertaining for viewers. Television advertisements during sport have become amongst the most valuable commercial marketing, thanks in good amount to Arledge’s work in making football so attractive to watch.

With greater exposure via broadcasting came the idea of branding. By the 1960s and 1970s, teams and leagues were harnessing the power of developing their brand ‘identities’ – the visible elements representing the sporting entity including colour, design, and logos that collectively distinguish it to fans as unique and instantly recognisable. In turn, the collective of logos, team colours, and slogans have become a foundational platform in sport’s marketing, helping to build a team’s fan base and generate revenue through merchandise sales.

In the 1980s and 1990s, sports apparel and merchandise became a significant revenue stream for sports teams and leagues, driven by the increasing popularity of professional sports, as well as the invention of new fabrics and manufacturing techniques delivering more durable and stylish sports apparel.

Digital marketing arrived on the scene in the 1990s and 2000s accompanying the internet. It now incorporates social media marketing, email marketing, and online advertising and has by far eclipsed traditional print media in its capacity for sports teams and athletes to reach fans, promote events, and generate revenue.
In terms of competitions, MLB in the United States is one of the oldest and most successful sport leagues in the world, and it has been at the forefront of many sport marketing innovations, including its transition to the digital economy. In the 1990s, MLB was one of the first big leagues to launch a heavily branded and commercially oriented website, part of which offered the live streaming of games. The league demonstrated how to build a global fan base, with teams playing games in Japan, Mexico, and the United Kingdom. MLB was quick to embrace social media and digital marketing and used platforms such as X (formerly Twitter) and Instagram to engage with fans and promote the league with an agility that most big leagues sought to emulate. Much more recently, the energy drink manufacturer Red Bull has used sport as a key platform in building a distinctive brand identity by associating extreme sports featuring dramatic events with their energy drink products. It sponsors athletes and hosts events such as the Red Bull Air Race and the Red Bull Flugtag (www.redbull.com/au-en/event-series/red-bull-flugtag) in addition to a high-profile Formula 1 racing team. To augment its brand identity, Red Bull also created a content marketing strategy, producing videos and other digital materials that showcase extreme sports and the Red Bull ‘lifestyle’ where energy and excitement are front and centre. The company’s marketing campaigns are founded on sport sponsorship leveraged through identity-driven digital marketing.

Thanks in part to the democratisation of sport through social media and other digital platforms, women’s sports have experienced a massive surge in popularity, with more coverage, sponsorship, and marketing opportunities than ever before. The success of female athletes such as Serena Williams, Megan Rapinoe, and Simone Biles has helped to shatter gender stereotypes and create new opportunities for women in sport marketing. One of the pioneers pivotal to the marketing of women’s sport, players, and athletes is Billie Jean King, a former professional tennis player. She founded the Women’s Tennis Association and helped to secure equal pay for women at the US Open and Wimbledon. King has also been an advocate for LGBTQ+ rights and social justice issues and paved the way for the most successful female tennis player ever who is also one of the most prominent sponsored athletes of the generation, Serena Williams. Not only has Williams accumulated 23 Grand Slam singles titles and 14 Grand Slam doubles titles but she has also been a trailblazer for women in sport marketing, with endorsements from major brands such as Nike, Gatorade, and JPMorgan Chase. Williams has used her platform to advocate for issues such as equal pay, gender equality, and racial justice.

Although mainly known in the United States, another example is Danica Patrick, the former professional race car driver and one of the most successful female drivers in history. Patrick was the first woman to win a pole position in the NASCAR Cup Series and the first woman to lead the Indianapolis 500. Patrick has been a brand ambassador for several companies, including GoDaddy and Coca-Cola. Given her success, Patrick was able to break down barriers and challenge traditional gender roles in a sport that is predominantly male dominated. This made her a powerful figure in the marketing world, as companies sought to align themselves with her brand and appeal to a wider audience.

Another exemplar in women’s sport shattering the male-dominated conventions has been the FIFA Women’s World Cup, a global football/soccer tournament that has immensely inflated in popularity in recent years, with record-breaking viewership and sponsorship deals. The 2019 Women’s World Cup, held in France, and the subsequent event
in 2023 held in Australia and New Zealand were both broadcast in over 200 countries and substantially raised the profile of women’s sport along with creating new opportunities for female athletes in sport marketing. For example, Mia Hamm, the former professional soccer player and one of the most successful female athletes in history, became a highly valuable ‘brand’ and a trailblazer for the marketing of women in sport. Hamm won two World Cup titles and two Olympic gold medals with the US women’s national team. She has been an ambassador for several brands, including Nike and Gatorade, and has used her visibility and influence to promote women’s sport and especially soccer and encourage young girls to pursue their athletic ambitions.

While innumerable other developments might be considered significant in the development of contemporary sport marketing, the rise of esports has been unprecedented. Esports, or competitive video gaming, has become a rapidly growing industry. Esports events, such as the League of Legends World Championship, attract millions of viewers and generate millions of dollars in revenue. Esports sponsors, such as Red Bull and Intel, have found success by targeting a young, tech-savvy audience through digital marketing and social media. It also presents new opportunities for sport marketers to create innovative and immersive experiences for fans, such as by employing streaming, virtual reality, and augmented reality technologies. Sport marketing is only becoming more complex and specialised as a result.

CASE 1.4

Serena Williams

Serena Williams is one of the greatest athletes of all time, and her impact on sport marketing has been unique in inspiring a generational shift for women athletes. Even as a rising player, and along with her similarly remarkable sister Venus, Serena was recognised as a media and branding superstar. Characterised by a powerful serve, lightning reflexes, and an unrelenting competitive spirit, Serena became one of tennis’ most exciting players. However, it was her off-court persona that launched Serena’s branding bonanza. With a charismatic smile, warm personality, and fierce determination, Serena was an immediate fan favourite, attracting a huge following of loyal supporters as well as a significant cadre of hopeful sponsors.

As Serena’s career went from strength to strength, her influence on sport marketing grew along with it. As a sponsored athlete, she became a spokesperson for an assortment of brands, such Nike, Gatorade, Wilson, and Beats by Dre, all of which reported significant boosts in sales and brand awareness as a result. But the impact on sport marketing and product sales was just the beginning of Serena’s sway. As an African American woman in a predominantly white, male-dominated sport, Serena faced significant challenges. Instead of backing down, however, she stepped up and worked throughout her career as champion of social causes and a powerful
What makes sport marketing special?

Sport marketing is a complex and nuanced sub-discipline within mainstream marketing requiring a specialised approach to sport-related products and services. As an earlier section of this chapter highlighted, the sport industry comprises numerous sectors, and each of them has peculiarities that need to be thoroughly understood. Yet it is possible to identify some common features of sport marketing that tend to distinguish it from mainstream or generic marketing approaches. These features will arise throughout the text as critical elements that affect the choices made within a sport marketing context.

To begin with, most sport products and services have some association with a heightened emotional appeal because sport consumers and fans usually feel a deep connection with their favourite teams or athletes. Sport marketers employ the emotional connection to create strategies and campaigns that best appeal to fans’ passion and loyalty. For example, in football (soccer), teams like FC Barcelona and Liverpool have a global fan base that is emotionally invested in the success of their team irrespective of their location. Sport marketers leverage emotional connections to sell tickets, merchandise, and other related products. This is because sport fans rarely lose their sense of team or club identification.
Sport marketing is often deeply intertwined with the culture and identity of its fans and supporters, creating an emotional connection that can drive significant revenue and growth for sport organisations. As a result, sport marketing practitioners work hard to promote the emotional connection with fans, which can deliver a huge yield in terms of brand loyalty and engagement. As subsequent chapters demonstrate, this can be achieved through a range of tactics including storytelling, social media, community events, and athlete branding that create a sense of belonging and loyalty. In addition, sport marketers aim to create unique experiences for fans. For example, sport events are often marketed as entertainment experiences where the unique aspects of the event, such as the atmosphere, the location, and the personalities involved, are highlighted.

A second common feature of sport is its seasonality, which means that its popularity and demand can vary significantly throughout the year. As a result, sport marketers need to be agile and adapt their strategies to fit the season, as well as ensure that they can provide other products and services to maintain revenues during times where no games are being played. As an example, the NBA season runs from October to April, and sport marketers need to create campaigns that align with the different stages of the season. During the playoffs, for instance, sport marketers may focus on creating hype and excitement for upcoming games, but in the off-season, they might focus more heavily on recruiting new sponsors, re-packaging content for alternative forms of broadcasting, social media engagement, and promoting merchandise.

Another common feature in sport marketing is that its appeal often transgresses geographical boundaries. Sport has both local and international appeal because some sports enjoy popularity only in specific regions, while others have a global audience. As a result, sport marketers must appreciate the nuances of different markets and develop tailored campaigns that resonate with local fans. For example, American football is more popular in the United States, while European football (soccer) has a more global appeal. Moreover, the sport industry and its marketing have grown rapidly in most parts of the world. For example, Asia is currently the fastest-growing region, driven by rapid economic development, technological contact, and an increasing interest in traditionally western sports. Countries such as China, Japan, and South Korea are investing heavily in developing local sports leagues and hosting major international sporting events. The Asian market also presents a significant opportunity for global sport brands seeking to expand their reach, particularly in areas such as esports, soccer, and basketball.

Meanwhile, the Middle East is another region where the sport industry is growing swiftly, particularly in areas such as soccer and motorsports. Countries such as Qatar, Saudi Arabia, and the United Arab Emirates have invested heavily in hosting major international sporting events, such as the FIFA World Cup and Formula 1 Grands Prix, to promote their cities and attract tourism.

A more mature market, North America, continues to grow and evolve through new technologies and innovations, which has had the effect of fragmenting the industry. The rise of esports and virtual sports has presented new opportunities for marketers to engage with younger audiences and expand the reach of traditional sports.

Also mature, Europe remains a major player in the global sport industry, particularly in soccer, rugby union, and cycling. However, the industry is also evolving rapidly in response to changing consumer behaviours and digital technologies and the proliferation of mobile
devices and social media, all allowing sport marketers to engage with fans and create immersive experiences both in-stadium and online.

One further implication from the ongoing global growth of sport and its marketing is that organisations need to carefully manage the complex relationships with different stakeholders such as athletes, fans, media, and sponsors and balance their expectations and demands. Sport marketing needs to ensure that all stakeholders are engaged with targeted messages and campaigns relevant to their interests and expectations. Currently, this imperative requires sport marketers to leverage the power of new digital technologies. As later chapters describe, approaches may include developing innovative marketing campaigns that utilise virtual reality, social media, wearables, smart devices, and other emerging technologies to enhance the fan experience and create a sense of community.

Finally, sponsorship and endorsements are a significant part of sport marketing, and they involve partnering with teams, athletes, and events to promote products or services. For example, Nike is an official sponsor of the NBA and has endorsement deals with some of the league’s top players, including LeBron James and Kevin Durant. Sport marketers need to identify the right partnerships and endorsements that align with their brand and attract the target audience. Increasingly, sport organisations recognise their power as social agents and incorporate social responsibility into their sport marketing campaigns. Common examples include promoting healthy lifestyles, environmental sustainability, diversity and inclusion, women’s sport, and disability sport.

**CASE 1.5**

**Chinese Super League**

The Chinese Super League (CSL) is the preeminent professional football (soccer) league in China. Its expansion has been impressive along with a corresponding escalation in the league’s reputation for producing and recruiting high-quality players. Since its formation in 2004, the CSL’s leaders and marketers have tried to enhance the brand through a succession of branding and product innovations. One prominent transformation occurred in 2016 when the CSL embarked on a rebranding exercise designed to position it as a football league of global standing, part of which meant appealing to football-loving audiences outside China, and especially Europe from where the league’s clubs hoped to secure high-profile players. A new logo was designed to convey a more current, dynamic, and competitive image. The league also extended its name from the CSL to the China Football Association Super League to emphasise its close affiliation with the Chinese Football Association, a decision aimed at driving domestic football participation while signalling to the world the sport’s national standing. To attract more international attention, the CSL signed a multi-year partnership agreement with global sport marketing company, Infront Sports & Media. Their expertise in media rights distribution and sponsorship management was employed to drive the CSL’s exposure and commercial value.
With product innovation in mind, the CSL focused on recruiting high-profile and quality players from some of the world’s standout leagues to play for clubs in the league. They made good use of the Asian Champions League competition format that had commenced in 2009, which allowed Chinese teams to compete against the top teams in other Asian leagues, thereby giving them a lift in exposure.

More recently, the CSL became a player in the transfer market, with clubs spending significant sums of money to sign international stars such as Oscar, Nicolae Stanciu, Carlos Tevez, and Hulk. In addition, the league also implemented a salary cap for foreign players, to ensure that clubs do not overspend on player wages and to encourage local talent development. Currently, the 18 clubs share 81 foreign players of 653 signed, where the total value on the transfer market is estimated at €152 m in 2023. The CSL’s branding and product innovation strategies have been largely successful. Certainly, the standard of football has been increasing significantly while the league’s rebranding exercise has helped to enhance its reputation and appeal to international audiences. Infront’s partnership has also bolstered CSL’s commercial value, with a significant rise in media rights fees and sponsorship revenues.

However, the CSL has also faced some challenges. In 2019, the Chinese government imposed tighter regulations on the spending of football clubs, leading to a decrease in transfer spending and a decline in the number of high-profile foreign players joining the league. In addition, the outbreak of the COVID-19 pandemic in 2020 also disrupted the CSL’s operations, leading to a delay in the start of the season and the suspension of matches for several months. Ultimately several clubs suffered and folded when affected by lower revenues during the COVID pandemic or a change in the strategy of their owners. To make matters worse, a cadre of star players including Hulk, Jackson Martinez, Yannick Carrasco, Axel Witsel, Marek Hamsik, and Gervinho left the league, with scores of other Brazilian players heading back to South America.

**QUESTIONS**

1. Visit the Transfer Market UK, which provides an estimation of the transfer values of players in all the major leagues. Compare the most valuable players in the CSL against the most valuable in the biggest European leagues. What can you conclude about the positioning of the CSL and why? ([www.transfermarkt.co.uk](http://www.transfermarkt.co.uk)).

2. What would you focus on to further develop the CSL brand and its ability to attract great foreign talent and global audiences?

3. Explore the digital footprints of some of the biggest clubs in the CSL, including on social media. How are they seeking to appeal to an international audience?

4. Currently, international star players in the CSL are few compared to the abundant recruitment and spending around 2016. Also worryingly, there has been very little improvement for the China men’s national team, having failed to qualify for the 2022 FIFA World Cup. How can CSL club marketers create new and alternative revenue streams to ensure that they can survive and prosper even if their owners falter?
Sport marketing introduction

Multidimensional nature of sport marketing

The earlier discussion suggests that sport marketing is multidimensional. First, it involves the application of marketing concepts to sport products and services, and second, it involves the marketing of non-sport products through an association to sport. Sport marketing therefore has two key features, which we will subsequently refer to as ‘angles’.

The first angle is the application of general marketing practices to sport-related products and services. The second angle is the marketing of other consumer and industrial products or services through sport. Like any form of marketing, sport marketing seeks to fulfil the needs and wants of consumers. It achieves this by providing sport services and sport-related products to consumers. However, sport marketing is unlike conventional marketing in that it also can encourage the consumption of non-sport products and services by association. It is thus important to understand that sport marketing means both the marketing of sport itself, and the use of sport as a tool to market other products and services.

These two angles of sport marketing are central to understanding the full range of ways in which sport is managed from a marketing perspective. However, this is not the full story, since the previous dual-angle discussion tends to emphasise the selling part of sport marketing. This is a far too simplistic approach to the sport marketing issue. Before any transaction can occur, a lengthy strategic analysis must be performed to determine what sport consumers want, why they want it, and how these wants can be best delivered to them. As a result, sport marketing should also be seen as the collection of planning and implementation activities associated with the delivery of a sport product or service.

Prior to any sales, a sport product or service must hold a place in the mind of a consumer. In practice, this demands that a consumer is aware of the sport product or service and has responded to it in some – hopefully positive – way. The process of cultivating such a response is known as branding, and when a sport brand has grasped a firm place in consumers’ minds, then it is said that it is positioned. The consequence of successful branding and the acquisition of strong market positioning is not merely a single transaction. Rather, sport marketing reflects the establishment of an ongoing relationship between a sport brand and its users.

With the introduction of these three further points, it is possible to devise a simple working definition of sport marketing.

*Chapter principle 1.3*: Sport marketing is the process of planning how a sport brand is positioned and how the delivery of its products or services are to be implemented in order to establish a relationship between a sport brand and its consumers.

Different angles, different intentions

With a working definition of sport marketing specified, it is useful to return to the idea that there are two angles to sport marketing. To repeat, the first is that sport products and services can be marketed directly to the consumer. The second is that other, non-sport products and services can be marketed through sport. In other words, sport marketing
involves the marketing of sport and marketing through sport. For example, the marketing of sport products and services directly to sport consumers could include sporting equipment, professional competitions, sport events, and local clubs. Other simple examples include team advertising, designing a publicity stunt to promote an athlete, selling season tickets, and developing licensed apparel for sale. In contrast, marketing through sport happens when a non-sport product is marketed through an association to sport. Some examples could include a professional athlete endorsing a breakfast cereal, a financial-services business sponsoring a tennis tournament, and a beer company securing exclusive rights to provide its products at a sport venue or event.

Chapter principle 1.4: Sport marketing has two angles: one is the marketing of sport products and services, while the other is marketing through sport.

CASE 1.6

Super Bowl

The Super Bowl is the championship game and the jewel in the crown of one of the world’s most valuable, popular, and professionalised competitions, the US NFL. It offers a remarkable example where the marketing of and through sport can be seen in a gigantic commercial collision featuring a spectacular sporting event product, the participating teams, sponsors, advertisers, broadcasters, media, and fans. The Super Bowl is also one of the most significant events in the United States, with an estimated 115 million viewers tuning in to watch in 2023, making it the most popular TV programme in US broadcast history at the time. Many other millions of fans also tune in from around the world. Globally, the social media views stretched towards 250 million, signalling the event’s monumental digital signature.

Due to the astonishing audience reach the Super Bowl and its famous half-time entertainment commands, especially with domestic viewers, advertising during the event is the costliest television commercial time in the United States. With the Super Bowl as one of the biggest sporting events in the world, it has become a showcase for some of the most creative and innovative commercials in marketing history. Super Bowl commercials often feature celebrity endorsements, humour, and memorable catchphrases, and have become a cultural phenomenon. Also astonishing is the cost to purchase the airtime for a single 30-second Super Bowl commercial, which reached US$7 million in 2023. Of course, the cost of a Super Bowl commercial is determined by a variety of factors, including the expected audience size, the length of the commercial, and the placement of the ad within the broadcast. Advertisers typically purchase multiple spots during the game, with prices varying
depending on the time slot and the size of the audience. Yet, despite the high cost of Super Bowl advertising, advertisers are willing to pay a premium for the opportunity to reach such a large and engaged audience. The Super Bowl provides advertisers with a unique opportunity to connect with consumers on a massive scale, with many viewers tuning in specifically to watch the commercials. In addition to buying the space, advertisers also tend to spend a significant amount to create something worthy of a Super Bowl, adding to the investment required.

In addition to the large audience, Super Bowl advertising also provides significant impact for brands, with many commercials generating significant buzz and media coverage in the days and weeks before and after the game. For example, memorable Super Bowl commercials like Apple’s ‘1984’ and Coca-Cola’s ‘Mean Joe Greene’ spots have become iconic in the world of advertising and remain decisive marketing contributions decades later. More recently the advertisements themselves have often been geared to generate social media buzz and engagement, allowing the massive TV audience to spill over to digital platforms.

A handful of other sporting events can also secure similar amounts for advertising time during their most significant matches. For example, the cost of advertising during the FIFA World Cup can be similar to the Super Bowl. However, prices can also vary much more depending on the specific game or match, with lower-profile games or matches having much lower advertising costs. Similarly, the cost of advertising during the Olympics can also be sky high, with prices for a 30-second commercial during the 2020 (2021) Tokyo Olympics reportedly reaching as high as US$1 million. Other major sporting events, such as the NBA Finals and the MLB World Series, typically have lower advertising costs than the Super Bowl, with prices for a 30-second commercial during the NBA Finals hovering under US$1 million, and prices for a 30-second commercial during the baseball World Series reaching over $500,000. Super Bowl and other major sport event advertising demonstrates the power of marketing through sport, where the costs reflect the enormous value that the game provides to advertisers, who evidently believe that the yield justifies the investment.

**QUESTIONS**

1. At the Super Bowl, describe all the versions involving the ‘marketing of sport’ then do the same for ‘marketing through sport’. Is the Super Bowl as important for commercial opportunities as it is for the game itself? Explain.

2. Visit YouTube and search for ‘famous Super Bowl commercials’. Which of these advertisements have received the greatest number of views, and can you identify anything in common about these most popular ones?

3. What does the volume of social media views suggest about the composition of future viewing audiences attracted to watch the Super Bowl?
A philosophy of sport marketing

While thinking about what sport marketing encompasses, it is helpful to understand that it is a hierarchical concept. That is, there are levels at which sport marketing can be considered. At the broadest level, sport marketing embraces a philosophy – a set of beliefs, if you like – about how to do marketing. It is not just marketing managers or the marketing department of a sport organisation that can think in marketing terms. A marketing philosophy is about putting the needs and wants of the customer at the centre of all decisions. It is important to add that the needs of the customer must complement the goals of the enterprise. In business, the goal is to make a profit, but in sport organisations the most important goal is usually to win or attract attention to the sport or organisation. Marketing philosophy is concerned with creating a win–win situation for both the organisation and sport consumers, but it recognises that no one will win if consumers’ needs are not met. This sport marketing philosophy threads its way through this text. Each chapter provides a sharp reminder of the importance of understanding and targeting customers’ needs and working out the best alignment between an organisation’s goals, the sport product’s features, and the expressed needs of consumers.

Chapter principle 1.5: The philosophy of sport marketing is to deliver products that best satisfy the needs of sport consumers.

At a second level, sport marketing may be considered a process. It is a process because it involves a series of activities and steps. For example, sport marketing involves research, analysis, planning, development, implementation, and evaluation. These processes are a common property of sport marketing and feature as the structural framework around which this text is written.

Chapter principle 1.6: The process of sport marketing is the series of steps required to find opportunities, devise a strategy, plan the tactics, and implement and evaluate a sport marketing plan.

At the third level, sport marketing may be summarised as a set of principles because it adopts numerous ideas and concepts that provide specific guidance to those undertaking sport marketing activities. In each chapter, a set of sport marketing principles are highlighted to provide clear guidance as to how the processes of sport marketing can be used in practice.

Finally, at the most operational level, sport marketing principles can be implemented with the aid of tools, which are devices and activities used in day-to-day practice. Direct selling is a tool, and so are price discounting, targeted advertising, and press conferences.

Chapter principle 1.7: Sport marketing can be described as a philosophy (a set of values that drive the marketing function), a process (a linked series of activities), a set of principles (rules and guidelines) and tools (techniques).
To summarise, this text adopts the sport marketing philosophy that consumers’ needs are met when they match features of a product or service where the ultimate goal is to cultivate an ongoing relationship between a sport brand and consumers. The remainder of this text structures this philosophy around a sequence of sport marketing processes that reflect the organisation of the chapters. Within each chapter, sport marketing principles are presented to help steer the implementation of sport marketing processes. In addition, tools are offered as specific, recommended techniques. The four levels are represented in Figure 1.1.

**Chapter principle 1.8:** The principles of sport marketing provide the rules and guidelines for the implementation of the Sport Marketing Framework process, while the tools of sport marketing are specific activities designed to help execute the principles.
Tokyo Summer Olympic Games 2020

The Tokyo 2020 (2021) Summer Olympic Games showcased the host city and nation to the world with the aim of enhancing its reputation through city and nation branding. Japan’s hosting of the 2020 Olympic Games, held in Tokyo in 2021 due to a COVID-19 delay, brought this aim under heavy scrutiny. Was the investment in hosting the Olympics worth it for Japan from a nation branding perspective?

It could be argued that hosting the Olympics in Tokyo did provide an opportunity for Japan to broadcast its culture, technological-savvy, event prowess, and inviting hospitality to the world. For example, the opening ceremony emphasised Japan’s history and culture, as well as the new and innovative technologies used at the event, such as the hydrogen-powered Olympic torch that signalled the country’s commitment to sustainability and innovation. In addition, the event provided a ‘home-ground’ advantage for Japanese athletes to perform, with Japan winning a total of 58 medals, including 27 golds, and setting new Olympic records in several sports. From an economic perspective, it could be said that the Games provided a significant domestic impetus with the country spending an estimated US$15 billion on the event.

Conversely, the decision to go ahead with the Olympics during a pandemic was controversial and raised concerns about the health and safety of athletes and officials. This may have affected the perception of Japan as a responsible and reliable country, particularly as the Games had been postponed due to the dangers. Further, the event’s organisation was not entirely textbook sport marketing, with a senior official resigning in the lead-up to the Games following negative publicity. Also, since the event was still mired in COVID concerns, the actual volume of visitors to Tokyo turned out to be negligible because tourists and fans were banned from attendance for safety reasons. But perhaps most worryingly, an enormous city and national financial investment had been expended that could have been directed elsewhere into critically needed infrastructure, the environment, or social welfare. Instead, Tokyo was left with an assemblage of magnificent venues in danger of being severely underused in the future.

In the long run, it will be important to assess the economic and reputational impact of the event, as well as how Japan was able to leverage its success in hosting the Olympics to enhance its nation branding efforts in the future.

QUESTIONS

1. Before COVID-19, the Tokyo city government estimated the economic legacy of the Games to be worth around US$109 billion. Part of their calculations included the impact from foreign spectators and post-Olympics visitors to Japan who had been inspired to travel because of the Games. This estimation was ultimately
overstated because foreign spectators were not allowed, but do you think that
the long-term city and national branding outcomes could still have made the
investment worthwhile?

2 Did you watch any of the Tokyo Games? If so, did watching the event shape your
perceptions of the city and country? Do you find the idea of visiting Japan and
Tokyo more attractive than prior to the Games?

3 The Tokyo Olympic stadium is now used for soccer and rugby matches as well
as cultural events. Also, the athletes’ village has been converted into apartments
for commercial sale. Moreover, since fans were excluded from the Games, there
was a huge surge in the sales of big screen televisions in Japan that has been
estimated at around 30%. Consider what other beneficial outcomes have come
from the event that might be less obvious than tourism.

What is to follow?

The marketing of sport may appear at first to be like general marketing. However, sport
marketing does have differences to other forms of marketing. For example, the sport prod-
uct is often highly inconsistent and unpredictable because it is not possible to predict
the outcome of a sporting match or control the quality of play. In many other industries,
the failure to guarantee the quality of a product would be disastrous. Another significant
difference is that few products can evoke the emotional attachment and personal identifi-
cation that sport commands. To be successful in sport marketing, it is necessary to under-
stand general marketing as well as the unique circumstances of sport.

There are two aspects of sport that are pivotal to understanding its unique circum-
stances: the sport market and the sport consumer. Chapter 2 introduces the special fea-
tures of sport with an emphasis on the three sectors associated with sport: the government,
the not-for-profit, and the corporate sectors. Chapter 3 introduces the various types of
sport consumers including those who utilise sport as a consumer product and those who
actively engage in sport. The chapter also reveals the idiosyncratic motives and behaviours
of sport consumers as well as the factors that influence their behaviour.

Once the sport market and the sport consumer are described, it is possible to move on
to the process of sport marketing. Chapter 4 provides an overview of the four stages of the
sport marketing process: (1) identify sport marketing opportunities; (2) develop a sport
marketing strategy; (3) plan the marketing mix; and (4) implement and control the strat-
egy. Figure 1.2 illustrates the Sport Marketing Framework. It is helpful because it offers
a structure through which the logical sequence of sport marketing is implemented. A
detailed guide to stage one is contained in Chapter 4. Stage two is provided in Chapter 5.

Chapter principle 1.9: The Sport Marketing Framework provides a detailed explana-
tion of the four stages of the sport marketing process: (1) identify sport marketing
opportunities; (2) develop sport marketing strategy; (3) plan the marketing mix; and
(4) implement and control the strategy.
Chapter 6 explores the first elements of the sport marketing mix. It introduces the key elements of the sport product, and outlines product-related marketing strategies. Chapter 7 specifies the second element in the sport marketing mix. The chapter is structured around a step-by-step pricing approach. Chapter 8 tackles the third dimension of the sport marketing mix. It highlights the basic concepts and issues of sport distribution and pays particular attention to the centrality of the sport venue, and media and broadcasting. Chapter 9 highlights the final component of the marketing mix. The chapter identifies the purpose of promotions, reviews its key elements, and describes promotions planning. Building on the promotion of sport, Chapter 10 presents the process of locating sponsors,
the nature of sponsorship associations, the management and leveraging of relationships, and the evaluation process. Chapter 11 augments the sport marketing mix by examining sport services. This chapter introduces the specific aspects of services marketing and the idiosyncrasies of the sport service. It describes the techniques of quality service and customer satisfaction management as well as customer relationship marketing.

The world of sport marketing is changing rapidly, and the way in which the marketing mix and sponsorship are deployed is subject to constant new media platforms, technologies, and opportunities. Chapter 12 focuses on the current marketing context relevant to sport. This includes the key social and digital media technologies and their implications for the way in which sport consumers engage in the marketing process.

Chapter 13 explains the final stage of the Sport Marketing Framework. It introduces readers to the activities associated with setting up feedback mechanisms for determining whether the implementation process is successful. Chapter 13 also summarises the key processes and principles that are addressed in the text. It concludes with a discussion of the ethical responsibilities of sport marketers.

Finally, a reminder that a comprehensive case study summary appears in the Appendix at the end of this book.

**PRINCIPLES SUMMARY**

- Chapter principle 1.1: Marketing is more than promotion, advertising, personal selling, or sales gimmicks.
- Chapter principle 1.2: Marketing aims to create an exchange where the customer gives up something for a product or service.
- Chapter principle 1.3: Sport marketing is the process of planning how a sport brand is positioned and how the delivery of its products or services are to be implemented in order to establish a relationship between a sport brand and its consumers.
- Chapter principle 1.4: Sport marketing has two angles: one is the marketing of sport products and services, while the other is marketing through sport.
- Chapter principle 1.5: The *philosophy* of sport marketing is to satisfy the needs of sport consumers.
- Chapter principle 1.6: The *process* of sport marketing is the series of steps required to find opportunities, devise strategy, plan the tactics, and implement and evaluate a sport marketing plan.
- Chapter principle 1.7: *Sport marketing* can be described as a philosophy (a set of values that drive the marketing function), a process (a linked series of activities), a set of principles (rules and guidelines) and tools (techniques).
- Chapter principle 1.8: The *principles* of sport marketing provide the rules and guidelines for the implementation of the Sport Marketing Framework process, while the *tools* of sport marketing are specific activities designed to help execute the principles.
- Chapter principle 1.9: The *Sport Marketing Framework* provides a detailed explanation of the four stages of the sport marketing process: (1) identify sport marketing opportunities; (2) develop sport marketing strategy; (3) plan the marketing mix; and (4) implement and control the strategy.
REVIEW QUESTIONS

1. What is the basic philosophy of all marketing?
2. How does marketing differ from selling?
3. When and why did marketing emerge as a crucial management competency?
4. How is sport marketing different from general – that is, generic – marketing?
5. Explain the difference between marketing in sport and marketing through sport.
6. What are the steps in the Sport Marketing Framework?
7. Provide a definition of sport marketing in your own words.
8. What do you think is the ultimate goal of sport marketing?
9. Does this ‘ultimate’ goal generally deliver more benefits than costs to society?

RELEVANT WEBSITES

Chinese Football Association (www.thecfa.cn/CFAsuper/index.html)
Drone Racing League (www.thedroneracingleague.com)
Major League Eating (www.majorleagueeating.com)
Transfer Market UK (www.transfermarkt.co.uk)
World Wrestling Entertainment (www.wwe.com)

FURTHER READING

CHAPTER 2

Sport markets

LEARNING OUTCOMES

At the end of this chapter, readers should be able to:

• describe the scale and scope of the sport industry.
• identify the differences between the three sport sectors and their roles in sport marketing.
• explain the unique features of sport products.
• describe how the special features of sport impact upon sport marketing theory and practice.

OVERVIEW

A market is, from a business perspective, a place where buyers and sellers interact to facilitate an exchange. In the sport context this can include consumers, or fans, who are ostensibly purchasing an experience, or consumers, buying an array of products and services from gym memberships to sporting memorabilia. This chapter provides an overview of the structure and operation of sport markets, which are far bigger than many people imagine. It does this by first discussing the general nature of the sport industry, and then its three core sectors more specifically. These sectors are the government, not-for-profit organisations, and the corporate sector. A review of the scale and scope of different sport markets is presented, while this chapter ends with an examination of the special features of sport, and how they often combine to present a unique and challenging marketing environment.

THE SPORT INDUSTRY

To understand sport markets, it is important to consider what constitutes the sport industry which they operate within, as well as the concept of industries more broadly. The term industry can be defined as an assembly of markets where similar, or closely related,