

The Four Domains of Sports Marketing: A Conceptual Framework

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Abstract

Despite its acknowledged contribution to local, national, and global economies, there is no consensus as to exactly what is meant by the term sports marketing. This conceptual paper attempts to address this deficiency via the development of a new framework that is based upon two key dimensions: type of product and level of sports integration. By categorizing goods and services as either sports products or nonsports products and by differentiating between traditional strategies and sponsorship-based strategies, four sports marketing domains are identified. They are the theme-based, product-based, alignment-based, and sports-based strategic domains. The underlying principles for developing the framework are delineated in this article, and many examples for each strategic domain are provided as a means of illustrating their conceptual differences and how they are implemented.

Introduction to Sports Marketing

The concept of "sports marketing" is ambiguous in its meaning for both practitioners and academicians. Discussions about its application in the popular press and in many textbooks include categories ranging from tickets to spectator sports to sport-related wagers in legal gambling establishments (Shannon, 1999). Some tend to take a narrow view about what the discipline of sports marketing encompasses. To them, the primary task is one of selling tickets and putting fans in the seats at organized sports events (Sports Marketing Surveys, 2002), thereby equating the sports product to tickets for spectator sports. This definition, broadly applied, may include the sale of tickets for minor

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events such as high school sports and minor league ice hockey, but the prevailing thinking focuses on major sports properties such as an NCAA Division I-A (FBS) college football game, a NASCAR event, the Super Bowl, and the Olympics. Undoubtedly, this perspective reflects the vast marketing expenditures for these major properties.

With the 2008 Summer Olympics fast approaching, Du Wei, the Vice Chairman of the Institute of Beijing Olympic Economy, recently stated in comments directed to Chinese companies that "sports marketing has become one of the most effective of all marketing strategies" (Anonymous, 2006). However, Wei was not narrowly referring to the tasks associated with the selling of tickets to Olympic events. Rather he was using a broader definition by suggesting that marketers of non-sports products can benefit by becoming more involved with the 2008 Olympic Games. But since these firms are not selling sports products, how are their actions characterized as sports marketing? In order to fully appreciate and understand the dynamics and differing perspectives of sports marketing, it is imperative that the task of *marketing through sports* also be accepted as an integral component of the industry. Coca-Cola has been associated with the Olympic Games since 1928; however, this relationship was not focused on demand creation for one of the world's premier sporting events. Clearly, it focused on the sale of Coca-Cola products. Many marketers use a sports platform as the basis for appeals to consumers across a vast array of products, the majority of which have little or nothing to do with sports. The *marketing through sports* component of sports marketing tends to be overlooked by some texts (Pitts & Stotlar, 1996). This is unfortunate because it is in this domain where many marketing practitioners are employed and use their skills to implement sports mar-

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keting strategies. A comprehensive review of recently published sports marketing textbooks reveals inconsistencies in the definitions of *sports marketing* (Van Heerden, 2001). This conceptual weakness illustrates the need for including both the *marketing of sports* and *marketing through sports* in a broader sports marketing platform that encompasses the entire realm of sports marketing practice. It is the purpose of this article to propose a broadened framework built upon this conceptual dichotomy.

A “Veritable Plethora”¹ of Definitions

Exactly what does the practice of sports marketing encompass? In other words, how can we define sports marketing? The reality is that there exists a veritable plethora of definitions of sports marketing. In fact, some spokespersons seek to differentiate between “sport” marketing and “sports” marketing. Much like any other business concept, the realm of sport(s) marketing has continued to evolve while encompassing a broader array of business activities. The disparity clearly indicates a need to re-conceptualize the construct. Consider the following definitions.

The genesis of the term “sport marketing” can be attributed to a story in a 1978 issue of *Advertising Age*. In that venerable publication, sport marketing was characterized as “the activities of consumer and industrial product and service marketers who are increasingly using sport as a promotional vehicle” (Gray & McEvoy, 2005). In their recent contribution to a compilation of sports marketing literature, Gray and McEvoy noted that this set of activities is best characterized as “marketing *through* sport; that is using sport as a promotional vehicle or sponsorship platform for companies that market consumer, and to a lesser extent, industrial products” (p. 229). Gray and McEvoy further noted a perceived shortcoming of that definition by calling attention to the absence of any reference to the “marketing *of* sport.” The implication is that there is a second major dimension of sports marketing, one entailing “the application of marketing principles and processes to market goods and services directly to sports participants and spectators” (p. 229). The amalgamation of *marketing through sport* and the *marketing of sport* provided the foundation for Gray and McEvoy’s broad-based definition: “the anticipation, management, and satisfaction of consumers’ wants and needs through the application of marketing principles and practices” (p. 229). Presumably, this definition encompasses both major dimensions. Some organizations market sport products to a targeted set of consumers, while others market an array of nonsports products to market segments that have a “personal

investment” in sports entities such as athletes, events, and teams (Merz & Fullerton, 2005).

Similarly, Mullin, Hardy, and Sutton (2000) characterize sports marketing in a way that encompasses either dimension, or thrusts, as they describe them. Their resultant definition is based on the premise that

“sport marketing consists of all activities designed to meet the needs and wants of sports consumers through exchange processes. Sport marketing has developed two major thrusts: the marketing of sport products and services directly to consumers of sport, and the marketing of other consumer and industrial products or services through the use of sports promotions.” (p. 9)

This definition was subsequently embraced in a contribution by Gladden and Sutton (2005) in the text edited by Masteralexis, Barr, and Hums (2005). Yet readers may question the concept of “sports promotions.” Exactly what actions comprise this activity? Is it limited to sponsorship or would an advertisement featuring a generic sports theme fit within this thrust of sport marketing? A second question concerns the exclusive province of sport promotion. Can strategic initiatives other than promotion be used to create a sports overlay that would fit within the realm of marketing through sports?

“Clearly, the marketing of sports products can be impacted in a positive manner via the incorporation of the sponsorship of a recognizable sports property within an integrated marketing communications strategy.”

Questions such as these were addressed by Blann and Armstrong (2003) when they articulated the point that the term sport marketing has been used in many contexts, thereby leading to confusion as to exactly what the term really means. Not only do they incorporate both dimensions, but they also expand one of the earlier perspectives by stating that marketing through sports encompasses far more than just advertising and public relations.

Schlossberg’s (1996) early book on sports marketing did not specifically define the concept; however, it focused on the efforts of marketers who use sports as a marketing platform for nonsports products. More specifically, Schlossberg states that “sports has become a marketing medium in and of itself with the ability to target, segment, promote, and cast products and services in heroic lights. More and more companies you’d never think of being remotely attached to sports are using sports to enhance and embellish their marketing” (p. 6). In describing the efforts of companies such

as Coca-Cola and Visa, Schlossberg's reference seems to be directed toward sponsorship activities.

With their focus on sports products, Pitts and Stotlar (1996) offer a different perspective of the practice of sport marketing. In their text, sport marketing is defined as "the process of designing and implementing activities for the production, pricing, promotion, and distribution of sport product to satisfy the needs or desires of consumers and to achieve the company's objectives" (p. 80). This definition was reiterated in Stotlar's (2001) later book that delineated the process of developing "successful sport marketing plans." Of note is the inclusion of pricing, distribution, and promotion—three traditional elements of the marketing mix. This inclusion represents a meaningful extension of the assertion by Gladden and Sutton (2005) that sport marketing was based solely upon promotional efforts by the marketer.

Similarly, while stating that "sports marketing does not have a single, consistent definition," Moore and Teel (1994) offer a definition that focuses on the marketing of sports products as a basis for the generation of revenue for sports entities while developing marketing plans that will lead to the maximization of revenues accruing to the sports entity. Yet they still incorporate marketing through sports by referring to sports entities such as athletes, teams, and programs in the firm's marketing plan. Sponsorships such as Lenovo's involvement in "the Olympic Partner (TOP)" program for the cycle that included the 2006 Winter Olympics in Torino and the 2008 Summer Games in Beijing would fit within the parameters of their definition of sports marketing. Their early work offers a forward-looking perspective via their assessment that "attention to marketing tools is long overdue" in the marketing of sports products.

This brings us to two of the most recent entries into the sports marketing textbook arena. Shank (2005) defines sports marketing as the "specific application of marketing principles and processes to sports products and to the marketing of nonsports products through association with sports" (p. 3). Finally, Fullerton (2007) provides no specific definition of the term, yet the book is divided into the two aforementioned dimensions: *marketing through sports* and the *marketing of sports*.

Purpose of the Paper

While there continues to be no single, universal definition of the concept of sports marketing, one key consideration is evident. As articulated earlier, the practice of sports marketing is generally recognized as consisting of two fundamental thrusts. However, while recognition of this dichotomy in sports marketing practice is a

necessary part of conceptualizing a sports marketing framework, it is insufficient for clearly distinguishing among the multitudes of sports marketing practices that exist today. It is the objective of this article to refine and extend this dichotomy into more detailed constituent components based on actual sports marketing activities in the environment. The authors adopt a grounded theory building approach (Glaser & Strauss, 1967) based upon numerous observations of actual sports marketing activities to develop a preliminary conceptualization of the field of sports marketing². The resulting framework provides a more comprehensive classification of sports marketing practices than has heretofore been advocated, and is suggestive of sports marketing decision-making guidelines. In the remainder of this article two important distinctions that underlie sports marketing practices are identified and discussed. These two distinctions are then combined to form a new sports marketing framework consisting of four categories of sports marketing domains. The article provides support for the framework by discussing and illustrating each domain with examples of actual sports marketing activities.

Identifying Domains within the Sports Marketing Environment

Two important product-related aspects of the sports marketing environment are noteworthy. First is the strategic focus aimed at the marketing of pure sports products. Less evident is the marketing of nonsports products while using a sports platform as the foundation of the firm's marketing efforts. Therefore, two prominent initiatives in sports marketing are identified. They are the *marketing of sports products*, and the *marketing of nonsports products through sports*. Some universities offering sports marketing programs have opted to offer courses using this nomenclature. This is particularly evident when the program is offered through a business or management school. However, even with the acknowledgement of these two broad initiatives, the question of exactly what constitutes a sports product still begs to be answered.

Sports Products versus Nonsports Products

In developing a model that depicts the sports marketing environment, an essential distinction is the difference between sports products and nonsports products. Making this distinction is not as simple as it may sound. The following overview is provided in an effort to clarify the difference.

Sports Products

Sports products have been described in many studies. In fact, an early article that sought to estimate the gross

domestic sports product (GDSP) in the United States went so far as to include agent services, sports law services, golf course construction, and pari-mutuel betting receipts (Meek, 1997). While some readers may agree with the breadth of this eclectic array, others will view it as having no real focus. The latter view is shared by the authors of this article. For the purpose of describing the sports marketing environment, three categories of sports products have been identified. They are spectator sports, participation sports, and a third eclectic category that is comprised of sporting goods, apparel, athletic shoes, and sports-related products.

(1) Spectator Sports

From college sports, to minor league sports, to the highest level of professional sports, and for international events such as the Olympics, one key marketing objective is that of selling tickets. Yet, it is not only those who purchase tickets to a game or event who are important; sports marketers also work to increase viewership and listenership on a variety of broadcast media. This includes television options such as free-to-air TV, premium cable and satellite networks, pay-per-view for special events, enhanced access to a sport's broadcasts (such as DIRECTV's NFL Sunday Ticket), and devoted networks such as the Rugby Channel and the Golf Channel that are dedicated to an array of programming germane to a single sport. Other media include traditional radio, satellite radio, audio/video streaming on the Internet, and an emerging emphasis on mobile technology such as the cellular phone and podcasts.

With this in mind, the spectator sports product can be viewed from two perspectives. First is the sale of access to events; that access may legitimately be viewed as the product. Second is the reality that access has no value without the competition on the field of play. Thus, whether audiences are live or media-based, it is the game or event that represents the product in the spectator sports market.

(2) Participation Sports

The category of participation sports rightfully includes an array of activities that might not normally be perceived as sports. While organized soccer leagues, golf, and tennis are recognized as participation sports, other activities that are done on an individual basis are not always acknowledged as sports. The absence of competition that identifies a winner and loser may be the basis for this reluctance. Individuals who jog around the neighborhood or who lift free weights at home or at the health club are not typically characterized as athletes. There is yet another tier of activities that represent participation and competition although only the most liberal definition would permit them to be classi-

fied as sports. The most recent addition to this category is poker; even sports networks such as Fox Sports and ESPN have begun to broadcast "Texas hold'em" poker tournaments. Other activities such as darts, fishing, competitive eating, and billiards are also noteworthy from a participation perspective.

In many cases, marketing's role is to increase the number of participants and the frequency of participation in a specific activity. For example, golf courses want to attract new golfers while at the same time inducing current golfers to play even more. The primary benefit to these sports marketers is that increased participation keeps facilities such as golf courses, tennis clubs, swimming pools, and health clubs busy. A secondary benefit is that it creates demand for more sports equipment and apparel. This leads us to the third and final category of sports products.

(3) Sporting Goods, Apparel, Athletic Shoes, and Sports-Related Products

The final category of sports products is somewhat more difficult to define. While sporting goods such as snowboards, apparel such as skiwear, and athletic shoes such as a pair of "Air Jordans" are easy to understand, the final component, sports-related products, is very diverse. It includes sports souvenirs, publications, lessons, and a diverse assortment of products that can be purchased at event venues.

Sporting goods include tangible products specific to a participation sport or activity. These products may be sold to casual participants as well as those who take part in organized activities. The 55 million Americans who participate in bowling (Anonymous, 2003c) create a demand for bowling equipment. Golfers throughout

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the world have fueled a tremendous increase in the sale of clubs, balls, bags, and gloves on a global basis.

Apparel is clothing that falls into one of two categories. First and foremost, it may be purchased to facilitate participation. The annual start of a new season for many sports creates demand for new uniforms. Style changes may induce golfers to abandon last year's clothing in favor of new styles so that they look good on the golf course. The second category is based on the acknowledgement that sports apparel can be fashionable within certain market segments. These buyers may be fans who wear clothing that features the logos of teams that they support. Others may buy the same

apparel, not because they support the team, but because the clothing is in vogue among their peers.

The third component of this category is *athletic shoes*. While these were once primarily devoted to the participant market, this has changed significantly since the advent of Nike's Air Jordan shoes. Today, athletic shoes are an integral part of almost everyone's wardrobe. For participants, there are designs that are deemed appropriate for specific activities such as racket sports, basketball, running, walking, and cross training. No longer are athletic shoes combined into the generic category of tennis shoes.

The final component consists of a broad array of *sports-related products*. These include souvenirs that may be purchased at event venues as well as a number of other official retailers. Consumers often purchase sports magazines. These may feature sports in general, but many focus on a single sport or even a specific team. Lessons to improve one's skill at sports like tennis or golf fit best within this category as well. But the broadest set of products in this category is comprised of venue-specific products. While these products are not tied to a sport per se, they are purchased by spectators in attendance. So, while we might be reluctant to classify beer as a sports product, the reality is that it represents an important revenue stream for teams and stadium operators.

Nonsports Products

In contrast to the various sports products, marketers of *nonsports products* have used sports platforms or themes as part of their marketing strategy as well. Examples of nonsports products that have used sports

platforms include automobiles, medical services, fast food, consumer electronics, and beverages such as milk, water, and colas. Yet, even this group of products has some grey areas. When beer or fast food is sold at a sports venue, is it a sports product or not?

The above discussion (see Table 1) summarizes the array of products that are sold within some domain of the sports marketing industry. Sports marketers must understand which products are important to their target markets and develop a strategy that meets those needs. Furthermore, the product strategy must be consistent with the other elements of the marketing mix. Only then can the sports marketer take full advantage of the opportunities that exist.

Level of Integration: Traditional versus Sponsorship-Based Strategies

In addressing the marketing of products through sports, the degree of integration with the sport is the second key consideration. Here the choices are broad but can be classified into two categories—traditional and sponsorship-based.

Traditional Integration

The first category represents the use of sport as part of the marketing program and typically involves the basic components of a marketing strategy: a target market and a corresponding marketing mix. As such, these strategies involve no official relationship with a sports entity such as a league, team, or player. Using a *traditional* marketing strategy, the marketer identifies target markets and develops corresponding product, distribution, pricing, and promotion strategies that are

Table 1.
Products Sold by Sports Marketers

Sports Products
Spectator Sports Products
• The game or event itself
Tickets for attendance
Viewership and listenership on electronic media
Participation Sports Products
• Organized participation (leagues & tournaments)
• Casual participation
• Access to public and private athletic facilities
Sporting Goods, Apparel, Athletic Shoes, & Sports-Related Products
• Sports equipment (skis, golf clubs, & soccer balls)
• Sports apparel (hunting clothing, swimwear, & team uniforms)
• Athletic shoes
• Sports-related products (souvenirs, lessons, & refreshments)
Nonsports Products
Goods and services not directly related to a sport

designed to appeal to those target markets. A traditional strategy using a sports overlay may simply involve an advertisement that features actors or models playing a sport, it may involve the placement of an ad in a sports publication that reaches the same target market, or it may utilize graphics on the packaging that feature a sports setting. Each component of the marketing strategy can be integrated within the marketer's effort to incorporate a sports theme.

Sponsorship Integration

In contrast to the traditional approach for integrating sport into the marketing of products, *sponsorship* involves an array of activities whereby the marketer attempts to capitalize on an official relationship with an event, a team, a player, or some other sports organization such as the NCAA, the IOC, or FIFA. One article recently referred to sponsorship as having a "fairly loose meaning in sport" (p. 24). In other words, the concept goes beyond the traditional sponsorship arrangement that most readily comes to mind (Felt, 2003). But it is essential to understand that a sponsorship involves two entities, the sponsor and the sponsee.

The most readily acknowledged sponsorship can be characterized as the **traditional sponsorship**. The traditional sponsorship generally involves the acknowledgment of the sponsor by the sports property and the ability of the sponsor to use the property's trademarks and logos in its efforts to leverage the sponsorship and reinforce the relationship in the minds of members of the sponsor's target market. During the 2006 post-season games in MLB, each sponsor was recognized with a display on the scoreboard and through virtual advertising for those watching on TV. The traditional sponsorship can involve title rights; for example the Accenture Match Play Championship leaves no doubt as to whom the primary sponsor is. In a somewhat more subtle implementation, a marketer might be recognized as the presenting sponsor. Two noteworthy examples are "the Rose Bowl Presented by Citi" and "Chicago Bears Football Presented by US Bank." In addition to these approaches for the implementation of a traditional sponsorship, three special cases of sponsorship are used by today's marketers. These include (1) venue naming rights, (2) endorsements, and (3) licensing. Some readers might question the designation of these three strategies as being sponsorship-based. However, the following review of the literature finds ample support for this premise.

Venue naming rights have often been characterized as *building sponsorships*. The Edmonton Oilers play their home games in the Skyreach Centre. In a recent article, the relationship between the team and the marketer (Skyreach Equipment, Ltd.) was specifically char-

acterized as a "building sponsorship" (Zoltak, 1998, p. 1). A more recent article in *Brandweek* referred to "building sponsors" and the evolution of that type of strategy over the past few years (Green, 2002). Even the venerable publication, *Advertising Age*, concurs with this characterization. In its review of stadium naming rights, it noted that there are "more than 50 corporations involved in major *sponsorships* of U.S. sports facilities" (Lippe, 2002). Similarly, the International Events Group (IEG) referred to venue naming rights as "title sponsorship deals" (Ukman, 2002). A.C. Nielsen recently added a service called "Sponsorship Scorecard" with the express purpose of developing a better understanding of "the value that sponsors receive from stadium naming rights" (Anonymous, 2004a). The important conclusion that can now be drawn is that venue naming rights do represent a special form of sponsorship. Therefore, when Pepsi-Cola paid to have its name attached to a sports facility in Denver, it was reasonable to presume that the company was implementing a sponsorship-based strategy to sell its nonsports products through sports.

Endorsements have been referred to as "personal (or personality) sponsorships" (Anonymous, 2003a, p. 70). Furthermore, when referring to endorsement opportunities for the NHL's first selection in the 2005 draft, Sidney Crosby, one Canadian publication stated that these personal "sponsorships could prove huge for Crosby's pocketbook" (Anonymous, 2005, p. 14). Another publication referred to Tiger Woods' significant earnings from "sponsor endorsements" (Kedrosky, 2005, p. 17). David Beckham is perhaps the most famous soccer player in the world, and his endorsement power is staggering. *The Economist* magazine specially referred to his deals with Pepsi and adidas as *personal sponsorships* (Anonymous, 2003a). Additional anecdotal support for the premise that endorsement deals fall within the realm of the sponsorship environment can be found on the *SportBusiness International* website. Nike's signing of LPGA golfer Grace Park was touted as a sponsorship deal (Barrand, 2003a), and in a separate posting, *SportBusiness International* referred to Yao Ming's endorsement of Pepsi-Cola as a "sponsorship agreement" (Barrand, 2003b). It should now be evident that the general consensus within the sports marketing industry is that endorsements are indeed a form of sponsorship.

Of the three special cases, **licensing** may be the most debatable as to whether or not it represents a sponsorship-based strategy. Yet, there is ample support for this assertion in the practitioner-oriented literature. Also noteworthy is the fact that many traditional sponsorship deals provide the marketer with the right to use the sport property's logos and trademarks in its own

marketing endeavors. One common sponsorship category is that of “official supplier.” These sponsors are often granted the right to produce and sell logo apparel and a variety of other licensed products. The NHL recently announced the signing of Reebok as its *official apparel supplier* at the beginning of the 2005-06 season. A recent report out of the UK discussed “sports licensing” within the context of “kit sponsorships” (Barrand, 2005). The report went on to state that licensing provides sponsors with the opportunity to maximize the value of their sponsorship rights. In another example that ties the concept of licensing to that of sponsorship, a recent report indicated that Reebok has an arrangement that allows for the use of the logos of MLB’s 30 teams in the marketing of a special line of footwear (Anonymous, 2004b). Until 2008, Sears used a traditional sponsorship with NASCAR with the specific goal of driving the sale of its Craftsman brand of tools. Beyond that relationship, Sears also sold a broad array of NASCAR-licensed merchandise in many of its retail stores (Anonymous, 2003b). EA Sports recently signed a seven-year contract with NASCAR providing the marketer with exclusive rights to use the organization’s logos in the video game market (Hein, 2003). The importance of this form of sponsorship was noted by Felt (2003), who observed that “Nike and Adidas now have intellectual property rights whose value far exceeds that of the products through their association with leading sports teams and events.” It is also noteworthy that each venue selected to host the Olympic Games is now required to implement a new stringent set of rules that protect this class of sponsors. Clearly, the literature bears witness to the co-mingling of the terms *sponsors* and *licensing*. Given this fact, it seems reasonable to assume that licensing can be classified as a special form of sponsorship. Thus the marketer has a wide array of options available when the decision to implement a sponsorship-based strategy is made.

If the marketing decision maker wishes to integrate a sports theme into the marketing strategy there are two choices. The marketer either opts to use a traditional marketing strategy approach based on the selection of target markets and the development of a corresponding marketing mix for each target, or alternatively the decision maker may integrate sports in a more formal manner by employing one or more of the four sponsorship strategies described on the preceding pages (traditional sponsorships, venue naming rights, endorsements, and licensing agreements).

Basic Principles of Sports Marketing

From the previous discussion, three principles are relevant for the assessment and understanding of today’s sports marketing industry. They are

- The nature of the sports marketing focus (marketing of sports or marketing through sports);
- The nature of the product being marketed (sports or nonsports); and
- The level of integration of sports within the marketing strategy (traditional or sponsorship-based).

A summary of the basic components for each area is presented in Table 2. The latter two are used in the development of a detailed framework that extends the previous broad approaches of “marketing through sports” and the “marketing of sports” into a more strategic conceptualization of the four domains of sports marketing.

The Four Domains of Sports Marketing

As illustrated in Figure 1, the four domains that comprise the sports marketing environment are identified as *theme-based* strategies, *product-based* strategies, *alignment-based* strategies, and *sports-based* strategies. An explanation and rationale for each proposed domain, along with illustrations of actual sports marketing strategies, is provided in the following sections.

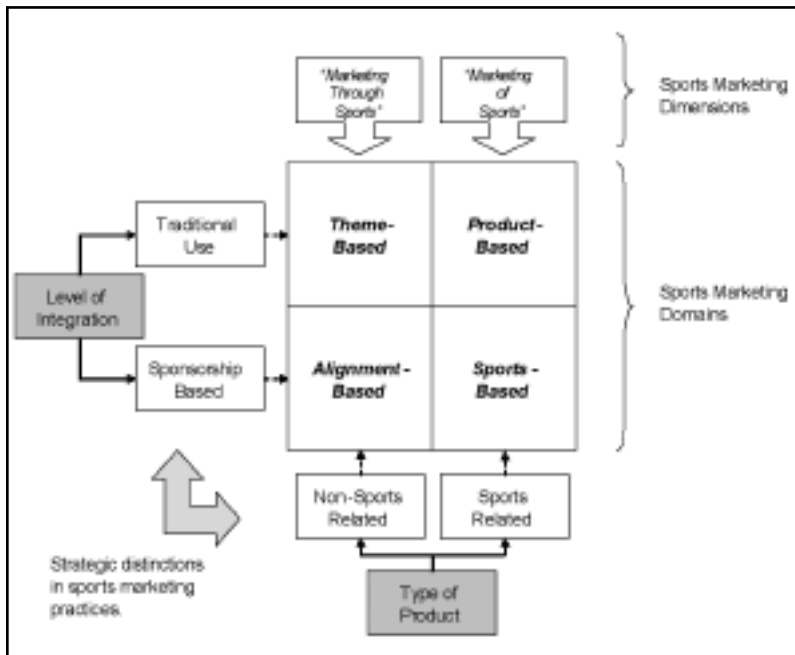
Theme-Based Strategies

Theme-based strategies can be defined as the use of *traditional marketing strategies* that incorporate a sports theme into the marketing program for *nonsports products*. The marketer might opt to use a sports-related copy platform or advertise products in sports-related

Table 2.
The Basic Principles of Sports Marketing

Nature of Sports Marketing Focus	
• Marketing of Sports • Marketing through Sports	
Products	
• Sports Products - Spectator Sports - Participation Sports - Sporting Goods, Apparel, Athletic Shoes, and Sport-Related Products • Non-Sports Products	
Level of Integration	
• Traditional - Target Market Selection - Marketing Mix Decisions • Sponsorship-Based - Traditional - Venue Naming Rights - Endorsements - Licensing	

Figure 1.
The Four Domains of Sports Marketing



media to effectively reach customers. A key aspect of theme-based strategies is that the marketer's efforts are not predicated upon an official relationship with any specific sports property in its effort to create the sports overlay for its marketing efforts. A bank that advertises in a sports magazine or during a TV broadcast of a sports event has incorporated sports at a rudimentary level. As such, this domain represents the lowest level of integration of sports within the sports marketing environment. There is plenty of anecdotal evidence that illustrates how sports marketers have used theme-based approaches in the implementation of target market access, as well as product, promotion, pricing and distribution strategies.

Implementation of a theme-based strategy may be achieved by placing advertisements in vehicles that appeal to one or more of their sports-oriented **target markets**. It is important to note that the advertisements used in this type of strategy will not necessarily have a sports theme. Marketers of nonsports products often reach different target markets by objectively selecting their media vehicles.

The use of a theme-based strategy is also evidenced by the incorporation of sports into the other elements of the marketing mix. A well-conceived marketing mix will be tailored so as to coincide with the characteristics of a particular target market. To accomplish this, the marketer must consider the specific initiatives that are used in the task of defining its product, promotion, pricing, and distribution strategies. Thus the task is one of utilizing one or more of these components in

such a way so as to create a sports overlay that will appeal to its own target markets.

Product strategies can incorporate sports themes as a way to provide resonance with customers. Sports bars use the promise of televised sports programming as a way to sell food and beverages; fashion labels create clothing that features a sports motif such as polo or golf; and credit card marketers may provide access to member-only sporting events as part of their product offering. Most marketers accept the premise that packaging represents part of the product strategy, so packaging will frequently feature a sports design or motif.

It is common that sports overlays are incorporated into **promotional** efforts for a variety of nonsports products. For example, tie-ins with sports event through the use of hospitality tents at the event; TV advertisements that feature kids being treated to a trip to a favorite fast-food restaurant after

winning their game; and commercials suggesting that viewers get more enjoyment from watching televised sports when they watch it on a particular brand of high definition TV all illustrate the use of a theme-based approach.

Technology has also increased the tie-in capabilities of theme-based marketers. Virtual advertising technology can be used to place computer-generated signage at strategic locations during the broadcast of a sports event. During the recent Major League Baseball post-season games, TV viewers were exposed to a sign for a new Gillette razor whereas the fans in the stands simply saw a blank green surface. An advantage of virtual signage is that it can be changed during the broadcast. The Gillette sign that TV viewers first saw became a sign for State Farm Insurance later in the broadcast. It can also be used to display different signage to viewers in different geographic markets.

In each of the aforementioned examples, the intent was not to sell a sports product; rather it was to sell a marketer's nonsports offering. The list of theme-based efforts that feature a sports overlay through promotion is almost endless—no doubt a testament to the popularity and perhaps the effectiveness of this type of strategic initiative.

Strategies involving the **pricing** variable and a sports overlay are a bit more difficult to implement. However, one common strategy is for casual restaurants and bars to offer discounts to patrons who are wearing their uniforms from a participation sport such as softball. Another similar strategy is for hotels, restaurants, and bars to offer reduced prices for patrons holding a ticket

to a particular sports event. By coupling this action with effective promotion, the marketers are able to create the sports overlay that can be used to appeal to one or more meaningful target markets.

The final element of the marketing mix is the **distribution (or place)** strategy. The food service industry has been effective and profitable by virtue of its ability to achieve a distribution point at a number of sports venues across the globe. One of the more notable efforts of this type involves the presence of a Hard Rock Café at the Rogers Centre in Toronto, Canada. Similarly, there is a Big Boy Restaurant located inside Detroit's Comerica Park. Not all of these providers are readily recognizable retailers. For example, Levy Restaurants are present at many sports venues across the United States; however, the Levy brand is not emphasized. Marketers of alcoholic beverages have also sought to have their products available at sports venues. In an interesting distribution strategy, FedEx negotiated for the right to have a temporary shipping point located on the Oakland Hills Golf Course during the 2004 Ryder Cup. The strategy provided convenience for the spectators who bought souvenirs as well as incremental revenue for FedEx. Finally, marketers will consider the geographic aspects of their distribution strategy. Budweiser's distribution of 8-packs of beer (in recognition of Dale Earnhardt, Jr. when he was still driving the number 8 car) was initially confined to major NASCAR hotbeds such as Charlotte, Darlington, and Atlanta.

Table 3 summarizes the array of examples delineated in this section on theme-based strategies. It is important to remember that the intent of a theme-based strategy is to use traditional elements of a marketing strategy to create a sports overlay in an effort to sell nonsports products; it is not based upon any type of sponsorship relationship between the marketer and any sports entity. It is also important to note that the five elements of marketing strategy are not mutually exclusive; rather they are integrated in such a way so as to create a synergistic effect. Thus the question is not which element to use; instead, it is how can the firm develop and integrate target marketing, product, promotion, pricing, and distribution strategies so as to capitalize on the opportunities presented by the sports environment while simultaneously avoiding the high fees associated with an actual sponsorship. In answering this question, it is important to note that many firms have adopted strategies that are referred to as ambush marketing. These efforts involve a non-sponsor developing a strategy that creates the false impression that it is an official sponsor of some sports property. Ambushing has become more common as the rights fees for premier properties have continued to

escalate. Companies such as Wendy's Hamburgers, American Express, Pepsi-Cola, and Telecom New Zealand have been noted over the years for their effective use of ambush marketing initiatives.

"The list of theme-based efforts that feature a sports overlay through promotion is almost endless—no doubt a testament to the popularity and perhaps the effectiveness of this type of strategic initiative."

Product-Based Strategies

Efforts to market *sports products* using *traditional marketing strategies* when the marketer has no official relationship with the sports entity being used in its marketing efforts are classified as product-based strategies. These strategies may or may not involve a sports theme beyond the product offering. Consider the marketer of athletic shoes who drops prices and provides incentives for the retailers. It is apparent that these specific strategic decisions are independent from the sports environment; however, since the product is sports-related, the strategy still falls within the realm of sports marketing. Within this product-based domain, it is logical for the marketer to implement strategies that incorporate sports themes. It is also important to understand that such strategies are not achieved solely by virtue of a marketer's promotional efforts.

The NHL changed its rules at the beginning of the 2005-06 season in an effort to make the game more appealing. This effort does not represent a sponsorship-based strategy because it fails to meet the litmus test of having a sponsor and a sponsee involved in an integrated marketing endeavor. A second example is the sporting goods retailer who chooses to give away free caps at a baseball game in an effort to create awareness of its brand. If this strategy is the result of the retailer providing compensation for the right to distribute the caps and not on the basis of an official sponsorship, then it can be classified as a product-based strategy. Clearly, there are varying levels of involvement of sports for strategies within the product-based domain. Since efforts within this domain are implemented using the traditional elements of the marketing mix, it is worth reiterating the point that traditional strategies involve the selection of the target market and the development of a corresponding marketing mix. So the question becomes one of how a marketer of sports products can use its target marketing, product, promotion, pricing, and distribution strategies to influence purchase behavior. How can they get consumers to purchase more of their sports products?

Table 3.

Overview of Theme-Based Strategies (Traditional Strategies for Nonsports Products)

Target Marketing

Budweiser Using Sports Media to Reach Consumers (Super Bowl; Sports Illustrated)
Cadillac Using Golf Magazine to Reach Upscale Segment
Cadillac Appealing to Target Market Based on Ability to Fit Four Sets of Clubs in the Trunk

Product

Sports Bars Feature Sports TV Programming as Part of their Product Assortment
Clothing Featuring a Sports Motif (Men's Underwear and Tie Featuring Golf Graphics)
Kodak Film Packaging Featuring Generic Sports Images
M&M Packaging Featuring Checkered Flag Graphic and Racing Team Labeling
Crunch 'n Munch Packaging Featuring a Young Boy Playing Basketball
Tag Heuer's Invitational Golf Tournament for Buyers of an Expensive Model of Its Watch
Visa Signature Credit Card Providing Access to Exclusive Properties (Pebble Beach GC)

Promotion

Detroit Newspaper's Hospitality Facility at Ryder Cup Competition
McDonald's Advertisement Featuring Kids After Winning a Sports Competition
Sony Advertisement - You Can Enjoy Sports More on a Sony High Definition TV
New Zealand Radio Station - 99 FM - "Breakfast with Balls" Theme
Panasonic Laptop Computers and Football - Toughness and Performance
Gillette and State Farm Insurance Using Virtual Advertising during MLB Broadcasts
Kraft's Game Day Cake Recipe during Time Period Preceding the Super Bowl
Ambush Marketing (Wendy's, American Express, Pepsi-Cola, and Telecom New Zealand)

Pricing

Bars Offering Discounts to Recreational Sports Participants (softball players)
Hospitality Industry Offering Discounts to Ticket Holders of Select Sports Events

Distribution

Hard Rock Café at Rogers Centre in Toronto
Big Boy Restaurant at Detroit's Comerica Park
Levy Restaurants at Sports Venues (Wrigley Field, Comerica Park)
Alcoholic Beverages at Sports Venues (Mike's, Cuervo, & Bass Ale)
FedEx at Ryder Cup Venue (Oakland Hills)
Budweiser Distribution in NASCAR Geographic Markets (i.e., Darlington)

The assessment of the product-based strategies begins with descriptions of how marketers of sports products use traditional strategic initiatives in their efforts to appeal to designated **target markets**. As an example of an effort on the part of one marketer of sports products to reach a key target market, consider an ad that was placed by the PGA for its "Tour Partners" club in *Golf for Women* magazine. It is important to note that while the PGA used another sports entity (in this case, a sports magazine) to reach a key target market (female golfers), that is not a condition of this domain. For instance, had the advertisement been placed in *USA Today* or *BusinessWeek* magazine, the effort would have still qualified as a product-based strategy. The key distinction in this case is the absence of any type of sponsorship relationship between the PGA and the publication. In a somewhat

controversial target marketing strategy, the WNBA's Los Angeles Sparks made an overt effort to target the gay and lesbian segment and supported that initiative by staging a pep rally at an area bar that is frequented by gay and lesbian consumers. Less controversial in nature, MLB has targeted the Hispanic segment while the NBA has tried to capitalize on the emergence of Yao Ming by targeting the Chinese-speaking segment of the sports market. Many sports organizations have implemented relationship marketing programs designed to appeal to their most avid fans; one example is the Real Madrid soccer team that featured David Beckham. In the aftermath of the 2006 World Baseball Classic, MLB decided to nurture the interest that had emerged in several European markets. As one component of that strategy, the MLB Road Show, an exhibit that allows "fans" to experience the game of baseball

by hitting in batting cages and pitching in an environment that allows the speed of their pitches to be measured, traveled to “new” geographic target markets such as Germany. Target marketing may also involve B2B efforts. For example, in one effort to reach sports business professionals, adidas placed an advertisement in *SportBusiness International* magazine.

It should now be apparent that any alteration in the organization’s target marketing strategy is typically supported by other changes in its marketing mix. The product is tweaked; the promotion is altered; the price is modified; or the distribution strategy is changed so as to better work in harmony with the efforts to reach a new target market.

There are numerous examples for **product** decisions. The San Diego Padres provide a Spanish-language broadcast for its aforementioned Hispanic target market. This modification of the team’s product provides a better fit for some members of its media-based audience. Marketers of spectator sports often target large business accounts; the product that has become a prominent part of every new sports venue built in the past 15 years is the luxury box. There are few individual fans who would be interested in purchasing this product; in fact, even the few “super-wealthy” fans who can afford a luxury box would prefer to spend their money on the expensive premium seats at the venue. TV viewers will frequently see actor Jack Nicholson in the front row of Lakers games, director Spike Lee in the front row of Knicks games, and singer Kid Rock in the front row of Pistons games.

Some sports have opted to change the rules that govern their game. As mentioned above, after losing a season because of the inability to reach an agreement with the players association, the NHL introduced substantial modifications to its rules beginning with the 2005-06 season. Similarly, in an effort to speed up its football games, the NCAA introduced rules changes that governed the starting and stopping of the clock at the beginning of the 2006 season. Virtually every major sport has changed its core product in some meaningful way over the past 20 years. Marketers of spectator sports must carefully consider any decision to modify the way their game is played or officiated as any changes will inevitably be met with resistance by some segment of the fan base. Yet, such changes are often viewed as an improvement to the product that will enhance its appeal among members of one or more key target markets. Another key product decision for team management concerns the players who are on the field. A team may sign a new star player in order to improve the quality of play and to induce a more positive perception of the team on the part of fans and the media.

Sports equipment is often altered in an effort to create brand preference. Even though they violate the official rules of the game, golf balls that float or travel too far are sought by some golfers. Golf clubs have been modified in an effort to provide players with the opportunity to hit the ball further and straighter; tennis rackets have larger sweet spots; and bowling balls have stronger hooking characteristics. The sale of basketballs has been enhanced by modifying its dimensions. A slightly smaller ball is used by women who play organized basketball (such as the WNBA). This smaller ball is also more likely to be purchased by women who participate informally as a form of recreation and exercise.

There are many **promotions** used to sell sports products. Examples abound from the use of TV ads by New Balance; the use of the Internet by FIFA, the New York Yankees, the Plymouth Whalers, and Nike; direct mail campaigns by the Chicago Bears; and local newspaper ads by the PGA and the NBA’s Memphis Grizzlies. Sports teams often use sales promotion as a marketing tool; one of the more popular techniques is the giveaways that are designed to encourage attendance and to nurture relationships. For MLB’s Los Angeles Dodgers, one of the more popular giveaways is the infamous bobble-head doll. In another example, for the 2007 tour of the Harlem Globetrotters, anyone purchasing a minimum of six tickets could enter a special code in the Internet ticketing service dialog box and receive a free basketball. Sales promotions like these reflect many people’s narrow perspective of sports marketing, one that focuses on the question: how can we put more fans in the seats?

Spectator sports are not the sole province for sports marketers who utilize promotion as a means of implementing a product-based strategy. Marketers of participation sports products and the varied array of sporting goods, apparel, shoes, and other sports-related products also rely extensively on promotion as an important component of their strategies. For example, Bowflex uses TV advertisements, the Internet, and a CD-ROM that is sent to prospects in their efforts to nurture demand. The popular women’s fitness center, Curves, has used two-for-one coupons while Bally’s Fitness Centers have used 30-day free trial membership periods to get customers through the door. A bowling center in Westland, Michigan, sent coupons to all of the registered league bowlers in its database providing them with the opportunity to bowl a free game during the late summer, a notoriously slow period for bowling centers nationwide. Marketers everywhere acknowledge that trial is often the prelude to adoption, so manufacturers and retailers of golf clubs often stage “Demo Days” at local pro shops; this promotion is

designed to get prospects to try new equipment in a risk-free environment. Finally, some marketers will provide premiums for buyers much the way that the marketers of spectator sports use the giveaway strategy. The example in this case is for subscribers of *Golf* magazine to receive a dozen new Titleist golf balls.

In regard to **pricing**, many MLB teams work with local organizations and provide their members with discounts. Examples include a team's decision to sell discounted tickets to members of AAA and AARP. Another is the group sales strategy that provides dis-

“Spectator sports are not the sole province for sports marketers who utilize promotion as a means of implementing a product-based strategy.”

counts for employee groups and students at certain schools. Many marketers of spectator sports have begun to use bundling strategies as a mechanism for providing discount pricing. During the 2007 season, MLB's Atlanta Braves offered fans their Grand Slam Ticket Pack that included four game tickets, four hot dogs, four Coca-Colas, four team bucket hats, one game program, and parking at prices starting as low as \$59.

One interesting strategy for a participation sport involves the task of making golf affordable. The USGA and its “First Tee” program have sought to reach kids, especially inner-city kids who generally do not have the financial resources required to play a round of golf. The marketing of athletic shoes has long been marked by controversy as the high prices often led to robberies and even murders by kids who simply could not afford to pay \$150 for a pair of desirable sneakers (Telander & Ilic, 1990). Some marketers have begun to offer new shoes at greatly reduced prices.⁴

In an interesting example that illustrates potential pitfalls in establishing prices that benefit the organization, the Chicago Cubs were recently sued because of the team's decision to sell highly desirable tickets through its Wrigley Field Premium Tickets service. The result was that prices escalated far beyond the face value printed on the ticket. When the team was absolved of any legal violations, it was stated that this tactic would likely become more prevalent in situations where the demand for tickets exceeds the supply (Rovell, 2003). In fact, some teams and events (as well as other entertainment events such as concerts) have begun to offer the best seats through auctions in an effort to maximize revenue. The Detroit Tigers auctioned off some of the front row seats at the team's on-deck circle during the final days of its run to the 2006 MLB playoffs. Similarly, the organizers of a boxing match between Lennox Lewis and Kirk Johnson sold 300 VIP ringside tickets to the highest bidders.

From these examples, it should be evident that pricing decisions do not always involve discounted prices. While the focus has been on ticket prices for spectator sports, those marketers also have to think about the prices for access by the media-based audiences—those using TV, radio, the Internet, and mobile technology to watch or listen to the event. Pricing decisions can also be a key part of the strategy for marketers of participation sports, sporting goods, apparel, and athletic shoes.

The final area to consider in the product-based quadrant is distribution. How can the marketer implement **distribution** strategies that assist in the marketing of sports products? For marketers of spectator sports, this involves access to the event and efforts to distribute tickets to the fans. For the live audience, consideration must be given to the location of franchises. The NHL engaged in an aggressive expansion program that resulted in the location of new franchises in warm weather locations such as Phoenix and Miami. Leagues must also evaluate opportunities involving the relocation of struggling franchises. One of the most recent moves involved the relocation of MLB's Montreal Expos to Washington, DC. Many marketers of spectator sports have begun to reach out to new international markets; the non-defunct NFL-Europe is one example of this phenomenon. The location of special events often involves a series of difficult decisions. The Super Bowl, the Olympics, and the World Cup of Soccer evaluate the infrastructure of candidate cities as part of the decision-making process.

Tickets for most sporting events are now available through a variety of outlets; no longer is the fan limited to the traditional box office. Teams and events offer tickets through independent agencies such as Ticketmaster and Stubhub.com. Fans can purchase tickets over the Internet; in fact, they can even print their tickets on their own computer.

The media-based audience has become increasingly vital to the well-being of every marketer of spectator sports. We have seen the emergence of numerous TV options including team-dedicated networks (Manchester United Network), general sports networks (ESPN), specific sport networks (the Rugby Channel), sports tiers (NBA League Pass), free-to-air TV (Fox), and pay-per-view (PPV for boxing matches). The growth of satellite radio has also provided another distribution outlet. For example, NASCAR broadcasts many of its races on Sirius Radio. Perhaps the most significant innovation of the past few years has been the ability to use the Internet for audio and video streaming. Major League Baseball was quick to capitalize on this emerging source of revenue with its MLB TV programming. An emerging application is the distribution

Table 4.**Overview of Product-Based Strategies** (Traditional Strategies for Sports Products)**Target Marketing**

PGA Focus on Women (through Golf for Women Magazine Ad)
 WNBA's Los Angeles Sparks Targeting the Gay & Lesbian Segment
 MLB Targeting the Hispanic Market
 NBA Targeting Chinese-Speaking Fans
 Adidas' Advertisement in SportBusiness International to Reach Sport Business Professionals
 Real Madrid's Relationship Marketing Program Targeting Avid Fans
 MLB Road Show in 13 Cities in Germany

Product

NHL Changes in Rules to open up the Game and Eliminate Ties
 MLB's San Diego Padres' Spanish Language Radio Broadcast
 Luxury Boxes for Large Corporate Customers
 Expensive Premium Seats for Wealthy Fans
 NCAA Football Rules Changes to Speed up the Game
 Signing Star Player to Improve Product (Chicago Bulls Signing of Ben Wallace)
 Sporting Goods with Performance Characteristics (golf clubs, golf balls, tennis rackets, bowling balls)
 Sporting Goods Tailored to Target Market (Smaller Basketball for Female Players)

Promotion

Creative Appeals in Advertising (New Balance – “for the love of the game”)
 Internet Site for Dissemination of Information (FIFA, New York Yankees, Plymouth Whalers, Nike)
 Direct Mail (Chicago Bears Season Ticket Renewal Solicitation)
 Newspaper Advertising (Teams and Events (Memphis Grizzlies and the PGA Championship))
 Sales Promotion – Giveaways (Los Angeles Dodgers Bobblehead Dolls; Harlem Globetrotters Ball)
 CD-ROM (Bowflex Mails to Prospects Identified through Direct Response Advertising)
 Free Trial (Bally's 30-Day Complimentary Membership; Golf Products “Demo Days”)
 Discount Coupons (Curves 2-for-1 Offer)
 Free Participation (Coupon for Free Game for Registered League Bowlers)
 Premiums (Golf Magazine Giving a Dozen Titleist Balls to Subscribers)

Pricing

Discounts for Member of Recognized Groups (AARP & AAA)
 Group Discounts for Informal Groups (Parties, Students)
 Bundling of Tickets, Food, Beverages, and Other Products (Atlanta Braves Grand Slam Ticket Pack)
 Bundling of Events (Ford Field College Football Package)
 Programs to Make Participation Affordable (USGA's “First Tee” Program)
 New Lines of Athletic Shoes Selling at Lower Prices
 Premium Tickets Sold at Premium Prices (Chicago Cubs Wrigley Field Premium Ticket Service)
 Auction – Price Determined by Bidding (Lennox Lewis Fight; Detroit Tigers On-Deck Seats)

Distribution

NHL Expansion to Warm Weather Locations (Miami, Phoenix, Atlanta, Tampa Bay)
 MLB Relocation Decision (Move Montreal Expos Team to Washington, DC)
 Location of Special Events (2010 World Cup of Soccer in South Africa)
 Competitions in International Markets (NFL Europe)
 Internet Ticket Procurement (Ticketmaster, Stubhub.com, Print-at-Home)
 Alternative TV Distribution (i.e., NFL Sunday Ticket, ESPN, the Golf Channel, Pay-Per-View)
 Satellite Radio (NASCAR on Sirius Radio)
 Audio and Video Streaming on Internet (i.e., MLB.TV)
 Distribution via Mobile Technology (i.e., Mobile ESPN)
 Construction of Participation Facilities Based on Supply and Demand (Brunswick Bowling Centers)
 Mobile Retail Facility Going to the Customer (Callaway Golf Tour Fit Van)

of sports programming through mobile technology such as cellular phones and Blackberry PDA units.

In the distribution of participation sports facilities, the emphasis is on supply and demand. Brunswick once evaluated each geographic area on the basis of the number of bowling lanes that it could support. Then, based on the number of existing lanes in that area, Brunswick would calculate the surplus or deficit and use that statistic as the basis for determining whether or not a new facility should be built. In the absence of this type of objective assessment, the golf industry has overbuilt; as a result, decisions have had to be made regarding the closure of many courses (Fullerton, 2007).

For the marketing of sporting goods, apparel, and shoes, consider Reebok's distribution strategy; it is quite different from that of most of its key competitors. While most marketers of athletic shoes seek to use channels that emphasize large retailers, Reebok has historically focused on small specialty stores that provide an enhanced level of customer service (Rohm, 1997). The final example to consider is that of Callaway's marketing of golf clubs. It uses the Callaway Golf Tour Fit Van to go to remote locations and reach out to consumers. The van reaches golf enthusiasts who are given easy access to the marketer's products.

From these preceding examples, it is evident that marketers of each category of sports products will seek to implement traditional strategies that will allow them to take advantage of the opportunities that the marketplace presents. These actions may or may not result in a competitive advantage to the marketer. In many cases the actions taken are quickly imitated and thus become *points of parity*. However, an interesting research question to answer might be the extent to which marketing innovations in the sports marketing arena are sustainable and provide competitive advantages. Marketers are acutely aware of the need to identify viable target markets and to develop a series of corresponding marketing mixes that will appeal to each target market. Table 4 provides an array of examples that illustrate the traditional strategic initiatives employed in the implementation of product-based strategies.

Alignment-Based Strategies

Many marketers of *nonsports products* officially align themselves with sports properties via one or more of the four forms of *sponsorship* previously described (traditional sponsorships, venue naming rights, endorsements, and licensing agreements). The nature of this sponsorship-based relationship reflects a higher level of integration of sports within the sports marketing environment. A common strategy involves a sponsor who uses an association with sports to market nonsports products; this combination emphasizes initiatives that

are classified as alignment-based strategies. In an effort to sell more fast food, McDonald's advertising and packaging feature its official partnership with the Olympic Games. Volvo uses its sponsorship of a high profile sailing event to strengthen the public's perception of the carmaker as one that exudes prestige while concurrently emphasizing safety and technology. While the strategic initiatives that augment the sponsorship are important, the foundation for the resultant strategy is the fact that the marketer, by virtue of its official sponsorship, is highly integrated within the sports environment. Thus, the task for these marketers of nonsports products is one of implementing strategic initiatives that allow them to capitalize upon their position within this realm of the sports marketing environment. Such initiatives are alternatively characterized as leveraging or activation.

Examples using **traditional sponsorship** abound; however, two of the most noteworthy examples are Coca-Cola's relationships with the World Cup of Soccer and the Olympics. Other noteworthy Olympics sponsors include McDonalds, Lenovo Computers, and John Hancock Life Insurance (see Table 5 for several examples).

In addition to traditional sponsorship, there are three special forms of sponsorship that are available to today's marketers. The professional teams in Denver provide excellent examples of how marketers of nonsports products use **venue naming rights** (or "building sponsorships") as a platform for creating demand. MLB's Rockies play their home games in Coors Field. The NHL's Avalanche and the NBA's Nuggets both play their home games in the Pepsi Center. In this same vein, the NBA's Memphis Grizzlies play in the FedEx Forum while MLB's San Diego Padres play their games in Petco Park. Significant growth has also occurred in the American collegiate market and in minor league professional sports; consider Ohio State's Value City Arena and the Memphis Redbirds in AutoZone Park. Virtually every major venue in the United States now has a naming rights sponsor; as a result, much of the recent growth in this type of sponsorship activity has taken place in international markets. A few examples are Allianz Arena in Munich, Germany; Lexus Centre in Melbourne, Australia; Coca-Cola Stadium in Xi'an, China; T-Mobile Arena in Prague, Czech Republic; and DeBeers Diamond Oval in Kimberly, South Africa.

Venue naming rights inevitably provide benefits far beyond that of simply putting a corporate moniker on the façade of some sports facility. For example, the Pepsi Center serves Pepsi products, and all of the ATMs in Comerica Park belong to Comerica Bank. Thus, venue naming rights can be an integral compo-

Table 5.

Overview of Alignment-Based Strategies (Sports Sponsorship-Based Strategies for Nonsports Products)

Traditional Sponsorship

Olympic Sponsorships (McDonald's, Lenovo, & John Hancock Life Insurance)
Volvo's Sponsorship of the Ocean Race
World Cup Sponsorships (Google!, Coca-Cola, McDonald's)
NASCAR Sponsorships (DeWalt, DuPont, Best Western, Budweiser & Pepsi-Cola)
Weetabix Women's British Open
PGA Tournament Title Sponsors (FedEx)
NFL "Official" Products (Coors Lite, Samsung HDTV)
Official Energy Bar of the New Zealand All Blacks (Moro)
Official Energy Source of the PGA Tour (Nature Valley Granola Bars)
Barclay's Premiership League
MLB's Chicago White Sox sponsorship by 7-11
Red Bull Sponsorship of MLS Team (New York Red Bulls)

Venue Naming Rights

Denver Sports Facilities (Coors Field, Pepsi Center)
Memphis Sports Facilities (FedEx Forum and AutoZone Park)
San Diego MLB Facility (Petco Park)
Detroit MLB Facility (Comerica Park)
College Venues (Ohio State's Value City Arena)
Minor League Sports (Memphis Redbirds' AutoZone Park)
International Venues (Allianz Arena, Lexus Centre, Coca-Cola Stadium)
Other International Venues (T-Mobile Arena, DeBeers Diamond Oval)

Endorsements

Sony High Definition TV and Peyton Manning
"Got Milk?" and Peyton, Eli, & Archie Manning
Prilosec and Brett Favre
Tag Heuer Watches and Tiger Woods & Michelle Wie
Buick and Tiger Woods
Accenture and Tiger Woods
Arnold Palmer and Invacare
Menard's Home Improvement and Dale Earnhardt, Jr.
Old Spice Fragrances and Tony Stewart

Licensing

Mattel "Hot Wheels" Cars and NASCAR
Rival "Crock Pots" and NASCAR
Monogram Lunch Meats and NASCAR
Visa and the NFL
MBNA and MLB's St. Louis Cardinals
Van Dillen Asiatech and FIFA World Cup
Hawthorne Village and the NHL
York Heating and Air Conditioning and NCAA Sports Teams (U of Michigan)
Danbury Mint (Watches) and NCAA Teams (University of Michigan)
Glidden Paint and an Array of Sports Entities (i.e., NFL, NCAA, NBA, & USOC)
Oak Grove Caskets and NCAA Teams (i.e., Ohio State University)

nent of a marketer's strategy in its efforts to influence consumer attitudes and preferences as well as the purchase of its nonsports products by members of the organization's target markets.

A second special form of sponsorship is that of the implementation of an **endorsement** strategy or what has been referred to as a "personality sponsorship" (Gillis, 2005, p. 4). One can seldom watch a TV program or read a magazine without seeing at least one

effort to use an athlete's endorsement as a means of cutting through the clutter. These celebrity endorsers are generally easily recognized, in part because they have achieved a high standard of performance. While there are many types of personalities who can perform in the role of a celebrity endorser, within the realm of sports marketing, the focus is on athletes. Indianapolis Colts' quarterback Peyton Manning has become a popular endorser. Among his recent spate of endorsements is one for Sony High Definition TV. It is worth noting that no NFL trademarks or logos are used in these advertisements because another marketer, Samsung, is the official High Definition TV sponsor for the NFL. Some critics may actually refer to Sony's effort as ambush marketing.

The final special form of sponsorship involves the use of **licensing** to sell nonsports products. Consider the relationship between Mattel and NASCAR. By using select NASCAR trademarks, Mattel is able to capitalize on the sport's popularity and sell more of its Hot Wheels toy cars. Consumers may also purchase a slow cooker from Rival; the marketer's "Crock Pots" bear the likeness of one of several NASCAR drivers including Jeff Gordon and Dale Jarrett. Major credit card companies have entered into licensing agreements with virtually every major sports league and their teams. The resultant affinity credit cards can represent an attractive offering for fans. Two examples are the Visa "NFL Extra Points" card and the MasterCard that features MLB's St. Louis Cardinals.

It is important to reiterate the fact that each of the examples delineated represents a marketer's effort to sell nonsports products. However, the efforts reflect a higher level of integration of sports within the marketing strategy than is in evidence with theme-based strategies. This is achieved through the use of some form of sponsorship that ties the marketer to some important sports entity. Table 5 provides a compendium of examples of alignment-based strategies.

Sports-Based Strategies

The final domain, sports-based strategies, is characterized by *official sponsors of a sports property* who are selling other *sports products*. Because of the role of sports in both the product and integration dimensions, this domain may reflect the greatest reliance on sports-oriented initiatives. It may also represent the least common type of strategy employed by today's sports marketers. Within this domain, the most common strategy features the marketer of sporting goods or sports apparel in a traditional sponsorship of a sports team or a sporting event. Strategies in this domain can be very effective when appealing to customers who are excited by the sports that are used in the implementa-

tion of the specific strategic initiatives (Fullerton, 2007). For example, adidas sells sporting goods and it uses advertising that complements its traditional sponsorship of FIFA and the World Cup of Soccer. This consistency produces the synergy that is characteristic of the sports-based domain.

An example that features a **traditional sponsorship** is Adams Golf and the PGA. The maker of the "Tight Lies" brand of clubs sponsors a lower-level regional series of golf tournaments that comprise the Tight Lies Tour. Another example is the traditional sponsorship for adidas and the New Zealand All Blacks (New Zealand Rugby Football Union). While this is similar to the sponsorship of the World Cup of Soccer by adidas, the difference lies in the type of property with which the sponsor is aligned. In the former case, adidas is sponsoring an event; in the latter case, the marketer is sponsoring an organization and its famous team. While each of these examples best fits within the realm of traditional sponsorship, the sponsors' contracts typically provide them with opportunities to sell officially licensed merchandise and to gain the services of key players for endorsements. Thus, there is often an overlap in the types of sponsorships used by any marketer that is operating in the sports-based domain.

The three special forms of sponsorship can also be employed by marketers operating in the sports-based quadrant. For example, Reebok has **venue naming rights** for a soccer stadium in Bolton, England; the Reebok Stadium is the result. While this strategy has seldom been chosen as an appropriate sponsorship endeavor by marketers of sports products, it may become more common as new stadia are built with a focus on revenues from the marketers holding the naming rights for each venue.

Endorsements for sports products that use athletes as spokespersons represent the best examples of the sports-based domain. Nike's personal sponsorship of Michelle Wie is one of the most recent and most noteworthy efforts of this type. Early in Tiger Woods' career, Nike was criticized for its substantial payment for the golfer's endorsements of Nike's new line of golf products. Given the terms of their new contract, it is evident that Nike felt like the world's number one golfer contributed to its sales in a positive way, much the way that Michael Jordan did throughout his illustrious NBA career. Marketers of spectator sports can also implement endorsement-based strategies. Most often, these involve spokespersons who are still active in the sport. The PGA has long run a "these guys are good" campaign that features current golf stars. Similarly, the National Basketball Association has relied on its "the NBA is FANTastic" advertising theme that features current NBA stars such as Dwayne Wade

Table 6.**Overview of Sports-Based Strategies** (Sports Sponsorship-Based Strategies for Sports Products)**Traditional Sponsorship**

Adidas and FIFA (World Cup of Soccer)
 Adams Golf and the PGA (Tight Lies Tour)
 Adidas and the New Zealand Rugby Football Union (New Zealand All Blacks)
 Adidas and National Soccer Teams (e.g., Germany and Argentina)
 Quiksilver and the X Games
 Real Madrid Soccer Team and a Formula 1 Race Team

Venue Naming Rights

Reebok Stadium in Bolton, England
 Fila Forum in Milan, Italy
 Pro Player Stadium in Miami, Florida, USA (contract terminated)

Endorsements

Nike and Michelle Wie, Tiger Woods, and Michael Jordan
 Adidas and David Beckham
 Burton Snowboards and Shaun White
 Storm Bowling Balls and Pete Weber
 Callaway Golf and Arnold Palmer
 PGA Golf and Star Players ("These guys are good")
 NBA and Star Players ("The NBA is FANtastic")
 MLB and International Star Players (World Baseball Classic)

Licensing

Nike and Major Universities (e.g., North Carolina, Duke, and Ohio State)
 Upper Deck and MLB (collectable trading cards)
 Reebok and NHL (apparel and equipment)
 Gilbert and Super 14 Rugby (balls)
 Wilson and the NFL (balls)

and Yao Ming. Because of their potential impact, endorsements are a commonly employed strategy within the sports-based domain.

Finally, we turn our attention to **licensing**. It is important to reiterate the earlier point that the other forms of sponsorship may convey to the sponsor the right to produce and sell an array of merchandise that features the trademarks, logos, and likenesses of the sponsee. Nike has licensing deals with a number of top tier university athletic programs. Among the most noteworthy are the University of North Carolina, Duke University, and The Ohio State University. Upper Deck uses a licensing agreement with professional sports leagues and players such as those in Major League Baseball as the foundation of its efforts to sell collectable trading cards. It is important to understand that the licensee is using its relationship with a sports property to influence demand for its own sports products.

For each of the aforementioned examples, the synergy emanating from the two sports entities should be evident. As noted earlier, this domain represents the one with the greatest overall immersion into the world of sports; therefore, it can be extremely effective when

the target market is comprised of fans of the sports entity with which the marketer has an official relationship. Clearly, the marketing of sports products can be impacted in a positive manner via the incorporation of the sponsorship of a recognizable sports property within an integrated marketing communications strategy. Table 6 provides a summary of the sports-based strategies that were cited in this section.

Conclusions

The purpose of this conceptual paper is to provide a grounded theory-based framework for classifying activities that comprise sports marketing strategies. It begins with the recognition that there are two distinct dimensions within the sports marketing industry: the marketing *of sports* products and marketing *through sports*. Thus, sports marketing is not solely focused on how to get more fans in the seats at a specific sports venue. By taking the type of product sold and the level of sports integration into account, four strategic domains have been identified. The types of products have simply been identified as sports products and nonsports products. The marketers' level of integration

concerns its involvement with some sports entity in some form of official sponsorship. As such, the two broad areas for integration have been designated as traditional and sponsorship-based. Using these dimensions, the two-by-two matrix shown in Figure 1 emerges. This matrix provides the foundation for the definition and description of the four domains of the sports marketing industry.

At the most fundamental level, *theme-based* strategies use the traditional components of a marketing strategy—target market and marketing mix decisions—to sell nonsports products. This can be differentiated from the *product-based* strategies that represent the use of traditional marketing mix and target marketing decisions in an effort to sell sports products. Representing a higher level of integration, many marketers have aligned themselves with sports properties via some form of sponsorship. The sponsorship-based strategies are represented by the *alignment-based* and *sports-based* strategies. Alignment-based strategies use sponsorship in the efforts to sell nonsports products; it is the fact that the marketer is aligned with some sports entity that qualifies this type of strategy as one of the sports marketing domains. Conversely, sports-based strategies involve some form of official sponsorship of a sports property in the task of marketing one of the many sports products that crowd the marketplace.

The classification of recent examples within the sports marketing industry provides evidence and further documents the fact that these four domains are mutually exclusive and collectively exhaustive, thus meeting a basic test for the usefulness of this proposed framework. In addition, the broadened set of sports marketing domains articulated herein provides a method for classifying the many strategies that have recently evolved in the practice of sports marketing. This classification system is an initial first step for the development of theory in a field, it allows for the development of testable hypotheses to guide the development and execution of research, and finally it provides guidance to decision-makers in the field.

Directions for Future Research

The classification framework presented herein gives rise to a number of interesting and potentially fruitful research topics related to sports marketing. We mention several here.

A key question is the relative performance of these various sports marketing approaches in the accomplishment of business objectives. The performance characteristics should consider the advantages and disadvantages of each approach. For instance, there is some evidence that sponsorship strategies may stimulate negative societal attitudes toward the practices in

particular and sports in general (Merz, Fullerton, & Taylor, 2006).

In addition, the development of descriptive research to document the relative costs associated with each of the four domains and the identification of contingencies for choosing one approach over another would help establish useful decision-making guidelines. For instance, strategy research can identify conditions under which it is more advantageous for a marketer of non-sports related products to use a theme-based versus an alignment-based strategy.

Finally, the practice of sports marketing strategies internationally is another area of fruitful inquiry. As many of the examples used in this paper reveal, while the underlying framework as a theory possesses face validity, clearly how the approaches are executed varies dramatically in a cross-cultural context. Marketers engaged in global activities need guidelines about how best to use sports marketing strategies in the international arena.

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Endnotes

¹ Howard Cosell first uttered the expression "veritable plethora" in a sports context during the broadcast of a Monday Night Football game in the 1970s. That phrase seems to be an appropriate description of the current state of sports marketing.

² A grounded theory approach has as goals the identification of concepts, categories and propositions. Concepts and categories are the basic units of analysis and the starting point for most grounded theory applications. It is the conceptualization and categorization of observed events (the data) that establishes the bases and means for integrating the emerging theory. In its formation the grouping of concepts into categories is supported by examples (samples of data) observed by the researcher.

³ For example, Qantas Airway's ambushing of Ansett Australia during the Sydney Olympics, and Nike's ambushing of the official adidas sponsorship of the World Cup of Soccer.

⁴ Grabbing much of the headlines in recent days is the pricing strategy used by Steve and Barry's University Sportswear store to sell its new basketball shoe for \$14.98. In light of Payless Shoe Source's marketing of its successful \$35 Amp running shoe, one sports marketing firm issued a stern warning that, "If I were a branded athletic company right now, I'd be reconsidering my whole approach" (Holmes 2007).

⁵ ESPN attempted to provide this type of service, but it was met by general disinterest by American consumers.

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