

Chapter 3

Plan by Segments

Marketers have traditionally segmented markets on the basis of demographic, geographic, psychographic, and behavioristic variables. Individual customers with similar attributes and needs are grouped into segments. The firm targets those segments which best match the firm's objectives and resources given the competitive environment.

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

For the purpose of sports organizations and sporting events, CRM seeks to achieve three goals:

1. **Generate** new fans,
2. **Enlarge** attendance and purchases of current fans, and
3. **Maintain** current fan loyalty and identification.

As sports fans seek to affiliate themselves in some way with the team or players, the organization has ample opportunity to gather customer-specific data. Every time a ticket to a sporting event is purchased, vital customer information can be obtained. As fans buy individual tickets, mini-paks or season tickets online, over the phone, or at the ticket office, the organization can gather information that will allow the organization to implement incentive plans that seek to convert these fans into even more frequent attendees. As fans attend games, fan surveys can gather customer information, so that specific fan segments can be identified, rewarded and encouraged to maintain their commitment to the organization, its team, and its players.

Through any means of customer contact, the organization must evaluate and search for ways to be market oriented. **Market oriented** organizations do three things effectively (Kohli and Jaworski 1993):

1. Generate customer information
2. Disseminate customer information, and most importantly,
3. Respond to customer information in a way that meets customer needs and fulfills organizational goals.

This chapter provides specific guidance for sports organizations regarding the types of customer information that can be collected and disseminated to guide sports marketers in segmentation and marketing planning decisions. Since it is typically not the sports marketing manager's responsibility to actually design the database information system, one should develop close personal friendships with the organization's information technology employees.¹

Without customer information, the organization is merely working from management's intuition and experience. This can lead to ineffective management, inasmuch as professional sports organizations have traditionally been managed by individuals whose backgrounds have been:

- a. a player (professional, collegiate or otherwise) who retires or aspires to work in sports management,
- b. media or team employees without technical or business training, or
- c. an individual whose father or other relative owns the team.

Two frameworks guide the collection of customer information. We first examine traditional segmentation variables that sports organizations use to segment markets. Having generated a basic knowledge of customer demographics, geographics, psychographics, and behavioristic information, we will examine how sports

¹ Most IT employees are appreciative of gifts containing caffeine or nicotine. You might also provide team logo apparel to replace the shirt s/he has worn consecutively for the past three days.

marketers can gather more specific customer information following a second segmentation framework that follows a *Hierarchy of Effects* model. Sports marketers are not likely to gather all of this information. Rather, given their needs, the organization will gather selected spectator information that facilitates generating new fans, more fans per game, and more long-term fans.

Segmenting in the Sports Marketing World

Table 3.1 (p.3) depicts three major types of segmentation variables (geographics are merged into demographics) and appropriate measures for gathering this information. Once gathered, this information can become part of aggregate customer profiles that can be used to attract sponsors and to plan targeted marketing efforts. On an individual basis, customers can be selected for direct marketing efforts via phone, mail, or email. We look at each set of segmentation variables, discussing segmentation issues relative to the sponsor, the team (or sports organization), and CRM.

Demographics

Demographics are the staple of the sports marketers' information system. Demographic profiles are used in selling sponsorships to corporations and organizations wishing to target markets overlapping with those of the sports organization. The table (3.2) below contains sample data from customers at a professional baseball game.

Variable	Majority	Additional information
Gender	58.1% Male	41.9% Female
Marital status	71.1% Married	29.9% Single
Age	42	17.4% <30 years old; 27% over 50 years old
Home	77.8% Own	22.2% Rent
Miles fans live from park	50% within 18 miles	85% within 30 miles
Kids at home	56% have no kids under 18	21.1% have 6-12 year olds; 18.5% have 13-18 year olds
Heritage	87.2% are white	6.1% are African-American, 3% Native American
Household Income	69.5% earn over \$50k (30.8% earn over \$100k)	Only 17.7% earn less than \$35k.
Tickets bought per party	90.6% of tickets were purchased for parties of 5 or less	Two (39.6%) and four (24.6%) tickets were most common.
Seats purchased	13.2% Club 17.1% Lower Dugout 17.9% Upper Dugout 27.3% Field Box 16.3% Outfield/Pavilion 8.2% Bluff	73% of these are individual ticket (not season) purchasers.
Reported Expenditures	\$15.00 on Food & Drink (median)	Parking: 23.2% paid less than \$2 or nothing; 51.8% paid \$5
Games planned to attend this season	50.2% 10 games or less 66.3% 20 games or less	Median games=10 Average games=19.8

Sponsors target markets. What kinds of sponsors might be interested in reaching customers with these demographics? Given the high income levels, marital status, and mean age, marketers of professional services (e.g., airlines, e-commerce, consulting and accounting firms), leisure services (e.g., resorts, cruise lines, casinos, etc.) and automobile dealers are organizations likely to have relatively high customer overlap with attending fans.

Table 3.1 Sports Segmentation Variables

Personal Characteristics	Measure
Demographic	
Gender	Male/Female
Age	Year of birth: 19 ____
Marital status	Married/Single
Homeowner	Rent/Own home
Children	Number of kids under 18 living at home? ____
Heritage	African-American, Caucasian, Hispanic, Asian, Native American, Other
Education	High School or less, Some college, 2-Year Degree, BA/BS, Master's, Dr/MD
Household Income	<\$25,000, \$25-49,999, \$50-74,999, \$75-99,999, \$100,000+
Vicinity	Miles you live from venue?
Zip Code (address)	Zip code:
Email	Email:
Psychographic	<i>How accurately do these statements describe you? (inaccurate—accurate)</i>
Price Sensitivity (*tickets, food/drink, parking, team merchandise)	I am willing to make an extra effort to find low prices for *.
	I will change what I had planned in order to take advantage of a lower price for *.
	I am sensitive to differences in prices of *.
Social Motives (can substitute friends for family)	I go to the game to spend time with family as much or more than for the game itself.
	I go to the game only if (some of) my family goes.
	My family is the main reason I go to games.
Promotion-proneness	Promotions influence when I attend games.
	Promotions play a big part in my choice to attend games.
	If there's a promotion I like, I just go to that game instead of another one.
Variety-seeking	I enjoy going to different entertainment spots for the sake of comparison.
	If I have a choice when I go out, I'd rather try someplace new than go to places I already know.
	I tend to go to a lot of different entertainment spots, just for the sake of a change of pace.
Behavioral	<i>How frequently do you use the following media?(not at all—very frequently)</i>
Information-gathering	Newspaper (list names or editions as needed)
	Radio (list stations)
	Television (list stations)
	Internet (team website or emails)
	Signage at/near stadium
	Magnet or pocket schedules
	Other
Consumption/Usage	How many games did you attend last season? (____ /N)
	How many games have you attended this season? (____ /N)
	How many games did you listen to on the radio this season? (____ /N)
	How many games did you watch on TV this season? (____ /N)
	What seats do you prefer to buy? (list seat type and number of tickets desired)
	How much did you spend on food and drink for yourself (not others) at this (last) game?
	How much did you pay for parking at this (last) game?
	How many team licensed logo items do you personally own? (1-5+) <ul style="list-style-type: none"> • Personal: Jerseys, shirts, sweaters, shorts, jackets, caps, jewelry, etc. • Home: pennants, posters, signs, mugs, clocks, etc. • Vehicle: license plate frames, license plate inserts, windshield signs, etc.

Team target markets. Sponsors are most interested in targeting their advertising at the majority of sports fans attending. While the sports organization also seeks to understand their own primary target markets, the organization is often interested in understanding whom they are not attracting. Reviewing Table 3.2, which segments could this team seek to grow or develop? What kinds of people aren't attending? Go ahead, flip back two pages while I take a break from writing.



Stop already. Go back two pages.

You're back so soon? Well, here's one thing you might have figured out: Efforts could be mounted to increase visits to the ballpark by younger, single, lower-income, females living in apartment buildings within a given radius of the stadium (e.g., 10 miles). For instance, the team could stage an exhibition between the home team and the New Jersey Nemesis, a traveling women's baseball team. You may be able to think of better ideas.

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

How can the organization build and maintain relationships with customers based on the demographic data in their database? Look at Table 3.2 again. The baseball team knows the names and emails of single or married individuals living or working within five miles of the stadium, who make over \$50,000, are not season ticket holders, and who paid \$5 or more for parking at the last game they attended. The team could email parking passes (sponsored, of course) to the married individuals ("good with four or more in your car") or a price-bundled offer that includes dinner at the ballpark on weekday games for the singles.

Psychographics

In addition to identifying with the team, individuals may be motivated to attend or not attend games due individual psychological differences. In particular, sports organizations may wish to identify those game attendees who within this context are more or less:

1. **Price sensitive:** willing to respond to changes or differences in prices
2. **Socially motivated:** desire to spend time with friends and family
3. **Promotion prone:** willing to shift consumption behavior based on promotional incentive
4. **Variety-seekers:** desire to seek variety in one's leisure and entertainment activities

In general, individuals who are more price sensitive, socially motivated, promotion prone, and variety-seeking are *less* likely to be frequent attendees in a given season or a particular sporting event. The more highly identified with the team that the fan is, the less the likelihood that their behavior (attendance, purchases, media habits, etc.) will be determined by changes in prices, social context, promotions, or need for variety. Identification with the team tends to supersede these tendencies. Less identified and involved fans may, however, be motivated to attend or make purchases for other reasons besides a great love for the sport and identification with the team.

Sponsors target markets. Fans that are particularly price sensitive, socially motivated, promotion prone, and/or variety-seekers may be targeted by sponsors of events or promotions that are otherwise unrelated to the sporting event. HEB grocery stores may sponsor a Fourth of July post-game concert or fireworks that reaches a broad spectrum of their own customers and the team's fans. HEB may also offer in-store special ticket packages (with bonuses or discounts) for these events for those buying four or more tickets to take advantage of social motivations and price sensitivity for those willing to make the effort of advance purchases.

Team target markets. From the sports organizations' perspective, the objective of promotional efforts aimed at price sensitive, socially motivated, promotion prone or variety-seeking segments is to increase patronage of infrequent fans, who hopefully will enjoy the experience, gain exposure to the sport and the team, and subsequently intend to return more frequently. Care must be taken that these promotional efforts maintain or enhance the perceived value of the ticket price. Although sponsors may be paying or trading value for the right to distribute discounted or free tickets, frequent availability of cheap or complimentary tickets will reduce the value of the ticket to those who otherwise are willing to purchase regularly priced tickets.

By collecting information on these psychographic measures, management may also find that they have been overestimating the price sensitive or promotion prone segments. It is also important to correlate what people say they do (i.e., shop for low prices) and what they actually do. Although sizeable segments may report high price sensitivity, the actual segment size of those who actually do want to buy the cheapest seat and bring their own lunchbox may be considerably smaller.

CRM. Clearly, the best opportunities to target individuals who really are price sensitive, promotion prone, or variety-seekers are through precision direct marketing efforts. Sophisticated customer information systems can track those customers who respond to specific deals.

Sports organizations are beginning to adopt the marketing practices of grocery stores and casinos with respect to customer information systems and club/store memberships. You have probably signed up for membership cards to receive special discounts and promotions geared toward your shopping patterns and characteristics. Interestingly, when customers of grocery stores (e.g., Sam's or Kroger's) and casinos (e.g., Harrah's) acquire these membership cards, customers willingly provide these marketers with massive amounts of information that is then used to effectively target each individual. The point is that collecting the customer data is relatively easy.

Sports organizations at the top of their marketing game are now starting to use software that enables them to track customers when they swipe their tickets at the gate or otherwise interact with the organization. Individual customers (fans) who infrequently attend can receive targeted emails and mailings to increase patronage. While it is obvious that season ticket holders are likely to be

Ticket.Com/Ticketmaster.com: Great for the League, bad for the team?

In order to facilitate ticket purchases on the internet or by phone from any location on the globe, Major League Baseball, National Basketball Association, and the National Hockey League have signed league-wide contracts with organizations such as Ticketmaster.com and Tickets.com. The average fan purchasing tickets is likely to encounter familiar website interfaces and familiar ticket surcharges. While consumers may have become use to the ubiquitous Ticketmaster and its fees, individual sports teams are not always able to market efficiently under these contracts. The ticketing vendor controls the customer information that is generated due to fans' interest in the team. The team would often like to customize the information they receive from fans to be able to more effectively market to the fans' needs. Unfortunately, the ticket vendors have difficulty customizing a program that the vendors (viz., Ticketmaster) essentially mass market. Fans lose out because teams would be able to efficiently target specific products and promotions to fans based on their interests and backgrounds. Teams lose out because they miss the opportunity to build strong relationships with fans through effective precision targeted marketing. Obviously, teams can turn to other vendors and other sources of fan information to build their databases, but they do so at additional costs beyond what the league has already obligated them to pay to the league-wide ticket vendor.

treated as “members,” sports organizations can also develop other levels of memberships that facilitate information collection and marketing targeted at individuals.

Behavioral

Sports marketers are particularly interested in behavioral differences in fans with respect to (a) how they search for information and (b) their consumption/usage.

Information search

Fans purposefully seek information that may be of enduring or temporal value (see discussion of CSP). However, different fan segments may gather this information from different sources (TV, internet, newspaper, etc.), at different times (weeks in advance of the game vs. gameday), and for different purposes (e.g., curiosity, BIRGing, etc.).

Sponsors/teams. Sports organizations are interested in determining how fans get information about the game or event, such as game times, dates, opponents, and promotions. For instance, infrequent fans that are attending a weekend game as part of a weekend in the big city may access game information three to four weeks in advance in order to make ticket purchases. Alternately, frequent fans may look on their pocket schedules or team-sponsored calendars. The team and sponsors may use this information to guide media purchases (e.g., Weekend Entertainment Guide in newspaper vs. TV ads on evening news) supporting games or events they sponsor.

CRM. In a general sense, much of this information may be obtained from syndicated services such as Arbitron (radio) and Nielson (television). However, sports organization that can obtain information gathering tendencies associated with specific customers in their relational database can more effectively target communications to them. If a large group of individuals in the database may be queried (selected) based on their tendency to access email or the internet, then marketing information can be communicated through those media to those fans. If another group is identified that does not have internet access, then direct mail or phone may be used to communicate. The efficiency (versus bulk mailing all customers) from such an approach are obvious.

Consumption/Usage

Return to Table 3.2 regarding the data collected from fans attending a professional baseball game. How do you think sponsors and the team might use the consumption data?

Sponsors target market. Sponsors are particularly interested in the reach and frequency of their sponsorship activities. Reach can be determined by estimating the number of unique individuals attending and watching games. For an individual game or event, this is relatively easy to determine by attendance figures and television ratings. Frequency, on the other hand, can be determined if one knows how often a typical fan is exposed to the sponsorship. If the average fan attends 20 home games, one would expect that this frequency of exposure would have a substantive effect on awareness and recall of the sponsors’ brand. We will spend more time in a later chapter on sponsorship recall. However, you should be able to see that frequency is an important factor in determining why corporations spend what seem to be excessive amounts of money for sponsoring sporting events. Frequency of exposure is such an important facet of sports sponsorship that Joyce Julius and Associates have a lucrative business of producing reports of television brand exposure for motor sports sponsors, using mechanical means to record the amount of time any given brand is in view on the screen during the racing event (see www.joycejulius.com).

Team target market. Like any other organization, the sports organization is interested in designing marketing efforts at those identified as infrequent, frequent, and very frequent attendees. The goal is to increase consumption by infrequent and frequent fan and to maintain consumption by the very frequent or hardcore fan. Methods discussed in Chapter Two are employed to build and enhance the level of identification in each segment.

Listening to and understanding the needs of loyal season ticket holders is critical to any sports organization's success. Organizations need to spend as much or more effort in maintaining and keeping their current loyal fans due to the *life time value* (LTV) of a customer. To understand this concept, consider how much money you spend at your favorite restaurant, hair salon, dry cleaner, or other retail/service outlet while you are in college. For the four or more years that you are in school, you may find that you will have spent even tens of thousands of dollars at a given restaurant or store. Wouldn't those places treat you a lot better if they saw you as a \$10,000 customer when you walked through the door, rather than as a person who rarely leaves a decent tip?

The LTV of a sports fan can range from relatively small amounts to hundreds of thousands of dollars, to millions of dollars for corporate accounts. For example, consider the lifetime value of yourself as season ticket holder at your university after you get out of school. As you may be aware, it is far cheaper to keep current customers than to acquire new ones. What can sports organizations do to maintain current fans?

1. Provide open communication with the organization.
2. Ask for input on decisions from fan groups via announcements, internet, and other means.
3. After #2, explain fully any changes in pricing, seating arrangements, changes in uniforms, or anything else that fans have gotten use to.
4. Following #3, only offer good surprises². Keep in touch with unsolicited bonuses and benefits that build value in the relationship. If you only communicate when you want more money out of their pockets they will eventually notice the pattern.

CRM. Sports organizations that track actual consumption behavior of ticket purchasers can increase revenues for the organization and satisfy customers at the same time. Many season ticket and other ticket purchasers do not use the tickets that they hold. Although the ticket revenue is already obtained upon purchase, the fan does not derive full satisfaction from the purchase and the sports organization misses important additional revenue that is gained when the ticket is used.

Season ticket holders who are identified as infrequently using their tickets can be approached in a variety of positive ways:

1. Automated and personal emails elicited following patterns of unused tickets.
2. Personal phone calls to see if the organization can help them make better use of their tickets, such as:
 - a. using the tickets as donations to disadvantaged individuals,
 - b. using the tickets as promotional items on sports talk shows, or
 - c. helping or encouraging them distribute the tickets to clients or others who will use the tickets.

Given the problem that unused tickets are in many successful organizations, hiring one or more individuals to monitor the relevant customer information system data and creatively dealing with unused tickets is likely to be worth far more than the salary of the employee(s) responsible for this duty.

Climbing the Segmentation Ladder: The Hierarchy of Effects Framework

Prior to purchase, consumers tend to move from awareness and knowledge of a product or service toward forming an attitude of preference or liking toward the product/service. Based on one's attitude toward the product/service, one will form intentions regarding purchase. If a purchase is made, then the individual will evaluate the efficacy of the purchase. This *hierarchy of effects* is often used to understand how effective advertising and promotion works. This framework can also be used to outline important customer attributes or attitudes that lead to frequent purchases and sustained loyalty (see Mohammed, et.al. 2001).

Table 3.3 contains selected measures sports organizations can use to gauge spectators' awareness, knowledge, attitudes, purchase intentions, and post purchase evaluations. Sports marketers can use information from fan

² This is also not bad advice for maintaining marriages.

data regarding each of these stages in order to segment, evaluate segments, and to target differentiated segments.

Table 3.3 Hierarchy of Effects: Spectator Metrics

Hierarchy of Effects	Measure																		
Awareness	<p>Before now, were you aware of the team's: (Yes/No)</p> <ul style="list-style-type: none"> • Promotions (show/list) • Advertising campaign (show/list) • Individual ticket prices • Ticket package prices • Public relations events (show/list) • Website URL 																		
Knowledge	<p>Don't know anything -----Know a great deal 1 2 3 4 5 6 7 8 9 10</p> <p>Using the 10-point scale above, rate your knowledge of the team's:</p> <ul style="list-style-type: none"> • Players • Won/loss record • Overall team and individual statistics • League/competition/rivals • Game rules 																		
Attitudes	<p style="text-align: center;">To me, this sport is:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Uninteresting</td> <td style="width: 33%; text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td style="width: 33%;">Interesting</td> </tr> <tr> <td>Boring</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Exciting</td> </tr> <tr> <td>Dull</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Thrilling</td> </tr> <tr> <td>Unimportant to me</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Important to me</td> </tr> <tr> <td>Means nothing to me</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Means a lot to me</td> </tr> <tr> <td>Has no value to me</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Valuable to me</td> </tr> </table>	Uninteresting	1 2 3 4 5 6 7 8 9 10	Interesting	Boring	1 2 3 4 5 6 7 8 9 10	Exciting	Dull	1 2 3 4 5 6 7 8 9 10	Thrilling	Unimportant to me	1 2 3 4 5 6 7 8 9 10	Important to me	Means nothing to me	1 2 3 4 5 6 7 8 9 10	Means a lot to me	Has no value to me	1 2 3 4 5 6 7 8 9 10	Valuable to me
Uninteresting	1 2 3 4 5 6 7 8 9 10	Interesting																	
Boring	1 2 3 4 5 6 7 8 9 10	Exciting																	
Dull	1 2 3 4 5 6 7 8 9 10	Thrilling																	
Unimportant to me	1 2 3 4 5 6 7 8 9 10	Important to me																	
Means nothing to me	1 2 3 4 5 6 7 8 9 10	Means a lot to me																	
Has no value to me	1 2 3 4 5 6 7 8 9 10	Valuable to me																	
<i>Sport Involvement</i>																			
<i>Team Performance</i>	<p>This team: (use above scale) Not at all accurate-----Very Accurate</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Is one of the best teams in the league.</td> <td style="width: 40%; text-align: center;">1 2 3 4 5 6 7 8 9 10</td> </tr> <tr> <td>Will win more games this year than most.</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> </tr> <tr> <td>Is highly ranked compared to other teams.</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> </tr> <tr> <td>Will contend for the title, unless something unusual happens.</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> </tr> </table>	Is one of the best teams in the league.	1 2 3 4 5 6 7 8 9 10	Will win more games this year than most.	1 2 3 4 5 6 7 8 9 10	Is highly ranked compared to other teams.	1 2 3 4 5 6 7 8 9 10	Will contend for the title, unless something unusual happens.	1 2 3 4 5 6 7 8 9 10										
Is one of the best teams in the league.	1 2 3 4 5 6 7 8 9 10																		
Will win more games this year than most.	1 2 3 4 5 6 7 8 9 10																		
Is highly ranked compared to other teams.	1 2 3 4 5 6 7 8 9 10																		
Will contend for the title, unless something unusual happens.	1 2 3 4 5 6 7 8 9 10																		
<i>Social Attractiveness</i>	<p>Among my friends and family, the members of this team are:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Unpopular</td> <td style="width: 33%; text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td style="width: 33%;">Popular</td> </tr> <tr> <td>Have low status</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Have high status</td> </tr> <tr> <td>Disliked</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Well-liked</td> </tr> <tr> <td>Looked down on</td> <td style="text-align: center;">1 2 3 4 5 6 7 8 9 10</td> <td>Looked up to</td> </tr> </table>	Unpopular	1 2 3 4 5 6 7 8 9 10	Popular	Have low status	1 2 3 4 5 6 7 8 9 10	Have high status	Disliked	1 2 3 4 5 6 7 8 9 10	Well-liked	Looked down on	1 2 3 4 5 6 7 8 9 10	Looked up to						
Unpopular	1 2 3 4 5 6 7 8 9 10	Popular																	
Have low status	1 2 3 4 5 6 7 8 9 10	Have high status																	
Disliked	1 2 3 4 5 6 7 8 9 10	Well-liked																	
Looked down on	1 2 3 4 5 6 7 8 9 10	Looked up to																	
<i>Group Identification</i>	<p>Not at all accurate-----Very Accurate 1 2 3 4 5 6 7 8 9 10</p> <p>Using the 10-point scale above, how accurately do the following describe you?</p> <ul style="list-style-type: none"> • One of the things I tell others about myself is that I am a fan of the team. • I almost think of myself as part of the team. • It's important to me to maintain strong ties to the team. • Being a team fan is an important part of who I am. • Supporting the team is very important to me. 																		
Prepurchase intent	<p>How many games are you likely to attend this season? (___/N)</p> <p>How likely are you to purchase season tickets? (1-10 unlikely—likely)</p> <p>How likely are you purchase tickets online? (1-10 unlikely—likely)</p>																		
Purchase	See Behavioral Variables																		
Postpurchase Evaluation (covered in research chapter)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Perceived service quality • Perceived stadium quality • Customer service satisfaction • Perceived entertainment value </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Perceived ticket value • Perceived promotion value • Sponsorship recall </td> </tr> </table>	<ul style="list-style-type: none"> • Perceived service quality • Perceived stadium quality • Customer service satisfaction • Perceived entertainment value 	<ul style="list-style-type: none"> • Perceived ticket value • Perceived promotion value • Sponsorship recall 																
<ul style="list-style-type: none"> • Perceived service quality • Perceived stadium quality • Customer service satisfaction • Perceived entertainment value 	<ul style="list-style-type: none"> • Perceived ticket value • Perceived promotion value • Sponsorship recall 																		

Awareness. North American corporations spent nearly \$9 billion in sponsorships in 2000, with two-thirds of that spent on sports-related sponsorships. That works out to approximately \$28 spent on all sponsorships per person residing in the United States and Canada. In addition, corporations and sports organizations spend even more to advertise and promote the events and teams they are sponsoring. Much of this sponsorship and related media buying is aimed at building brand awareness for the sponsors.

The sports entity and its various sponsors are interested in knowing if the sponsorship and advertising dollars are resulting in strong awareness levels among relevant target markets. Chick-Fil-A may sponsor an event such as a concert prior to a professional baseball game. Chick-Fil-A is interested in building attendance at the game so that they can increase the sale of “chicken” through product sampling or coupons they present to fans at the game. Chick-Fil-A and the team have promoted the event in various media to draw fans to the game. Of interest to Chick-Fil-A and the team is the number of people arriving at the game that were aware of the promotion before they arrived at the stadium and whether or not it influenced their decision to attend. As with many types of sponsored promotional events, unaware fans may be thankful to receive the promotion when they arrive. However, teams and their sponsors are interested in determining which promotional efforts draw the attention, have high perceived value, and increases intentions of fans to attend the event.

From a pragmatic perspective, sports sponsors and sports organizations do not always take the time and money to effectively manage their promotions. In order to do so, at least four steps must be followed:

Sponsorship Planning Model	
Step	Example
1. <i>Set</i> measurable goal within a specific time frame.	Increase awareness levels of PWC E-Consulting Services to 60% or better among upper income business executives attending local professional sporting events within 12 months.
2. <i>Measure</i> the baseline attribute level among target audience.	Awareness of Price Waterhouse Coopers E-Consulting Services among upper income business executives is 45% among those attending local professional sporting events.
3. Develop <i>action</i> plan to achieve goal within budget constraints.	Determine budget. Purchase billboard signage at local arena or stadiums. Design interactive sponsorship event: “Transforming Results” campaign at professional baseball game, where each relief appearance is sponsored by PWC E-Consulting.
4. Measure <i>performance</i> during and after executing plan.	Post campaign awareness of PWC E-Consulting Services among upper income business executives increases to 65% among those attending local professional sporting events.

Promotion planning is covered more thoroughly in later chapters. However, the main point here is that unless the sponsor and sports organization monitor goal achievement, then they are likely spending sponsorship dollars without clearly defined corporate goals. Consequently, decisions to begin and maintain sports sponsorships may be based on upturns or downturns in the economy (recession of 2000-2002) or the firm (K-Mart and Enron are extreme examples), rather than whether or not the sponsorship helps the firm achieve its goals.

Knowledge. Table 3.3 suggests that sports organizations can segment their fans based on their knowledge of the sport and game. If a substantial portion of individuals attending the sporting event lack knowledge regarding who the players are or don’t know the rules of the game, then the market oriented organization can respond by providing this information. *Knowledge is a prerequisite for learning and forming attitudes toward an object.* While gaining information about the game, the team, the players, and the rules doesn’t necessarily make someone a fan, one can’t really become a fan without knowing the game, the team, the players, and the rules.

Some sports venues operating at full capacity may think that they can be less concerned about building fan knowledge, since demand currently outstrips supply. Alternatively, some sports organizations (minor league sports) may argue that they are primarily selling entertainment, so fans' knowledge of the game is less important. These are short-sighted arguments. In the first case, sell-out crowds rarely continue indefinitely. Even if they did, more knowledgeable fans (e.g., who are provided with complete game-time stats, online features, and media interviews) are likely to be more identified and subsequently consume/purchase more off-venue media and merchandise. In the second case, individuals who come largely for the entertainment (fireworks, concerts, mascots, etc.) offered at the sporting event are unlikely to be very frequent or loyal consumers. Thus, the "entertainment" seller is always forced to come up with something interesting besides the core product—which is the sport. Increasing fans' knowledge of the game provides them with an opportunity to become more involved with the sport and to subsequently become identified with the team. This doesn't mean you don't offer good entertainment. Rather, you can build fans' knowledge of the sport, team, and players while entertaining them.

To the extent that sponsors are attempting to inform the sports fan audience about the firm and its product/service offerings, the same four steps in the Sponsorship Planning Model should be followed. Knowledge levels must be measured. Goals must be set. Plans must be conceived. Performance must be measured to determine the relative success of the sponsorship efforts.

Attitudes. Based upon one's awareness and knowledge, an individual will form an attitude toward an object. Within the sports context, fans develop attitudes about the sport, the team and its players. As we learned in Chapter 2, fans who are more involved with the sport, think the team is performing well, and finds its players attractive are likely to be more identified with the team. In turn, these attitudes determine fans' intentions to go to the game or sporting event.

Attitudes toward an object tend to be consistent. That is, if you are highly involved with golf and perceive that John Daly is performing relatively well, you will be more likely to assign him high social status and to identify with him than would someone less involved with golf who only recalls seeing Daly hit three balls into the Pacific Ocean, another into someone's back yard, and shoot left-handed on the 18th hole of the 1998 U.S. Open at Pebble Beach. At any rate, the implication is that if the sports marketer can increase positive attitudes toward one or more of these elements (involvement, performance, social attractiveness), then the others tend to positively increase as well.

Given that the sports marketer has limited ability to influence player performance or team composition, sports marketers can attempt to **reposition** *on other valued attributes of the team or players* to combat otherwise negative perceptions. Interestingly, a good many fans do identify with John Daly, because he is a lot like the typical amateur who spends too much time playing golf and drinking beer and not enough time with any of his three wives, to this point. On the golf course, Daly has his good and bad days. Although not likely with much intention, Daly has repositioned himself as a regular guy who has a huge following of fans rooting for him. These fans think Daly is doing well if he makes the first cut, and great if he finishes in the Top 10 of a tournament. Conversely, if Tiger Woods doesn't win the tournament, he is perceived as not playing well.

Sports teams can, intentionally, reposition themselves to overcome negative perceptions. For example, if a team finds that its market perceives its team and players as poor performers and relatively unattractive, they can change the focus away from absolute performance and reposition in the minds of fans:

Focus	Positioning Example
Potential	Up & coming young team who will only get better!
Desirable traits	Exciting [rugged] style of play!
Star players	One of the best players in the league!
Underdog status	Wins over the top two teams in the league...come see another upset!

Matching sponsors for organizations and players with relatively poor performance can also help both the sponsor and the sports entity achieve goals. John Daly and Callaway Golf Clubs were not a particularly good fit over the long run. However, you can probably think of some good sponsors to match Daly's personality. Sports teams that are featured as underdogs might find Avis ("We try harder") to be a good sponsor fit. Hardee's would provide a good sponsor match for a team featuring "Star" players. Not all of the team's sponsors will be related to their market positioning, but primary sponsors should compliment the positioning of the team or players.

Prepurchase Intent/Purchase. The goal of most sales promotions is to induce immediate or short term purchase behavior. Collecting fan data regarding purchase or attendance behavior allows the sports marketer to segment based on low/medium/high purchase or attendance behavior. As you should be able to guess, the typical profile of low and high sports attendees can be dichotomized along the dimensions discussed thus far. Single-event sales promotions (discounts, fireworks) intended to induce immediate sales primarily target the infrequent fan. Multiple-purchase sales promotions (Buy four get one ticket free; mini-paks) are likely to target the medium-frequency fan. Team and sport-related promotions (Bat or Jersey Day; Booster Club Breakfast) are likely to target the frequent fan to reinforce loyalty and identification.

	Low Purchase Behavior/Infrequent Fan	High Purchase Behavior/Frequent Fan
1	More price sensitive	Less price sensitive
2	More socially motivated	Less socially motivated
3	More promotion prone	Less promotion prone
4	More entertainment variety-seeking	Less entertainment variety-seeking
5	Low awareness	High awareness
6	Low knowledge	High knowledge
7	Low sport involvement	High sport involvement
8	Poor perceived performance	High perceived performance
9	Negative perceived attractiveness	Positive perceived attractiveness
10	Low identification with team	High identification with team

In general, as the sports marketer increases awareness, knowledge, involvement, perceived performance and attractiveness, fans become more identified. As fans become more identified with the team, tendencies to be price sensitive, socially motivated, promotion prone, and variety-seeking with respect to the team are diminished.

Sponsors clearly prefer to associate with those organizations that have highly identified fans. Highly identified fans mean more people in the seats, more eyes and ears on broadcasts, and greater loyalty to sponsors who support their favorite team. This is the chief reason that sponsors are willing to pay upwards of \$10 million to sponsor NASCAR driving teams.

Postpurchase Evaluation. Following any purchase, individuals will compare what was received in the transaction compared to **norms**, **expectations**, and **desires**. Fans attending a sporting event will evaluate the service quality, the stadium quality, entertainment value, ticket value, and promotion value that they received or experienced. These aspects of the sporting event are compared to **norms**, or what they normally receive—either at this venue or at similar venues. The sporting event is also compared to **expectations**, which may be based on

norms, but are also influenced by the situation or context. For instance, fans may expect long lines and relatively slower service when the stadium is packed at a Tennessee Volunteers football game versus when they attend a nearby Smokies AA baseball game. Finally, fans evaluate the experience based on **desires**, or what the experience *could be* or *ought to be* if performed better. Interestingly, many season ticket holders actually evaluate service quality, stadium quality, and other dimensions of the experience more negatively than less frequent fans because they *want it to be better*. These dimensions are the frequent subject of sports market research studies and are examined more completely within that chapter.

Fans whose experiences fall short of norms, expectations, and desires become dissatisfied. Obviously, dissatisfied customers will eventually decide not to be customers any longer. For the infrequent fan, one dissatisfying experience may be enough to never return. For a more frequent fan, one dissatisfying experience is unlikely to reduce purchases or attendance immediately. Rather, at some point, dissatisfying experiences may mount to a critical point when the fan decides to disassociate with the team.

From a segmentation and marketing planning perspective, it is extremely important to identify those fans that have dissatisfying experiences. Most fans will remain loyal, perhaps becoming even more loyal, if the sports organization makes an effort to deal with any sources of dissatisfaction.

Sponsors who spend hundreds of thousands of dollars to appear on scoreboards, behind home plate, or rotating scoreboard signage, want to know if their target audiences recall these sponsorships and attribute value to the sponsors. Thus, research regarding fans exposure, awareness, recall, intentions, and loyalty toward sponsors *following* the sporting event is critical to determining the success of sponsorships.

