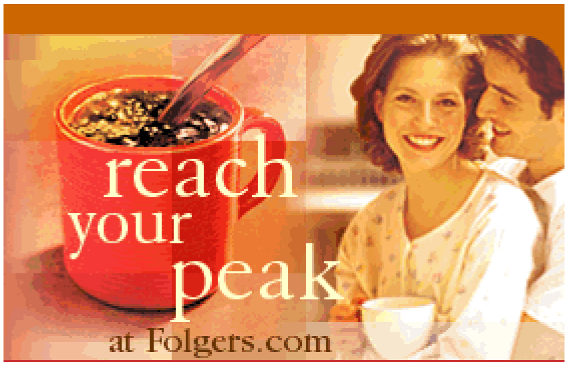
A SPECIAL CASE OF WHAT?
Some might argue that sports marketing is a "special case" of marketing, meaning that there are theoretical and practical dimensions of marketing that are peculiar to sports marketing (see Peter 1983). Thus, we should treat sports marketing as a special case to study because its processes do not function or generalize well for other goods and services.

If, however, sports marketing better explains and predicts effective marketing when compared to other product and services marketing, then one might argue that marketing is actually a *special case of sports marketing.* General theories of marketing should ultimately possess superior predictive and explanatory powers of how marketing works (Hunt 1973). As we examine the differences between goods/services marketing and sports marketing, consider which characteristics better explain optimal buyer-seller relationships.

WHAT'S THE DIFFERENCE?
If a customer is a loyal Folgers coffee customer, we can predict that s/he will likely continue to buy Folgers coffee at the grocery store. A loyal Folger's customer may, however, switch to similar coffee (Maxwell House) or buy Folgers at another store if appropriately discounted (see Grover and Srinivasan, 1992; Uncles and Ehrenberg 1990).You won't see many Folger's customers wearing shirts with its brand name emblazoned across the chest. Nor are you aware of many people, who of their own free will, frequently visit www.folgers.com. If so, they must be the same people who are visiting www.tide.com, www.zest.com, and www.crest.com.The consumer's purchase of Folgers is primarily an economic decision based upon the **perceived value** of what one gets (coffee) for what one pays (e.g., $3.20 for a 13 oz can). Some may also perceive that the best part of waking up is Folgers in the cup, but we know of no empirical evidence to support this.



If an individual is a fan of a professional or major college sports team, even a losing team (see Fisher and Wakefield 1998), we can predict that the fan will likely:

1. Identify with and follow the behavior of the team and individual players on that team, on and off the field (via www.espn.com, team websites, newspapers, television, radio, wireless emails, etc.).
2. Purchase licensed merchandise (jerseys, automobile paraphernalia, caps, mugs, etc.) promoting the team.
3. Donate or pay for permanent seat-licenses (PSLs) in order to buy season tickets.
4. Travel to see games of that team outside of his local market.
5. Support tax-based initiatives to pay for a new arena or stadium for the team.
6. Be a supporter of the conference or league in which the team plays.
7. Devote significant social time attending, watching and discussing the team with others devoted to the same or other teams.

Fanatics

Compared to goods and services marketing, then, sports marketing differs in at least ten respects (see Table 1.1 at bottom of this document). First, an obvious general point of differentiation is how we talk about individual purchasers. One typically refers to *customers* when the subject is goods and services. Sports teams and players have *fans*.[1]

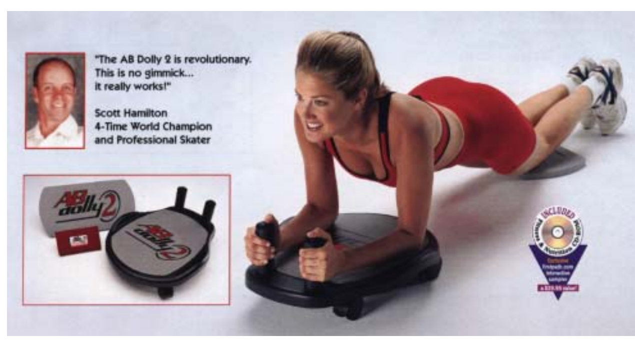
Identification

Second, consumers are loyal to goods and services while fans identify with teams and individuals. **Loyalty** is the repeat purchasing of a good or service by a consumer. A loyal customer is sensitive to differences in brands and prefers a brand or set of brands over others (see Odin, Odin and Valette-Florence 2001). **Identification** is when an individual reacts to events that occur to the team or player as if the events happened to him or her (Kagan 1958). A highly identified fan will describe himself to others in terms of being a team fan, perhaps to the point that he feels like he is part of the team. Fans are certainly loyal to the team in terms of repeat purchases, but fan identification is a deeper psychological affiliation that is a basis for a fan determining his self-esteem and self-worth. Chapter 2 deals more specifically with how teams and players can build fan identification.

Advertising Costs

Third, the manufacturer and/or retailer of goods and services pay for the development and placement of brand advertising and promotions. In contrast, sports teams and individuals (players and drivers) receive **indirect and direct financial support** to advertise and promote themselves. Fans indirectly promote the team by buying and wearing or displaying licensed team merchandise. Sponsors directly promote the team and pay for advertising and media to do so. For instance, ATT pays the Dallas Stars at least $100,000 to host the team website (attwireless.dallasstars.com). Radio and TV broadcasts of events are “brought to you by” the sponsors.

Much of the actual product, particularly in terms of revenue, is in the broadcast of the games or event. The fact that sports are broadcast, in and of itself, differentiates sports from other goods and services. Typical goods and services find it difficult to entertain using its product as the star of a broadcast, although more than a few have paid infomercials featuring already fit models promoting either the Ab Doer Pro, Ab Dolly, Ab Energizer, Ab Flex, Ab Force, Ab Rocker, Ab Roller, Ab Slide or the Abtronic—each guaranteeing that you will look just like the model without “any effort from you.”



Media Purchases

Relatedly,the fourth difference is that goods and services marketers typically pay for media to broadcast or print advertising and promotional information while the media pays sports teams for

[1] Dictionary.com defines a customer as: “One that buys goods or services.” A fan is “An ardent devotee; an enthusiast”; a fanatic is “A person marked or motivated by an extreme, unreasoning enthusiasm, as for a cause.”

the right to broadcast or print team and event information. For example, ABC/ESPN/AOL Time-Warner paid $700 million to broadcast 2002-2003 NBA games. The distribution for sports is increasingly electronic and not limited to static locations (see Geographic Distribution).

Two-part Pricing

Fifth, customers typically pay one price for a given product or service. Professional sports and major college sports fans frequently pay a two-part tariff (or price). While some services with relatively inelastic demand (electricity, utilities, etc.) use a **two-part pricing system** (basic fee + additional user fees) due to monopolistic power, sports organizations operating in competitive entertainment markets frequently charge two prices. An initial payment (donation to the university, payment for a seat license, membership fees) is necessary to then allocate a limited inventory of preferable seats. Fans who pay the initial fee are then given the opportunity to purchase tickets.

Another aspect of two-part pricing in sports is the event itself. Fans pay for a ticket to enter the event (initial payment) and then purchase other products (food, drink, souvenirs) after entering. Thus price-setting in most sports settings must consider various forms of **price bundling**. Season tickets are offered at a bundled price for the entire season and are de-bundled in the form of smaller ticket packages or individual tickets. Offering tickets with a hot dog and soft drink for a single price is another example of price bundling in that it combines the prices of what would normally be two-part pricing.

Geographic distribution

Sixth, goods and services designate specific geographic outlets. Although retail locations may open or close, customers visit or receive service from specific locations. Sporting events and teams, on the other hand, are basically traveling road shows, moving from location to location, city to city, nationally and globally. The NFL, for example, is broadcast in 205 countries across 24 time zones for upwards of 4500 hours of weekly programming (http://www.nfl.com/international/globalTV.html, 2001).

From an international marketing perspective, sports such as soccer, basketball, baseball, tennis, golf and motorsports are **global products** that need little translation or alteration to be accepted across cultures. Compared to most sports, frequently cited global products such as Coke and McDonald's are not actually standardized global products.Coke alters its packaging, name and syrup content in foreign countries. McDonald's offers beer in German restaurants and cooks its hamburgers rare in France. The content or product of the NFL, Formula1 Racing, Olympics Downhill Racing, or the NHL remains the same throughout the world. In a sense, given its electronic broadcasts, the distribution is standardized around the world. Obviously, the promotion (e.g., language) and pricing (e.g., costs of cable or PPV) aspects of the marketing mix may be adjusted by global markets.

Taxpayer Support

Seven, although the subject of much public policy debate, sports team owners frequently do not pay for their own stadiums or arenas. A new Nissan automobile plant may be able to acquire favorable tax status and property in Mississippi ($695 million in tax breaks and incentives over 20 years), but will still pay for building their own facilities ($930 million in Canton, MS).In contrast, the majority (18/29) of NBA owners' facilities are largely or entirely paid by taxpayers (see http://www.marquette.edu/law/sports/sfr/nba22.pdf, 2001). In addition, naming rights by sponsors add additional revenue to the team. Even when owners invest private dollars into the facility it is not necessarily because public monies are unavailable, but is often due to revenue control issues that will favor the team owners if they own the facility.

Why do city, county and state officials want to attract sports organizations? Why are they, and their taxpayers, willing to pass referendums to pay for these facilities? The case can be made for a variety of motives (mainly political and economic) for this support. However, from a broader sociological perspective, sports teams provide a city (or state) a **social identity** that can represent who they are to others. The successful state university sports team allows constituents to represent themselves to others as winners. The tough blue-collar character of the Steelers over the years symbolizes who Pittsburgh fans are to the rest of the country. The black uniforms, skull-and-crossbones, and intimidating players for the Oakland Raiders, for better or worse, mostly identify their fans. (We are not sure what the men dressed up as hogs in dresses at Washington Redskins games means.) In contrast, judging from media reports in places like Cleveland (OH), Memphis (TN), Louisville (KY) and Houston (TX) and some empirical evidence (see Wakefield 1995), major cities who have lost or are without major league sports spend considerable efforts in searching for an identity by way of alluring sports franchises.

Consider what is sold in gift shops in airports. You will always find jerseys, mugs, and other merchandise that represent the city to others who pass through the area. The merchandise may feature the licensed logos of local golf courses or minor league teams in Charleston (SC), the Cowboys in Dallas (TX), or the Jazz and Olympic logos in Salt Lake City (UT). The point is that communities represent themselves to others through their identification with a sports organization. Interestingly, visitors buy the licensed merchandise from these cities to represent to others that they visited there. The identity of the sports organization offers social meaning and value both to those who live in the city and to those who visit the city.

Cooperative Competition

Eighth, branded goods and services have traditionally not cooperated in their marketing efforts. At the wholesale level and in some highly competitive retail markets, goods and services may engage in co-branding or cooperative strategic alliances due to offsetting competitive weaknesses and strengths. As a rule, however, goods and services marketers do not cooperate in cross-promotions and work in-league with each other on a permanent basis as do sports. Admittedly, this is an area in which some sports organizations do better than others. Excellent examples are often found in major college sports conferences (SEC, Big 10, etc.) that negotiate and promote for the benefit of the league and its members. Fans of the teams are also ardent supporters of the league and enjoy following other team members or players in addition to their favorites (e.g., NASCAR and NASCAR drivers).

Social Exchange
Ninth, as inferred earlier, customers pay an economic price for the goods or services that they purchase while fans make a social investment in the transaction. Customers typically give up monetary value in **exchange** (what one gives up for what one gets) for the good or service, although time and search effort may also be expended. In most cases, however, only limited social exchange occurs. Consumers may join together to go out to a restaurant for primarily social reasons. However, the exchange with the restaurant is still premised upon the purchase of the meal. Individual and groups of customers may at the same time purchase a meal in the same venue where social exchange accounts for little or no part of the encounter. In sports, however, attendance is nearly always (98-99% of the time) with at least one other person. The sports fan pays a price for the right to enjoy an emotional experience with others. The fan goes to the game to be with others to share the experience in this **social exchange**. More broadly speaking, unlike most other retail settings, large crowds have positive psychological effects. No line at the grocery check-out will make most shoppers happy, but no line to see a ballgame is a definite cue to a fan that either this is a lousy sporting event or that the fan has arrived at the stadium on the wrong date.

Arriving at the game on the wrong date (Movie: Blues Brothers)

Contractual Power
Finally, the size and power of the manufacturer or retailer of goods and services affords the owner contractual leverage over its employees. Salaries, benefits and tenure are largely controlled by the owners. Employees have mobility, but are rarely able to single-handedly affect the outcome of the firm by making contractual demands. Employees (viz., players) of sports teams are more likely to possess contractual power over employers. Contract concessions, renegotiations and arbitrations generally favor players. Union membership has declined in manufacturing over the past four decades. At the same time, union membership in professional sports leagues have grown relatively strong due to the leverage held by the players. Consequently, work stoppages in major sports leagues have become nearly commonplace in the past decade.

Although the first nine differences are positive aspects of sports marketing, the leverage or power of individual players in major college and professional sports has clear negative implications. The average fan has difficulty in identifying with 21-year old multimillionaires who may not appear grateful for what they have. Players and coaches willingly trade team allegiances for more money. Teams uproot overnight and move to another city. Motorsports drivers trade sponsors for more money. While most fans may not blame the teams or players for maximizing their financial positions, the ultimate fact is that such fluctuations erode loyalty and identification. Just as brands lose customers when they change advertising agencies and campaigns from year to year, teams lose identified fans as they shift player personnel and team names in search of making more money.

So what is sports marketing?
As with any taxonomy, exceptions exist. Some entertainment services, such as the movie industry, share some characteristics with sports teams and players. In the same way, we can think of some sports marketing contexts in which the owners do not share some of these

characteristics. Yet, as can be seen from these 10 dyadic illustrations, the norm in sports marketing is different from the norm in other forms of marketing.

In summary, then, what is sports marketing? ***Sports marketing*** *is building a highly identified fan base such that fans, sponsors, media and government pay to promote and support the organization for the benefits of social exchange and personal, group and community identity within a cooperative competitive environment.* The following chapters will offer the necessary components for effective sports marketing strategies that result in maximizing fan identification.

Conclusion

Does conventional goods and services marketing best explain and predict effective marketing? Or does sports marketing?

Effective sports marketing is primarily premised upon building fan identification. Customers can identify with a branded good or service, as when customers wear FUBU, Harley Davidson or other name brand prominently displayed on their clothing. As such, it can be argued that identification is merely a deeper level of loyalty. However, the best examples of fanatical followings are within the realm of sports marketing.

Branded goods and services that emulate sports marketing practices can build highly identified customers. Services such as eBay can generate fanatical support such that users form and meet in clubs for social benefits associated with being with fellow eBayers. Branded products such as Sony Playstation (II) can generate enough unreasoning enthusiasm among its fans that they will pay a premium in order to purchase the product before others. Food service operators such as Taco Bell, KFC, Pizza Hut and A&W can join forces to cooperate to build customer patronage. These, however, are the exceptions to the rule.

Nonsports organizations can benefit from understanding and practicing sports marketing principles. Brands that seek to build levels of identification like that found in the wide world of sports can generate fans that are willing to proudly wear their brand names (e.g., Nike) and otherwise display unyielding devotion. So, whether you end up in sports marketing or not, this text should provide guidance for excellence in marketing.

Table 1.1 The Difference Between Goods/Services Marketing and Sports Marketing

	Dimension	**Goods/services**	**Sports teams/events**
1	Purchasers	Customers	Fans
2	Adoption	Loyalty in terms of repeat purchases of same brand (viz., lack of switching behavior)	Identification with individuals and team
3	Promotion	Owner pays for promotion	Fans, sponsors, and media pay to promote team/event
4	Media	Owner pays for media time to broadcast ads	Media pay owners for broadcast rights
5	Price	Customer pays a given price for good/service	Two-part: Fans frequently pay for the *right* to pay for tickets
6	Distribution	Site-specific	Mobile, electronic (more flexible)
7	Facilities	Owner buys/builds own facilities	Government (taxpayers) typically pays for facilities
8	Competition	Individual branding in competitive markets	Cooperative contractual relationships→monopoly power & anti-trust exemption
9	Exchange	Principally economic exchange	Principally social exchange
10	Employees	Contractual power favors owners	Contractual power favors players