

# CREATING VALUE FOR CONSUMERS THROUGH SPORT

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**Abstract :** In the post modern era, creating value for consumers seems increasingly challenging. Indeed, consumers want to live a memorable experience, develop social ties, co-produce their own experience and are inclined to enter a universe of consumption which transcends the product itself. In this context, a product or service may be envisioned as experiential, social, democratic, and as an element of an organisation, network or universe. Taking professional sports as our research field, this paper looks at product representations in the sports industry that are supported by marketing decisions. These decisions could provide guidelines to sports managers who want to strengthen the emotional connection between their team and fans.

**Keywords:** value; sport; ethics in sport.

## I. INTRODUCTION

Sport is highly desirable because:

- (1) it attracts large and passionately devoted audiences;
  - (2) in a relative sense it is cheaper to produce than many other types of programming;
  - (3) it is human drama at its finest, providing a stimulus and an acceptable arena for the full range of human emotion;
  - (4) it reveals real people demonstrating the limits of the body;
  - (5) it provides us with carefully crafted narratives of heroes and villains (Whannel, 2002);
  - (6) it is associated with positive images of health and nationhood (Rowe, 1996).
- Finally, it is important to note that sport is an ideal conduit of promotional culture because in many ways it mirrors the idealized version of capitalism; that is, it is

based on competition, achievement, efficiency, technology and meritocracy.

Sport has become such a powerful vehicle for mediating meanings and feelings that this is not a simple task. Every image of sport in the media evokes a wealth of associations, constructing a lens through which to view society.

Dramatic changes and controversial developments are transforming the ways in which sport is experienced and understood. Many of the old ideas about sport embracing 'noble' and 'educational' values, offering disadvantaged peoples 'a way out', bringing nations closer together, or creating healthy bodies seem increasingly to lack credibility.

Further, there are anxious and often confused debates about the impact of new technologies and cultures of consumption on the integrity of sport. In short, as we move through the twenty-first century, sport faces serious and important

challenges since its emergence in its modern form in the nineteenth century. Can we say with any confidence, for example, that sport as we now know it today, still recognisable from the beginning of the last century, will be equally recognisable at the end of this century?

My intention in this paper is to tackle some of the big questions facing sport, society and brands to question assumptions about sport, to critique established ideas, and to explore new ones emerged from the need of making ads and profit through sport. I will investigate some of the changing features of 'old' sports and the distinguishing characteristics of 'new' ones; I will expose some of the social, environmental and technological dimensions of sport; I will identify uncertainties that pose important questions about present trends and future predictions.

## II. ETHICS IN SPORT

It is very widely promoted by the mass media and people involved in the area of sport that ethics have disappeared in sports and the sporting world. It would be very important to try to provide a definition of "Ethics in Sport". Actually the term "ethics" has been very widely used, with different meanings and purposes. Dr. Jacques Rogge (2005), President of the International Olympic Committee in one of his presentation on ethics and Olympism, stated that "It is in style to say that ethics have disappeared in sports; ethics are an indefinable concept, and the base is respect for others"<sup>1</sup>. However, sport might be a universal language that is approached from very different angles by different cultures and nations.

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<sup>1</sup> Rogge, J. (2005). Ethics in Sport. Presentation to the MEMOS Students. Olympic Museum, Lausanne.

By examining the past, specifically examining how sport has changed throughout history, one can definitely deduce that games and sport activities have undergone a number of important changes. Such changes have always been related to the political, social and economic relationships between people in society.

However, after the Industrial Revolution, things radically changed, and sports became gradually very pervasive and influential in the lives of people. Never before have sports been so closely linked to profit making. So we are at the point now where sports have become a combination of business, entertainment, education, moral training. Therefore, modern sports have turned into a very important social phenomenon in the 20th century. Modern sports are the creations of people coping with the conditions of life in their societies. Economic forces and the emphasis on achievement have become so pervasive in contemporary society that they have heavily influenced the way people define and organize sports and the sport experience. The unrestrained commercialization, the rapid transformation of sport from amateurism to professionalism, the rich sponsorships and the accompanying huge money flows into sports, have led, let us admit it, to an erosion of ethical standards<sup>2</sup>.

People in this area are concerned that if this situation continues to persist, sports will not be as we know it today, in the near future.

Therefore, the question that arises is whether sport is in danger, or whether it is in crisis, bearing in mind the points emphasized in the previous paragraph. What is clear is that sport is a reflection of our society<sup>3</sup> and as such it has serious

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<sup>2</sup> Kartakoullis, N. L. (2006). *Challenges facing the Olympic Movement*. Presentation at the International Olympic Academy. Ancient Olympia, June.

<sup>3</sup> Coakley J.J. (1990). *Sport in Society: Issues and Controversies*. Times Mirror/Mosby- College Publishing.

problems and issues to face. Sport is an institution, and as such is very dynamic and never static; continuously changing. There are many people that criticize this modern form of sport and its consequences, e.g. the antisocial aspect of competition, and are therefore looking forward to a revival of ethics in sport as it used to be in the past.

Science is so fast improving in the area of sport and new technologies and means are discovered for improving performance. These new innovative technologies can lead to deviation, can cause harm to athletes and can threaten their lives. This raises another issue, that of overtraining and competition; there are many examples worldwide of athletes that were physically and psychologically traumatized by their demanding attempts to improve their performance and overcome their limits. This could eventually lead to alienation, psychological problems and a deviation from a well balanced way of life.

According to Dr. Rogge the ethics of sport will not be enacted by rules, it regards people and their consciences (the consciousness within oneself of the choice one ought to make between right and wrong). Ethics are evaluative concept..... And the world is changing.... Therefore, according to the Council of Europe, hit level sport or top sport, when dealing with young people requires extreme vigilance on the part of the authorities concerned with regard to all aspects related to the physical, psychological and moral integrity of the young athlete. It appears that this is an emerging issue, and there is no unified political strategy on the field. There is a range of approaches when dealing with young people in high level sport. Bearing in mind this variation in structures, it cannot be guaranteed that the rights of these young talented people will always be respected. In view of this, sport management and good governance have to play a critical and crucial role in the

attempt being made to develop young athletes in a healthy environment.

The growth and significance of corporate sponsorship over the last 20 years is well chronicled. McDowell determined that of the 7.5 billion dollars spent by corporations on sponsorship, almost 5 billion dollars have been directed to sport properties<sup>4</sup>. This represents a doubling of the amount of money spent on sport sponsorships since 1993. The spending trend on sport sponsorships is expected to continue. Corporations are flocking to sport sponsorship in order to achieve the benefits of this association.

Corporate sponsorship of sports, the arts, entertainment and causes has been recognized as marketing communications tool. In 1986, the International Events Group (IEG,) estimated the amount of sponsorship spending in North America at approximately \$1 billion (Ukman, 1996). By 2005, sponsorship, defined as a cash and/or in-kind fee paid to a property in return for access to the exploitable commercial potential associated with that property, accounted for worldwide spending in excess of \$30 billion, with spending in North America alone reaching \$12 billion.

In 2007, sponsorship spending reached \$37 billion worldwide (Cornwell, 2008). In 2008, U.S. and Canadian companies spent \$16.61 billion, up 11.4% from \$14.91 billion in 2007 (Armstrong, 2008)<sup>5</sup>. These amounts represent fees paid for sponsorship rights. They do not include, for example, the additional expenditures incurred for advertising, promotion, and client entertainment. It is generally assumed that a sum at least equal to the property rights, if not double or even triple the amount, is spent on other forms of promotion that are used to leverage the

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<sup>4</sup> McDowell, *New Evidence That Demands A Verdict*, Word, Nashville, 1999.

<sup>5</sup> MICHAEL ARMSTRONG, *STRATEGIC HUMAN RESOURCE MANAGEMENT*, KOGAN PAGE PUBLISHERS, 2008.

initial investment. Even in the current economic crisis facing the United States in 2009, the total amount of corporate sponsorship dollars is not expected to decrease. IEG predicts 2.2% growth in spending for North American companies for 2009, the smallest growth rate in the last 24 years (Armstrong, 2008).

A sponsorship is sought to attain four principle benefits for a corporation, including awareness improvement, image enhancement, relationship building through hospitality, and increased sales (Howard & Crompton, 1995). Researchers have attempted to determine the value of each of these marketing objectives to sponsors.

While there has been significant growth in corporate sponsorship of sporting events, research has been limited (Speed & Thompson, 2000). In their review of 80 published articles, Cornwell and Maignan (1998) concluded that sponsorship research has "not adopted any specific theoretical framework that could guide investigation of consumers' reactions to sponsorship" (p.14). Research on the factors that impact traditional advertising, however, has identified several theoretical orientations. This research has implications for examining the effectiveness of sponsorships.

This paper also presents a methodology to assess the perceived image fit between a sport and a brand and empirically validates this approach in an applied research setting and investigate what an average spectator at a sporting event visually records in a two-hour span. In order to make their brands recognized by consumers, corporations invest billions of dollars in a wide array of marketing activities.

Merriam (1998) defines ethnography as a sociocultural interpretation of the data. The author also discusses ethnographic techniques of data gathering such as interviewing, creating diaries, examining life histories, and observing participants. In either sense of

the term, it is believed that this study tails under the qualitative tradition of ethnography. Not only do these research techniques focus on examining the attitudes and cultures of the participants (sport spectators) through visual observation (photo journal) and interview, but also the nature of this study is an in-depth field study of naturally occurring behavior at a sporting event.

The purpose of this paper is to present a methodology to assess the perceived image fit between a sport and a brand and the way one brand can change the person's idea about a sport category. This is meaningful to potential sponsor firms who note their concern with finding the appropriate image with which to align themselves.

After professional tests and observations, the new results indicate that perceptions of a brand's "fit" with a particular sport increase as the personalities between the brand and sport become more congruent. While personality fit was found to be a significant predictor of sponsorship fit, demographic fit was not. This supports the need to explore personality congruency when utilizing sponsorship for image association benefits.

Results also indicate that a good demographic fit between a target market and a sport audience does not necessarily imply it will also be an appropriate image match for the firm/brand. For firms seeking image association benefits from sponsorship, it is necessary that testing the congruency of sport and brand images should be added to the research methodology.

If a company's goal is to reinforce a brand's existing image, selecting a sport with a high-level of congruency is advised. However, when altering a brand's image is the objective, associating with a sport with the desired but currently incongruent image is recommended.

### III. SPORT AND BRAND INFLUENCE

The connections between sport and values have been of interest to sociologists of sport with reference to the assumed characteristics and qualities of sport participants, particularly young people and celebrities. The 'fair play' ethos at the heart of modern sport has been critically examined as reinforcing dominant values and social cohesion (Jarvie and Maguire 1994). Sport stars are often expected to serve as role models and to behave in socially approved ways according to the demands of an assumed and imagined community (Eitzen 2000). In addition, the behaviour of athletes with endorsements may be further scrutinised by advertisers, sponsors, managers and administrators with little tolerance for negative publicity. The mediation of the character of sport stars, therefore, involves linking particular significations to an image that may appeal to media consumers.

Oscar De La Hoya is perhaps the most commercially successful boxer of all time, a pay-per-view superstar with crossover appeal and a plethora of corporate sponsorships. De La Hoya benefited from massive media attention during his quest for Olympic gold and was also marketed very astutely as a human-interest story. The story of a young man winning the medal as a promise to his deceased mother was guaranteed to sell very well in mainstream American culture.

De La Hoya provides a very attractive vehicle for sponsors for a number of reasons. The boxer offers access to the vast Latino market in the US, and since his professional debut in 1992 De La Hoya has penetrated new markets for his promoters by drawing female fans and socially-mobile Hispanics to the sport. The Latino market already accounts for a significant percentage of the American population and is the most important growth consumer segment in professional boxing. De La Hoya, with his youth, pop-

idol good looks, charisma and boxing ability served as the perfect vehicle to attract a broad cross-section of the Hispanic market. The marketing strategy that positioned him as America's "Golden Boy" legitimised his claim to corporate America sponsorship dollars at the same time.

The sport also provides a unique environment for building the sponsor's brand, offering an intoxicating mix of glamour and danger, with undertones of masculinity and courage that are rarely exploited in the current sponsorship climate but can be used by a whole range of products and services. Essentially, anyone targeting young males could benefit from associating with the sport, and opportunities to strengthen brand associations among this market are relatively untapped in a sport where very few brands are currently involved.

FORGET Andy Murray's failure in the Australian men's tennis final over the weekend. Advertising and marketing experts were far more excited about what happened 24 hours earlier in the women's event, when Li Na became the first Chinese player to reach a Grand Slam final. The fact Li lost didn't matter. The significance was that, even before she hit a ball, Li had attracted a new TV audience -- said to more than 100 million -- back in China. Li's achievement points to an important trend. Marketers reckon that the popularity of top-class sport -- both national and international -- is only going to increase in the next 10 years as new markets open up.

Lord Bell, chairman of communications firm Chime, argues sport has already become such big business that it increasingly dominates the news and entertainment agenda. "*Sport is probably the biggest activity in the world,*" said Bell.

Notably, sport, as a global cultural form, practice and institution, has not been immune from advertising's cultural excavation and exploitation. Indeed, for a variety of reasons sport has arguably been

at the cutting edge of developments in contemporary advertising technology. In addition to sporting events and venues, the bodies and equipment of athletes are now an integral part of advertising and promotion. From Tiger Woods' Nike 'swooshed' golf balls to Adidas' tri-striped logo on the trigger finger of the glove of Winter Olympic biathletes, transnational corporations are constantly seeking brand exposure. The sport of auto racing may be one of the most interesting with respect to sporting sign wars. A strict hierarchy of sponsor signs determines the size and placement of logos on every inch of the car including the driver's suit, steering wheel, even under the hood. Even occasional accidents, though tragic, offer 'advertising opportunities' as announcers fit sponsor soundbites into their narratives. Corporatized bodies are also emerging in professional boxing (McKelvey, 2003) where athletes are permanently or temporarily tattooing their torsos with sponsors' logos for upwards of US\$100,000.

#### IV. CONCLUSION

The consumer has so many choices, so the producers of sport articles need to make sure they make the hard ones. A trademark is a badge of origin that enables a customer to recognize a product of a particular company. Depending on domestic law and practice, it can be a word (for example, Wilson), a symbol (Nike's swoosh or the three stripes of Adidas), a number (No. 5), a colour (orange), a shape, or even a sound or smell.

Trademarks distinguish a company, its products and services from those of competitors, acting as a quick and reliable guide to quality. They help the company to build a reputation in the market and to develop and retain a loyal clientele, by instilling consumer confidence and trust in the goods and services it provides. The goodwill associated with a successful trademark or brand can be a huge commercial asset.

The prominent display of trademarks at prestigious sporting events increases sales by appealing to the aspirations and emotions of sports fans, who are drawn to signs associated with a given club or sport. Trademarks can also become symbols of a specific lifestyle or behaviour. Brand advertising using sports teams and players is also big business, and the financial health of many sports organizations, clubs and even individual athletes can depend on advertising and sponsorship revenue. The more successful a team, the more valuable its brand, and the higher the income and spending power of the sports organization involved.

First thing to note is that adding the word "loyalty" to "brand" provides as much additional information as adding "wet" to "water". Brands were invented for one reason and one reason only/ to encourage repeat purchase. Given that this is what brands are about, the fact that marketers found themselves needing to add the word "loyalty" to "brand" should have set alarm bells ringing. If brands needed something new, special and extra called "loyalty" it meant they were no longer doing the job they were invented to do.

The second thing to note about the loyalty bandwagon is that it masterfully adopts the first rule of the Teflon politician - manufactured meaninglessness. The politician's trick is to come up with a word or phrase that seems to resonate with the times but which is empty enough of real content that different people can project his or her own meanings into it - thereby

"uniting" people who disagree behind the same banner.

The promotion of mass participation in sport, as a form of physical activity, is now firmly on the public policy agenda in the United Kingdom and elsewhere.

Golf is unlike any sport on the planet when it comes to marketing their brand. Basketball players can push shoes, but 60-year-old men aren't so keen in this types of sport. Golf is an ageless sport and it seems the older one gets, the more he tries to find that "edge" within the game to get better. So how about Nike? The golf company that wasn't even a golf company until Tiger Woods signed his first endorsement check after his third U.S. Amateur win has slowly but surely made an imprint on this game. Woods switched to their clubs and slowly integrated the Swoosh into his entire bag.

Industry experts believe the Nike deal will be worth around a £12.5million a year to world No1 McIlroy, about half the sum Woods commanded at his peak and about the same level as he is on now. Nike looks to be hedging its bets to an extent.

The company now has the most recognisable face in golf in Woods, and the young pretender to his throne in McIlroy. In this context, it is easy to understand why brands are interested in sports. It gives them fantastic exposure and maximises their chances of connecting with their key customers. Sports enable better media buying segmentation.

Over time, sport has become a show. People go to the show, they see the brands at the show, and maybe they will buy the brands when they go back home. That is the main idea. The better the show, the more they will enjoy it, and if they are entertained, the brands on show will benefit from their exhilarated state.

High performances are expected and media space must be available. American football is a good example of how advertising and sports are intimately correlated; short and spectacular action on

the field, short and catchy spots on the screen. They are formatted for each other. This applies to many other American sports, including basketball. One could say that the US provides the best example of how sports and marketing can benefit from each other.

The game has changed. Sports authorities and organisations have had to adapt to the expectations of brands and their sponsors. For example, the environment of the sports field is changing too. Thirty years ago the football field was surrounded by simple and plain fences. Nowadays, the field is surrounded by a digital screen promoting four to six brands every minute.

Brands need sports, and brands need sportspeople. Athletes can promote the key values of a brand. Accenture chose Tiger Woods because he embodies precision, foresight and strength. Accenture could not anticipate Mr Woods' extramarital affairs. Gillette decided to put an end to Woods' contract. The same thing happened to Thierry Henry, who gave an early tribute to the handballers against Ireland. Athletes are human beings. They have weaknesses. You cannot control them. When they appear humble and easy to manipulate, the public finds them boring. This is the ambiguity. Brands want extraordinary sportsmen but they fear their extraordinary behaviour and possible misconduct.

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