Sports Products

Section 4.1 The Consumer and Sports Products

Section 4.2 Economic Impact of Sports Marketing
Chapter Objectives

- Define the sports consumer.
- Explain market segmentation.
- Identify sports products.
- Explain the differences between sports goods and services.
- Differentiate between the product line and product mix.
- Explain the economic impact of sports marketing.
A purchase by the **sports consumer**, as a customer, is like a vote because the purchase equals a decision of approval.

**sports consumer** a person who may play, officiate, watch, or listen to sports, or read, use, purchase, predict, and/or collect items related to sports.
The two categories that affect the sports consumer’s decision to spend money on or participate in sports are:

- **Environmental factors**
  - Family, friends
  - Society’s attitudes and values
  - Cultural differences
  - Climate and region
  - Marketing influences

- **Individual factors**
  - Self-concept or self-image
  - Physical characteristics
  - Learned characteristics
  - Motivation and attitude
Understanding market segmentation of the sports consumer market is important in order to sell products and services.

- Geographics
- Demographics
- Psychographics
- Product benefits

market segmentation a way of analyzing a market by specific characteristics to create a target market.

Constantly shifting
Sports products provide the consumer with satisfaction, entertainment, sociability, and achievement.

People who share in the process of marketing sports products include owners, sponsors, communication firms, city governments, taxpayers, and consumers.
The following sports products can be classified as goods or services, or both:

- Sporting events
- Sports information
- Sports training
- Sporting goods

**Tangible products**
physical goods that offer benefits to the consumer
In contrast with sports products, sports services are intangible products.

Ten areas of service quality are:

- Tangibles
- Reliability
- Responsiveness
- Competence
- Courtesy
- Credibility
- Security
- Access
- Communication
- Understanding

intangible products

non-physical services such as tennis lessons, personal training, and sports camp
Sports businesses or organizations that offer a variety of products classify their products by **product line** and **product mix**.

**product line** a group of closely related products manufactured and/or sold by a company.

**product mix** the total assortment of products that a company makes and/or sells.
Sports products differ from typical consumer products because sports products have the ability to generate a greater variety of product extensions.
1. What are four characteristics needed to analyze the market segmentation of sports consumers?

2. How is a purchase by the sports consumer similar to a vote?

3. Define product mix.
From the moment the consumer inquires about a ticket to a sporting event, there is an impact on the economy.

The local economy improves as a result of money spent at sporting events.
Each decision the consumer makes involves an **opportunity cost**.

As the economy grows, then more **infrastructure** is needed to support an athletic event.

**opportunity cost** the loss of the opportunity that is passed up in order to receive something in exchange

**infrastructure** the physical development of an area, including the major public systems, services, and facilities of a country or region needed to make a location function
Economic Impact of Sports

Ticket Agent

Parking Garage

Food and Merchandise

Sanitation

The Internet

City Pride

Infrastructure

Taxes
Orlando, Florida, is the home of an NBA sports franchise called the Orlando Magic. By selling Orlando Magic T-shirts, caps, and other items, investors were able to convince residents to make $100 deposits on season-ticket reservations.

**sports franchise** an agreement or contract for a sports organization to sell a parent company’s (i.e., a national sports league) good or service within a given area.
The economic and marketing challenges of the Women’s National Basketball Association are different than those of the National Basketball Association.

Media perception of the WNBA is a major challenge, despite the fact that the WNBA attracts millions of spectators and viewers around the world.
Grassroots Marketing Efforts

To gain support, teams such as the Sparks are heavily involved in grassroots marketing.
The Women’s National Basketball Association has come a long way in a few years since April 1996 when it was first formed.

By 2001, WNBA games had been seen by 60 million fans in 167 countries. Fostering this global audience, the WNBA.com Web site provides many services for its followers: draft notices, player information, news, statistics, standings, game schedules, highlights, a virtual box office, fantasy games, and even an e-tail store.

For more information on sports and entertainment marketing, go to marketingseries.glencoe.com.
1. What is opportunity cost? Give an example.

2. List six functions of an infrastructure of a community.

3. Why is grassroots marketing an important part of sports marketing?
1. **Describe** how a marketer views a sports consumer.

2. **Name** the four characteristics that need to be considered when analyzing the market segment of sports consumers.

   continued
3. **Describe** what happens when the correct sport consumer is targeted by a sports-marketing plan.

4. **Identify** the sports product.

5. **Explain** how sports goods and sports services differ.

5. In sports, services are produced by the players and consumed by the spectators simultaneously; there is no formal channel of distribution. Tangible goods must be produced by a manufacturer and sent to a retailer to sell to the consumer.
6. **Compare** a product line and product mix.

7. **Define** grassroots marketing.

**Critical Thinking**

8. **Explain** five dimensions of service quality and how they apply to a sports team.

8. The five dimensions of quality include: reliability—perform promised services; assurance—knowledge and courtesy of employees and their ability to convey trust and confidence; empathy—caring, individualized attention for customers; responsiveness—willingness to help customers and provide prompt service; and tangibles—appearance of equipment, materials, and venue.
End of
Chapter 4
Sports Products