

Manfred Bruhn · Peter Rohlmann

Sports Marketing

Fundamentals - Strategies - Instruments

 Springer



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ISBN 978-3-658-39121-8 ISBN 978-3-658-39122-5 (eBook)
<https://doi.org/10.1007/978-3-658-39122-5>

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Responsible Editor: Barbara Roscher

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The registered company address is: Abraham-Lincoln-Str. 46, 65189 Wiesbaden, Germany

Preface

Sport has a central role in our lives, not only for private individuals, but also and especially far-reaching in society and in public. From an economic point of view, we are dealing with a “sports market” in which numerous market participants are active and try to achieve their individual goals. Target groups include first and foremost the sportsmen and women as amateurs, for whom the preservation of health is in the foreground. With professional sports actors we are talking about so-called professional athletes, who earn their living with sport. Organizations in sport are also to be mentioned (e.g. clubs, associations, organizers), which would like to profile their sport and their institutions. The media use sport intensively for the corresponding reports and comments. As well as political actors who see sport and athletes as representatives of their own country. Last but not least, it is companies that use sport for advertising purposes as part of sponsorship.

The mention of various market participants in the sports market makes it clear that each target group has its own goals and interests. For decades, an increasing professionalization of the actors can be observed. Especially those market participants who are particularly interested in the economic side effects of sport put their focus on a systematic and professional improvement of their work. A market-oriented management in this sense requires a sports marketing that is based on different principles of further development of the organization, such as brand management, differentiated market management, performance improvement through innovations, etc.

Sound knowledge in sports marketing enables sports actors to successfully position their sport, their association, their league, their team, their players, their sports facility or their event and thus gain a competitive advantage. It is important to distinguish between two areas of sports marketing. The first area includes the marketing of sport itself, while the second includes the use of sport to market other, often non-sporting products. Therefore, particular attention will be paid in the following to ensure that both aspects are given due consideration within the individual thematic areas. Only a successful marketing of sport (primary view) creates the basis for the use of sport by companies (secondary view).

In the course of social and economic development, sports marketing has developed from rudimentary beginnings into a highly professional and complex discipline that not only affects the immediate participants, but also involves other interest groups (stakeholders) that now pursue their own intentions and interests far from marketing goals.

In addition, megatrends such as digitalization and globalization have given new impetus to sports marketing, just as sport itself has changed greatly in all its different manifestations and structures (including professionals and amateurs, ownership and organization, self- and other-determination).

This book presents the basic principles of sports marketing in a compact way and outlines framework conditions, special features, strategy finding and the use of marketing instruments. This creates knowledge and understanding for a successful sports marketing in the future. The individual chapters present the “basics” for a professional sports marketing and give suggestions for management practice.

We are very grateful for any suggestions and hints.

Basel, Switzerland Rheine, Germany
February 2022

Manfred Bruhn
Peter Rohlmann

Contents

1	Introduction	1
2	Sports Marketing at the Center of Various Markets	3
2.1	Marketing in Sport and Marketing with Sport.....	3
2.2	Sport Marketing as a Prerequisite for Professionalization.....	5
2.3	Specialties in the Sports Market	8
2.4	Development of Sports Marketing.....	10
2.5	Sport Marketing as a Management Process.....	11
3	Basics of Sports Marketing	17
3.1	Value Creation Through Sport.....	17
3.2	Brand Management and Brand Protection in Sport.....	19
3.3	Rights Trading and Business Models of Marketing.....	26
3.4	Legal Basis for Cooperation with Partners	29
3.5	Strategic and Operational Marketing in Sports	31
4	Product and Service Aspects in Sports Marketing	37
4.1	Product and Service Offerings in Sport.....	37
4.2	Compensation of Marketing Partners	41
4.3	Range of Services as Drivers of Sales	44
5	Prices and Contracts in Sports Marketing	49
5.1	Prices as a Valuation and Negotiation Result.....	49
5.2	Price Strategies and Influencing Factors	55
6	Communication Topics in Sports Marketing	59
6.1	Communication and Advertising Rights in Sports Marketing.....	59
6.2	Sports Marketing and Sports Sponsorship.....	61
6.3	Sports Sponsorship from a Corporate Perspective.....	63

7	Sales Channels in Sports Marketing	67
7.1	Sales Policy Aspects in Sports Marketing	67
7.2	Individual and Central Marketing	69
7.3	Working with Agencies	70
8	Perspectives of Sport—Opportunities and Risks in Sports Marketing	75
8.1	General Trends for the Sports Ecosystem	75
8.2	System-Immanent Change Tendencies	77
8.3	Instrumentalization of Sport	82
	References	83

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Dr. Peter Rohlmann After graduation and doctorate, he spent some time in his parents' business and in the 1990s he founded PR MARKETING, a family-run marketing agency that deals with strategic marketing issues in business and society. For more than 25 years, the sports business has been the focus of the marketing agency. In addition to consulting, market research and conceptual basic principles are also part of the scope of work. In sports marketing, Dr. Rohlmann is one of the pioneers of a conceptual and scientific approach to sports merchandising and brand management in sport. A fan article barometer is regularly created for the German Bundesliga, as well as a football fan cost index. In addition, he is known for numerous publications, lectures and teaching activities in sports marketing, as well as for his advice and experience on club, equipment and sponsor side. For many years he has been giving lectures on sports marketing at universities and publishing numerous issues on this subject.

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Abstract

Successful action in the sports business is one of the essential requirements for being successful in the competitive sports world. This demands from athletes, teams and organizers a comprehensive knowledge and understanding of increasingly complex marketing opportunities. This book presents the basics, management processes and perspectives of sports marketing in a compact and practice-oriented way, thus giving sports actors such as market partners and other stakeholders an overview of the most important knowledge to deal economically with and in sport.

What You can Expect in this Book

- An introduction to the basics of sports marketing,
- the influencing factors of successful sports marketing,
- the central role of the brand in the sports business,
- practice-oriented suggestions for licensors and rights holders,
- as well as an outlook on the challenges in the near and distant future.

Structure

After some definitional clarifications and the identification of the special features in the sports market, the management-oriented view of decision-making is placed in the center. The topics of value creation, brand formation and brand management in sport play a central role in the basic principles to be discussed. Various business models and the differences between strategic and operational sports marketing are then presented. Which instruments can be used in sports marketing and in what form is described in detail in the areas of services, prices, communication and distribution. Finally, various internal and

external challenges are addressed that sports marketing decision-makers have to consider today and tomorrow.

The events in most sports are no longer solely determined by sporting achievements. Rather, economic entanglements and financial interests determine leisure activities to an increasingly greater extent, which are characterized more and more accurately with terms such as commercial society, entertainment industry, show business, and wheeling and dealing. The societal development with a changed consumer behavior, the increased demands on sports consumption, and the change to a communication and leisure society also contribute to the fact that the framework conditions as well as the content and structures in the offer and demand in sports have changed completely. As a result, the challenges for the sportsmen and -women or their management as well as the positioning of the sports units in an increasingly competitive environment have changed considerably. The consequence is an increasing professionalization in management and structures of the sports community, and the sports industry has become a new, flourishing economic sector with strong growth rates.

In the process, certain disposal rights in sports have proven to be extremely lucrative marketing options, the exploitation or implementation of which by third parties has led to extraordinary economic dimensions in sports. In addition to dealing with sports rights, the basics of sports marketing are therefore to be explained in their connection to brand management and with their decision elements, structures, and instruments in order to raise a better understanding of the relationships in the sports market and to provide basic knowledge and practical management aids for marketing concepts alike.



Sports Marketing at the Center of Various Markets

2

Abstract

This chapter explains the key concepts, structures and features of the sports market as well as the systematic management processes in sports marketing. A distinction is made between sports marketing (i.e. marketing in sport) and sports sponsorship (i.e. marketing with sport). Sports marketing is a central prerequisite for the professionalization of sports marketing and sports sponsorship. The special features of the sports market are just as much under consideration as current developments in sports marketing. In the further course of action, a systematic management process with different phases and decision-making situations is used for sports marketing. The perspective of the rights owner in the sense of a licensor and that of the rights holder in the sense of acquiring rights is taken into account throughout the chapter.

2.1 Marketing in Sport and Marketing with Sport

Sport is at the center of private life and the entire public and is influenced by numerous internal and external parameters. Figure 2.1 illustrates that a variety of factors are involved in the so-called **“Ecosystem Sport”**. In addition to the framework data from politics and general welfare (laws and regulations, regulations for certain sports, etc.), it is above all the sports themselves that shape the sports market. In addition, society is strongly dedicated to sports events—especially through active participation and passive support of popular sports and athletes as a fan. Sport fulfills social functions (e.g. preservation of health, integration of different people and cultures, dissemination of general messages) and is also of economic importance. Therefore, a strong involvement of sport in media as well as in the economy is understandable. Due to its high attention values

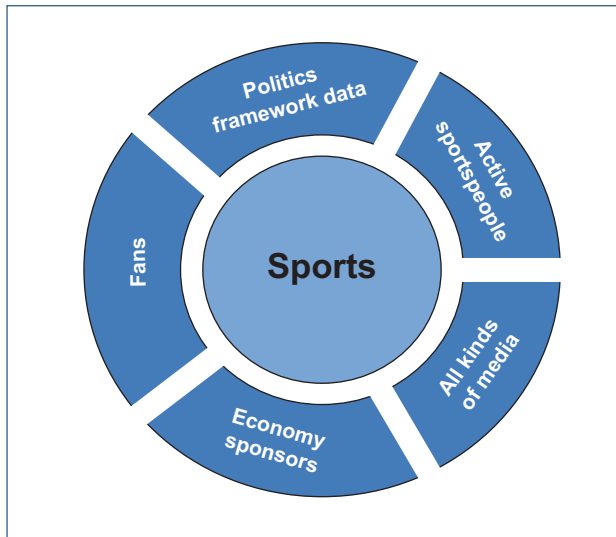


Fig. 2.1 The ecosystem sport

and the increased importance, the economic interrelationships and commercial potentials have increased considerably.

► **Sport marketing** is the systematic application of principles, concepts, methods and instruments of marketing to sports offers (products and services) in the sense of a market-oriented management of organizations. Sport marketing includes all measures that both rights owners and rights holders take on the field of sport to achieve their specific goals.

There is a distinction made between the marketing of sports products by sportsmen/-organisations (**Marketing in Sport**) and the marketing activities of companies (in particular communication measures) by means of using sports-related topics or elements (**Marketing with Sport**) (Smith & Stewart, 2015; Freyer, 2018).

The structuring and the delimitation of a market are carried out from the marketing point of view on the basis of real observations or empirically ascertained perceptions and preferences of the demanders. If you transfer this point of view to the **sport market**, all services can be subsumed under it which various participants offer in order to be able to practise sport actively or to follow it passively (Hermanns & Riedmüller, 2008). Sports articles, sports equipment, training offers, sports nutrition and sports drinks are just as much a part of it as, for example, tickets for sports competitions or fan articles. It is crucial that the use of the offer is in an immediate relationship to sport.

A systematic market analysis is required to distinguish the **core and follow-up markets in sport** from those approaches in which sport is used purely as a marketing hook

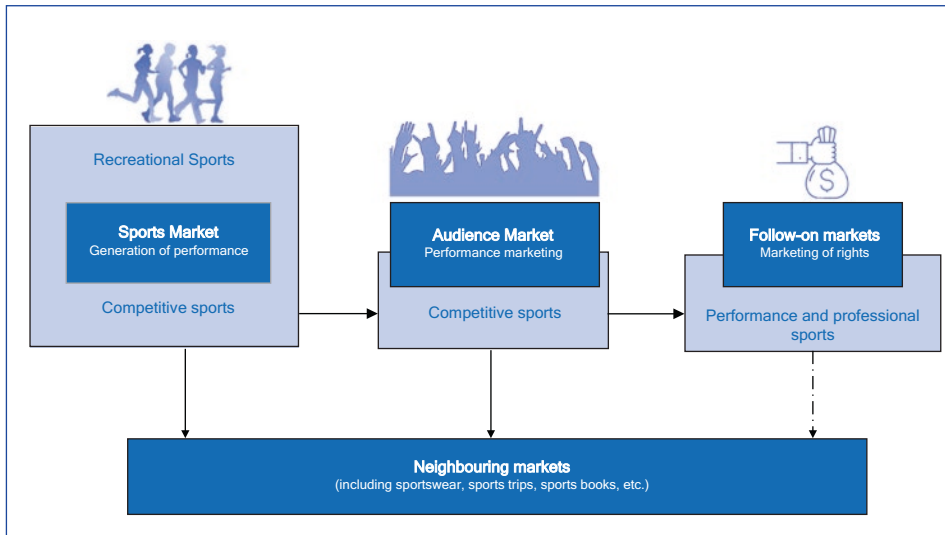


Fig. 2.2 Sports marketing and submarkets

for marketing with sport. While marketing in sport refers to the marketing of certain offers or disposal rights on the part of the sports actors (**role as rights owner**), marketing with sport focuses on the use of certain elements and contents of sport by third parties (**role as rights holder or rights user**). In Fig. 2.2 the relevant and involved submarkets of sports marketing are shown. Increasingly, it is also non-sports-related companies from the economy and society that use sport as a platform or auxiliary medium without seeking a direct connection to a sports actor. These are downstream markets in sport (e.g. sports travel, sports books, sports insurance, e-sports and gaming, etc.).

2.2 Sport Marketing as a Prerequisite for Professionalization

The increasing commercialization and the strong role of the media in sport are now established parts of society and public discussion. These developments are essentially the result of certain social changes and shape the image of the modern information and entertainment society. At the same time, interest in and the **importance of sport** have increased across all social groups. This is particularly due to the increasingly close relationship between sport, business and media, but also to a change in the self-image of sports performers—whether individual athletes, teams, clubs, associations or events. The transition from traditional sports operations to a service company of the modern leisure industry is associated with the increasing struggle for media presence, economic partner funding and spending-friendly fans (Beech et al., 2007; Nowak, 2019).

The transition from sport as a leisure activity to **sport as a profession** has led to far-reaching changes for the various service providers:

- **Top athletes:** The current level of performance in individual sports goes hand in hand with the athletes' need to rarely complete a professional education or "normal" work due to their own time and cost expenditure, and to generate their income solely from prize money for sporting achievements and related side incomes.
- **Clubs:** It can be seen that, in the context of performance improvements and competition in sport, the revenue from membership fees and admission fees has reached its limits and has decreased proportionately. Further sources of income are increasingly necessary to satisfy members or target groups. In addition, the performance and, as a result, the success of a team in professional sport today is largely shaped and carried by outstanding stars (Felbert & Breuer, 2021). In turn, these are the subject of a separate transfer market with sometimes considerable investments.
- **Organizers:** With a few exceptions such as the World and European Football Championships and the Olympic Games, large sporting events are today confronted with considerable marketing pressure, as the competition of such events and the level of demand of active and passive sports consumers entail unforeseeable risks.

It is clear that the situation in sport has changed considerably in recent decades. As Fig. 2.3 makes clear, traditional sports clubs have become sports businesses that need to be run professionally. Clubs are becoming brands, and players are becoming brand ambassadors. The economic importance of the participants in the sports market has increased significantly and further growth rates are to be expected.

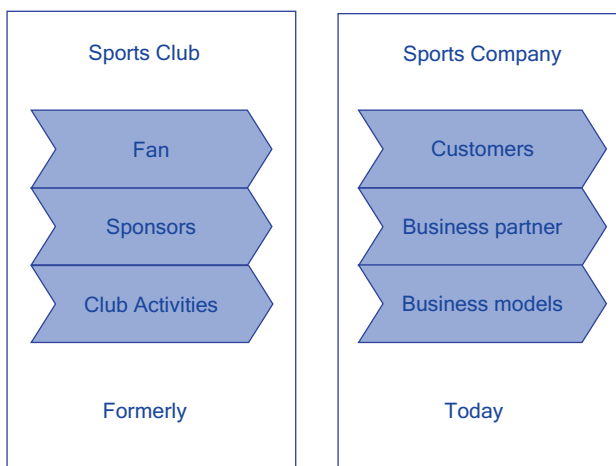


Fig. 2.3 The change in the sports market from sports club to sports company

The revenues of the Olympic Games have now reached a volume of almost six billion euros, and football world championships have similar magnitudes. These examples show the economic dimensions of modern sports marketing. Individual (mainly American) sports refer to even higher economic data, but top football leagues (including England, Germany) are also at a high level. Figure 2.4 shows the economic dimensions behind it.

The **sport as a growth market** is without a doubt an attractive industry, despite all internal and external factors such as the financial crisis of 2008/2009 or the pandemic of 2019 (Rohlmann, 2010). The current prospects are also assessed very positively by experts (PWC, 2020). The global sports market grew from about 390 billion USD in 2020 to 441 billion USD in 2021. The increase is mainly due to the fact that companies have reorganized their operations and recovered from the effects of Covid-19, which had previously led to restrictive containment measures with social distancing, home office and the closure of commercial activities. It is expected that the global sports market will reach 600 billion USD by 2025 with an annual growth rate of 8%. However, it remains to be seen what further effects will be shown with Covid-19.

Sports section	Revenue in € million	Time reference (cycle, year, season)
NHL (USA)	13,600	2019
MLB (USA)	7850	2019
NBA (USA)	7100	2019
Olympic Games	5820	2017-2020/21
Football World Cup	5600	2019-2022
Premier League	5100	2019/20
UEFA	3000	2019/20
Bundesliga	3200	2019/20
Formula 1	1800	2019

Fig. 2.4 Economic magnitudes of various sports segments. (Source: League and Association data)

2.3 Specialties in the Sports Market

For the basic structuring of the sports market, a division into supply and demand side is common for market analysis. The special features of the **supply side**, such as the unpredictability, transience and fluctuation of performance, coupling of goods and services, increasing dependence on technology, etc., are only taken into account to the extent that it is necessary from a marketing perspective. On the **demand side**, an orientation towards the most important market participants from a marketing perspective is required—the consumers. In contrast to many other areas of consumption, the demand for sport has the peculiarity and the special feature that it can be expressed in both an active and a passive consumption. From the desire for an active practice of sports, a demand for products and services arises, which have an immediate connection with the physical performance. In addition, a sporting core performance can trigger the interest in a passive participation in physical activities of others; this is shown as watching on site or by means of consumption of media transmissions. Depending on the personal sporting performance and the level of interest in the sport, consumers can act as service providers and as an audience. In turn, this can lead to different demand behavior.

In the sense of a **demand-oriented market definition**, a dual structure of the sports market results basically. The core market of sport can be divided into a market for movement-active sports consumption (**athlete market**) and a market for passive sports consumption (**viewer market**). Both market sectors are normally not separated (with exceptions such as e.g. sports training or TV broadcast), but meet in the competition venue or at sporting events with sometimes also divergent interests. Therefore, the athlete market is the starting point for the viewer market.

It is recommended to use **athletic performance level** in addition to passive consumption, as athletic performances only generate spectator demand if they are attractive enough for the spectators. The well-known distinction between mass sports, leisure sports, performance sports and top sport is helpful for further market analysis. Without going into exact differentiation of the different performance levels, it does not require extensive justification that with increasing physical performance significantly more commercial orientation and external positioning of the athletes is associated. The audience market is therefore essentially limited to a further marketing of sporting performances in the field of performance and top sport.

Ideally, different **levels for the analysis of market participants** can be worked out on the basis of differentiation characteristics, from which marketing opportunities in sport arise. This can be explained by the following differentiation characteristics with examples:

- **Service provider:** The focus is on the athlete as a marketing object, whether as an individual athlete, group/team or organizer.
- **Performance level:** Due to completely different conditions in amateur, health and recreational sports as well as in competitive and top-level sports, different challenges arise in order to use the attractiveness of a valuable connection with sport.

- **Organization type:** In general, there are non-commercial sports units on the sports market (e.g. clubs, associations), which are run as non-profit organizations and have to observe non-profit guidelines. In addition, commercial actors operate on the sports market (e.g. sports club as a stock corporation, sports equipment manufacturer, fitness studio), whose main goal is the profit-oriented exploitation of marketing opportunities.
- **Market reference:** Depending on whether the market participants are in the athlete, spectator, follow-up or neighboring market, they have to deal with different conditions and competitive situations.

Due to partly fluid transitions within the levels and combinations between the levels of market participants (e.g. individual athletes are often also part of a team; a follow-up market also affects the audience market), a clear delimitation of marketing activities is often not possible or meaningful. Here there is a **field of tension between sport cooperation and sport competition**, a web of relationships between cooperation and competition. For example, sports clubs have to ask the question: Who offers the product when the clubs participate in a league competition (e.g. football German Bundesliga) with teams? Here, the product produced for the sports market is only manufactured by the sporting competition of the individual clubs. So every single economically and legally independent club sets up its team in a cooperative intention, with which it wants to achieve its own goals of utility and profit maximization. However, the final product (e.g. attractive audience sport) only comes about through the cooperation of the individual teams of a league. The fact that it is only this cooperation of different clubs that leads to the high-end product makes it also impossible to determine the contribution of a club to the later overall product exactly.

Sports are therefore to be considered from different angles. For sports marketing, two **perspectives of the sports market** are important:

- **Sport as a social factor:** The various forms of sport can be observed in many areas of society. Sport has developed into a central factor at the local, national and international levels. The social policy role of sport (including role model function, responsibility) is increasing. Despite an increasing individualization and technologization in society, sport is one of the few constant community moments with a high acceptance of socially relevant groups.
- **Sport as a business factor:** Especially at the top level, sport has become a highly professional business with sales in the billions. Through a consistent professionalization of the central market participants on the supply side, various markets have emerged that are profitable and use sport in various modifications for their own purposes. Here, numerous business models have been successfully established.

In the following, options and structures of marketing in sport will be discussed as an essential part of the spectator and follow-up market of actors at the high performance level.

2.4 Development of Sports Marketing

Sports marketing and disposal of sports rights have not yet had a long tradition and their origins can be located in various countries. The typical American sports are already considered to be the first professional sports marketers due to their closed league system with franchisees and central marketing control. If you look at the world's popular sport of football, then the first attempts at marketing were not observed in the motherland of this sport (England) until the 1970s, when the first sports manufacturers offered money to only a few clubs for the equipment of the teams with their playing clothing. The German Football League, founded in 1963, also started under semi-professional conditions, the admission of shirt advertising in 1973/1974 led to boycotts of then still free television broadcasts ("under-the-counter advertising"). Figure 2.5 shows different **development phases of sports marketing**.

Parallel to the development of sports marketing, different **development phases of sports sponsorship** can also be observed. While in the 1960s there was still talk of a phase of "under-the-counter advertising", phases of sports advertising (1970s) and the beginning of classical sports sponsorship (since 1980s) developed. Based on this, sponsorship has developed into an integrated sponsorship (networking with other communication instruments of companies) and value creation sponsorship (generation of contributions for the brand value and customer value of companies) (Bruhn, 2018, pp. 9 ff.).

The development of sports marketing and sports sponsorship has been favored by numerous **influential factors and conditions**. These include, for example, the emergence of private television stations, the growing professionalization of market participants, the diffusion of new information and communication technologies, and others. This has reached new dimensions in the marketing of sports in connection with changes in economy and society. It is to be expected that new potentials will be created in the future by the use of marketing in sport and by the use of marketing with sport.

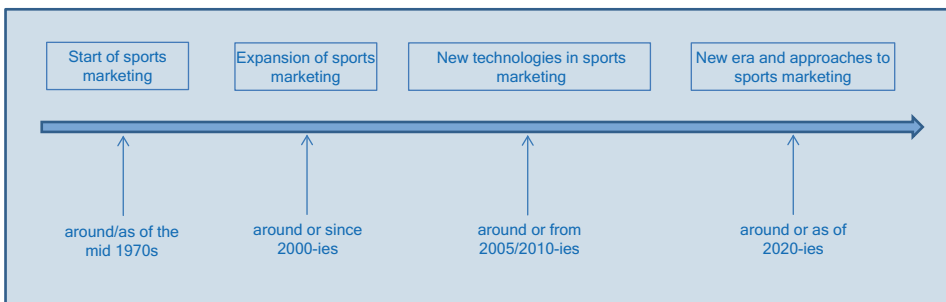


Fig. 2.5 Development of sports marketing

In addition, various examples from sport show how strongly sponsors can connect with the sponsored over time. One of these examples is provided by the German football record champions FC Bayern Munich and the German world market leader in football merchandise, the company Adidas from Herzogenaurach (case study 1).

Case Example 1: Close Cooperation between Sponsorship, Partnership and Investment—The Example of FC Bayern Munich and Adidas

The FC Bayern Munich, founded in 1900, is the most successful German football club and has been playing in the Bundesliga since 1965. Since 1974, Adidas has been the club's equipment supplier without interruption, even though no special marketing contracts were in the foreground at the beginning of the almost 50-year cooperation. The FC Bayern already recognized the advantages of a strong brand and a valuable marketing concept in the 1980s and 1990s and, under the then young manager Uli Hoeneß, increased commercial revenues enormously. In 1978/1979 they were just over one million euros, in 1994/1995 they were already over 25 million euros. In the 2020/2021 season, a new record was set with 307 million euros from sponsorship and merchandising. Adidas, with around 65 million euros in equipment sponsorship and several million euros in licensing fees for merchandising, is strongly involved in this, a tenth of the sum of 20 years ago.

The intensive cooperation of FC Bayern with the German world market leader in football articles Adidas shows the following stages of development: Since 1974 until today Adidas is the official supplier of sports equipment and later official sponsor and licensee. From 1974 to 1978, Adidas was the shirt sponsor of FC Bayern. Since 2001 until today, Adidas holds a stake as a strategic investor in FC Bayern München AG in the low double-digit percentage range. Since 2003 until today, Adidas is the official partner for the development of international markets on the occasion of guest appearances, training camps, infrastructure assistance, branches, etc. in countries such as Japan, China, USA, etc. ◀

2.5 Sport Marketing as a Management Process

The application of **principles and methods of marketing** means for sport, using knowledge of sports markets and their conditions consistently in order to achieve the goals of sports actors as best as possible. Sport provides the basis for the development of products and services for the use of active athletes, sports-interested spectators and demanders of the follow-up markets of sport, which are produced and marketed specifically. A consistently decision-oriented perspective puts the goals of the respective sports actors in the center of the strategic and operational measures to be taken. The respective markets and environmental conditions are analyzed and evaluated with regard to an efficient achievement of the goals.

If you look at sports marketing as a systematic process, you can identify two **decision-making processes** under this:

- Management process from the perspective of sports marketing
- Management process from the perspective of market participants

The **management process from the perspective of sports marketing** takes the perspective of the sports provider. These are decisions for “marketing in sports”, i.e. the marketing of clubs, associations, events, etc. in sports. This requires a high level of analytical and evaluative competence on the part of those responsible, as the process of a promising marketing concept is also influenced by core factors of the sports actors themselves, which act on both their strategic and operational elements (Nufer & Bühler, 2012; Bezold et al., 2019). Figure 2.6 makes it clear that strategic and operational decisions are in the foreground based on the marketing objectives and the sports marketing concept:

Strategic Decisions

These first include market choice, i. e. the determination of the market relevant for marketing (athlete, spectator, follow-up and neighboring markets). Based on this, decisions are to be made about the form of market processing. Strategic positioning against competing sports marketing plays a decisive role here. From a strategic point of view, this also depends on the sport (e. g. regularity, exercise period, TV presence, Olympic

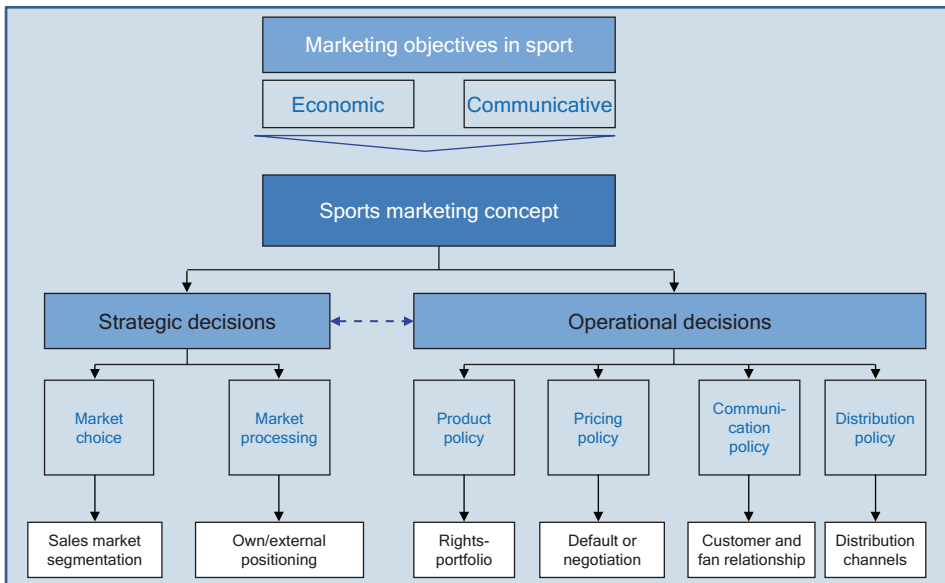


Fig. 2.6 Management process from the perspective of sports marketing

recognition, interest of fans, etc.), as well as the performance density (e. g. competition intensity, unpredictability of the competition result) and tradition.

Operative Decisions

On the basis of the strategic cornerstones of sports marketing, detailed decisions about marketing are to be made. This affects products and services, price, communication and distribution/sales decisions in detail. Here too, peculiarities of the sports have to be considered, such as the sporting performance in international comparison, the personality of the athletes, etc.

Regardless of the organizational structure of the sports provider and the market orientation, systematic decision-making and planning behavior is the basis for an optimal exploitation of the marketing opportunities in sport. A **management process from the perspective of market participants** represents a systematics which deals with the situation and the goals of the individual participants in order to realize an optimal bundle of measures for achieving the goals. On the basis of a decision-oriented marketing, marketing management takes place in a process of analysis and forecasting of the market environment, the strategic marketing planning, the operational marketing measures and their implementation as well as the marketing control (Meffert et al., 2018).

A marketing concept is based on different phases that are not to be considered independently of each other, but rather represent a feedback loop (Bruhn, 2022, p. 29). As shown in Fig. 2.7, the following **process phases of marketing management** can be distinguished:

Analysis Phase

At the beginning, it is about capturing the starting situation. In the course of detailed investigations, information about the environment of the respective market participant, i.e. the competitors and the demanders as well as the own company, its strengths and weaknesses, etc., is collected and analyzed. As a result, the market participant is aware of his strengths or weaknesses as well as the opportunities and risks associated with his market.

Planning Phase

This part is also called the strategic phase, because in it long-term corporate goals are defined and basic marketing strategies are selected and developed. Taking into account the strategic guidelines from the previous level, the operational use of the available instruments of the sports marketing mix (product/service, price, communication and distribution/sales policy) is then planned.

Implementation Phase

In this phase, it is decided which concrete measures are to be taken by the market participants in order to implement the strategic and tactical guidelines. These are the implementation of the operational measures on the basis of given organizational, time, personnel and financial structures.

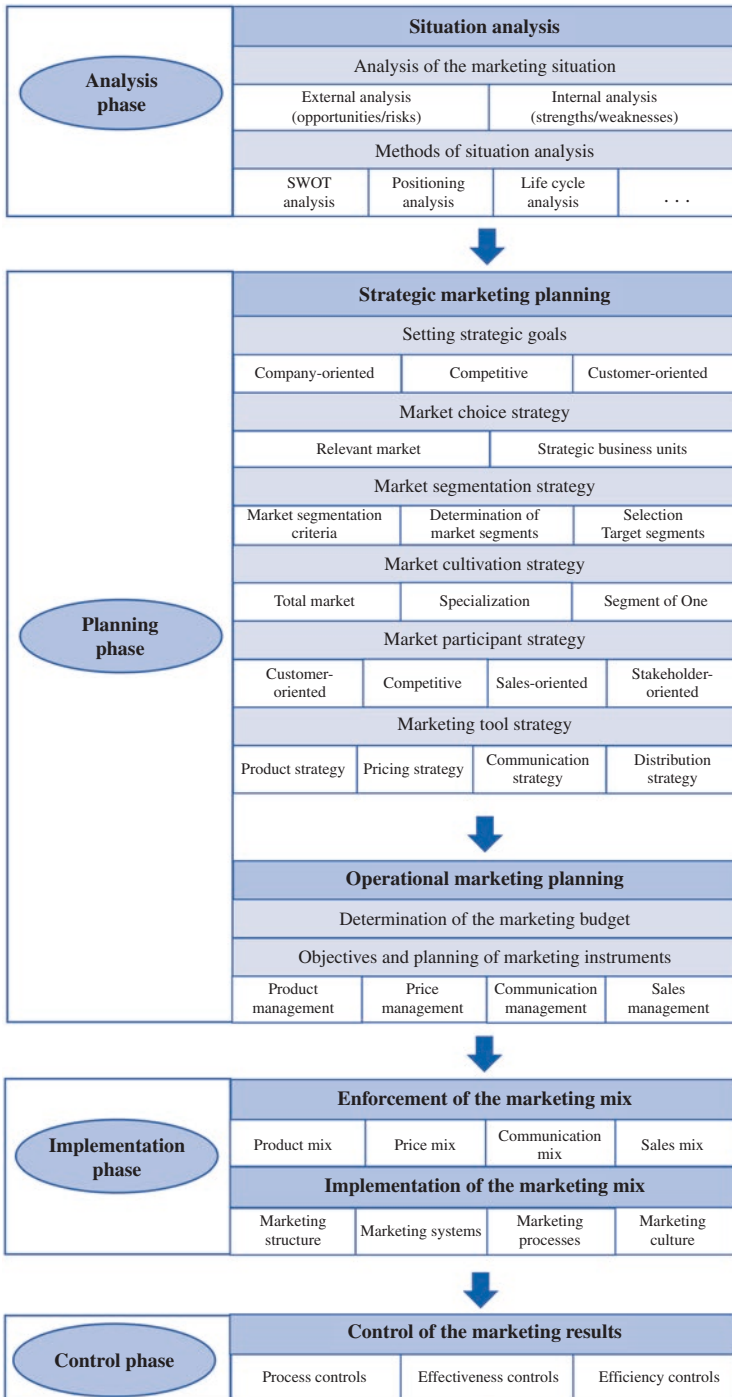


Fig. 2.7 Management process from the perspective of market participants. (Source: Bruhn, 2022, p. 29)

Control Phase

In the end, marketing control follows, within the framework of which the set goals and their implementation in the company are monitored and, if necessary, goals and/or measures are adjusted.

For a long time now, **brands** have had a central importance for economic companies. This applies to companies with end consumers as well as to those with business customers. Brands have the function of differentiation in competition, orientation and binding in relation to customers, as well as the creation of values for the company or the product (Galli et al., 2012; Ströbel, 2015). For some time now, more and more actors in the sports sector have also recognized these advantages, especially in the field of high-performance sport and where professional sports business is being conducted. Athletes and sports organizations are not only in a sporting, but also in an increasingly economic competition.

Within the framework of sports marketing and the systematic management process, **brand management in sport** plays a central role. Sport is called upon to act strategically and planned in order to help it secure its revenues in the short and long term and, if necessary, to bridge weaker sporting times. In terms of long-term success in the sports market, substantial brand building and consistent brand management in professional sport are not only sensible, but also vital. Sports actors who manage to position themselves as an attractive brand have better chances of long-term survival than others, because they can generate and increase greater revenue potentials.

In line with prevailing marketing research, the term brand in sport is to be applied in such a way that it refers to a social psychological phenomenon that defines the sports brand as a firmly anchored, unique image in the psyche of fans and other reference groups (Preuß et al., 2014). Brand management in sport is a constant process that, taking into account important influencing factors, allows a variety of **brand management objectives**. Examples include:

- Differentiation of providers of comparable sports performance (differentiation aspect),
- Building and maintaining identification and loyalty of followers (customer loyalty),
- Transfer of positive attitudes beyond the core product (image transfer),
- Creating an appropriate communication tool (instrumental aspect),
- Using the sports brand as an intangible value driver (value creation aspect),
- Achieving a sales-promoting effect (increased willingness to pay or spend),
- (Partial) decoupling from sporting events (diversification aspect).

It becomes clear that brand management plays a central role in sports marketing. In this respect, all strategic and operational measures of sports marketing are to be assessed in terms of their contribution to **the attractiveness of the sports brand**. This is the basis for the success of the athletes.



Abstract

This chapter sets out the basic aspects of a commercially usable sports marketing. It explains how values can be created and revenues generated in sport. Key issues such as brand management and brand protection as well as rights trading and business models of marketing are in the foreground. Also the question of which legal basis can be used in cooperation with partners. The focus is on the perspective of the rights owner. Furthermore, basic strategic and operational decisions in sports marketing are discussed.

3.1 Value Creation Through Sport

A special category “**sports rights**” does not exist as an independent legal term. With regard to aspects of sports marketing, all rights of a sports provider that can be marketed by this provider against payment are covered. A key “tool” for justifying such a claim is the **trademark law** (Bruhn, 2004; Esch, 2017). Without going into details of the legal terminology of a brand, the special legal basis for the formation and securing of a trademark in sport is to be mentioned. Like artists or authors, athletes, clubs and associations also have a copyright on their “works or products and services”. It is an intangible asset that is considered to be an independent asset in Germany and can be protected against abuse.

Property and its protection are basically achieved by **entry in the trademark register** at national, European or global level. In addition, there are other protective constructs if personal rights or design or pattern rights are involved.

The **economic importance of a sports brand** is shown in a business and a behavioral component (Meffert et al., 2002):

- The **business component** of a sports brand focuses on the competitive advantages and exploitation opportunities as well as the financial accounting of a sports brand. This financial perspective puts the monetary value “brand value” (in the narrow sense, also “brand equity”) in the center.
- The **behavioral component** of a sports brand takes a look from the customer’s point of view. This results in central points for positioning and leading a sports brand. The importance of the brand results from the positive reactions of fans, sponsors and other reference groups to marketing measures of the sports rights owner. This marketing-oriented component of brand success is also referred to as “brand strength” (“brand strength”).

More detailed information about **brand management and rights management** in sport can be found when the overall market for rights is further divided into different categories in the value creation process. In Fig. 3.1 various participants in the value creation process are listed (Rohlmann, 2009). The original right is created by the sports unit itself, it can market it alone or extend it with (decentralized) association rights either directly to the end customer or to intermediate further value-added stages. In the latter case, an abstract rights trading often arises first, in which sports rights agencies or rights traders are involved, which in turn come into contact with concrete rights traders (e.g. licensees). These ultimately receive the concrete right of use for one or more sports brands in order to carry out their own commercial business with the consumer. It is obvious that a sports organization can generate more value the more steps in the value chain are taken over by itself.

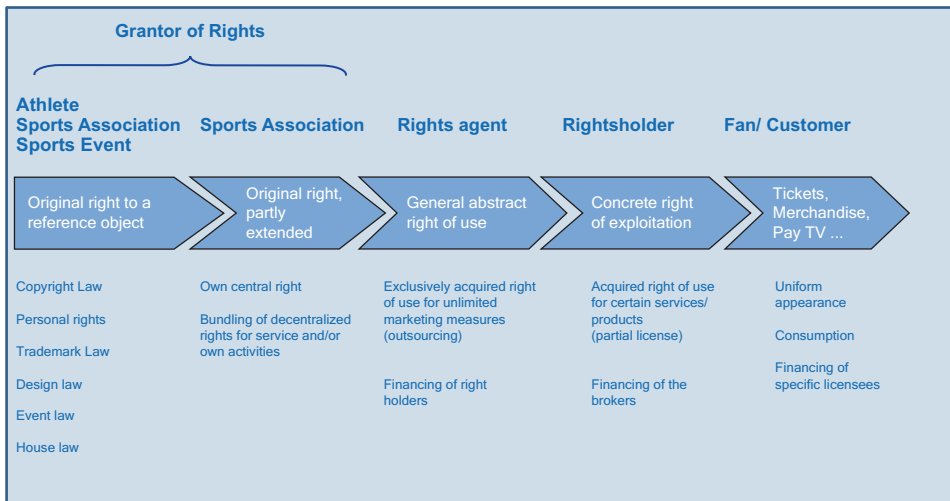


Fig. 3.1 Sports marketing and value creation process

3.2 Brand Management and Brand Protection in Sport

The explanations of the sports rights or trademark rights make it clear that brand management and brand protection in sport play a major role. From the perspective of a sports provider, the **positioning and profiling of the sports brand** is clearly in the foreground at the national, European or international level. For a sports club, this means, for example, that the club name is to be highlighted in terms of brand technology and marketing policy in order to create a long-term basis for identification in the following, so that not only the core product (the special sporting performance of the team) but also the image and the additional activities can be marketed. This can also reduce the dependence on sporting success as a central factor in brand strength (at least partially or temporarily).

In the past, it has often been possible in professional sport to achieve a high level of awareness, enormous sympathy values and a large number of fans without targeted brand strategies. However, this is no longer possible in the competitive environment of sport today, because numerous sports brands are in competition. This creates a lot of **emotions in sport** through enthusiasm and passion, which can be used positively as brand-forming elements for one's own sports brand. New and changing conditions pose a variety of challenges for those involved in sport as well as for managers in sport. A **systematic management of sports brands** seems increasingly indispensable in order to assert oneself in the competition of sports brands.

Those responsible for brand management in sport are particularly confronted with a variety of tasks of **anchoring the brand identity** internally (the appearance of athletes and the organization as a whole) and externally (positioning and marketing). Regular monitoring of the brand is also important. This includes the exploitation of certain access and broadcasting rights, but also the business with advertising and licensing rights related to sport (Rohlmann, 2009).

However, it is not enough that a brand from sport is simply known (cognitive component), but it also has to be attractive (affective component), that is, it has to awaken the desire to own it or perhaps to become part of it. A necessary **condition for successful management of sports brands** is first and foremost a brand-capable, i.e. attractive sports product. This core performance has to meet the expectations of the target group and forms the substance of a sports brand. Its successful positioning in the market leads to the perception and acceptance by the reference groups, which gain a clearly delineated image of the sports actor as well as internalize and find him less interchangeable.

This is reflected in a clear **image profile of the sports brand** that conveys competence, credibility and identity to the reference groups. In comparison to usual brands for consumer goods, the selection and binding to a sports brand ("brand commitment") is to be assessed differently, as in sport it is usually a so-called "0/1 variable" (Preuß et al., 2014). Studies have shown that fans find their favorite club at a very young age and usually remain loyal to it for life (e.g. "Once Liverpool, always Liverpool"). Sometimes sports fans also prefer a "second club" because this club may offer better sports performance than the home team (e.g. for fans with high performance expectations) or private

and professional reasons have pushed the original club back a bit (e.g. sympathy for the club at the place of study, club due to new circle of friends). For example, this explains the high proportion of international club fans in the current media age. On the demand side, there are hardly any immediate alternatives and thus an option to change. Instead, it is often a contrary attitude of fans towards others than the “favorite star” or the “favorite club” that is a strong defensive element for an objective evaluation of alternative brands in sport.

In the context of sports marketing, the **sports brand is seen as a leadership and competitive tool**. As Fig. 3.2 shows, on the one hand internal control effects in terms of personnel, structures and partners of the sports organization are necessary and on the other hand an externally oriented marketing of the sports brand is indispensable. The latter refers above all to competitors as well as the relationship to various stakeholder groups and the position towards higher sports institutions.

In addition to the purely sporting results and performances of athletes and clubs, the **entertainment and experience values of the sports brand** are particularly relevant. These are equally important for the strategic target groups. The marketing of top-level sport necessarily associated with it means generating as many productive sources

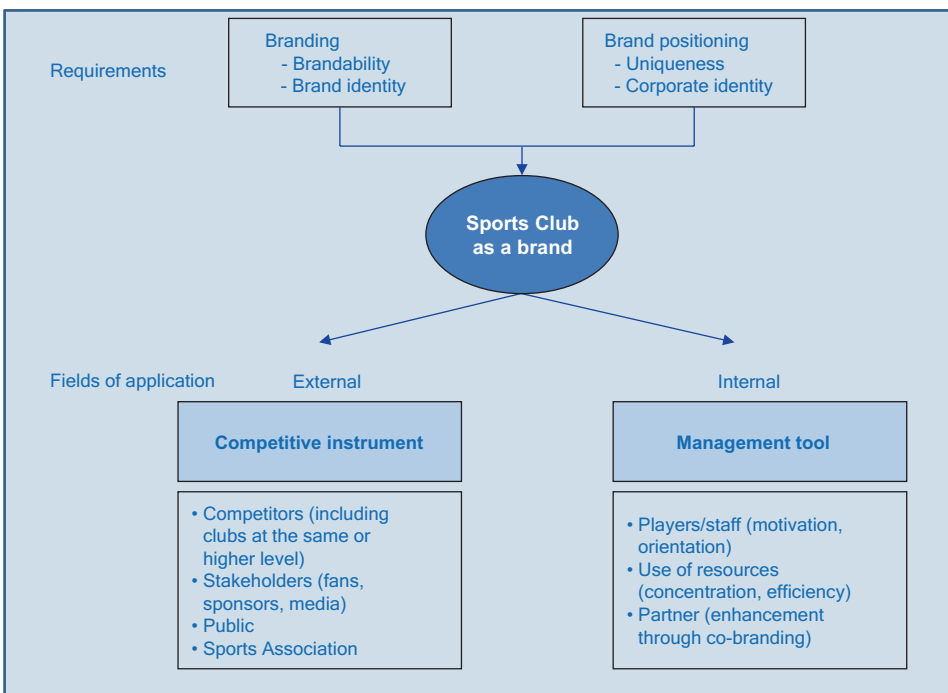


Fig. 3.2 Sports brand as a leadership and competitive tool

of income as possible from an economic point of view. This is particularly successful in team sports if the aura of a team contains strong emotional components that have become part of an **emotional brand image**, so that the attractiveness can be maintained and thus a certain independence from sporting success can be made possible. In particular, through targeted brand management, various forms of sports marketing, adequate infrastructure and special communication campaigns, corresponding sympathy values and a binding behavior of the target groups can be promoted. Poor sporting performance or even a bad season thus does not immediately become an economic danger for affected sports clubs.

Another aspect of brand management in sport is the fact that some athletes have not followed a planned **process of brand formation**, but rather more or less randomly or historically carry a certain image with them. This can lead to preconceptions that make it difficult to position the brand in a target- and future-oriented manner.

Another aspect concerns the **multidimensionality of the brand experience** in sport. Figure 3.3 shows that in addition to the actual athlete (e.g. skier or football club), special personalities (e.g. Cristiano Ronaldo, Jürgen Klopp), the league (e.g. DFL German Football Bundesliga) and the national (e.g. DFB) or international federation (e.g. UEFA, FIFA) also influence the overall appearance. This can facilitate brand management in individual cases, but generally also make it more difficult.

Basically, successful sports brand management is based on similar techniques and approaches as in classical brand management in order to realize a targeted **brand positioning and brand perception**. This means that the brand identity of the sports provider

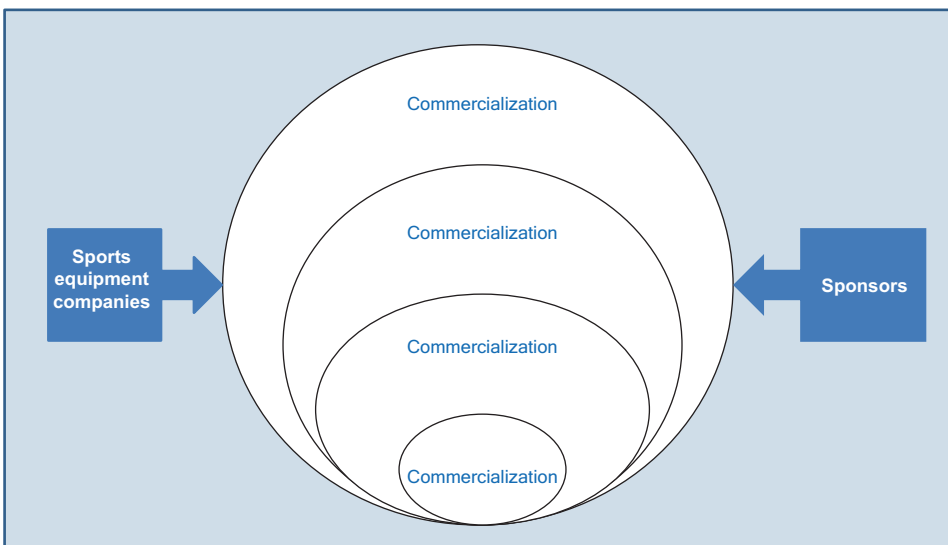


Fig. 3.3 Multidimensionality of brands in sport

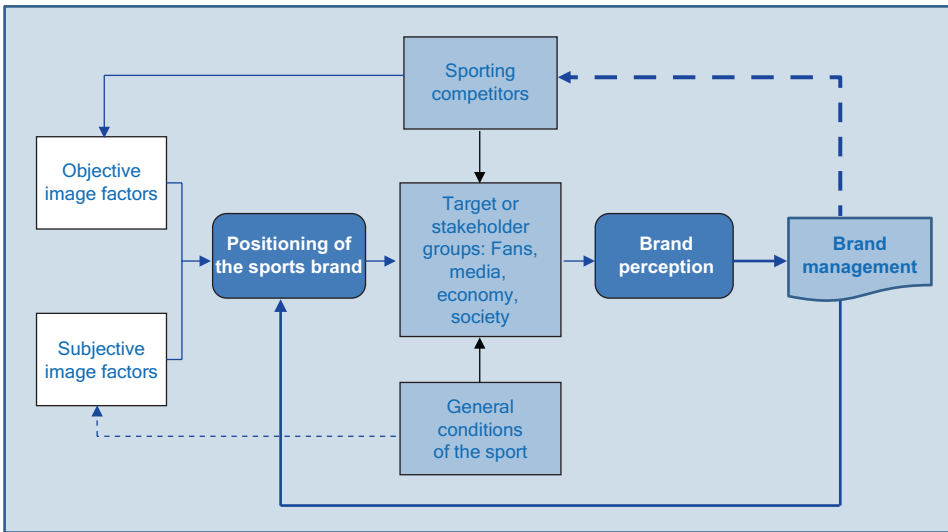


Fig. 3.4 Positioning and brand perception as central elements of sports brand management

must be the “pivot point” of all positioning and marketing efforts in order to not only assert itself internally and externally in competition, but to achieve the best possible position under sporting, economic and marketing aspects (Meffert et al., 2002). Brand management has the task of identifying the brand-driving and brand-limiting factors and aligning them as optimally as possible with the desired brand positioning in order to achieve the corresponding brand perception through brand management. These relationships are illustrated in Fig. 3.4.

Sports marketing is at the center of various markets and market participants. This also involves taking into account heterogeneous target groups in sports brand management. Among the market participants, the **functions of the sports brand among the target groups** are also differently pronounced. As shown in Fig. 3.5, these functions relate to the fans’ identification and profiling, the competitors’ differentiation, the media’s profiling, the employees’ identification, the shareholders’ value creation, and the economy’s profiling. There are numerous examples of successful brand concepts in sports, one of which can be traced back to the brand strategy of the German Bundesliga football club Borussia Dortmund (case study 2).

Case Study 2: Balancing Act between Fan Orientation and Commercialization—The Example of Borussia Dortmund

Borussia Dortmund is a globally known brand. The club relatively early designed its own brand identity, which after all led to a special claim and set clear priorities for marketing and business. The brand work around the emotional and since the 100th

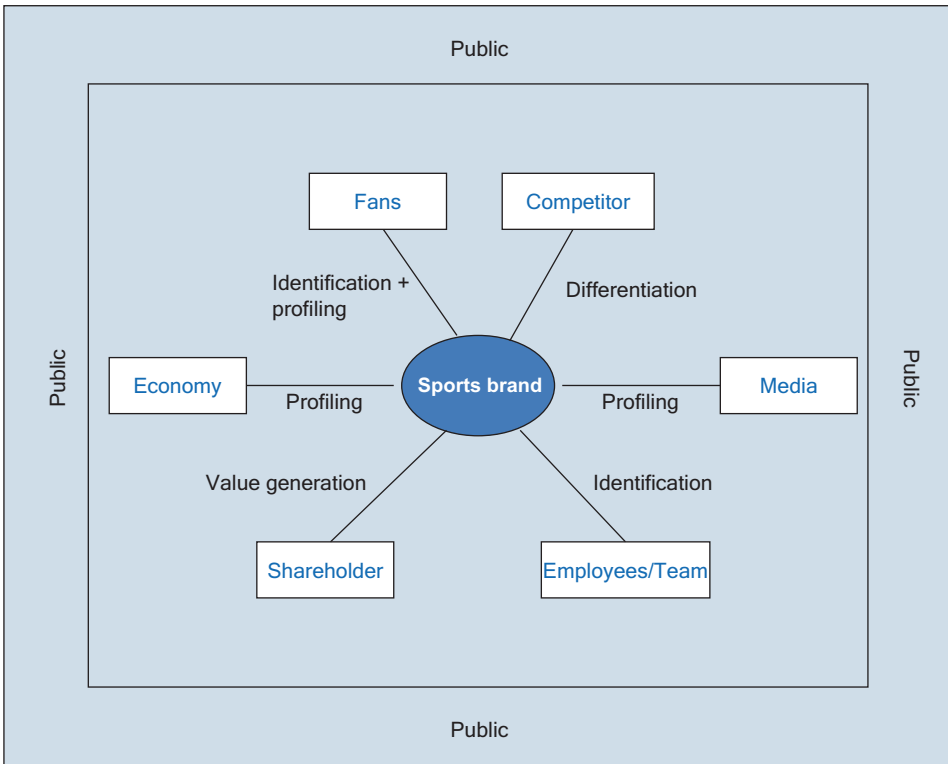


Fig. 3.5 Functions of the sports brand for different target groups

club anniversary in 2009 used BVB claim “True Love” has been discussed several times in recent years. This “promise of performance,” as Marketing Director Carsten Cramer calls it, should be a “guideline” for all club activities. It is not about earning more money with the individual fans, but that emotions are released with the brand.

Borussia Dortmund attaches importance to the fact that football is clearly in the foreground and not the commercialization. So on the South Stand at the Signal Iduna Park, the home stadium of BVB, 25,000 standing places were set up. This as a signal that the fans are in the foreground. Even if this does not exclude that it is a central task to commercially use the brand power of BVB to maintain or increase the economic performance so that the club can also be ambitious on the pitch. This is ultimately a balancing act and therefore also the sponsors have to fit to Borussia Dortmund and undergo a careful sponsor-fit. BVB stands for sustainability, dynamics and authenticity, is ambitious and full of emotion. These values and characteristics should also bring a potential sponsor.

Apparently, most fans have seen this as well until the outbreak of the pandemic, as can be seen from the annual brand ranking of TU Braunschweig (Fig. 3.6). ◀

Rank	Association	Brand Index	Δ^*
1	Borussia Dortmund	61.24	3.67
2	Bor. Mönchengladbach	52.06	-2.71
3	FC St. Pauli	51.24	-1.94
4	Eintracht Frankfurt	50.21	0.34
5	SC Freiburg	49.39	-6.64**
6	SV Werder Bremen	49.37	2.00
7	VfL Bochum	48.60	4.37
8	1st FC Cologne	47.81	-2.84
9	Arminia Bielefeld	47.41	3.75
10	TSG 1899 Hoffenheim	46.54	-3.32
11	FC Bayern Munich	46.01	-0.01
12	Hamburg SV	45.26	4.03
13	VfB Stuttgart	44.36	0.32
14	Bayer 04 Leverkusen	44.28	-3.27
15	FC Augsburg	43.50	-6.36**
16	1st FC Union Berlin	43.49	1.84
17	1st FSV Mainz 05	43.46	0.78
18	Nuremberg 1st FC	43.33	-5.05**
19	FC Schalke 04	43.00	-2.42
20	VfL Wolfsburg	42.51	-3.30

Fig. 3.6 The strongest club brands of the German Bundesliga 2019. (Source: TU Braunschweig, 2019)

* Change in brand index compared to the 2018 football study

** Significant change at a 5% level

An attractive sports brand creates both communicative and financial added value for the brand owner. This makes it necessary to intensively and thoroughly deal with the **possibilities of brand protection**. And it can ensure that exclusive and possibly disturbance-free exploitation of the associated rights is possible (Preuß et al., 2014).

In general, when investing in a brand, **claims for protection of the brand** can be made if another market participant attempts to unlawfully share in the values and market opportunities of that brand. The brand is protected by registration with the German Patent and Trademark Office. Protection for a brand arises with the registration of the

sign in the trademark register for the registered goods and services (W/D), of which there are 45 W/D classes (Nice Classification). Brands that are protected in Germany include registered national German brands, registered European Union trademarks (EU) and internationally registered trademarks (IR). The following objects are suitable for marketing as a sports brand with various brand elements:

- Athlete as a brand
Name, logo, image
- Club/association as a brand
Name, logo/emblem, mascot, trophy
- Events as a brand
Name/designation, logo/symbol, mascot, cup

In this context, so-called **brand piracy** has now reached a significant economic dimension, as many counterfeiters and illegal rights holders operate their businesses with well-known and desired branded products, and not all countries that should protect the rights of the original holders are willing to do so. New media also play a major role in this, as in particular counterfeiters and fake shops have found an almost uncontrollable platform on the Internet.

The **damage caused by trademark and product piracy** is estimated to amount to EUR 56 billion per year for German companies alone. The stronghold of product piracy is in China, but numerous counterfeits are also produced in Southeast Asia and Eastern Europe (www.urheberrecht.de/produktpiraterie). The economic damage to the affected trademark companies consists of the sales or revenue losses, the unrest and confusion in the relevant market sector and a damage or dilution of the brand.

At the same time, trademark piracy represents the disappearance of tens of thousands of jobs and high tax losses for the authorities. The more well-known and popular a sports brand is, the more vulnerable and susceptible it is to counterfeiting (e.g. Adidas, Nike, Manchester United, FC Barcelona, Cristiano Ronaldo, football tournaments, Olympic Games, etc.), i.e. the most counterfeits are found in these segments (Rohlmann, 2019).

In sports, the phenomenon of brand piracy is considerable and often quite conspicuous. The **brand abuse by third parties** can relate to different **forms of appearance**:

- Use of a protected name or image by third parties without permission (e.g. advertising with a sports star or team).
- Forgery and distribution of brand emblems/logos of well-known sports clubs, sports leagues or sports organizers (e.g. trade in the official logo of the FIFA World Cup 2022).
- Production and distribution of counterfeit goods and provision of these goods with a counterfeit brand (e.g. fake jersey of FC Bayern Munich).
- Offering or providing services under a counterfeit brand (e.g. use of the UEFA EURO 2020 logo in a sports bar).

Even if exact data for the sports sector as a whole are lacking due to problems of delimitation and data capture, the **damage caused by brand piracy** is very considerable. The retail value of the merchandise counterfeits seized in the English Premier League averaged more than 2.5 million pounds per year in the years 2013–2017. For Germany, experts estimate that about a quarter of the total volume of fan articles is attributable to counterfeits and unlicensed imitations. This illustrates the financial damage caused by brand piracy in sport.

A special case is **ambush marketing**. This refers to marketing activities that refer to a sports provider or a sporting event or use these as a platform to derive an economic benefit from this, without the company having made its own—supporting the sports player—contribution as a sponsor or licensee. These actions take place without the consent of the organizer, because in many cases they violate the rights, at least the interests of the sports player and “closely related” partners (e.g. sponsors, licensees) (cf. Bruhn & Ahlers, 2003; Nufer & Bühler, 2013; Preuß et al., 2014).

Ambush marketing is very common in top-level sport because companies do not pay (high) sponsorship fees, but try to establish associations with the main sporting theme in the “wake” of the sports brand. They use the media and thus target group-related attention of sponsored teams or major sporting events, without being a sponsor themselves with corresponding rights of use. Often, companies that act in this way are also contemptuously referred to as **“hitchhikers or parasites of sports marketing”**. However, a blanket disqualification does not do justice to this phenomenon. As long as there is no violation of the claim bases of the trademark or rights holder, it is also considered to be a particularly creative marketing action by those who have found a gap in the usually very dense protective wall of the trademark holders. Above all, advertising-intensive companies that are denied access to prestigious sports rights by exclusive general contracts for many years by their competitors then choose this path. The official rights holders therefore have to take measures to minimize the effect of ambush marketing.

3.3 Rights Trading and Business Models of Marketing

Different areas of law are affected when exercising sport actively. At its core, it is a question of the law or the **claims of a sports provider**, which arise from his status as an athlete and which he would like to commercially exploit. The organizational unit that exercises such exploitation is referred to as the **secondary market of sport**. Several **market-determining elements** can be distinguished therein (Riedmüller, 2018):

- Partners of the rights trade (rights owners, rights brokers, rights users),
- Type of rights (media, marketing, etc.),
- Target groups (end consumers, companies), in turn a certain relationship between the market participants (B2C, B2B).

The important decision-making conditions for exploitation can be summarized as the **paradigm of rights exploitation**:

- Who (association, club, individual athlete, event) wants
- which rights (media coverage, marketing/advertising, etc.) in
- which way (self- vs. third-party marketing; fully or partially, etc.) with
- which conditions (prices, fees, etc.) at
- which target group (end consumers, business, media)
- for how long to market?

The **market structure in the rights trade** can be described by certain characteristic features as well as certain categories of costs and benefits. Special features include, for example, the complexity of the relationships, geographical sublicensing, different market prices and the fact that they are largely closed networks. Economically relevant are, among others, transaction costs (e.g. actual assignment of rights, rights fees), information costs (e.g. expenses prior to the award with regard to the selection of partners and the feasibility of the respective right) and coordination costs (e.g. expenditure in connection with the implementation/control and settlement). These include in particular also added values that can be generated depending on the value-added stage.

In the marketing of sports rights, there is a **network of relationships between different partners** with certain dependencies, i.e. no partner can realize an optimal implementation without the other partner. Thus, the sports provider needs the financial consideration of the economy for the transfer of rights in order to be able to fulfill its tasks in the future. At the same time, wide media coverage is necessary to be interesting for the economy. However, the interested companies from the economy are also dependent on this communication and distribution platform in order to transmit their messages to customers in a more targeted manner. Finally, the media are dependent on sport and its stars as central content of their activity in order to be able to compete for ratings and subscriptions of their listeners, readers and viewers. This mutual dependence and interlocking of the partners is shown in Fig. 3.7 and can be referred to as the **“Magic Triangle”** of sports marketing and sponsorship due to the network of relationships and dependencies.

In German sport, especially in popular team sports, a remarkable **process of professionalization** has taken place in the past two and a half decades. Practically everywhere in sport, the use of marketing opportunities has increased, even though sports outside of football and in smaller clubs often have less personnel in marketing due to the smaller economic dimensions. However, the conscious commitment to the necessary marketing in sport as well as the possibilities of the corresponding **qualification of the personnel** have led to an increase and further development of the expertise in all areas. This means that in many sports organizations, it is no longer solely (former) sporting achievement that is decisive for the allocation of positions in marketing, but rather that many positions are filled according to a modern job profile with regard to competence and job experience.

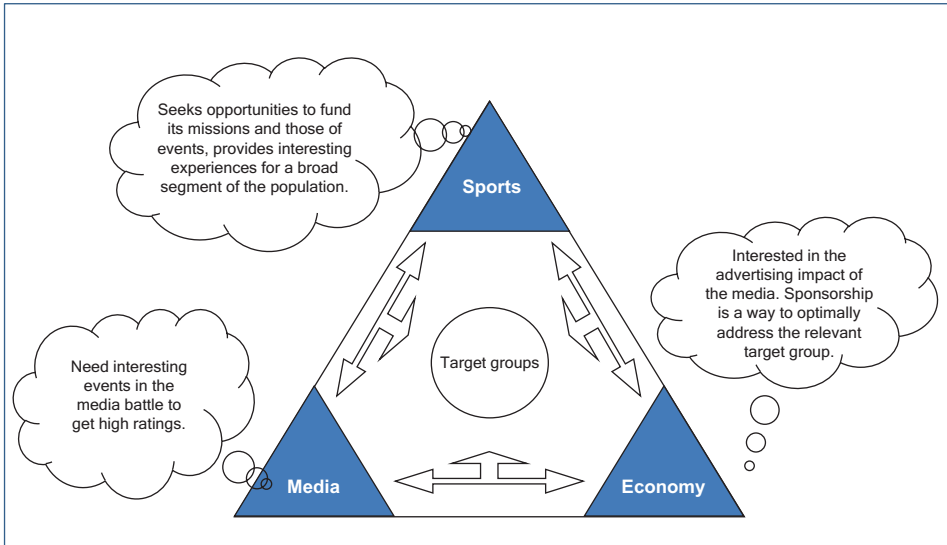


Abb. 3.7 The “Magic Triangle” of sports marketing and sponsorship

Nevertheless and in principle, the question regularly arises as to whether **self- or third-party marketing** is the better alternative for a sports actor. Depending on whether the provider of sports rights wants (or can) be active itself and to what extent it wants to or can grant its sports rights in whole or in part, four basic business models in the exploitation of rights can be distinguished, as shown in Fig. 3.8:

- The classical **model of self-marketing** is the exclusive marketing of all available rights by the sports player or his management.
- There is **limited self-marketing** if certain rights are not regulated by themselves (e.g. TV broadcasting or foreign marketing).

Rights exploiter	Athlete	Foreign partners
Scope of rights		
Full rights	Exclusive marketing	Total external marketing
Partial rights	Limited self-marketing	Restricted third-party marketing

Abb. 3.8 Business models of the exploitation of sports rights

- In contrast, this is a **restricted third-party marketing** if the majority of all sports rights are transferred to a third party and the sports provider only reserves small rights packages for its own uses (e.g. advertising on the sports facility).
- If **total third-party marketing** all marketing rights are transferred to external parties.

In practice, hardly any of the models is ideally typical, but mostly mixed. Due to the described development, even smaller clubs are today able to market themselves professionally. This is all the more true because, due to the limited financial volume, the use of professional marketing agencies is hardly an option.

However, football occupies a special position, where rights traders are search and look for clubs in lower leagues. For top clubs in football—but also for top teams in other ball sports—the question arises as to what the **optimal marketing structure** looks like. In general, it seems that self-perception of rights is taking place to a greater extent, as numerous resolutions or re-formulations of agency contracts testify. In this respect, much speaks in favor of self-marketing, which is mainly found in sports units with lower revenues and clubs that are financially very well positioned. However, specialized and experienced marketing partners prove to be helpful, especially when transitioning from amateur status to professional sports.

Another influencing factor on the business model can be derived from the **status of the sports brand**. With an increasing professionalization and the exploitation of sports rights, the question of the scope of the brand also arises. At the same time, opportunities for expanding sports providers to widely recognized brands will be used. Figure 3.9 shows the **development path of sports brands** ideally, simplifying the example of a sports club, the development from a regional to an international brand.

3.4 Legal Basis for Cooperation with Partners

In sports, there is no special sports law, so it is necessary to rely on numerous other general legal constructs that are then to be individually formulated **contracts for cooperation with partners** for different uses. The most important agreements in sports marketing can be counted as:

- Agency contracts for third-party marketing,
- Sponsoring and advertising contracts with companies,
- Kit supply and equipment contracts with sports manufacturers,
- License contracts with merchandising and catering companies as well as TV stations/broadcasting services.

The general **legal basis** that can also be used in sports includes, among other things, copyright, personality rights, trademark law and design law, as well as event law and house law. The corresponding contracts in sports marketing are partly very extensive because

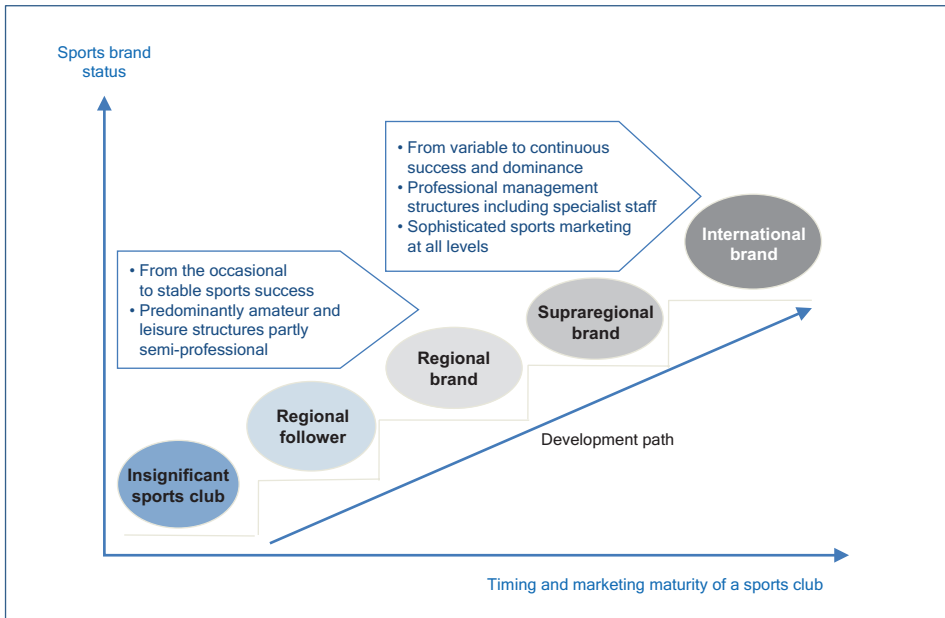


Fig. 3.9 Development path of sports brands

lawyers on both sides try to take into account all interests and eventualities in a comprehensive manner. An attempt is made to avoid uncertainties and disputes between the rights owner and the rights user in sports marketing through a written partner contract. In addition to the basic services and consideration of the contracting parties, the duration and scope of the cooperation as well as the clarification of discrepancies are important.

The **conditions and provision rates** show very different processing forms. They range from a purely variable solution, e.g. a participation rate in percent linked to a certain reference size, to fixed lump sums. Often there are also mixed forms, whereby a certain part of the remuneration is carried out as a fixed guarantee sum and another part as a success-related remuneration in dependence of previously agreed objectives (e.g. media and image values, sales figures). For most agency contracts, it is common that 20 to 30% of the money earned from third-party marketing remains with the commissioned third party as a sales commission. When granting product licenses to self-employed companies (licensees), the licensor usually receives between 5 and 15% of the resale or wholesale price of the merchandise, with the variable license fee and any guarantee sums depending on the brand strength and the sporting and geographical reputation of the service provider.

The following important points for **contract design** can be named using the example of a contract for the use or **grant of product licenses in sports merchandising**:

- Contract base according to the national law of the licensor (standardized or individual),
- Contracting parties: exact designation of licensor and licensee,
- Scope of the license: licensed items/categories and scope of application, in particular with regard to possibly own personality rights of players and licensed products (possibly also sublicenses),
- Duration of the contract and area: dealing with any remaining stock quantities, etc. at the end,
- License fees (rate, base) and billing,
- Guarantee amounts: inclusion of objectives of cooperation,
- Design issues: identification as an official licensed product, security against counterfeiting,
- Design/templates: CD manual of the licensor, possibly release by the licensor,
- Pricing policy: pricing and distribution channels (possibly sales support by the licensor) etc.
- Obligation to keep and complete the accounting system by the licensee and inspection by the licensor,
- Warranty, liability, intellectual property rights, etc., also questions of damages,
- Behavior in case of contract violations.

3.5 Strategic and Operational Marketing in Sports

The basic decision-making areas of sports marketing include strategic orientation and operational decisions. The **strategic marketing decisions** of a marketing concept have the task of connecting the defined marketing objectives with the operational actions at the level of measures. Strategies thus provide the framework for market-oriented corporate management in sports.

Based on the delineated business field (product-market combination), the question must be clarified as to how a sports company orients its marketing activities. This particularly affects considerations of **market coverage and competitive strategy**. These basic orientations must ensure that the company occupies a strategic position of success in its market.

Instead of the previously prevailing more or less undifferentiated processing of a market, it is necessary that organizations from sport, similar to classical companies from the economy, concentrate on special **market segments** according to the principle of differentiated market processing. Instead of orienting themselves to the entire heterogeneous market, they turn to smaller, preferably homogeneous submarkets.

A sports company therefore has to make decisions about various **strategy options in sports marketing**. As shown in Fig. 3.10, these are mainly business field-, competition- and customer-oriented strategies. Together, they result in a strategy mix that overall reflects the strategic orientation of the sports provider.

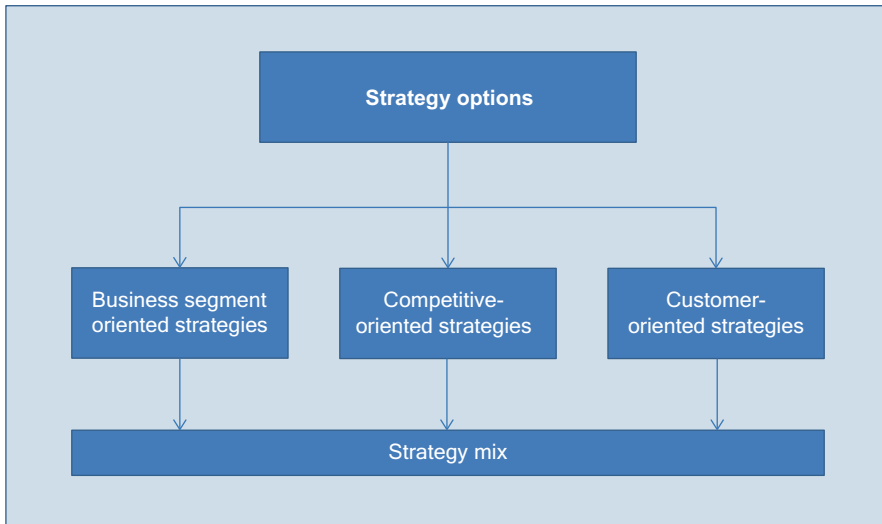


Fig. 3.10 Strategy options in sports marketing

Business Field-Oriented Strategies

The **business field strategy** is the starting point for strategic considerations. Here, strategic decisions arise for a company with regard to the market, i.e. to what extent existing or new markets are processed and whether existing or new services are offered. The different categories can be summarized in the **product-market matrix** according to Ansoff, as shown in Fig. 3.11, and give sports organizations indications of possible growth strategies.

When determining the business field strategy, it must be taken into account that, depending on the choice of strategy, more or less large **synergy effects** arise for other areas of the sports provider. These are relatively large in the case of market penetration due to the close connection to the existing program, while only few interactions and synergies arise in the case of diversification. Other central decisions include the choice of the sales market (including internationalization). Decisions on self-marketing and third-party marketing of sports units are also of great importance.

Competitive-Oriented Strategies

Using a **competitive-oriented**, the company's market position is determined in comparison to competitors. With regard to the company's market position or the behavior and reactions of the competition, a distinction is made between innovative and imitative behavior on the one hand and between competition avoiding and competition seeking behavior on the other. The aim of the competitive strategies is to stand out clearly from other competitors and to gain competitive advantages. The following can be mentioned as strategic **competitive basic concepts**:

Business segment/ market \ Marketing offers	Available	New
Currently	Market penetration (e.g. more sponsors from the region)	Market development (e.g. funding partnerships for junior squad only)
Future	Market expansion through innovation (e.g. digital rights packages)	Market expansion through diversification (e.g. e-sports)

Fig. 3.11 Product-market matrix with examples

- Leadership in products and services
- Cost leadership

With a **strategy of leadership** it is intended that a sports player works out market advantages for himself by improving the standards of his products and services—in particular fan and partner orientation. On the one hand, this can be done by quality advantages, by striving for strategic success positions (SSP) or Unique Selling Propositions (USP), that is, the acquisition of differentiation features in order to stand out from competitors. These strategic competitive advantages arise, for example, from the reliability in the provision of services or from the commitment and credibility of the employees. Furthermore, a sports provider can differentiate itself from the competition by innovation advantages (e.g. sustainable in-house production of fan jerseys without partnership with a sports goods manufacturer). Creativity of the sports unit and its employees is of particular importance in this context. For example, completely new products and services can be developed, this requires the corresponding know-how, the constant observation of the market and targeted market research. The time aspect must also be taken into account, because the time of market entry or a new product placement can be advantageous before the competition. In order to stand out from the market, brand advantages are also sought. They do not arise from the product design, but from the positive image of the sports player and his market-based overall appearance. In order to achieve brand advantages, the development of one's own corporate identity is mandatory.

In principle, a sports unit can also pursue a **cost leadership strategy**. The aim is to differentiate itself from the competition through cost advantages and especially accepted low-price strategies. Cost savings are possible, for example, through standardization or outsourcing of services, as well as through the creation of more favorable cost structures. However, a cost leadership strategy is rarely used in sport. Exceptions are some football clubs with especially favorable merchandise, including lower fan jersey prices than the average of the league.

Customer-Oriented Strategies

The **customer-oriented strategies** are mainly based on target group orientation or market segmentation, in essence it is also about the brand strategy orientation and positioning. This includes, among other things, **decisions on market coverage**, i.e. which areas of the market are to be addressed—whether a wide and as complete as possible market coverage is to be sought or only a partial processing of the market in the form of a niche strategy is to be pursued.

As part of a **niche strategy**, a sports provider tries to gain competitive advantages over its competitors with its offer for a specific, relatively homogeneous target group. A typical feature of niche providers is a high degree of specialization or a concentrated competence in the field of the market niche to be occupied (e.g. golf clubs). On the one hand, the needs of the customers can usually be fulfilled better, on the other hand, individual problem solutions can be offered. In the eyes of consumers, niche products often have a much higher utility and thus achieve the desired unique selling proposition (USP) better. In addition to a multitude of advantages, the occupation of a market niche has a not inconsiderable disadvantage: companies that concentrate solely on a single niche of the market run the risk that the niche will lose importance for reasons that they cannot influence or that an attack by a larger competitor will take place.

The other form is **full market coverage** or the pursuit of market leadership in a certain sports sector. The actor wants to stand out from other, especially niche providers, by offering a comprehensive range of services to the largest possible target group (e.g. large sports club with many departments and a multifunctional sports facility). The wide range of products offers the provider an internal risk compensation. If, for example, some market segments are very well utilized, they may be able to finance other weaker areas and maintain the wide range of services or market coverage.

The specification of the various strategy options also defines the strategic cornerstones of marketing. In a further step, these represent the guideline for the implementation using **operational marketing decisions**. Various marketing instruments are available for this, the combined and coordinated use of which is referred to as the marketing mix.

In general, and also for sports marketing, first a **basic service (primary service)** is to be defined, i.e. the sports offer or the sports performance of an actor. This forms the basis for additional services, the actual **marketing services by the marketing mix (secondary service)**. In this respect, sports marketing is to some extent always a kind of “secondary exploitation”. The best way to reach certain target groups in sports marketing is above all when a high degree of networking makes the individual operational measures appear as a compact and coordinated package of services. In Fig. 3.12 a marketing mix with examples for sports marketing is listed.

The core of the marketing task in sport therefore lies in making differentiated disposal rights commercially exploitable in such a way that they become well-demanded goods and services for which commercial fees are due. The commercialization of various rights in sport as a marketing task is shown in Fig. 3.13 with examples.

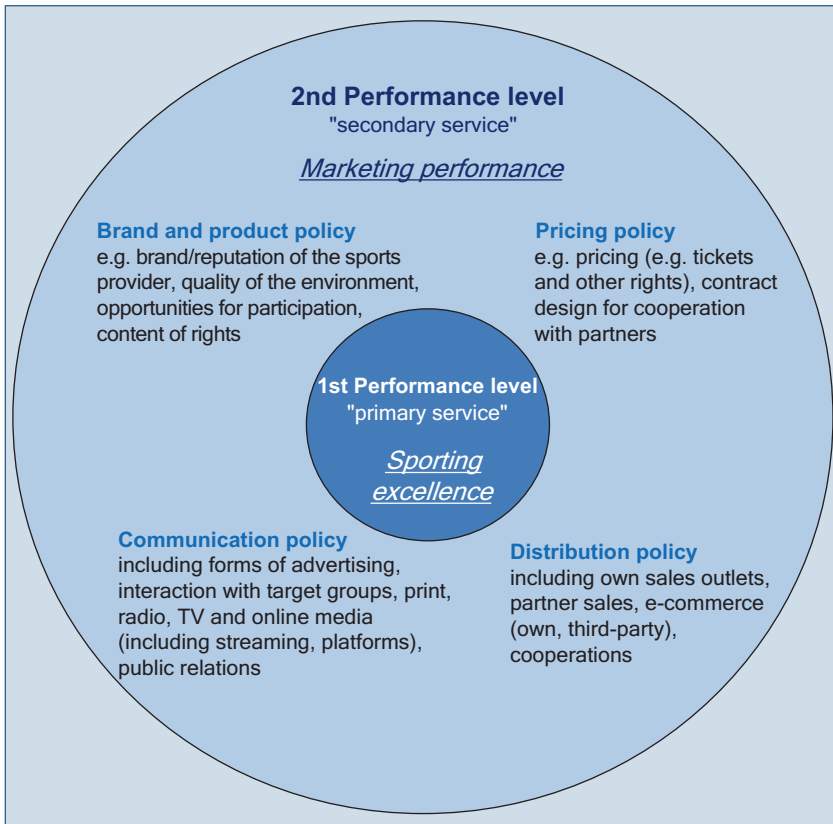


Fig. 3.12 Marketing mix in sports marketing

Marketing of ...	Revenue from ...
• Benefit Rights	➔ Membership fees and donations
• Access rights	➔ Matchdays
• Media rights	➔ Audiovisual transmissions (e.g. TV, Internet)
• Communication rights	➔ Sponsorship and advertising
• Licensing rights	➔ Merchandising & Licensing and Catering

Fig. 3.13 Commercialization of various rights in sport as a marketing task

The following chapters will explain the tactical-operational measures from sports marketing. It will be shown how customers (partners and supporters in sports) can be addressed with the help of **marketing instruments**. These include product and service aspects (Chap. 4), prices and contracts (Chap. 5), communication topics (Chap. 6) as well as distribution channels in sports marketing (Chap. 7). In doing so, the measures of sports marketing are considered from the perspective of both the rights owner and the rights holder resp. user.



Product and Service Aspects in Sports Marketing

4

Abstract

This chapter focuses on product and service policy in sports marketing. First, the range of services of the sports provider is presented. This gives an overview of the product and service offerings of the sports provider within the framework of the marketing concept. On the other side are the various services of the marketing partners, which are shown in detail. Based on offerings and compensations, the corresponding contracts are concluded in sports sponsorship. The service offerings are the central sales drivers in the marketing concept of the sports providers. Throughout the chapter, the perspectives of the rights owner in sport as a provider and the rights user as a demander are taken.

4.1 Product and Service Offerings in Sport

The **product policy** (also: **rights portfolio**; both terms are used synonymously below) refers in sports marketing primarily to the transfer of rights to goods and services. It includes all decisions relating to a market- and situation-appropriate design of the individual marketing offers or the entire range of services in the follow-up market. Since services (e.g. advertising services) predominate over tangible products (e.g. merchandise) in the sports business, their particularities—such as individually adapted factor combinations, physical integration of the external factor and result uncertainty—have to be taken into account. This makes it particularly difficult for the customer to clearly assign or anticipate the quality before using the service (Meffert et al., 2018). The **brand policy** plays a prominent, if not the central role, as an approach to emphasising quality over athletes, spectators, fans and sponsors.

Product policy is often seen as the **core area of marketing**. The higher relative importance of product policy compared to other marketing instruments is justified by the fact that all other measures ultimately serve to sell the services provided. The basic questions of product policy include, on the one hand, the definition of quality and properties of an individual product or service, and on the other hand, decisions on the composition of the rights portfolio (assortment policy), i.e. the totality of services offered or planned by a sports unit.

The possibilities for marketing sports have changed in manifold ways since the early days of sports advertising and sports marketing, in particular because new information technologies in general and a more global positioning of sports in particular, as well as innovative approaches to sports marketing, have been constantly expanding the spectrum of exploitable rights. The **development of sports marketing from traditional to new services** in the analog and virtual environment is shown in Fig. 4.1. For example, traditional rights and products in the analog environment (Type I) are being expanded to new rights (Type II). Similarly, previous rights and products on new media (Type III) are becoming digital rights and products in various communication channels (Type IV). It is to be expected that further creative service offerings will arise through technological development.

These developments illustrate that permanent **service innovations** and thus new offerings and new ideas need to be created in sports marketing and marketing with sports. Here, for example, the award of new titles/predicates by a sports club (e.g. official transport partner of a club) or by an individual athlete (e.g. official nutrition partner of a triathlete) can be mentioned.

In addition to service innovations, **service variations** play an important role in the context of product or service policy. The aim of service variation is to adapt existing offerings with regard to certain properties that are already on the market. The following **options for changes of offerings** can be used:

	Classic services	New services
Analogue environment	Type I: Conventional rights and products (including jersey and perimeter advertising; hospitality, fan merchandise, audiovisual broadcasts)	Type II: Extension of known rights and creation of new rights (i.a. stadium naming and differentiated sponsorship), club TV, non-matchday activities
Virtual environment	Type III: Known rights and products on new media (including professional e-commerce, social media)	Type IV: Digital rights and products in, for and on modern communication channels (e.g. blockchain and cryptotechnology, virtual reality).

Fig. 4.1 Development of sports marketing from traditional to new services

- **Performance improvement:** For example, the advertising spot of a sponsor on the video board in the stadium can also be used on the club website or in new media.
- **Performance modification:** In addition to being able to use their boxes in the stadium on match days, sponsors can also use them for business purposes at other times.
- **Performance differentiation:** In addition to the known differences in ticketing according to target groups (e.g. save standing, seat), status of spectators (e.g. trainees, employees) etc., criteria such as access duration or differences according to the attractiveness of the opponents can also be integrated.

A variation of several different rights offers a sports actor the advantage that the individual product and service are no longer directly comparable with those of other providers and thus the pricing gets more freedom. A variation of several different rights in the sense of a **performance improvement** represents, for example, a temporal change in the service process for a sports club. Due to the integration of the external factor, this spends more or less time with the creation of the service perceived (e.g. stadium atmosphere, fan backdrop). This includes, in addition to the pure transaction time, i.e. the time directly used for providing the service, both the transfer times, the travel times to the sports event and back, as well as processing and waiting times. The time of providing the service is (usually) associated with an experience value for the customers, while the other times, e.g. queues at the stadium entrances or at the sales stands, are perceived negatively by some. The sports event can improve its performance by optimizing time schedules and reducing waiting times.

Likewise, in the sports offer, **offering modifications** are to be considered. These are not necessarily associated with an improvement in performance, but are sometimes carried out for reasons of capacity utilization and rationalization. For example, the time resources of sponsored athletes can be used for internal company purposes (e.g. lectures). The catering offers in the VIP area (hospitality) of sporting events can also be adapted to target groups according to the type of sponsors and guests.

Special possibilities especially in the area of **offering differentiation** arise through the inclusion of additional services in the offer package. On the one hand, these additional services can be of a material nature, e.g. season ticket holders could purchase a free or discounted fan article or receive a DVD with the most beautiful goals of the season from the club at the end of the year. On the other hand, intangible additional services can be offered in the form of an additional service, e.g. the care of small children during a sporting event, stadium tours, museum visits, etc. Product and service differentiation offers the sports provider the opportunity to better exploit the market and also to differentiate prices.

In addition to offering innovation and variation, in sports marketing, in the case of declining acceptance, the abandonment of offering services is also to be considered. In the case of **service elimination**, the sports provider decides not to offer a service (any more). For example, a sports organizer could forego certain advertising opportunities for

sponsors (e.g. stadium magazine) or fans (e.g. fan merchandise catalogs for everyone). Offering elimination generally affects such offers that are no longer up-to-date or profitable enough within the portfolio of a sports company.

A special feature of the range of services offered in sport is that, from the spectrum of available rights, not only individual products or services are often put together, but also a combination of several services. These **service bundles** include various sponsorship and advertising rights that are particularly attractive to the sponsor in terms of services and also grant him additional rights in addition to the right of agreed use (e.g. exclusive rights in different categories or industries). These service packages are also attractive to sponsors because they are usually associated with a flat rate.

For those inquiring about sports offerings, **access rights** play a special role. Direct access rights have been generating economic revenue in sports since the very beginning of the marketing of sports performance. By purchasing a ticket, the sports enthusiast has the opportunity to experience a sporting event directly and live. The economic importance of ticket sales revenue has always been relatively important for the marketing revenue of sports performers—most recently, the Corona pandemic has shown this with “ghost games”. The financial income is one thing, the other is the not to be underestimated media and acquisition effect of ticket sales. A high demand or the often experienced phenomenon in top-level sport of a demand that far exceeds the supply of tickets is also an indication of the popularity and attractiveness of a sporting event. This then helps a lot with the marketing of other rights. While broadcasting rights are often negotiated centrally by a governing body, sponsorship and advertising agreements are important services and sources of income to be regulated by sports performers themselves. Figure 4.2 shows various sponsorship and advertising rights with exemplary advertising opportunities in the areas of clubs and associations, teams, sporting events, individual athletes and media.

Companies with an interest in the **use of sponsorship** as an instrument of marketing and corporate communication can choose from a variety of options in sport. In addition to the **sport**, it is mainly about the questions of which **performance level** and which **organizational unit** the engagement is to be related to. The former is based on the areas of top-level and competitive sport, mass and youth sport, and fringe sport. In view of the current situation in the sponsorship market, it is becoming increasingly apparent that companies are very keen to focus on high-performance sport, which is in the media and fan spotlight, and that there is often a real competition for new or vacant sponsorship packages. However, mass sport or fringe sports also offer attractive opportunities if the cost-benefit ratios are consistent and both partners benefit from them. An example of this are sponsorship offers from breweries or regional radio stations, which deliberately support lower-class teams with in-kind sponsorship (e.g. jersey donations) and are therefore successful.

A sponsor’s commitment to an event (**event sponsorship**) is, in contrast to other types of sponsorship (e.g. athletes, clubs), not oriented towards a longer period of time, but

Sponsored	Exemplary advertising opportunities and cooperation for sponsors
Clubs and associations	<ul style="list-style-type: none"> • Licensing rights (predicates, titles for competitions and leagues) • Naming (stadium/hall/competition venue; training facility/boarding school) • Provision of equipment • Taking over sponsorships • VIP activities (lounges, hospitality, contacts) • Advertising with spectators (flags, caps) • Advertising at the sporting event (see below)
Teams	<ul style="list-style-type: none"> • Jersey advertising • Media advertising (testimonials) • Customer and employee events (hospitality) • Equipment with playing and training clothes as well as sports equipment • Equipment with going out clothes • Advertising on the team bus
Sports events	<ul style="list-style-type: none"> • Licence rights (predicates, titles) • Perimeter advertising • Display, video panels • Flags, banners • Print products (program booklets, posters, tickets) • VIP opportunities • Press conferences • Loudspeaker announcements • Marking of stadium components/tracks as well as usage or equipment, including transport vehicles • Design of competition breaks
Individual athletes	<ul style="list-style-type: none"> • Advertising space to man or woman • Media advertising (testimonials, personal rights) • Sales promotion (autograph sessions, raffles) • Equipment contract
Media	<ul style="list-style-type: none"> • TV programme sponsorship • Raffles • TV graphics • Column sponsoring in print media • Online/Internet sponsoring • Banner advertising • Virtual advertising (new media)

Fig. 4.2 Sponsoring and advertising opportunities in sport

limited in time. However, through additional communication measures in the run-up to a sporting event, the advertising and public relations appearance of a sponsor can be extended beyond the actual event duration.

4.2 Compensation of Marketing Partners

Sports marketing and sports sponsorship are based on the **principle of reciprocity**. The sports provider offers a service (e.g. various usage rights and advertising opportunities) and the sports customer or marketing partner (e.g. company, agency, broker) has to pay compensation. For corresponding disposal rights, marketing partners usually pay money, which is based on the **value of the sports rights**. This can happen in less attractive or sought-after sports or leagues, that certain services are credited with in-kind services of

the partners. Some top German team sports leagues have difficulty with the willingness to broadcast matches or to conclude adequate television contracts. Here, the sometimes not inconsiderable TV production costs are often offset, which ultimately leads to hardly any or only little revenue from this marketing right. The matches can partly be attributed to other uses or better marketed due to more attractive visibility and reach.

Ticket revenues, which are often subsumed under the so-called matchday revenues together with catering, have a great relevance in various team sports. If you look at different **team sports and their sources of income** in Fig. 4.3, this becomes particularly clear for football, even though this share is constantly decreasing. In addition to ticket revenues and TV money, sponsorship and merchandising are also important for sports.

If you compare the important **European football markets** to each other, you will notice significant differences in the way they are marketed. As shown in Fig. 4.4, the German Bundesliga has seen new record numbers of spectators and also the highest average number of spectators per game, but the matchday revenue is still far behind the market leader, the English Premier League, because ticket prices are more moderate in Germany.

It is obvious that there can be no uniform or general fees for the marketability of individual sports rights and corresponding consideration by partners nationally and internationally. The sports and the protagonists there are too different for that. At most, certain benchmarking analyses can provide rough orientation or minimum values, but these always only apply to an individual situation. Therefore, it is necessary to determine the **value of the services** individually and to assert them in negotiations.

Amount of revenue in € million							Audience
Season18/19	Matchday	TV money	Sponsoring	Merchandising	Others	Total	Average
Soccer	520	1483	845	220	276	3344	42,738
Handball	27	3	70	2	4	105	4,806
Basketball	26	4	92	2	12	132	4,189
Hockey	42	5	69	3	12	130	6,341
Volleyball	2	0	11	0	3	16	1,100
Top Team Sport	617	1495	1088	226	307	3727	

Share of revenue						
Season18/19	Matchday	TV money	Sponsoring	Merchandising	Others	Total
Soccer	16%	44%	25%	7%	8%	100%
Handball	26%	3%	67%	1%	4%	100%
Basketball	20%	3%	70%	1%	7%	100%
Hockey	32%	3%	53%	2%	9%	100%
Volleyball	12%	0%	69%	0%	19%	100%
Top Team Sport	16.6%	40.1%	29.2%	6.1%	8.2%	100%

Fig. 4.3 Team sports in Germany and sources of income. (Sources: DFL, DHB, DBB, DEB, DVV)

Amount of revenue in € million							Audience average	Stadium occupancy
Season18/19	Matchday	TV money	Sponsoring	Merchandising	Others	Total		
Bundesliga	520	1483	845	220	276	3344	42,738	90%
EPL	776	3459	1297	319	0	5851	38,484	95%
Series A	284	1460	658	94		2495	25,237	68%
Ligue 1	201	901	415	99	287	1903	22,799	74%
La Liga	521	1831	865	158		3375	26,811	74%
Top 5 Leagues	2302	9134	4080	890	563	16,968		

Share of revenue							
Season18/19	Matchday	TV money	Sponsoring	Merchandising	Others	Total	
Bundesliga	16%	44%	25%	7%	8%	100%	
EPL	13%	59%	22%	5%	0%	100%	
Series A	11%	59%	26%	4%	0%	100%	
Ligue 1	11%	47%	22%	5%	15%	100%	
La Liga	15%	54%	26%	5%	0%	100%	
Top 5 Leagues	13.6%	53.8%	24.0%	5.2%	3.3%	100%	

Fig. 4.4 Top football leagues in Europe and sources of income. (Sources: Deutsche Fußball Liga, The Football Association, Federazione Italiana Giuoco Calcio, Direction Nationale du Contrôle de Gestion-Liga Nacional de Fútbol Profesional; PR MARKETING)

Interesting **changes in the revenue structure** can be seen when the revenue structure of the German Bundesliga is viewed over a longer period of time. It becomes clear here that sports marketing rights can change in their importance and marketability over the years. The reasons for this are that better and more attractive packages of services are developed and demanded, or that the wishes and habits of the partners change for technical, legal or entrepreneurial reasons. If, as shown in Fig. 4.5, the marketing revenues of 2020 are compared with those of 2010, the TV rights and the merchandising rights have increased the most, although TV and sponsorship are the main sources of income.

	2009/10	2019/20	2009/10	2019/20	Change	Change rate
Revenue sources Football Bundesliga	million €	million €	pro rata	pro rata	million €	in 10 yrs.
Matchday income	379.3	363.5	22.8%	11.3%	-15.7	-4.2%
Sponsoring/Advertising	511.9	888.8	30.8%	27.7%	376.9	73.6%
TV money	505.4	1489.2	30.4%	46.4%	983.8	194.7%
Merchandising & Licenses	73.9	184.4	4.4%	5.7%	110.6	149.7%
Other operating income	193.4	281.8	11.6%	8.8%	88.3	45.7%
Total revenues 1st league without transfers	1663.8	3207.8	100.0%	100.0%	1543.9	92.8%
Transfer income	106.4	594.3			488.0	458.8%
Total revenue	1770.2	3802.1				

Fig. 4.5 Revenues of the German Bundesliga over a ten-year period. (Source: DFL Bundesliga-Reports)

4.3 Range of Services as Drivers of Sales

The principle of granting marketing rights and compensation is the basis for the marketing of sports offerings. In doing so, every sports provider will, for competitive reasons, pay attention to constantly improving and making its product and service offerings more attractive. They are the central **drivers of sales for the sports company**. In addition to traditional product and service offerings, constant innovation and improvement are sought on the offering side.

Both for the sports provider in terms of marketing as the rights owner and for the company in terms of using sports sponsorship as the rights user, it is important to note that the desired success does not occur automatically. In order to optimally exploit the sponsorship rights, the controlled accompaniment or **activation of the sponsorship** by means of other communication measures in the sense of an integrated marketing and corporate communication (Bruhn, 2018) is also required. Approximately the same amount must be spent on targeted activation measures on the part of the companies. The sponsored parties also have to take additional measures to ensure the optimum use of the rights by the sponsor (e.g. protection against free riders, organizational assistance with activation). Only through the active and goal-oriented cooperation of the two sponsoring partners does the impression arise among fans, customers and in the public that this is a harmonious and credible relationship that, despite all commercial backgrounds, focuses on the sporting event and at the same time achieves the desired objectives of the partners.

The following **practical case of sports sponsorship** can show how the marketing pioneers of Manchester United from the English Premier League have expanded their range of services with innovative sponsorship rights again and again so that new revenue potentials have arisen and enormous additional income can be generated (case study 3).

Case Study 3: Differentiation of Rights in Sponsorship and Multiplication of Partners—The Example of Manchester United

Manchester United—also known as United, Red Devils, Man United, Man Utd, MUFC and in 2005 taken over by the Glazer family—is one of the most traditional football clubs not only in England and Europe, but worldwide. Very early on, clever managers started to profit economically from the attractive image and the sporting successes through professional marketing concepts. After 2000, certain difficulties arose because the increasingly expensive, no longer so easily marketable sponsorship packages made it more difficult to win “primary and secondary partners” for exclusive cooperation. For this reason, the club turned to a new concept in sponsorship with differentiated, above all limited regional rights assignment.

In 2008, the vodka brand Smirnoff became the first regional beverage partner for Asia and the Pacific. In addition to global sponsorship, sponsorship and communication rights were developed that were only valid for one country or region. This has led

to an average annual growth rate of 21.5% in sponsorship income from the 2009/2010 business year to the 2011/2012 season. As part of this strategy, an office was opened in Asia and soon followed by another in North America, so that Manchester United could fall back on four marketing subsidiaries including the existing ones in London and Manchester. In the 2021/2022 season, the club has 23 global partners, three regional partners, nine media partners and 13 financial partners, a total of almost 50 sponsors.

Manchester United thus became a pioneer of differentiated sponsorship rights, soon followed by FC Chelsea and FC Barcelona. Sponsoring experts noted that these area-specific deals require three key factors: a global fan base, strong local media platforms, and a sales and service structure that is able to enable new potentials for their partners and at the same time serve the numerous sponsors as customers at the best. This makes regional deals in this form particularly suitable for larger elite clubs. There is a tension between maintaining a feeling of exclusivity for the partner and the diversity of sponsors. Manchester United has succeeded in gaining a competitive advantage through this sponsorship strategy and serving as a role model for other well-known rights holders. ◀

Other classic sports rights are **merchandising and licensing rights** (Rohlmann, 2009):

▶ In sports, one speaks of **merchandising** when a product or service is associated with an athlete, a sports club, association or sporting event by means of a special designation (including name, logo, colors, etc.).

A special feature of the sports-related licensed or fan merchandise is that it strives for comparability in terms of features and appearance with the brand product known from the consumer goods sector. The intention of the rights holder is to make use of the **image transfer of the sports product** to the so-designated additional offer. The marketing of additional products is carried out either by the rights holder himself or by licensing to third parties. Self-marketing represents merchandising in the proper sense, that is, it is about the exploitation of the “own” brand. The outsourcing is referred to as licensing or merchandising in a broader sense and includes the exploitation of a “borrowed” brand image.

The sports rights with the highest value are **broadcasting and advertising rights** of popular sports units. While payments for media and advertising rights have increased significantly for world-wide and European top sporting events as well as for the large teams and leagues in popular mass sports in recent years, lower-class teams and fringe sports have hardly been able to participate in this development. They are under extreme competitive pressure to win media partners for themselves. Some major sporting events

Sports Players	Sponsorship in USD million
Summer Olympics 2017-2020	5100
FIFA Cycle 2015-2018	2260
UEFA cycle 2017-2020	1800
Formula 1 in 2019	1500
NFL 2018/19	1390
Football Bundesliga 2019/20	1000

Fig. 4.6 Top sporting events with the largest sponsorship volume. (Sources: IOC Annual Report, FIFA Annual Report, UEFA Financial Report, Formula One Group Financial Report, NFL Data Report, DFL Bundesliga Report)

attract millions and billions of viewers worldwide. Some of these events take place annually, such as the largest events in American sports, the NBA Finals and the Super Bowl, while others take place only every four years, such as the Olympic Games or the World and European Football Championships. Examples of the importance of these major events are the world's top sporting events with the largest sponsorship volume in Fig. 4.6 as well as the world's top sporting events with the highest TV ratings in Fig. 4.7."

The **marketing of broadcasting rights** in sport has developed into the largest source of financing in professional top-level sport. Certain sports, in addition to football also e.g. Formula 1 racing or the Super Bowl, achieve extremely high viewing figures and considerable TV revenues. This guarantees the broadcasting companies, in addition to an increase in awareness, a great deal of interest from the advertising industry. For this

Sports Event	Average in billion TV or screen viewer	Previous Peak so far
Tour de France	3.5	3.7
FIFA World Cup	3.3	3.6
Summer Olympics	3.2	4.1
UEFA Champions League	1.7	2.0
Formula 1	1.5	1.9
Soccer League	<1.0	

Fig. 4.7 Top sporting events with the highest TV ratings. (Source: Organizer information)

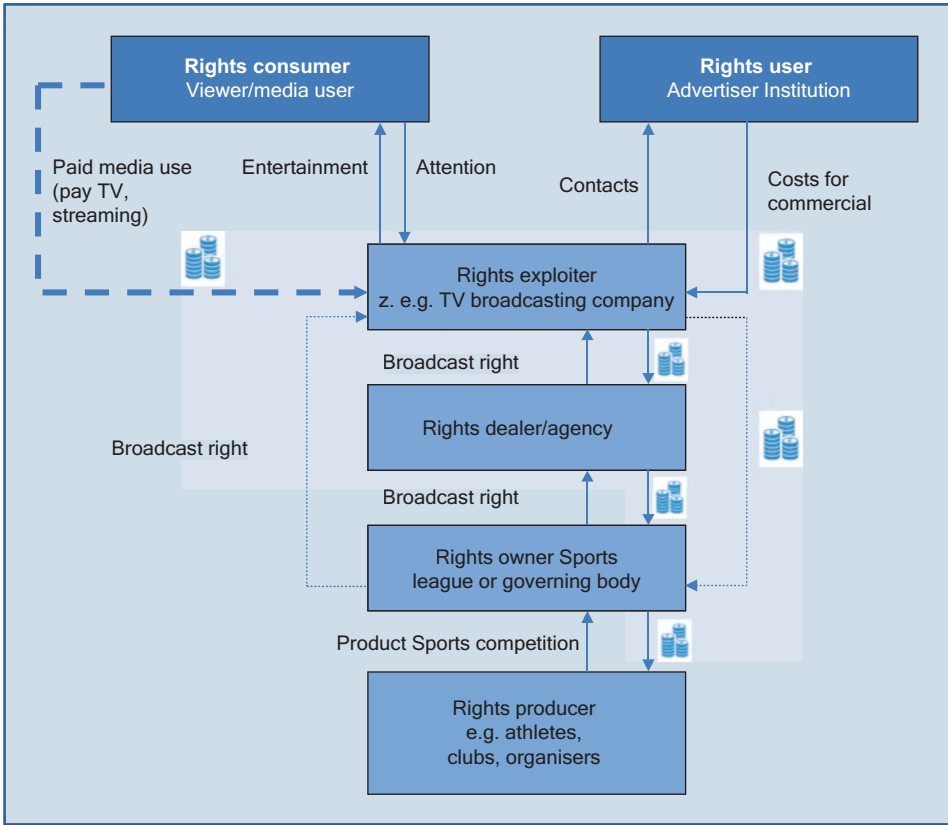


Fig. 4.8 The market for audio-visual broadcasting rights in sport

reason, the broadcasting stations are also prepared to pay quite high amounts for such broadcasting rights. Various market players and their relationship structure in audio-visual broadcasting rights in sport are shown in Fig. 4.8.



Abstract

This chapter deals with the pricing policy of sports marketing. The following is about the financial and contractual agreements of rights owners and rights users. It is also shown that prices are the valuation and negotiation result of the partners. In addition, various pricing strategies in sports marketing are explained. It is also clear that it is always less about the enforcement of conditions of a competition, league or event comparison or about a one-sided advantage, but that a high degree of common goal setting and mutual appreciation is necessary in a close cooperation.

5.1 Prices as a Valuation and Negotiation Result

Sports marketing and the services associated with it have numerous special features and characteristics that must also be taken into account in **pricing policy**. For example, the reasons for attending a sporting event are diverse and subjectively hardly predictable. The price will also be a significant influencing factor. Whether a sponsor acquires a rights package or not is today's **price determination** increasingly an economic valuation question, but there are also numerous subjective influences to be considered, which often defy objective evaluation.

The **setting of conditions** for a sports offer and thus the design of prices for products (e.g. fan articles) and services (e.g. admission tickets, licenses, contracts, etc.) cannot be carried out according to clear criteria. These offers are located in a tension field between the financial situation of the club and the costs to be borne by the sportsman, the prices of similar competitors and above all the price willingness of the customers. The cost-benefit ratio is in the center of the considerations.

In fundamental policy pricing, three **basic approaches to pricing** can be distinguished accordingly:

- Cost-oriented pricing,
- Competition-oriented pricing,
- Customer-oriented pricing.

It does not require justification that these forms of pricing are not to be considered in isolation. If a sportsman decides on customer orientation in price calculation, this does not mean that he can completely ignore the cost side or the competition. The various sub-aspects of the other price determination methods will always be taken into account, too. Particularly important in sport is the **customer-oriented view of the rights holder**. Here, the values of existing and potential customers are taken into account, because it is to be examined how much a customer is willing to pay for a certain service. The number of potential buyers who could purchase a certain sports right at a certain price and show their intention to make a purchase decision is also to be considered (Woratschek et al., 2020).

The pricing policy of sports marketing is characterized by the fact that in sport there is a **pricing space** for the actors to use. Various starting points for strategic decisions on pricing policy are to be considered, such as price positioning, price competition and price differentiation. A price policy compensation is also partly observed in the sports sector. The following **price strategies in sports marketing** are of particular importance:

Price Positioning

In the context of price positioning, the sports provider essentially sets the level or the amount of the price. A distinction is made between a high price, low price and mid-price strategy. With a **high price strategy**, a company charges high prices for its services in comparison to its competitors. These can result from a strategic market position (e.g. the most successful team in a sport) or certain quality advantages (e.g. higher quality product components such as padded grandstand seats). A high price strategy can be pursued in the long term if the product or service offered also occupies an outstanding position in the market over a longer period of time. This also applies if a sports marketing right is introduced first and initially has a monopoly in the market (exploitation strategy). In the case of a **low price strategy**, a sports actor tries to enter the market with the lowest possible prices in order to conquer the market in a relatively short period of time and to achieve a high demand with the help of the low introductory prices (penetration strategy). This approach is also used to drive certain competitors out of the market or to prevent potential providers from entering the market. For example, a low pricing policy is also used in ticketing to achieve better capacity utilization. Often, sports actors orient themselves to a **mid-price strategy**, in which the price demand is based on a middle level with an average level of service and quality.

Price Competition

As a rule, sports, clubs, events, etc. are in strong competition for marketing funds. Under strategic aspects, it has to be decided how pricing is to be done taking into account competition aspects. With a high level of performance and quality, a **price leadership** can be pursued by charging particularly high prices. This will be possible to realize with top performances of athletes, clubs and events. This is opposed by a **price followership**, in which the sports provider cannot set prices independently, but reacts to price offers and price changes of the main competitors due to the competitive situation. In the extreme case, there may also be a **price war** if specific bottleneck situations arise on the supply or demand side (e.g. Olympic Games, World Championships) or if there is an oversupply (e.g. in sports equipment).

Price Differentiation

With price differentiation, different prices are charged for a service from different target groups (individuals or companies) on the basis of certain criteria. This makes it an important tool for exploiting market potential. A prerequisite for this price differentiation is the division of the total market into special submarkets in which market participants show different price reactions. The following **types of price differentiation** occur in sports marketing:

- Time-based price differentiation (e.g. pre-sale, box office),
- Target group-related price differentiation (e.g. members vs. non-members; first-time buyers vs. repeat buyers),
- Quantity-based price differentiation (single service, service package),
- Price differentiation according to intensity of use (e.g. one-time, permanent),
- Spatial price differentiation (e.g. domestic, foreign).

Price policy Compensation

If a sports facility has a particularly wide range of products (e.g. in sports, events), it is possible for certain **price policy compensations** to be made. These can be a help to also offer individual services at low prices, e.g. as a teaser or to compensate for the existing capacity (e.g. spectator seats). Price policy compensation is then achieved through other areas of service or products that generate higher prices. For example, high-priced hospitality offers can subsidize low prices on the standing places.

In addition to the aforementioned pricing strategies, further price and conditions policy instruments are used which have an effect on the price level and influence demand behavior. The following **conditions policy instruments** are of importance:

- Deductions (e.g. membership cards, family rates, annual rates, trial offers),
- Loyalty bonuses (e.g. discount on a season ticket after a certain number of years),

- Discounts (e.g. deductions for prompt and early payment),
- Payment agreements (e.g. order goods in advance and allow later payment deadline),
- Delivery conditions (e.g. free delivery from a certain order value),
- Premiums (e.g. at actions like “members recruit members” bonuses etc. are due),
- Ancillary services (e.g. surprise gift from a certain merchandise purchase value).

The price formations can be derived from the basic attitude of the sports actor depending on the markets. If one considers the **price determination in the B2C market**, then the attitude towards the fans and the fans loyalty to the sports club will be of particular importance. This affects the pricing of tickets, merchandising articles and other sports articles offered by the sports actor.

In **price determination in the B2B market**, two economic organizations face each other and here different forms of price determination and price acceptance usually apply. For the respective provider and customer, this is about sponsorship, advertising or media rights, for which the “right” price has to be found. This is often a difficult and more complex task. Often, how much the services will cost and which services will be associated with them in the future will be determined relatively arbitrarily and without a transparent system. The lack of clarity about the value of the services offered is often due to the fact that there is no clear supply and demand behavior in sponsorship, so that an exact price determination in advance is only possible to a limited extent. So, for example, the official or verifiable costs of an event could be calculated and passed on to the sponsors, but, for example, the allocation of volunteer services or the exact evaluation of qualitative components would cause difficulties. Even the exact calculation of minutes of media broadcast time helps here only to a limited extent or not at all, since it only represents a very superficial indicator and does not reflect the quality of the sporting event.

For a marketing concept and the willingness to sponsor by companies, the **pricing of sponsorship packages** plays a central role. There will be no general guidelines and rules for price determination here. Rather, it is a series of influencing factors that affect pricing. These include the calculation of the cost-benefit ratio, the orientation to market prices and the consideration of opportunity costs.

Cost-Benefit Relation

A “correct” or “fair” price always results when the cost-benefit relation is consistent, i.e. when the benefit is justified in relation to the costs or prices. With regard to the costs, for example, the conceptual, implementation, control and documentation costs must be taken into account. It will be particularly difficult to relate the effort to the financial or material benefit of the partner. The partner’s benefit is not only to be measured in quantitative criteria (e.g. media coverage, thousand price of media, etc.), but also contains qualitative criteria (e.g. transfer of image values). An adequate cost-benefit relation or the value of the rights package is then achieved when the cost-benefit ratio is at least balanced.

Orientation to Market Prices

Sponsoring packages are bundles of services in which both the competing service offerings and the specific demand behavior have to be taken into account. So it is necessary to find out who offers similar sponsorship packages at which prices and who demands these at which prices. The focus is on the price willingness of the demanders. This ultimately results from the (subjectively assessed) benefit of a sports right for an acquirer. Here it can be helpful to think in analogies and to orient oneself to similar market prices or “industry-standard” prices for the desired benefit.

Consideration of Opportunity Costs

The opportunity costs are concerned with the question of what costs arise for companies willing to sponsor at other or similar advertising opportunities. Prices at other sponsorships can give an orientation. There are attempts to evaluate sponsorship by means of market research studies in sport. Advertising equivalent calculations and thousand contact prices are used, for example. Also, expensive sponsorship evaluations are made by specific models of sports agencies, but these can ultimately only calculate an evaluation of the sponsorship package to a limited extent.

Expert studies or agency evaluations often cannot provide sufficient decision-making basis for the sports sponsor. Therefore, other ways must be found to achieve an appropriate **evaluation of sponsorship offers** based on the simultaneous consideration of the cost-benefit relation, the orientation to market prices and the inclusion of opportunity costs. One possibility is, for example, to orient oneself to the offer prices of other sponsors or comparable market prices. Meanwhile, science has also turned its attention more to the problem of price formation in the sports business and developed approaches to this (Chatrath & Wengler, 2009).

In the sports sector, there are very different **motives for a sports engagement**. If companies intend to acquire sports rights or systematically engage in sports sponsorship, this is primarily for an economic reason, i.e. their engagement in sport is always a means to an end in order to achieve their own entrepreneurial goals. Entirely different motives are present in the spectator market, in which sport serves the immediate and personal satisfaction of the needs of the spectators.

Businesses in sports, in particular in sponsorship, can be assigned to a type of business that can be referred to as a kind of (industrial) **project business**. This type of business is also characteristic for the price formation and evaluation of sports rights. The following **features of the project business** are of particular importance:

- **Individuality:** In project business, services are usually offered that are tailored to a single customer—and often only individually designed according to the customer’s needs during the course of negotiations. The range of services is therefore always more or less “unique” and also the pricing.

- **Range of services:** Typically, a range of services is marketed in project business, which consists of several partial services—which in turn are contractually regulated in detail (e.g. in sports up to the size of the company logo on the TV interview wall).
- **Cost volume:** The cost volume is relatively high in cooperation. With the conclusion of the contract, a larger amount is usually invested in the project (to the sports actor) in order to make the investment worthwhile in the end. In sports sponsorship, this affects the sponsorship fee on the one hand, on the other hand the costs for the accompanying measures of activation and control.
- **Duration of the contract:** In most cases, it is not a “one-time or short-term business” in sports marketing, but the partnership usually lasts for a longer period of time, i.e. throughout several years.
- **Decision-making process:** Whether the investments will actually pay off is initially uncertain. The marketing of the rights package also takes place before the actual performance, the more or less successful acting in the sporting competition. So it is at first “only” about a given performance promise. Consequently, the risks when involving customers are relatively high, so that purchase decisions are often made rationally and after a long-term decision-making process.
- **Multipersons:** The procurement decision is always a multi-person decision in project business. It is made by a kind of “buying center” at the customer (i.e. corporate company). This committee includes all members of the organization in the customer organization who communicate with each other or implement the sponsorship in sport. Therefore, in addition to the basic requirements of the (potential) partner, it is also necessary to take into account the different needs and motives of the members of the decision-making board of the sponsored party in the marketing process.

The two most important methods for (supporting) price determination in project business are value analysis and economic efficiency calculation. The **economic efficiency calculation** treats a sponsorship engagement like an investment that is checked for its advantages. The provider determines the maximum willingness to pay of the customer by trying to assess the expected cash flows from the project or the sponsorship (return on investment or return on sponsoring) from the customer’s point of view. However, a number of assumptions must be observed with this method (e.g. definition and accuracy when estimating the cash flows, functionality of the mathematical model, consideration of interest rates, etc.), which are often not given in reality.

A stronger practical relevance is associated with the **value-based approach**, which aims to determine the value drivers of a service package offered from the perspective of a potential customer. Pricing in project business is based on a classical cost-benefit analysis. In the first step, pricing starts with a calculation of the self-costs incurred by the seller. The aim is to determine the minimum price for the company by means of appropriate calculation methods. As shown in Fig. 5.1, in order to determine the seller’s price policy scope, it is necessary to determine the buyer’s price ceiling in a second step. It is therefore necessary to estimate the price the buyer would be willing to pay at most. The

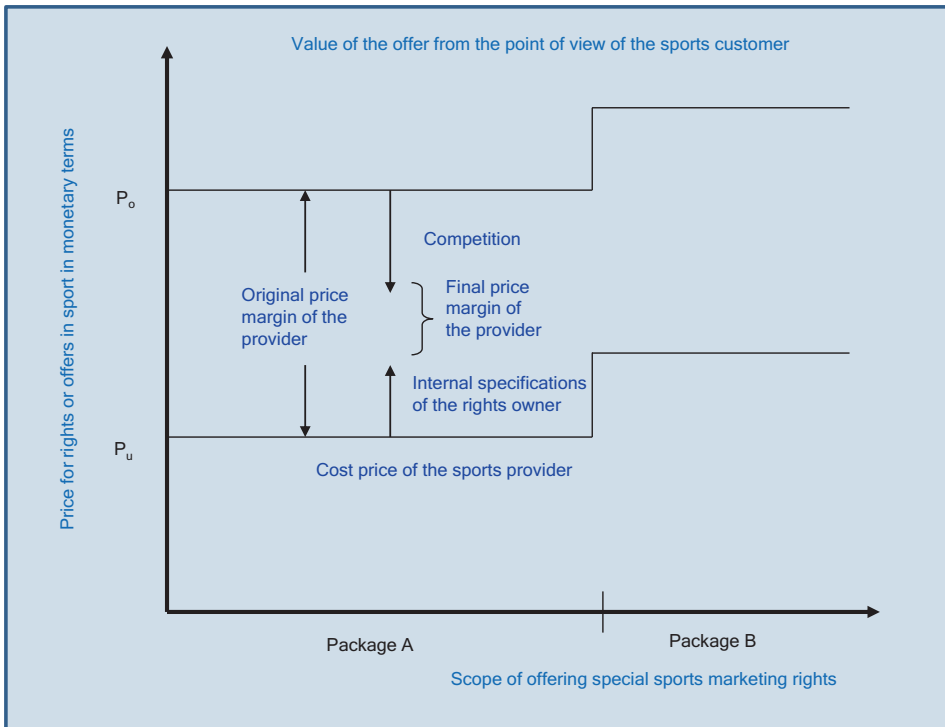


Fig. 5.1 Pricing of sports offers as a negotiation model

same applies in the sports business. Even if you have set a price for your sponsorship offer, this does not mean that this price will be paid by the partner at the end. Whenever there are concrete negotiations on the content of a cooperation, the sponsor will find that, in addition to changes in the services offered, modifications to the (financial) consideration of the sponsor will also result. This is partly due to the fact that each partner starts from different conditions and interests in the negotiation and that competition does not allow for price dictate.

5.2 Price Strategies and Influencing Factors

Pricing strategies in sports marketing differ significantly from traditional pricing approaches in the consumer goods, industrial goods or services sector. Of course, a country-specific popularity of sports plays a major role in sports marketing and its financial evaluation. However, there are also other value-determining **determinants in sports pricing** that are responsible for the effect and thus the value of certain marketing services of sports actors. Some categories and influencing factors are highlighted below:

Company-Specific Determinants

- Affinity between company and sport,
- Exclusivity status,
- Contact numbers/broadcast or screen duration,
- Brand presence/visibility of the sponsor in advertising, etc.

Competition-Specific Determinants

- Previous presence in sports,
- Affinity profile of competitors,
- Risks from ambush marketing,
- Advertising profile of main competitors, etc.

Audience-Specific Determinants

- Dramatic potential of the sport,
- Star potential/prominence of individual athletes,
- Emotionalization potential,
- Entertainment value,
- Buying power/price sensitivity of fans, etc.

Media-Specific Determinants

- Screen suitability of the sport,
- Frequency/regularity of the sporting event,
- Predictability of the sport,
- Popularity of the sport among media users, etc.

The **company- and competition-specific influencing factors** play a central role in the decision for a sponsorship and in the price determination. The potential sponsors from the economy are particularly interested in those sports that are particularly popular with their target groups. An agreement is also easier if interested partners come from a sports-related area where the chances of a successful cooperation can be directly felt (e.g. sports goods manufacturers in team sports). Depending on the exclusivity status that a sponsor wants to take on with the sponsored, this can have a price-increasing or price-reducing effect. The presence of the competition and the sponsoring activities of the main competitors also play an important role in the sponsorship decision. Of course, sponsors also base their engagement on meaningful data of a sport/athlete, which then flow into the cooperation as value drivers. In any case, the data-based agreements in sports marketing are increasingly coming into focus when it comes to price decisions.

The following **case example** from one of the great American sports, the National Basketball League, shows the special efficiency of sports sponsorship and proves that sponsorship can also be a successful business model for a company in the ideal case (case example 4).

Case Example 4: Value of Commitments in Sports Sponsorship—the Example of Rakuten

Rakuten, a Japanese internet company, was a so-called “no-name” in all foreign markets outside of Japan until 2017, before the internet company entered into partnerships in sports. Rakuten maintains numerous sports sponsorships, including those with the Spanish football club FC Barcelona as a jersey sponsor (2017–2022) and with the Golden State Warriors (2017–2023) from the American National Basketball League. Rakuten receives twice as much advertising value from the Golden State Warriors as it pays for the jersey sponsorship. These commitments are an illustrative example of successful sponsorship on a large sports platform.

Whenever a sponsorship commitment is made, the question of value is always in the foreground, because sponsorship is basically to be considered as an investment from a corporate point of view. Here one can make use of so-called equivalence calculations, by comparing with other advertising forms. So for example: How much would it cost to transfer the visibility of the brand instead of the sponsorship to advertising on TV or on the Internet? This is about logo presence against spot bookings.

According to this calculation method, the jersey sponsorship of Rakuten with the NBA defending champion Golden State Warriors should be worth 40 million USD per year, calculated by the data analysis agency GumGumSports. The amount is composed as follows: 19 million USD per year should be the value of the images and videos with the Golden State Warriors in the social networks, with the lion’s share resulting from postings on other people’s sites, in the form of sports news, for example. 21 million USD make up the team’s presence on television (sponsor news, 2019). According to this evaluation, this would be a doubling of the sponsorship sum that Rakuten pays to the Golden State Warriors in order to be able to attach a (rather small) logo to their player jerseys. For Rakuten, the investment would have paid off so far. However, it should also be taken into account how the quality of the attention effect is to be evaluated. ◀

As **viewer-related influencing factors** on pricing in sport, the tension during the competition (cf. team sport game versus cross-country skiing competition, serial winner versus changing winners) as well as the appearance of sympathetic and so-called glamour types with a star status are considered. Similarly, the ability to identify with certain athletes, teams, events and the emotions associated with them for potential (sponsor) target groups have a price-enhancing effect. The entertainment value, which arises from the sporting event itself and its immediate environment (e.g. fan scene, stadium atmosphere), is becoming increasingly important for pricing in sport. In some cases—with end-consumer-related sports rights such as licensed articles—prices for rights can also be influenced by economic and psychological fan characteristics.

In the case of the **media-related influencing factors**, a good transferability of the sport is so important because the interest of larger audiences decreases if the competition can only be followed by experts and with special sharpness. For these reasons, certain sports such as ice hockey have difficulty in marketing their media rights adequately. This also affects sports such as biathlon or table tennis. Both sports have changed their competition rules over the years (once course and shooting part, once game length and scoring) so that the spectators can follow the competition better on site and in front of the screens. Likewise, the regularity of sport is decisive for a good marketing. While a sport operation running throughout the year (e.g. league and racing sport) allows regular or permanent rights uses, one-time and short-term events (e.g. winter sports, European or world championships, Olympic Games) represent a great challenge for sponsors and sponsored parties. In addition, the temporal and meteorological influences sometimes disadvantage the marketing of sport. This is added to by different media behaviour with regard to the pursuit of sport among different target groups and in different countries.

Pricing strategies and price determination processes in sports marketing are the central **revenue drivers** for sports marketers or rights owners as well as the central **value drivers** for partners or rights users. This will be known to all parties involved and is the subject of intense and tough price and offer negotiations. However, it should be noted that sponsorship is not only based on the principle of reciprocity, but also on the principles of partnership. In this respect, it is not only about enforcing prices and conditions in competition, but in close cooperation a high degree of common goal orientation and **mutual respect** is just as necessary.



Communication Topics in Sports Marketing

6

Abstract

This chapter deals with communication policy in sports marketing. From the perspective of the marketer or the sponsored party, sponsoring is a marketing tool, from the perspective of the company or the sponsor, a communication tool alongside other marketing and corporate communication tools. When it comes to communication in sports marketing, on the one hand, the means and ways of sports actors to address/establish contact and maintain contact with their stakeholders are of great importance, on the other hand, how sponsoring organizations implement their use of communication rights so that a successful cooperation actually results from the partnership agreement. The basis for this is the consideration of the possibilities of communication and advertising rights in sports marketing. This applies to sports marketing and sports sponsorship alike. Particular attention is paid to the perspective of sports sponsorship from a corporate perspective in order to clearly recognize the perspective of the partner.

6.1 Communication and Advertising Rights in Sports Marketing

Communication policy activities relate to the presentation and offer presentation of sports providers in the respective demand markets. In the **marketing competition** for new sponsors as well as in the acquisition of e.g. football fans who are not yet club-bound, the use of targeted communication for and by a sports club is indispensable. For sports actors, the same communication instruments are relevant as in other areas of social and economic life.

The **corporate culture** or the club culture in sport forms the strategic basis for any communication (Meffert et al., 2018). The transmission of the specified organizational principles and the organizational identity (corporate identity) is also the task of communication policy. Various communication instruments are available in the context of communication policy, such as classical instruments and newer, digitally based activities. In Fig. 6.1 various communication instruments in sports marketing are listed.

From the various types of communication, a sports provider has to choose those activities that are conducive to its purposes (e.g. strengthening the external effect and generating income) and its target group. As special measures of communication policy that have a central importance for the presentation and offer presentation of sports providers with their target groups, the **personal and medial communication** of athletes, team and management members is to be mentioned.

The communication policy in sport has to take into account the different market constellations. This is especially true for commercially oriented sports units that move

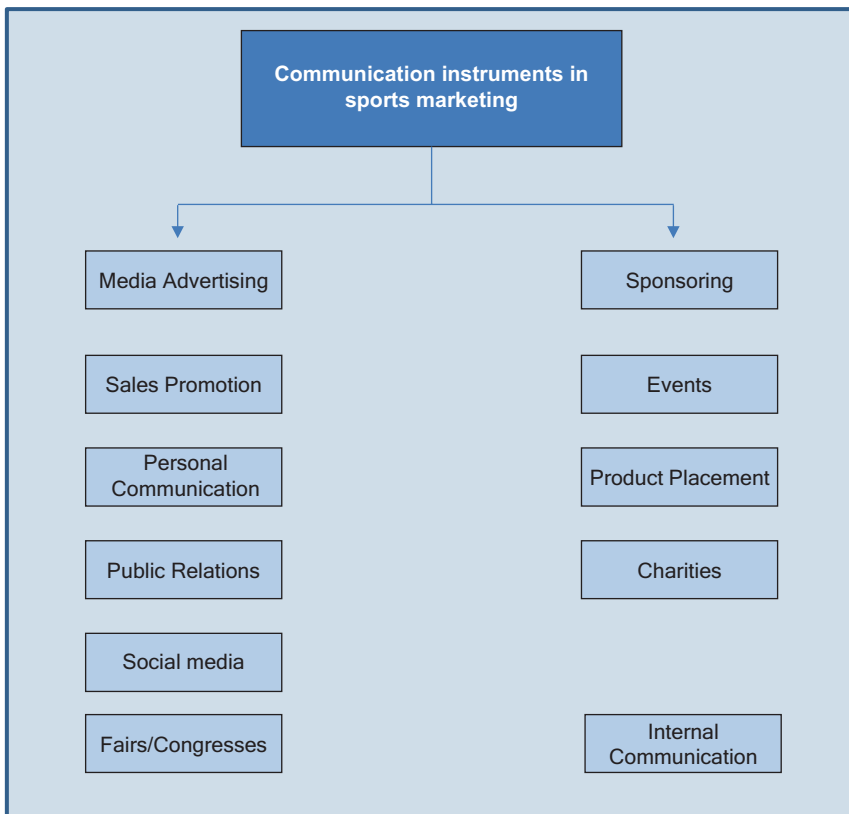


Fig. 6.1 Communication instruments in sports marketing

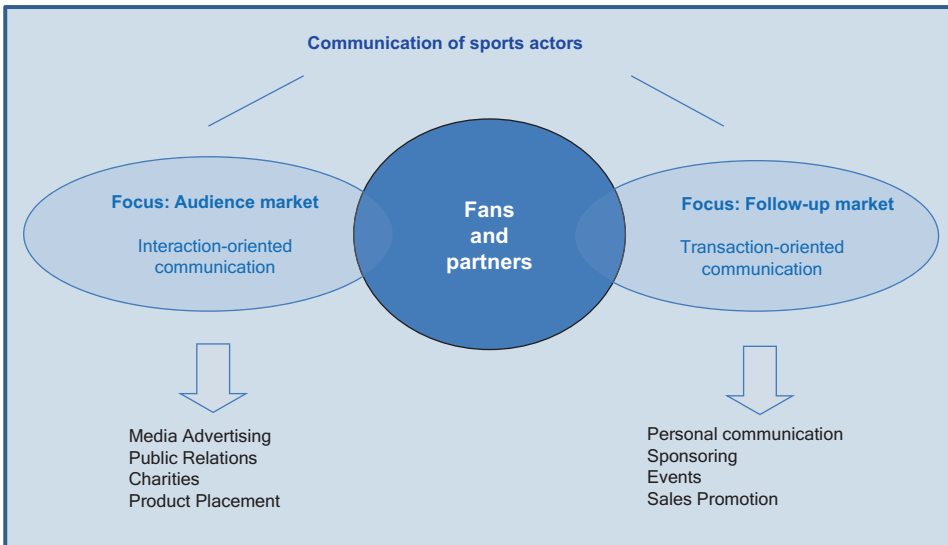


Fig. 6.2 Communication in sports marketing in different markets

in both the spectator and the follow-up markets. Therefore, the communication in sport focuses on interactive and transactional communication measures. In Fig. 6.2 different **communication instruments of sports companies** are exemplarily listed with a focus on the spectator and follow-up market, which address the fans and partners as target groups.

For the communication of the actors in sports marketing, the communicative disposal rights are of particular importance. They form the framework for interested and binding partners (rights users) and represent important opportunities for the rights owners to generate financial resources in the marketing of offers. Without claiming to be complete, Fig. 6.3 shows an excerpt from the available **communication rights in sports marketing**.

Among the communication rights in sports marketing, some disposal rights are purely advertising in nature, but the different forms of sponsorship have the greatest importance in the sports business just behind the **media rights** (Elter, 2003).

6.2 Sports Marketing and Sports Sponsorship

Sponsoring is a mutual contract (Bruhn, 2018). The basic principle is the agreement of services (of the provider) and compensation (of the demander). Sponsoring is generally about commitment to sporting, cultural, social or similar concerns. In recent decades, the **sponsoring market** has developed very dynamically. Figure 6.4 illustrates the development of the total market and shows the great importance of sports sponsorship in total expenditure.

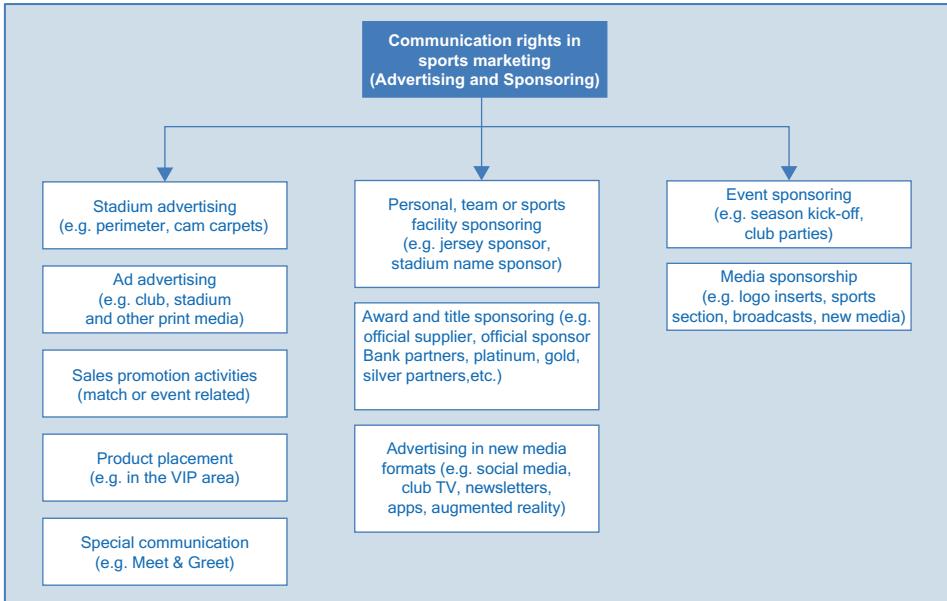


Fig. 6.3 Communication rights in sports marketing

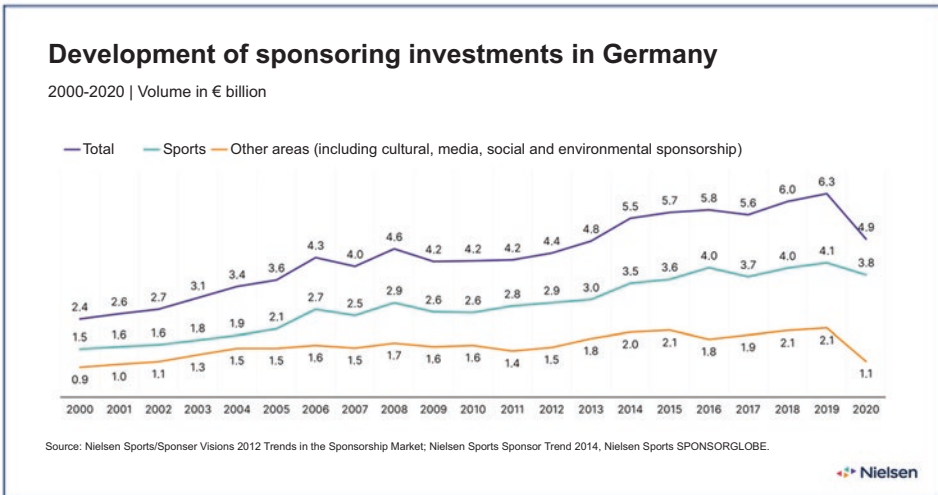


Fig. 6.4 Company expenditure in Germany on sponsoring overall and in sport. (Source: Niensensports, 2022)

For the entire communications market, **sponsoring as a communication tool** is established in all areas of society, in particular sport benefits most from this. German companies invest around 4.1 billion euros of a total of 6.3 billion euros in the sports

business (before Corona in 2019), of which football accounts for the largest share (71%). The world's largest sports sponsor is the company Red Bull, which spends around 1.4 billion euros, one third of its sales, on marketing, half of which—around 700 million euros—is in and for sport.

Sponsoring is a special marketing and communication instrument with a variety of uses, which can fulfill numerous communicative functions for the rights user in particular. The so-called **“E-factor”** (emotionalization of a brand/company) plays a particularly important role in this context. When using sponsorship in sports marketing, an all-encompassing decision-making process is ideally carried out on both sides of the partnership, which also takes into account the emotional aspects of the negotiation result. This aspect is of particular importance for the communication of the marketing partners.

A suitable infrastructure is essential for this decision-making process, which affects both the organization and the personnel on both sides of the cooperating partners. A systematic **planning and decision-making process** is essential for successful business development. From the perspective of a rights owner in sponsorship, the following **phases** can be distinguished in an ideal-typical manner:

- Analysis of the starting situation (status quo),
- Selection and determination of the sponsoring goals,
- Development of a sponsoring strategy,
- Elaboration of sponsoring offers,
- Pricing or determination of the compensation of sponsors,
- Selection of potential sponsoring partners,
- Approaching and acquiring potential sponsors,
- Binding sponsoring agreement (contract),
- Implementation of the sponsoring package and sponsor care,
- Sponsoring control and feedback with partners, possibly adjustments.

This ideal-typical planning process often forms the basis for negotiation processes in sports marketing and regulates in particular the possibilities of communication for the sponsor. However, specialities on the individual sports markets have to be considered. In particular, the rights of sports goods manufacturers in team sports have undergone numerous changes in recent years and decades, which have led to new sponsoring solutions for sponsoring sports manufacturers (Rohlmann, 2015, 2018, 2021).

6.3 Sports Sponsorship from a Corporate Perspective

The communication opportunities play a major role in the **sports sponsorship from a corporate perspective**. This is primarily because sports sponsorship is part of marketing and corporate communication and therefore the special role of sport in the realization of communication objectives is to be examined. Partners from business and society who are

interested in sports sponsorship will therefore decide in favor of a systematic planning of a sponsorship engagement. It is important to critically review one or the other sponsorship alternative. If the decision is made, it will also be used in full by the company and integrated into the entire marketing and corporate communication.

Numerous decision criteria are important for the review of sponsorship options. In addition to a strategic decision for a sport and the type of sponsorship, also **detail decisions for a sponsorship** have to be considered. The following aspects are of particular importance for a communicative appearance of the sponsor:

- Previous sporting achievements/successes of the sponsored,
- Assessment and acceptance by their own target groups,
- Reputation and management quality of the one to be sponsored,
- Public relations and media activities of the sports partner,
- Inclusion of certain athletes,
- Expected media presence,
- Awards, licenses and titles in connection with the sponsored,
- Position of the sponsor in comparison to other sponsors,
- Mainstream or niche of the sponsorship engagement,
- Use of advertising opportunities before, during or after the sponsorship,
- Cost of sponsorship including preparation and follow-up as well as activation of the engagement,
- Realizability of the goals associated with the sponsorship.

Especially with regard to the desired effect of an engagement in sport, companies need to consider the aspect of time, because it is necessary to regard sponsorship as an investment, the effects of which can only become permanently visible over time. Here, a certain amount of endurance is necessary. Figure 6.5 shows different economic and psychographic **targets of companies as sponsors** that are sought after by an engagement in sports sponsorship.

There are various factors that lead to the desired effects in successful partnerships in sports sponsorship. Credibility and sustainability play a very special role. Companies as sponsors can rely on the following findings for the **acceptance of sports sponsorship**:

- Sponsoring has established itself in numerous social areas (high social acceptance).
- Sponsoring reaches the target groups “below-the-line” like hardly any other measure.
- In sports sponsorship, the focus is first and foremost on the image and the other communication objectives.
- Both internal and external acceptance is to be ensured by suitable measures.
- The areas of application and the types of sponsorship are becoming more and more diverse and innovative.
- Even in sporting and economic crises, sponsorship remains a suitable tool, but then requires even more preparation and creativity.

Time horizon \ Targets	Short term	Medium term	Long-term
Economic goals		<ul style="list-style-type: none"> • Sales • Market share 	<ul style="list-style-type: none"> • Sales volume/turnover • Market share • Profit
Psychographic goals	<ul style="list-style-type: none"> • Publicity • Image improvement of individual dimensions • Maintaining contact 	<ul style="list-style-type: none"> • Image stabilization • Image transfer 	<ul style="list-style-type: none"> • Image change

Fig. 6.5 Goals of sports sponsorship over time

Communication is the central lever in sports sponsorship. Here, both providers and demanders must ensure that the **goals, messages and channels of communication** take on an outstanding position in the negotiation process.

The example of the successful cooperation between Melitta and the globally successful football club Manchester United (case study 5) shows how new markets can be opened up by means of sponsorship and how this also applies to medium-sized family businesses from a rural area.

Case Example 5: Global Market Expansion through Sports Sponsorship—The Example of Melitta and Manchester United

In 2017, the Melitta Group and English record champions Manchester United began their cooperation because both sponsor and club stand for emotional brands in which the joy of life is in the foreground. The provider of household products, especially for coffee preparation and cleaning products, received the right to equip spectator areas such as boxes and business seats with its system gastronomy and to supply more than six tons of coffee beans per year. The partnership was extended several times. Melitta now joins the ranks of the club's global partners as an official coffee partner in order to come into closer contact with the 659 million fans of the traditional club worldwide through various communication and marketing activities and to strengthen its presence on international markets. Very positive key figures from the first years of the exclusive partnership, which originally only covered the United Kingdom, Ireland and Germany, have confirmed the great potential of the cooperation for both sides.

The cooperation goes far beyond a classic sponsorship partnership. In addition to the media presence and numerous rights and services that Melitta activates on its own platforms, the close partnership is particularly evident in Old Trafford, the home stadium of Manchester United. Here alone, more than 200 fully automatic Melitta coffee machines were installed in the Executive Club Boxes and catering areas. In addition, the Red Café, where Melitta products are offered, was completely redesigned by Melitta. This means that almost half a million people who visit Old Trafford every year can enjoy the coffee specialties of Melitta. On matchdays, Melitta supplies up to 7500 VIP guests and outside matchdays tens of thousands of stadium visitors.

Manchester United is acting as a so-called “demonstration customer” for the company Melitta: In the first season 2017/2018 alone, 40% more coffee was sold in Old Trafford than in the past. Old Trafford is seen by Volker Stühmeier, member of the management, as an example of the extra class for Melitta. The scope of the Melitta engagement was 2–3 million euros per year (increased from 2018), only a small part of what would have been usual for access to new markets. Videos from the series “A coffee with” helped, in which three club players stood in front of the camera. These were viewed 2.5 million times a year—a remarkable contribution to the disproportionate communication success. ◀



Abstract

This chapter deals with the distribution policy of sports marketing. In distribution decisions in sports marketing, it is about the activities of sports actors to establish contact and connections with the demanders, to enable purchase transactions and/or to transfer services to the customer/partner. These different distributional aspects in sport are shown. For example, the central or decentralized marketing is an important decision-making situation. In addition, the cooperation with agencies is discussed.

7.1 Sales Policy Aspects in Sports Marketing

Sales policy (also: distribution policy) is mainly focused on the sale of goods. This also applies to the sale of goods in sports, such as sports equipment or sports clothing, as well as the sale of fan articles. The actual sales policy with its sales forms and -ways is only partially transferable to the **sale of services in sports**. This is mainly due to the fact that services cannot be produced or stored on stock due to the physical integration of the external factor, but are consumed directly by the customer at the moment of service creation. Another significant difference from the usual sales topic is that (not only) products are transported during service creation, but fans or the provider themselves travel routes, e.g. journeys to the sports facility. In addition, the distinction between the decentralized sale of original own rights and the centralized sale of coordinated own rights and extended individual rights by an umbrella organization must be observed.

The following remarks mainly concern the **sale of sports products**. For these sales policy decisions in sport, various (own and foreign) sales channels and (direct and indirect) sales forms are available, which are summarized in Fig. 7.1.

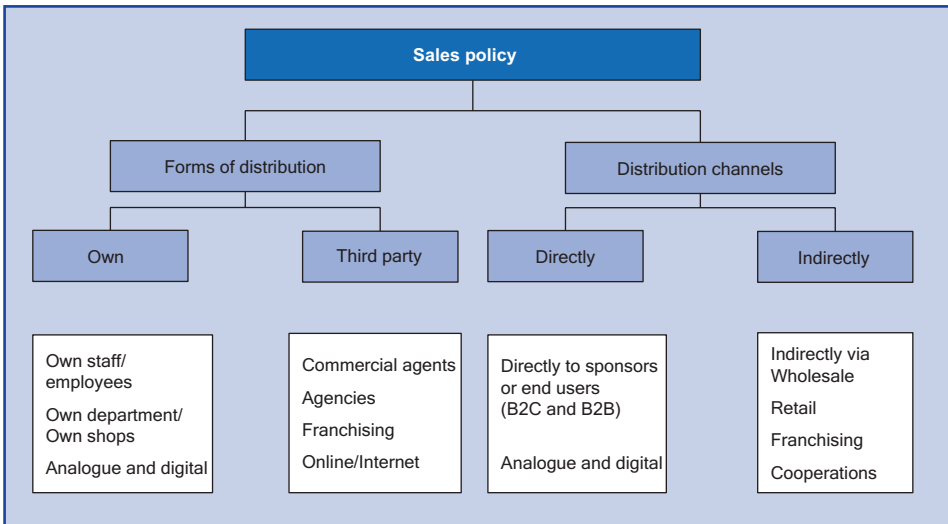


Fig. 7.1 Sales policy options in sports marketing

The selection of sales partners has a significant relevance for sports marketing, since in the service sector distribution or disposal rights, e.g. in the form of admission tickets, vouchers, transmissions, etc. are sold. So the distribution policy in the sports or spectator market focuses primarily on the **distribution of access rights**, which is organized via its own real or virtual distribution channels or in cooperation with partners. As a rule, sports clubs therefore rely on the following sales channels:

- office,
- fan shops,
- online shop/website,
- distribution partners such as sports stores, city ticket service, online ticket exchange, etc.

In addition, it must be decided how the services reach the customers in the follow-up markets. This is mainly about the **distribution of partner-related sports rights**, i.e. which distribution channels are to be used and selected in order to win sponsors and media companies.

In addition, **cooperations as distribution channels** are to be considered. Various sports providers can join forces in order to jointly organize the distribution for reasons of cost savings, e.g. through advertising partnerships, cooperation in major events or cooperation with clubs, schools, companies, etc.

Within the framework of sports marketing, the choice of a **distribution system is a strategic decision**, i.e. it is usually made on a long-term basis. A variety of decision criteria have to be considered. The following are some determining factors:

- **Provider-related determinants:** size, financial strength, personnel resources of the sports company, etc.
- **Performance-related determinants:** consulting needs for sports offers, need frequency, inventory holding, etc.
- **Sales channel-related determinants:** market coverage, sales costs, flexibility, qualification of sales staff, etc.
- **Market-related determinants:** market share and distribution degree of sales channels, growth rates of sales channels, marketing potential of sales types, etc.
- **Demand-related determinants:** purchasing behavior, sales channel preferences, sales image, etc.
- **Competition-related determinants:** presence of competitors in sales channels, possibilities for sales profiling, etc.
- **Environment-related determinants:** legislation and jurisprudence, technological developments, cultural peculiarities, etc.

The decision on the different sales channels is also influenced by the question of whether the individual sports offers are marketed centrally or decentralized.

7.2 Individual and Central Marketing

In general, it is important for the distribution policy of sports offers, which disposal rights for the sports offers exist. This depends on the question of whether a sports right can be marketed centrally or decentralized. If certain rights for the participating athletes or teams are not available or transferred by contractual obligations due to regulations of the associated league organization or an organizer, in addition to the ownership of rights, the question of distribution also falls away (there are significant differences between typical American sports and those in Europe). Often, there are contrary positions with regard to the marketing of a sport. This applies to national as well as international competitions. The open question is usually whether it is more effective if sports rights are marketed by clubs decentralized, that is, independently and without league influence (**individual marketing**) or if a joint marketing of all clubs is carried out by the league organization or the association as a sports administrator (**central marketing**).

In the course of the internationalization of successful sports clubs, the **foreign marketing** represents a special challenge for the distribution competence of sports providers. In most cases, nationally active sports providers do not have the personnel or organizational distribution resources to meet the requirements for partner acquisition and expansion of a market entry abroad. As a rule, this is associated with a high amount of time—as well as with high uncertainties in market development, the further the new markets are from the home market. Considerable financial resources are often necessary, which can often not be provided. Therefore, in many cases the support or the initiative of the league and/or the association is necessary. Therefore, many clubs prefer a foreign

marketing by the association, while the larger clubs supplement this market development and distribution strategy by additional own actions (e.g. club partnerships, pre-season guest appearances).

When marketing abroad, various challenges have to be considered, here are some examples:

- **TV rights:** Individual marketing by clubs vs. central marketing by league or association, cooperation with local media, etc.
- **Sponsoring:** Partner acquisition and partner care, remote or local presence, etc.
- **Merchandising:** Off- and online shops in local language, local logistics, local articles, etc.
- **Friendly games:** Organisation (preparation and implementation), sponsor and fan meetings, etc.

Above all, the **international marketing of media rights** is increasingly coming to the fore in successful sports companies. Here, central marketing relatively quickly and without great expense shows clear additional income. However, the early efforts of the English Premier League and the late activities of the German Bundesliga show that when winning foreign fans and developing foreign markets, a lot of time has to be expected and success is not always guaranteed.

The internationalisation means that more and more **cross-border marketing opportunities** have to be used because the domestic market often leaves little room for manoeuvre. If it is not just about the neighbouring foreign markets (e.g. SC Freiburg with France and Switzerland), but about distant countries such as Asia (e.g. Alba Berlin and China) or America (e.g. FC St. Pauli and USA), most clubs do not have the knowledge or the means to carry out such market care independently and are dependent on the help of experienced agencies and companies on site.

7.3 Working with Agencies

The **importance of sports marketing agencies** has increased greatly in recent decades. The reasons for this lie not only in an increasingly strong professionalization and specialization in sports marketing, but also in the pressure to provide relatively good solutions quickly. In doing so, sports agencies have proven to be process enhancers in sports marketing, both in terms of customer acquisition and customer retention. Numerous agencies are entering the market and acting as intermediaries between sports providers and sports demanders on a national and international level. These “specialists” are commissioned by the provider of a sporting service or a sports product with various **tasks of sport marketing agencies**:

- To acquire sponsors and advertising partners for a sporting event, a club, etc.,
- To transfer athletes between clubs,

- To mediate rights (e.g. licensing rights to a logo of a sporting event such as the Olympic rings) to potential demanders,
- To win interested parties for TV broadcasts,
- To find equipment suppliers for the athletes,
- To make evaluations of marketing rights, etc.

The services mentioned are provided by a large number of different **types of agencies**. In addition to full-service providers that offer all services from one source (e.g. from sponsorship consulting to market research, concepts and evaluations to implementation), there are agencies specializing in partial areas (e.g. advertising in sports facilities, media marketing, event marketing, licensing, market research) or pure rights brokers (e.g. TV rights) as well as agencies for athlete management (e.g. from tournament planning to marketing and to career planning after active sports activities).

The **remuneration of marketing agencies** is usually based on commission or fee. If a new sponsor is successfully acquired, the agencies receive a brokerage fee. A fixed fee is agreed between the agency and the client, for example when creating a sponsorship concept. It is also common for certain services of the agency to be invoiced according to expenditure. This includes, for example, the support of sponsors on site (e.g. at an event) or contract negotiations of any kind.

For the rights owner, the basic question is whether or not a cooperation with a sports marketing agency is even an option for him or whether he can cope with the task on his own (**“Make or Buy” decision**). The cooperation, for example, with a sponsorship agency is all the more important for the sponsored person, the less experienced he is and the less his knowledge of sponsorship, which is indispensable for the professional implementation of a sponsorship project.

In Germany and in other countries there is a large number of marketing agencies that are active in the sports sector. Therefore, it is not easy for a sports provider to make a **selection of agencies** from such a large number. Here too, a structured approach is recommended. First of all, the sports provider has to make a decision about which services the marketing agency is to provide for him. In a next step, it has to be specified which qualifications the agency has to bring along for his concrete concern. The sports actor will specify these qualifications in a **requirements catalogue** or a checklist:

- Does the agency have experience in the upcoming marketing topic?
- Does it have contacts with potential marketing partners?
- What media contacts does the agency have?
- Does the agency offer a full-service offer in terms of planning, implementation and control?
- How is the seriousness/credibility of the agency to be assessed?
- What are the strengths and weaknesses of the agency?
- Which references does the agency have?
- Which sponsoring projects has the agency worked on so far?

- What is the agency's reputation in the sports industry?
- Are the agency fees in line with market conditions?
- Does the agency offer individual and creative consulting?

Numerous case studies show that the support of agencies can be very helpful not only for financial, but also for strategic reasons. Such a long-term partnership is described in more detail below using the example of Hertha BSC Berlin and SPORTFIVE (case study 6).

Case study 6: Long-Term Joint Sports Marketing—The Example of Hertha BSC and SPORTFIVE

Hertha BSC—also known as Hertha or “old lady”—is a professional football club from Berlin. After sporting decline in the 1980s down to the 3rd league, Hertha has been playing in the 2nd Bundesliga again since 1990, but without really making any progress in terms of sport or economy. As early as 1992, the Bertelsmann subsidiary Ufa Sports (predecessor of SPORTFIVE) acquired the advertising rights in the Olympic Stadium—at that time the club did not manage to get beyond the midfield of the Second League.

In 1994, the club was on the verge of ruin. However, this time the first overall marketing engagement of the Hamburg sports rights marketer Ufa Sports resulted. Despite the precarious situation, the marketers had recognized that a strong Hertha would have great potential. So a contract was concluded which was initially valid until 2003. All proceeds from the marketing were initially divided in the ratio 60 (Hertha) to 40 (Ufa), from 2000 in the ratio 80 to 20. Advance payments and excellent distribution connections of the agency then led to the turnaround. At the end of the 1996/97 season, the club managed to get promoted to the top division. The opinion is often expressed that Hertha BSC would not play in the Bundesliga without Ufa, for example by Bernd Hoffmann, the then managing director of Ufa Sports GmbH.

Between 2009 and 2014, Hertha appeared as a so-called “lift team” with constant changes between the 1st and 2nd Bundesliga, which put extreme financial strain on the club and led to new conditions (i.e. fresh money or advance payments) and changed rights assignments with the agency time and again. Despite changes in the ownership structure of the agency and the scope of cooperation (e.g. 2005, 2014) Germany's leading sports rights agency SPORTFIVE has currently extended its overall marketing contract with Hertha BSC until 2025. This makes SPORTFIVE a strong partner at the side of the capital city club even after the entry of international financial investor KKR (already exited) and Tennor Holding by Lars Windhorst. Within the scope of the cooperation, SPORTFIVE is responsible for the sales of marketing and TV rights as well as hospitality and new media services. According to industry circles, the agency currently charges the usual 15–20% of the marketing revenue generated. ◀

In the sales area, sports providers need numerous cooperation partners, where marketing agencies can provide assistance. Of particular importance is the need to define a very specific requirements profile for the decision when selecting.

The sports marketing is characterized overall by numerous partial decisions. In the sense of the classical division of marketing instruments, offerings, price, communication and distribution decisions were clarified here for the sports provider. The so-called **“thinking in the marketing mix”** is in the foreground, i.e. a coordinated and harmonious behavior in the market appearance. This means, for example, that a high sporting performance is associated with a high price and intensive communication as well as a wide distribution system. This marketing mix is internalized in sports marketing in brand management. The sports provider as a brand is therefore in the foreground, whereby a performance promise is associated with the brand appearance, which is realized by the marketing instruments.



Perspectives of Sport—Opportunities and Risks in Sports Marketing

8

Abstract

In view of disruptive changes in all areas of economic and social life, there are also impacts and challenges for sports marketing. This chapter shows different perspectives and gives an outlook on the opportunities and risks in sports marketing. General trends in the sports ecosystem are shown as well as system-immanent change trends and indications of the instrumentalization and politicization of sports. Some prospective outlooks already show today that in the future even more market-oriented efforts and professional work in sports marketing will be necessary.

8.1 General Trends for the Sports Ecosystem

The sports market is characterized by numerous market participants who pursue very different interests, play different roles and have different positions of power and influence. The functionality of the “sports ecosystem” is constantly being put to the test for the individual actors. Therefore, it is of great importance for the future behavior of the market participants to recognize the **trends for the sports market** and to draw conclusions for their own behavior.

The group S20—The Sponsor’s Voice e. V., an association of well-known sports sponsors in Germany, has dealt with future trends in sports marketing and sports sponsorship and has carried out a **trend study on sports sponsorship**. Under the direction of SAP and with the participation of members Adidas, Allianz, Deutsche Telekom, DHL, Hugo Boss and Viessmann as well as the Institute for Management and Innovation in Ludwigshafen, a trend report has been created which makes it clear that there are great opportunities in particular in the areas of digitization, new technologies and the topic

of sustainability. In addition, it is argued that an increased sense of social responsibility leads to a change in marketing.

The central **results of the trend study** are listed in Fig. 8.1. They show short-term trends in sports sponsorship (e.g. the importance of influencers, sustainability, augmented reality) as well as longer-term trends (e.g. new sports, advertising at events, messenger and social media). The importance of a trend is not only measured by its potential, but also by its implementability and the time until it is used in everyday life. This is represented in the overview by corresponding coloration. Trends with high potential are correspondingly darker. Trends that will arrive in the mainstream in the near future are positioned close to the center.

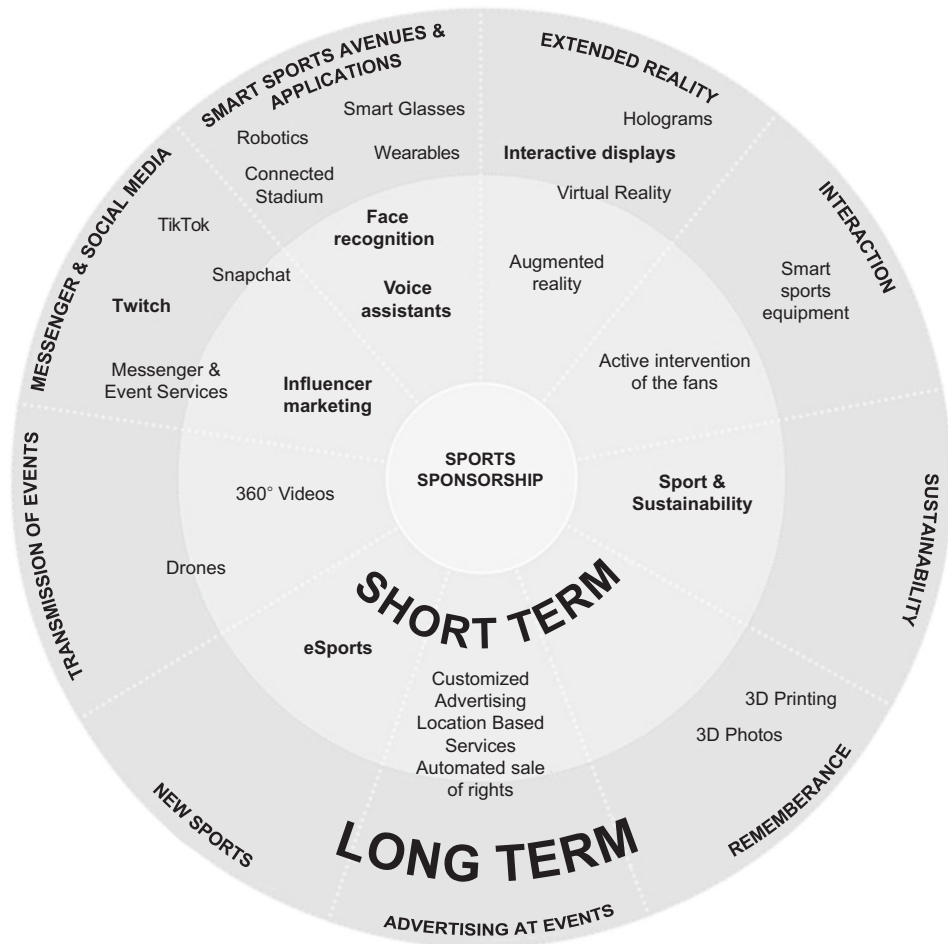


Fig. 8.1 Results of a trend study for sports sponsorship. (Source: S20 e. V., 2020)

In summary, the following **findings for sports sponsorship** can be highlighted (S20 e. V., 2020):

- **Technology as a trend driver:** The five most important trends in sports sponsorship are driven by technological innovations. The use of new technologies can improve the fan and customer experience. These trends offer great opportunities for activating sponsorship.
- **Purpose and sustainability:** Corporate responsibility and sustainability are of high importance and play a central role in the sports business: from recycled jerseys made from ocean plastic to the avoidance of single-use plastic at sporting events to alternative energy sources for powering stadiums.
- **Trends over time:** Many trends are considered to be very important. At the same time, their technical implementation is still too complex or the willingness to accept them is not sufficient on the part of the public. However, the importance of a trend is not only its potential, but also its wide applicability over time.
- **Social media in flux:** While Snapchat was a major social media platform a few years ago, TikTok has now overtaken it in terms of global user numbers. When it comes to sports sponsorship, experts see more potential in TikTok than in other social networks.

In terms of the growth potential of the various **sports marketing rights**, market studies are available, as well as for the development of individual sports. In its Sports Survey 2020, the auditing and consulting firm PwC came to the conclusion that the sports market will continue to grow and that broadcasting rights, sponsorship and merchandising will increase significantly in the next few years. In Fig. 8.2 the results for the expected annual growth in the areas of sponsorship and advertising, media and broadcasting rights, sports betting and fantasy sports, ticketing and hospitality, and merchandising and licensing are listed. Overall, positive trends can be seen for the individual areas of sports sponsorship.

The same study also examined the **growth prospects of individual sports** and sports activities. Figure 8.3 shows the top 10 sports with the greatest growth potential based on the survey results. In particular, e-sports and team sports such as football and basketball are seen as having great growth potential.

8.2 System-Immanent Change Tendencies

In addition to the trends for the sports market and sports sponsorship, significant developments within sports providers and certain sports also need to be considered. These have—depending on their enforcement—significant effects on sports marketing. It is mainly about structural changes in the sports market and also about exaggerated commercialization approaches. The following can be highlighted as **system-immanent change tendencies**:

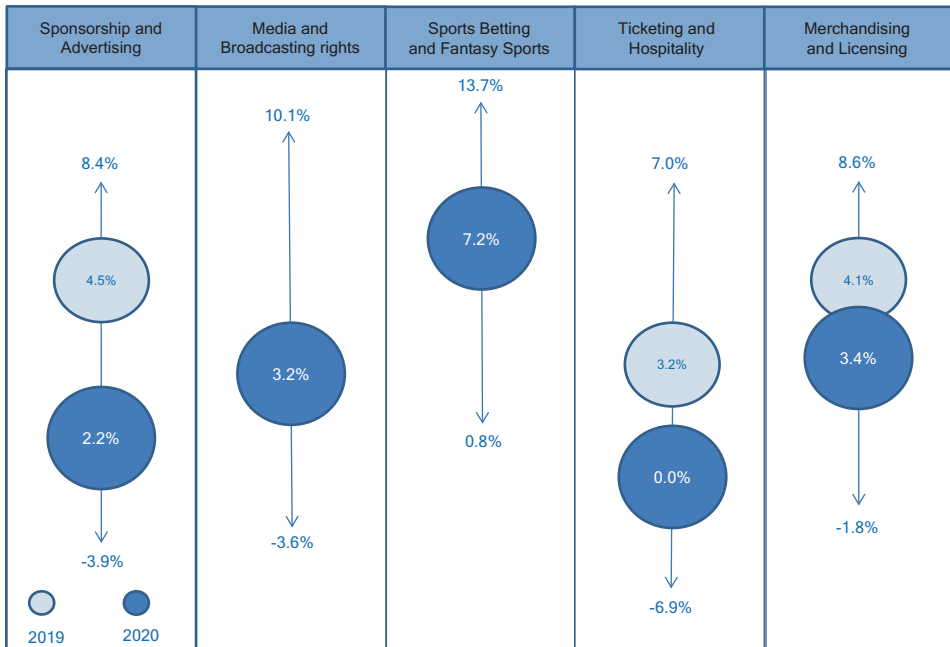


Fig. 8.2 Results for the growth of marketing-relevant offers. (Source: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, 2020)

- Organization of sports:** In many sports and countries there is no club and membership culture like in Germany. In the course of a multi-class society in sports marketing, increasingly capital companies appear instead of registered clubs, because, in the opinion of investors, top performances and large financial flows can hardly be managed professionally in a classic club culture. In addition, there are more and more large investors in the sports sector who place more value on a profit orientation and other non-sporting goals. The sporting and social development of a sports club takes a back seat.
- Privileges and greed for profit:** The discussions about a super league of a few top clubs at the expense of the large number of other professional clubs and ambitious amateur clubs, for example, show which further professionalization tendencies are being pursued. The discussion about a football world championship in a two-year rhythm also goes in this direction. The egos and special rights of the players can also be mentioned. They lead to the fact that the gap between teams and fans threatens to become ever greater.
- New influencers:** In addition to the athletes and the sports functionaries, other actors have become involved with sometimes burdensome effects in the sports market. In

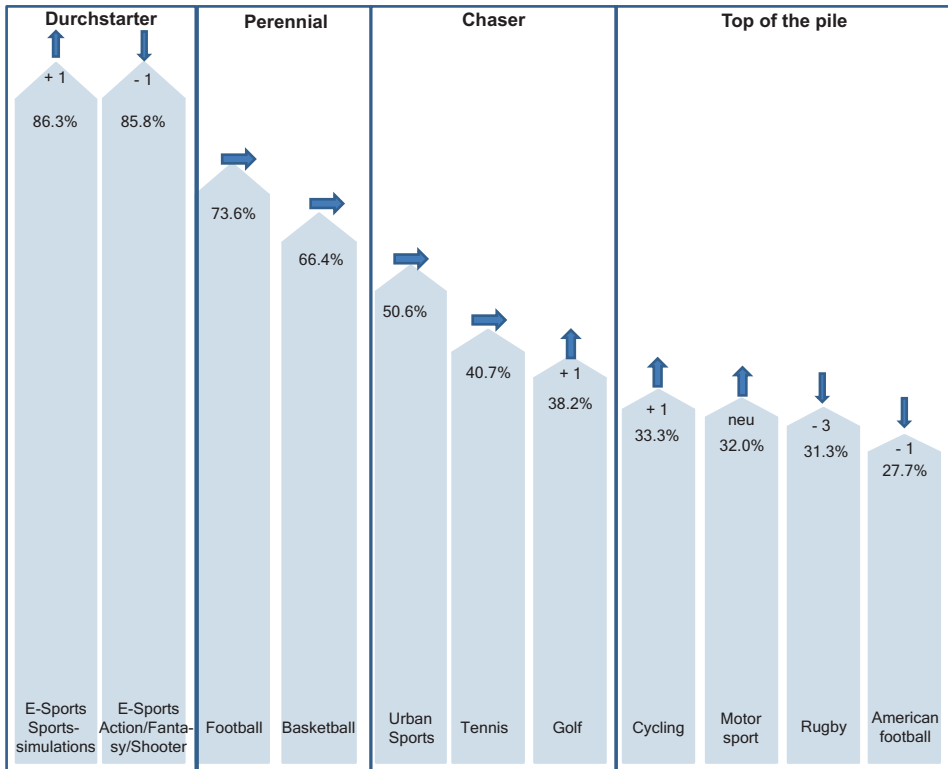


Fig. 8.3 Results for the growth of sports. (Source: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, 2020)

addition to the nature and nuisance of consulting of athletes, this also includes externally controlled interventions from the sponsor circle as well as from politics and other circles of influence.

- **Changes in fan behavior:** In top-level sport, “thinking in old times” and a romanticism of sport (including sport as purely physical activity, club family, classical fan culture) belong to the past. This has been accompanied by a trend towards de-emotionalization, which has loosened fan bonds, created new priorities for leisure time and led to different spending behavior (Rohlmann, 2020).

These **new conditions** will not remain without influence on future sports marketing. This was already evident when the first Corona easements were made with regard to the admission of spectators to the stadiums, that not even the contingently provided seats were fully utilized. Football is clearly a significant part of the entertainment industry and an important economic factor. However, in the meantime, a parallel world has arisen

between the actors (players, clubs, associations) and the fans. This feeling of alienation with the consequence of a fan exodus is an early indicator of the lack of interest in an exaggerated commercialization with all its negative consequences (Bruhn & Rohlmann, 2021a).

Many actors in sport are constantly confronted with new challenges. The review of one's own business strategy and innovative adaptation therefore also belong to everyday life in sports marketing. The International Olympic Committee (IOC) has initiated numerous changes in recent years and shown path-breaking innovations for some other sports participants, as the following example shows (Case Study 7).

Case Study 7: Changing Sponsorship Strategy—The Example IOC

The International Olympic Committee (IOC) is the world leader in sponsorship marketing with over two billion USD in revenue (Fig. 8.4). Behind the massive numbers is a new sponsorship approach that can promise increased sales to many smaller rights users. Despite numerous changes in the economic and social environment, the traditional image of sports sponsorship, often still based on media presence, TV reach and thousand-contact prices, has persisted to this day.

Against the background of ongoing digitalization, performance marketing and the goal of advertising companies to develop and make the fan a permanent customer through marketing measures, this traditional form of sports sponsorship is being put to the test. In recent years, the International Olympic Committee has chosen a new approach. The more than two billion USD in the last marketing period from 2017 to 2020/2021 set a record in sponsorship (despite the pandemic). This more than doubled the organization's marketing revenue compared to the previous cycle (2013 to 2016). And in the next marketing cycle (2021 to 2024), further growth to three billion USD is already programmed.

The numbers of the IOC are particularly impressive in that both the TV broadcasts of the Olympic Games are almost completely commercial-free and the ratings are usually lower—at least in Germany—than at a major football tournament. The basis for the IOC's billion-dollar sponsorship revenues is the Top Program, which was launched after the 1984 Olympic Summer Games in Los Angeles. This is the global marketing program for the IOC's strategic long-term partners and the Olympic movement. The companies are not only partners of the IOC, but also partners of the Olympic Games and their Organizing Committees taking place during the contract period, as well as all 206 National Olympic Committees. At its core, the IOC has initiated three fundamental changes:

- Instead of an event sponsorship with many sponsors, a multi-year Olympic sponsorship in a limited circle of partners, i.e. quality before quantity of the participating companies.

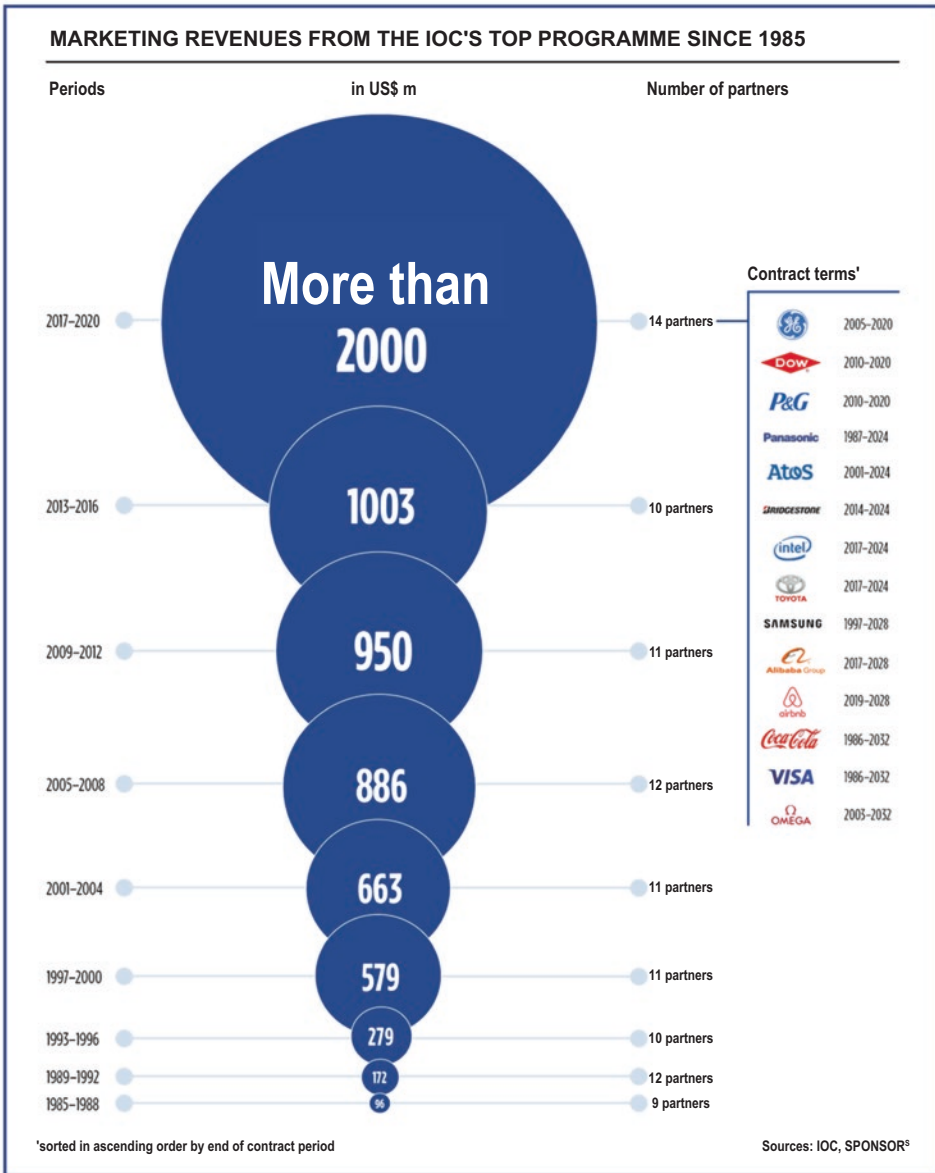


Fig. 8.4 Revenue from the IOC's top program since 1985. (Source: Sponsors.de 14.7.2020)

- Expansion of sponsorship rights, for example, each top partner of the IOC from the rights period 2021 to 2024 will also receive rights to the International Paralympic Committee (IPC) and the Paralympic Games.

- Not the classic advertising services are in the foreground, but a so-called digital 360° marketing. This includes a strong individualization of the packages according to the philosophy that a sponsorship package can become an individual business case for the partner.

In the future, the IOC wants to take the concept extension “Deep Integration” one step further and position itself as a data-based communication platform for its cooperating partners. The advantage is then to be seen not only in the fact that one earns from the sponsorship rights, but also in the activation of the packages in the IOC’s own media ecosystem, consisting among other things of website, app and Olympic Channel. ◀

8.3 Instrumentalization of Sport

Sport plays an important role in public perception and has always been at the center of various interests. In addition to excessive marketing and the increasing interest of private equity firms in acquiring rights, clubs and competitions, the increasingly intervention of non-sporting organizations in sport and the **influence of political and/or ideological structures** on sport, especially in football, is becoming more and more evident. This was not only made clear by recent events and media incidents at the pan-European football EURO Championship 2020/2021, but began much earlier. Investors from Eastern Europe, the Far East and the Gulf States gain economic and cultural influence in Europe by, for example, taking over traditional football clubs. In addition, state-owned companies and political regimes expect many benefits from the alignment of major sporting events, above all the large football tournaments and the Olympic Games (Bruhn & Rohlmann, 2021b).

The ideal relationship between sport and its environment is a well-rounded balance with a clear **positioning of sports values** and the associated rules. Sport is not a “magic bullet” and an unlimited marketing platform for the use of selfish interests. These attempts seem to succeed in the short term, but are doomed to failure in the long term and damage sport. An instrumentalization and politicization serves primarily foreign interests and will lead to sports enthusiasts (fans and spectators) turning away from sport. That is why it is important for “marketing in sport” in sports marketing and “marketing with sport” in sports sponsorship to continue to focus on sport and to associate it with positive stories and events. This results in a **“partnership of mutual benefit”**, in which all involved partners can capitalise on it.

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