

How is Sports Marketing Different for a Professional Team Sport compared to an Amateur Team Sport in New Zealand?

Scott Robinson
Adrian France*
Robin Hill

*Waikato Institute of Technology (Wintec)
Tristram Street
Private Bag 3036
Hamilton 3240
New Zealand
Telephone: (07) 8348800 ext 8519
Fax: (07) 8348802
Email: Adrian.france@wintec.ac.nz



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

How is Sports Marketing Different for a Professional Team Sport compared to an Amateur Team Sport in New Zealand?

- Sports marketing are marketing techniques used to financially support amateur and professional team sports
- Increasing costs & current economic climate places challenges on team sports to generate revenue
- Professional team sports likely generate revenue from sponsors, ticket sales, merchandise sales & television fees
- Amateur team sports likely generate revenue from sponsors, ticket sales, bar sales, club player fees
- Professional sports: rugby, cricket, & netball popular & use sponsorships
- Amateur sports: soccer & hockey



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

How is Sports Marketing Different for a Professional Team Sport compared to an Amateur Team Sport in New Zealand?

- Advantages & disadvantages of sports marketing comparing professional and amateur team sports?
- Why is it difficult for amateur sports organisations to attract sponsors, & how do professional sport organisations differ?
- This study aims to: research differences of sports marketing between professional & amateur team sports.
- Results may assist non-profit amateur sports bodies in overcoming financial problems.



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Literature review

- Large amounts spent on sports marketing reaching wide audience in recreational lives
- Sports marketing research less than general consumer marketing
- Four types of sports marketing
- Most researched approaches are associated with products (commercialisation) ie advertising, sponsorship, professional profit centres, & fund raising
- Much research not related to amateur organisations due to limited funds



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Literature Review

- Corporate sponsorship provides targeting of audiences
- Sponsorship either field or televised
- Sponsorship less commercial than advertising
- Sponsorship differs from corporate advertising using consumer relationship
- Sports have become professionalised
- Little research into amateur sports marketing and non profit sport organisation marketing
- Little research into comparing professional and amateur sports marketing



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Current project

- Develop an understanding of sport marketing that may assist non-profit amateur sports to overcome marketing disadvantages.
- How are amateur & professional organisations funded & identify impact of media.



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Method

- Interviewed three professional team sports organisations & two amateur sports organisations
- Subjects:
 - Marketing manager of NZ rugby super 14 franchise
 - Marketing manager of NZ regional netball franchise
 - Commercial operations manager of NZ regional cricket organisation
 - Manager of NZ regional hockey organisation, general manager of NZ regional soccer organisation
- Interviews recorded & differences between each sports identified
- Open ended questions with semistructured interview to obtain rich & deep understanding of topic
- Due to limited time, resources, & scope of study = small sample of high profile subjects



Results

- Professional managers interviewed had similar roles to market brand & generate revenue
- Amateur managers lacked resources & did admin. Work, managed coaches, volunteers & in committees of game rather than marketing
- Section results include: definition, competition, revenue, sponsors, attracting sponsors, advertising, media, sports marketing advantages, SPARC, improvement



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Results

- Definition of sports marketing
 - Amateur sports organisations build awareness & profile of sport
 - Professional sports organisations additionally build support & relationship of sports sponsors
- Competition
 - All sports competed with one another
 - Rugby most challenging competitor for sponsorship & attracting spectators
 - All sports competed with TV & computer games in viewers & participation
 - Rugby competed against image (mothers) of other 'safe' sports



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Results

- Revenue
 - All funded from similar revenue streams
 - Participation oriented teams received trust money
 - Only the fully professional Super 14 team received no trust money & had no participation interests
 - Amount of trust money depended on participation no.s & profile of sport
 - Amateur sports referred to player subscriptions & affiliation fees as major funding sources
 - Bottom up sources v. top down sources



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Results

- Sponsors
 - Rugby offered sponsors large amount of exposure to large audience, large contracts with international companies
 - Amateur sports lacked profile & popularity, can't offer high profile product, players, or exposure. Used participation numbers to attract sponsors
 - Professional sports could offer hospitality & entertainment options
 - Amateur sports relied heavily on volunteer labour
 - Attracting sponsors relied on benefits to sponsor & amounts willing to spend
 - Sports organisations attempted to convince sponsoring teams more worthwhile than TV or radio advertising, or newspaper



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Results

- Advertising

- All sports referred to importance of website
- Professional sports could afford mainstream advertising & employ people: TV, radio, newsprint, PR activities, billboards
- Amateur sports did not advertise, relied on website, & no.s using it



Results

- Media
 - Professional sports constantly in news = free advertising
 - Some publicity was negative
 - Publicity dependent on performance & players
 - Amateur teams identified media impact at different levels & media requirement as only recognition



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Results

- Sports Marketing Advantages
 - Revenue & numbers was key
 - Professional sports = audience numbers
 - Leverage off national brands & TV, & field audience
 - Amateur sports = participation numbers
- SPARC
 - SPARC had no impact on professional rugby or netball
 - SPARC funding for cricket development
 - Hockey & soccer affected nationally by SPARC, not regionally
- Improvements
 - Professional = more research, listen to audiences
 - Cricket to move from marketing to commercial platform
 - Amateur = employ a marketing person



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Discussion

- Professional team sports about marketing a brand. Generating revenue, media communications, management of game.
- Amateur team sports had no professional marketers or sport promotion. Small no. of people running whole organisation. Participation.
- Differences of sports included: revenue, exposure, no.s participating, no.s in audience, profile of players and sport



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Discussion

- Participation & audiences determined by profile of team sport
- Professional sports get published & links with sponsors, amateur sports get pushed aside
- Rugby appears first choice for sponsors
- Media important for advertising for sponsors (professional) & building awareness (amateur)



Wintec
WAIKATO INSTITUTE OF TECHNOLOGY
Te Kuratini o Waikato

Conclusion

- Amateur sports link with community & participation
 - Use trusts, grants, small sponsorship, affiliation fees & ground hire
- Professional sports funded from top with commercial income streams
 - Sponsorship, ticket sales, hospitality, signage, & merchandise
- Popularity & profile has large results
 - Professional sports leverage off popularity, profile, & exposure
 - Challenges of amateur sports to become professional

