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
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- 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.
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- 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.
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
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
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.
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
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
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
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
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
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
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
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)
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