

**Brief scientific article**

## **MARKET AND CONSUMER RESEARCH WITH RESPECT TO SPORTS MARKETING**

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**Abstract:** Sports theory has seen the development of an idea that the grounds for acquiring the competitive advantage in sport comprise: training and education, infrastructure and research. As the research projects in the Serbian sports practice (both fundamental and applicable ones) are not frequently undertaken, or are motivated by partial interests, the objective of this article is to put under the spotlight some aspects (primarily, the marketing ones) of this complex subject which, to a great extent, determines the formulation of strategies in sports. Sponsorship in sports has become increasingly important over the last few decades as one of the financial strategies applied by the sports organizations in order to acquire external resources for initiating sports events on one hand, and promotional strategies for companies looking for more economical and efficient advertising methods, on the other hand. Searching for the touch point between the sponsoring company's products and characteristics of the consumers who come to the sports arenas as spectators should be carried out through detailed and systematic market and consumer behaviour research. These data are necessary for sports organizations in creation of their marketing strategies and preservation of their market segments, and for potential sponsoring companies when defining the point of a business relationship. Through systemic and continuous consumer research projects, sports organisations and potential sponsoring companies create databases with an aim to win, serve and keep their target segments within the limits of projected values in the conditions of fierce competition.

**Key words:** sports market research, sports buyer behaviour, factors in the process of learning and perception, marketing strategy of a sports organization.

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## INTRODUCTION

The research goals, compatible with the planned efforts of a sports organization to continuously increase its sports-economics efficiency measured by the sports-economics efficiency indices (Dugalić, 2005), focus on synthesising information about the market and sports consumers resulting from the market research which can have the following tasks:

- to get an overview of the needs of a sports organization and users of its services,
- to get an overview of resources (rare human resource – sports talent, capital, infrastructure, knowledge as a separate resource, information, technology of sports-service processes etc.)
- to implement obtained information in creating the business strategy of a sports organization, which encompasses marketing and financial strategy, as well as the strategy for achieving the desired sports results,
- to develop a special program of placements and appearances at the sports market for a sports organization and its sponsor,
- to enable permanent (test) research of all aspects significantly affecting formulation and implementation of the business strategy.

In regards to the above, within specific basic marketing functions, the research encompasses the answers as presented in table 1:

**Table 1.** *Elements of the research questionnaire and marketing mix variables*

For sports products	For sales and distribution	For prices of sports products	For promotion in sport
The question which sports products (or assortment) will best suit the information obtained from the market needs to be answered	Research will show which sales channels and distribution system are suitable for the elements observed at the sports market	Analysis of the elements which shall show structure of the prices of sports products provided the appropriate demand	Promotion elements are surveyed to find the answer which media and resource in the given situation will be most efficient for the sports market and the product

Of course, number of research elements can be higher based on the contemporary concepts which include more marketing mix elements than presented here, but the ones listed in this article are most common elements representing the pillar of the sports marketing strategy (Ljubojević, 2001).

The key research elements requiring special attention are: a/ a need for a sports product or service (identified on the basis of a questionnaire), b/ the purchasing power of sport consumers (price strategy, tariff packages, related products from the first, second and peripheral levels of the sports offer, prepaid purchases, lending, sales allowances, various discounts, number of visitors, quality etc.,) and c/ a habit of using certain sports products (and changing habits as a long-term process with significant expenses when repeating purchases, sales packages for season cycles and league program, possibility of buying gear, equipment and sponsor's products per more favourable prices etc.)

The need for a sports product may be defined through a deduction based on the experience and knowledge about the key characteristics of certain sports consumers' segments (certain impediments to purchase due to acquired or inherited habits caused by cultural, psychological or physical factors, and – for example – manners of their overcoming).

An insight into the purchasing power of sports consumers within certain sports products' segments can be precisely gained based on the statistical data.

Criteria for market research and the research subject could include the following:

- a/ whether the sports brand is well-known,
- b/ the quality of sports-service processes evaluated through a result and image, and a technological quality observed in case of tangible sports products,
- c/ the viewpoint of a user (spectator) about the sports products (brand),
- d/ the image of a sports product, brand and producer,
- e/ other criteria relevant for a sports product/brand.

Howard-Ostlund model of buyer behaviour (Howard & Sheth, 1969) takes into account the following:

1. External exogenous variables (excluding 3 groups of factors: institutional environment, social circumstances and a buyer's specific/personal characteristics, such as the personality and financial status of the buyer);
2. Research process (source, information, media selection, selectivity in perception and remembering information);
3. Cognitive processes leading to making the decision on purchase (behaviour prompted by motives);

4. Problem solving (a sports consumer is exposed to a number of information, prompted by a certain motive) and when making a decision on purchase he goes through a process of selecting the brand/product which will best suit his motive;
5. Interaction of factors (and their systematization) impacting the buyer behaviour. The analysis of different purchase situations indicates whether the purchased goods are ordinary products or the purchase is a consequence of a sudden condition, which means that such purchases are very specific for sports consumers (e.g. regardless of whether the subject is a pair of sports shoes or a sports derby).

As for the encompassed scope, buyer behaviour is perceptible before, during and after the purchase. The interdisciplinary aspect of buyer behaviour indicates correspondence to sociology and cultural anthropology (studying the beliefs of previous generations, which are frequently significant for behaviour in purchasing sports products).

Hence, it investigates subculture and compares buyers of various nationalities, habits (folklore, cultural and other myths and customs) and religions.

For example, there is a view that a man, practising recreational activities, once he reaches the satisfying body form, will not feel the need to maintain the achieved condition for a while. This leads to lower number of visits to a gym or a fitness club, and it is therefore important to use messages encouraging uninterrupted sports activities in order to avoid oscillations during the summer and winter periods and maintain continuous desired form characterised as 'life style' rather than 'snobbish drive' inspired by present looks and effects.

In case of tangible products, e.g. sports shoes, sociologic-cultural differences can be perceived in the lowering age threshold of the users deciding on purchase instead of their parents, which leads to a certain generation clash re the choice of a brand or style.

Contemporary trends in the development of style and technology of these products, on the other hand, may point out to the dilemma - to which categories (as per Maslow) sports and health belong, as human behaviour is increasingly preconditioned by fulfilment of expectations and, to a lesser extent, by biological drive, acquiring different dimensions with time.

Therefore, new theories have been developed - for example 'Theories of middle range' - attempting to explain the special kind of the need which leads to motivation, as well as the stimuli for such a need.

A need is defined as a lack of something deemed necessary and useful manifested as an obstacle and a tendency to remove the obstacle and other conditions such as tension, other disorders etc. with an aim to resolve the condition. As a result, the product definition is often used denoted with a term: solution (Dugalić, 2012). Thus, for example, a desire for health as a motive for practicing sports is a conscious activity accompanied frequently by unconscious, but concrete needs directed towards the same goal i.e. this ambition is aimed at removing the deficiency or locating the source of a problem (through resolving the relation need/desire).

A need for sports products is innate, natural, useful, hedonistic and often undefined or hard to define by the potential users, and there are different needs e.g. from a need for maintaining general body-health abilities, good condition, physical appearance etc., to a desire for competitiveness, self-actualization, affirmation, to a need for making professional career, prestige, self-promotion at any cost...

In line with the above, on one hand, the motives for practicing sports may be of physiological nature if we talk about the health-sports component (the mission of sport), and on the other hand, if led by a need for security, socialization and prevention, the motives may be psychogenic. A marketing research should also determine the negative motives preventing the demand for sports products and services due to various associations (such as national attitude), which in contrast do not represent difficulties to all users, but rather act as an incentive for some. For example, as per surveys carried out for 'Du Pont' (quote Henry Assal), over 50% of vitamins and pharmaceutical products are purchased without planning. In case of intangible sports products (sports event, equipment, souvenirs), the number of products purchased without hesitation is even significantly higher (Dugalić, 2008).

There are numerous theories and more practical models (e.g. SOR: Stimulant, Organism, Response) which explain buyer behaviour based on the analysis of e.g. economic factors, combined with variables related to social and psychological factors. However, influences are at the same time biological and as such complex so they cannot be fully explained. There are also cases of abuse in sport (doping, excessive training or physical effort) which can jeopardize the exact abilities (health, social) that are meant to be developed through sports.

Also, the inevitable processes of ageing or decreasing of physical performances can put sportsmen and users of sport products into very risky situations which may be caused by unreasonable actions or decisions. Social factors (various living conditions, inadequate diet...) may negatively affect the behaviour of sportsmen and sports buyers. Continuous stress due to personal wishes and expectations of the coach or parents aimed at achieving the desired result may cause the opposite effects and the loss of desire for practising sport and often psychological disorders. It is well-known that low income per capita does not exclude the user's wish and need for sport, health and success, as well as for maintaining good physical condition and form, however if disproportionate to one's purchasing power and provoked by ineffective systems and institutions, it may also have negative effects. The categories of population which least contribute to a country's GDP generation are to the highest extent also the users of sports products and funds (the famous maxim 'bread and games' or referring to sport as 'entertainment for the poor') indicates that the behaviour of sport buyers is conditioned, in addition to the above factors, even more significantly by economic, sociological and, increasingly, political factors.

## **MARKET AND SPORTS USERS' RESEARCH METHODOLOGY**

BBDO Market Research Plan, as per Batten, Barton, Durstine & Osborn, relies on the following elements: 1/ finding the target group of buyers, 2/ identifying the most significant problems faced by the representatives of the target group when using a certain product, 3/ defining the product which shall not cause problems to the users from the target group and 4/ finding the way to transfer the knowledge about products to the users from the target group.

Similar sports users' research models are mentioned also by other authors (Pitts & Stotlar, 1996; Gašović, 2004). For the research of sports users, other strategies can also be applied: suggestions of sports users (collected through phone questionnaires), focus group methods (e.g. up to 10), and final and conclusive strategy based on primary and secondary (desk) data.

It is desirable that the sports users' research includes the following steps:

1. Setting the objective (e.g. determining the viewpoints of sports users on concrete qualities of sports products),
2. Collecting and assessing secondary data,
3. Formulating the plan or strategy for collecting primary data,

4. Collecting primary data,
5. Analysing the collected data,
6. Preparing the report on completed research.

This procedure for analysing sports users should investigate variables representing the output model:

- attention (response of the sports users representing the number of received information),
- brand awareness (verbal statements of the respondents about the brand awareness and type of product),
- viewpoint (verbal evaluation of whether the brand can satisfy the motives),
- purchase intention (verbal statements about respondents' expectations about purchasing a product of certain brand as soon as the need arises), and
- purchase (sales overview, statistics etc.).

Factors involved in the learning process may include:

- motives (respondents' objectives related to the purchase),
- brand awareness (awareness about the existence and characteristics of the brand – familiar assortment),
- selection criteria (ranking or grading of motives in respondent's description of the process of making decision about purchase),
- purchase intention (respondent's forecast on when, where and how they will act towards the brand as related to its price, availability, external influences etc.),
- viewpoint (relative brand preferences within familiar assortment as related to certain selection criteria),
- reliability (degree of certainty when making all statements related to a certain brand), and
- purchase satisfaction (degree of correspondence between the real and expected effects of purchase).

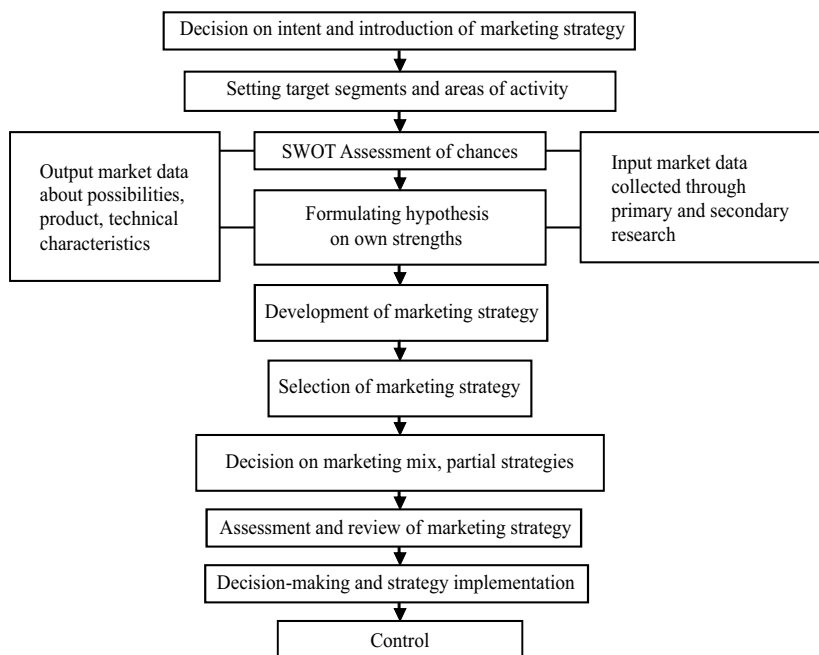
Factors involved in the process of perception include the following:

- attention (whether sensory receptors are open or closed during the control of information to be received),
- clarity of stimulus (observed uncertainty and lack of valid information received by the respondent),
- selective perception (reduction and distortion of information which is conveyed),
- subsequent search for new information (active search for new, relevant information).

## MARKETING STRATEGY AND MANAGING MARKETING PROCESS

Market research is an activity under the umbrella of pre-formulated marketing strategy which can be carried out in the following manner as presented in the image 1:

**Image 1.** *Model of the idea and development of marketing strategy of a sports organization*



If a sports organization or its sponsor places its products, services or sports equipment to the international market in a traditional, simple way it includes direct and indirect form, or direct sales to an agent or representative. Traditional or more complex way of placing sports products or services includes compensation and switch deals, and in case of sports equipment it also includes consignment and transport, in case of sales of technology (work force, know-how, engineering, patents) it includes cooperation, and in capital placements it includes business-technical cooperation. The most complex marketing strategy is needed in organizations operating on a higher cooperation level related to sports equipment and technology such as: licencing, joint-ventures, assembling and consortial deals, leasing, franchising and factoring.



## **CONCLUSION**

A sports organization having an implemented marketing function or some of its activities should plan to develop its marketing management process in future. The important activities in this process unquestionably include: discovering attractive sports-market segments, positioning of sports products based on the sports ranking, tradition and similar variables enabling higher placement share in competitive conditions, and improving marketing effectiveness and efficiency through strategies including contemporary methods such as e-sales, direct marketing, data-base marketing, sales through promoters etc.

Obtaining facts about the size and structure of a sports market and the potential segments is of key importance for the efficient economic operations of a sports organization. Based on the valid data acquired through market research projects, it is possible to significantly reduce operational risks and risks of individual appearances by using such data in preparation of marketing strategies. By accumulation of these data and their synthesising with information gathered from the areas of training, education and sports infrastructure, there could be formed the research bases resulting in theoretical knowledge relevant for gaining competitive advantage of our country in the area of sports.

Such research bases should serve sports experts and connoisseurs as a starting point for formulating and implementing the development strategy of a sports organization, sport, the region and society in general in a way which generates new competitive advantages and ensures more realistic material valorization of the existing sports' efficiency.

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