

Scientific review

DISTRIBUTION OF A SPORTS PRODUCT

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Abstract: The subject of this paper is the analysis of theoretical postulates relevant for the area of sports marketing and management including: the role of the location and distribution of the intangible sports products (experience, event, result, image, brand) which are created and delivered at a sports facility. The objective of this paper is to explain the manner of functioning and maintaining the strategy of a sports entity by adopting the concept of the sports marketing culture. The analysis of sports products starts from the consumers' needs, competition, the company and the environment. The analysis of the sports products' consumers is carried out for the purpose of making strategic decisions about what the consumers want, how much they can pay, where they usually shop, as well as what promotional methods and messages influence the consumers to make these and desired decision more easily. The analysis of the environment is necessary for the purpose of reviewing the economic and political climate in which the sports facility is present, in the light of the Sports Law, rulebooks, social and cultural trends, business and safety risks, conflict situations etc. The analysis explains the role of a sports facility as a sales point for the intangible sports products which jointly with the production, pricing and promotional strategies make the part of a comprehensive sports marketing mix.

Key words: *sports marketing, distribution of a sports product, sports facility*

INTRODUCTON

A sports product is an aggregate of tangible and intangible elements (sports events, clubs, discipline, players, etc.) of a psychological nature giving meaning to the consumer (Dugalić, 2005). An inconsistent sports product (non-material,

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intangible) offers a complex of benefits to the participants; it is unpredictable by nature and mainly spontaneously exhibited. Sports products offered at the market could be segmented as follows: physical goods, services, persons, venues, organizations (entities) and ideas (Pitts and Stotlar, 1996). Sports offer of the inconsistent products could be segmented as follows: sports experience, sports event, sports result, image (of a club, athlete or a sports facility), and sports brand. The main product within the inconsistent offer is the game (the experience created for the spectators by the players, organizers, sponsors) in the environment which includes the accompanying products: atmosphere, goodwill, idea, venue, supporting and auxiliary programs etc. It is important to understand that the sports talents have the most direct impact on the creation of a sports event, whereas sports professionals and professionals in sports only provide expert, logistic support to develop this resource and then capitalize on it.

The classification of sports products is the most important strategy for identifying the consumers' needs and wishes in order to create and offer products which will fully meet the expectations of the visitors. Industrial segments (fitness, recreation and professional sport) share some homogenous characteristics, and their consumers as a group share – exact, mutually resembling expectations. The mandate of the sports management is the continuous analysis of consumers' understanding of functionality and benefits of these products, so as to enable timely preparation of the development strategy and characteristics diversification, successful price strategy, distribution methods and promotional campaign. The first step is defining a sports product, followed by the assessments of prospects and threats, development of the relevant marketing plans, determination of the right time for product differentiation or removal from the offer. Sports facilities, equipment and tools, materials used for making the sports tools, clothes, shoes, products intended for athletes' nutrition and other consistent products could be included in the composition of the broader sports offer on the occasion of a single one sports event, so it is required to understand their production technology and evaluate quality to avoid that the consumer evaluating the final product observes product defects which should have been noticed and removed by the organizer himself.

The sports market structure as per Gašović (2009) comprises main customer groups interested in the sports organizations' offers: 1/ active and future athletes, supporters, fans, users of sports services (facilities, professionals etc.), users of sports equipment, sports community, mass-media, scientists, experts in any field, professional and scientific institutions and other sports organizations; 2/ market of sponsors and patrons as profit organizations (corporate organizations, producers of sports equipment etc.); and 3/ non-market segment includes budget structures (state) and other non-profit organizations (amateurs and volunteers) whose decisions and standpoints are influencing results and the state of the domestic sport. These are the following: Sports Law (2011), article 145-155: provisions on sports facilities, and article 139: part IV, Categorisation in Sports; Rulebook

on monitoring professional activities in the area of sports (2011), Rulebook on detailed conditions for carrying out of sport activities and sport professions (2013), Rulebook on national categorization of sports facilities (2013), regulations published by the international associations in regards to the minimum norms to be met by the sports facilities in order to qualify for sports competitions, various guidelines, recommendations etc. The national categorization of sports facilities determines criteria and standards for ranking the sports facilities based on the type of sports activities, technical characteristics of a sports facility and the level of competition for which the conditions are met. The categorization is prepared by the expert commissions appointed by the Minister. The Strategy for development of sports in the Republic of Serbia for the period 2014–2018 (2014) mentions sports facilities under items 3.5: Sports facilities and 7.4: Development and improvement of sports infrastructure. The Action Plan for the implementation of the Strategy for development of sports in the Republic of Serbia for the period 2014-2018 (2014) contains detailed description of these tasks per holder and deadline.

METHOD

The research procedure was based on the information and data gathered from the theoretical sources, laws, rulebooks, internal documents and other sources (clubs' data). In view of the theoretical character of the paper, the gathered information were organized by logical flow with the use of various methods: observation, historical method when observing the analysed event in time cycles, induction and other scientific methods. For the purpose of summing up the results, the methods of synthesis and deduction were used (for comparing the analyses results in order to reach the conclusion and formulate the message of the paper promoting sports marketing and management, and their stronger promotion in the Serbian sports practice). For the preparation of this paper, the data analysis explaining the role of a sports facility in light of the distribution mix was primarily used with the aim of reaching useful conclusions for the preparation of distribution strategies and improvement of operations of a sports facility.

RESULTS

The distribution as an instrument of a sport marketing mix is a system of sports organizations' distribution channels; agents selling the intangible sports products, and the position (location) of a sports facility. Placing intangible sports products (and all sports services) is happening exactly at the sports facility, which is a most valuable solid, infrastructure sports resource

with the added value of reputation due to which it becomes an iconic place, the so called 'sports shrine'. Specific characteristics of some of the products within the sports industry (activities-services, persons, ideas) require special ways and places for delivery (being produced and used at the same time). In a sports game, a consumer is also a participant; even when he is buying a sports tool (a souvenir), it does not need to be put in use immediately (for a specific date and time), and it is often purchased during a media spectacle while still under the impression of a sports event and the image of a sports facility, but not to be used at all (e.g. when the irrational views dominate). Most sports products (services, entities) do not need to be transported or stored, therefore, in the area of sports, specific decisions related to the delivery are reached (agencies and media as the means).

Sports facilities are solid constructions and accompanying flat surfaces used for achieving sports results aimed at delivering satisfaction to the audience at the sports event (Dugalić, 2007). Sports facilities (stadiums, halls, arenas, pools, ice halls, playgrounds, fields, sports centres etc.) represent places and locations where sports organizations, clubs and individual athletes distribute i.e. display their sports offer to the spectators, supporters and other members of the sports audience. Some sports organizations possess their own sports facilities, whereas others lease venues for their sports events. Mullin, Hardy and Sutton (2000) determined that sports facilities must have: regulated land around the sports facility; venue design; history and memories; ideology; experience; aesthetics and theme. Sports facilities differ by purpose (type of sports, a single purpose or multi-purpose facility), by architectural form (civil engineering or building construction) and by ownership (private, school-owned, state-owned, public, owned by corporations, shared ownership etc.). Ownership of a sport facility is the key factor in selecting the managing model and manner of its financing. Modern sports facilities are characterised by multifunctional features, the private-public partnership model in construction and operations (e.g. construction of the stadium in France for the European Football Championship 2016), sale of the naming rights (the sports facility image, e.g. Kombank Arena) etc. (Dugalić and Krsteska, 2014).

At a sports facility, there is a wide range of sports services being delivered. The sports services are a part of the offer of the sports-recreational organizations (e.g. fitness clubs) at the sports market. They refer to enabling meeting the needs of the wide sports audience for physical exercise and sports. A particularly important area within the sports marketing is the consumer behaviour (in this case – audience).

The segmentation of sports products per consumer as a method is more frequently used in the sports industry. In addition to the products intended for the consumers, there is also a wide range of business products used in the production of other products or services, in the course of a business process or

intended for further sales in the same or advanced form. Even the consistent sports products intended for personal use or use at home most often include additional activities (supporting programme) such as: 1/ rented services (fitness, recreational services and equipment based on the membership); 2/ services for the products having different owner (designing a sports facility and field, construction, repairing works, maintenance, cleaning of tennis fields, grass surfaces, pools etc.); and 3/ non-goods sports services (agency, marketing, coaching services etc.). For these services, the price is expressed through the lease (rent) and varies within a wide range including: renting of a video cassette featuring fitness program, renting of a sports equipment, gym or a time slot within one of the branches or areas of the recreational sports. For example, sports fields could be rented per hour, ski equipment per day, boats for a weekend or a week, some of the sports tools up to a month, and stadiums for a period of several years. This set of products includes also services based on membership (golf clubs), laundry, ironing, marking/labelling, printing names and logos on the sports uniforms; balls maintenance, boats maintenance; car fuelling and servicing at moto races and many other services related to the various sports branches, level of market development and consumers' awareness, as well as the inventiveness of sports managers. In addition to the material processes, a sports facility necessarily comprises all other non-material processes. Once purchased sports products (services) must have a continuous support from the producers' side (delivery, maintenance...).

Non-material services have achieved the highest growth rate in the sports sector (Farmer, Mulrooney, and Ammon, 1996). They are provided by the sports management through the organization of the following: tennis lessons, summer basketball camps, ski and swimming schools, looking after children in the clubs or fitness centres, organization of sports events (city races, non-professional marathon runs), intellectual services for professional athletes (coaching, medical, physiotherapeutic, managerial) etc. The profit growth trend in the sports industry, as per the same authors, shows that the highest profit rate comes from the intellectual services, construction of golf routes and ski routes, building of stadiums and arenas, publishing and licencing. When it comes to sports facilities, the higher profit rate could be achieved from parking services (30-40%), however it requires great investments (parking floors, underground parking area etc.).

Internet is a very powerful communication medium for sports marketing and its relevance is steadily growing. This power is mainly based on providing content and information about a sports facility; devoted supporters actively searching for information about their favourite club and the related news. Users are mainly young people, and the effect of the Internet communication on sports organizations reflects mainly through the enhanced image of a club, sports brand, team, athletes and sports facilities.

A functional organizational structure of a sports organization in addition to the sports, marketing, financial or a membership function, includes also the function of the sports facilities (organization of sports competitions and the related preparations of the sports facilities, tools and equipment for a sports event and its management).

DISCUSSION

The task of sports managers is to develop the distribution methods deciding which way the sports products will be delivered to the consumers. However, while the basic type of product delivery refers to the consistent products, the delivery of sports products including services, places, ideas and people require that the consumers come to a specific place in order to take part in a (for example) game or be spectators. Thus, when purchasing the annual tickets, such tickets are only valid for the domestic sports events and the prices differ depending on the position of the seats at the stadium, exclusivity, location, competition ranking, time of purchase and the importance of the game. Sports facilities thus become an immovable site where the visitors and other participants gather, and purchasing of the television broadcasting rights enables distributors to bring closed such specific events to the consumers at different places via mass media in various design forms (TV broadcast, CD, video cassette, magazine). With time, other immovable facilities have also become integral parts of the sports offer including hotels, shops selling equipment and souvenirs, attractions, fitness centres, fun and theme parks. Sales of sports products in such a complex way can affect and change other factors in the manner of distribution to consumers.

Development of successful strategies via specific planned processes at the target markets is done by the managers in order to survive and remain successful using the following formula: to offer sports products which will be sold per the price which will be charged at a place where it can be purchased in the manner attractive to consumers. Interdependence between elements and decision-making in a marketing mix exists and is used based on the relation between what the consumer of a sports products wants and the competition offer, improved existing advantages, but also alignment with the legal, ethical and political elements. The consumer of a sports products does not expect to see spoiled idols and sports champions, but to accomplish satisfaction of all needs and wishes within the right product (a comprehensive game, experience) based on the right price purchased at the best location (sports facility). The benefit acquired by the visitor at a sport facility is based on socialising, identification, emotions etc.

At the sports organizations, the sales methods are created for the sports offer, as well as for the related products and services. The goal is to make

the related services available to the sports audience at the right time and at the right place in the right manner. The sports organizations are using direct and indirect distribution channels; direct channels are used when directly communicating with the persons interested in their sports offer through the sales of tickets, direct sponsorship negotiations, sales of TV rights, events broadcasting etc. The same applies to all other cases when the price is agreed directly with the buyer for any level of the sports offer, as well as for the sports-related products and services. However, in view of the numerous factors affecting the selection of the distribution channel including the characteristics and the size of the sports market, character and the type of the sports offer, personal abilities, competition and the professional qualities of an agent, many sports organizations are using indirect distribution channels and agencies to place their offer.

The distribution of the sports offer could be presented in the following simplified manner: the first level of the sports offer related to the hierarchy of values provided to the visitor is the sports experience. Sports events draw and attract fans to buy the tickets for the sports events at the sales points at the organizers' facilities or through the agents. Still, a sports experience is not possible without a sports event as the second level of the sports offer. The sports events attract the media interested to buy the rights from the organizers to present their sports offer in the media outlets. Sports events attract the advertisers i.e. business organizations interested in displaying or advertising their brand names (trademarks, logos, slogans) in the sports arenas. Good sports results as the third level of the sports offer and the expectations of the audience bring more visitors, advertisers, as well as the potential sponsors willing to invest money, i.e. to sponsor a sports event. Continuous excellent sports results over a period of time represent a prerequisite for the strong image of sports organizations, clubs, and individual athletes and sports facilities. Such image could be transferred i.e. sold to the interested companies wishing to increase sales of their products and services. The strong image, huge number of supporters and extensive sports market make the basis for creating a brand name out of the top sports club or individual sports professionals. By the sales of a copyright of a sports facility, the owners and users generate significant income used for the reconstruction and modernization activities. A sports organization and the owner of a sports brand may via a licence agreement and with the adequate compensation, transfer the rights of trademark use to other organizations.

An important factor related to the location is the accessibility of a sports facility as it affects the size of the territory from which the potential visitors come (the power of attraction). This means that the quality of road network and traffic reduces the effort and time i.e. facilitates easier access to the sports arenas. The turnout at a sports event is also dependant on the

club, importance, the specific features and the frequency (or the lack of it) of a sports event, the expected image and attractiveness of the participants, age, income and profession of the visitors. The location of a sports facility is directly related to the parking space available. In regards to the stadiums and sports halls, for each four seats, one parking place should be provided. The adequate parking space can bring significant income to sports organizations. Also, sports organization must establish a plan for the communication with the citizens and organizations living or doing business in the vicinity of a sports facility. The objective of such communicating is resolving the possible issues related to the noise, traffic jam, crowds, fans etc. The location of a sports facility should guarantee security contributing to the higher turnout to a sports event.

The quality and recognizable design of a sports facility is one of the factors attracting visitors to a sports event and it is affecting the visitors' perception through following features: simplicity of access, entrance and exit in view of less queuing and crowding; visibility of the field and players; comfortable seats; security services; location and design of serving points (refreshment beverages, fast food, souvenirs, fan tools etc.); aesthetics (seats colour), stands, field, lights; electronic equipment and display and the hygiene of the sports facility. These elements are directly related to the physical surrounding created through ambience conditions, space/function and signs/symbols. The ambience conditions are achieved by temperature, air quality, music, smells and noise. Sports facilities with their location, surrounding, atmosphere, parking, seats quality, equipment, lights, colours, music, marks, security, catering services, history evoking memories to significant sports successes and wins represent sports shrines or mythical places with the strong image attracting the huge numbers of sports fans (Gašović, 2009).

The questions related to investing into a sports facility differ depending on whether the facility already exists (modernization, strategy towards competition, reconstruction) or it should be built. As their constructions are most often financed from the budget funds, the place and time of the works is most often related to the country or a city candidacy for organizing big sports events (Olympic Games, World and European championships). As the costs of developing a sports facility are significant, the construction project, technical-technological and economic elements are analysed and elaborated. Selected location and the finance construction are very important factors. The key parameters include: the requirements related to the regulation and supply of the facility, expenses, existing and potential sources of funds, availability of space, number of visitors, structure of the ticketing arrangements, level of utilization of business and (air - promotional) space, market research (competition) etc. These activities include a great number of associates: sports

consultants, constructing team, Government representatives, sub-contractors, investors, marketing agencies, media etc.

Unfamiliarity with the distribution strategies and the essence of a sports product (when neglected for a long time) by the management could lead to the state of apathy, stagnation and bad operations of the sports facility. Also, it could seem uncooperative and put off potential business partners who wish to achieve a concrete form of cooperation (sponsors, lessors, suppliers). This justifies the need for introducing the purpose of a sports facility within a sports organization to which this material resource has been given for managing by the society (Dugalić, 2013).

CONCLUSION

A sports product represents a key element of a marketing mix. A sports product defines via which media the promotion mix will be presented. The price of a sports product significantly affects its availability. In case of intangible sports products, the role of a place is given to the sport facility, it being a venue within which the 'entire set' of a sports event is delivered. The importance of distribution as an element of a sports marketing mix refers to the design and location of a sports facility for the distribution of a sports product and the sports-related products and service as an (in)direct manner of sports product delivery.

The image of a sports facility affects the perception of the quality of a sports product. This being positive, it becomes attractive to sponsors, lessees and visitors. This way, it creates its own material value which materializes at the market through the increase of sales, turnout and the image which can be the subject of sales and purchase in the form the sales of the rights of a sports facility for a specific period of time in order to collect the funds for its reconstruction and modernization. It can be concluded that managing sports facilities characteristic for the developed countries which is based on the expert know-how contributes to achieving and maintaining the comparative advantage of sports and society in such a manner that the effects of the capitalization on top sports results become higher and more visible.

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