

So What

Manny got up an hour earlier than usual for a before-school soccer practice. Since it was the week of the big game, he put on his lucky gear—a David Beckham T-shirt and Nike socks. Even though it was dark and cold outside, Manny couldn't suppress his excitement—if his team won this week, they would play in the state tournament at the Superdome! Manny stopped to pick up his friend Ty on the way to practice. Ty was in an even better mood. "Guess what!" he exclaimed. "I got us tickets to the Neon Trees concert next month!" "All right!" Manny replied. "I can't wait!" He flipped on his satellite radio to a sports station so they could catch up on all the baseball and football scores from the night before. When they got to practice, Manny, Ty, and the rest of the team put on their shin guards and cleats. Then their coach emerged, carrying a big cardboard box. "I have a little surprise for you," he said. He opened the box and began pulling out their jerseys. He had paid to have their last names embroidered on the backs! The whole team was really pumped up. "You'll need these to wear in the parade when we win state!" Coach said with a smile.

No doubt, you agree that Manny was having a great morning. Now, can you identify all the sport/event products in the story? There are at least nine! Even if you don't realize it, you come in contact with sport/event products every day, whether you're at home, at school, at work, or in your car. What makes them unique? Let's find out.

Objectives

- A** Describe the unique categories and characteristics of sport/event products.
- B** Explain how the characteristics of sport/event products affect marketing.

What Are Sport/Event Products?

When you hear the term "sport/event product," what comes to your mind? You might think about sporting goods, such as tennis rackets and football cleats. You might think about sport events, such as baseball games or the Olympics. Or, you might think about other types of events, such as concerts or fairs. If you thought about any of these things, you were right on target. Sport/Event products include all these examples and much more. Let's take a look at several different categories of sport/event products.

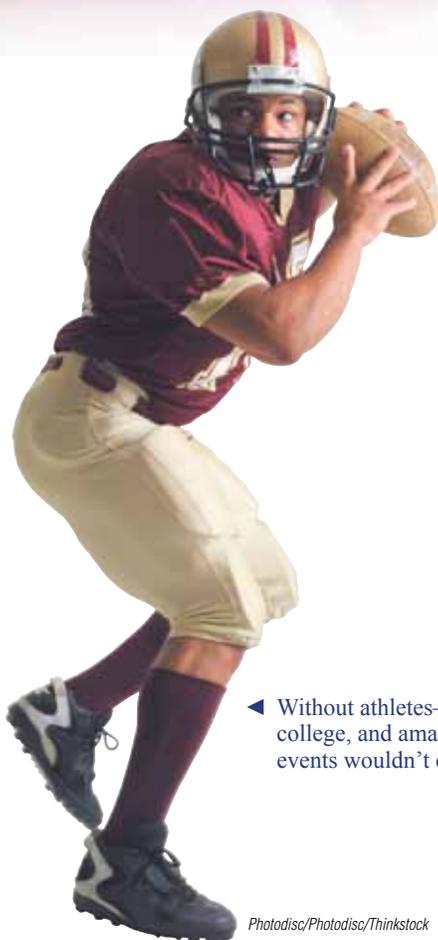


- ▲ Every sport event, including a high-school track meet, is a sport product.

Sport events

Every sport event is a product, whether you're participating in it or just watching it. First, think of all the sports that you can take part in at every level—Little League baseball, high school track, college wrestling, recreational league softball, a local marathon, hiking through Europe—the list is endless. Every time you participate in one of these activities, you are consuming a sport/event product.

Now think about all the sports you like to watch—your nephew's tee-ball games, your high school's football games, college basketball, pro hockey, the X-Games. You probably already know that when you buy tickets and attend one of these competitions, you're consuming a sport/event product. But did you know that you're also doing so even if you're just watching on TV or getting updated scores over the Internet?



◀ Without athletes—professional, college, and amateur—sport events wouldn't exist.

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Athletes

Athletes are essential components of sport events. After all, without them, there would be no competition! Sometimes, athletes are so famous that they become a product themselves. Think of LeBron James, Michael Phelps, Alex Rodriguez, or Serena Williams. When a big-time athlete is involved in an event, it makes the entire product more valuable to consumers.

Venues

Venues are also important parts of the sport/event product. All events take place in some sort of setting, whether it's a middle-school gymnasium or Madison Square Garden. The context has a big impact on consumers' overall perception of the event. Sport fans have a tendency to become powerfully connected to venues, especially when the venue has a colorful history and holds special memories shared by the community. This connection can be seen when old venues are torn down to make way for new ones, and fans are willing to pay huge amounts of money just to own a seat or even a brick from the original building.

Nonsport events

Although sports are America's best-loved pastime, we do attend many events that aren't games or athletic competitions. One of the most popular types of these events is concerts. Whether you are going to hear a local band play in the park or to a sold-out Jay-Z concert at the Barclays Center, you are consuming a sport/event product. Other types of events include plays, movie premieres, festivals, conventions, parades, and charity fund-raisers. Every time you participate in or attend an event like these, you consume a sport/event product.

Sporting goods

This category includes both equipment and apparel, products that are essential to the sport event itself. You can't play lacrosse without the sticks and the nets, right? You'll also need uniforms, pads, gloves, shoes, helmets, and possibly even mouth guards. Even individual leisure-type sports require equipment or apparel. If you want to go for a jog, you must at least have a pair of athletic shoes.

Licensed merchandise

Any product that bears the name or logo of a sport team or league is licensed merchandise. Licensed sport merchandising is a multi-billion-dollar industry. Think NASCAR key chains, Denver Broncos coffee mugs, and March Madness posters. Clothing accounts for a huge portion of this category. Team T-shirts, jackets, and hats are extremely popular licensed items. Licensed merchandise also includes trading cards, video games, novelties such as action figures, and many types of sport memorabilia. And licensing isn't just for sports. You may buy licensed merchandise at nonsport events as well, such as concerts or festivals.

▶ An example of licensed merchandise, *Madden NFL* is one of the best-selling sports-related video games in the country.



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▲ Whenever you work out at the local gym, you consume a sport service.

Sport media

How do you like to keep up with your favorite teams? Do you tune in to ESPN every night without fail? Is the homepage on your computer set to a team web site? Maybe you rush to the mailbox every week to get the latest copy of *Sports Illustrated*. Sport media such as TV shows and networks, web sites, magazines, newspapers, and radio broadcasts are all sport/event products.

Sport services

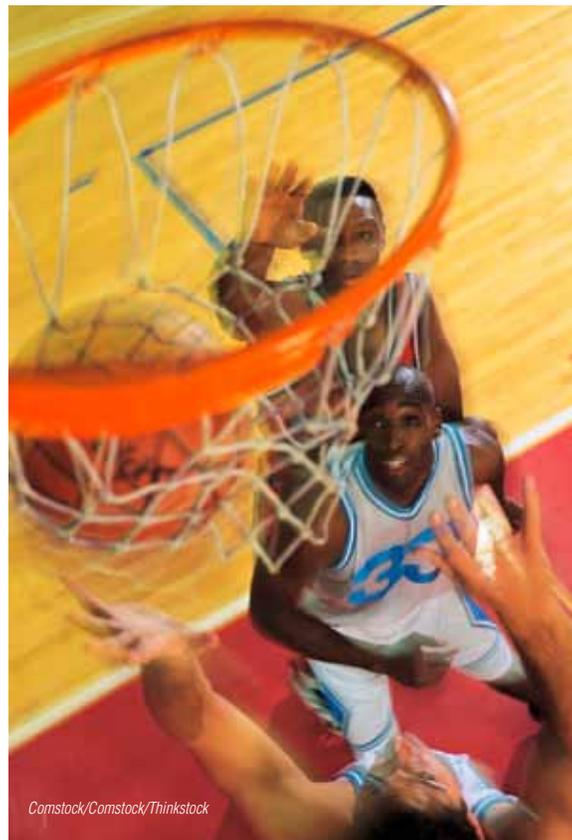
Sport services include products such as lessons, camps, and fitness/recreation centers. When you spend an hour with your golf instructor or attend a weeklong volleyball clinic, you are consuming a sport/event product. You are also doing so when you join a gym to take aerobics, play in a racquetball league, or just work out by yourself.

Two other types of sport services are rented-goods services and owned-goods services. Rented-goods services involve renting a product for a certain period of time. If you've ever rented jet skis for a day on the lake or reserved a city softball complex for your league tournament, you've consumed a rented-goods service. Owned-goods services involve repairing or changing a product that you've already purchased. If you've ever paid to replace the webbing in your catcher's mitt or to get a new paint job on your mountain bike, you've consumed an owned-goods service.

Goods vs. services

Most of the time, we label products as either goods or services. The most basic definition states that goods are tangible, physical products (we can see, feel, or touch them), and services are intangible, nonphysical products (we have to "experience" them). For instance, a basketball is a good because you can hold it in your hands, but a basketball game is a service because you experience it. There are several more ways to distinguish between these two general types of products.

The first way to differentiate between goods and services is to look at **consistency**. With goods, you can expect to receive the same quality from your purchases time and time again. For example, if you love the comfort of Adidas sweatshirts, you can usually assume that any time you buy an Adidas sweatshirt, it will be comfortable. If it isn't, it's probably because of some sort of manufacturing defect, and you can exchange it for another one. But services are different. With services, consistency is harder to guarantee over a period of time. A team could win the league championship one season, only to miss the play-offs completely the next. You can probably think of many times this has happened to the teams you follow. The same can be true for events such as charity fund-raisers. The event may have a great turnout one time and a disappointing one the next. Customer service can be inconsistent as well. You might buy a ballpark hot dog from a friendly, helpful concession worker at one game but receive rude service at the next game.



▲ Basketballs, basketball hoops, and even basketball gymnasiums are tangible goods, while basketball games are services.

Another way to differentiate between goods and services is a concept known as perishability. **Perishability** refers to a product's ability to be stored. Goods can be stored. While a wholesaler or retailer is waiting to sell its supply of soccer balls, it can keep the soccer balls for only the cost of storage, also known as inventory cost. The soccer balls won't "go bad" if they're kept on the shelf for a while. But this is not the case with services. Services cannot be stored. If a fitness center offers Pilates classes, but no one attends them, the service is lost forever. It can't be replaced or sold at a later time. Another example of service products with a high degree of perishability is event tickets. The baseball game between the St. Louis Cardinals and the Milwaukee Brewers this Saturday night will only happen once. Any tickets that aren't sold will never be sold. Whatever money the teams could have made from the tickets will be permanently unobtainable after Saturday night.

You can also distinguish between goods and services by looking at the degree of **separability**. In other words, how easy is it to separate the product from the person or business providing the product? With goods, it's relatively easy. Let's say you are looking for a very specific trading card to add to your collection. You might find it in an upscale sport memorabilia store, or you might find it at an online auction being sold by a guy named Bob in Alabama. As long as you get the card, you don't really care where it comes from. You're able to separate the good from the provider. But this type of separation is more difficult to make when it comes to services. If you're watching a team play horrible defense or listening to a band that has a bad sound system, it's hard to separate the product from the people who are performing.



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▲ It's often difficult to separate the game from the athletes when the team is playing poorly.

Crossing the boundaries

One of the most important things to remember about sport/event products is that they can rarely be treated as either pure goods or pure services. Most sport/event products have a multifaceted nature that combines elements of both types of products. For example, if you join a health club, you are receiving a sport service. But combined with that service are many opportunities to consume goods. The health club offers drinks from the juice bar, high-protein snacks, and a pro shop full of workout clothes, shoes, and equipment. Now think about buying a sporting good, such as a set of golf clubs. The clubs are a pure good, but you receive customer service during the process of purchasing them. A salesperson will talk to you about the clubs, point out their special features, and answer any questions you may have about them. In some cases, the customer service associated with purchasing a pure good makes a big difference, either positively or negatively.

THE GRAY ZONE

Christina and her friends attended their favorite musical artist's concert last night. It was a disaster! The venue was hot and stuffy, the sound system wasn't working correctly, and the artist walked off the stage after only 40 minutes. Christina asked the venue's ticket manager for a refund, but he denied her request, saying that the concert experience is inconsistent and perishable, and it wasn't the venue's fault that she didn't enjoy it. The venue might not be legally obligated to give refunds to Christina and her friends, but is the manager's decision ethical? What do you think?

Product characteristics

Every sport/event product has several defining characteristics. These characteristics, or attributes, work in concert with each other to make the product unique. Let's take a quick look at two important product characteristics—branding and quality.

• Branding

A product's brand is the overall impression consumers get from its unique name, design, or symbol. Marketers use branding to make their product stand out from the competition. One way they do so is by carefully choosing the product's name. Sport/Event marketers want to give their products names that are positive, memorable, and consistent with the product's desired image.

Another way marketers brand their products is through the use of logos and trademarks. These distinguishing symbols are meant to be instantly recognizable by consumers. For example, if you see the simple blue star logo of the Dallas Cowboys, you will know what it is even if the words "Dallas Cowboys" aren't printed beside it. Over time, sport/event marketers attempt to turn this type of brand awareness into brand image. Brand image is the product's "personality." Nike is a great example of brand image. Through the years, Nike has positioned itself in consumers' minds as a brand that symbolizes both athleticism and personal empowerment. Marketers want to give their products a personality that reaches their target audience and gains their products a loyal, long-lasting consumer following. In sport/event marketing, brand loyalty is an extremely powerful tool. Research indicates that our loyalty to specific sport teams is greater than our loyalty to any other products we consume.

• Quality

Both goods and services can be evaluated for quality. Each type of product displays different dimensions of quality. In goods, consumers look for quality in areas such as:

- Performance—how well does this product do what it's supposed to do?
- Serviceability—will this product be easy to fix if something goes wrong?
- Features—what are the additional benefits of this product?
- Durability—how long will this product last?
- Reliability—will this product perform consistently?
- Design—do I like the way this product looks and feels?

In services, consumers look for quality in:

- Reliability—can I depend on the service provider?
- Tangibles—how do the venue, equipment, and personnel look?
- Assurance—are the employees courteous and trustworthy?
- Responsiveness—are the employees helpful and prompt?
- Empathy—how much individual attention will I receive from the service provider?



- ▲ When shopping for sporting goods such as a bicycle, you should evaluate the quality of the products—including performance, serviceability, features, durability, reliability, and design.

Summary

There are a wide range of sport/event products, including sport events, athletes, nonsport events, venues, sporting goods, licensed merchandise, sport media, and sport services. Some ways to categorize sport/event products as either goods or services is to look at their degrees of consistency, perishability, and separability. It's important to remember that sport/event products are rarely either pure goods or pure services, but combinations of both types of products. Sport/Event products have many important characteristics, including branding and quality.



1. List at least five different categories of sport/event products.
2. Explain the most basic way to distinguish a good from a service.
3. Explain how to distinguish a good from a service by looking at consistency.
4. Explain how to distinguish a good from a service by looking at perishability.
5. Explain how to distinguish a good from a service by looking at separability.
6. How can a sport/event product have characteristics of both goods and services?
7. List and explain two important product characteristics of sport/event products.

Marketing Sport/Event Products

The unique characteristics of sport/event products make marketers' jobs unique, as well. In many cases, sport/event products cannot be marketed the same way as other products. Let's look at some reasons why.

Consistency

As you learned earlier, it is hard to guarantee the consistency of many sport/event products. Let's say you are working for a minor league baseball team. Your team is usually in about the middle of the pack as far as the league standings. You have several good players but no superstars. You will probably make the play-offs, but aren't expected to go very far. On any given night, your team could win by eight runs or lose by eight runs. Your job is to market the team, but you can't rely on the team's performance as the foundation of your marketing strategy.

When sport/event marketers find themselves in this situation, as they often do, they concentrate on marketing the product elements that they *can* control. To a certain extent, marketers can control prices. Prices for tickets, concessions, and souvenirs must at least be high enough to cover costs and meet organizational objectives; but if prices are kept as low as possible, marketers can "sell" their team as a good buy for the entertainment value of attending a game. Special ticket offers such as coupons and group discounts help marketers offer lower prices to consumers.

More Than a Ticket

Marketers can also control the atmosphere in which fans consume their product, both tangibly and intangibly. Even if the team isn't playing very well, fans can still enjoy visiting a venue with a fresh new design, the latest and greatest jumbo scoreboard, a view of the downtown skyline, and comfortable seats. These are all tangible product elements that marketers can use as selling points. Marketers can also create an intangible atmosphere of excitement and fun to attract fans to the games. They can offer special giveaways, organize "theme" nights, and put on elaborate pregame and half-time shows. All of these product elements can keep consumers entertained and happy even if the team is performing poorly.

Separability

Another unique characteristic of sport/event products that changes a marketer's job is the close link between the product and the provider. For instance, say you went to see your favorite singer in concert. The show was fabulous, and s/he sang all of your favorite hits. But when you tell your friends about the evening, you find yourself describing a bad experience. How can this be? When you start thinking about it, you remember that when you went to the will-call booth to pick up your tickets, they had been misplaced, and the ticket-booth worker wasn't very helpful in finding them. After waiting for about 15 minutes, you finally got your tickets and went in to buy a snack before the show started.



- ▲ It's amazing how much an unhelpful ticket-booth worker, a stale snack, or a crammed auditorium can impact your concert experience.

You couldn't believe how expensive the concessions were—you paid almost \$10 for a small Coke and a pretzel! Not only that, but when you bit into the pretzel, it tasted stale. You were excited about your third-row seats, but when you sat down, they were much further away from the stage than you had anticipated. You also didn't realize how close you would be to the people sitting on either side of you. You were jammed in like sardines! After remembering all these parts of your evening, you realize why you didn't enjoy yourself that much, even though the concert itself was great.

Sport/Event marketers realize that there are many more elements involved in the sport/event product than just the event itself. Consumers combine all those elements in their minds when making a judgment about the product. Marketers know that they must offer a high level of quality across the board if they want to win over consumers.

Perishability

You already know that many sport/event products have a high degree of perishability. If they're not consumed immediately, they will be gone forever. To

combat the potential losses they face, sport/event marketers sometimes employ a strategy known as smoothing. Smoothing is simply offering consumers a discount for purchasing products that otherwise would go to waste. Perhaps your town has a big gym full of basketball courts that the gym owners rent out to different teams and leagues for practice and tournaments. On the weekends, the place is packed, but on weekday mornings, it's usually pretty empty. The gym owners offer court rentals for half-price during those times, hoping to draw in workers who take an early lunch and want to exercise and college students who don't have morning classes. They won't be making the usual amount from the court rentals, but at least they will be recovering a portion of their losses. In some cases, sport/event marketers can even use a smoothing strategy for goods. Think of seasonal sales, such as discounts on ice skates at the end of winter or discounts on swimwear at the end of summer.

Summary

The unique characteristics of sport/event products make marketers' jobs interesting. Since the outcome of sports/events cannot be controlled, marketers focus on the elements of the product they can control, such as prices and promotions. Marketers also focus on all the "extras" surrounding the main event, such as ticket taking, concessions, and accommodations, because they know that consumers combine those elements in their minds. Because many sport/event products have a high degree of perishability, sport/event marketers sometimes use a smoothing strategy to offset losses they may encounter.



1. How does consistency affect the marketing of a sport/event product?
2. How does separability affect the marketing of a sport/event product?
3. How does perishability affect the marketing of a sport/event product?

Make It Pay!

How do the goods or services produced at your place of employment compare to sport/event products? Describe them in terms of consistency, separability, and perishability. Are they easier or harder to market than sport/event products?