

Sports Marketing: The Impact of Technologies within the World of Sports

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Abstract

Sports are always changing right before our eyes. There are more rules added to make sports safer for the athletes, and more people are watching sports than they did in the past. One thing is certain: Social media has played, or is playing a role in, influencing these changes and impacting how sports teams (collegiate and professional) are now conducting their market outreach. By complimenting technologies such as customer relationship management (CRM) systems, social media can help sports teams reach a number of prospective fans. This is changing the way sports are being marketed. Many social media sites are taking over sports advertising and even broadcasting some sporting events. All of this is influencing the way people gather at a stadium or an arena to watch their favorite team in person. This paper looks at these trends and their impact on sports marketing.

Technology

As technology advances, many people wonder how their teams advertised in the past. In an interview with a person in the sports marketing field, teams have put ads in the newspapers, displayed teams and schedules on billboards, broadcast over radio, and used television ads at prime times. Another form that is still used today, but wasn't as widely noticed in the past, was the use of the athletes to advertise for the teams. As an example, "In 1957 when Jackie Robinson first integrated baseball, sports became a symbol of changing social times in the United States. While Robinson was still segregated in hotels, restaurants, and even some clubhouses, his breakthrough set an important precedent for other sports later" (Weikel, 1998). As you can see with sports nowadays, athletes are global icons when it comes to their own personal brand. Just like Jackie Robinson set the stage, many athletes are still seen doing advertisements and many people across the world know who they are. Some names in sports that are known across the world, that have done advertising, are: Roger Federer, LeBron James, Tom Brady, and Cristiano Ronaldo.

As television became more of a common household item, fans were able to watch their favorite teams or athletes on television. While radio continues to play a role in broadcasting sporting events, the visual aspect of TV has become very important for sports marketing. With radio and television advertising, marketers could make their messages more specific and cater to a larger audience. People could see their sports hero and even emulate not only their great athletic feats, but their styles in clothing and sports equipment use as well.

According to Nielsen (2016), more and more sports programs are being shown on television.

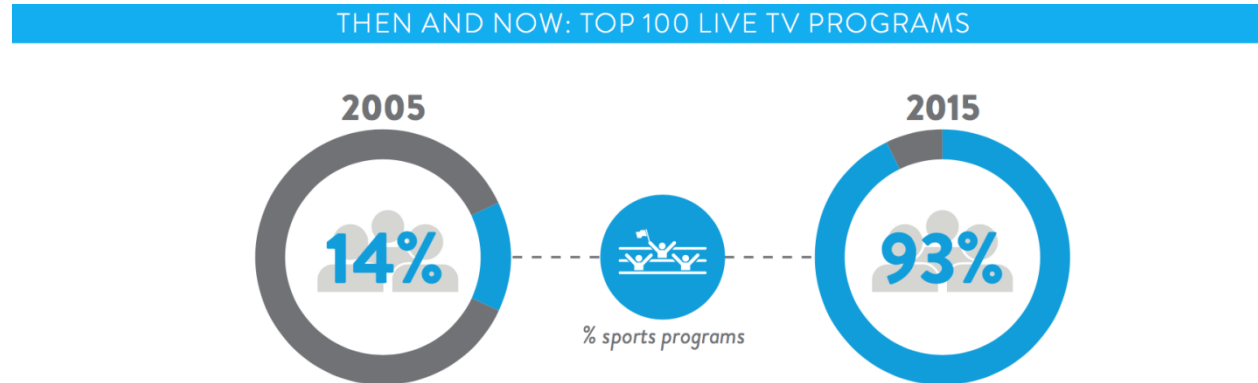


Figure 1: (Nielsen, 2016)

Because of this, many people can see their favorite team play and find new sports and new teams to watch. As you can see from the graphic above, in 2005, 14% of the top 100 live television programs were related to sports. With more and more sports becoming known throughout the world, 93% of live programs today are related to sports world wide. (Nielsen, 2016)

Problem with this Technology

One of the main problems, when it comes to people enjoying the games in person, is the use of smart phones. Smart phones can connect someone to the internet and, with that, they can get live updates and also watch the game. The graph below shows how many people have smart phones (in billions) and the upward trend that is happening in the market. With this trend, many companies are now having to be on social media to be able to reach fans and people globally.

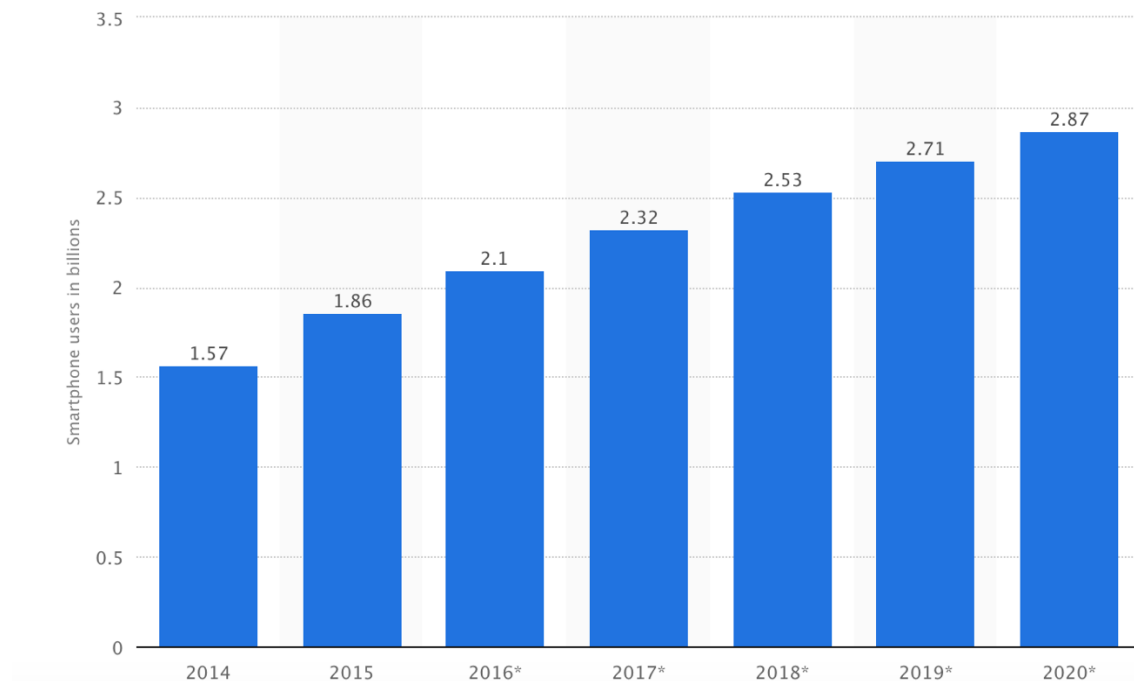


Figure 2: (Statista, n.d.)

As more and more people watch sports live, and with smart phones and video broadcasting of sports spreading to these devices, sports watching has become somewhat addictive. “A 2012 GMR Marketing study said 70 percent of sports fans who use social media check their devices during a meal, 58 percent do it in the bathroom, 33 percent in meetings and 9 percent in church” (Jackson, 2015). This trend is quite alarming for sports facilities as more and more people are starting to stay home instead of going to the games and, at the same time, not paying attention to things like family time. Because of this, ticket sales have become sensitive to increased mobile phone use, and most of the advertising has to come through social media channels to increase attendance to these events.

How to Address This Problem

In today's world, many sports teams are starting to utilize customer relationship management (CRM) systems to help their daily marketing operations and connect with fans. "CRM has become a terrific gateway... It is the core function of most business analytics departments. And because its greatest strength is its ability to consolidate information, it naturally becomes the gateway to learning related business skills, such as database management & integration, business intelligence software, email marketing, consumer profiling and customer segmentation" (Zeppenfeld, 2014). When consulting a marketing expert in a professional sporting industry, all sports teams today use CRMs and many of these teams hire people who can work with these systems to support consumer marketing.

Today CRMs like Salesforce.com are able to integrate with social media given the number of people in the world who have smart phones, and many companies are using technologies like crowdsourcing. According to Merriam Webster (n.d.), crowdsourcing is defined as "the practice of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from the online community rather than from traditional employees or suppliers". According to "a 2014 study by Perform Sports Media [...]" 26 percent of U.S. fans use social-media platforms to follow their favorite sport, up from 15 percent in 2011 (Jackson, 2015). This has led many in the sporting industry to test this market. "One-third said they use Twitter... to follow sports, trailing Facebook (89 percent) and YouTube (65 percent)" (Jackson, 2015). Using CRM recommendations on the number of "clicks" related to teams on social media, email blasts are sent out. "The "recommendations" section of Fanatics' emails has become the second-largest contributor of engagement... generating between 15 to 20% of overall clickthroughs" (Salesforce, 2016).

Despite the benefits of having access to fans from across the world, many CRM implementations in the past (including those at sports clubs) have experienced technical glitches and high costs in the past.

“Today’s CRM technologies and integration tools allow for quicker and smoother technology implementations, which enables clubs to see quicker results, e.g. in terms of ticket and/or merchandise sales. In addition, more and more technical partners and consultancy companies have developed sports specific CRM knowledge, something which was rare just a few years ago.” (Gotsch, 2013).

Social Media

Social media usage has been gaining traction throughout the world, and it doesn't look like it will be stopping anytime soon.



Figure 3: (Chaffey, 2016)

As internet access becomes more prevalent worldwide, social media has become important for sports teams. If you have fans in a different country, they can live stream games on social media platforms. One of the main platforms is Yahoo! Sports. Since people are not always around a television or have an application on their phone with their cable provider, it's much easier to watch a game on a sports website or even on a social media application. "Yahoo's first-ever live stream of an NFL game yielded big numbers: 15.2 million unique viewers, 33.6 million video streams, and over 460 million total minutes of video consumed" (Boorstin, 2015).

These numbers were recorded for the game played in London, and didn't include digital viewing in China, the TV audience from over-the-air stations in the local Buffalo and Jacksonville markets, or the London/U.K. markets. Perhaps the most important statistic for the promise of sports marketing is when live streaming the games on the internet, 33 percent of the audience, about 5 million viewers were overseas (Boorstin, 2015). With the success, many other platforms have started to come on to broadcast sports. Today, Facebook and Twitter have decided to live stream sports on their platforms.

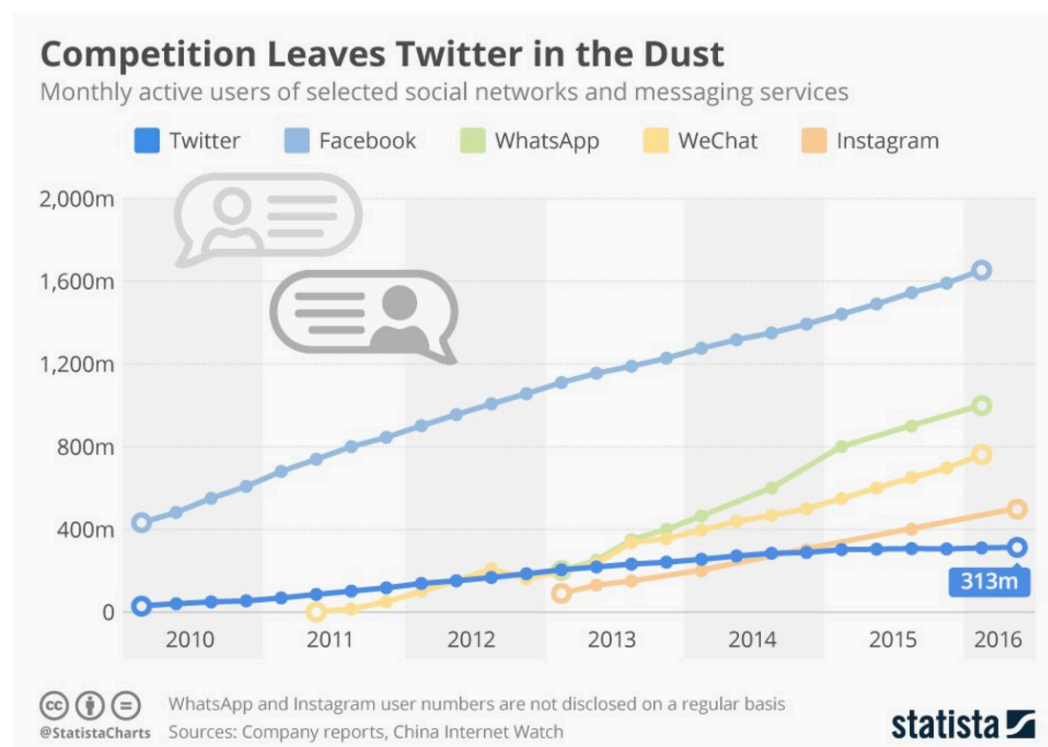


Figure 4: (Chaffey, 2016)

As this chart shows, Facebook is still growing at a steady rate and many sports teams are still using this platform to connect with fans from around the world. These platforms, I learned when consulting with a marketing expert, allow you to pay for a search on the teams' promotions within a certain mile radius. This will lead to a much larger return on investment for the team. In

fact, as the usage of mobile devices increased 53% of paid-search clicks and 69% of searches are attributed to mobile devices (Powertraffick, 2017).

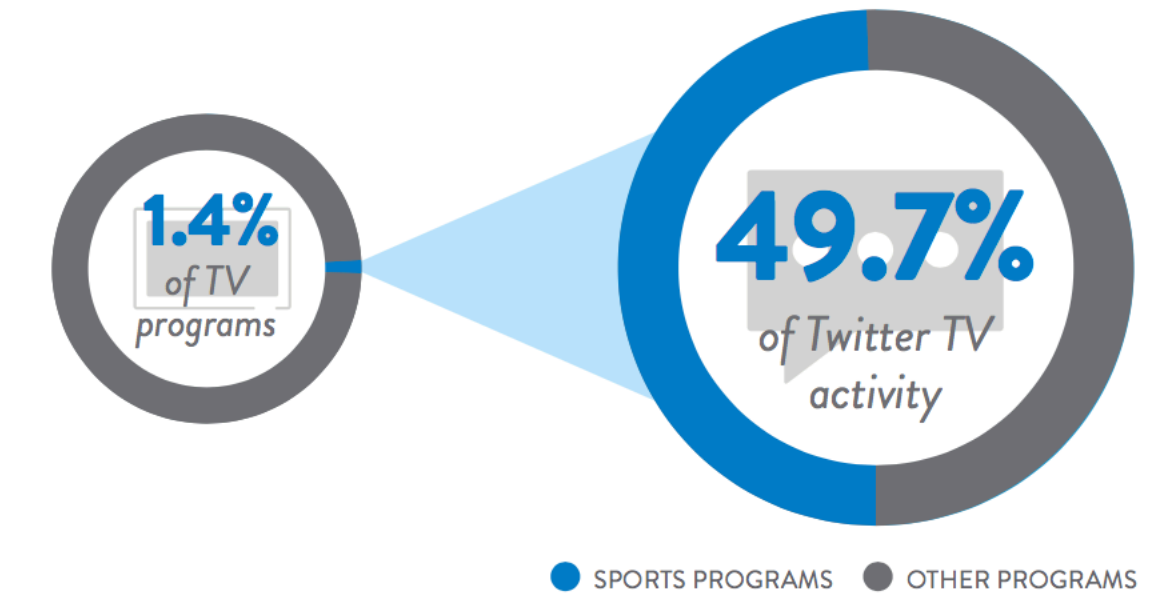


Figure 5: (Nielsen, 2016)

Today, sports are only 1.4% of all television programs, but they garner 49.7% of all twitter activity. Using twitter is the quickest way to garner the attention of the millennials. This is easily relatable because you gather many responses in a span of seconds, by viewing a live feed of “tweets” going across many people who follow. Businesses are using this to stay connected with customers looking for products, and they can also view what the competitors are saying about the product as well.

“Social media also can be used to deepen the company-consumer relationship. This can be done by increasing what Vemuri (2010) called ‘the stickiness of the brand,’ whereby consumers instantly recall, prefer, and patronize a brand. Additionally, it is important for companies to foster innovation. According to Vemuri, social media channels are a market researcher’s dream come true, as users provide critiques, new ideas, and suggestions for

improving products” (Alameddine 2013). This is very important for sports marketing. Even though the product being delivered is entertainment, users can provide input on what they are looking for, in terms of future events, and what kind of promotional items will bring them to a sporting event (i.e. bobbleheads).

Like professional sports, many college teams are starting to get more involved with social media and how it helps them with their marketing. “The majority of organizations have been utilizing both Facebook (93.3 %) and Twitter (99.3 %) respectively for at least 3 years (Table 2), while respondents reported they dedicated at least 6 h or less per week to updating/using Facebook (67.8 %) and Twitter (66.9 %) for organization marketing purposes (Table 3). It was interesting to note that 23.1 % of athletic departments surveyed had a full-time staff member who was in charge of monitoring social media and 7.3 % said that their department was planning on hiring a full-time staff member to monitor social media. However, 54.1 % of respondents stated that their department planned on shifting a current staff member’s responsibility to monitor social media. Organizations planned on increasing their usage of Facebook (89.9 %) and Twitter (91.2 %) respectively for marketing purposes” (Dixon, 2015).

In this study, they also carried on a table as well comparing the Amount of time using social media sites (Facebook and Twitter) and the Hours dedicated per week to Facebook and Twitter.

Table 2 Amount of time using social media sites

	<6 months	6–12 months	1 to 3 years	3 to 5 years	>5 years
Facebook	0.0 %	3.3 %	52.7 %	37.3 %	6.7 %
Twitter	0.7 %	14 %	69.2 %	15.4 %	0.7 %

Table 3 Hours dedicated per week

	<3 h	3–6 h	6–9 h	>9 h
Facebook	29.5 %	38.3 %	19.5 %	12.8 %
Twitter	27.5 %	39.4 %	19.7 %	13.4 %

Figure 6&7: (Dixon, 2015)

As you can see here, Twitter has most of the hours dedicated per week as well as the amount of time using the social media site. They also conducted a study on the importance between these two types of social media platforms.

Table 4 Importance social media

Purpose	Not at all important	Slightly important	Moderately important	Very important	Extremely important	<i>M (SD)</i>
Facebook						
Raising awareness	0.0 %	0.7 %	11.3 %	50.0 %	38.0 %	4.25(0.677)
Marketing	0.0 %	0.7 %	8.7 %	38.0 %	52.7 %	4.43(0.679)
Twitter						
Raising awareness	0.7 %	3.5 %	17.5 %	35.7 %	42.7 %	4.16 (0.885)
Marketing	1.4 %	2.8 %	18.2 %	45.5 %	32.2 %	4.04 (0.863)

*Based on 1–5 Scale, with 1-Not at all important & 5-Extremely Important

Figure 8: (Dixon, 2015)

This table shows that for all of the participants of the survey, there are two main focus areas: Raising awareness and marketing as a whole. Out of the two platforms that were surveyed, Facebook was extremely important when it comes to marketing, but when it happened to look at raising awareness of the perspective school's athletics, twitter came out on top. This could be due to the usage of millennials on this marketing platform, rather than older people on it.

This makes sense as, because when I talked to a marketing expert, he was quite knowledgeable on the topic of marketing when it came to college athletics. The expert stated that it was hard to keep up with what college kids like and don't like and, as the goal of a college athletic department is to be able to bring in their own university/college students rather than the general public, this poses a unique challenge. This is the goal because the students interact with the game, which makes it makes it harder for opposing teams to come in and win the game due to the constant noise.

Why use it?

The most common form of interaction is team to fan communication on social media. As I have previously stated, this is important because the team can communicate with the fans regarding updates, player appearances, new additions, and many other talking points. "On a broader strategy scale, teams also use social media to create a unique authentic voice on behalf of the team, create a dialogue among users, and drive online engagement" (Ahmad, 2012). According to a study done by Tariq Ahmad, he interviewed social media directors from seven NBA teams from different size markets: Medium Market (MM), Large Market (LM), and Small Market (SM). This is what four of them said for the reasons of using social media:

"It was to connect with the fans and provide an additional touchpoint. We realized by creating that (engagement), we would actually have control of that (social media) environment (MM2).

We want to keep our fans engaged as much as possible. Sports fans are passionate about their team and anything "extra" we can give them is always a success. We want to enhance their experience with the team and the brand the best we can (SM3).

Rather than a different type of company that has customers, we have fans, and fans are perfect for social media, a perfect way to communicate with them. Our strategies have changed over the years, but as far as getting into it, we didn't realize the full scope of what it was going to become, but we knew this was going to be a very useful tool beyond the traditional ways of communicating with our fans (LM1).

Well I think on a very basic level, I use it to stay connected to friends and family, and similarly, our organization's motives, were originally, as they still are, to stay connected with our fans, who we consider our friends and our family (SM1)" (Ahmad, 2012).

With these answers, the reason is clear on why they are on social media: to communicate and interact with their fans. By keeping the fans more involved, they're not only able to know what the fans are thinking, but also have ways to adapt to changes based on the teams performances as well.

Implementation

Across all of the social media aspects for all companies, there has to be some sort of plan to make sure everyone in the organization is okay with what is being shared on social media and what is being said by the people in charge of the social media accounts. When it comes to who is involved in the plans for social media, according to Tariq Ahmad, "For most teams, a small number of people were generally involved in social media plan development. Some social media directors worked with their immediate staff members, while others worked with higher-level organization members" (Ahmad 2012).

Within the NBA, there were also problems when it came from other departments, as well as upper management, when it came to social media. When Ahmad asked the social media

directors about this problem, this is the answers he received:

“Yeah I would say we ran into a few. Number one, the league (NBA) had a lot of restrictions in place for teams, as far as what we could do, what we couldn’t do, as far as our marketing messages, because social media reaches far beyond the 75- mile radius that the NBA has set up, so I don’t think since they got a grip on it for a few years, they didn’t want teams going out there and letting things get out of control because they would lose their grasp on it, so that was one thing, and it prevented us from being able to monetize in ways that we’d like (MM2).

Yes, decision makers are the last to grasp what social is and can be. They hear the buzzwords and often just want something to be done for the sake of doing it. It’s not always best to be first to do something, but rather be the best at doing it (SM3).

We had some resistance from PR at first. They were concerned about how it would make the team look. They didn’t want the team to look bad. When we started using it more and more, PR was ok with it, seeing that it was a positive thing. Our CMO, GM, and Coach, however, were always supportive of social media (LM2).

Oh, yeah you do all the time. When we launched (fan-to-fan social media site) it was totally new for sports teams, in fact, it was totally new for brands to do this. I was able to point to that to upper management and the league both, because the league has final say on whether you do something or not, and had to convince a lot of people that this was going to be a good thing (SM2)” (Ahmad, 2012) .

This is also seen on the college level as well. When consulting a marketing expert in the college

athletics industry they told me that, no matter what, all athletic posts must be approved from all departments that are involved with final approval coming from the Athletic Director. If all departments were not on-board with what was being said, this could have caused a problem. If all departments, as well as upper management, were not on the same page, or the information that was being shared across social media platforms was incorrect, there could end up being problems with the post.

To make sure that their social media strategies are working, most teams and departments will use some sort of analytics or metrics to evaluate the current plan that was implemented. According to Ahmad, they also do it off engagement:

“We evaluate our numbers on our engagement with fans. Figure out if we were on pace for what we thought we would do (MM2).

We’re constantly monitoring everything, all the data we can collect, all the feedback we’re getting, all the engagement we’re getting. Games are a good indication of that because we can see in real-time who’s reacting and who’s liking and who’s commenting and who’s joining our hashtag, all that (LM2).

We’re evaluating and tracking by the very basic things that are measurable; engagement impressions, pageviews, all that kind of stuff, time spent, etc (SM1)” (Ahmad, 2012).

When it comes to evaluation of the implemented social media plans along with engagement, they also have to make sure everything is working according to the plan at hand.

Many different teams have different ways in how they go about checking their progress on strategies they have implemented. This can be done on a continual or a scheduled basis.

“Continual. Some directors stated evaluation happens on a consistent basis, without assigning a timeframe to it:

As needed (LM2). It’s on a continual basis (LM1).

We evaluate by everything that we do, so by the second or by the day, all the time (SM1).

Scheduled. Other directors stated they have a schedule as to when evaluation of social media strategies occur:

On a monthly basis (MM2).

Weekly, monthly and yearly (SM3).

I do it on a daily basis (MM1).

On a weekly basis, we’ll look at it and say like ‘oh, did that drive traffic?’ We’ll go and look at it. For evaluation, it’s pretty much as-is, when it comes up (SM2)”(Ahmad, 2012).

When it comes to fans and people that interact with a team, it is important that they utilize their “voice”. This is to be said, because when they see a post that they like, they are more likely to share it with their friends. Sports teams can then leverage this to their advantage and are able to spread more of their advertisements will, in return, be able to possibly gain more fans as well.

When consulting a marketing expert in the professional sporting industry, they told me that if the fans aren’t engaged and you try to play it off like you are a championship team, this could end up hurting your team in ticket sales in the long wrong. If the fans of the professional team see this on their team’s social medias account, they could end up sharing this with their friends and, in

return, could be seen as “bad-mouthing” the team. This would mean that they are very unsatisfied with the team and could stop attending games because of this.

What does the Future Hold?

The future of sports marketing is a relatively unknown phenomenon, but there are some ideas at what is going to happen in the near future.

“Cracking the code boils down to innovative technology and immersive experiences — both during the game and 365 days a year — to foster deeper engagement with fans at an unprecedented level.

In essence, ‘there’s an opportunity to take [fan engagement] to a place people never imagined it could be,’ said Peter Judd [...]. And perhaps that opportunity begins in the most obvious place: the stadium” (Clio,2016)

A prime example of a sports marketing dream space is the San Francisco 49ers Levi’s Stadium.

“From moment one, that stadium was designed to be very much a place of engagement with current fans and people who might not be fans yet but could be converted through the experience,”” said Judd. “It’s trying to turn ‘fan lite’ into true rabid fans”” (Clio, 2016).

That is why many people are trying to show off what their stadiums are offering and making it more engaged than it has been in the years past. When I talked to a marketing expert in the professional industry, all these events are made to show off the stadium and, in return, people will come back to experience the stadium and its amenities in the near future.

NASCAR is starting to implement a newer technology for its marketing as well. “‘There’s nothing quite like the experience of being at a NASCAR race, and we are excited that the possibilities with virtual reality can help us re-create those feelings and emotions for our fans.’ – Jill Gregory, Senior Vice President, Marketing and Industry Services, NASCAR” (Clio, 2016). Virtual reality is a relatively new technology that has come out within the past five years. This involves someone putting on a headset and with that, they will have an image on the screen that will give you a 360 degree view like you are actually there.

Another thing that is happening within sports marketing, which is making fans more aware and closer to the game, is player tracking. Player tracking allows fans to be more engaged with data that is being used by teams and, in return, these fans are now able to see how their favorite athletes and teams are really performing during game time.

“‘We’re at a moment where gains in athletic performance and technology are propelling the evolution of sports across the board, on all levels. This is happening in wearable technology where we’ve never known so much about athletes. This is great for a brand like Gatorade because we can then provide sports fueling solutions that can help all aspects of the game. Then you have all of the in-game data, analysis and viewing enhancements from the strike zone in baseball, to speed, catching radius and agility in football. We have the tools to reach fans, answer their questions on how an athlete performs, and bring them that much closer to the game.’ – Jeff Kearney, Senior Director, Head of Sports Marketing at Gatorade” (Clio, 2016).

With the world becoming more interacted daily, many teams are starting to have to think globally instead of just the United States.

“‘We talked about how to go more global. Before, from a technology standpoint you marketed only to people within 40 or 50 miles of your arena. Now, I’m not only thinking about people in Northeast Ohio; I’m thinking about people in China. Before, that wasn’t even a mindset—it wasn’t efficient or practical to get to those people’ – Brad Sims, Senior Vice President and Chief Revenue Officer, Cleveland Cavaliers

‘Social media has made an opportunity to extend the sports partnership farther. We always used to say that the States was five years ahead of Europe, and Europe was five years ahead of Asia in terms of developing sponsorships. But that gap has closed. The pieces of work we’re seeing now from European brands, essentially global brands, are more or less on par with what’s happening in the States.’ – Jamie Graham, CEO, Team Marketing” (Clio, 2016).

Social media is starting become a medium for sports teams and other businesses to communicate with fans around the world. With this, many new teams have been tasked to be able to use a global marketing strategy as well as a local one to continue to grow their current fan base.

Conclusion

Sports marketing is a relatively new field and, just like with Marketing as a generic term, it is constantly evolving to an ever changing demographic of fans. There have been new technologies added to the field and it has become more of a global scheme instead of just a local one. As social media has continued to rise across the world, many people are starting to look at their smart phones to be able to keep updated on games that their favorite teams are participating in.

In order to combat this, many teams have had to develop strategies in order to get the most amount of communications between fans. This has led them to try to implement ways to try to increase ticket sales as well as trying to keep the teams' reputation as well even if they are doing poorly. In order to make things more interesting, many other teams and professional leagues are starting to look more towards the future when it comes to their marketing and with this, utilize more of social media to connect fans than ever before.

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