Abstract

The business sector has long recognized the contribution of marketing planning in the financial success. The sport sector has begun to recognize the usefulness of strategic marketing planning as well. Many sport researchers have argued that without the improvement of strategic marketing planning activities, sport will not survive to the competitive environment of the entertainment industry. The purposes of this study are to: (a) examine the strategic marketing planning process, and (b) propose a strategic marketing planning process for the sport sector and analyze its various elements. If the sport managers follow the proposed strategic marketing planning process, they will be able to handle the complicated sport business environment and deliver high economic benefits.

Key Words: marketing, marketing planning, strategic marketing planning, sport marketing planning, sport business.
As the business environment becomes even more complicated and the needs of customers become increasingly sophisticated, there is a need for organizations and business companies to consider carefully the way they examine and carry out strategic marketing planning. Marketing planning, as Mandell and Rosenberg (1981) describe, is the «Managerial Marketing Process» which explores what marketing actually does - the actual process by which marketing operates. McDonald (1989, 1992, 1995, 1999 and 2002) stated that marketing planning is:

«a systematic way of identifying a range of options, to choose one or more of them, then to schedule and cost out what has be done to achieve the objectives. This process can be defined as marketing planning, which is the planned application of marketing resources to achieve marketing objectives... Marketing planning, then, is simply the logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them» (McDonald, 1989).

Much of the planning literature currently being published acknowledges the necessity of marketing planning in the business and non profit sector. McDonald (1984) stated that «marketing planning lies at the heart of a company’s revenue earning activities» and furthermore that «the overall purpose of marketing planning and its principal focus, is the identification and the creation of organizations’ competitive advantage». Leeflang and De Mortanges (1996) stated that marketing planning can help managers to better understand marketing and markets and assist them to make proper strategic and tactical decisions. Consequently, businesses that implement marketing planning are better to respond to changes in their competitive environment. Moreover, Dibb, Farhangmerh and Simkin (2001) acknowledged that marketing planning can improve the ability of the organization to handle the complicated business environment in which it operates and consequently to deliver high economic benefits.

The business sector has long recognized the contribution of marketing planning in the financial success. In the recent literature, many researchers tried to empirically relate business performance and formalized marketing planning (Hooley, 1984; Hooley and Lynch, 1985; Verhage, and Waarts, 1988; Hooley et al 1990; Lysosnki, and Pecotich, 1992; Lai et al, 1992; Ghosh et al, 1994; Brooksbank, 1992; Siu, 2000a and 2000b; Siu, Fang, and Lin, 2004; Pulendran, Speed, and Widing, 2003; Claycomb, Germain, and Droge, 2000). The measures that were used to assess business performance were both financial and market (profit, return on investment, sales volume, market share, etc.). All these studies concluded that companies that develop strategic marketing planning, make more use of the various strategic planning aids and develop long range plans on an annual basis reported better financial and mar-
ket results than competitors. Thus, it would seem that improved strategic marketing planning really does pay off to the company.

The process of strategic marketing planning, as it is stated above, is a logical sequence of activities which leads to the setting of marketing objectives and the formulation of plans to achieve them (McDonald, 2002). In the literature there is a vast array of strategic marketing planning models which are applied to a wide range of different contexts. For example, most strategic marketing planning models are applied to the business and multinational organizations (McDonald, 1984, 1989, 1995, 1999, 2002; Lancaster and Massingham, 1996; Simkin, 1996; Lancaster, 1994), while other studies have found applicability in smaller and medium sized organizations (Brooksbank, 1991, 1999; Barrow, Brown and Clarke, 1995). In the same way, strategic marketing planning model is applicable to the public sector (McKevitt and Lawton, 1994), to the non profit sector (Andreasen and Kotler, 2003), to the services sector (McDonald and Payne, 1996), and finally, in the tourism industry (Papadopoulos, 1989).

**Strategic Marketing Planning in the Sport Sector**

The sport sector has begun to recognize the usefulness of strategic marketing planning as well. In the recent literature, there is little empirical evidence which proves the relationship between marketing planning and business performance. However, many sport researchers have argued that without the improvement of strategic marketing planning activities, sport will not survive to the competitive environment of the entertainment industry (Shoham and Kahle, 1996; Stotlar, 1993). In fact, the full commercialization of sports, the transition from amateurism to sport professionalism and the intensive competitive environment from the broad entertainment industry, as people in recent days have many choices for amusement and recreation, have increased the need to apply marketing planning techniques in order sport organizations to respond effectively to the new competitive environment.

Harris and Jeckins (2001) examined the relationship between marketing planning and business performance in the UK rugby clubs. They found that clubs in higher divisions are significantly more likely to be involved in formalized marketing planning, while clubs in lower divisions were not involved in strategic marketing planning activities. This fact led them to the conclusion that the extent of strategic marketing planning plays an important role in the overall success of UK rugby clubs. Thus, the effective and efficient formulation and implementation of strategic marketing planning lead to organizational growth and profit.

Since the process of strategic marketing planning is applicable to a wide range of different contexts, it was inevitable not to be applied to the sport con-
text. Many sport researchers attempted to apply the marketing planning process to the sport sector (Mullin, Hardy and Sutton, 1993; Stotlar, 1993; Shilbury, Quick and Westerbeek, 1998). Although the proposed models appear dissimilarities in the context due to the wide range of different contexts that are applied, in general terms the process of strategic marketing planning involves the following principal stages: the situation review (marketing analysis), the formulation of some fundamental assumptions about the strengths and weaknesses of the organization and the opportunities and threats posed by the business environment, the determination of the objectives, the formulation of strategies and tactics for achieving these objectives and finally the allocation of actions (budgets and schedules) necessary for the implementation and control.

**Purpose of the Study**

The purposes of this study are to: (a) examine the strategic marketing planning process, and (b) propose a strategic marketing planning process for the sport sector and analyze its various elements.

**Research Methodology**

There was systematic and analytical literature review in the broader area of strategic marketing planning aiming at collecting theoretical and practical data which relate to the purpose of this study in order to be used by theorists and sport professionals.

**The Proposed Strategic Marketing Planning Process for the Sport Sector**

In the following pages, the authors propose the strategic marketing planning process, which may be applicable to the sport sector. The proposed framework consist of the following eight steps, based on the studies of McDonald, 2000; Shilbury, Quick and Westerbeek (1998); Lancaster and Massingham, 1996; and Kotler, 1997:

1. Determine the company’s mission statement.
2. Set the corporate objectives of the sport organization.
3. Analyze the market environment
   → Analyze the external environment, in which the sport organization competes (external forces, competition, market, etc.)
Analyze the internal environment of the sport organization (the capabilities of the sport organization in finance, marketing, manufacturing, etc.)

4. Conduct the SWOT analysis (strengths and weaknesses of the sport organization, as opposed to opportunities and threats posed from the external environment).

5. Set marketing objectives.

6. Determine marketing strategy, using marketing mix variables (product, price, place and promotion mix).

7. Formulate detailed action plans (these plans include decisions about actions, timetables, budgets and personnel).

8. Plan review and Control.

The proposed sport marketing planning process is cited in the following figure. As it is obvious, the process is carried out in two levels (in the corporate level and in marketing-operational level) and comprises eight steps.

Figure 1: The strategic sport marketing planning process.
The output of strategic marketing planning process is an integrated marketing plan for the sport organization. In the next pages a descriptive explanation of terms that are used in the proposed sport marketing planning process is attempted.

The process of strategic sport marketing planning, as it is obvious, begins with the mission statement and corporate objectives of the sport organization. It is vital for an organization to clarify and understand the above elements, as they represent the framework for the culture and operation of the whole business. It has been observed that different departments in many organizations operate with different strategic directions, and this fact may cause disastrous results, because the organization has not determined the boundaries of the business and the way it wishes to compete in the market. Consequently, both elements of strategic planning are fundamental to the formulation of the marketing planning process and sport managers should understand and appreciate corporate planning in order to align strategic marketing planning and marketing plans with the strategic direction of the sport organization.

Corporate mission

Corporate mission is a clear declaration of what the sport organization seeks to do and what kind of organization wants to become. It provides an answer to the following question: «what is our business and what will it be in the future?». In general, mission statement describes the activities of sport organisation, regarding sport products, markets and technology used.

For example, the mission statement of the National Intramural-Recreational Sports Association (NIRSA) is the following: «to provide for the education and development of professional and student members and to foster quality recreational programs, facilities and services for diverse populations. NIRSA demonstrates its commitment to excellence by utilizing resources that promote ethical and healthy lifestyle choices».

Corporate objectives

A corporate objective, according to McDonald (2002), describes a desired destination or result. It refers to the broad aim that the sport organization wants to achieve. For sport organizations, corporate objectives may include financial viability, return on investment, increase of participation, brand awareness, members increase, quality of sport products, etc. Shilbury et al. (1998) stated that corporate objectives should be SMART. That means that objectives should be specific, measurable, achievable, realistic and timebound. The table below cites some good and bad examples of corporate objectives of a sport organization.
Table 1. *Examples of corporate objectives of a sport organization.*

<table>
<thead>
<tr>
<th>Examples of correct objectives</th>
<th>Examples of wrong objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% increase of market share in one year.</td>
<td>Improvement of productivity</td>
</tr>
<tr>
<td>15% increase of sales that emanate from new services for the year 2007.</td>
<td>Increase of productivity</td>
</tr>
<tr>
<td>5% increase of productivity for the first quarter 2007.</td>
<td>Increase of market share</td>
</tr>
<tr>
<td>12% increase of club membership for the year 2007.</td>
<td>Improvement of productivity</td>
</tr>
</tbody>
</table>

**Analysis of the market environment**

The purpose of the environmental analysis is to examine the conditions that exist in the external and internal environment of the sport organization and to discover all these factors that influence positively or negatively the organization’s operation. According to Kotler (1997) the analysis of the market environment is carried out in two levels and comprises the analysis of the external environment as well as the analysis of the internal environment.

**External environment analysis**

At this stage, the most important external forces of macro-environment (economic, technological, political, and social) are analyzed. This analysis is often referred to as PEST analysis. Moreover, the sport managers should examine the main factors of micro-environment, such as market, customers and competitors.

The above analysis is undertaken in order to find out the most significant opportunities and threats facing the sport organisation, and therefore need to be taken account of in developing marketing plans. Opportunities are the external situations and factors which can help the sport organisation to achieve or even to exceed its objectives. The favourable legislation of the government or the technological improvements constitutes examples for this case. Threats are the external situations and factors which can prevent the sport organisation from achieving its objectives. The intensive competition of sport clubs, the economic recession and the unfavourable government legislation are some of the threats posed by the external environment. The table below shows the factors that a sport manager should analyse and appraise during the analysis of the external environment.
Table 2. Factors that should be examined during the analysis of the external environment of a sport organisation.

### 1. Environmental factors

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Trends of the Greek, E.U and worldwide economy. Economic growth, income levels, income distribution, credit policies, inflation, volatility, etc.</td>
</tr>
<tr>
<td>Political/legal</td>
<td>Legislation for sport organization. Taxation. Regulatory constraints (eg. labeling, product quality, packaging, advertising, pricing, etc).</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Improved education, religion, trends in family (size, attitudes towards family roles, etc). Changes in attitude towards health and lifestyles, changes in the amount and nature of leisure time. Changes in population distribution and dynamics (age distribution, regional distribution, etc).</td>
</tr>
<tr>
<td>Technological</td>
<td>Aspects of product or production technology which could affect the economics of the industry (eg. New technology, the Internet, cost savings, materials, equipment, machinery, methods and systems, etc).</td>
</tr>
</tbody>
</table>

### 2. The market

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total market</td>
<td>Size, growth and trends (value, volume, etc).</td>
</tr>
<tr>
<td>Customer analysis</td>
<td>Demographic characteristics (age, sex, education, address of residence, etc). Psychographic characteristics (interests, opinions, attitudes of customers, etc). Factors that affect the buying behaviour of consumers (motivation, needs, perceptions, beliefs, attitudes, lifestyle, personality, etc). Research through questionnaires for: Complaints about the services that sport organisations provide. Customer satisfaction (how many customers are satisfied from the quality of products and services offered by the sport organization?). The demand of products/services (introduction of new products).</td>
</tr>
</tbody>
</table>
3. Competition

Competitors
- Who are the competitors of the sport organization?
- How intensive is competition?
- What are the strengths and weaknesses of competitors?
- What are our competitors’ current and future strategies?
- What are our competitors’ reactions likely to be?
- Who and what are likely to be our future competitors?


Internal Environment Analysis

Table 3. Checklist for performing internal analysis.

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Finance</th>
<th>Manufacturing</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company reputation</td>
<td>Cost/availability of capital</td>
<td>Facilities</td>
<td>Visionary capable leadership</td>
</tr>
<tr>
<td>Market share</td>
<td>Cash flow</td>
<td>Economies of scale capacity</td>
<td>Dedicated employees</td>
</tr>
<tr>
<td>Market research</td>
<td>Financial stability</td>
<td>Capacity</td>
<td>Entrepreneurial orientation</td>
</tr>
<tr>
<td>Product quality</td>
<td>Profit margins</td>
<td>Able dedicated work force</td>
<td>Flexible/responsive</td>
</tr>
<tr>
<td>Service quality</td>
<td>Return on investment</td>
<td>Ability to produce on time</td>
<td></td>
</tr>
<tr>
<td>Marketing mix elements</td>
<td></td>
<td>Technical manufacturing</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td>Skills</td>
<td></td>
</tr>
<tr>
<td>Innovation effectiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geographical coverage</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Adapted from: Kotler (1997) and Lancaster and Massingham, (1996).

The aim of the internal analysis is to evaluate the resources of the sport enterprise (for example, the economic situation of sport organisation, systems of administration, organisational structures, material and technical infrastruc-
ture, etc), in order to be determined the strengths and weaknesses of the sport organisation. Strengths are the internal capabilities of a sport organisation, which can provide a competitive advantage against other competitors. The quality of products and services, the brand reputation, the skills of the personnel (administrative and technical) are examples of sport organisations’ strengths.

Weaknesses are considered the internal situations and restrictions that may prevent the sport organisation from achieving its objectives. The lack of an efficient planning system of sport activities, the inadequate communication between the employees of the sport club or between various departments of the sport organisation, inadequate resources, etc. are some examples of sport organisations’ weaknesses. The Table 3 indicates the factors that a sport organisation should examine during the internal analysis.

**SWOT analysis**

The next step for sport managers is to move from the appraisal stage of analysis (external and internal), where the key factors have been identified, estimated and assessed, to the use of these appraisals in the development of effective marketing strategies. The method for achieving this, is SWOT analysis. In essence, SWOT analysis is the concluding part of the analysis stage where the most important elements of the external and internal audit, are assembled and categorized in four categories. For sport organisations, as Shilbury, et al. (1998) suggest, SWOT analysis comprises the following:

- **Strengths**: are resources, skills and other advantages relative to competitors.
- **Weaknesses**: are limitations and deficiencies in resources, skills and capabilities that restrain a sport organisation’s effectiveness in relation to competitors.
- **Opportunities**: are the main favourable situations in a sport’s environment.
- **Threats**: are major unfavourable situations in sport’s environment.

Thus, SWOT analysis points out the strengths and weaknesses of a sport enterprise in relation to its competitors, as well as the opportunities and threats that emanate from the external environment. Figure 2 depicts the SWOT analysis matrix.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
</tbody>
</table>

**Figure 2**: The SWOT analysis matrix.
Marketing objectives

The next stage for the sport manager is to set the marketing objectives. The determination of marketing objectives and marketing strategies are key steps in the whole process. As McDonald (2002) stated, a marketing objectives is the quantification of what an organization sells (its products) and to whom (its market). As it is obvious from the above definition, marketing objectives are referred only to products and markets.

McDonald (1999) suggests that managers can introduce the Ansoff matrix, as a useful tool to define marketing objectives for their organization. This framework proposes two dimensions (products and markets) and identifies four possible categories of marketing objectives that a sport organization can set. These categories are:

- Selling existing products to existing markets (market penetration).
- Extending existing products to new markets (market extension).
- Developing new products for existing markets (product development).
- Developing new products for new markets (diversification).

The Ansoff matrix is illustrated in the figure below.

![The Ansoff matrix](image)

**Figure 3: The Ansoff matrix.**

Marketing objectives must be aligned to the strategic direction of the sport organization and should serve its needs, its purpose and its mission in the social context. Moreover, according to McDonald (2002) marketing objectives should contain the following three elements:

- The attribute chosen for measurement, eg. sales, market share
- The particular value selected, eg. 25 per cent market share
- For a given operating period, eg. by the end of year 2007.
Marketing strategies

After the determination of the marketing objectives, sport managers should decide the way they will achieve these objectives. In other words, sport managers need to carefully design their marketing strategy. Marketing strategy is the route to the achievement of specific marketing objectives and describes how these objectives will be reached (the means, the time scale, the allocation of resources, etc). Marketing strategies, as McDonald (1999) stated, are generally concerned with the four major elements of the marketing mix.

The marketing mix, according to Kotler and Armstrong (1991), is a set of marketing tools that the enterprise uses in order to achieve its objectives in the target market. Although the literature has developed many marketing mix tools, McCarthy (1996) classified all these tools in four categories, which are known in the terminology of marketing as 4P’s. These elements are:

- **Product**: is concerned with the development of the right product or service for the target market.
- **Price**: is concerned with ensuring that the product or service is offered at a price which makes the whole mix as attractive as possible to the consumers and assures a future profit to the organisation.
- **Place**: is concerned with ensuring that the product or service is available to the target market when and where they want it.
- **Promotion**: is concerned with all ways of promoting to the target market about the existence and benefits of the product or service.

The 4P’s paradigm has become the unchallenged basic model in the sport marketing literature as well (Shank, 1999; Shilbury, Quick and Westerbeek, 1998). However, the sport industry varies from a sport goods manufacturer (e.g. Nike) to a sport team (e.g. L.A.Lakers) or a leisure facility (e.g. Amsterdam Arena). Thus, the sport product may be a good, service or a combination of the two, which is designed to provide benefits to sport consumers. Due to the dissimilarity of the industry, sport marketers should follow different strategies in the formulation of the marketing mix. In sporting goods manufacturer like Nike for example, marketers, for a tangible product (air max shoes), develop strategies emphasizing the traditional marketing mix (4P’s). On the contrary, in leisure facility, which is service-oriented, sport marketers should include, in the formulation of the marketing mix, additional elements (physical evidence, process, and people-7Ps) in order to ensure service quality (Shilbury, Quick and Westerbeek, 1998). The key elements the marketing mix of a sport organisation are shown in the following table.
Sport product

Decisions about: positioning, product development, service quality, packaging, design, modifications, additional elements and features, guarantees, support services, etc.

Price

Decisions about: list price, additional services prices, discounts, allowances, payment periods, credit terms, etc.

Place

Decisions about: locations, channels of distribution, coverage, assortments, transport, etc. In sport facilities, managers need to address: facility planning, physical evidence (quality of facilities, equipment, etc), process (design systems in order to achieve high levels of quality) and people (training, skilled employees, etc.) (Shilbury, Quick and Westerbeek, 1998).

Promotion

Decisions about: advertising, sales promotion, personal selling, public relations, publicity, direct marketing, promotional licensing, television and television rights, sport sponsorship, etc.


Action plans

Sport managers create detailed action plans in order to achieve the allocated marketing strategy. The action plan is usually prepared for one year and describes quantitatively, qualitatively and timely what should be achieved, with what way, with what actions and resources and who will be the personnel that will undertake all the actions. Sport managers should arrange the following:

- Fragmentation of the action plan in individual sub-projects and determination of the appropriate strategies and tactics for the achievement of these sub-projects. This fragmentation is the key for the co-ordination and control of the whole process. The information that is required for the individual sub-projects is: (a) the description of work and the precise process that should be executed, (b) the necessary requirements for the
effective implementation of each sub-project, (c) the expected results of each sub-project, (d) the specific resources that are required and (e) the particular capabilities of the personnel.

- Recording of the roles and responsibilities for the personnel that will be involved in the action plan. The determination of who decides what, is a basic prerequisite for the success.

- Timetable of sub-projects and total process. The timetable determines with accuracy the time of implementation of each action. Gantt diagram is a useful tool that is utilised for the time planning of work and its continuous control. In the vertical axis, it provides information in relation to work that has to be implemented, while in the horizontal axis it provides the time that is required for the completion of each action.

- Analytical budget of sub-projects and total work. The sport organisation should estimate the cost of all individual sub-projects and total cost of the plan. Moreover, sport managers have to estimate the expected financial results.

- Control and monitoring the action plan. Sport managers should ensure that the action plan will be completed within the time limits, within the limits of the budget and the required customer quality. A mechanism of identifying problems is required in order to take corrective actions. Most of the problems can be corrected if they will become immediately perceptible.

- Conditions of success of the action plan: Teamwork, good communication and coordination of all members of the sport organisation are required. Moreover, essential to the success of the action plan is the leadership and the proper behaviour of sport managers.

Plan review and control

The continuous review and control of strategic marketing planning is an essential process in order to be ascertained if the predetermined objectives have been achieved. According to Boyd and Walker (1990) the control process of the strategic marketing planning consists of setting standards (objectives to be implemented), specifying and obtaining feedback data, evaluating all these data and finally taking corrective actions. The control process is continuous and concerns all levels of the organisation. According to Kotler (1997), the evaluation of strategic marketing planning process is carried out in four levels:

- Control of annual plan: The purpose of this control is to ensure that the organisation achieves the objectives that are reported in the annual plan (profit, sales, etc). The main tools for achieving this control are sales
analysis, analysis of the market share and financial analysis (Kotler, 1997). In the sport context, organisations set measures of attendance or participation, financial performance, on field success, etc. If there is discrepancy between the objectives and the output, the sport organisation seeks the real causes and proceeds in corrective actions so that the gap between the objectives and the output to be closed. The above corrective actions may lead to the modification of the marketing objectives and strategies.

- Profitability control: It measures the profitability of various products and services that the sport company provides, customer groups, market segments, trade channels, etc. If the organisation finds out discrepancies from the allocated objectives, it proceeds to corrective actions.
- Control of efficiency: It focuses on finding ways to increase the efficiency of the components of the marketing mix, such as advertising, publicity, promotion, distribution, sales force, sponsorship (revenue from sponsors, naming rights, etc), television (TV rights, revenue), merchandising and licensing (banding quality, number of endorsements), service quality, etc.
- Strategic control: It focuses on the periodical reassessment of the company and its strategic approach to the marketplace.

Conclusions

Marketing planning is the most important process of marketing management, ensuring that an understanding of customers, competitors, trends in the external environment of the organization, as well as the company's internal capabilities can translate into meaningful marketing strategies supported with detailed marketing programs to assist their implementation. As the recent literature showed, marketing planning provides many benefits to the companies that adopt the whole process. Many studies in different business contexts have empirically showed that marketing planning is related to the business performance and financial success. The sport sector, although there is little empirical evidence to prove the relationship between marketing planning and business performance, has begun to recognize the usefulness of strategic marketing planning as well.

In the particular paper a strategic marketing planning process, which is applied to the sport sector, is proposed. Sport managers should follow step by step the whole process, in order to handle the complicated business environment in which the sport organization operates, to adapt effectively to it and consequently to deliver high economic benefits.
References

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