Best Practices Session

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Abstract

Sport marketing academics have increasingly recognized the value of making their work more relevant to practitioners. However, there is little literature about specific strategies and tactics for academics to conduct research that will be of use to sport marketing practitioners. In this paper, I will suggest some strategies and tactics for sport marketing academics interested in identifying and pursuing consulting opportunities in the sport industry. Drawing on my experience as a sport marketing consultant, I suggest that academics seeking to work with practitioners should focus their attention on sponsorship sales support, marketing planning and sponsorship activation, and sponsorship and marketing evaluation.

Key Words: Applied research, sales support, marketing planning, sponsorship evaluation.
Sport marketing academics have increasingly recognized the value of making their work more relevant to practitioners. Irwin (2002) asserted that a professional consultancy approach is a means of engineering such a bridge between theory and practice. Irwin argued that consultancy projects conducted by academics for practitioners can improve the quality of research efforts, provide mentoring for junior faculty, and enhance student learning experiences and employment prospects. However, while Irwin cited examples of consulting projects conducted by academic entities, he did not discuss how academics interested in pursuing consulting relationships might go about it.

In this paper, I will suggest some strategies and tactics for sport marketing academics interested in identifying and pursuing consulting opportunities in the sport industry. Drawing on my years of experience as a sport marketing consultant and the hundred or so research reports I have written for industry clients, I will propose strategies and tactics to identify and approach prospective clients, prepare and present successful proposals, write reports, and maintain and expand relationships with practitioners. Since the bulk of my experience is in research consulting, the emphasis of this paper will be on market research. However, I will conclude by suggesting opportunities to expand research efforts into other consultancy efforts, such as sales consulting.

Identifying Prospective Clients

Sport marketing research is a tough sell. Sport properties conduct much less research than comparably sized businesses in other categories and rarely have a dedicated research budget or professional research staff. Among corporate sponsors, sponsorship-related research expenditures have not kept pace with the increased focus on return on investment (ROI). As an industry—both academic researchers and sport-related private sector market researchers—we have failed in large part to effectively communicate the benefits of research to sport marketing practitioners. Consequently, the onus is on sport marketing academics to demonstrate the value of research to practitioners. In order to forge more partnerships between academic endeavors and industry practitioners, sport marketing academics need to practice what they teach. That means starting with identifying the needs and wants of potential clients.

Marketing Practitioners as Clients. Since only a handful of sport properties employ even one full-time researcher, research vendors frequently must approach marketers to sell their services. Even in very large corporate sponsors that have market research departments, the client usually comes from the marketing, sponsorship, or public relations arm of the corporation. Research efforts are often coordinated and/or approved by the market research department of the corporate sponsor but the department handling the sponsorship almost always pays the fee.
Practitioner Needs and Wants. Even a casual perusal of the sport and sponsorship industry trade press results in the identification of a range of problems facing marketing practitioners. There are larger strategic problems, such as the aging fan bases for major professional sports or calculating return on sponsorship investments for sport sponsors. And there are more tactical problems, such as the best starting time for a Sunday game or whether a sponsor should pursue a league-wide or an individual team sponsorship within a particular sport.

For example, the timely identification of a shared need among NASCAR sponsors resulted in the NASCAR Sponsorship Study out of James Madison University’s Center for Sports Sponsorship. In the past couple of years, costs have spiraled for NASCAR sponsorships. NASCAR sponsors have become increasingly concerned about rising costs amid challenging economic circumstances. Some sponsors left NASCAR altogether; others significantly downsized their relationships. However, many sponsors simply reacted to the «sticker shock» instead of rigorously analyzing the value these relationships delivered.

The specific circumstances surrounding NASCAR dovetailed with a broader increased demand for evidence of ROI. Sponsors need empirical support but customized research on low incidence populations such as NASCAR fans can easily run into a six-figure fee from a private market research company. In an effort to create a more affordable research tool for NASCAR sponsors, the staff at the Center for Sports Sponsorship developed the NASCAR Sponsorship Study based on a syndicated market research report model and successfully sold the study to sponsors Gatorade, UPS, the Home Depot, and ESPN.

Sales Strategy

Researchers often misconceive what it is they are selling, frequently making the mistake of selling the «study» (i.e., the data collection, the report, etc.) instead of the benefits of the study. Clients buy the solutions to their problems, not the data. Therefore, successful research sales must emphasize the benefits of research, not the data collection methods or data analysis procedures.

While research studies of course need to be customized to individual clients, each of the market research reports I have authored for sport industry clients falls into a typology of benefits. Sport properties (e.g., teams, leagues, etc.) use research primarily for sales support, but also for strategic planning and program justification (Table 1). Sport sponsors use research primarily for sponsorship evaluation and program justification, but also for strategic planning (Table 2).

Sales Support for Sport Properties. The biggest challenge in selling research is that it is always at least one step removed from creating revenue
for the organization. Since marketers are primarily concerned with creating revenue, they seek ways to translate research into streams of revenue, the most common of which is sponsorship. Sport marketers need to demonstrate their value to prospective sponsors. Research can help by providing evidence of an attractive audience.

For example, audience demographics can be indexed to local and/or national populations to demonstrate appealing characteristics such as affluence and youth. Researchers can measure product usage in selected categories to identify potentially fertile markets. But researchers can and should go beyond basic demographics and product usage. Researchers can identify the "it" associated with the property, a brand association with which sponsors would be interested in linking their brands and companies. Sponsorship proposals are more effective when assertions are supported by empirical data, especially when the data are customized to a specific prospect.

Research can also be used to assist in renewals of existing sponsors. As part of the general trend toward evidence of ROI, sponsors seek more sophisticated and rigorous sponsorship fulfillment reports. Researchers can play an integral role in the production of sponsorship fulfillment reports because of their command of audience characteristics and sponsorship performance. A convincing fulfillment report will likely lead to higher renewal rates. In addition, sport properties can use evidence of sponsorship performance to negotiate more favorable sponsorship contracts. Or, if the evidence points in the other direction, a property can use the research results to create a sponsorship package that would be more suitable to the sponsor. It is better to have a reduced relationship with a sponsor than none at all, which would be the case if sponsorship costs continued to outweigh benefits delivered.

Beyond specific cases, sport marketing academics are positioned to play an important role in promoting the disciplines of sponsorship and sport marketing as a whole. While advertising and public relations professionals each have professional associations promoting their respective disciplines, sponsorship and sport marketing executives do not. As a credible and independent third party, the sport marketing academy can provide support for the overall effectiveness of these disciplines in the larger marketing and business communities.

**Strategic Planning.** Sport marketing practitioners are primarily concerned with tactical marketing issues, such as deciding how best to allocate their limited marketing resources. It's a zero sum game. If a sport marketer hires more sales representatives, that reduces the advertising budget. Researchers can provide guidance for specific tactical questions, such as when to start a Sunday game or how many sales representatives should be hired.

While the emphasis is on tactical decisions, many practitioners are also interested in broader strategic questions. The difference between academic interest in theory and practitioner interest in practice is one of intensity; it is not a categorical difference. Many sport practitioners are keenly interested in the-
oretical frameworks but lack the time and resources to devote much attention to developing and refining their positions because they face more immediate tactical decisions. As more sport leagues and even some teams add fan development departments, interest is growing in creating models of understanding surrounding the fan development process and implications for defining the characteristics of market segments.

While at the Bonham Group, I conducted a Fan Acquisition Study targeting 18-to-34-year-olds for the Cleveland Indians. Valerie Arcuri, Senior Director of Marketing for the Indians at the time, commented that «the results of their efforts along with the study data will have influences far into the future for the Cleveland Indians organization» (http://bonham.com/clients/#). Even though the benefits of this kind of work can be far-reaching, few sport properties can afford to commission research in which the benefits are exclusively or even primarily strategic in nature.

There is also an organizational consideration in pitching strategic planning studies to marketers. Hiring a consultant to assist with a marketing strategy might indicate (to some) a lack of marketing competence. In addition, customer satisfaction surveys are valuable to an organization and have other managerial implications but, like marketing strategy, are more than one step removed from creating incremental revenue. Insights into marketing strategies and improving customer satisfaction can be added as secondary objectives, even if they cannot be used to justify funding a research study on their own.

Program Justification. From an organizational perspective, sport property marketing practitioners must provide support for their marketing budgets: owners and general managers want evidence of results from their marketing expenditures. Researchers can provide assistance to sport marketing practitioners by demonstrating return on the property’s marketing investment and providing support of marketing effectiveness to senior management.

For example, Spoelstra (1997) recounts an instance in which he extols the potential value of sales representatives to the owner of a minor league hockey team who had recently spent $60,000 to advertise one game. However, Spoelstra made his argument based on estimates, not empirical measures. While conducting a league-wide fan survey for each member of the East Coast Hockey League (ECHL), I led a project team that used items designed to examine the effectiveness of ticket sales representatives as compared to other marketing techniques. While the results of the study were likely most frequently used for sales support to prospective sponsors, Rick Adams, President of the ECHL at the time, said the league and member teams used the report to «address staffing needs and develop effective marketing strategies» (http://bonham.com/clients/#). The point is that sport marketing practitioners need help in convincing owners and general managers to spend money on ticket sales representatives and other marketing efforts, and researchers can provide valuable support.
Table 1. Benefits of Research to Sport Properties.

| Sales Support | • Demonstrate attractiveness of audience with detailed fan profile including lifestyle, media usage, demographics, and attitudes toward sponsorship.  
| | • Create targeted proposals based on detailed demographic and lifestyle information about the audience.  
| | • Ensure renewals by including performance results in fulfillment reports.  
| | • Use sponsorship performance results to negotiate more favorable terms.  
| Strategic Planning | • Allocate market resources.  
| | • Develop direction for marketing mix.  
| | • Identify market segments.  
| | • Assess fan satisfaction.  
| Program Justification | • Justify, defend, and increase your budget.  

Benefits to Sport Sponsors

Sponsorship Evaluation. Clearly, sponsors are asking for demonstrable ROI with increasing frequency and intensity. While a direct link to sales is elusive other than in situations where a sales element is integrated into the relationship (e.g., on-site retail presence), researchers can deliver measures of effectiveness and efficiency (see Stotlar, 2004 for a more detailed sponsorship evaluation model). At the end of the day, however, sponsors want to know if the relationships in question are working, or if their marketing dollars are better spent elsewhere.

It is helpful to practitioners for researchers to design studies in order to draw conclusions about the sponsorship’s performance. It is often helpful to draw comparisons to other marketing communications, especially advertising, because it is frequently the biggest line item in marketing budgets. Researchers can provide competitive intelligence to sport sponsors by measuring competitors’ sponsorship performance and brand positioning, thereby identifying areas sponsors can avoid or should put resources behind.

Strategic Planning. Strategic planning for sponsorship usually flows out of evaluation reports. Of the scores of sponsorship evaluations for corporate clients I have personally conducted, only one was designed for strategic plan-
ning. And those results were used as an evaluative tool to check for the validity of programs put in place by other members of the organization, not for planning!

Strategic benefits of research could include an assessment of the right type of sponsorship (e.g., league, team, athlete endorser, etc.). Sponsors can also use research to develop empirically based support programs and determine appropriate leverage spending. Industry guidelines for a ratio of activation spending to rights fees, such as 1.5:1, lack customization to specific cases. Sponsors can use research to discover fans’ trigger points toward specific sponsorship relationships and design more effective marketing communications programs. Many of these benefits flow out of the evaluation process and can therefore be included in the research design for an evaluation study.

Program Justification. Spoelstra suggested that marketers should «make your client a bona fide, real-life hero» (1997, p. 164). Sport marketing academics looking to work with sport marketing practitioners should heed that advice. Researchers—and sport marketing academics in particular—can provide valuable third-party validation to provide support for sport marketing programs to important internal constituents, such as chief financial officers and other senior-level management at corporate sponsors. Therefore, it is often a good idea to include an on-site presentation within the research proposal. In addition to demonstrating the value of the program to internal constituents, it provides the vendor with an opportunity to enhance the business relationship.

Table 2. Benefits of Research to Sport Sponsors.

| Evaluation                        | • Determine sponsorship effectiveness and efficiency. |
|                                  | • Find out how your sponsorship performs relative to that of competitors. |
|                                  | • Calculate return on marketing investment and compare to other marketing communications. |
|                                  | • Develop guide for marketing resource allocation. |
| Program Justification            | • Justify, defend, and increase your budget. |
| Strategic Planning               | • Determine appropriate sponsorship types. |
|                                  | • Identify potential sponsorship relationships. |
|                                  | • Allocate resources within sponsorship portfolio. |
|                                  | • Develop empirically based support programs. |
|                                  | • Determine appropriate leverage spending. |
|                                  | • Discover trigger points in fans’ attitudes toward sponsors. |
Tactics for Selling Research to Practitioners

The strategies in the preceding sections will need to be customized to reflect both the research expertise of the sport marketing academic and the needs of the prospective client. However, I would like to suggest the following tactics as practical next steps for sport marketing academics looking to conduct research for the industry.

**Tap into your existing professional network.** Sport marketing academics interested in pursuing industry relationships can look to former students working in the field and current students’ internship sites to get connected with industry organizations. Sport marketing academics can also look to colleagues. Irwin (2002) described how, as a second-year assistant professor, he was first mentored as a consultancy apprentice and later assumed the role of mentor himself.

**Use direct marketing.** Not every sport marketing academic program benefits from a large cadre of successful alumni or a wealth of internship sites. Moreover, research expertise may not be consistent with the academic’s current professional network. Among sport marketing consultants, a favored business development technique has been targeted mail campaigns followed by personal phone calls.

**Have a «deck» handy.** A «deck» is marketing practitioner parlance for a PowerPoint presentation outlining general capabilities or a specific study prospectus. The «deck» should be about 10-15 slides and contain the following sections:

- Description of organization and staff
- Background of the study
- Benefits of the study
- Summary of research objectives/questionnaire
- A brief summary of methods
- Cost and timeline

A «deck» can be a very powerful sales tool. In the case of the NASCAR Sponsorship Study at the Center for Sports Sponsorship, one client signed onto the study based solely on e-mail exchanges and a review of the «deck.» In another case, I received a phone message from an executive of the client’s public relations agency. I immediately tracked down the executive’s e-mail address from the agency website and sent the NASCAR study’s «deck.» The deal was finalized within a week. The «deck» needs to be concise and compelling because written documents tend to get passed around within organizations. For another client on the NASCAR study, the «deck» floated around the organization for about a month until it fell into the right hands, also resulting in a partnership.
Pricing Strategies

Be aggressive in pricing. Although prices vary substantially depending on the nature of the work, most market research projects of the type described in this paper fall into the $25,000-$50,000 range for smaller boutique agencies, or more if they are conducted by a larger market research company. If calculating labor costs on an hourly rate, rates of $100 to $150 would be considered fair for an experienced researcher, $50 for a graduate student. Alternatively, clients could be billed by service. Data analysis and report writing have a higher value than data entry and report production, even if the same person does the work. Weiss (2000) recommended that consultants pursue value-based pricing instead of hourly billing. However, since revenue is not directly derived from research efforts, a final «value» is difficult to estimate.

Report Writing

Draw clear, concise conclusions. Sport marketing practitioners are not interested in plowing through the data. They are interested in «what the research says.» Researchers need to state conclusions drawn from the study. For example, «the audience has very desirable demographics» is simple but can be used as a sales tool. Conclusions should be stated at the beginning of the report in an executive summary, which is the most important part of the report. Keep the methods section brief or include it as an appendix.

Keep statistics simple. Unless a client otherwise requests, stick to frequencies and crosstabs. While multivariate statistical analysis is often valuable in identifying relationships, and therefore very useful in analyzing results, they should be included in reports judiciously so as to avoid confusing clients.

Maintaining and Building Industry Relationships

Conducting market research for sport marketing practitioners can be an effective method in establishing relationships with the industry but it can also lead to other consulting opportunities in areas such as proposal preparation and conducting sales campaigns. Market research conducted by industry vendors usually ends with a report. Too frequently, the report ends up gathering dust on a shelf in someone’s office. Retainer-type relationships in which an industry vendor provides research consulting to a sport-related organization can be prohibitively expensive for the organization. As an alternative, sport marketing academics might supply sport properties with research to be included in sponsorship proposals, perhaps as a student project. Or, sport mar-
Marketing academics might provide corporate sponsors with ad hoc «white papers» based on existing research.

Once relationships are formed, opportunities for other consulting activities should arise. Marketing and ticket plans are natural extensions of fan surveys. Sponsorship evaluation can lead to sponsorship plans, promotional strategies, and even promotional execution. Assisting practitioners with proposal preparation could lead to actually conducting sales campaigns. While the scope and nature of the relationships obviously depend on academic expertise and resources, and practitioner needs, research can provide an effective entry point to establishing relationships with the industry.

References


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