

The changing face of sports marketing

At the outset of 2002, editor **Robert Parr** looks at the key developments covered by the magazine and considers the industry's future.

“ The start of a new year encourages the more speculative aspects of people's natures and the editor of *Sports Marketing* is no exception. Since *SM*'s launch in 1997, the sports industry has grown in size, scope and penetration: the magazine has acted as a witness to this fact. There have been winners and losers, of course: new, lucrative markets have opened up – some have failed. This process of change and exchange is now being played out to the backdrop of a growing global recession. What then of the world of sports marketing in the coming 12 months?

The world of digital sports has undergone the most complete transformation during *Sports Marketing*'s lifespan, hitting vertiginous highs and slumping to the most abysmal lows. As Martin Cracknell reported in December, the South Sea Bubblesque hysteria of the dotcom explosion has given way to the harshness of old economy needs, as it was bound to do. Most of those fascinating experiments in the provision of sports content online have gone the way of the dinosaur: those that remain are consolidating, making necessary links to the old economy, or else are being bought up, their brand names squeezed for the utility of association.

It has been a bleak time but the process of consolidation is close to fruition. There

will be new technologies, new platforms for sports content, but the blind optimism of two years ago has gone forever. 3G promises much: those companies that have spent a fortune on licenses will be praying that it delivers. Sports new media is here to stay, but will not usher in a recession-proof utopia as the likes of Kurtzweil prophesied.

The failure of the new media reality ties into the issue of the price of sports rights. It is now becoming increasingly clear that the timeframe of *Sports Marketing*'s reporting has witnessed the high watermark of broadcast rights value. The failure of ITV's high-risk football strategy has proven once and for all that sport cannot be a primetime big audience driver, week-in, week-out. It can work for special sporting occasions, the 'Crown Jewel' events, but sport is not successful as a 'bread and butter' broadcasting staple for mainstream channels. The value of rights depends upon the faith that broadcasters place in the ability of sport to push audiences and advertisers – this faith has taken a knock in recent times and will be replaced by a greater realism.

One area of sports marketing which has grown in importance during *SM*'s time has been sponsorship methodology. Sponsorship has become a near-ubiquitous marketing tool and not just in sports: mainstream TV programmes carry their association with brands, a now-familiar

development that was hardly known in the UK seven years ago. Sponsorship is everywhere, a method of attaching commercial brands to the passion and positive associations that the consumer feels for his favourite TV show, club or sport. With marketing becoming a more targeted, post-Fordist pursuit, sponsorship, because of its power of association and its promise of personalised experience, has come of age. Though some companies may panic and cut back sponsorship programmes due to recession fears, its power as a marketing tool will remain undiminished in the long term.

Where does the future lie for sports business? Certainly, sports across the board are waking up to the commercial possibilities of coherent, sensitive branding. There is a great deal of interesting work going on here at all levels, from the likes of bluegoose's work with sports clubs to XTV's detailed rebranding of the World Rallying Championships (see *December*, pgs 16-17). At a time when the general economy is slowing down, branding and associated marketing methods (such as CRM and database management) make cost-effective sense as they push sporting properties closer and closer to the consumer. Sports offer businesses a great deal and will continue to provide them with an enviable, dedicated consumer base, regardless of recessions. ■

Yes! please start my subscription to **SportsMarketing** for:

Mr/Mrs/Ms/Miss _____ Forename _____
 Surname _____
 Jobtitle _____

 Company Name _____
 Nature of Business _____
 Address _____

 Postcode _____
 Tel _____
 Fax _____
 e-mail _____

UK and EC 1 year £375 2 years £675
Rest of World £425 £765

I enclose a cheque/PO for £..... made payable to **Sports Marketing**

Please debit my Visa/Amex/Mastercard (Please attach cardholder's details if different)

Card No _____

Expiry Date _____

Please invoice me/my company

Signature _____ Date _____

Mail to: Circulation Department, Sports Marketing, 50 Poland Street, London W1V 4AX.
 Fax this card on +44(0) 207 943 8172 or email sm.info@centaur.co.uk
For urgent orders: Telephone the Hotline on +44(0) 207 943 8190

Please tick here if you do not wish to receive details of special offers from other companies.