Chapter 5

Managing Marketing

Photo courtesy of the Olympic Council of Malaysia.

Objectives

After reading this chapter, you should be able to do the following:

- Analyse the relevance of your organisation's services in relation to your stakeholders' requirements.
- Enhance the quality of your services by being aware of what stakeholders expect.
- Manage effective communication.
- Analyse what is required for a sponsorship programme.
- Consider your marketing from a strategic perspective.

The effective marketing of Olympic Sport Organisations (OSOs) requires you to be aware of what services your organisation has to offer and how these can be marketed. The purpose of this chapter is to explain many of the key principles that will help you to market your organisation effectively.

Marketing is the process of planning and developing products and services to satisfy individual and organisational goals. In terms of marketing, an OSO primarily offers images, values, ideas and services rather than products, which means that the marketing of OSOs has several unique characteristics. Marketing is appropriate for all organisations that can offer something to stakeholders. However, providing services presents four specific challenges:

- Services are intangible, which means that they cannot be touched or seen. Due to their intangibility, services cannot be inventoried, new services can be easily copied and communication and pricing are difficult. This means that you may have difficulty answering the following questions that are important for gathering marketing information: What do we offer? How do we price a sponsorship package? How do we promote our service quality?

- Services change across time, organisations and people, and therefore ensuring consistent service quality is demanding. OSO service quality depends upon both volunteers and paid staff, and it is impossible to guarantee how staff will interact with stakeholders. Furthermore, many factors are difficult to control. For example, although an NF may make promises to a sponsor about an event, the promises may not be fulfilled if the service is delivered by clubs and volunteers.

- Services are produced and consumed at the same time, and it is impossible to separate the service from the person who delivers it and the person who receives it. Consequently, all stakeholders, including volunteers, staff and members, are part of the service that has to be marketed. For example, event spectators are part of the show and can have a positive or negative impact on each other.

- Services are perishable, and therefore it is difficult to match supply and demand. For example, it is difficult to anticipate entries for a marathon, so most of the top events limit the number of participants, thereby sometimes causing dissatisfaction.

Another major difference in the marketing of OSOs comes from the fact that OSOs promote values such as fair play and friendship. This means that their marketing is more oriented towards society than business. This is particularly the case for clubs, where little commercial value is usually associated with services. Social marketing often involves changing intractable behaviours in complex economic, social and political climates, often with limited resources. Furthermore, social marketing tends to emphasise voluntary behaviour, and it deals with services with which the consumer is often either highly involved or not involved with at all.

Thus, marketing needs to be specific to each organisation in order to help OSOs achieve their specific commercial and social objectives. This chapter applies strategic marketing concepts to the environment of OSOs, the stakeholders of OSOs and the organisations in the OSO system. The first section considers what OSOs have to market and highlights a number of regulations that may need to be considered when deciding what to market. The second section considers stakeholder expectations of OSO services in order to market quality services. The third section presents methods and tools for improving the communications of OSOs, and then the fourth section focuses on sponsorship. The final section presents the strategic marketing process, which provides information on how to get into an attractive position in the marketplace. The chapter concludes with a case study of the marketing of the Olympic Committee of Slovenia, Association of Sports Federations.

SECTION 5.1
WHAT CAN WE MARKET?

Like all organisations, an OSO has a relationship with its stakeholders, and this relationship is supported by the values, products, services and brand of the organisation. OSOs primarily offer services to stakeholders, such as sport training, courses, organisation of competitions, sponsorship programmes and information through websites. As highlighted earlier, services consist of intangible elements that are consumed during the time that the service is delivered. Services, however, also require tangible elements related to facilities, equipment and staff, and some services can be associated with training manuals, audiovisual documents, sport equipment and merchandise.

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Some OSOs can market their values of cooperation and fair play.

It should be noted that an OSO offers services to its stakeholders and that these stakeholders are free to accept or refuse the offer. This is why we use the term "service offering" to describe what you can market. An offering is the set of tangible and intangible elements of a service, conceived and managed by the organisation in order to satisfy stakeholders' expectations. This section presents tools that allow you to analyse your current service offerings and to analyse and secure the legal rights related to OSO properties. It goes on to outline key issues in making negotiations and concludes with a presentation of how the Comité Olímpico Argentino (Argentine Olympic Committee) has managed its marketing rights by careful negotiation with sponsors.

Identifying the Current Offerings

OSOs market their offerings to stakeholders, who can be internal, such as the Board, paid staff and members, or external, such as sponsors, local authorities and media. Successful marketing requires you to be aware of what the organisation can offer the market and to whom it should be offering services. The main characteristic of value that an OSO has to market is the organisation's brand. This consists of the organisation's name, image and associations with that name and image. The Olympic brand (five rings) derives its power from a diverse base of values and attributes, such as the values of fair play, friendship and community. An NOC's brand will be composed of the Olympic symbol associated with a national distinctive element as approved by the IOC. A gymnastic club's brand may be a vaulting horse underpinned by the motto of the club. The following process may be valuable in organising your marketing.

List Current Offerings

You need to know what your organisation has to offer to the market. In order to do this, the following question should be considered: What services, brand, ideas and products can be marketed to stakeholders? The answer may be complex due to the fact that an offering often mixes services, ideas and products. For example, a membership card allows a member to be part of training sessions and competitions, to take part in the club's democratic process and to be informed through the club website. In order to answer the previous question, you could consider general offerings, such as membership cards, sponsorship packages, tournaments, merchandising and social programmes, or you could split the offerings into units, such as information or training. The end result should be a complete picture of everything that the organisation can promote to its stakeholders through marketing techniques.

List the Stakeholders

The concept of stakeholders was dealt with in chapter 2. Listing your stakeholders is important in marketing because it allows you to identify targets for marketing activities and highlights what services you could offer to which groups.

List Core and Peripheral Offerings

In order to identify all offerings, you should determine what you can offer that is core and what is peripheral. A core offering satisfies key motives and expectations. For example, a spectator expects to have fun when attending an important game. A peripheral offering is related to lesser motives and expectations, such as the merchandising available at the game. However, note that a peripheral offering could be a core offering for another stakeholder and vice versa.

Relate Existing Offerings to Stakeholders

You need to establish how your OSO's offerings relate to the stakeholders of the organisation, which allows you to identify your portfolio of offerings. Table 5.1 presents an example of how the core services of a sport club may relate to its stakeholders.

Table 5.1 Core Service Offerings Related to Targeted Stakeholders

	Members	Regional league	Sponsors	Media	Local authority	Schools
Training sessions	Yes	No	No	No	No	No
Competitions	Yes	Yes	Yes	Yes	No	No
Club party	Yes	No	Yes	Yes	Yes	Yes
Merchandising	Yes	No	Yes	No	No	No
Website	Yes	Yes	Yes	Yes	Yes	Yes
Sponsorship packages	Yes	Yes	No	Yes	No	No
Publicity	No	No	Yes	Yes	No	No
Summer camps	Yes	No	No	No	Yes	Yes

Assess Market Portfolio Performance

An OSO's market portfolio comprises the services and combination of services the organisation has to offer. In order to assess your portfolio, list your stakeholders' main motives for using your organisation and their expectations of the OSO. You then need to assess the performance of each offering in relation to these motives and expectations, as outlined in table 5.2.

Table 5.2 Assessment of the Market Portfolio of a Ski Club

Stakeholders	Motive for using club	Expectations held of the club	Performance
Elite skiers	Registration with NF	Club will register athlete	Good: Registration carried out on time.
Elite skiers	Improve skills	Demanding facilities Challenging competition	Average: Slopes need maintenance. Club championships attract high level of competition.
Learners	Learn to ski	Good instruction Safe practices Slopes appropriate	Good: All instructors are certified. Nursery slopes are well maintained.

This portfolio assessment has many benefits. It allows you to understand your offerings better and to communicate these in a more efficient way to stakeholders. You can also select priorities for delivery and marketing, and the assessment may suggest new offerings to be developed.

An assessment of market portfolio performance also requires a legal analysis of the marketing rights concerning these offerings in order to ensure that you are working within the law when carrying out marketing activities. This is particularly important for sponsorship and the protection of brands and trademarks.

Managing OSO Marketing Rights and Legal Issues

Marketing rights refer to the images, symbols, names, values and other distinctive marks that the OSO has legal control over, or permission to use, in the marketing of the organisation and its services. For example, NOCs have the right to use the Olympic rings as part of their emblem, although they cannot use the Olympic symbol on its own. Before discussing the tools and techniques of marketing in OSOs, you will need to understand the concept of marketing rights. These rights affect what you have to offer, what you can offer and what falls outside sport or government regulations.

The following information may appear overly complex; however, this topic is of key importance to OSOs. Understanding what is involved in managing the marketing rights of an OSO is important to ensure that first, you make the most of what you have to market by protecting your offerings, and second, you work within the legal framework that affects the marketing rights of OSOs. Therefore, although this material may be difficult to follow, it is crucial.

Marketing Activities

To make marketing activities easier, an OSO needs a set of symbols or distinctive marks, which should include the name of the organisation. These distinctive marks of the OSO or its events can be registered as trademarks. A trademark is any mark that distinguishes one organisation's products and services from another organisation's similar or identical products and services. An example of this are the symbols of the NOCs, which although all incorporate the Olympic rings, are all different, reflecting the culture and images of their respective country. The following could be trademarks of an OSO:

- Words or combinations of words, such as the name of an event
- Images, shapes, symbols and graphics, such as the mascot presented in figure 5.1, which was developed for the 2005 Mediterranean Games
- Letters, numbers and their combinations, such as the number of an Olympiad
- Three-dimensional forms, which could include wrapping, packaging, the form of the product or its presentation
- Any combination of the previously mentioned marks or media

Internet domain names enjoy a similar protection system that is also based on the protection of intellectual property. Therefore, the symbols outlined in figure 5.1 could be protected as trademarks.

Figure 5.1 The symbols of OSOs: *(a)* Indalete, the mascot of the 2005 Mediterranean Games; *(b)* the logo of the National Olympic Committee of Iraq; and *(c)* the logo of Olympic Solidarity.

Figure 5.1*a* courtesy of COJMA 2005. Figure 5.1*b* courtesy of the National Olympic Committee of Iraq.

Most OSO marketing activities fall into three major categories:

- *Advertising:* If your OSO owns material goods, such as vehicles, equipment or magazines, or if it owns property, such as stadiums, sport facilities or office buildings, it may place any type of advertising in these spaces. At some competitions or events, however, advertising is prohibited, such as at the Olympic Games.
- *Sponsoring:* This is when permission is given for a third party to associate its name with the OSO. Your organisation will need a name and symbols or distinctive marks that are well defined and legally protected. For example, Kodak's use of the Olympic rings in advertising comes about because of sponsorship arrangements with the IOC.
- *Licensing:* This occurs when permission is given to a third party to associate the OSO with one of its products or services, such as key chains, coffee mugs and pens. Once again, your organisation will need a name and symbols or distinctive marks that are well defined and legally protected. Selling merchandise that is branded with the name of an event that an OSO is promoting (such as national championships) is an example of licensing.

Legal Position

From a strictly legal point of view, there are four main issues to keep in mind when marketing an OSO. First, you need to bear in mind the range of activities and degree of control as defined in the rules of your organisation's constitution. Any legal entity, such as a club, NF, NOC or Organising Committee of the Olympic Games (OCOG), is limited in its activities by what is set out in the constitution.

Second, you need to respect the laws of the country where your organisation is active. Obviously, the scope of activities and ability to conduct business or grant rights will be governed by the rules set by government authorities. OSOs should also respect the principles, rules and guidelines established in the Olympic Charter. Finally, OSOs need to respect the rights of third-party individuals and groups that interact with the organisation, such as athletes, coaches, NFs and clubs.

Limitations on Activities Due to Rights of Third Parties

In the same way that your OSO has rights and can exercise them, the athletes, coaches, clubs and NFs who participate in your activities also have rights. An organisation may not commercially use or sell the name, image or likeness of the athletes, coaches, clubs or federations without their consent, even if it is during an activity organised by the OSO. It is recommended that you obtain the express written consent of participants in order to use their image. You could also outline the possibility of this happening within the competition rules or the rules of the organising entity. In the latter case, there should be evidence that the participants are aware of the rules or conditions regarding the use of their name, image or likeness.

Olympic Charter Limitations

Many of the features associated with the Olympic Movement, especially with the Olympic Games, have the ability to generate marketing activities. However, the rights to use these features are very limited, and in general only the IOC and NOCs have the right to use the symbols associated with the Olympic Movement. The distribution of rights and operating regulations are clearly defined in the Olympic Charter. It is important that other OSOs do not infringe on these rights, including clubs, NFs, leagues, IFs and event organising committees. This means that many OSOs are very limited in terms of what they have the right to market in relation to the Olympic Games and the Olympic Movement.

Negotiating Contracts

Once the legal boundaries have been defined and you understand what you can market, you should protect your OSO's rights in well-negotiated agreements. There are several issues to keep in mind when negotiating marketing contracts or agreements. For example, five key elements should appear in all contracts or agreements:

- Identification of the parties involved
- Place, date and term of the agreement
- Content of the contractual relationship
- Each party's rights and responsibilities
- Provisions for dispute resolution

Advertising Agreements

Two types of legal relationships exist in the world of OSO marketing:

- Agreements for advertising placement
- Sponsorship agreements

An agreement for advertising placement occurs when a company or entity wishes to make its name, brand, products or services publicly known and uses advertising media to do so. The location, or where the advertisement will be placed, must be clearly defined. The best way to describe where an advertisement will be located is to include a drawing or plan in the agreement illustrating the exact position of the advertisement. The agreement should also specify when the advertisement must be shown. In addition, the agreement should include the display and technical specifications of the placement. Details to specify may include the dimensions, gloss of printing paper, and colours, sizes and shapes of the signs, letters and graphics. The technical quality of the advertisement should also be specified for the benefit of the producer as well as the advertiser.

A sponsorship agreement for advertising purposes occurs when an organisation wishes to make its name, brand, products or services publicly known and does so in conjunction with an OSO, or uses the mark, name or image of the OSO to reinforce its communications strategy. The agreement could simply grant permission to use for advertising purposes the sport organisation's name or emblem or the image, name or logotype of the events that it organises. For example, an OSO may sign a sponsorship agreement with a travel company. In exchange for value in kind (VIK), such as airline tickets, the travel company can use the OSO's symbols and indicate that it is the official travel agent of the OSO. The parties should define the conditions of this partnership, and the OSO should reserve its right to review and have prior approval of any communication where its name or image is used.

Licensing Agreements

In a licensing agreement, a third party is granted permission to use the name, image or symbols of the OSO. This permission can be attached to a tangible product, such as T-shirts, caps, key chains, watches, umbrellas or pencils, or to a service, such as insurance, investments, transport or accommodation. You can license any mark that your organisation has registered, that is, its name and emblems and the names, marks and images of its events. When negotiating licensing agreements, you should consider the following:

- Whether it is exclusive or not (normally it would be exclusive)
- Extent of exclusivity in terms of time, space and content
- Type of product or service
- Technical characteristics of the licensed product
- Price at which it will be sold to the public
- Distribution and sales channels to be employed
- Quantity of products that may be distributed or sold
- Whether sublicensing agreements are permitted
- What control measures the OSO will have over licensed products
- Whether there are any specific marketing obligations with regard to quantity or specific locations

This section has highlighted the fact that marketing contributes to the creation and development of a relationship between the organisation and its stakeholders. This process is based on a mutual understanding, allowing the development of ideas, products and services under the brand of an OSO. Your organisation has a brand that is valuable for marketing purposes, and you should endeavour to work within the legal framework of your country to gain the most that you can from marketing rights. These rights then need to be protected in legal agreements.

KEY RECOMMENDATIONS

- Work with your Board and stakeholders to develop a clear idea of your brand by listing the services, goods, values and images that constitute your offerings.
- Identify what you have the right to market, and identify any limitations that may affect your marketing.
- Market your core offerings to meet stakeholders' main motives and expectations.
- Assess your portfolio's performance in relation to your main stakeholders' expectations.
- Carefully negotiate advertising and licensing agreements.

The following illustration discusses the market portfolio of the Comité Olímpico Argentino (Argentine Olympic Committee) and will present how this organisation is managing the exchange process with its sponsors.

Illustration 5.1

Managing the Exchange Between an NOC and Its Main Sponsors: Comité Olímpico Argentino

The Comité Olímpico Argentino (COA, Argentine Olympic Committee) initially tried to work with a number of marketing agencies in order to improve its sponsorship arrangements. However, Olympic marketing requires an in-depth understanding of the Olympic Movement. It must take into consideration the federations' interests and the restrictions imposed by the rules regarding logos on uniforms and athletes' image rights. As a consequence, the sponsorship agencies soon abandoned the effort. Thus, the COA now takes responsibility for its marketing activities with its own team of three professionals. This staff offers the full range of opportunities afforded by the Olympic Movement to any sponsor who wishes to gain entry into the world of Olympic sport. For the Athens 2004 campaign, the COA's Marketing Commission developed and conducted an innovative prospecting strategy from the second half of 2003 until the start of the Olympic Games in 2004.

Relating Existing Offerings to Stakeholders

Given the financial crisis that Argentina experienced at the end of 2001, it did not make sense to approach potential sponsors until 2003, since the investment atmosphere was not conducive to dialogue. Before the 2004 Games, the marketing campaign had been accomplished using fewer sponsors and higher amounts of support. However, as a result of the economic situation leading up to the Athens Games, the Marketing Commission adopted a strategy of diversifying the categories of stakeholders to target.

(continued)

Illustration 5.1 *(continued)*

Stakeholders were separated into different sponsor categories in order to better match the portfolio with stakeholder interests and give small to medium-sized businesses an opportunity to access Olympic sponsorship. This approach yielded a record number of sponsors who were able to publicise their products, brands and logos before, during and after the Games. Although this policy did not provide more money, it gave a broader base of stakeholders.

Legal Framework

It is worth noting that Argentina has written and approved the 1996 Law No. 24664 for the Protection of Olympic Symbols and Designations, which recognises the COA's broad ownership rights regarding this material.

Negotiated Agreements

The COA signed 17 sponsorship agreements for Athens 2004. The following discussion presents an overview of three of these agreements, highlighting how the COA Marketing Commission matched its portfolio of offerings to the interests of its stakeholders.

T & C Sports

T & C Sports is a cable sport channel that bought the international rights to the Games, which led to a VIK agreement with the NOC for 8,000 seconds of television advertising. The agreement with this organisation was important to the ability to offer value-added features to other prospective sponsors. The COA Marketing Commission focused on negotiating the most advertising time possible with T & C so that it could later offer a global bidding package to future sponsors, which included a certain number of seconds to advertise their product, brand, logo and trademark. Agreement was reached on how the 8,000 seconds that were offered could be packaged, and these packages were accepted by the other sponsors who signed agreements with the organisation.

Through this agreement, the COA could not gain funds but was able to secure a value in-kind contribution. The COA then transferred this contribution into the negotiation package with other sponsors, making it more attractive for them to be sponsors of the Argentinean Olympic Team. Consequently, each company was guaranteed a minimum number of seconds on the air with T & C Sports during the Olympic Games broadcast, giving the sponsors a base amount of advertising time with which to better negotiate the rest of the seconds that they decided to purchase on their own.

Micotrim

Micotrim is an antifungal cream and powder product, and the agreement negotiated with the parent company, Schering-Plough S.A., was a cash agreement. The agreement with this sponsor is an example of how to gain notoriety for an unknown brand by associating it with an important event. It was also an important agreement from the COA's perspective because it created exposure for the COA trademark in the global advertising marketplace. Micotrim gave the trademark a wide range of publicity. It was advertised on television (on the network TV Subtle), in several high-circulation newspapers, through announcements broadcast on all underground stations in Buenos Aires and on several long-distance and city bus lines in Buenos Aires.

Lumilagro

Lumilagro is the trade name of a hot-liquid thermos. This agreement was partly a cash agreement; however, in addition to the fee for approval to license a product with the COA logo, it was also agreed that Lumilagro would supply a mate kit for all the members of the Argentinean delegation. The kit included a vacuum flask with the official COA logo, a sugar dispenser, yerba mate tea, a special straw and sugar. (Mate is the national drink of Argentina, made with yerba mate herb leaves and hot water.) As a result of this negotiated agreement, each member of the COA delegation took a traditional and appealing item with them. The kits created a bond amongst the athletes of various disciplines because mate tea is consumed in a group setting and is shared with everyone who joins the group, creating closer ties amongst all who participate in the ritual. The company got exposure for its trademark brand and the COA received an unexpected service that gave the organisation positive exposure as well.

It is clear from this illustration that careful negotiation can lead to a number of agreements between OSOs and their stakeholders. The agreements outlined here used the COA's marketing rights to great effect, resulting in benefits to all parties involved in the agreements.

SECTION 5.2
MANAGING THE QUALITY OF THE OFFERING

The quality of services has become increasingly important for OSOs. You need to deliver more, often with less revenue, and you are becoming increasingly accountable for the way that your OSO is managed. In short, stakeholders are expecting more from you, and the services you deliver need to be of good quality. OSOs depend on their stakeholders; therefore they should understand current and future stakeholder expectations and meet those requirements. This understanding will improve the use of the organisation's resources, which, in turn, will lead to improved loyalty from stakeholders despite increasing competition.

This section considers key issues in the quality management of OSO offerings. It will begin with a discussion of stakeholder satisfaction, looking at the role of expectations and perceptions of quality in creating satisfaction. It will then consider ways of identifying and categorising stakeholder expectations. The section will conclude with an illustration of how the Romanian Olympic and Sports Committee evaluated the quality of its organisation.

When attempting to manage the quality of what your OSO offers, you need to consider the two dimensions presented in figure 5.2. "Expected quality" refers to what stakeholders expect from an organisation in the way of attributes and standards. Expected quality is particularly important for stakeholders using your services for the first time, since their decision to use the organisation is not based on experience but on the expectations you create with marketing activities. "Perceived quality" is the level of quality that stakeholders judge they have received after using the service. Upon using the service, stakeholders compare expected and perceived quality, assessing the quality of your offerings based on the gap between the two.

In order to deliver a quality offering, you thus need to design a service that is as close as possible to stakeholder expectations, and then you need to assess whether there is a gap between expected and perceived quality. If a gap is identified, you need to manage operations in order to decrease this gap. Bridging the gap between expected service and perceived service is the role of quality management, which is a set of practices that allows an organisation to deliver its services to stakeholders' satisfaction. These practices should deal with all aspects of the organisation, such as staff training, stakeholder consultation and operating procedures.

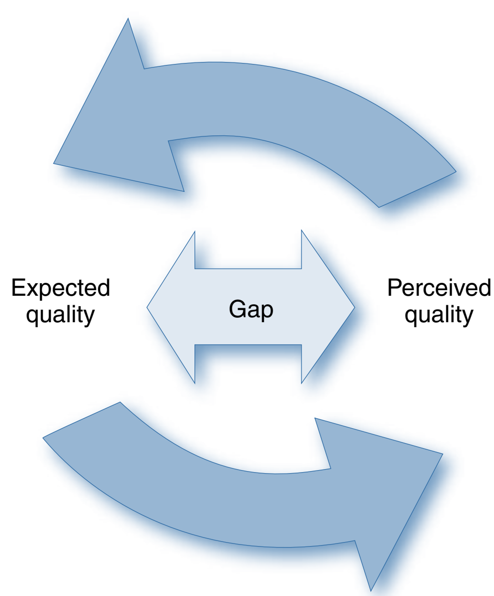

Figure 5.2 OSO stakeholders' expected and perceived service quality.

Stakeholder Satisfaction

Satisfaction with services arises from the experience of what the OSO has to offer. This experience is the sum of the interactions that a stakeholder has with an OSO's services, products, people and processes. It begins from the moment stakeholders become familiar with the brand and continues beyond the service encounter. Arguably, satisfaction is one of the main concerns in the marketing of services, because if stakeholders are not satisfied they will choose to use your competitors.

The problem is that satisfaction is an emotional response and is determined by the stakeholder's perception of how well the service encounter has met his or her expectations, rather than by what the OSO actually does. For example, an OSO may have a lengthy entry period for a competition. If athletes miss the entry deadline, they are likely to feel dissatisfied with the OSO, perceiving the organisation of the event not to have met their expectations. Alternatively, if they do not miss the deadline, the fact that the competition had an entry deadline is likely to have little or no impact on their satisfaction with the OSO.

It is difficult to guarantee stakeholder satisfaction because feelings of satisfaction are created by a number of factors, some of which are outside your control. Feelings of satisfaction can be influenced by health and fatigue, by the impact of others on the experience, by being caught in a traffic jam, or by something as simple as having a bad day. This makes satisfaction with an OSO's offerings particularly hard to manage, and therefore you need to measure it by carrying out research with your stakeholders. If you are only able to evaluate a single aspect of marketing effectiveness, it should be satisfaction, because satisfaction results from an assessment of performance in relation with stakeholders' expectations. Therefore, feedback on satisfaction will help to improve service performance.

Stakeholders' Expectations

In order to manage customer satisfaction, you need to understand what creates it. As outlined in figure 5.2, satisfaction is related to the gap between what is expected and what is perceived to have been received. Stakeholders expect OSOs to provide certain services at an acceptable standard. For example, a person who wants a physical and psychological challenge and to have fun whilst respecting the environment will look for services that create these benefits. This person will have certain expectations related to the service, such as a risk-free, competitive sport held in a natural space. These expectations can be met by several sports. However, expectations are often more precise than this. For example, the person may wish to try rock climbing in a club close to home, which will be expected to provide courses for beginners on a climbing wall, with qualified staff.

People's expectations vary in number and importance, and the challenge is to identify which expectations are the most important. Fortunately, stakeholder expectations are relatively easy to gather through interviews that ask questions such as these: What do you expect from our OSO? What are your expectations of services provided by a top organisation? Although expectations are usually quite specific, they can be categorised into the five main dimensions of a service, as presented in figure 5.3.

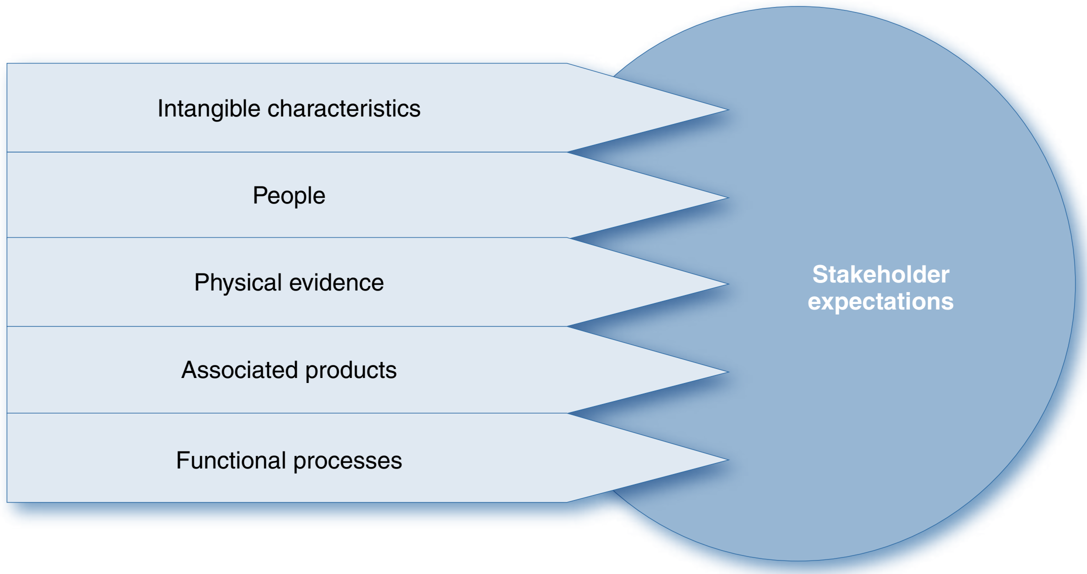

Figure 5.3 Dimensions of services.
Adapted from A. Ferrand, L. Torrigiani, I. Camps and A. Povill, 2006, *Sport et sponsoring* (Paris, France: Editions INSEP).

- *Intangible characteristics:* As outlined in section 5.1, services have several intangible aspects that cannot be seen, felt or touched. Stakeholders have expectations about these intangibles, and therefore you need to know what these expectations are. For example, stakeholders might expect an OSO to be perceived as the expert voice regarding a sport, in which case you would need to create this image of expertise in order to meet expectations.
- *People:* Services are actions performed by people, and stakeholders will have expectations of the attitude, competencies and personal appearance of the people who are involved with an OSO.
- *Physical evidence:* An OSO needs to create a tangible environment in order to deliver the service. Physical evidence includes facilities, equipment and any tangible components that facilitate the communication of the service, such as brochures, letterheads and signage. Because these aspects of the service can actually be seen, stakeholders are likely to have clear expectations of the physical evidence of the organisation.
- *Associated products:* In line with expectations of physical evidence, stakeholders also have expectations about goods associated with the service, such as T-shirts, bags or merchandise.
- *Functional processes:* The quality of service provided to stakeholders depends primarily on the organisation and execution of the various tasks. Stakeholders will have expectations of service delivery, and you need to understand these expectations in order to know if you are doing things right.

Stakeholders will have expectations in these areas for each service that you offer, and therefore you need to evaluate the expectations for services in each area (table 5.3).

Perceived Quality

Once you are aware of what stakeholders expect, you then need to consider the level of quality that they perceive the OSO to deliver. Stakeholders have to experience a service in order to evaluate its quality. As they use the service, they evaluate quality across a number of dimensions, some of which, developed by Parasuraman, Zeithaml and Berry (1988), are presented in table 5.4.

Table 5.3 Analysis of the Service in Terms of Expectations

Stakeholder	
Expectation	The OSO should be the voice of the sport.
Service dimensions	
Intangible characteristics	Need to develop an image of credibility and expertise about the sport.
People	Should be knowledgeable and competent about the sport. Experts should be part of the OSO.
Physical evidence	Aspects of the sport should be incorporated into logos or letterhead. Equipment and physical facilities should be on display.
Associated products	Newsletters that allow the OSO's expertise to be demonstrated should be part of membership.
Functional processes	The OSO should have a process by which it can access the mass media when an opinion on the sport needs to be voiced.

Table 5.4 Service Quality Dimensions

Dimensions	Characteristics	Evaluation questions
Reliability	Ability to perform the promised service dependably and accurately	If a response is promised in a certain time, does it happen?
Responsiveness	Willingness to help stakeholders by providing prompt service	When there is a problem, does the organisation respond to it quickly?
Assurance	Trustworthiness and believability of staff, honesty of the service provider, security of belongings	Are responses accurate and consistent with other reliable sources? Are staff well trained? Can personal possessions be left somewhere safe and secure?
Empathy	Making the effort to understand stakeholders' expectations and needs	Do staff try to determine what stakeholders want?
Tangibles	Physical facilities and associated goods	Are written materials easy to understand?

Dimensions in left-hand column are from Parasuraman, Zeithaml and Berry 1988.

Stakeholders use these criteria and others to evaluate whether you are delivering services of an expected quality. If there is a gap between the expectations of the OSO offerings and the perceptions of their quality, you need to identify why this has occurred and what can be done about it.

Managing the Gap

In order to manage service quality and close the gap between expectations and perceptions, you need to communicate with stakeholders. This allows you to

- identify stakeholder expectations,
- measure the perceived performance of products and services compared with expectations,
- understand the motives behind satisfaction and dissatisfaction, and
- understand what is expected in the future.

It is important to understand what stakeholders expect of your OSO. If you understand their expectations and can then meet them, you will be offering services of an acceptable quality. Talking to stakeholders allows you to ask the following questions.

1. What are the most important expectations related to the service?
    a. Which expectations are satisfied by this service?
    b. Which expectations are not satisfied by this service?
2. What are the least important expectations related to the service?
    a. Are any of these expectations satisfied by this service?

You can then use this information to classify stakeholder expectations into the four categories presented in figure 5.4. The four quadrants outlined in the figure are defined by importance of expectations on the vertical axis and performance levels on the horizontal axis.

Areas of success correspond to important expectations for which the service supplied is judged effective (or satisfactory). From a strategic point of view, it is worth reinforcing these aspects. For example, London Marathon participants expect to run past historic places in London, and as they do so, their expectations are met. Conflict arises when performance in relation to important expectations is judged weak (or unsatisfactory), such as if online entry to competitions is important and your OSO does not offer this option. Priority should be given to improving performance in these areas, as long as the human, technical and financial resources are available to do so. This situation should be of particular concern if competitors offer a more effective service than yours in relation to these important expectations.

Importance of expectations	Satisfaction with perceived performance: High (satisfied)	Satisfaction with perceived performance: Low (unsatisfied)
High	**2. Success factors** Keep or provide resources to maintain quality	**1. Critical factors** React immediately and concentrate resources here
Low	**4. Differentiating factors** Maintain if needed Possible overkill	**3. Secondary factors** Do not invest resources

Figure 5.4 Matrix of expectations versus perceived performance.

Reprinted from J.A. Martilla and J.C. James, 1977, "Importance-performance analysis," *Journal of Marketing* 41(1): 77-79, by permission of the American Marketing Association.

The area relating to differentiating factors for an OSO corresponds to expectations of low importance for which the service is judged effective. This is a positive point from an organisational perspective, but it is not a strong marketing factor. For example, a race may have great exposure on TV, but this is not valuable if it is not important for the participants. Areas of secondary importance consist of expectations of little importance for which the service has been judged as not effective. This information is useful, but it is not worth investing greatly in these points. For example, if merchandised products are perceived as too expensive, but the purchase of merchandise is not an important expectation, then no change in the cost of merchandising is needed.

Sport organisations differ in their mission, resources and competencies, environment, and competition. Nevertheless, developing a quality offering remains one of the most important challenges for all OSOs, which operate in a competitive environment. You need to provide the right environment for desired stakeholder experiences to emerge.

KEY RECOMMENDATIONS

- Ensure that your Board is committed to offering quality services.
- Interview stakeholders to understand their expectations of your OSO.
- Consider all service dimensions in relation to stakeholder expectations in order to design a satisfactory service offering.
- Assess the level of stakeholder satisfaction regularly and compare these results over time.

As suggested earlier, it is important to evaluate your performance against the expectations of stakeholders. This allows you to identify strong areas and areas that need improvement. The following illustration shows the results of research about perceived service quality carried out by the Romanian Olympic and Sports Committee.

Illustration 5.2

Assessment of Perceived Quality Offered by the Romanian Olympic and Sports Committee

The Romanian Olympic and Sports Committee (ROSC) conducted a study that aimed to assess the Executive Committee and administration members' satisfaction with the organisation. They used 53 criteria that covered the entire activity of the ROSC. For each criterion, the respondents were first asked to rate its importance for the ROSC operations and then to assess how well the organisation actually met the respective criterion. These ratings were based on a 5-point scale. The 53 criteria were subsequently grouped into 10 major areas:

- Area 1: Planning
- Area 2: Olympic preparation
- Area 3: Relations with partners
- Area 4: Administration
- Area 5: Structure
- Area 6: Executive Committee
- Area 7: Management
- Area 8: Communication
- Area 9: Finance
- Area 10: Organisation reliability

The following discussion presents the results for area 1, planning. For each expectation presented in table 5.5, both Executive Committee and administration members rated the importance of the respective criterion regarding the ROSC and the degree to which they perceived that the ROSC delivered this criterion.

The results show that the Executive Committee members considered it of maximum importance (5.00) that they contribute to setting up the ROSC's objectives in the long term (criterion 4). However, they evaluated their performance in this respect as low (1.50). Nonetheless, they rated the performance of the ROSC in having clear objectives (criterion 2) as satisfactory to good (3.75), leading to the conclusion that, somehow, the top management and the administration had established objectives without the Executive Committee's help. Equally interesting to note is the Executive Committee's and administration's low ratings (1.25 and 2.31, respectively) of the ROSC's performance in regard to the existence of strategic plans (criterion 1), as well as the Executive Committee's low involvement (1.50 and 2.56) in the evaluation of ongoing programmes (criterion 6).

The research highlighted a number of factors. In terms of areas of key success, expectations coincided for the two categories of stakeholders: Both the Executive Committee and the administration had high expectations of criteria 2 and 3, and these expectations were fairly well satisfied. Key success factors also illustrate points of organisational cohesion. In addition, it is worth noting that the ROSC's success in setting objectives and devising programmes to fulfil them illustrates good use of resources.

Table 5.5 Ratings of Performance of the Planning of the ROSC

	Expectation	Executive Committee: mean importance rating	Executive Committee: mean performance rating	Administration members: mean importance rating	Administration members: mean performance rating	Overall importance	Overall performance
1	The ROSC has in place long-term strategic plans for the development of the Olympic sports.	3.75	1.25	4.25	2.31	**4.15**	**2.10**
2	The ROSC has clear objectives in the field of high-level sport.	4.75	3.75	4.50	3.44	**4.55**	**3.50**
3	The ROSC develops specific programmes in order to implement its objectives.	4.50	3.50	4.25	3.31	**4.30**	**3.35**
4	The Executive Committee has a direct contribution in setting up the ROSC objectives for the long term.	5.00	1.50	4.25	2.81	**4.40**	**2.55**
5	The Executive Committee knows about the programmes in progress.	3.25	1.75	3.94	2.81	**3.80**	**2.60**
6	The Executive Committee periodically evaluates and improves the efficiency of the ROSC programmes.	3.50	1.50	4.25	2.56	**4.10**	**2.35**

The mean ratings were computed based on the arithmetic mean of individually assigned values.

(continued)

Illustration 5.2 *(continued)*

As for areas of conflict, the ROSC's perceived lowest performance by the members of the Executive Committee was in respect to long-term strategic plans (1.25). This may indicate a certain detachment of the Executive Committee from the organisation, a detachment that was also perceived by the administration. This situation suggests an area of organisational weakness that may be capable of causing tension between these stakeholders and the ROSC's top management. Measures should be taken by the ROSC's management to stimulate, inform, activate and empower Executive Committee members to contribute more to strategic decision making. A positive change in this direction is likely to lead to the establishment of a long-term strategic plan, the lack of which has led to this area being rated as having the lowest level of perceived quality by all stakeholders involved in the research.

This research enabled the ROSC to identify priorities that have been taken into account in future planning. The success of this research was only possible because of the objective performance review undertaken by the Board and the administration. The performance review allowed realistic decisions to be made in order to define priorities to enhance the quality of services provided to stakeholders.

Source: Oprisan 2002.

SECTION 5.3
DEVELOPING A MARKETING COMMUNICATION STRATEGY

Communication with stakeholders is essential to the operation of an OSO. You need to communicate in order to promote your vision, objectives and plans for the future; seek sponsorship; select teams; and be accountable. The main point of communication is to develop relationships with your stakeholders, and communication enables you to interact socially.

The management of communication within an organisation requires a global and rational approach, and this approach is known as integrated marketing communication (IMC). This section considers the role of IMC in the management of OSOs and proposes operational methods and tools that allow organisations to increase the effectiveness of their communication. It focuses on establishing the proper basis for an IMC strategy. The section concludes with a discussion of the public relations strategy for Athens 2004 that was adopted by the Kuwait Olympic Committee.

The process of developing an IMC strategy is outlined in figure 5.5, which shows the relationships amongst the various stages of communications planning. In order to develop a communication strategy, seven major decisions have to be made:

- Which individuals and organisations do you want to target? In other words, who are your communication targets?
- What are the communication objectives?

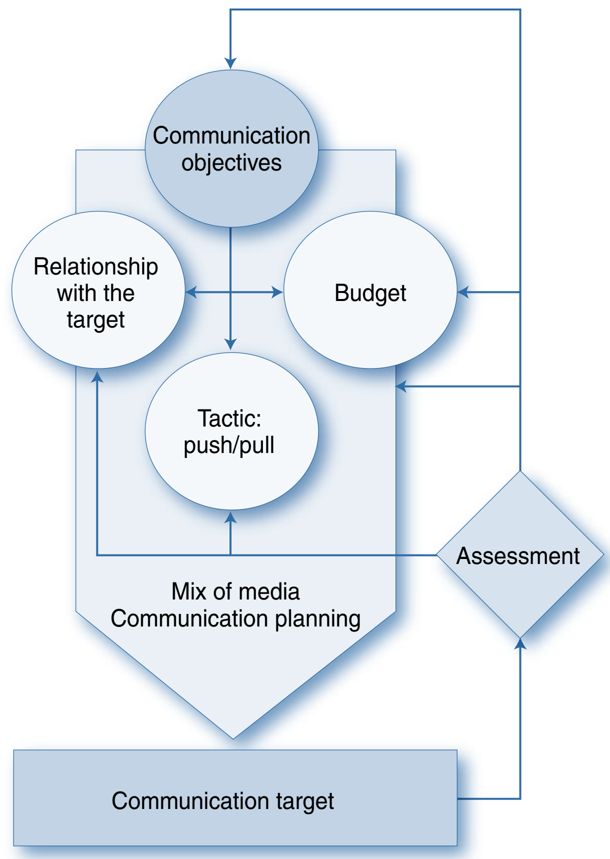

Figure 5.5 Stages of planning a communication strategy.

- What kind of relationship do you want to have with your communication targets?
- Which tactics will you use to communicate?
- What is your budget?
- Which mix of media will you choose?
- How will you assess the results of your communication?

These decisions will form the basis of the IMC strategy.

Communication Targets

Communication targets are the individuals and organisations with whom you wish to create or reinforce a relationship. For example, a sport club may have to communicate with parents, physical education teachers, journalists, sport retailers, sponsors and members. Once targets have been identified and selected, objectives can be set for communication with each target.

Communication Objectives

Objectives can be categorised on the basis of how to win over the targeted groups. Communication aims to change the behaviour of targeted individuals and organisations across three dimensions:

- Educating your audience about the OSO by creating an awareness of what the organisation does, its image and the perceived quality of the OSO's offerings *(cognitive dimension)*
- Creating an emotional tie between your stakeholders and the OSO so that they develop a preference for your OSO over your direct and indirect competitors *(emotional dimension)*
- Influencing the decision-making behaviour of your targets to join and remain loyal to your OSO *(behavioural dimension)*

These objectives are often linked together into an integrated communication programme. For example, if you are trying to increase membership, you could try the following:

- Publicise the services you offer with posters (cognitive dimension).
- Promote the quality of your services by inviting people to attend a session or event that presents services (cognitive dimension).
- Have staff and members talk to potential customers (emotional dimension).
- Convince the person to join your organisation by giving an extra bonus like a T-shirt (behavioural dimension).

Relationship With Your Communication Targets

Before deciding how you are going to communicate with stakeholders, you need to decide what type of relationship you wish to create with them. This will help to decide what kind of communication tactics you can employ and what media you can use. There are three types of relationship that can be formed with communication.

- *Diffusion:* This type of relationship is created by mass media, which communicate a message to a large number of people. Diffusion media, such as television, radio, press and poster advertising, are powerful communicators; however, they do not allow the organisation to develop a close relationship with targets, nor can the communication be tailored towards the individual. A diffusion relationship is simply about exposing stakeholders to the message, and therefore for many OSOs mass media communication is made possible through public relations strategies aimed at getting coverage or free publicity in media outlets such as newspapers, radio and television. Mass media communication through paid advertisements is not a cost-effective method of marketing for most OSOs.

- *Personalisation:* Personalisation of the relationship between the OSO and its communication targets is a key factor in creating and developing a real relationship. In order to create this important relationship, an OSO should use one-to-one media, such as face-to-face interviews, phone conversations, text messaging (SMS) or e-mail, which enable you to personalise the communication. For example, you might present your programme to a group of potential sponsors in order to outline your services and to understand what sponsors expect. After the presentation, you can design a customised proposal for each sponsor and present this at subsequent individual meetings.

- *Social bonding:* OSOs fulfil social and emotional expectations. A sport club allows people to meet friends and to share emotions, and OSOs will want to use communication to build this type of relationship. Through the use of events and public relations tactics, it is possible to create personal and emotional relations between people sharing the same interests.

Diffusion communications convey messages to a large number of people, but they can't be personalised. Personalisation relies on one-to-one communication where messages are customised in order to meet each person's specific expectations. Examples include direct marketing through telephone calls and direct correspondence. However, with this method, information cannot be quickly disseminated to a large number of people. Social bonding aims to develop social connections in a group of people, and this process can be more powerfully communicated when stakeholders are emotionally involved, such as when they participate in an event. You have to decide what relationship you want with your stakeholders and then use an appropriate communication method to build this relationship.

Communication Tactics

You can use two types of tactics to communicate with stakeholders: pull tactics and push tactics. Pull tactics aim to attract individuals to the OSO and its services, whilst push tactics promote the organisation and its services to the market. Pull tactics only work if the OSO brand is attractive to stakeholders, and this type of tactic is used by powerful brands like the IOC and the Olympic Games. Because the brand is strong, sponsors are pulled towards the Games and are used by the IOC to promote its values and to increase its social impact. Using the same type of tactic, commercial brands like Adidas and Nike use advertising and sponsorship to encourage people to purchase their products.

© IOC / JENNY Claude

A TOP sponsor's logo displayed prominently at an Olympic Games, illustrating the strong pull of the Games and the use of sponsorship by Coca-Cola.

Push tactics are offensive tactics in that the organisation actively promotes itself and its services to the market. Common push tactics are sport events, direct marketing and sales promotions. These are likely to be the main tactic used by the majority of OSOs because sport organisations are often not in a position to build a strong brand. A final point to note is that push and pull tactics can be combined.

Choice of Media

Media are the vehicles by which organisations communicate, allowing you to develop relationships with your communication targets. An OSO can use many types of communication media, including publicity, advertising, printed documents, the Internet, sales promotion, direct marketing and events. In addition, an OSO can use public relations as a communication vehicle. Public relations involves a conscious effort to organise and monitor communications in order to create, maintain and develop a climate of mutual understanding and confidence between the OSO and its stakeholders. Public relations combines many types of media in order to develop good public support and opinion by promoting the values of the OSO. Table 5.6 shows how communication media can create communication relationships.

Table 5.6 Communication Means and Relationships With the Target

Relationship with the target	Media	Description
Diffusion	Publicity	These activities promote an OSO or its services by placing news about it in media that is not paid for by the OSO or a sponsor. This form of free publicity involves contacting the media through press releases and by telephone and by inviting the media to events. It requires good relationships with key media.
	Advertising	Includes paying for messages in the mass media, press, television, posters, radio, cinema and Internet.
	Printed material	Involves distributing printed documents aimed at informing an OSO's stakeholders. This includes posters, fliers, booklets, folders, press kits, business cards, invitations and greetings cards.
Diffusion and personalisation	Websites	The Internet provides a communication channel for OSOs, allowing them to rapidly communicate values and inform stakeholders about current activities.
Personalisation	Sales promotion	Includes short-term incentives such as discounts or free merchandise.
	Direct marketing	Includes any marketing technique that is personalised in order to establish an interactive and measurable dialogue with a selected target. This usually takes the form of telephone calls, direct correspondence and in some cases, personal visits.
Social bonding	Events	Events can be celebrations that create emotion and thus reinforce social bonds amongst stakeholders.
Social bonding and personalisation	Test events	Includes special events that give an opportunity to try or test the quality of the offering.
Social bonding	Public relations	Includes events, sales promotions, direct marketing or any activity that creates and develops a positive climate within an OSO and its stakeholders in order to reinforce cohesion amongst stakeholders.

The media you choose to use depends on basic decisions regarding the strategy of the communication. These decisions relate to the quality of the relationship desired with your target (diffusion, social bonding or personalisation), the type of tactic (push or pull) and the objectives of the communication. A consideration of these three dimensions makes it possible to determine the most appropriate media to achieve the strategy.

For example, a sport club wanting to recruit new members could combine sales promotion, direct marketing and an event promoted through free publicity in the media. Awareness of the organisation is low and financial resources don't allow advertising using local newspapers and radio. The strategy could target the parents of children aged 12 to 16 years who are living in the area, aiming to create social and emotional relationships. One approach may be to adopt a push strategy, holding an event that encourages people to try the sport. This initiative could be extended by organising an open day that features well-known sport figures. Coverage or free publicity for the event could be gained by sending press releases to the media announcing the event, personally contacting media and inviting them to the event and holding a press conference during the event.

Assessing the Impact of the Communication Strategy

In order to assess the results of the communication strategy, four questions need to be answered. Table 5.7 outlines how the sport club discussed previously could use these questions to assess the impact of its strategy.

Table 5.7 Evaluating Communication Strategies for a Sport Club

Dimensions	Characteristics	What to evaluate
Which target?	Targets need to be evaluated to see if communication is effective	Number of new members Number of people contacting the club to get information
What to assess?	Direct effects Indirect effects Impact in the media	Number of new and renewed subscriptions Number of known contacts Visits to the website Image Perceived quality Satisfaction Number of articles in press
How to evaluate?	Analysis of existing information on subscriptions, number of requests for information and number of articles in the press Specific survey of the awareness and image of the organisation	Analysis of existing information Interviews and questionnaires
When to evaluate?	Three periods of measurement should be considered: before, during and after the communication plan	Collection of information throughout the year Investigation of stakeholder satisfaction

At the beginning of this section we presented the stages of a communication strategy (figure 5.5). Using the example of the sport club referred to earlier, you can see how the process might work in operation. The objective of the communication strategy is to promote the club in order to increase membership, and the target is parents with children aged 12 to 16 years. A personalisation and social-bonding relationship could be chosen, which could be developed by push tactics, within a budget of €3,000. The media chosen should reflect the push tactic, such as a free trial week promoted through advertising in partnership with local radio and newspapers. In addition, there should be an emphasis on free publicity, such as sending out press releases and joining radio talk shows. Finally, in order to assess the impact of the strategy, indicators should be established, such as the number of people participating in the free trials and new membership cards resulting from these trials.

Communication strategies should be formalised in writing and should have indicators of success. You will have to adapt your strategy to the culture of your organisation, its resources and its competences. The strategy must also be accepted internally. You will have to convince internal parties of the need for the strategy so that your organisation speaks with one voice. In addition, in order to be effective, you will need to follow these principles:

- Use simple and repetitive messages whenever possible.
- Be realistic when considering communication targets, objectives, media, budget and timing of communications.
- Develop a good relationship with the media in order to benefit from free publicity.
- Don't make messages too complex or choose media that is too expensive.
- Make sure you allow adequate time to get the message across.

In order to satisfy stakeholders' expectations, communication in an OSO needs to be proactive and personalised. This type of communication requires the IMC approach outlined in this section.

KEY RECOMMENDATIONS

- Ensure that you have an integrated approach to marketing communication with stakeholders that is developed in consultation with your Board.
- Be clear about who you are targeting with your communications.
- Analyse the behaviours of your stakeholders in order to determine the best mix of media for your communication purposes.
- Take advantage of opportunities for free publicity by developing relationships with key media in order to count on their support to cover news and events related to your OSO.
- Evaluate the impact of all communications.

The following illustration shows how a public relations strategy was used by the Kuwait Olympic Committee in order to raise awareness of its work.

Illustration 5.3
Managing Public Relations: Kuwait Olympic Committee

The Kuwait Olympic Committee (KOC) used the Athens 2004 Olympic Games as a media vehicle for a public relations (PR) campaign that aimed to raise awareness of the NOC, the Kuwaiti athletes and the country itself. The campaign was multidimensional and combined several types of media that adopted a variety of tactics aimed at key stakeholders.

Objectives

The PR strategy had the following objectives:

- To raise awareness of the KOC and its athletes
- To improve the public image of sport in Kuwait
- To recognise relationships with existing partners
- To highlight the need for sponsorship

These objectives incorporate the concepts of strategic positioning in the market, diffusion, communication and motivation to be involved with the organisation—objectives that are ideally suited to a PR campaign. In addition, the KOC had the advantage of being able to play a dominant role in special events such as the Olympic Games, world championships and Continental Games, and this campaign made the most of this market advantage. Thus, the PR strategy successfully used and reinforced the benefits and position of the KOC in relation to its competition.

Targets

The campaign had four main targets:

- *Potential KOC sponsors:* Unfortunately, there was no main sponsor for the Kuwaiti athletes at the Athens Games. Thus, the KOC used the Games as an opportunity to raise awareness of the need for sponsorship. The Games showed how sponsors might benefit from a relationship with the KOC by highlighting the media attention that the Games initiated.
- *Viewers and spectators:* Media played a major part in keeping viewers in Kuwait informed about the events of the Games. This raised awareness of the KOC and of sport in general. The Kuwaiti press sent four journalists to the Athens Games to ensure good overall coverage of the event. This coverage resulted in an effective review of the Games, which raised the image of sport in the country.
- *Public:* The main public target was the general public in Kuwait. The aim of the PR strategy in relation to this group was to raise awareness of sport in general, which occurred as a result of worldwide attention on the Games.

(continued)

Illustration 5.3 *(continued)*

- *Existing partners:* The Public Authority for Youth and Sports (PAYS) sponsored the Kuwaiti delegation financially as well as materially, contributing towards the costs of travel, accommodation and expenses. They worked in partnership with the state airline, Kuwait Airways Corporation. The Games provided the opportunity for the airline's support to be recognised.

Relationships and Media Chosen

Two types of relationships were developed with the targets of the communication plan. First, diffusion was important in order to inform targets about the work of the KOC and its athletes, to raise awareness of sport within the country and to raise awareness of the need for sponsorship. The televising of the Games and the work of the journalists at the Games allowed these objectives to be met. In addition, the Internet allowed greater dissemination of the activities of the Games. Moreover, the KOC and PAYS brought out publications and guide books in dual languages in commemoration of the Games in order to satisfy the growing interest of the public.

Second, in order to attract sponsorship and to recognise the work of existing partners, relationships of personalisation and social bonding had to be created. This was done effectively using the delegation that attended the Athens Games. Each of the 57 official delegates was required to promote Kuwaiti sport. In addition, attendance as part of the delegation was considered to be recognition of the role played by PAYS, leading to good PR between the KOC and PAYS.

In addition to the work done by the delegation and the mass media, the following provided opportunities to reinforce the objectives of the PR campaign.

- *Special events:* Certain events provided the opportunity to promote the KOC and its objectives, including the Olympic Games, Continental Games, Islamic Solidarity Games, Pan Arab Games, West Asian Games, Afro-Asian Games and Gulf Countries Council Games.

- *Athlete relations:* Relationships between the KOC and the athletes were developed at preevent meetings, warm-up camps, championships and test trials.

- *Hospitality:* The KOC offered hospitality at executive meetings, meetings of the OSOs, meetings of the delegation and meetings of the volunteers in order to reinforce the PR objectives.

- *Internet:* The West Asian Games 2003 website and the KOC website provided an opportunity for PR.

- *Publicity:* The objectives of the PR campaign were also communicated in the quarterly periodical published by the KOC, the monthly magazine published by PAYS and a 145-page bilingual publication brought out in commemoration of the 2004 Olympic Games by the KOC.

- *Journalism:* The objectives of the KOC were supported by daily coverage of sport in the Arabic and English language dailies.

The approach adopted by the KOC aimed to draw all stakeholders towards a common goal. The PR campaign integrated a number of diverse activities in one unified strategy to raise awareness of the KOC's activities, its athletes and the country itself. This is the hallmark of successful PR management. The Olympic Games of Athens 2004 created communication between the KOC and its targets and therefore helped the organisation meet the objectives of its communication strategy.

SECTION 5.4
MANAGING SPONSORSHIP

Sponsorship is a marketing strategy that pursues commercial and corporate objectives, exploiting the direct association between an organisation, brand or product with another organisation's brand or personality. It implies a commercial transaction between the various parties involved. This transaction can involve the exchange of funds, but more commonly it involves an exchange of goods or services as value in kind (VIK). This section discusses the factors involved in seeking and managing sponsorship in OSOs. It will begin by considering why sponsors might wish to be involved in sponsorship arrangements, which will be followed by a consideration of the process to follow when seeking sponsorship. The section ends with a presentation of the Philippine Amateur Swimming Association's sponsorship plan.

Reasons for Sponsorship

Analysis and understanding of sponsorship mechanisms are crucial in order to be able to manage sponsorship strategically. This knowledge will allow you to identify and select sponsorship opportunities, to define an action plan for seeking sponsorship and to assess the plan's impact on your targets. Basically, sponsorship is the match between a sponsored entity and a sponsor. The sponsored entity could be a sport organisation, team, athlete or event, whilst the sponsor could be a brand, organisation or product. For example, the Olympic Games have a number of key sponsors, such as Coca-Cola. As another example, the Olympic stadium in Sydney is now known as the Telstra Stadium after this telecommunications company bought the naming rights in 2002. In order to manage sponsorship effectively, you need to know why sponsors might consider supporting your OSO.

Photo courtesy of the National Olympic Committee of the Republic of Kazakhstan.

Signage of sponsors at the Central Asian Equestrian Championships, Almaty, Kazakhstan, 2003.

Associations Created by Sponsorship Arrangements

A sponsorship arrangement leads to three types of associations that arise as a result of the characteristics and images that are associated with the two entities. These associations can be an OSO's values, such as fair play and respect; perceived quality; and other characteristics, such as the Olympic rings. Sponsorship creates associations that are specific to the sponsor, associations that are common to both entities and associations that are specific to the sponsored entity. For example, table 5.8 presents the characteristics that are associated with the Olympic Committee of Slovenia, Association of Sports Federations (OCS-ASF) and Le Coq Sportif, one of its sponsors.

The interaction between the sponsor and the sponsored combines the emotions provoked by the sponsored entity with those evoked by the sponsors. This repeated interaction reinforces existing images of the two entities or generates new ones. The three processes (figure 5.6) that can result from this interaction are as follows.

- *Transfer of associations and characteristics of the sponsored entity to the sponsor:* For example, Le Coq Sportif might hope to transfer OCS-ASF associations, such as that of elite performance, to its brand.
- *Reinforcement of the common associations and characteristics between the sponsor and the sponsored entity:* Le Coq Sportif is likely to want to reinforce the following values associated with the OCS-ASF: tradition, quality, sense of accomplishment and an exciting life.
- *Transfer of associations and characteristics of the sponsored entity to the sponsor:* The OCS-ASF might be interested in transferring the images associated with Le Coq Sportif, such as ambition, innovation and enjoyment.

Table 5.8 Associations Created by the Interaction Between OCS-ASF and Le Coq Sportif

	Specific to OCS-ASF	Common to OCS-ASF and Le Coq Sportif	Specific to Le Coq Sportif
Features and associated characteristics	Top sport event and results High performance Sport for All Slovenia True friendship Courage Fair play Respect Logo with national symbols and Olympic rings	Know-how Quality Well managed Tradition Sense of accomplishment An exciting life Ambition Responsibility Capability	Clothing for competition and leisure Innovation Enjoyment with top sports and recreational products Ambitious Serious Imaginative Le Coq logo

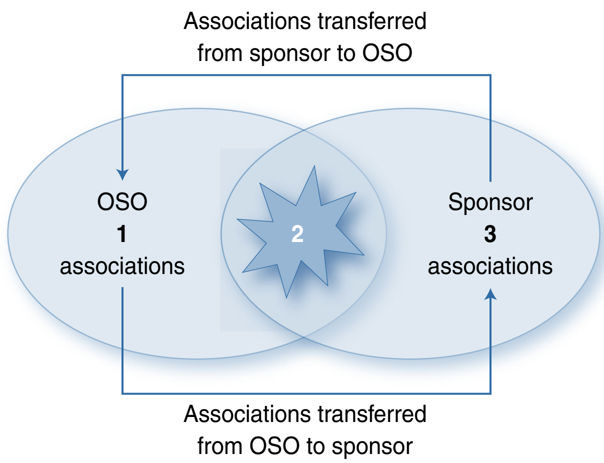

Figure 5.6 Reinforcement and transfer of associations between an OSO and a sponsor. Where the associations overlap (2), existing images are reinforced.

There needs to be a match between the associations that each entity can offer and the associations that are required by each entity. For example, Samsung claims to sponsor the Olympic Games because the Games represent the company's values: peace, humanism, courage and challenge.

Sponsor Objectives

Sponsors take part in sponsorship arrangements in order to achieve specific objectives. These objectives fall into two categories: commercial and corporate. Commercial objectives relate to activities that improve the function and profitability of the sponsor organisation. In many cases, they are the main reason why organisations get involved in sponsorship. Table 5.9 outlines the commercial objectives of the sponsorship arrangement between the OCS-ASF and its sponsors.

Table 5.9 Commercial Sponsorship Objectives

Objectives	Examples
To demonstrate the quality and performance of products and services (sponsoring of credibility)	Mura, an official supplier of the OCS-ASF, provided quality clothing for travel and gatherings for all Olympic teams and all events. At the same time it supplied clothing for some of the OCS-ASF member federations.
To increase brand awareness	SKB Bank advertised the Visa Olympic card for the Olympic team during Athens Olympics. For promotion it used OCS-ASF athletes and promoted the card on giant panels, printed media and the seats of all Adria Airways planes, the national air carrier and sponsor of the OCS-ASF.
To reinforce or change its public image	Sports lottery linked one of its lottery tickets to the OCS-ASF and promoted it in the media using OCS-ASF symbols and athletes. It intended to raise its image as the top lottery of top Slovenian sport.
To stimulate the sales force (emulation sponsorship)	The investment management company Istrabenz invited its best salespeople to the Mediterranean Games, where they were treated at VIP level, met athletes and top managers, and enjoyed the competition atmosphere.
To develop business-to-business relationships	Adriatic, an insurance company, organises a yearly picnic with sport activities for all its business partners. At the same time athletes, other sponsors and representatives of other OCS-ASF stakeholders are invited. The event is a perfect opportunity for informal gathering, new contacts, and promotion of Adriatic and the OCS-ASF.
To generate goodwill and a positive attitude towards the brand	OCS-ASF in cooperation with its partner research company, Mediana, produces yearly research showing that companies that support the OCS-ASF and sport in general have better image recognition by the general population than other successful companies that are not using sponsoring as a marketing tool.

Corporate objectives, however, aim to communicate company values both externally and internally through sport. They make it possible to moderate negative perceptions held by the public since involvement in social causes allows the sponsor to demonstrate its capability to take into account the human dimension of society and to redistribute part of its benefits in order to enhance people's lives. Thus, by being involved in sponsorship for corporate objectives (table 5.10), companies enhance both their social and political synergies.

Sponsors combine corporate and commercial objectives in order to achieve their goals. Thus, a company entering into a sponsorship arrangement can increase its brand awareness, stimulate its distribution network, increase its market share and create a feeling of pride amongst its partners. In addition, the hospitality aspect of sponsorship arrangements is important for companies because it provides them with an attractive opportunity to invite clients, suppliers, prospects and partners to high-profile events. Indeed, the opportunity to create a social bond using these events often exceeds the cost of the commercial transaction.

Table 5.10 Sponsorship Objectives Associated With Corporate Goals

Objectives	Examples
To demonstrate the company's citizenship and its involvement in social causes	OCS-ASF and SKB started their collaboration in 2003 with a scholarship programme. The programme targets young promising athletes with lower socioeconomic status in different regions across the country.
To promote the company culture, to reinforce internal cohesion and to stimulate staff motivation	Iskra, a highly specialised company in the production of electronics, supported a young disabled athlete at Athens 2004. The athlete was also a successful student and potential employee. Since the company employs some staff with disabilities, she was a motivation for them and other people with disabilities.

Managing the Sponsorship Programme

Knowing why sponsors might wish to be involved in sponsorship arrangements will help you plan your sponsorship programme. However, due to the complexity of the mechanisms and the various parties involved, sponsorship is not easy to manage and requires a programme of activities as outlined in figure 5.7. You need to take these factors into account in order to manage your sponsorship programme effectively.

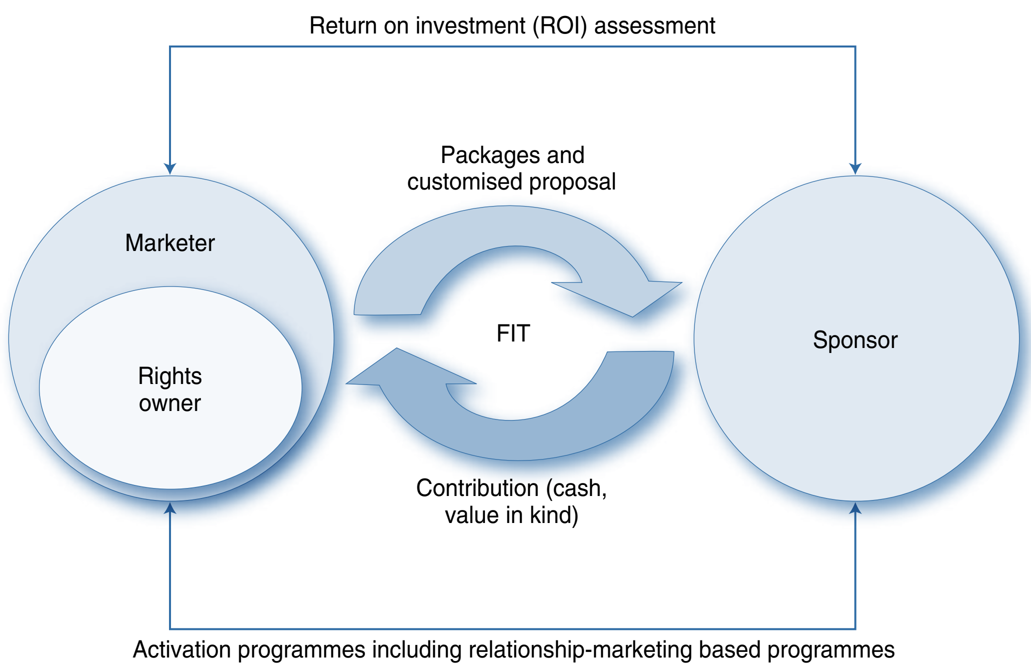

Figure 5.7 Operational model for managing sponsorship.

Sponsorship Packages

Sponsorship depends on the fact that each party can deliver something that has value for the other. When this is the case, both parties can agree on an exchange of money, services, products or rights. The most valuable commodity of many OSOs is the rights that they control (as discussed in section 5.1), since sponsors are likely to want to be associated with the image of the organisation. Once this exchange has been agreed upon, the transaction should be formalised in a contract that includes an agreement on terms, conditions, and time and place of the exchange. This is the sponsorship arrangement as outlined in section 5.1. An example of an NOC sponsorship agreement may be found on the IOC's NOC Extranet.

In order to put this arrangement in place, you will need to develop packages that are attractive to potential sponsors. This, however, is not as easy as it sounds. It is often difficult to develop an offer that satisfies the generic expectations of sponsors, such as exposure and hospitality, but also is personalised to a specific sponsor's expectations. You have to balance the number of sponsors in each category, their return on investment and your capability to deliver a quality service to each one.

Sponsorship packages require you to identify the type and number of sponsors you want. This allows you to offer different benefits to different sponsors, but it also lets you target your sponsorship activities towards what you need. There is no single rule for type and number of sponsors, but it may be difficult to manage more than three categories of sponsors. For example, apart from the IOC TOP partners, the Sydney Organising Committee for the Olympic Games (SOCOG) had a three-tiered sponsorship programme: the Team Millennium Olympic Partners, the Sydney 2000 Supporters and the Sydney 2000 Providers. SOCOG aimed to attract a certain number of sponsors in each category.

You then need to consider the elements that are to be common to all packages. These elements relate to the intangible elements of the offering, such as heritage, values, image and positioning, and to the tangible elements, such as the way of communicating and its impact. In order to tailor packages to different sponsors, each package should also contain customised elements, such as hospitality opportunities or exclusiveness.

Identifying Potential Sponsors

Once sponsorship packages have been developed, these can either be marketed directly or through a marketing agency. The purpose of this marketing is to identify a sponsor who is likely to be interested in your sponsorship offer and who is compatible with the mission and objectives of the OSO. This requires a diagnosis of the fit between the sponsored organisation and the potential sponsor. If the diagnosis demonstrates that the following criteria cannot be met, then it is appropriate to give up the process and seek another sponsor. The criteria for evaluating fit are as follows:

- *A match* between the characteristics associated with your organisation and the potential sponsor
- *Acceptability* of this association to the stakeholders of the two parties
- *Compatibility* between the sponsor's marketing and communication objectives and what can be achieved by the programme
- *Coherence* between the objectives and values of an event's stakeholders and the sponsor's targeted stakeholders (when seeking sponsorship of an event)

These criteria allow appropriate sponsors to be targeted.

Value of Sponsorship Packages

The decision of how much sponsorship to seek is often difficult because it is hard to place a financial value on what an OSO has to offer a sponsor. When considering the value of packages, a decision on price requires a complex arbitration between three components.

- The OSO itself, including its strategy, objectives, positioning, market power and cost of the services delivered to the sponsors
- The potential sponsors, including reference price, perceived value and ratio of price or quality
- Environment and competition, including economic situation and competitors' pricing policies

When negotiating the value of the package, you should be concerned with the amount to be contributed as cash and the amount to be contributed as VIK. Although cash may seem more desirable, it often causes problems with security and accountability. In addition, many sponsors find it more economic to provide VIK. Examples of VIK include equipment, team uniforms and travel. It is also important to give attention to how payments will be made, when they will be made and what might happen if the sponsor has to withdraw from the arrangement. Finally, it is necessary to be aware of what your competitors could offer the sponsor. You need to make sure that you do not overvalue or undervalue your offer.

Brand Activation

The initiatives that expose the sponsor's brand to the target audience are known as "activations". In order to achieve the objectives of sponsorship and to create the desired associations, you and your sponsor need to develop opportunities that expose the sponsor's brand to the stakeholders targeted by the sponsorship. For example, a basketball contest organised for teenagers, in partnership with a funding sponsor, provides emotional and social benefits such as fun, excitement and being part of the event, as well as raising the image of the sponsor amongst those involved. Activations provide the target audience with a positive experience that is both related to the sponsor's brand and connected with the sponsored entity. Activation programmes use a mix of media (presented in section 5.3), such as public relations, publicity, direct marketing and events.

Activation programmes are particularly essential for sponsors of the Olympic Games because their brand is not exposed in competition areas. Consequently, activation strategies aim to make the sponsor active, rather than passive, for the target audience. For example, when a brand is promoted by a poster around a stadium, it is passive; however, when the brand is in the hands of the consumers and providing a tangible benefit, such as a water bottle, cap or T-shirt, it is active and more likely to make a lasting impact on the target.

An activation strategy adopted by Le Coq Sportif in Slovenia was to develop a national track suit in the prescribed national colours for Slovenian athletes taking part in the Athens Games. After the Olympics, the company continued this strategy by offering to supply products for NFs competing worldwide. The success of the strategy was indicated by interest in other products, which led Le Coq Sportif to start to produce clothing elements such as T-shirts and polo shirts using the Slovenian Olympic brand.

Assessment of Return on Investment

Finally, in order to ensure continued sponsorship, the arrangement must be perceived as providing value to the sponsor. This will require an assessment of the return on investment (ROI) on behalf of the sponsor. ROI should be evaluated by assessing hard benefits, such as media exposure, number of participants and number of spectators, because these are indicators of the exposure the sponsor has received. Soft benefits, such as organisation awareness, image and perceived quality are also important because they allow assessments of the quality of the exposure. Assessing ROI will benefit the OSO as well since the organisation can demonstrate the value of its sponsorship packages to existing sponsors as well as to potential sponsors.

After signing a contract with a sponsor, you may feel satisfied and think that the pressure of work will decrease. However, the most challenging phase of sponsorship is about to begin: You now have to deliver the expected service to the sponsor. In order to do so, you should focus on the principles discussed in section 5.2 and aim to meet the sponsor's expectations of quality.

KEY RECOMMENDATIONS

- Work with your Board to identify any associations your OSO has that might be attractive to a sponsor.
- Target your sponsors according to a potential fit based on quality of the match, acceptability, communication, marketing objectives and target audience.
- Develop a range of packages that can be customised to meet the needs of sponsors.
- Structure your sponsorship packages in order to provide a return on investment to the sponsor.

There is little argument about the importance of sponsorship to most OSOs. The sponsorship plan of the Philippine Amateur Swimming Association offers a good example of a well-developed approach to sponsorship.

Illustration 5.4

Sponsorship Plan of the Philippine Amateur Swimming Association

The Philippine Amateur Swimming Association (PASA) is the national governing body for aquatic sport in the Philippines. Formed in 1962, the association oversees swimming, diving and water polo. In the near future, it will also oversee synchronised, open-water and fin swimming. As a nongovernmental organisation, PASA has always been dependent on the Philippine Sports Commission (PSC) and sponsors for the funding of activities and international competitions. Government funds are naturally limited and are not always reliable, and budget cuts from the PSC caused PASA to look elsewhere for support. In the past, PASA had been sponsored by the Bank of Commerce, and it currently has a long-term relationship with Arena, a swimwear manufacturer, for equipment supplies. However, for PASA to move forward it needed additional partners and funding, and this required the creation of a sponsorship plan.

Methodology

The development of the sponsorship plan involved thorough research. Interviews were carried out with

- the aquatic disciplines, in order to establish what water polo and diving required from sponsors to ensure that a plan could be developed to meet all the needs of PASA;
- other national sport associations, in order to establish how successful sports have attracted sponsorship;
- the Singapore Swimming Association, in order to identify what another swimming association in the region had done in the area of sponsorship; and
- past sponsors, in order to establish satisfaction with the arrangement and to establish future intentions.

Sponsorship Plan

As a result of the research, PASA initially decided to focus on swimming because it was the most well-known and popular sport. For swimming, two potential offerings were identified:

- The Philipinas Youth Cup (PYC) , an age-group programme that required short-term event sponsorship
- Team Beijing '08, sponsorship aimed at the middle term and that would be applicable to all of the disciplines

(continued)

Illustration 5.4 *(continued)*

Types of Sponsors

PASA decided to lead with the sponsorship of the PYC because it realised that most sponsors were more likely to commit initially to short-term sponsorship. It was thought that once success had been demonstrated with this package, sponsors would be more likely to commit to a longer relationship with PASA. Sponsors of the PYC were categorised as Gold, Silver or Bronze depending on the amount given in sponsorship. Sponsors were expected to contribute either cash or VIK depending on the organisation. For example, PASA approached travel companies to assist with travel costs, a timing company to help with timing equipment, and a number of food and beverage companies. These companies were identified because of the fit between what their operations could offer and what PASA required.

Sponsorship Package

The plan set out the costs of the sponsorship packages. The Gold package cost approximately US$19,000, the Silver approximately US$13,000 and the Bronze approximately US$8,000. In return, sponsors received several benefits in terms of marketing rights, publicity and hospitality. The benefits of being a Gold sponsor of the PASA series are outlined here:

- Top billing as the Gold sponsor in all event merchandising materials, such as posters, streamers, flags and leaflets
- Sampling rights in all event venues
- Selling rights in all venues where selling was allowed
- Playback of the brand's TV or radio ads in all events (minimum of 10 times)
- Display of 10 of the brand's streamers or A-frames around the central pool deck where the competitions were staged
- Logo on registration forms, invitation letters and the finals' meet program
- Acknowledgement in press releases as a Gold sponsor
- Logo inclusion in the PASA website
- Logo inclusion on backstroke flags in pools and on awards backdrop
- Logo on T-shirts of all swimmers, meet officials and timers
- Company logo etched in all medals and certificates
- Inclusion of one full-page ad in the finals' meet program
- Brand-name inclusion in all event communications
- Live acknowledgement during the actual event
- VIP seating for 10 company representatives during all meets
- Representative to be invited during all awarding ceremonies
- Special feature article with photo caption showing company officials and all winners after the finals

The sponsorship plan developed by PASA shows how a small OSO can take a pragmatic approach to obtaining sponsorship. Through careful research, PASA identified what it had to offer and what was a priority for the organisation, and then it packaged its offerings to attract sponsors with differing amounts to invest. In addition, PASA increased the number of competitions making up the PYC to increase potential exposure and thus make the event more attractive to sponsors. This was particularly successful and led Arena to offer PASA a substantial increase in sponsorship.

PASA targeted sponsors by approaching organisations that were linked with sport and healthy eating or that could contribute significantly with VIK. This link makes it easier for sponsors to see why they should become involved. Although the OSO desired long-term relationships with sponsors, it initially focused on short-term sponsorship, which is often easier to sell to sponsors, with the intention of building the relationships in the longer term.

SECTION 5.5 DEVELOPING AND MANAGING A MARKETING STRATEGY

In order for an OSO to have effective marketing, it needs a marketing strategy. This strategy will guide the marketing activities of the organisation and direct resources and activities towards achieving the marketing objectives. The process followed is the same as the strategic planning process outlined in chapter 2; however, a marketing strategy is a functional strategy in that it is developed in order to direct the work of the marketing function towards the strategic objectives.

This section discusses the procedures to follow in developing a marketing strategy, beginning with the process of market diagnosis. This is followed by a presentation of the techniques required to analyse the operating environments and then the strategic marketing decisions that need to be made. The section ends with an illustration of the information that the Lesotho National Olympic Committee used to develop its marketing strategy.

Market Diagnosis

Before developing a marketing strategy, you need to diagnose your market in order to identify what the market is, whom you should be targeting, and who your competitors are and what position they have within the market. This diagnosis will provide information that will allow you to set appropriate marketing objectives and allocate resources accordingly.

The Marketplace

The starting point of market diagnosis is to define your marketplace so that you understand the market in which your organisation is operating. For example, is it the sport market in general, or is it the market of a specific sport? An OSO may determine that it is operating in the health and fitness market, or it may simply view itself as being in the ball sport market. Once this decision is made, you will be in a position to obtain information in order to answer the following questions:

- What is the size of the current and potential market?
- How can the organisation benefit from being in this market?
- Is this market changing?
- Which are the key factors of success?

Market Segmentation

Once you have a clear picture of the market within which your organisation operates, you should then collect information about your customers or stakeholders. In most situations, stakeholders are not homogeneous, and it is important to analyse stakeholder characteristics in order to divide stakeholders into groups that allow you to target your marketing activities. The division of a market into different homogeneous groups of stakeholders is known as "market segmentation", and its various steps are presented in table 5.11.

In order for a segment to be worth targeting, it should meet the following criteria:

- *Measurable:* It is possible to get information about the segment and analyse it.
- *Substantial:* The segment is large enough to be worth considering.
- *Pertinent:* The segment relates to the organisation's objectives.
- *Durable:* The segment does not change quickly.

Table 5.11 Segmentation Process

Steps	Method and tools	Variables
Analysis of markets	Selecting criteria in order to identify homogenous groups of stakeholders	Geographic (rural, city, national, international), demographic (gender, age, income), behavioural (loyal, nonloyal) and psychological (expectations, values) criteria
Data collection on potential segments	Existing data (database, reports) Surveys (interviews, questionnaires)	Stakeholders' characteristics, behaviours, expectations and perceptions
Description of segments	Gathering information for each segment	Other variables such as purchasing patterns or lifestyle values

Competitor Analysis

The next stage of market diagnosis is an analysis of the organisation's competitors. This analysis allows you to identify other organisations that may appeal to your stakeholders. Competitors are those organisations with services that may attract customers or funding away from your services. For example, a swimming federation may consider its competitors to be other sport federations because they compete for resources from the same funding bodies, or its competitors might be private swimming schools that offer swimming lessons that compete with those promoted by the federation. Competitor analysis requires you to collect the type of information outlined in table 5.12, which presents a limited competitor analysis for a basketball club hoping to attract the teenage market.

Table 5.12 Competitor Analysis for a Basketball Club

Service expected by teenagers	Competitors providing the same service	Strengths and weaknesses	Competitive strategy
To improve skills and technique	All sports	Basketball has a well-developed coaching system. It is easy to find a club. Some techniques are hard to learn.	Differentiate on the basis of the quality of staff and coaching structure.
To belong to a group	All team sports	Basketball is a team sport and is usually part of a large club.	Differentiate on the basis of clubs and team size.
To have fun	All ball sports and the entertainment industry	The image of basketball is fun and is associated with a trendy lifestyle.	Differentiate on the basis of image and lifestyle.

Market Position

Finally, it is necessary to decide where your services are positioned in the competitive market that you have identified. The position of a service is the way consumers perceptually place it in the market on the basis of important attributes, such as quality, image, cost and services. For example, a stakeholder is aware of the difference in importance between national championships, world championships and the Olympic Games without this having to be stated by OSOs. As another example, when teenagers are looking to take part in a sport that they feel will make their life exciting, they may consider basketball to be more exciting than volleyball but less exciting than beach volleyball.

Knowledge of the organisation's position in the market allows you to determine how competitive you are in the market, how your services are perceived by stakeholders and what the stakeholders expect of those services. Position can be assessed using the following steps:

- Identifying the organisation's competitors
- Identifying stakeholders' expectations and the level of importance they assign to those expectations by asking stakeholders to rank each competitor on each expectation
- Situating the organisation's current position in relation to others

Market diagnosis ensures that you are fully aware of the market within which your organisation operates. This allows you to focus on the subsequent environmental analysis that underpins the marketing strategy.

Environmental Analysis

The process of environmental analysis has been discussed in chapters 1 and 2, so at this point it is only necessary to highlight what is important when carrying out an analysis for marketing purposes.

Internal Analysis

Internal analysis for marketing purposes focuses on two aspects: an analysis of the OSO's brand strength and a review of the organisation's marketing mix. The first section of this chapter defined a brand as the organisation's name, image, and associations with that name and image. Brand equity can be considered as the brand's set of characteristics that give an added or lesser value to the OSO's services. In order to develop a marketing strategy, the strength of the brand equity needs to be evaluated so that you can use the brand in the best way possible to achieve marketing objectives. Ferrand and Torrigiani (2005) have developed a framework that may aid in the evaluation of an OSO's brand equity and thus may be a useful tool when carrying out internal analysis. Table 5.13 outlines how the brand of the French Volleyball Federation (FFVB) can be evaluated across a number of dimensions.

It is also necessary to assess the organisation's current marketing mix of strengths and weaknesses. The marketing mix comprises the components of the service that the OSO uses to promote, sell and deliver its offerings. The marketing mix of an OSO includes the seven components outlined in table 5.14, which shows the diagnosis of the marketing mix of a gymnastics federation.

External Analysis

In the marketing framework, external analysis involves an examination of relevant marketing elements outside the OSO's internal environment. In order to carry out an external audit for marketing purposes, the dimensions presented in table 5.15 should be considered. This will provide information on opportunities and threats that might affect the organisation.

Strategic Marketing Decisions

The process of information gathering presented previously makes it possible for you to make the four main decisions regarding your market:

Table 5.13 Brand Equity Dimensions of the FFVB

Dimensions of brand	Variables	FFVB
Stakeholders	Number, characteristics, influence, relationships	106,000 members 46% women 1,729 clubs Olympic sport Few sponsors Average media exposure
Foundations	Heritage, vision, values, identity	Heritage: educative sport Vision: French volleyball renewal will bring high standards Values: a sense of accomplishment, stimulation, honesty, friendship and humanism Identity: innovation, organisation and conquest
Protection	Name, symbol, trademark	Beach volleyball is a registered trademark
Knowledge	Awareness, image, positioning	Weak awareness Conservative High-level sport
Experience	Satisfaction, perceived quality	Stakeholders are globally satisfied The FFVB is perceived as not meeting its clubs' expectations
Relationships	Loyalty and relational aspects (functional, emotional, sociocultural and psychological benefits)	Stakeholders are loyal, but it is difficult to recruit new ones FFVB is mainly delivering functional benefits (competition, training)

- Which segments will you target?
- Which competitive advantage will you maintain or develop?
- How should you position your organisation in the marketplace?
- Which marketing strategy will you use?

Which Segments?

As outlined earlier, market segmentation should be based on the characteristics outlined in table 5.11. Once you have determined what your market segments are, such as youth, adult, leisure or elite, you should then assess which segments to target. A useful tool for doing this is the General Electric/McKinsey nine-cell portfolio, which is presented in figure 5.8. This tool requires you to assess your market segments on the basis of two factors: segment attractiveness and organisation competitiveness.

Table 5.14 Diagnosis of the Marketing Mix of a Gymnastics Federation

Dimension	Strengths	Weaknesses
Products	Training dedicated to top athletes Development programmes for competition and leisure	No development programmes based on rhythmical gymnastics
Price	Low membership fee that offers value for money	Same as competitors
Place	Distribution of gymnastics through a club network Local partnership with schools	No national partnership
Promotion	Communication throughout club network	Weak communication plan focused on teenagers
Processes	Efficient planning for top athlete training	Focused on top athletes
People	New professional management Qualified coaches	Staff expertise is specifically related to gymnastics
Physical evidence	Large number of sport facilities	Sport facilities belong to local authorities Sport facilities are built for competition, not for participation

Table 5.15 External Analysis of the Marketing Variables of a Tennis Federation

Dimensions	Variables	Current situation
Market	Size, how the market operates, barriers to entry, key success factors (KSF)	Traditional sport that has a stable number of members. Leisure sport market is growing. KSF are that the sport is easy to access, has a strong social base, receives good media exposure and has a positive image.
Consumers and stakeholders	Segmentation, expectations, unfulfilled needs	Segments are competition and leisure. Both segments want to belong and to have fun.
Competitors	Strategies, goals, brand equity, marketing policy	The leading sports are soccer, basketball and volleyball. Strong brand equity dimensions exist (awareness, image and stakeholders).
Positioning	Relevant dimensions used for positioning, positioning related to stakeholder segments	It is positioned as a fun, clean and educative sport.

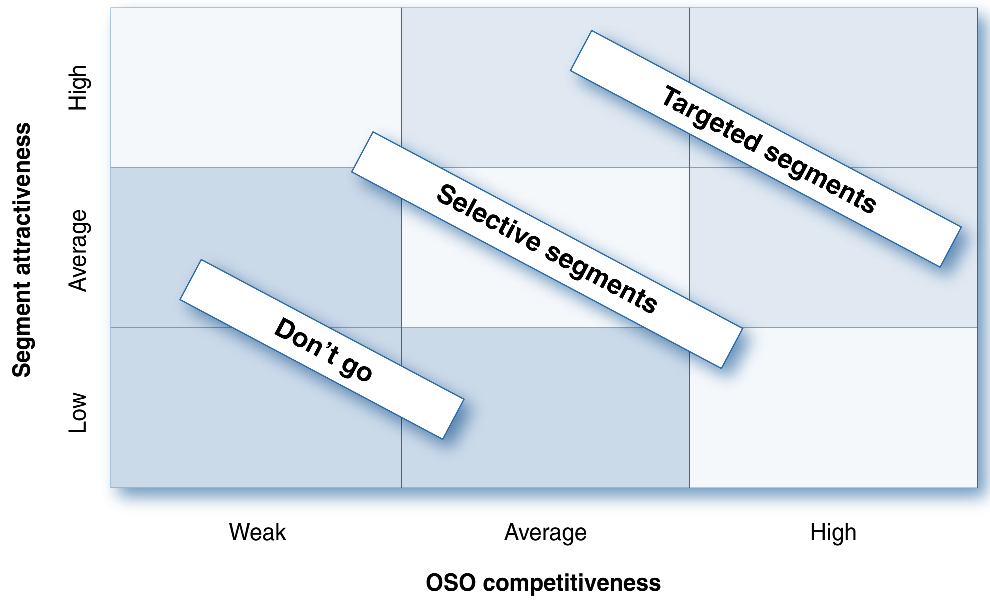

Figure 5.8 Segment attractiveness–competitiveness matrix.

Reprinted, by permission, from A. Ferrand and L. Torrigiani, 2005, *Marketing of Olympic sport organisations* (Champaign, IL: Human Kinetics), 81.

Segment attractiveness can be assessed by the following criteria:

- *Fit with organisation mission:* Does the segment reflect the organisation's objectives for sport participation or elite athletes?
- *Segment size:* How many individuals are in each segment?
- *Level of involvement in sport:* Are the individuals casual, regular or elite participants?
- *Buying power and expenditure related to sport:* How much revenue can each segment bring into the organisation?
- *Trend for the future:* Is there growth or decline in involvement with the organisation?
- *Perceived quality of services:* Does the segment perceive the OSO to offer services of acceptable quality?
- *OSO capability to improve perceived quality:* Can the OSO improve its quality to meet the expectations of the segment?
- *OSO positioning in the marketplace:* Can the OSO attract stakeholders away from competitors?

OSO competitiveness can be assessed on the basis of the following:

- The existence of direct and indirect competitors
- The competitors' capability to satisfy targeted segment expectations
- The financial risk involved in targeting a particular segment

If your OSO competed well against rivals in these areas, it would rate high. If the OSO were unable to compete against rivals, it would rate low. Assessment of the organisation in terms of these two factors will allow you to decide where to place your services on the nine-cell portfolio.

This portfolio develops three types of segments, which can help you make decisions about the groups you want to target:

- *Targeted segments:* These are segments that the OSO ranks highly on both dimensions and have an excellent profit (social or financial) potential. Targeted segments are a priority for an OSO. For the FFVB, these segments would include local authorities, teenagers, physical education teachers and officials.

- *Don't go segments:* These are segments that rank low on both dimensions and have poor prospects. These segments should not be targeted by the OSO. For the FFVB, these would be teenagers already heavily involved in other sports.

- *Selective segments:* These are segments that have average attractiveness and average competitiveness, high attractiveness and low competitiveness, or low attractiveness and high competitiveness. Although these segments are not a priority for an OSO, they do offer additional groups for targeting. For example, the FFVB could target major sponsors and national media if it were looking to extend its market.

Which Competitive Advantage?

Marketing strategies should create at least one competitive advantage for your organisation. A competitive advantage arises because certain characteristics or attributes of the services are superior in relation to the most direct competitors. A competitive advantage exists when an OSO is able to deliver the same benefits as competitors but at a lower cost, or when it can deliver benefits that exceed those of competing offers. Developing a competitive advantage requires you to understand stakeholders' expectations and to deliver a service that has better value than your competitors' services. Competitive advantage can be created by a variety of factors, such as service quality, membership cost, ease of access to services and image of the organisation in relation to others. Once the competitive advantage of the organisation has been determined, it then needs to be marketed through the positioning process.

Which Position?

Your position in the market provides an answer to the stakeholders' question, "Why should I get involved with this organisation?" When stakeholders are looking for a particular service, the OSO's position in the market will suggest whether or not it is a potential supplier of that service. Your organisation's position relates to several factors, including competitive advantages, exclusivity, credibility as a provider, and coherency with technical (know-how), financial and human resources.

Which Strategy?

The final aspect of a marketing strategy is to determine the strategic direction in which to focus marketing activities. The information gained from the strategic marketing process can be used to answer the following questions:

- Do your current offers have potential for growth in your current market?
- Are there other markets for your existing offers?
- Is it possible and profitable to conceive new offers for your current market?
- Is it possible and profitable to conceive new offers for new markets?

Answering these questions allows you to decide which of the following strategies to pursue.

Market Penetration Market penetration occurs when you market more of your existing products and services to your existing market segments. This strategy seeks to increase market share with the current portfolio of offerings. Because services are not altered, market penetration has the least risk of all methods of expansion. Opportunities include the following:

- Encouraging existing stakeholders to buy more of your services, such as encouraging event spectators to join the organisation
- Encouraging stakeholders who are buying competitive offers to switch to your services, such as recruiting new members from those who are interested in sport in general
- Encouraging nonusers within the segment to buy your offerings, such as recruiting new members from those who have not previously been interested in sport

Market Development Market development is the strategy of marketing your existing portfolio in a new market, which is a tactic adopted by many professional sports that recruit new fans from abroad. The service remains the same, but it is marketed to a new audience, such as a new geographic territory.

Development of Offerings This involves marketing a new product or service to existing customers, such as providing a membership card with discounted products and services from the OSO's sponsors. Existing products can be improved, or if the OSO has sufficient resources, new services can be developed to match other expectations of existing customers.

Diversification Diversification is where you market completely new products to new customers, such as the arrangement reached by the OCS-ASF and SKB Bank to market a new Visa card.

The process of market diagnosis allows you to make strategic marketing decisions, which in turn leads to the development of a marketing strategy. This strategy guides the marketing function's contribution to achieving the organisation's objectives and is therefore an important part of the management of an OSO.

KEY RECOMMENDATIONS

- In consultation with your Board, assess the strengths and weaknesses of the organisation's brand equity and marketing mix.
- Analyse your market and monitor your competitors' position.
- Determine the various market segments and analyse their attractiveness to the organisation.
- Develop at least one competitive advantage and position it in your targeted stakeholders' minds.
- Identify the marketing strategy you are going to pursue and put in place plans to achieve it after gaining approval from your Board.

The following illustration considers the development of a marketing strategy that was carried out by the Lesotho National Olympic Committee.

Illustration 5.5

Sport Marketing Plan: Lesotho National Olympic Committee

The Lesotho National Olympic Committee (Lesotho NOC), which also functions as a Commonwealth Games Association of Lesotho, is a volunteer organisation based in the capital city of Maseru, Lesotho. It is a member of both the IOC and the Commonwealth Games Federation. Most of the organisation's administrative work and other sport development ventures are funded by the IOC. This committee prepares athletes through NFs for participation in the Commonwealth and Olympic Games. All the NFs in Lesotho are affiliated with the Lesotho Sports and Recreation Commission (LSRC) and Lesotho NOC. In order to raise awareness of the organisation and to increase funding, a marketing plan has been developed.

Market Diagnosis

In order to define the market, the Lesotho NOC collected the following information.

Demographic Environment

The population of Lesotho was estimated at 2,207,954, with the following age structure:

Under 15 years of age:	39% with male–female ratio of 1.01
15 to 64 years:	56% with male–female ratio of 0.93
65 years and above:	5% with male–female ratio of 0.73

Total population sex ratio was estimated at 0.95 male–female, meaning there are more females than males in the total population, but under age 15 there are more males.

Geographic Environment

Most of the population is distributed along the Western border between Lesotho and South Africa, Lesotho's only neighbour. Because of the country's terrain, there has been a tendency to develop sport facilities in the lowland towns only.

Photograph: Dirk Schwager Thaba Productions.

Lesotho's geography has influenced where sport facilities are built.

Psychographic Environment

Football, athletics and the national form of netball have been the traditional sports practiced in Lesotho. However, the introduction of new sports has met with so much interest amongst youth that some join as many as five sports at a time, waiting until they are older to choose one sport to focus on.

Behavioural Environment

Because parents often have little or no involvement in their children's sport activities, it is difficult for NFs to get athletes to pay joining fees or buy training outfits. Therefore in most sport activities competitors seldom have team uniforms. Another contributing factor is the lack of sport equipment in local shops. Only those who have access to South African shops get proper training outfits.

However, parents often encourage their children to participate in sport, irrespective of what sport they go for, because sport provides a sanctuary from drug abuse and other unwanted behaviour. Selection for national teams is also welcomed because of the benefits of travel and allowances.

(continued)

Illustration 5.5 *(continued)*

Competitive Environment

In Lesotho, all boys grow up playing football, and when they get older and stop playing, they still stick with football as armchair spectators, making football the greatest competitor for other sports. The assistance provided by FIFA to most African and Asian football federations has made football even stronger. In addition, attracting sponsorship to sports other than football is difficult.

Other forms of competition are churches, cultural activities and music festivals. Lesotho is a religious country, and many parents want their children to attend church services on weekends, which often conflicts with sport participation. Cultural activities and music festivals are another form of competition for sport because they attract the same participants on the same days of the week.

Environmental Analysis

The analysis of the market led to the creation of the SWOT analysis outlined in figure 5.9.

Strengths	**Weaknesses**
Most sport activities are concentrated in the capital city and in a few other towns, which means the target population is geographically contained The community is looking for outlets to which they can take their children who are in danger of social disasters such as drug abuse and the HIV/AIDS pandemic Renewed government interest in sport and recreation and thus an increase in the sport budget Investment in coach education by both the Lesotho NOC and government Partnership with schools in sport development Potential for sponsorship by business	Poor sport facilities Poor management practices by various stakeholders in sport Poor media coverage to most parts of the country Poor community involvement in sport No sport goods industries Poor financial resources Lack of entertainment during sport activities
Opportunities	**Threats**
High altitude of Lesotho, which could be used to attract world-class athletes to train in Lesotho Proximity to the Republic of South Africa, which provides competition opportunities Competitor complacency Good road network throughout the country Sports more attractive to youth, in particular girls	Football and volleyball, which seem to be more popular than other Olympic sports in the country South African football, which is particularly attractive to most Lesotho males Television, which covers politics and not sports Lack of legislation on tax rebates on sport sponsorship Church activities, music festivals and cultural festivals

Figure 5.9 SWOT analysis of the Lesotho NOC.

Marketing Objectives

From this analysis the following objectives were developed:

- Encourage involvement of parents in sport activities so that sport is seen as family entertainment.
- Make the sports interesting enough to attract businesses to sponsor activities.
- Make the sports interesting enough to attract media attention.
- Make the sports interesting enough to retain athletes in one sport to promote consistency.
- Improve the image of the NFs, which in turn will improve the image of the Lesotho NOC.

Marketing Strategies

The marketing strategies aimed to improve the image and functioning of NFs, which in turn would improve the image of the Lesotho NOC. The strategies adopted a market development approach.

There were two groups of NFs in this plan. Group 1 included athletics, boxing, netball, gymnastics and table tennis. These sports can be practiced anywhere without necessarily building new facilities. Group 2 included basketball and squash, sports that require specific facilities. The plan was to use national teams to carry out coaching clinics in identified regions around the country. Particularly important were the two medal winners of the Commonwealth Games of Kuala Lumpur 1998 and Manchester 2002.

Group 1 followed a programme that allowed every district to be visited, and group 2 went to districts where there were relevant facilities. In addition, the following strategies were employed to address the other marketing objectives:

- Night games were encouraged for all sports during the weekdays so that weekends could be left for coaching clinics. This also avoided competing for spectators with other sports.
- National team players accompanied coaches during coaching clinics in order to interact with the young athletes.
- Media were trained about all sports so that they developed the knowledge necessary to report confidently.
- Parents were encouraged to be present during coaching clinics so that they could also learn about the sport. Incentives were provided for those who attended.
- Media, parents and sponsors were given special treatment for attending activities of the national team, such as practice sessions, test or practice matches, and international games.
- Schools whose students were selected for national teams were given special treatment during match days.

(continued)

Illustration 5.5 *(continued)*

- The people's love for cultural activities and music was used to attract them to sport activities. Pregame, break and postgame entertainment helped make the activities more interesting for spectators.

The strategic marketing plan that set out these activities contained objectives to show how each goal was to be accomplished. It also showed how resources, both financial and human, were allocated and monitored.

The strategic marketing plan of the Lesotho NOC was developed in a systematic and planned manner. By following the process outlined in this chapter, this OSO has been able to develop plans to market sport both inside and outside of Lesotho.

The following case study applies many of the points covered in this chapter to the Olympic Committee of Slovenia, Association of Sports Federations. The purpose of this case study, like others in previous chapters, is to demonstrate how the material covered in the chapter is applicable to OSOs. Although your organisation may not be the same type of OSO, the case study will highlight how the concepts covered in this chapter can be put into practice.

CASE STUDY 5

Marketing of the Olympic Committee of Slovenia, Association of Sports Federations

The Olympic Committee of Slovenia, Association of Sports Federations (OCS-ASF) is an umbrella sport organisation in Slovenia, consisting of 60 NFs, 90 regional sport federations and 13 federations in the areas of sport science and recreation. The organisation is responsible for the majority of sport in the country, from elite sport to Sport for All. The marketing department has a key role to play in the OCS-ASF; it is responsible for obtaining financial support, communicating with the business community and serving other departments' needs.

What the OCS-ASF Markets

The OCS-ASF composite logo is the symbol that represents the Olympic spirit with certain characteristics of the Slovenian identity (table 5.16). This symbol is a registered trademark of the OCS-ASF. The slogan "Unity makes strength" symbolises the efforts that are common to sport and business and is used to promote the Olympic team to sponsors. The values and image of the OCS-ASF are attributes that reflect business tendencies for constant improvement in the market.

Table 5.16 OCS-ASF Logo, Slogan, Values and Image

Logo	
Slogan	"Unity makes strength."
Values	Sense of accomplishment Ambition True friendship Capable (competent, effective) Honest Respectful Sense of belonging
Image	Top athletes Top sports results Fair play Determination

▶ Managing the Quality of the Offering

The OCS-ASF marketing department works closely with stakeholders to ensure that it is meeting their expectations. The following information shows how the department aims to deliver services that are perceived as high quality.

- *Tangible elements:* These include well-trained personnel, up-to-date technology and well-presented communication materials.
- *Reliability:* A reliable marketing system allows informed and consistent decision making, consistent care of selected athletes and professional performance of tasks.
- *Responsiveness:* This includes willingness to offer assistance to member federations and athletes and to provide prompt and accurate service.
- *Assurance:* This includes well-informed and courteous OCS-ASF staff, reliability and the ability to convey trust and confidence.
- *Empathy:* This helps result in an individualised approach to OCS-ASF stakeholders and their needs.

▶ Marketing Communication Strategy

The marketing department communicates actively with the business community. Table 5.17 outlines the communication strategy used by the OCS-ASF to communicate the dimensions of its brand equity to key stakeholders.

(continued)

CASE STUDY 5 *(continued)*

Table 5.17 Communication Goals, Objectives and Tactics

Brand equity dimensions	Existing sponsors	Potential sponsors	NFs	General public	Ministry of Education and Sport
Stakeholders: building and reinforcing the relationships	Yes	Yes	Yes	No	Yes
Foundations of OCS-ASF: history, vision, values, identity	Yes	Yes	Yes	Yes	Yes
Knowledge: awareness of OCS-ASF, image of OCS-ASF	Image	Image	Image	Awareness Image	Image
Experience: satisfaction with services, perceived quality	Satisfaction and perceived quality	Perceived quality	Satisfaction and perceived quality	Perceived quality	Perceived quality
Relationship: functional, emotional, sociocultural and psychological benefits	Communication reinforces all benefits of the relationship	Communication reinforces all benefits of the relationship	Communication reinforces the functional benefits of the relationship	Communication reinforces the emotional and socio-cultural benefits of the relationship	Communication reinforces the functional, emotional and socio-cultural benefits of the relationship
Nature of the relationship with the target	Personalisation and social bonding	Personalisation	Personalisation and social bonding	Diffusion	Personalisation and social bonding
Tactic	Push	Push and pull	Push	Push and pull	Push and pull

In order to achieve its communication objectives, the OCS-ASF communication strategy is based on several media, such as the following.

- *Publicity with advertising:* The OCS-ASF, in cooperation with partners, produces weekly TV and radio transmissions. These promote Sport for All events, top athletes and IOC events, and they have space for advertising, which is used by sponsors or the OCS-ASF.
- *Printed materials:* These are targeted at member federations, athletes, media, sponsors and other stakeholders.

Managing Sponsorship

Sponsors are selected according to compatibility with the values of the OSO, available categories, expectations of the OCS-ASF and the sponsor, and the benefits for both sides. The OCS-ASF has a structured system of sponsorship.

- *Sponsor of the Olympic team:* This is the most important group of business partners and is similar to the TOP partners of the IOC. Sponsors sign long-term contracts and have exclusivity. This category is limited to a maximum of 25 companies. Sponsors are the only partners associated with the Olympic team.
- *Partner of the Olympic Committee:* The partner category is divided into three groups. Golden partners make a yearly contribution that is half of that made by the sponsors, Silver partners contribute a quarter of the sponsor contribution, and Bronze partners contribute a tenth of the sponsor contribution.
- *Donor of the project:* Donors provide products, services or financial contributions to improve services to athletes. Donors cannot advertise their activities, but they can donate 0.3% of their annual budget, which reduces their net profit and thus their tax.

Developing and Managing a Marketing Strategy

The OSC-ASF has a well-developed marketing strategy, which began with the process of environmental auditing and led to the identification of the competitive advantages outlined in table 5.18.

This led to the development of the strategies shown in table 5.19 for the OCS-ASF from 2006-12. The new markets and services will add value to existing offers and existing markets.

(continued)

CASE STUDY 5 *(continued)*

Table 5.18 Factors Likely to Create a Competitive Advantage

Factors	Characteristics
Perceived quality of the offer	Meeting stakeholder expectations Delivering quality services that meet stakeholder expectations OCS-ASF performance: financial, social, managerial and sport results
Price	Reasonable pricing of the services offered to the business community compared with that offered by other sporting organisations Flexibility: ability to adapt the cost of programmes to meet the needs of the business community
Communication	Well-developed communication strategy and an appropriate communication mix
Sales and distribution network	Accessibility via all communication channels and new media Availability via well-trained staff Reactivity: quick response to and immediate servicing of partner needs Personalisation: individual approach to the needs of partners by having a contact person responsible for a particular field or programme Expertise: good internal transfer of knowledge and awareness of relevant trends in the environment
Intangible elements	Image: communication activities that monitor and improve the OCS-ASF image The OCS-ASF position in the market is high in the minds of stakeholders
Geographic territory	Size: Slovenia is a small country, which makes communication easier Located in Central Europe, which makes accessibility to competition and sponsors easier
Knowledge and relationship	Awareness: The OCS-ASF is a well-recognised and respected brand, perceived as a partner of business Stakeholders have a positive attitude towards the organisation

Table 5.19 Market Strategies for 2006–12

Market penetration	System of benefits such as independent discount when advertising in partner media, appearance of logo on all printed and other audiovisual media, including Internet
Market development	New services of OCS-ASF marketing company Regular 30 minutes of TV advertising once a week An improved website
Offer development	Linking of the OCS-ASF's network with new electronic tools that reach all partners, NFs and regional federations Evaluation of newspaper exposure for all business partners Evaluation of sponsorship programme with reports for partners Event organisation together with NFs
Diversification	Travel and accommodation services Merchandising

As you can see from this case study, the marketing of the OCS-ASF is based on the principles outlined in this chapter. It has a number of trademarks in its logo, slogan, values and image that it uses well for marketing purposes. These trademarks are attractive to sponsors of the organisation, who in particular wish to be associated with the image and values of the OCS-ASF. The OSO has a comprehensive communication plan that targets all key stakeholders, building relationships and presenting strategies for facilitating stakeholder engagement with the organisation. Services are of an acceptable quality, and the OCS-ASF has a clear strategy for marketing that was developed by a process of environmental auditing, SWOT analysis and strategy selection.

Although the OCS-ASF is a medium-sized NOC, OSOs of all sizes can implement the same practices and strategies. One of the benefits of marketing is that its principles are as applicable to small, volunteer-run OSOs as they are to large NOCs or IFs that employ professional staff. What changes with the size of the organisation is the scale of the process. Smaller OSOs may have fewer stakeholders, less detailed communication and sponsorship plans, and a simple marketing strategy based solely on market penetration. What is important is that the marketing of the OSO is carefully planned and managed and takes account of everything the organisation has to offer.