

## The 'life' of marketing

JJ Prinsloo

### Introduction

*Everybody seems to be able to do marketing until they actually have to do marketing.*

The word marketing is originally a derivation from the Latin word “*mercatus*”, meaning marketplace or merchant.



Marketplace during the 1550s

In general, marketing is both a business science and the science of art.

Marketing as a business science does have set rules with quantifiable results, followed by scholars and practitioners alike. Therefore, marketing will remain incomplete if one disassociates academia from industry. Evolutionary and market-related changes continuously influence and contribute to the evolvement of this science.

Marketing, as the science of art, does seem to be flexible during the interpretation thereof. Both scholars and practitioners approach ‘*marketing as an art*’ individualistically. Therefore, the contextual environment (scholarly or industry) influences the creator. Torok ([www.PowerMarketing.ca](http://www.PowerMarketing.ca)) encapsulates marketing as follows “*...marketing is a science that should draw upon the art. Never let art dictate the direction of your marketing. Use science to determine decisions and use art for the nuances*”. The question, therefore, is: What elements represent this ‘art’ within marketing?

This lecture feeds from both. Unlike the chronologically sequential belief by Torok (science followed by art), the contextual (art) leads and science follows.

## MARKETING IN SPECIALISED ENVIRONMENTS

Any specialised business environment has its own marketing opportunities and challenges. This could also be referred to as niche marketing. The focus is on connecting with a specific target audience.

Unlike generic marketing efforts – that seek to appeal to the broadest possible range of potential consumers – specialised marketing crafts marketing messages aimed at prospects with a distinctive interest in their specialised product or service.

Within any specialised business environment, the marketing drive could and should capitalise on key benefits, such as:

- Uniquely knowledgeable consumer base;
- A smaller pool of competitors;
- A chance to build extensive brand awareness;
- Potential appeal to high-end, ‘elite’ customers (<https://www.thealternativeboard.com/blog/guide-marketing-specialized-business>).

Doing marketing in specialised markets is not always a cognitive decision by marketing specialists. Industry marketers are driven by markets, businesses are driven by societal dynamic needs, and academics might be driven by their environment or even ‘*life*’ activities itself.

### **Sport marketing: Sport sponsorships**

Although sports sponsorships have really taken flight over the past few decades, as a useable marketing communication tool it has been in existence for much longer (<https://en.elevent.co/blogs/sponsorship/sponsorship-early-days>).

The ancient Olympic Games began in the year 776 BC (<https://www.penn.museum/sites/Olympics/olympicorigins.shtml>). However, there are indications that the original ancient Games were held much earlier. According to Gardiner (1925:50), the registered 776 BC Games were actually the 28<sup>th</sup> Olympiad, and therefore 884 BC was the original ancient Olympiad.

Although thousands of athletes compete at the Olympic Games, only a small portion of them will receive an Olympic medal (any colour). Even fewer of them will receive a lucrative sponsorship deal that contributes to the financial expense of training (equipment, medical etc.).

This tendency led to professional athletes living at or near the poverty line. In conversation with Dmitri Grishin, Alexi Volgan and Charl Mattheus (Comrades marathon winners and runners up), this mentioned poverty existence was confirmed (Grishine *et al.*, Oral presentation, 1999). These three athletes were top 10, 100km world-class athletes, but none of their finances were a reflection thereof. This is not at all a modern-day phenomenon; it is an issue for athletes that is over 2 500 years old. The word ‘athlete’ comes from the ancient Greek word ἀθλητής, meaning ‘competitor for prize’. Therefore, income has to be generated from in-competition performance and results. This income generation was not always the case, especially around 500BC. During this time, the ‘stephanic’ games, or the ‘crown’ games were highly prestigious – where prizes were solely crowns:

- Olympic Games prize: Wild olive leaf crown, palm branch in the right hand.
- Pythian Games prize: Laurel leaf crown, palm branch in the right hand.
- Isthmian Games prize: Pine and then celery leaf crown, palm branch in the right hand.
- Nemean Games prize: Wild celery leaf crown (<https://www.forbes.com/sites/drsarahbond/2016/08/10/how-athletes-have-made-money-off-the-olympics-from-ancient-athens-to-rio/#6410507c68e1>).

How things have changed since then. According to the United States-based Statistika Research Department (2018), the global sport sponsorship market had an estimated value of almost 40 billion US dollars. This was in 2012; in 2015, it was around 45 billion US dollars, a 5 billion US dollar increase. The European sports sponsorship market almost equals the value of the North American market. Soccer equates to the highest value – the English Premier League receives an estimated 50 million euros per season for its naming rights (<https://www.statista.com/topics/1382/sports-sponsorship/>).

According to Ratner (<https://bigthink.com/paul-ratner/the-highest-paid-athlete-in-history-actually-lived-in-ancient-rome>), the highest-paid athlete in history lived in Ancient Rome. Floyd Mayweather’s \$285 million in 2018 makes him the world’s highest-paid athlete – in modern times. Lionel Messi, with \$111 million and Cristiano Ronaldo with \$108 million are in close 2<sup>nd</sup> and 3<sup>rd</sup> position (<https://www.iol.co.za/business-report/international/check-out-the-highest-paid-athletes-for-2018-15358642>). However, none of these athletes can even closely compare to Gaius Appuleius Diocles, who generated an income of \$15 billion as a competitive

charioteer in his lifetime (104-146 AD). The famous classic movie *Ben Hur* is somewhat of a reflection of the way Diocles generated his life's earnings.

Although men seem to dominate the list of highest-paid athletes, women represent a fair share of high sport-related earnings. Interesting to note is that only three out of the top 15 highest female earners do not play tennis. Serena Williams (tennis) is currently the highest-paid female athlete (\$180 million). Maria Sharapova (tennis) follows with a pay check of \$135 million, with Alexis de Joria (car racer) with \$100 million. Interesting to note is that Anna Kournikova (tennis) earned \$50 million without ever winning a Grand Slam and retired at the age of 21. She is generally considered the most overrated tennis player in history. Her income is derived from her celebrity status and a cult following – not her on-court successes. Of the top ten female earners, only three (car racing and golf) do not belong to the tennis fraternity (<https://www.businessinsider.com/highest-paid-female-athletes-in-the-world-2018-8?IR=T>).

### **South African sports market**

According to Vlismas (<https://www.bizcommunity.com>, accessed), Vodacom excelled with sport sponsorships during the early nineties. When they launched in South Africa (1990s), the company immediately realised that the way to get to South African consumers was through sport. Therefore, they sponsored the best teams and events. “It was the right time, right place and sports fans loved it”.

The economic downturn from 2015, the weakening rand and political pressures are playing more prominent roles in sport than ever before. This leads to corporates being more conservative in their sponsorship spend. An example thereof was the withdrawal of ABSA's multi-million rand sponsorship deal towards the end of 2015; they also opted out of their 30-year sponsorship of the Currie Cup and BMW's notice of ending its five-year vehicle sponsorship for the Springbok rugby team (<https://www.brandinc.co.za/unpredictable-sa-sports-sponsorship-market-full-opportunities/>).

Since 2015, the Comrades Marathon results, for both males and females, created increased interest among potential sponsors. The last five years, Comrades winners (males) were dominated by South African athletes. Beside Bongmusa Mthembu (2017 and 2018) who is based in UKZN, Gift Kelehe (2015), David Gatebe (2016) and Edward Mothibi (2019) all hail from the North West Province. According to Bester (Nedbank Athletic Director, 2019), Joseph

Manyedi (2019 – 5<sup>th</sup>) is another North West Province-based athlete who is a prospect for a Comrades win within the next few years (<https://www.comrades.com/2013-08-13-15-34-09>).

The female winners (2015-2019) were also dominated by South African athletes. Beside Camille Herron in 2017 (USA), Caroline Wostman (2015), Charne Bosman (2016), Ann Ashworth (2018) and Gerda Steyn (2019) created an increased interest among South African spectators and sponsors alike. Steyn's sub-six-hour record result contributed further to future expectations (<https://www.comrades.com/2013-08-13-15-34-09>).

Mentioned performances are usually accompanied by employment by corporates – in the form of sport sponsorships. In comparison to international sponsorship spend, the South African market seems to lag behind. According to Bester (personal interview, 2019), sponsorship spend within the banking industry is limited, based on the current economy in the wider industry, competition within the industry (new entries) and possible return on investment (ROI).

Financial rewards for recent Comrades winners would include prize money and bonuses up to R2 million. Sponsorships could go to R40 000 per month. However, sponsorship agents can contribute to the increase in possible sponsorship income. The experience by Grishine *et al.* (1999) was different from what we experience in recent times.

### **Structural sponsorship model**

Sport as an industry is growing nationally as well as internationally. The sports product as an activity, therefore, become an integral part of marketing. Sport sponsorships again become part of marketing communication – one of the elements of the marketing mix.

In 1989, Ackerman (personal interview, 1999), a professional ultra-distance athlete, indicated that potential sponsors would tend to determine the minimum needs of the athlete, then the sponsorship will be determined within these identified parameters. Ironically, this tendency still applies in 2019. In a study by Prinsloo (2001), various discrepancies between the sponsor and sponsee have been identified based on various relevant variables (Figures 1, 2 & 3). Ultimately, the aim of this study was to guide both the sponsor and the sponsee in terms of sponsorship negotiations between the athlete's agent and the potential sponsorship entity. Variables used were identified in the literature and during interviews with both sponsors and sponsees.

Phase 1 represents seven variables identified by sponsors and also tested among athletes.

**PHASE 1: SPONSORSHIP FACTORS (SPONSOR’S PERCEPTION)**

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• Increased visibility</li> <li>• Alternative advertising by athlete</li> <li>• International audience</li> </ul>	<ul style="list-style-type: none"> <li>• Free media coverage</li> <li>• Promotion work by athlete</li> <li>• Higher sales</li> <li>• Sport development</li> </ul>	<ul style="list-style-type: none"> <li>• Free media coverage</li> <li>• Promotion work by athlete</li> <li>• Higher sales</li> <li>• Alternative advertising</li> <li>• Increased visibility</li> </ul>	<ul style="list-style-type: none"> <li>• Sport development</li> <li>• International audience</li> </ul>
<b>DISCREPANCIES</b>			
<ol style="list-style-type: none"> <li>1. Sport development</li> <li>2. Increased visibility</li> <li>3. Alternative advertising</li> </ol>			

**Figure 1: Sponsorship factors (sponsor’s perception)**

**Source: Prinsloo (2001: 239)**

Suggested solutions to identified discrepancies are as follows:

**Sport development**

- A separate clause in the contract.
- Supply sport development programmes to athletes.
- Financial remuneration (including incentives) for athlete participation.
- Sponsors must motivate athletes in terms of the purpose of participation.
- Sponsors must study an athlete’s season schedules.

**Increased visibility**

- Test athlete’s feeling towards media visibility.
- Athlete’s expectations must be taken into consideration while setting contract clauses.
- This variable must serve as motivator rather than a *de*-motivator.

**Alternative advertising**

- Determine how the athlete feels about this variable.
- Prepare the sponsor’s marketing communication plan with consideration to the athlete’s needs.
- Guidelines and parameters must be set in order to generate an agreement.
- Social media platforms.

Phase 2 represents eight variables regarding the sponsorship process.

**PHASE 2: SPONSORSHIP PROCESS**

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• Terminate sponsorship (athlete)</li> <li>• Qualifying info for athlete</li> <li>• <b>Location of sponsorship application</b></li> </ul>	<ul style="list-style-type: none"> <li>• Discipline (rules)</li> <li>• <b>Info about functioning of sponsorship</b></li> <li>• Sponsorship term</li> <li>• Flexibility (Contract criteria)</li> <li>• <b>Flexibility (rules)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Discipline (rules)</li> <li>• <b>Location of sponsorship application</b></li> <li>• Sponsorship term</li> <li>• Flexibility (Contract criteria)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Info about functioning of sponsorship</b></li> <li>• Terminate sponsorship (athlete)</li> <li>• <b>Flexibility (rules)</b></li> <li>• Qualifying info for athlete</li> </ul>
<b>DISCREPANCIES</b>			
<ol style="list-style-type: none"> <li>1. <b>Location of sponsorship application</b></li> <li>2. <b>Info about functioning of sponsorship</b></li> <li>3. <b>Flexibility (rules)</b></li> </ol>			

**Figure 2: Sponsorship process**

**Source: Prinsloo (2001:240)**

Suggested solutions to discrepancies are as follows:

**Location of sponsorship application**

- Identifiable functional department in company.
- Reception should be able to refer athletes to correct department.
- Availability of guideline booklet that explains the sponsorship process.

**Information about the functioning of sponsorship**

- Mentioned guideline booklet.
- Distribute booklet while busy with recruiting potential sponsored athletes.
- Responsibility is with both parties.

**Flexibility (rules)**

- Rules and regulations must be set clearly to the athlete.
- Athlete’s responsibility to function within the set rules.

- A clause in the contract can make provision for the cancellation of the sponsorship if the athlete does not honour the rules.
- Sponsors must not be too narrow with the enforcing of the rules.

Phase 3 represents 11 variables identified by athletes and also tested among sponsors.

**PHASE 3: SPONSORSHIP FACTORS (ATHLETE’S PERCEPTION)**

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• Only sponsored athlete</li> <li>• Other incentives</li> <li>• Endorse different trademarks</li> <li>• Receive other products</li> <li>• Improved sport facilities</li> <li>• Moral support from sponsor</li> </ul>	<ul style="list-style-type: none"> <li>• Spectator interest</li> <li>• Receive products from sponsor</li> <li>• Monthly remuneration from sponsor</li> <li>• Incentives for performance</li> <li>• Media exposure</li> </ul>	<ul style="list-style-type: none"> <li>• Improved sport facilities</li> <li>• Receive products from sponsor</li> <li>• Monthly remuneration from sponsor</li> <li>• Incentives for performance</li> <li>• Moral support from sponsor</li> </ul>	<ul style="list-style-type: none"> <li>• Spectator interest</li> <li>• Other Incentives</li> <li>• Endorse different trademarks</li> <li>• Receive other products</li> <li>• Media exposure</li> <li>• Only sponsored athlete</li> </ul>
<b>DISCREPANCIES</b>			
<ol style="list-style-type: none"> <li>1. Improved sport facilities</li> <li>2. Moral support from sponsor</li> <li>3. Spectator interest</li> <li>4. Media exposure</li> </ol>			

**Figure 3: Sponsorship factors (athlete’s perception)**

Source: Prinsloo (2001: 241)

Suggested solutions to discrepancies are as follows:

**Improved sport facilities**

- Sponsored athletes must mention their expectations regarding this variable during the contract negotiations.
- Sponsors must be willing to add a clause regarding their intention to the contract.

### **Moral support**

- Sponsored athlete must let his/her expectations be known to the sponsor.
- Moral support must be accepted as an informal, unwritten rule by both parties.
- Cases where moral support is important:
  - injury to athlete,
  - bad or good race/game by athlete,
  - athlete has a lack of motivation.
- Athlete goes through personal trauma.

### **Spectator interest and media exposure**

- Conditions regarding marketing communication campaigns before and during the season must be set in the contract.
- Promotional campaigns could include potential spectators.
- Sponsored trademark and athlete must be exposed in the media as a total product.
- Athlete must not only be sponsored, but be promoted as an extension of the trademark and *vice versa*.

All discrepancies can and should be negotiated and analysed by the sport agent. The South African sport industry, unfortunately, does not have a large enough financial incentive for sports agents.

### **The link between sport and adventure**

Beside various academic definitions, the difference is in the structured layout. Both these disciplines are activity driven, with the primary difference in the organisation thereof. Sport is structured and controlled, while hard adventure is not structured and not controlled.

A qualitative study that emerged out of an adventure motorcycle road trip, starting from South Africa along the East African coastline via Mozambique over the Ruvumu River into Tanzania to the Island of Zanzibar (Republic of Zanzibar). From Zanzibar, the adventure route went inland through the spectacular mountain passes in the centre of Tanzania, towards rainy Malawi, all the way along the 637km lake. From Malawi, the route went through the grasslands of Zambia towards Victoria Falls (Zimbabwe), where the mighty Zambezi erupts into one of

the wonders of the world. The trip returns via Botswana to South Africa. The primary aim was to determine adventure tourism activities along the route. Secondary to this, the experiences of the travelling participants were analysed. The findings were both insightful and unexpected. Besides the non-tourist areas, the findings can be implemented by adventure tourism operators along the indicated route. The findings varied between constant fear among motorcycle adventurers to extreme pull factors at different destinations along the route (Prinsloo & Van Heerden, 2005).

A follow-up study, focusing on the subjective experiences among adventure motorcyclists, travelling through Botswana and Namibia, resulted in three central categories. The categories (positive, negative and neutral) were based on the wider expectations and realisations of these participants. The longer an adventure tourism experience takes to complete, the greater the possibility that certain participants will find the experience overwhelming and unpleasantly stressful. This seems to typically occur after about ten days for adventure motorcycling. Persevering beyond this ten-day mark, however, seems to intensify the more positive experiences noted among participants. These are: overcoming riding challenges, camaraderie and experiencing the wilds of Africa (Prinsloo & Collins, 2013).

Mountain biking, in general, falls within the genre of adventure. Whether it is a structured, one-day or multi-stage competition, or even a not-structured multi-day mountain bike adventure ride, it still resonates within the mentioned genre. Currently, the W2W (Wines 2 Whales) multi-stage mountain bike race is the most sought-after race in South Africa (based on the waiting list). This demand factor was quantitatively analysed and further identifies success factor objectives (SFOs) for hosting mountain bike sport events. A total of 244 questionnaires were administered during participant registration through an online survey. An analysis of the perceptions of the participants was conducted to explore how participants evaluate the event objectives. A factor analysis identified four SFOs: competitive advantage elements, basic services, route-visual components and monetary attractiveness. Of these SFOs, basic services were considered the most important objective. Therefore, to ensure the hosting of successful mountain bike events, SFOs need to be identified, developed and excellently managed (Prinsloo *et al.*, 2016). Although this event is experienced as highly successful, the segmentation analysis of the same sample indicates a general acceptance of change (Prinsloo *et al.*, 2017).

## **Dark side of marketing in sport**

The use of performance-enhancing drugs (PEDs) is prevalent among professional cyclists. Over the past 100 years, the use thereof went through different evolutionary periods. The products (PEDs) evolved since the 1900s. During the early 1900s, products such as tobacco and alcohol were used. Fifty years later, after WWII, amphetamines (developed during the WWII period) was the product of choice. Since the late 1980s, another product evolution took place. Erythropoietin (EPO), a product designed for cancer patients, started surfacing among cyclists. Ironically, this product has one primary negative side effect – sudden death. However, this did not curtail or stop use. Positive effects were and are massive in terms of athlete performance.

Marketing (push strategy) did and did not drive this phenomenon. Based on its ‘submerged or underground’ nature of products and its use, a ‘pull strategy’ seems to be the chosen marketing channel application. Intermediaries do not fit the accepted marketing profile. Rather, medically qualified individuals seem to become links in these distribution channels.

A qualitative literature empirical approach was used. Literature was scrutinised based on a convenient and purposive nature. Because of the sensitive and ethical nature of this phenomenon, a pure qualitative interview approach was disregarded. The aim of this study was to structure the historical timeline as well as the evolution of these products.

The findings, although sensitive, are two-fold in nature: life ban or medically controlled use of PEDs. These recommended suggestions are highly speculative and should be treated as alternative suggestions to the current situation (Radikonyana *et al.*, 2019).

## **Marketing of arts (2020)**

Creative photography introduces the photographer to more than just creative pictures. Photography as an art form needs to be developed and marketed as a product offering. The development phase includes the establishment of a functional value chain. After this has been identified and established, the art offering needs to be distributed in the selected market/s. However, all market performance indications indicate a definite downward trend in demand.

## **Conclusion**

Marketing as an academic field of study is highly generic in nature; however, the application within markets should be differentiated. Any selected market environment should be approached as a field of specialisation. In essence, the approach of a market environment should not be considered as potentially an aggregate market.

## **REFERENCES**

Ackerman, S. 1998. Personal communication. Top ten Comrades marathon athlete. Kasset 1.3, Augustus 1998.

Bender, P. U., and Torok, G., 2019. Secrets of Power Marketing. [https://www.powermarketing.ca/marketing\\_articles.php](https://www.powermarketing.ca/marketing_articles.php). Date of access: 24 June 2019.

Dawson, A. 2018. Highest paid female athletes in the world. <https://www.businessinsider.com/highest-paid-female-athletes-in-the-world-2018-8?IR=T>: Accessed – 01 July 2019.

Dawson, A. 2016. Unpredictable SA sports sponsorship market full of opportunities.

Elevent Team, 2017. Sponsorship early days. <https://en.elevent.co/blogs/sponsorship/sponsorship-early-days>. Date of access: 24 June 2019.

Gardiner, E.N., 1925. Olympia: It's History and Remains. Oxford: Clarendon Press.

Grishin, D., Volgan, A. and Mattheus, C. Oral presentation: 1999.

<http://comrades.com/2013-08-13-15-14-09> - accessed: 16 July 2019.

<https://www.brandinc.co.za/unpredictable-sa-sports-sponsorship-market-full-opportunities/>: accessed – 10 July 2019.

International, Staff Reporter. 2018. Check out the highest paid athletes for 2018. <https://www.iol.co.za/business-report/international/check-out-the-highest-paid-athletes-for-2018-15358642>: accessed – 01 July 2019.

Prinsloo, JJ, 2001. Sportborgskappe in Sportontwikkeling. PhD Thesis. North-West University, South Africa.

Prinsloo, J.J. and Collins, G.W. GBATA, 15<sup>th</sup> Annual International Conference. 2 – 6<sup>th</sup> July 2013. Helsinki, Finland. Subjective experiences in adventure motorcycling: Exploring

marketing potential.

Prinsloo, J.J. and Van Heerden, C.H. Education, Recreation, Sports and Dance (AAHPER-S.D.) Biennial Conference: 9<sup>th</sup> to 11<sup>th</sup> November, 2005 at Kenyatta University, Nairobi – Kenya: Adventure tourism on the East African coast.

Prinsloo, J.J., Pretorius, S.C. and Pelsler, T. G. 10<sup>th</sup> International Business Conference (IBC), 25-28 September 2016, Club Mikanos, Langebaan, South Africa. First National Bank Whines2Whales mountain bike events – objectives analysed.

Prinsloo, SC Pretorius, Pelsler, T.G. and Fourie, E. The SAIMS, 29<sup>th</sup> annual Conference, 10-12<sup>th</sup> September 2017. Management research: Science serving practice. Kopano Nokeng Country Lodge & Conference Centre, Bloemfontein. Wines2Whales mountain bike events: Rider segmentation.

Radikonyana, P.S., Prinsloo, J.J. and Pelsler, T.G., 2019. Marketing evolution of performance enhancing drugs in professional cycling.

Ratner, P. 2017. The highest paid athlete in history actually lived in Ancient Rome. <https://bigthink.com/paul-ratner/the-highest-paid-athlete-in-history-actually-lived-in-ancient-rome/>: Accessed – 27 June 2019.

Statistica Research Department, 2018. Sports Sponsorship – Statistics and Facts. <https://www.statista.com/topics/1382/sports-sponsorship/>: Accessed – 27 June 2019.

The Alternative Board Blog, 2018. A guide to marketing your specialised business. <https://www.thealternativeboard.com/blog/guide-marketing-specialized-business>. Date of access: 24 June 2019).

Vlismas, M., 2018. SA Sport media is missing the point with sponsors. <https://www.bizcommunity.com/Article/196/48/176732.html>: accessed – 10 July 2019.



BUSINESS SCHOOL  
BESIGHEIDSKOOL  
SEKOLO SA KGWEBE



# The “*Life*” of Marketing

## *JJ Prinsloo*

*8<sup>th</sup> August 2019*



# Lecture lay-out

- ***Specialised Markets***
  - *Sport Marketing*
  - *South African sport market*
  - *Sponsorship model*
- ***Link between Sport & Adventure marketing***
- ***Dark side of marketing in sport***
- ***Marketing of arts***



# Introduction

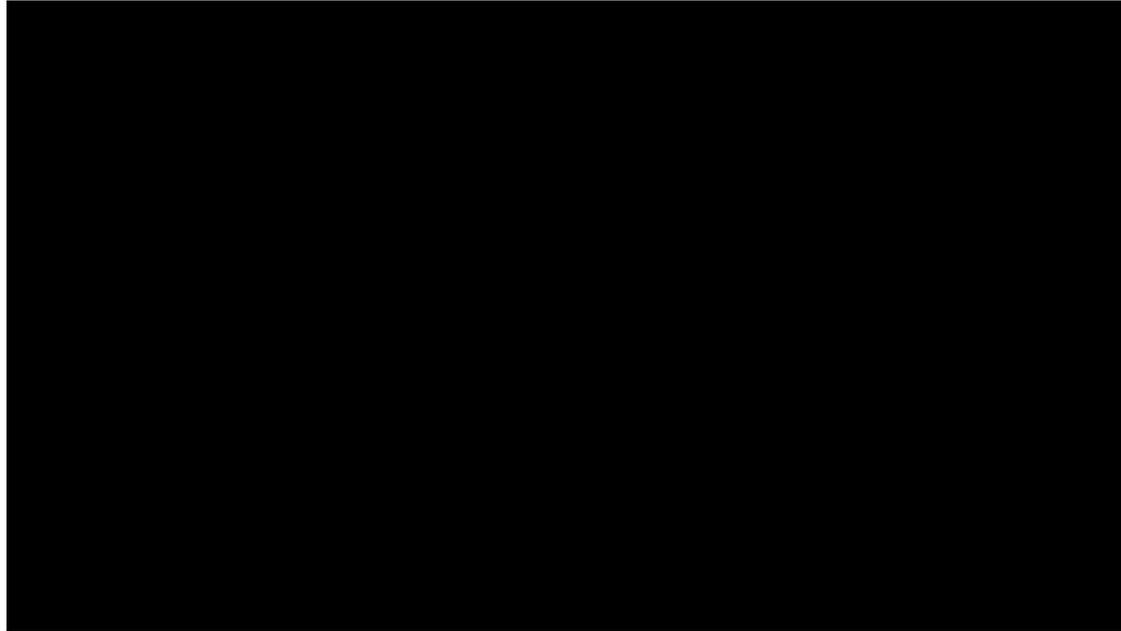
- *“Mercatus” =*



- *Science or art?*

- *Science – set of rules*
- *Art – flexible during interpretation*

- *“...marketing is a science that should draw upon the art. Never let art dictate the direction of your marketing. Use science to determine decisions and use art for the nuances”*



**First TV advert (Bulova watches in 1941 at a cost of \$9)**

# Marketing in specialised markets

- Niche marketing – connecting with targeted audience.
- Doing marketing in specialised markets is not always a cognitive decision by marketing specialists.
- Industry marketers are driven by markets.
- Businesses are driven by societal dynamic needs.
- Academics might be driven by their academic environment and *'life'* activities.

# Sport marketing: Sport sponsorships

- Sport sponsorships have been around since 884 BC (registered 776 BC).
- Many athletes competed in these Games....medal/sponsorship deals?
- ‘Athlete’ comes from the ancient Greek word [ἀθλητής](#), meaning ‘*competitor for prize*’.
- 500BC - ‘stephanic’ games, or the ‘crown’ games – sponsorship deals afterwards.
- Professional athletes in poverty – Grishine, Volgan and Matthee.
- 2012 - global sport sponsorship market - estimated value of 40 billion US \$.
- 2015 - around 45 billion US \$.

# Continue....

- 2018 - Floyd Mayweather's \$285 million in makes him the world's highest-paid athlete.
- Lionel Messi - \$111 million.
- Cristiano Ronaldo - \$108 million.
- Serena Williams -\$180 million.
- Maria Sharapova - \$135 million.
- Alexis de Joria (car racer) - \$100 million.
- Anna Kournikova - \$50 million - no Grand Slam win and retired at the age of 21.
- She is generally considered the most overrated tennis player in history.
- 104-146 AD - Gaius Appuleius Diocles - 15 billion \$ as a competitive charioteer - *Ben Hur*.



# South African sport market

- Economic downturn from 2015, weakening rand and political pressures playing prominent roles sport – ABSA (Curry cup 30 years) and BMW (5 year Springbok rugby).
- Since 2015, Comrades Marathon results, for both males and females, created increased interest among potential sponsors.
- Past last five years, Comrades winners (males) were dominated by South African athletes.
- Beside Bongmusa Mthembu (2017 and 2018 - UKZN), Gift Kelehe (2015), David Gatebe (2016) and Edward Mothibi (2019) all hail from the North West Province.
- Joseph Manyedi (2019 – 5<sup>th</sup>) Comrades win within the next few years.

# Continue...

- Female winners (2015-2019) dominated by South African athletes.
- Beside Camille Herron 2017 - USA, Caroline Wostman (2015), Charne Bosman (2016), Ann Ashworth (2018) and **Gerda Steyn** (2019) created increased interest among South African spectators and sponsors alike.
- Performances attract employment by corporates – in the form of sport sponsorships.
- Recent Comrades winners: prize money and bonuses up to R2 million.
- Sponsorships could go to R40 000 per month.
- Sport agents.....??



# Structural sponsorship model

- Ackerman - potential sponsors determine minimum needs of athlete.
- This tendency still applies in 2019.
- Various discrepancies between the sponsor and sponsee – variables.
- Aim of this study guide sponsorship negotiations between the athlete's agent and the potential sponsorship entity.



# PHASE 1: SPONSORSHIP FACTORS (SPONSOR'S PERCEPTION)

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• <b>Increased visibility</b></li> <li>• <b>Alternative advertising by athlete</b></li> <li>• <b>International audience</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Free media coverage</b></li> <li>• <b>Promotion work by athlete</b></li> <li>• <b>Higher sales</b></li> <li>• <b>Sport development</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Free media coverage</b></li> <li>• <b>Promotion work by athlete</b></li> <li>• <b>Higher sales</b></li> <li>• <b>Alternative advertising</b></li> <li>• <b>Increased visibility</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Sport development</b></li> <li>• <b>International audience</b></li> </ul>
<b>DISCREPANCIES</b>			
<ul style="list-style-type: none"> <li><b>Sport development</b></li> <li><b>Increased visibility</b></li> <li><b>Alternative advertising</b></li> </ul>			

# Solutions

## Sport development

- A separate clause in the contract.
- Supply sport development programmes to athletes.
- Financial remuneration (including incentives) for athlete participation.
- Sponsors must motivate athletes in terms of the purpose of participation.
- Sponsors must study an athlete's season schedules.

## Increased visibility

- Test athlete's feeling towards media visibility.
- Athlete's expectations must be taken into consideration while setting contract clauses.
- This variable must serve as motivator rather than a *de*-motivator.

## Alternative advertising

- Determine how the athlete feels about this variable.
- Prepare the sponsor's marketing communication plan with consideration to the athlete's needs.
- Guidelines and parameters must be set in order to generate an agreement.
- Social media platforms.

# PHASE 2: SPONSORSHIP PROCESS

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• Terminate sponsorship (athlete)</li> <li>• Qualifying info for athlete</li> <li>• <b>Location of sponsorship application</b></li> </ul>	<ul style="list-style-type: none"> <li>• Discipline (rules)</li> <li>• <b>Info about functioning of sponsorship</b></li> <li>• Sponsorship term</li> <li>• Flexibility (Contract criteria)</li> <li>• <b>Flexibility (rules)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Discipline (rules)</li> <li>• <b>Location of sponsorship application</b></li> <li>• Sponsorship term</li> <li>• Flexibility (Contract criteria)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Info about functioning of sponsorship</b></li> <li>• Terminate sponsorship (athlete)</li> <li>• <b>Flexibility (rules)</b></li> <li>• Qualifying info for athlete</li> </ul>
<b>DISCREPANCIES</b>			
<ul style="list-style-type: none"> <li><b>Location of sponsorship application</b></li> <li><b>Info about functioning of sponsorship</b></li> <li><b>Flexibility (rules)</b></li> </ul>			

# Solutions

## Location of sponsorship application

- Identifiable functional department in company.
- Reception should be able to refer athletes to correct department.
- Availability of guideline booklet that explains the sponsorship process.

## Information about the functioning of sponsorship

- Mentioned guideline booklet.
- Distribute booklet while busy with recruiting potential sponsored athletes.
- Responsibility is with both parties.

## Flexibility (rules)

- Rules and regulations must be set clearly to the athlete.
- Athlete's responsibility to function within the set rules.
- A clause in the contract can make provision for the cancellation of the sponsorship if the athlete does not honour the rules.
- Sponsors must not be too narrow with the enforcing of the rules.

# PHASE 3: SPONSORSHIP FACTORS (ATHLETE'S PERCEPTION)

LESS IMPORTANT TO SPONSORS	IMPORTANT		LESS IMPORTANT TO ATHLETES
	SPONSORS	ATHLETES	
<ul style="list-style-type: none"> <li>• Only sponsored athlete</li> <li>• Other incentives</li> <li>• Endorse different trademarks</li> <li>• Receive other products</li> <li>• Improved sport facilities</li> <li>• Moral support from sponsor</li> </ul>	<ul style="list-style-type: none"> <li>• Spectator interest</li> <li>• Receive products from sponsor</li> <li>• Monthly remuneration from sponsor</li> <li>• Incentives for performance</li> <li>• Media exposure</li> </ul>	<ul style="list-style-type: none"> <li>• Improved sport facilities</li> <li>• Receive products from sponsor</li> <li>• Monthly remuneration from sponsor</li> <li>• Incentives for performance</li> <li>• Moral support from sponsor</li> </ul>	<ul style="list-style-type: none"> <li>• Spectator interest</li> <li>• Other Incentives</li> <li>• Endorse different trademarks</li> <li>• Receive other products</li> <li>• Media exposure</li> <li>• Only sponsored athlete</li> </ul>
<b>DISCREPANCIES</b>			
<ul style="list-style-type: none"> <li>Improved sport facilities</li> <li>Moral support from sponsor</li> <li>Spectator interest</li> <li>Media exposure</li> </ul>			

# Solutions

## Improved sport facilities

- Sponsored athletes must mention their expectations regarding this variable during the contract negotiations.
- Sponsors must be willing to add a clause regarding their intention to the contract.

## Moral support

- Sponsored athlete must let his/her expectations be known to the sponsor.
- Moral support must be accepted as an informal, unwritten rule by both parties.
- Cases where moral support is important:
  - injury to athlete,
  - bad or good race/game by athlete,
  - athlete has a lack of motivation.
- Athlete goes through personal trauma.

## Spectator interest and media exposure

- Conditions regarding marketing communication campaigns before and during the season must be set in the contract.
- Promotional campaigns could include potential spectators.
- Sponsored trademark and athlete must be exposed in the media as a total product.
- Athlete must not only be sponsored, but be promoted as an extension of the trademark and *vice versa*.

# The link between sport and adventure marketing

- Difference is in the structure and layout.
- Both these disciplines are activity/competitive driven, with the primary difference in the organisation thereof.
- Sport is structured and controlled.
- Hard adventure is not structured and not controlled.
- Link in the findings:
  - Botswana and Northern Namibia – qualitative study: adventure.
  - Wines2Whales MTB events – quantitative study: sport.
  - East African coast – qualitative study: adventure.

# Dark side of marketing in sport

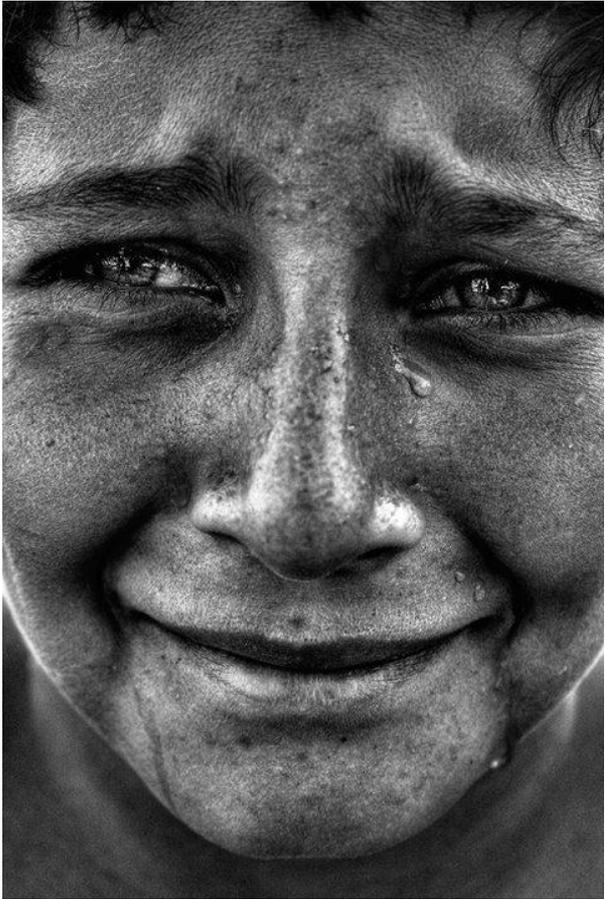
- Performance-enhancing drugs (PEDs) are prevalent among professional cyclists.
- 1900s - tobacco and alcohol.
- Fifty years later, after WWII - amphetamines (developed during the WWII period)
- Late 1980s - Erythropoietin (EPO).
- Marketing (push strategy) did not drive this phenomenon.
- Submerged or 'underground' nature - 'pull strategy'
- Intermediaries do not fit the accepted marketing profile. Rather, medically qualified individuals seem to become links in these **distribution channels**.
- Findings- although sensitive, are two-fold in nature: **life ban or medically controlled use of PEDs.**



# Marketing of arts (2020)

- Creative photography introduces the photographer to more than just creative pictures
- Photography as an art form needs to be marketed as a total product offering.
- The development phase - establishment of a functional value chain.
- Distribution in the selected market/s.
- All market performance indications indicate a downward trend in demand.
- Emotion driven.

# Extreme emotions



**Handle with care**



***“Its not who you are, but what you do that defines you...”***

- Batman

**Ke a le boga thata!**