A Logic of Sport Products – The Traditional Approach in Sport Management

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Traditional approaches in sport management often refer to sport as a **product**. For instance, Pitts, Fielding and Miller (1994, p.18) segment the sport industry along product types (Eschenfelder & Li, 2007, p. 4; Pedersen & Thibault, 2014, p. 11). Those approaches assume **value** is embedded within products and services. A sport event as a product is made by **firms (or organisations)**. They combine **resources** such as financial, physical, legal, human, organisational, informational and relational resources to produce a sport event product (Hunt & Derozier, 2004, pp. 7-8; Chelladurai, 2014, pp. 352-353). Table 1 shows some examples of used resources in sport event production.

Resources	**Examples**
financial	cash, access to financial markets, returns on tickets, media or sponsoring income
physical	arena, stadium, equipment, shops, VIP area, hoarding and screens
legal	trademarks, licenses, media rights
human	competences, skills and knowledge of individual employees
organisational	organisational competences, controls, policies, culture
informational	knowledge from fans/ spectators/ sponsors and competitive intelligence
relational	relationships with suppliers/ leagues/ fans/ spectators/ sponsors/ politicians

Table 1: Resources in Sport Event Production

There is an important peculiarity in sport event production. Sport events are always produced by a **collaboration of different organisations**, e.g. sporting goods manufacturers, sport teams, athletes, referees, sport leagues, media companies, security, groundsmen, and many more. Hereby, it is constitutive that competitors have to **cooperate and compete simultaneously** in regard to sports as well as to business. If a sports club does not cooperate

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with an opposing sports club, a sport event cannot take place. This **special feature** of sport events is named **co-opetition** (Robert, Marqués & Le Roy, 2009, p. 24). However, sport events as products always include some services. Therefore, we call this way of thinking a “**logic of sport products**”.

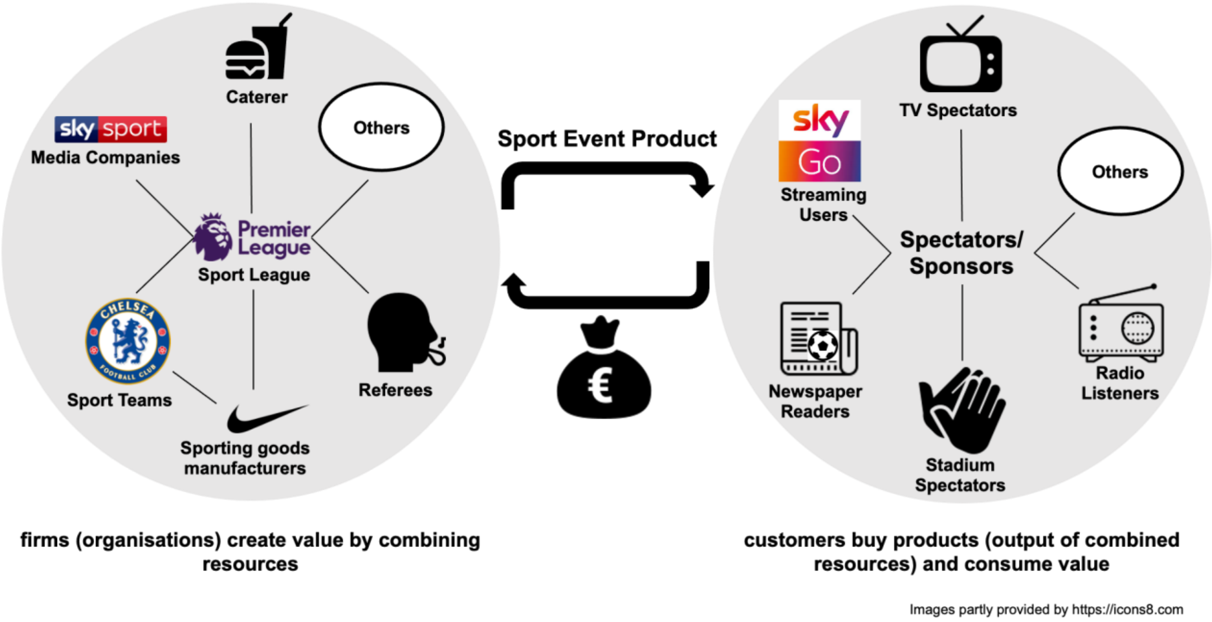

Figure 1: Logic of Sport Products – Traditional Approach

The **production** process leads to **value**. Due to the **production**, the sport event has a higher **value** than the resources used. Therefore, products can be **exchanged for money** (figure 1).

Consumers demand and buy sport events because they consume the embedded value. Hence, firms create the value of a sport event and consumers **use it up**.

However, sport events can be sold for different purposes and several times in **different markets**. It can be marketed to viewers through the sale of tickets or to sponsors who wish to promote their products and services. Sport events can be marketed to spectators via newspapers, TV, radio, internet streaming, and other media (see figure 1). Therefore, in sports marketing we differentiate **“marketing of sports”** and **“marketing through sports”** (Milne & McDonald, 1999, p. 3).

Marketing through sports implies **sponsors as cooperation partners** of sport leagues and clubs producing sport events, for example providing lotteries in the stadium. At the same time, they are paying customers consuming the sport event as advertisers (figure 1).

But why do consumers **demand** sport events?

According to sport economic theories, value of a sport event is mainly derived from its **uncertainty of outcome** (Hoye, Smith, Westerbeek, Stewart & Nicholson, 2006, p. 4). No one knows in advance how a sport competition will end. This creates **tension** which in turn results in **emotions**. These are all **special features** of sport event products. They meet certain needs and thus satisfy different motivations of consumers.

To put it in a nutshell:

1. Partially competing firms (organisations) compete but also cooperate with others to produce a sport event through resource combination (**co-opetition**).
2. The production leads to **value** which is **embedded** in a sport event product.
3. The firms sell the sport event product for different purposes in **different markets**.
4. **Consumers** buy it because they want to **use the value up** and therefore, they are willed to pay. Consequently, a sport event product is exchanged for money.
5. We call this way of thinking a **logic of sport products**.
6. Sport event products have **specific features**, e.g. uncertainty of outcome.

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