

# STRATEGIC MARKETING PLANNING IN SPORTS – A PERSPECTIVE OF QUALITY OF LIFE IMPROVEMENT

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*Strategic marketing planning requires that the marketing objectives strategies for a specific product-market configuration be in full correlation with the directions and the resources allocated at the corporate level or at the strategic business unit one. Such a correlation is more than necessary under the current market conditions, when the economic crisis affects both consumer behavior and corporate decisions. This article focuses on the particularities of strategic marketing planning in sport, given the fact that the vast majority of sports organizations in Romania, although very active on the reference market, do not have a marketing activity correlated with the medium and long term market needs. One of these needs refers to quality of life improvement, knowing that sport activities have positive influence on many dimensions of quality of life, such as health, education, social inclusion, relaxation and leisure. The improvement within the population participation in sport (both as an active participant and as a spectator), the increased duration of leisure and the development of private financing have led to the creation of a large market, where marketing plays a central role. Therefore the marketing management process must also be implemented within the sports organization, in order to make it easier in building and maintaining a relationship with the customer, especially if the organization wants a customer orientation strategy. Such an orientation includes identifying the current needs as well as the future ones in terms of target audience, to offer a series of sports products and services that bring their significant contribution to improving the quality of life. In this paper are highlighted the influences that consumer requirements concerning quality of life have on all components of marketing management process, starting with sports organization mission statement, up to establish strategies for the marketing mix (product, price, distribution and promotion).*

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## **1. Introduction in strategic marketing planning**

The concept of strategic planning in marketing management has evolved from the interaction between marketing management, strategy and planning. As a definition, the term refers to ensuring the management of strategic business units in order to anticipate and respond to changes occurring in the marketing environment, so that decisions that are taken today should allow the strategic unit to be ready to avoid threats and take advantage of future opportunities (Abbel 1978: 236).

Among key features of strategic planning in marketing management can be mentioned (Wilson and Solomon 1978: 68):

- *The management orientation beyond the immediate issues.* This approach means involvement in issues different from the operational ones which the management is facing in the everyday activity. Thus we can conclude that tactical actions undertaken every day are not part of the strategic planning;
- *A specific set of decisions and activities.* The concept of strategic planning in marketing management implies not "philosophizing" about the future of the organization, management, marketing or strategy, but rather implies carrying out specific actions to be taken so as to enable the objectives, while succeeding in avoiding threats and taking advantage of potential market opportunities;
- *Top management involvement.* In general, strategic planning in marketing management is an activity primarily implemented at the top management of the corporate or strategic business unit level, as opposed to marketing strategies and tactics that are implemented at lower levels;
- *Holistic perspective.* It is important for strategic planning to undertake a corporate-wide approach, not only to ensure that it won't be excluded any element which would later prove to be of utmost importance, but also to ensure optimization of all related items so as to ensure success in all strategic business units (Bendaputi and Robert 2005: 93);
- *Flexibility.* This implies as a starting point the fact that each organization operates in a marketing environment that is constantly changing. Considering this, the organization should always know how the marketing environment elements will change and the direction in which they will move. Therefore, while developing marketing strategies to achieve pre-defined targets, there will be developed backup plans which will consider alternative strategies for alternative objectives defined by the changes that will occur in the marketing environment;
- *Proactive nature.* Proactivity implies the development of the future (Drucker 1999). The development of the future does not involve making decisions for the future, because, as was mentioning by Drucker, decisions may be taken only at present. It implies rather the idea of building the future as the organization would like it. If the future revealed by changes in marketing environment is not pleasant for the organization, the marketing managers should make the necessary changes so that it can be in the benefit of the organization.

## **2. Applicability of marketing management process in sport**

The marketing management concept has been widely debated in the economic literature, in the attempt to conceptualize it and also classify it at the organizational level. The best known approach is that of Philip Kotler that defines marketing management as "the art and science of selecting the targeted segments and building profitable relationships with them" (Kotler and Armstrong 2004: 13).

The improvement within the population participation in sport (both as an active participant and as a spectator), the increased duration of leisure and the development of private financing have led to the creation of a large market, where marketing plays a central role.

Therefore the marketing management process must also be implemented within the sports organization, in order to make it easier in building and maintaining a relationship with the customer, especially if the organization wants a customer orientation strategy. This represents the base in implementing sports marketing.

Definitions of sports marketing are highly varied, ranging from defining or, better said, matching the term with sport sponsorship up to considering it as a different field, with methods, techniques and its own instruments. However, whatever the approach in defining the concept, the literature outlines two dimensions for sports marketing: marketing for sports (marketing for products and services from the field of sport) and marketing through sports (marketing of other products by using sport as a promotional instrument).

### 3. Sports marketing strategic planning and its influence on quality of life

As mentioned above, the customer orientation should be highlighted in the overall management of the sports organizations, so the company can fulfill the two objectives of marketing: meeting customer needs and maximizing the profits. These two objectives are interconnected, considering that a long term profitable organization is the one that takes into consideration the customers needs (Filip 2011: 4).

One of these needs refers to quality of life improvement, knowing that sport activities have positive influence on many dimensions of quality of life, such as health, education, social inclusion, relaxation and leisure.

The concept of quality of life can be defined as "the degree to which the objective needs of the individual are met in relation to subjective perception, individual or group, on welfare" (Costanza 2008: 1). While the objective needs relate to subsistence, reproduction, security, affection, etc, the subjective perception focuses on happiness, life satisfaction and personal utility.

Quality of life is defined by experts in the marketing area mainly through the relationship which is built between consumer satisfaction and the quality of his life (Huang and Chen 2008). It is thus seen that the connection between marketing and quality of life lies in its subjective approach, therefore this paper will focus on how strategic marketing planning of sports organizations influence consumer satisfaction, with direct implications on quality of life.

Marketing management process is a joint effort of all levels of organization of a company, but what differ are the techniques and tools used. Therefore, in theory were identified three levels of application: the corporate level, the business unit level and the functional level. In sport, this separation of the marketing techniques and tools depends mainly on the size and coverage of the sport organization, as can be seen in Table no. 1.

*Table no. 1. Identification of marketing management process steps according to the size and coverage of the sport organization*

<b>Type of sport organization</b>	<b>Marketing management process steps</b>		
	<i>A) Market oriented strategic planning</i>	<i>B) Activities strategic planning</i>	<i>C) Strategic marketing planning</i>
<i>Sportive Federations</i>	At the top management of the federation	At the level of the County Associations	At the level of the County Association affiliated clubs
<i>Multi-sports clubs</i>	At the top management of the club	At level of each sport branch	
<i>Single-sports clubs</i>	At the level of the club's management		

*Realized by authors*

Planning at the corporate level is the broadest level of strategic planning, as here are defined the company's mission, strategic business units, each unit resource allocation and the planning of new activities. These decisions do not directly influence consumer satisfaction and the quality of life, but they represent the base for decisions at lower levels, levels at which we find the interaction between the organization and the client.

The mission for a sports organization must present the company "philosophy", its long term "vision" on what it aims to be and especially what it wants to achieve (Olteanu 2003: 84). The mission must be clearly defined, with no room for interpretation.

Depending on the mission defined, the sports organization establishes its operating areas to clearly highlight the market/markets where the offer of products and services will be presented. Defining such operating areas can sometimes prove difficult in the sports field, given the fact that

there are many criteria of classification of these areas. For example, a sports federation can have as criteria of defining its operating field the age group of the athletes (juniors and seniors) or the level of the competition where the affiliate athletes are participating (domestic and international competitions). A club may define its operating areas depending on types of sports it is active in (football, basketball, handball, tennis, etc.).

Once the operating areas are defined, the sports organization must establish the development strategies. In other words, they should consider a plan for the future activity of the organization that will allow them to better capitalize on its own strengths and the market opportunities.

Seen at the level of the strategic business unit, strategic planning is an integral part of specific processes undertaken by the company. This stage can be broken down into distinct phases in the following sequence: segmentation, targeting, positioning and marketing mix. In this phase, the company will perform marketing research based on defined objectives at the level of the strategic business unit, thus the company can identify key market segments and select those targeted for the organization's products or services.

Strategic planning at the level of the strategic business unit implies the following steps:

- Market segmentation to identify the main categories of consumers to be targeted by the sport organization and determining how these segments will be targeted, activity that is achieved by designing the positioning strategy (Trout and Ries 1981);
- Life cycle analysis of products/services and establish appropriate strategies depending on the specific life cycle phase in which the product/service is;
- Developing methods and techniques of marketing mix in terms of its components – product, price, distribution and promotion, using at each level several instruments: a) at the level of product policy, are develop and launch new products, is design the service and warranty policy, is set the level of product quality, brand strategy and product strategy, b) at the level of pricing policy, we have the price construction, price list and discounts, negotiated price and price strategy, c) at the level of distribution policy, we have marketing channels, push and pull strategies, selection and role of intermediaries, analyzing relationships and conflicts within the marketing channel and distribution strategy, d) at the level of promotion policy, we have personal sales and sales management, fairs and exhibitions, public relations, advertising and sales promotion.

The most important aspect of marketing with direct influence on the level of individual satisfaction, and therefore on quality of life, is related to the marketing mix, in which sport organization should establish the product/service offered to consumers, the price for its sale, how it will be distributed to reach the customer, and the way to promote it in market.

Sports marketing specialist should identify and design the best version of a *product* so as to meet the requirements identified in the market. Currently, is no longer only the merchandise requirement, but also the requirement of a certain lifestyle, which starts with the specific environmental orientation from the last two decades. Improving quality of life is based on consumption behavior for products and services so that each individual will try to consume products that will help maintain a healthy lifestyle and will want to benefit from services that will enable him to lead a better life. To meet the requirement of improving the quality of life, sport organization should highlight the link between products/services sold and the welfare of the individual, often making the association with health and social inclusion.

In most markets, not only the quality of the supply determines the buying decision, but also the allocated *price*. Most researches in the field of quality of life are based on financial indicators, so the cost of products is also a factor influencing the perceived quality of life at the individual level (through the accessibility of certain products and services) and at the society level (in terms of purchasing power and inflation index).

In price setting may also intervene state institutions, by subsidizing the access to certain products and sports services that can help improve the health of the population. Such an approach requires

the strategic marketing planning even within the public service organizations, which will align them with the market and thus become more competitive (Barbu 2011: 88).

Maybe not as important as price, but with particular significance for the modern consumer (characterized by high levels of convenience), is the *distribution* of sports products and services. Through an efficient distribution system sports companies are trying to facilitate individual's access to products and services, so his satisfaction in relation to the offer will be as high as possible. Quality of life is often defined through the access of population to products and services, for example the indicators considered in determining the Mercer Quality of Living Index, where the availability of products and services is one of the ten major factors influencing quality of life.

The fourth component of the marketing mix is *promotion*, activity that facilitates access to information for each individual to the most appropriate products and services in relation to his needs. Through promotion, the marketing specialist presents to the customer the options regarding the purchase and consumption so that he can improve his quality of life. Campaigns show why the product should be bought and consumed, most reasons being based on achieving a good standard of living.

It should not be omitted the educational function of promotion, sport organization being able to highlight the benefits of carrying out sports activities, educating the consumer ultimately contributing to increased living standards and to much more active involvement in labor market (Aceleanu 2011).

#### **4. Conclusions**

Sports organizations have an impact both within the microeconomic and macroeconomic environment, considering the significant revenues that sport can bring into the economy; therefore a coherent and efficient marketing management process needs to be implemented by these organizations, leading to a better relationship with the customer and long term profitability for the organization. The sports marketing specialist must take into consideration that a satisfied customer is the one that, besides having his needs fulfilled for the moment, has also an opportunity to improve his wellbeing.

Also, the social side of sport should not be omitted, considering the fact that a person involved in sport activities is a healthier one, and more integrated in the community, with better social skills and communication techniques. Thus, not only the business environment should consider the marketing management process for their activities, but also the entities that coordinate the national sport policies.

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