SEGMENTING THE SPORTING EVENT INDUSTRY:  
AN EMPIRICAL ANALYSIS

Chong S. K. Lee, California State University, Hayward
Isabella C. N. Cunningham, The University of Texas at Austin

ABSTRACT

During the last decade, leisure-time has been recognized as a premier growth industry. Several environmental factors have accounted for this growth: rising disposable income, increased amounts of time available for leisure activities, and favorable demographic factors (Advertising Age, 1981). According to industry observers, the sporting industry has shown the strongest gains among leisure-related businesses (Standard and Poors, 1984). And, these gains are mainly due to a growing interest in sports.

The trend has provided marketing opportunities in two ways. First, sporting events are used as a marketing tool to achieve marketing goals. By sponsoring both amateur and professional sporting events, marketers have attempted to communicate healthy images of their corporations and products. Secondly, business people who sell to spectators have begun to adopt marketing concepts. These business people have realized that they are competing for consumers' entertainment dollars and that the application of marketing tools can enable them to better market sporting events. The current state of such spectator marketing efforts, however, is at an elementary stage (Pol and Ponzurick, 1984). In order to bring the selling of sporting events into line with marketing principles, much more research has to be done.

One of the areas most in need of research is market segmentation. Segmentation analysis provides information that not only helps marketers identify target segments, but also enables them to focus their planning efforts on a particular target market.

While segmentation analysis has been a stepping stone for the marketing of a wide variety of products, very little of this type of analysis has been done for sporting events. Consequently, the purposes of this paper are to present a segmentation analysis of a particular sport event and to discuss the implications of this type of study on the sports events industry.

RESEARCH METHODS AND RESULTS

The study investigated the characteristics of a specific target segment, attendees of a college women's basketball game. Since this was a college event, it was expected that the majority of game attendees would be college students; therefore, a representative group of university students as well as the actual attendees of the game were surveyed in order to cross-validate our expectations.

The study questionnaire included questions about the individuals' demographic characteristics (e.g., sex, marital status, age, education, income, etc.), general habits as to sporting event attendance, and media usage. The demographics, game attendance, and media usage characteristics of the game patrons as well as the college students are comparatively analyzed.

It was expected that the game attendees would mainly consist of young adults (i.e., college students) because the event under investigation was a college athletic event. However, the study results show that the game attendees were older than expected (i.e., aged 26 or more). In fact, over 40 percent of the game attendees were aged 36 or more. The attendees were basically highly educated and employed full time in well-paying jobs. More than half of the attendees had graduated at least once from college.

The findings indicate that the vast majority of game attendees also frequent other college level female basketball games. Therefore, the target segment of the event, as delineated from behavioral criteria, is not necessarily a youth-oriented student group. Attendance composition suggests that there is a need to segment the sporting events market according to the type of event.

As far as media usage is concerned, word of mouth is the most widely used information source for the attendees, while the University's newspaper is the source for the others. Advertising efforts through mass media has had only a marginal impact on patrons when compared to its reach on others. This may well be due to the misunderstanding of target segment. Forcusing communication strategies on the incorrect target can be a vital mistake not only because management's efforts are wasted, but also because the potential attendees remain unreached.

The study provides evidence that there is heterogeneity in the sporting events market. Of course, it would be very naive to assume that each sporting event would have the same target characteristics. The potential danger of such an assumption involves not only wasting management efforts but also losing prospective customers. With the application of segmentation analysis, sporting events can be better marketed to appropriate target segments.

REFERENCES

