

Final Research Paper

The Role of Internet Marketing: Sports Business and Social Media

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Executive Summary

Internet marketing role in social media is an important tool for sports business. Social media is the fastest communication accessible than ever before. Sports consumers should express their thanks to social media for allowing sports organization to use marketing and communication tools, and develop the relationship with the sports consumers from across the world. Sports consumers love the leagues, teams, athletes, and the game. The sports organizations create the idea of selling sports products through online so they can purchase the sports products and services. The purpose of this study is to examine how internet marketing has changed sports business through social media.

This research about internet marketing in sports business was limited. Now, these researches regarding the role of Internet marketing will assist determine how social media has evolved the sports business as well as organization. In the past, sports organization use Web 1.0 such as Internet to promote sports products, services, and brands to the sports consumers. Today, with the utilization of Web 2.0, sports organizations are able to promote consumers are able to access social media to promote products, services, and brands to the sports consumers.

Sports organizations are utilizing social media strategy in the process of sports consumers seeking products, services, and brands through online; therefore sports organization should enhance marketing relationship—taking advantage the opportunity to communicate and develop relationship with the sports consumers. Utilizing social media access to communicate with sports consumers can assist sports organization increase more sports consumers.

Introduction

The goal of sports business is to create the communication and online marketing strategy for the consumers who seek products, services, brands, or the games. Online sports business has seen explosive growth and become a viable means of accomplishing marketing strategies (Youngjin, Ko, & Claussen, 2011). Social media in sports has changed the style of communication and internet marketing. The fans' connection to sports is changing and social media is creating a whole new channel for the fans to interact and be a part of the action that they may not get at the stadium or the ballpark (Reed, 2010). Sports business organizations provide the consumers with Internet and social media usage in order to boost reputation and relationships with the sports organizations.

The level of understanding the consumers' need and want through the utilization of online and social media marketing is relevant to sports business. The population of online sports consumers has increased and most sports organization have utilized their websites as a marketing tool for their achieving business objective (Youngjin, Ko, & Claussen, 2011). With the increase of online and social media usage, the sports organizations aim to increase new and more customers into the sports world. The bottom line is that the sports organizations use online and social media to develop the relationship with the consumers.

The study about the role of internet marketing with the usage of social media in sports organizations is limited. The purpose of this study is to examine and understand how the role of internet marketing has changed the role of sports business and social media. The study focuses on sports business (or organizations) using online marketing, relationship marketing and social media in the process of developing the relationship with the consumers.

Internet Marketing

Understanding internet marketing is important to succeed in business. The customers purchase products through social media. Researchers claimed that “today’s consumers are more empowered than ever before; social networking, blogging, and the availability of digital devices such as tablets and smartphones allow consumers to connect with another, discuss brands and products, and interact with brands quickly and easily” (Powers, Advincula, Austin, Graiko, & Snyder, 2012, p. 480). Moreover, leading online brands have raised expectation that brands are accessible and willing to engage with consumers (Powers, Advincula, Austin, Graiko, & Snyder, 2012).

The brands influence consumers’ decisions because it is convenient to assist the consumers to identify the brands they are interested in. Lipsman, Mud, Rich, and Bruich (2012) stated that “brands increasingly are interested in establishing a social presence and engaging with their fans, helping shape their customers’ experiences, and even leveraging their voices for greater marketing impact” (Lipsman, Mud, Rich, & Bruich, 2012). The brands bring social media to keep up with the consumers; therefore social media have the opportunity to create connections with their consumers in order to build affinity and loyalty. (Powers, Advincula, Austin, Graiko, & Snyder, 2012). When it comes to dealing with the relationship with the customers, the organization needs to understand how to use social media for marketing strategy for the customers.

It is significant to understand the organizations’ objectives and what it takes to be successful in internet marketing. The organizations are using social media for marketing purposes in order to satisfy the customers’ wants and needs. In order to be successful in marketing, the organization needs to create social media to develop the objectives and

relationship with the customers. Schlinke and Crain (2013) offer the goals of the organization for social media initiatives should be one or more of the following: (1) to establish a reputation as a thought leader in a subject area, (2) to be the source of current relevant news around a topic, (3) to make the members of the organization more accessible and create stickier relationship with existing clients, and/or (4) to extend the current brand as one serving a specific demographic. In addition, Schlinke and Crain (2013) include content, branding, tools and implementation, blogs, and websites as a part of a social media strategy.

Relationship Marketing in Sports Business

People who work in the sports business make money. It is a big business. Sports are a multi-billion dollar industry. For example, Williams (2006) cited the source from the Street & Smith's Sports Business Journal that the sports business industry produced over 213 billion in revenue. Jack Williams (2006) mentions that the sports industry includes: (1) sports entertainment, (2) sports products, and (3) sports organizations. Sports are among "the largest and fastest growing industries in the United States" (Williams, 2006, p. 672). In order to make money, they need to develop relationships with the customers. Therefore, customers are important in the sports business plan.

Relationship marketing is all about developing relationship with customers in a long-term. Researchers offer a definition of relationship marketing. Morgan and Hunt (1994) viewed relationship marketing as "establishing and developing successful connections and interactions." Berry (1983) defined relationship marketing as "attracting, maintaining, and enhancing customers." In order to develop relationship marketing with the customers, the organization wants customers to build the relationship with the sports products, services, and brands. The organization believes that sports advertising to consumers will benefit the organization. Gordon

(1998) claimed that “some benefits to the organizing utilizing relationship marketing are increased customer loyalty and positive word-of-mouth advertising” (Gordon, 1998). “Teams, leagues, athletes, marketing corporation, and fans have relationships with one another that depend on successful relationship enactment” (Bee & Kahle, 2006).

Sports Online Marketing

Online marketing has impacted the sports business. According to Brown (2003), the sports organization’s objective was to provide information about the organization to the visitors or to generate awareness of the organizations (Brown, 2003). The sports organizations want to help customers to understand about the sports organizations objectivities (Brown, 2003). In order for the customers to understand the sports organizations objectives, Brown (2003) emphasized that “the online consumers need to continue developing the medium as an effective marketing tool (Brown, 2003). Sports online marketing creates money through customers who use Internet. Without the use of Internet, the sports marketing will be ineffective.

Before the existence of social media, sports organizations consider Internet as an important marketing tool. The customers have the ability to purchase the sports products online or through the Internet. Brown (2003) claimed that it is important for marketers to develop new methods of how to reach the targeted audience in order to enhance the sports organizations’ reputation. The sports organizations can make the money when the customers purchase the sports products they need. Due to Internet, the customers purchasing products through online has enhanced new economic opportunities for business (Madsen, 1996).

The customers receive information about sports online. With the increased utilize of online, the sports organizations offer various websites to share, communicate, and interact

directly with the sports customers. If the customers are looking for news, online provides the information for them. The sports organizations allow the sports customers to visit a sports website and search for sports information because they are interested in or committed to a certain sports team, player or issue in sports (Youngjin, Ko, & Claussen, 2011). Moreover, the online marketing allows sports organization to communicate information, updates, and events (Filo, Funk, & Hornby, 2009). If customers want to purchase the tickets to watch the game, they are able to make the ticket purchase through online. The sports organizations utilize the Internet “as a main resource in connecting and communicating with the fans throughout the world” (Filo, Funk, & Hornby, 2009).

The key for sports marketing is fan loyalty. Bee and Havitz (2010) emphasized that “loyalty to a sports team is more extreme than loyal to any typical product because it tends to be more intense and long term (Bee and Havitz, 2010). Sports organizations seem to understand about the customers. The customers are the sports fans. In order to satisfy the customers, sports organizations have the ability to serve them by bringing products (athletes) to perform on the stage in front of customers (fans). When the customers have their athlete favorites, they tend to purchase products such as team jerseys. According to Meir and Scott (2010), they described the loyalty of fans as a “tribal tendency.” Meir and Scott (2007) mentioned that a tribe is “a group of people who are united by a shared passion, similar to a family community.” The sports marketers understand that the sports fans are in turn marketing to them as a whole to increase loyalty (Meir & Scott, 2007).

Social Media

The organizations utilize two-way communication such as social media platforms to share, interact, and communicate directly with the customers. Kaplan and Haenlin (2010) add

that “all social media divide into six different categories: collaborative projects (e.g., Wikipedia), blogs, content communities (e.g., YouTube), social networking (e.g., Facebook, Twitter), virtual social worlds (e.g., Second Life), and virtual game worlds (e.g., World of Warcraft)” (Kaplan and Heanlin, 2010).

Kietsmann, Hermkens, McCarthy, and Slivestre (2011) claim that “social media are comprised of mobile and web technologies that provide interactive platforms for the public to share, create, discuss, and modify content” (Kietsmann, Hermkens, McCarthy, and Slivestre, 2011). The researchers create the framework of a social media honeycomb. The researchers define social media honeycomb framework as social media platforms through the level of emphasis on seven functional building blocks: identity, conversation, sharing, presence, relationships, reputation, and groups (Keitsmann et. al, 2011).

With the combination of social media into current business tasks, Li and Bernoff claimed that “firms can now more efficiently listen, talk, energize, support, and embrace their audience and their ideas” (Li and Bernoff, 2011). The traditional method of advertising has been decreasing. According to Mangold and Faulds (2009), effective marketing and communications are “navigating away from traditional methods of advertising, resorting to social media as a trustworthy source” (Mangold and Faulds, 2009). The company or organization begins to understand that their communication and marketing ability through old traditional media is declining. There is an amplified increase in consumer conversations and a decrease in a company’s direct control over its brand’s conversation (Mangold & Faulds, 2009). The scholars believe that it is significant for companies or organizations to remain active in monitoring and participating in the social media dialogues (Mangold & Faulds, 2009).

The organizations need to create the methods of how to use social media to communicate with the customers. With the effort of communicating with the customers, Mangold and Faulds (2009) categorize nine methods that business uses social media successfully: (1) provide networking platforms, (2) use blogs and other social media tools to engage customers, (3) use both traditional and Internet-based promotional tools to engage customers, (4) provide information, (5) be outrageous, (6) provide exclusivity, (7) design products with talking points and consumers' desired self-images in mind, (8) support causes that are important to consumers, and (9) utilize the power of stories. These are the communication methods that customers want and need from the organizations.

Sports Communication and Social Media

There are numerous customers who utilize social media to communicate with sports companies, organizations, teams, and athletes. With over 65% of online adults using social networking sites, social media has drastically grown in usage across numerous industries, and has become an especially popular medium in the sports industry (Madden & Zickuhr, 2011). Social media are efficient in reaching many consumers with speed, carrying large amounts of information, and with the capability of interaction (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011).

The goal of social media and communication is to ensure that customers have communication access to interact with the sports organizations. There are several sports organizations and leagues (such as the National Basketball League, National Football League, Major Baseball League) that utilize social media to communicate directly with the customers. With the usage of social media to communicate directly with the customers, the sports organizations need to create social media marketing strategy to fit customers' wants and needs,

which is mandatory. Many sports organizations are still testing the capabilities of the ever-changing social media landscape (Esposito, 2012).

Sports organizations utilize communication or sports media to provide interaction for the customers via the Internet. Pedersen, Miloch, and Laucella (2011) provide a good definition of sports communication: “Sports communication is the process by which people in sport, in a sport setting, or through a sport endeavor share symbols as they create meaning through interaction.” The customers are utilizing sports media to receive relevant information from Internet, television, radio, newspapers, and magazines. With the increase of social media usage, sports communication offers the customers the opportunity to develop the relationship with company or organization through social media interaction.

With sports communication and media, Rein, Kotler, & Shields (2006) provides customers with emotional connection to understand, interpret, and identify with sports, specifically on behalf of an individual player, team or league (Rein, Kotler, and Shields, 2006). Rein, Kotler, and Shields (2006) offer five significant objectives in effective sports communication: (1) to engage the customers’ interest, (2) to imprint the sports brand’s identity for a longer-lasting impression, (3) to humanize the sports brand, (4) to encourage the customers to identify with the sports brand and feel a personal connection with the participants, and (5) to place the outcomes of competition in more than just a winning context. Therefore, it is essential to differentiate the sports brand and connect with the customers (Rein, Kotler, and Shields, 2006). Social media strategy enhances the company and organization to develop a reputation by communicating with customers.

Conclusion

Internet marketing becomes very important tools for sports consumers. The findings assisted us to understand the importance and role of utilizing Internet marketing, relationship marketing, and social media to interact and communicate with the sports consumers. Today, sports organizations have the ability to access social media for marketing purposes such as promoting products, services, and brands to sports consumers. In addition, sports organizations utilize social media for marketing strategy. Social media provides sports organization the opportunity to enhance relationship marketing with sports consumers. Therefore sports consumers would be delighted and satisfied with sports organization that provided consumers' need and want.

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