



# **Lesson 4.7 – Market Research**



# Market Research

- Creates an opportunity for companies to get to know their customers
- Provides relevant information needed or solves a problem to inform decision in the sport business
- Enhances the body of knowledge in sport marketing as a field of study

## **Market research:**

The process of systematically collecting, recording, analyzing, and presenting data related to marketing goods and services

### Market Research

Marketing research gathers information on:

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- Consumers
- Competition
- Company
- Culture/climate

### Market Research

This information is then used to:

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- Form links between consumers & company
- Identify and define marketing opportunities, problems, strengths & threats
- Generate, refine, evaluate and monitor marketing activities
- Analyze and understand the company, its industry and its competition

### Market Research

#### Identify marketing opportunities

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Before determining whether to sell jersey sponsorships, the NBA first collected and analyzed data from a social media measurement firm to make sure the visibility on uniforms would drive adequate value for their partners (via [sportsbusinessdaily.com](http://sportsbusinessdaily.com))



# Market Research

## Steps in the Research Process

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- 1) Identify the problem, concern or additional desired information to be gathered
- 2) Select and design research
- 3) Report and analyze
- 4) Communicate results of research

### Market Research

Despite an already solid attendance track record in which the team has led the league in attendance in all 11 years of its existence (drawing nearly 5 million fans to date), Minor League Baseball's Lakewood BlueClaws decided to cap attendance at 8,000 fans per game, based on feedback from fans during focus groups that large crowds were negatively impacting the game-day experience.



# Market Research

- Surveys
- Direct Mail
- Telephone
- Interviews
- Focus Groups

## **Primary research:**

The original research conducted for a specific marketing situation



# Market Research

- Census Reports
- Demographic Analyses
- Trade Associations
- State Agencies
- Commercial Research Firms

## **Secondary research:**

Published data that have been collected for some other purpose

# Market Research

### **Sample:**

A method used for accumulating statistical information that is only obtained from a subset of a population

### **Census:**

A method used for obtaining statistical information that counts every member of a population

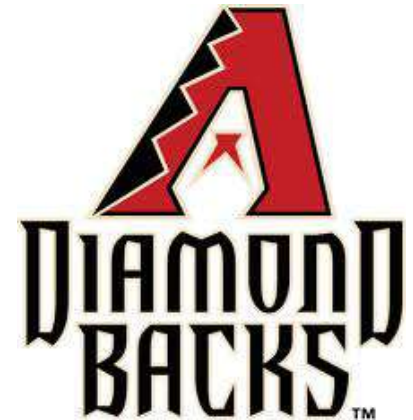
### Market Research

The latest U.S. Census results showed an increase in the nation's Hispanic population of 43 percent since 2000, (four times the nation's overall 9.7 percent growth rate), as such the sports and entertainment industry has seen a boom in the number of marketing initiatives targeting the Hispanic audience.



### Market Research

Also according to census data, more than 10 percent of the overall population in the Phoenix area is Hispanic age 18-34, one of the largest such ratios in the country. Based on this information, Major League Baseball's Arizona Diamondbacks adjusted how they market to those prospective ticket buyers, after an off season study indicated the team's Hispanic fans' preferences in terms of ticket sections or package options were significantly different than the general market.



# Market Research

## **Quantitative Research Data:**

Generally gathered in the form of focus groups (groups of six to ten respondents who carry on a group discussion which is led by a trained moderator) or in-depth one-on-one or two-on-one interviews

## **Qualitative Research Data:**

Typically involves large numbers of respondents, typically 100 or more, and yields results that are representative of the total population

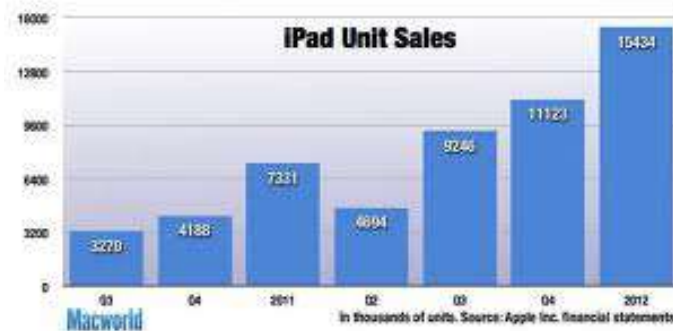
### Market Research

Emerging industry trends (such as the growth of tablet use among consumers as a means for accessing entertainment content). In 2013, Samsung revealed that, based on research from the Nielsen Company, 85% of tablet users watch TV while using a tablet, with 41% doing so every day.



### Market Research

Since Apple launched iPad in 2010, the global sales volume of tablet PCs has been increasing rapidly. From 2010 to 2013, the global sales volume increased by 6.6 times, from 19.4 million units to 128.3 million units. By the end of 2014 the global sales volume will increase to nearly 240 million, which will be higher than the estimated shipments of laptops with 207 million units.



# Market Research

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Based on study results by Scarborough Sports Marketing (a research firm), U.S. consumers have typically shown unwavering support for the NFL, MLB, NBA, NHL, College Football and Basketball, NASCAR and the Olympics (53 percent of American adults are "Avid Fans" at least one of these sports). However, after these traditionally supported fan favorites, the list includes sports like Figure Skating, Gymnastics, Men's Golf, High School Sports and Pro Boxing.



# Market Research

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*According to Scarborough:* “American sports fans have been opening their minds and wallets to a host of diverse sports. Avid Fans of these sports are often characterized by distinct audience demographics. For instance, 73% of Avid Gymnastics Fans are female and 81% of Avid Figure Skating Fans are female. This is a unique demographic makeup since Avid Fans of sports like the Olympics, Women’s Tennis and the WNBA – classically “female friendly” sports – are only about 50% female. This notable demographic base helps explain findings such as: Gymnastics Fans are 53% more likely than all American adults to schedule a spa day, 30% more likely to visit a jewelry store and 33% more likely to visit a bridal store. Similarly, Figure Skating Fans are 28% more likely to visit a florist and 27% more likely to visit a dry cleaner.”

# Market Research

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Another demographically interesting sport is Pro Boxing. Though European Soccer, Major League Soccer and Mexican Soccer are all leagues with large Hispanic fan bases, Pro Boxing is the non-soccer sports league with the highest percentage of Hispanics among its Avid Fans – 35%. Avid Pro Boxing Fans are also 58% more likely than all American adults to use their smartphones to: listen to or download music, 67% more likely to check sports scores and updates, and a staggering 110% more likely to watch free TV programs.

# Market Research

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In 2017, Piper Jaffray conducted a “Taking Stock With Teens” poll, which surveyed 5,500 teens to determine what’s “in” and what’s “out”

The study found teens prefer to wear athletic gear, particularly Nike, as 41% listed an athletic brand as their favorite apparel brand



## UNIT 4

Additional market research applications explore many additional topics in sports and entertainment

- Sport participation
- Violence in sports
- Advertising
- Media outlets
- Viewer and listener ratings
- Financing
- Effectiveness of marketing efforts

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# LESSON 4.7 REVIEW (ANSWERS)

## Marketing Applications

1) Explain the importance of market research

Market research provides an opportunity for companies to get to know their customers so they can effectively cater to consumer needs and wants