

# A survey of marketing barriers of sport institutions in Iran

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## 1. Introduction

In today's highly competitive sport environment, the success of sport institutions depend heavily on how effectively they can utilize sport marketing techniques and strategies. In spite of this, Iranian sport institutions have a very poor record in the area of sport marketing.

The importance of sport marketing has long been recognized and proven in other countries but it still continues to be ignored in Iran. This is despite the fact that employing intelligent marketing methods can improve the overall condition of sport institutions by enhancing their efficiencies, decreasing their costs, eliminating their unnecessary time-wasting methods, increasing their revenue and ultimately help them to be competitive in the industry.

Part of problems facing sport institutions in Iran can be attributed to a lack of belief in how crucial a role sport marketing plays in promoting sport activities. Inability to identify the barriers and delay in removing recognized barriers in a timely fashion are major problems that cannot be ignored.

To explore this matter further and to determine the root causes of this deficiency, we use the conceptual framework that divided these barriers into two major categories: in-organization (internal) and consequently controllable problems and out-of-organization (external) and consequently uncontrollable problems. By controllable we mean those factors that can be influenced and controlled by the management team of the organization. Naturally, uncontrollable factors are beyond the control of the management team. Both these factors can play destructive roles and prevent the organization from realizing its full potential.

This paper takes a general approach to the problem by first identifying and verifying all possible internal barriers that exist in sport institutions and identifying the more important internal factors that are used in marketing models and then by asking the experts in the field of sport marketing to verify and also rank the relevance of each of these factors based on their knowledge of the prevailing atmosphere of the Iranian sport institutions. The advantage of this approach is in its generality that enables us to capture the important factors. We then proceed to offer theoretical and practical solutions to overcome these barriers.

## 2. Literature review

### 2.1 Sport marketing

Sport marketing as a theoretical construct is inconclusive and many different alternatives are suggested. Pitts and Stotlar (1996) state that "academicians have not yet agreed on what sport marketing is." Mullin *et al.* (1993, 2000) and Shilbury *et al.* (1998) mention that the term "sport marketing" was first used in the US by the publication *Advertising Age* in 1978 (there is some confusion about the date but the text references for this study indicate 1979).

The first definition of sport(s) marketing is attributed to Kesler (1979, pp. 5-8) and states "that sport marketing describes the activities of consumer and industrial product and service

marketers who were increasingly using sport as a promotional vehicle for their products or services through sport sponsorship”.

Sport marketing comprises of many areas such as sport advertising, sport products and sport activities. Advertising includes all advertisements that introduce and promote sport products and sport activities. Advertising manufactured products and sport events, promoting these events, dealing with financial sponsors and acquiring the necessary permits are all included in this category. Sport products deal with those kinds of manufactured sport products that play a significant role in the success of athletes or sport institutions.

By sport activities we mean those kinds of activities that provide people (customers) with the choice of either participating in one or more sports or being spectators of sports competitions to fill their spare time. This is considered a sub-division of marketing services.

There are three defining factors to sport marketing. These factors are:

1. Marketing of a company through its association with sport (sport sponsorships).
2. The marketing of sports events and activities.
3. Marketing of sport products and services.

Background concept of these dimensions can be found in Table I.

## 2.2 Internal barriers of sport institutions

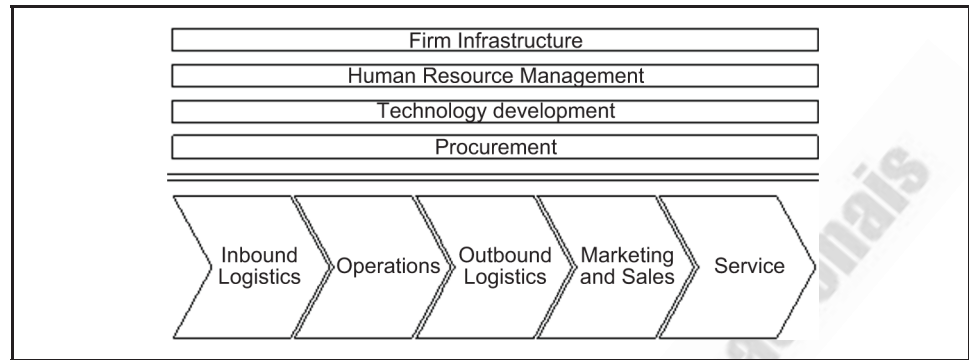
For analyzing internal barriers, several models and patterns have been suggested by different researchers. Not paying enough attention to these internal factors can have a detrimental effect and can determine the success or failure of the entire operation. The most basic, complete and comprehensive of these models are: Glinas and James model, Daft's model, McKinsey's 7s model and Porter's value chain model.

Gelinias and James (1998) identified the critical factors of an organization that are usually in contrast with an ever-changing environment. They consist of: structure, employers, skills, processes, systems, strategy and culture (Gelinias and James, 1998). Daft (1992), views an organization from a structural and contextual perspective. Within these two dimensions, he introduces several parameters as in-organizational factors. Structurally he lists these factors: formalization, specialization, standardization, hierarchy of authority, complexity, centralization, professionalism, and personnel ratio. Contextually he introduces these parameters: size, organizational technology, environment, goals and strategy and organizational culture (Daft, 1992). According to Porter (1985), organizations use value chain analysis to identify and assess their resources and abilities. This analysis is shown in Figure 1. It says that an organization must determine which part of its operation is profitable. Distinguishing these parts from the unprofitable parts of the organization plays a vital role in its ultimate success and its managers can use this information to steer the company toward “above average profitability and productivity” (Porter, 1985).

**Table I** An overview of different research in sport marketing dimensions

<i>Concept of sport marketing</i>	<i>Related research</i>
Sport sponsorship	Mullin <i>et al.</i> (1993, 2000); Stotlar (1993); Brooks (1994); Schaaf (1995); Graham <i>et al.</i> (1995); Pitts and Stotlar (1996); Schlossberg (1996); Shilbury and Berriman (1998)
Marketing of sport events	Booms and Bitner (1981); Mullin <i>et al.</i> (1993, 2000); Blackshaw Hogg (1993); Stotlar (1993); Brooks (1994); Graham <i>et al.</i> (1995); Pitts and Stotlar (1996); Helitzer (1996); Schlossberg (1996); Shilbury <i>et al.</i> (1998); Shenk (1999); Pope and Turco (2001)
Marketing of sport products	Dibb <i>et al.</i> (1994); Wilmshurst (1995); Adcock <i>et al.</i> (1995); Van der Walt <i>et al.</i> (1996); Solomon and Stuart (1997)

**Figure 1** Value chain model Porter



McKinsey & Company (1986) presented a model based on seven factors for analyzing in-organizational barriers. Neglecting any of these factors can cause serious problems and may even lead to complete failure and bankruptcy of the organization. The McKinsey 7-S Framework should be thought of as a set of seven compasses. These seven factors are: structure, strategy, system, style (of management), staff, skill level and shared values. When the needles are aligned, the company is "organized". When they are not, the company is not really organized even if its structure appears to be adequate.

### *2.3 Compiling and summarizing the identified factors and adapting them to sport institutions in Iran*

After compiling all identified factors, the views of Iranian marketing and sport experts were sought through a questionnaire and numerous interviews. As a result of this the following three steps were taken. First, those factors that were considered unimportant in the particular case of Iranian sport institutions by the experts were eliminated. Then, those factors which were similar or repeated in different models were combined and finally some factors which were not identified in any of the models but deemed important in the context of Iranian sport institutions were added.

## **3. Research methodology**

In terms of its goals, this study is a combination of implicational and developmental methods. After investigating theoretical foundations and interviewing the experts in the field of sport and marketing, the barriers to develop marketing were identified. From the standpoint of gathering information we used a descriptive, exploratory method. After identifying the most important barriers, the field experiment of polling and interviewing the experts were conducted.

In this study, both primary and secondary data were used. The secondary data were gathered from sources such as books, articles, and electronic reports from Iran and abroad. After interviewing the experts and tabulating their answers, we analyzed these answers and reached our final conclusion.

### *3.1 Survey instrument*

Primary data were gathered by tabulating the answers of the experts to a questionnaire developed data collection. In order to design this questionnaire, the following steps were taken:

1. Identifying and classifying in-organization factors that can affect marketing in sport institutions. This step was done by using secondary data.
2. Summarizing and combining the data and then adapting them to the particular case of Iranian sport institutions.

3. Preparing the research questionnaire: after compiling and categorizing all the factors and by adhering to the research objectives, a questionnaire was prepared and was given to the experts that were chosen randomly. We used concept verification methods to test the reliability of the questionnaire that was confirmed by the experts. To test the reliability of the instrument utilizing SPSS software, we calculated the value of Cronbach index ( $\alpha = 0.963$ ) that confirmed the reliability of our test.

Ultimately we ended up with 23 factors that were categorized and then added to the questionnaire. These factors are as follows:

- Barriers related to organizational structure (three factors).
- Barriers related to goals and strategies (three factors).
- Barriers related to marketing structure (six factors).
- Barriers related to management of sport institutions (five factors).
- Barriers related to employees (three factors).
- Barriers related to organizational culture (three factors).

Restraining factors in developing sport marketing were listed and categorized and then for determining the relevance and importance of each factor, two questions were prepared and included in the questionnaire. To save space and time the complete list of factors is not listed here but the two research questions are:

1. How do you evaluate the importance of each barrier in the improvement of marketing in sports institutions?
2. How do you rate the restraining effect of each barrier in the current situation in Iran?

### **3.2 Sample**

The statistical population, considering the research variables included those with simultaneous expertise in both fields of sport and marketing. This population includes university professors and managers of sports and marketing organizations throughout the country that deal with issues and problems that might arise in sport marketing. A total of 31 people were chosen randomly and were interviewed and then asked to answer the questionnaire. Questionnaires were distributed to participants at work with full instructions for completion. To ensure confidentiality of the participants, they were asked not to give their names or any identifiable characteristics

### **3.3 Data analysis**

All the analyses in this research have been conducted in two levels. The first level consists of the restraining categories and the second level consists of specific factors in each category. To examine the first question in the questionnaire that dealt with determining the priorities, the Friedman test was used. The Friedman test is used for two-way repeated measures of analysis of variance by ranks. Student's *t*-test was used to analyze the second question. While dealing with means, this is the most appropriate test. It also should be noted that when the number of samples are small and the variance is unknown, this test is better than z-test. For these reasons we decided to use student's *t*-test in analyzing the second question.

## **4. Results**

Our findings indicate that in the current Iranian business climate, most of the factors have a negative effect and also a high priority.

In order to rate each factor, the experts were asked to choose from a scale of 1 to 5, where 1 signified "very poor" and 5 signified "very good" (five-point Likert scale). A mean greater than three for any factor is considered good and a mean less than three signals trouble. The closer a factor is to 1, the higher priority it has; therefore it has to be dealt with and rectified more expeditiously. The three factors that are more or less satisfactory have means close to three and are as follows:

1. Skill level, knowledge and expertise of employees.
2. Funding of resources.
3. Compatibility between organization structure and marketing strategy.

As mentioned earlier to determine the priority level of each factor we used the Friedman test. "Unsuitable goals and strategies" turned out to have the highest priority which made it the most restraining factor in sport marketing in Iran. Employees, organization culture, marketing structure, organization structure and management of sport institutions were ranked next. Priorities of all the internal factors are shown in Table II.

## 5. Practical suggestion

Results of our research clearly demonstrate that the state of sport marketing in Iran is sub-standard and quite unsatisfactory. Most of the obstructive factors have a high priority and therefore can be improved dramatically. However, serious attention is needed by the government and individual firms. The government should introduce policies and legislations which would make it easier for organizations to overcome these barriers. To help the development of marketing in Iran, we present the following recommendations:

- Promoting strategic marketing approach.
- Utilize strategic marketing management.
- Improve skill and knowledge of employees.

**Table II** priority of factors, and barriers in improvement of sport organization marketing (Friedman test result)

<i>Agents</i>	<i>Factors</i>	<i>Barriers</i>
1. Goals and strategies	Harmony between strategies and marketing operations Marketing strategies and goals General strategies and orientation of the organization	Incompatibility between strategies and marketing operations Lack of effective strategies and goals Lack of support for marketing strategies and goals
2. Employees	Skill level, knowledge and expertise Attitude towards and belief in marketing Employee satisfaction	Unskilled employees Lack of belief in effectiveness of marketing Unsatisfied staff
3. Organizational culture	Flexibility to change Sharing useful information and experiences Shared ideas and beliefs	Slow reaction to the changes of market Reluctance to share Lack of shared ideas and beliefs in the organization
4. Marketing structure	Acquiring, developing and promoting marketing knowledge Effective programming in marketing activities  Pricing according to needs of the market and competitors Customer feedback and support services	Unwillingness to acquire and develop marketing knowledge Lack of effective programming in marketing activities  Inappropriate pricing according to needs of the market and competitors Not paying enough attention to customer feedback and support services
5. Organization structure	Designing and presenting suitable products Funding of resources Harmony between organization structure and marketing strategies The importance of marketing in the organization	Lack of proper designs Lack of funding Incompatibility between organization structure and marketing strategies Not paying enough attention to marketing in the organization
6. Management of sport institutions	Organization structure Attracting new talents, educating, retaining and promoting employees Utilization of modern technology and information systems Maintaining contact with other organizations Use of modern management system and the latest technologies Practical approaches	Inappropriate organization structure Following poor policies in attracting, retaining, educating and promoting staff Not using modern and appropriate technology effectively Inability to stay connected with other organization Lack of modern management and technologies  Impractical approaches to marketing

- Pay close attention to employee's satisfaction and loyalty.
- Improve the constructive aspects of organizational culture in sports institutions.
- Create an active organizational culture based on sharing information.
- Design and operate an appropriate marketing structure.
- Hire/recruit manager who know the market and are knowledgeable.
- Restore and improve the organizational structure of sports institutions.
- Elevate the position of marketing in the organizational structure.
- Improve the performance of management team.
- Install effective management of information and telecommunication systems.
- Install effective human resources management.
- Design practical/effective processes in sport institutions.

## 6. Suggestions for future research

For future studies, we propose the investigation of external barriers to improve marketing in sport institutions. The design of local indexes in order to study internal and external barriers would enable firms to improve response systems. Moreover, investigating the role of the government in overcoming the barriers to sport marketing in Iran is suggested. Finally, future research could explore the barriers to marketing in other industries.

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