



SPORT MANAGEMENT ENVIRONMENT

Lecture 2

UNIQUE FEATURES OF SPORT



1. PEOPLE DEVELOP IRRATIONAL PASSIONS

A unique feature of sport is the phenomenon of people developing **irrational passions** for sporting teams, competitions, or athletes. Sport has a symbolic **significance** in relation to performance **outcomes**, success and celebrating achievement that does not occur in other areas of economic and social activity. Sport managers must learn to **harness** these passions by **appealing** to people's desire to buy tickets for events, become a member of a club, donate time to help run a voluntary association, or **purchase** sporting merchandise.



2. DIFFERENCES IN JUDGING PERFORMANCE

There are also differences between sport organizations and other businesses in how they **evaluate** performance. **Private** or **publicly listed** companies exist to make **profits** and increase the **wealth** of **shareholders** or owners, whereas in sport it is often important to win championships, deliver services to **stakeholders** and members, or meet community service **obligations**. Sport managers need to know about these multiple organizational outcomes, while at the same time being responsible financial managers to **ensure** they have enough resources to support their organization's strategic objectives.



3. THE INTERDEPENDENT NATURE OF RELATIONSHIPS BETWEEN SPORTING ORGANIZATIONS

4. ANTI-COMPETITIVE BEHAVIOR

Competitive balance is also a unique feature of the **interdependent** nature of relationships between sporting organizations that compete on the field but cooperate off the field to ensure the **long-term viability** of both clubs and their league. In most business environments the **aim** is to secure the largest market share, **defeat** all competitors and secure a monopoly. In sport leagues, clubs and teams must cooperate to share **revenues** and playing talent, and regulate themselves to maximize the level of uncertainty in the outcome of games between them, so that fans' interest will be maintained.



5. SPORT PRODUCT (A GAME OR CONTEST) IS OF VARIABLE QUALITY

The sport product, when it takes the form of a game or **contest**, is also of variable quality. Game outcomes are generally uncertain, one team might dominate, which will **diminish** the attractiveness of the game. The **perception** of those watching the game might be that the quality has also diminished as a result, particularly if it is your team that loses! The **variable** quality of sport therefore makes it hard to guarantee quality in the marketplace relative to providers of other **consumer** products such as mobile phones, cars or other general household goods.

ТАБЛИЦА РЕЗУЛЬТАТОВ
«Кубка СПОРТ 31 по мини-футболу среди любительских команд 2019 года»

I ЭТАП (ОТБОРОЧНЫЕ МАТЧИ) – 1 группа

№	Команды	1	2	3	4	5	В	Н	П	Очки
1	Т 49	 1:1		0:4	1:7	0	1	2	1	
2	МЕТЕОР	1:1		2:7	1:2	0:1	0	1	3	1
3	ДИНАМО		7:2		4:3	1:1	2	1	0	7
4	ТИГРЕС	4:0	2:1	3:4			2	0	1	6
5	КАПИТАЛ-ПРОК-ЧЕРНОЗЕМЬЕ	7:1	1:0	1:1			2	1	0	7

I ЭТАП (ОТБОРОЧНЫЕ МАТЧИ) – 2 группа

№	Команды	1	2	3	4	5	В	Н	П	Очки
1	ИСТОК		0:3	4:1	1:2	0:0	1	1	2	4
2	РОСТЕЛЕКОМ	3:0		0:2		1:1	1	1	1	4
3	ОЛИМПИК	1:4	2:0		1:2		1	0	2	3
4	ГК АГРО-БЕЛОГОРЬЕ	2:1		2:1		2:2	2	1	0	7
5	ФЕДЕРАЦИЯ АДАПТИВНОГО СПОРТА	0:0	1:1		2:2		0	3	0	3

6. IT ENJOYS A HIGH DEGREE OF PRODUCT OR BRAND LOYALTY

Sport also enjoys a high degree of product or brand loyalty, with fans **unlikely** to change the team or club they support or to **switch** sporting codes because of a poor match result, or the standard of officiating. Consumers of household products have a huge range to choose from and will readily switch brands for reasons of price or quality, whereas sporting competitions are hard to **substitute**. This advantage is also a negative, as sporting codes that wish to **expand** market share find it difficult to attract new fans from other codes due to their familiarity with the customs and traditions of their existing sport **affiliation**.

BRAND LOYALTY



7. IT ENGENDERS VICARIOUS IDENTIFICATION

Sport **engenders** unique behaviours in people, such as **emulating** their sporting heroes in play, wearing the uniform of their favourite player, or **purchasing** the products that sporting celebrities **endorse**. This **vicarious** identification with the skills, abilities and lifestyles of sports people can be used by sport managers and **allied** industries to influence the purchasing decisions of individuals who follow sport.



8. SPORT FANS EXHIBIT A HIGH DEGREE OF OPTIMISM

Sport fans also **exhibit** a high degree of optimism, at times **insisting** that their team, despite a string of bad losses, is only a week, game or lucky **break away** from winning the next championship. It could also be argued that the owners or managers of sport franchises exhibit a high degree of optimism by **toting** their star recruits or new coach as the path to delivering them on-field success.



9. SPORT ORGANIZATIONS ARE RELATIVELY RELUCTANT ADOPT NEW TECHNOLOGY

Sporting organizations are relatively **reluctant** to adopt new technologies unless they are related to sports science, where on-field performance improvements are possible. In this regard sport organizations can be considered conservative, and **tied** to traditions and behaviours more than other organizations.



10. SPORT OFTEN HAS A LIMITED SUPPLY

The final unique aspect of sport is its limited **availability**. In other industries, organizations can increase production to meet demand, but in sport, clubs are limited by season length and the number of scheduled games. This **constrains** their ability to maximize **revenue** through ticket sales and associated **income**. The **implication** for sport managers is that they must understand the nature of their business, the level of demand for their product and services (whatever form that may take), and the **appropriate** time to deliver them.



LET US SUMMARIZE

Collectively, these unique features of sport create some challenges for managers of sport organizations and events. It is important to understand the effects of these features on the management approaches and strategies used by sport managers; the next section explains how these unique features of sport influence the operating environment for sport organizations and their managers.

