

UDC 338.46.025.12:796.035

Marketing approach in sports industry management

Yaroslav V. Leonov¹, Cand. Ec. Sc., Associate Professor

Received: 6 May 2019Leonov, Ya. V. (2019), "Marketing approach in sports industry management", Economies'Accepted: 8 June 2019Horizons, no. 2(9), pp. 106–111, doi: https://doi.org/10.31499/2616-5236.2(9).2019.228691

Abstract. The purpose of the research. There is a definition of the benefits of using a marketing approach to the management of the sports industry. Methodology. In the course of the study, such methods were used: generalization, analysis, synthesis, induction. Results. The article considers the role of marketing management in the development strategy of a sports organization. In market economic relations, the development of a sports organization can be successful and effective only on the basis of the concept of marketing. The modern conditions of functioning of sports organizations are determined. The development of sports organizations in Ukraine is constrained by the imperfection of current legislative and regulatory documents of all levels, which does not allow the introduction of modern organizational, financial, economic, innovative and marketing technologies to ensure effective functioning. The importance of the marketing approach in the management of a sports organization in modern business conditions is shown. The marketing approach in the management of a sports organization means a systemic, program-targeted mechanism of interaction of marketing and management tools to adapt the organization to changes in the market environment to meet the needs of users of sports products and the organization's goals for efficient use of resources. It is proved that the use of marketing approach in the management of a sports organization provides feedback to users of a sports product and allows you to develop measures that best meet customer demands and respond quickly to constant changes in the market environment. On the basis of the conducted market research of the market of a sports product and definition of potential of development of the sports organization the directions of maintenance of its competitive advantages are formed. Summarizing the obtained results, the relationship between the purpose for which the respondents use the sports product and the priorities of the sports organization (sports school) when choosing a sports school is established. It was determined that the motives of parents were divided into three dominant groups, which correlated with the largest number of indicators (correlation coefficient - 0.87). The target audience focuses on the condition of the material and technical base, the qualification of the coaching staff and the number of trained champions. Practical meaning. Marketing measures to increase the efficiency of sports product promotion are proposed: to actively implement creative, creative approaches with the use of modern management technologies. Prospects for further research. The need to justify a marketing approach in the management of a sports organization will be determined, which will allow to adapt to market changes to market changes and create a more qualitative and relevant sports product.

Key words: marketing, marketing management, sports organization, sports industry, innovations,

¹ Kharkiv State Academy of Physical Culture; Associate Professor at the Department of Physical Culture Management; ORCID ID: <u>https://orcid.org/0000-0001-8837-5744</u>; e-mail: <u>leonov.yaroslav.2017@gmail.com</u>.

sports product, marketing research.

JEL Classification: D80, O32, O38.

Number of references: 7; number of tables: 0; number of figures: 0; number of formulas: 0.

Маркетинговий підхід в управлінні спортивною індустрією

Ярослав Володимирович Леонов¹, к. е. н., доцент

Стаття надійшла: 06.05.2019 Leonov Ya. V. Marketing approach in sports industry management. Економічні горизонти. 2018. № 4(7). С. 230–237. DOI: <u>10.31499/2616-5236.2(9).2019.228691</u>

Анотація. Метою статті є визначення переваг застосування маркетингового підходу до управлінні спортивною індустрією. Методологія. У процесі дослідження використовувались такі методи: узагальнення, аналіз, синтез, індукція. Результати. У статті розглянуто роль маркетингового управління у стратегії розвитку спортивної організації. В умовах ринкових економічних відносин розвиток спортивної організації може бути успішним і ефективним лише на засадах концепції маркетингу. Визначено сучасні умови функціонування спортивних організацій. Розвиток спортивних організацій в Україні стримується недосконалістю чинних законодавчих та нормативно-правових документів усіх рівнів, що не дає змогу впровадження сучасних організаційних, фінансово-економічних, інноваційних та маркетингових технологій для забезпечення ефективного функціонування. Показано значимість маркетингового підходу в управлінні спортивною організацією в сучасних умовах господарювання. Під маркетинговим підходом в управлінні спортивною організацією розуміється системний, програмно-цільовий механізм взаємодії інструментів маркетингу та управління щодо адаптації організації до змін ринкового середовища з метою максимального задоволення потреб користувачів спортивного продукту та цілей організації щодо ефективного використання власних ресурсів. Доведено, що використання маркетингового підходу в управлінні спортивною організацією забезпечує зворотній зв'язок з користувачами спортивного продукту та дозволяє розробити заходи, які найбільш задовольняють запитам покупців і швидко реагувати на постійні зміни в ринковому середовищі. На основі проведеного маркетингового дослідження ринку спортивного продукту та визначення потенціалу розвитку самої спортивної організації сформовані напрямки забезпечення її конкурентних переваг. Підсумовуючи отримані результати, встановлено залежність між метою, з якою респонденти користуються спортивним продуктом та пріоритетами спортивної організації (спортивної школи) при виборі спортивної школи. Визначено, що мотиви батьків розділилися на три домінуючі групи, які корельовано з найбільшим числом показників (коефіцієнт кореляції – 0,87). Цільова аудиторія орієнтується на стан матеріально-технічної бази, кваліфікацію тренерсько-викладацького складу та кількість підготовлених чемпіонів. Практичне значення. Маркетингові заходи щодо підвищення ефективності просування спортивного продукту запропоновано активно впроваджувати творчі, креативні підходи з застосуванням сучасних технологій управління. Перспективи подальших досліджень. Визначено необхідність обґрунтування маркетингового підходу в управлінні спортивною організацією, що дозволить своєчасно адаптуватись до ринкових змін та створювати більш якісний і актуальний спортивний продукт.

Ключові слова: маркетинг, маркетингове управління, спортивна організація, спортивна індустрія, інновації, спортивний продукт, маркетингове дослідження.

Кількість джерел: 7; кількість таблиць: 0; кількість рисунків: 0; кількість формул: 0.

¹ Харківська державна академія фізичної культури; доцент кафедри менеджменту фізичної культури; ідентифікатор ORCID: <u>https://orcid.org/0000-0001-8837-5744</u>; e-mail: <u>leonov.yaroslav.2017@gmail.com</u>.

1. Introduction.

The modern market for sporting services is a dynamic environment, in which the rapid adaptation of a sports organization is required to new conditions of management. The main component of management in these conditions is the use of a marketing approach that will ensure the competitive advantages of the organization, strengthen its strategic positions and improve the efficiency of activities in the long run.

Under the influence of innovative processes taking place in society, requests, needs and demands of people regarding the quality of products (goods, services) are changing. At the same time, the role of marketing management as a component of sports organizations (federations, sports clubs, sports schools, etc.) increases. The issue of internal organizational changes, methodological and information support. Recently, in Ukraine, as in other countries, adaptation of the organizations of the sports industry into a market environment, which objectively leads to new processes and phenomena: there are significant changes in the system of socio-economic relations in the industry, new forms of ownership and form are formed. These processes affect the behaviour of all market participants: suppliers of sports goods, equipment, etc.; manufacturers of sports product (sports and recreation services, sports events, etc.); the sports product users.

The problem lies in the reality of Ukrainian practices for managing the organizations of the sports industry and shows that the realization of the product is not always the most significant element in the management system. The reasons for this are the following: most organizations are still focused on minimizing the cost, an increase in funding, and not to maximize human needs with a quality product. For organizations of the sports industry, in the difficult conditions of modern business, sales management is especially important, since the change in the situation in the country forces managers to realize the need for achieving not only short-term, but also to form competitive advantages in the long run.

In conditions of market relations, the development of a sports organization can be successful and effective only on the basis of marketing concept (establishing marketing purposes, strategic analysis and marketing research, formation and implementation of marketing strategies). In most cases, the solution of these issues in practical activity remains intuitive and scientifically ill-founded.

2. Literature review.

A significant contribution to the development of the theory and practice of marketing management organizations in a market environment made domestic and foreign scientists I. Ansoff (2011), S. Voitovich and I. Potapyuk (2012) F. Kotler (2006), M. Porter (2018), etc. However, the analysis of modern scientific sources shows that the issues of marketing management of the activities of a sports organization in conditions of development of market relations are not well developed.

3. Methods.

In the course of this study, various general scientific and specific methods of research were used, the method of the dialectical method (in the study of economic phenomena and categories), method of induction, logic and comparison, system method, observation, method of generalization and composition (in the generalization stage and conclusions and conclusions of this study).

4. Research objectives.

Identify the role of a marketing approach in the management of a sports organization in the conditions of development of market relations.

5. Results and discussions.

At the present stage in Ukraine there is a question of forming a qualitative basis for the development of sports business infrastructure of all levels. Sport is one of the important means of international cultural exchange of the 21st century, it can create conditions for the consolidation of Ukraine and intensify the socio-economic development of the state.

The decision of the problems of improving the health of the population, a healthy lifestyle, economic state of organizations of the sports industry and ensuring their innovation

development during the period of the formation of new economic relations requires the use of a modern management approach. The content of this approach: the concentration of the efforts of market participants in the production of a qualitative sports product, the balance of interests and balance of levers of influencing the competitiveness of the organizations of the sports industry (federations, sports clubs, sports schools, etc.) (Ansoff, Y., 2011). Satisfaction of people's needs in high-quality sports products is possible using a marketing approach in the management of a sports organization that promotes the promotion of a sports product to the market (Kotler, F., 2006), ensuring the creation of competitive advantages and feedback with the buyer and popularize a healthy lifestyle, physical activity throughout the entire population.

Under the marketing approach to the management of a sports organization is understood as a systematic, program-target mechanism of interaction of marketing tools and management to adapt the organization to market environments in order to maximize the needs of the sports product users and organizations for the effective use of its own resources.

Thus, marketing activities of the sports industry organizations are aimed at ensuring the quality of a sports product and determines the need to segment buyers based on various needs, aimed at analyzing market opportunities, selecting the most promising target markets, developing a whole range of marketing events and their implementation (*Verkhovna Rada Ukrainy, 2016; Ministerstvo molodi ta sportu Ukrainy, 2016*).

The development of sports organizations in Ukraine is restrained by the imperfection of current legislative and regulatory documents of all levels, which does not allow the introduction of modern organizational, financial and economic, innovation and marketing technologies to ensure effective functioning (*Verkhovna Rada Ukrainy, 2016*). That is, the system does not meet market requirements and requires the development of an effective mechanism of state policy (legal, organizational and managerial and investment). Therefore, the introduction of modern management technologies, namely: strategic management, financial and economic analysis, innovation management, marketing management will enhance the competitiveness of these organizations in a market environment. For example, the use of a marketing approach to a sports organization will provide feedback with sports product users and will develop measures that are most satisfied with buyers' requests and quickly respond to permanent changes in a market environment.

Marketing research in sports are based on the development of information collection methods, its analytics and developing appropriate measures to strengthen the competitive positions of the organization. Thus, the main task in the local sports product market is to study the demand and demand detection, customer needs (*Kotler, F., 2006*).

The study was conducted on an example of a sports organization (sports school) of the Kharkiv region. It should be noted that the processes of decentralization have positively influenced the development of sports organizations. If until 2013, the financing tendency was in the direction of reducing, the money was allocated mainly on salaries, then in 2018 increased by almost four times and amounted to 1972.9 thousand UAH. (*Ministerstvo molodi ta sportu ukrainy, 2016*).

Such changes have positively influenced the possibility of updating the material and technical base, conducting current repairs of premises, etc. That is, there is a question of the effective functioning of sports organizations in the conditions of new economic relations. The research was conducted by a survey method among parents of a sports school in order to determine their needs and factors affecting their decisions. The study outlines the following blocks of questions: demographic characteristics of respondents; The purpose of using a sports product; Satisfaction of needs and additional requests for improving the quality of the sports product. In general, 68 people were interviewed, 63 questionnaires were selected for processing. Among the parents respondents: 79% - women, 21% are men. The main group of respondents are people with higher education (67.6%); people with medium-special education (20.6%); people with secondary education (11.8%).

By the number of family members, most respondents made a family in which 3 or 4 persons in the family, their particles amounted to 47% and 44%, respectively; 9% of respondents - families with more than 4 persons. The place of operation 47% of respondents defined the budget sphere; 41% are engaged in entrepreneurial activity and only 9% involved in the city industry. The analysis of families was also analyzed, it was found that in 20.6% of the respondents, the monthly income is up to 5000 UAH., 32.3% - from UAH 5001. Up to 10000 UAH., 35.3% of respondents have income from 10001 UAH. Up to 15000 UAH, 11.8% more than 1500 UAH. month.

After analyzing data responses, it can be concluded: more active in the survey was a woman, there is a dependence between the desire to attract children to sports and parents' education - this suggests that the country is generally not enough work to popularize a healthy lifestyle and physical activity During life in educational institutions of all levels below the higher (Porter M., 2018). The desire to see its child healthy and comprehensively developed does not depend on the material state of the family - the answers about the monthly income were distributed with a small difference between the basic specified indicators. The level of activity in sport life also does not depend on the number of family members - this issue we only found a quantitative feature of families.

Consequently, a sports organization, introducing a marketing approach in management, provides a popularization of a healthy lifestyle at the local level (region, city) through advertising, branding, positioning a sports organization, increasing the number of its supporters and people supporting sports style and promote physical activity during life. The application of this approach will bring not only the benefits of health of people, but also certain benefits of financial and economic nature of the sports school.

The purpose of using a sports product.

Respondents first raise children to a healthy lifestyle and improve the physical state of a child - a total of 52.9%, but there is a large percentage of parents who want to achieve high sports results - 47.1%.

In the course of the analysis, demands, needs, satisfaction of respondents with a sports product, which in their opinion, needs to be improved. Most respondents (91.2%) satisfaction with the quality of the coach work on educational classes. Also, according to the results of the study, it has been found that most respondents - 65% agree to spend 300 UAH. per month classes in sports schools, 35% - 200 UAH.

The given data indicate the need to use differentiated pricing policy in sports organizations, which provides for the offer of various types of sports products at different levels of price, which will satisfy the needs of all segments of the sports product depending on the level of income and solvency.

Thus, respondents' answers allow us to draw conclusions about the need to create a sports product of three levels: free funded by public funds; with low cost; with a sufficiently high cost and individual approach to each product user (*Vojtovych S., Potapiuk I., 2012*).

From the point of view of respondents, additional queries and needs for improving the quality of the sports product are: the need to update the material and technical base of a sports organization - 22.2%, expansion of a sports school by building new halls - 44.4%, a basin or a physical culture and wellness complex. Also, in the issue of improving the quality of a sports product, 33.3% of respondents offered to open a sports massage cabinet; 26.7% of respondents want to see in the state of a sports doctor and a psychologist; 23.3% - the presence of a sports bar, buffet.

Summing up the results obtained, the dependence between the purpose with which respondents use a sports product and the priorities of a sports organization (sports school) when choosing a sports school. It is determined that the motives of parents were divided into three dominant groups that are correlated with the largest number of indicators (coefficient of correlation - 0.87). Target audience is guided by the state of the material and technical base, the qualification of the trainerteaching staff and the number of champions prepared. Also, a significant majority of respondents are ready to pay for their children, which allows you to open paid groups, especially since the legislation has already been permitted by sports schools to provide paid services.

6. Conclusions.

Thus, a number of marketing measures can be proposed to improve the efficiency of sports product: it is necessary to depart from traditional approaches to the management of the organization and actively introduce creative, creative approaches using modern management technologies. It is necessary to conduct a full marketing work in accordance with the goals and objectives of the development of a sports school. As to the potential of the development of the sports organization, we will allocate variants of innovations at an initial stage, namely:

- creation of paid groups not only for children, as well as for adults who could do in times when sports facilities are not involved in basic work - it is almost 50% of the entire time of the organization, while it is possible to pursue classes and from other species sport, and not just those cultivated in a sports school;

- provision of additional services, which are not-inherent sports organizations: sports and therapeutic massage, work of a sports psychologist, creating a buffet with sporting meals, trade in sports equipment and an outfit.

Such priority measures will immediately enable the income as a coaching composition and service staff, at the expense of paid services, the organization will be able to go to the "Mode" of the self-financing of current expenses, but for the development of the material and technical base is necessary. create conditions for attracting investment resources.

The marketing approach in the management of a sports organization will allow to adapt to market changes in a timely manner and provide a more qualitative and relevant sports product. Therefore, in modern conditions of development of any sphere of human life and society, the effectiveness of work depends on the use of innovative, marketing approaches in managerial activities. Perfection and innovation of management mechanisms can provide timely adaptation of the organization to market conditions of management, to improve the quality of a sports product, to strengthen the competitive positions of a sports organization and provide development in a long prospect.

References

- Ansoff, Y. (2011), Stratehycheskyj menedzhment [Strategic management], PYTER, Sankt-Peterburh, Russia.
- Vojtovych, S. and Potapiuk I. (2012), "Metodyka otsinky efektyvnosti stratehichnoho upravlinnia marketynhom posluh pidpryiemstv sfery fizychnoi kul'tury i sportu", *Naukovyj visnyk Poltavs'koho universytetu ekonomiky i torhivli. Seriia, Ekonomichni nauky. Vol. Nº 2 (53),* Poltava, Ukraina.
- Kotler, F. (2006), Marketing Management. PYTER, Sankt-Peterburh, Russia.
- Porter, M. (2018), International competition: Competitive advantages of countries, Alpina Pablisher, Moscow, Russia.
- Lipiets, Yu. V. (2019) Vprovadzhennia stratehichnoho menedzhmentu na pidpryiemstvakh Ukrainy iak prohresyvnoho napriamku ikh rozvytku, [Online], http://www.ipido.kiev.ua/files/articles/but4.pdf (Accessed 11 Feb 2019).
- Verkhovna Rada Ukrainy (2016), Natsional'na stratehiia z ozdorovchoi rukhovoi aktyvnosti v Ukraini na period do 2025 roku "Rukhova aktyvnist' zdorovyj sposib zhyttia zdorova natsiia" vid 09.02.2016 № 42/2016, [Online], http://zakon3.rada.gov.ua/laws/show/42/2016 (Accessed 11 Feb 2019).
- Ministerstvo molodi ta sportu Ukrainy (2016), "Zvit z fizychnoi kul'tury i sportu", [Online], http://dsmsu.gov.ua/index/ua/category/55 (Accessed 11 Feb 2019).



Цей твір ліцензовано на умовах Ліцензії Creative Commons <u>«Із Зазначенням Авторства</u> <u>— Некомерційна 4.0 Міжнародна» (СС ВУ-NC 4.0)</u>. This is an open access journal and all published articles are licensed under a Creative Commons "Attribution-NonCommercial 4.0 International" (СС ВУ-NC 4.0).