Fantasy Sports and Gambling in Sport: Marketing Implications for Branding and Fan Engagement

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ABSTRACT

Modern sports/media complex may be the result of complex inactions of communication technologies, social developments, and the increased sophistication of businesses in understanding the intrinsic and extrinsic aspects of consumer behavior. From the promotion options of print media, television and radio, to the self-engaging aspects of Internet sport coverage and gaming, the spectator is rapidly becoming an integral part of the branding process. Media, especially fantasy sports, has transcended the traditional roles of television’s function as agents of exposure to engagement and personal involvement in athletic contest and its merchandising. Although the media aspect may been neglected in sports research, media research traditionally has considered sports too popular for traditional research. This paper explores some of the major topics for research that combines sports and newer forms of media exploitation for marketing purposes.

KEYWORDS

Branding, Business Strategy, E-Commerce, Fantasy Sports, Gender Differences, Internet Strategies, Media, Market Segmentation, Revenue, Sport Branding

INTRODUCTION

Fantasy Sports and Office Betting Implications

Although the sport literature is fairly sparse on the roles of fantasy sports and/or gambling in sport in relation to academic research and its impacts on fan engagement in sport organizations, there has been considerable interest on the topic. Aspects that the current paper will deal with include revenue generation of fantasy sports and/or gambling, branding implications for leagues, and other relevant issues related to gambling and sport enterprise operations. In general, the roles of fantasy and gambling in sport are many and can be more difficult to separate from more traditional sporting venues. Schirato (2012) suggested that in gaming and fantasy sport engagement allow the fan or user to be located in the field of vision, permitting the fan to do more than simply watch, but to some extent contributing to or even making the sport. It is a type of visual enhancement that is promoted by technology that both disposes and facilitates continuous mobile vision. Fantasy sport foregrounds watching as an active and productive process. Hence, at least from the fan perspective, it is game that he/she watched and is produced out of their work efforts, choices, and literacies. Sports-related organizations have promoted a brand image and loyalty that transcends all levels of social-economic levels, especially at the collegiate, professional and international sport teams’ competition (Bouchet, Ballouli, & Bennett, 2011; Coates & Humphreys, 1999; Pedersen, 2013; Seguin, Richelieu, & O’Reilly, 2008).

Social media and its related technological developments has especially accelerated branding experiences, such as Facebook™, MySpace™, YouTube™, and Wikipedia™, that ultimately allow the
consuming public the opportunity to express their opinions and shape their future viewing experience (Zimmerman, Clavio, & Lim, 2011). Fantasy sports, in particular, allow the participant to strategic trade, manage, and alter the contest in ways never available before. The degree of involvement is dictated by the levels of active and productive processes, based on individual degree of effort, choices, and literacies (Schirato, 2012). Coupled with the engaging activities associated with fantasy sports participation, sport-relating office pooling and gambling provide additional avenues for fans to become engaged in the sport industry. One of the fastest growing forms of sports gambling is online betting, which typically consists of poker, betting on the outcomes of certain popular sporting events, bingo, and online casinos. However, the consuming public is not the only stakeholder involved in the media experience. Corporate sponsors, sports writers, broadcasters, sports executives, and players must all be considered in setting an agenda that meets their needs as well.

Revenue Generation in Sport Enterprises

As with most modern businesses, sport organizations need to shift the sport promotion mix to ensure continuous positive cash flows from its products and services. Changing from sport as a product to entertainment as a personalized consumer product essentially needs a shift in sport promotion mix paradigm. If the current focus is on the entertainment aspect of the sport, it would need a very different marketing campaign. In such a case, while there is no direct transaction is derived and/or expected, there is an expectation from the consumer for marketing the entertainment aspect to be done in a certain way. With entertainment as the focus, the promotion mix needs to become focused on fans and friends enjoying the event together in the imagery rather than the sport being the focus in the imagery. As the debate of the entertainment versus the consumerism aspects of sport, is there any way that the promotion could stay the same and still effectively attract consumers to the entertainment aspect?

It is essentially true that tangible products differ from intangible services, but even most manufacturers offer services for their products. In fact, the single fasting growing cost section for manufacturers is warranty costs (Helo, Anussornnitisarn, & Phusavat, 2008; Ifinedo & Nahar, 2009; Johansson & Sudzina, 2008). Tailgate parties certainly illustrate the growth of entertainment as the focus, as the promotion mix becomes focused socially enjoying the event and engaging the fans outside the sport event. As a diehard Cleveland Browns fan for the last 12 years, there is very little left to enjoy in a Browns game except for the social engagement -- there is no fun in having a series of losing seasons. Yet, the NFL franchise still flourishes through good promotional mixes and proper market segmentation. There are other sources of revenue that can be directly tied to being successful, as in professional sports’ championships typically have some of the highest ratings in terms of viewing, so can the case be made at the collegiate level. Die-hard fans to causal spectators are drawn to media coverage that, in turn, creates significant sources of revue for these athletic contests.

For example, there is a Big 10™-television network that requires a separate subscription in order to be viewed. Several cable networks will offer pay-on-demand to watch re-runs of these championship and bowl game appearances. Then there are advertising fees paid by commercial entities that add to the coffers of these teams for broadcasting and marketing rights. The officially licensed merchandise available before and after successful athletic contest tends dominates the retail and online stores. The list is almost endless. Burden and Li (2009), Burden, Li, Masiu, and Savini (2006), Pantuosco and Stone (2007), and Park and Nahm (2011) all have cited that the commercial hype, commercialization, and advertising campaigns resemble the same coverage received by professional sport teams in term of their championships. Hence, there are numerous opportunities for sport organizations to make profit through both entertainment and engagement outside the actual game attendance by having a proper marketing strategy.
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