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The Use of a Multi-tiered Framework to Analyze Commercial, Cause and Social Marketing Strategies in Sport

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ABSTRACT

Marketing can be described as commercial, cause-related or social depending on the locus of benefit, the objective / outcomes desired and the focus of exchange. Social marketing has been described as the application of marketing technologies designed to influence the voluntary behavior of a target audience to improve personal and societal welfare (Andreasen 1995). Increasingly sport organizations have been engaging in social marketing which has a unique set of objectives and outcomes. To date, few studies have appeared in which the use of social marketing strategies were examined in sport. As a result, the purpose of this paper is to identify the distinct differences between social marketing, cause-related marketing and commercial marketing. Through development of a multi-tiered marketing framework, analysis of each approach will be undertaken to illuminate the use of each strategy in sport to achieve both economic and non-economic marketing related objectives.

INTRODUCTION

As sport marketing has evolved toward a distinct field of inquiry, the theoretical tenets necessary to clarify inter-related constructs often need examination. For example, in a discussion of cause-related marketing (CRM) in sport, Roy & Graeff (2003) examined social advertising campaigns, without acknowledging that social marketing is a unique strategy most likely employed in social advertising campaigns. No references to social marketing were found in the Roy & Graeff study, yet cause related marketing (CRM) was recognized repeatedly as a strategy employed to attain specific objectives related to social responsibility (2003). Increasingly sport organizations have been engaging in social marketing which has a unique set of objectives and outcomes. To date, few studies have appeared in which the use of social marketing strategies were examined in sport. As a result, the purpose of this paper is to identify the distinct differences between social marketing, cause-related marketing and commercial marketing. Through development of a multi-tiered marketing framework, application of each approach will be undertaken to illuminate the use of each strategy in sport to achieve both economic and non-economic marketing related objectives. Specifically, the goals of the paper are:

- a) Clarification of the three strategic approaches, based upon objectives / outcomes sought and locus of benefit.
- b) Identification of the appropriate strategy as employed in a sport specific example.
- c) Discussion of the complementary relationships resulting from integration of the three strategies in sport marketing.

Sport Marketing

Sport marketing has been defined as “the specific application of marketing principles and processes to sport products and to the marketing of non-sport products through the association with sport” (Shank 2009, p. 3). Three marketing objectives associated specifically with sport marketing have been identified (Chalip 2004). Marketing intended to sell sport as entertainment focuses on the objective of audience creation for sport and nurturing a fan base. This objective is most directly reflective of commercial marketing strategies. Using sport to sell non-sport products or services exhibits a second key objective of sport marketing. This objective ties closely to the use of cause related marketing (CRM) in sport. Lastly, motivating people to participate in sport through competitive events or sport clubs satisfies the third objective of sport marketing. Building sport participation is most closely aligned with the strategic approach exemplified by social marketing in sport.

Sport marketing as a body of knowledge or field is notably young. The first textbooks emerged in the early 1990’s and the first scholarly journal focused on sport marketing was initiated in 1992 (Branch 2002; Pitts 2002). The basic mission of sport marketing scholarship / research has been “to serve the need of the professional in the business of marketing sport” (Branch 2002, p. 20). To that end, as various marketing strategies and theories have emerged, application to sport products and services has been studied.

As Stotlar (2001) stated “The focus of sport marketing falls jointly on the company and consumers” (p. 5). Stotlar acknowledged that company goals must be driven by meeting the consumer’s needs. Kotler (1997) illuminated the importance of this notion: “the marketing concept holds that the key to achieving organizational goals consists of being more effective than competitors in integrating marketing activities toward determining and satisfying the needs and wants of target markets”(p. 19). Research examining lifestyle marketing, relationship marketing and CRM, just to name a few demonstrates the application of current marketing theories to sport marketing (Bee & Kahle 2006; Bradish & Crow 2002; Lachowetz & Gladden 2003). In each case, the consumer orientation is central to successfully applying the strategies to sport marketing. Therefore, the need to consider the application of social marketing as a viable strategy to achieve unique goals and outcomes sought by both sport marketers and sport consumers seems apparent.

Commercial Marketing and Social Marketing

The American Marketing Association defines marketing as the “set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (2007, para. 2). Marketing can be described as commercial or social depending on the locus of benefit, the objective / outcomes desired and the focus of exchange. Social marketing has been defined as the application of “commercial marketing technologies to the analysis, planning, execution and evaluation of programs designed to influence the voluntary behavior of a target audience in order to improve their personal welfare and that of their society” (Andreasen 1995, p. 7). Most commonly, social marketing is the use of commercial marketing strategies to sell or promote specific objectives that improve the health of a person or a group of people. Within the literature, social marketing has been utilized extensively within health promotion (Goenka et al 2009; Thomas 2009; Burke 2009; Buettner, Andrews & Glassman 2009).

Unlike commercial marketing which focuses on the promotion or selling of a product to further the company’s monetary objectives or enhance brand image, social marketing is focused on changing behaviors of an individual or society to improve the wellbeing of the person or the society. Additionally, social marketing differs from commercial marketing in that the benefit to the consumer is the priority rather than the benefit to the marketer /

brand. Similarly, social marketing maintains an ecological perspective rather than a corporate perspective (Storey, Saffitz, & Rimon 2008).

The strategies of commercial marketing that must be applied to social marketing to make it social marketing rather than social advertising are: the exchange theory, audience segmentation or target market, competition, the four Ps (price, place, product, promotion), consumer orientation and evaluation of the marketing campaign (Grier and Bryant 2005). Marketing in general attempts to influence a person's voluntary exchange behavior. In commercial marketing, money (cost) is exchanged for a product or service (benefit). In social marketing the cost is more likely to be the intangible cost of time and psychological discomfort that comes from making a behavior change. Additionally, the benefit is also more likely to be intangible as well such as improved lung health as a benefit of smoking cessation. Because of the intangible nature of the benefit associated with social marketing, the marketer must offer to the consumer a benefit that is truly valuable to him/her (Donovan 2003). Commercial marketers know that one marketing campaign will not resonate with all consumers. In order to identify which campaign will work with which group of consumers, they break the audience into segments or target markets based on needs, wants, lifestyle, behavior and values. Likewise, social marketers need to use segmentation to identify which segments of the population will receive the greatest priority when a marketing campaign is being developed (Forthofer & Bryant 2000).

In commercial marketing, competition is usually easier to identify than in social marketing. Competition for commercial marketers includes other products or services that compete with their product or service to satisfy the wants and needs of the consumer. In social marketing, competition refers to behavioral options that compete with the health option that is offered to the consumer (Hasting 2003). The four P's of marketing are product, place, price and promotion. For social marketing, product refers to the benefits received from adapting a new behavior, i.e. lower blood pressure, improved fitness. Price refers to that which is sacrificed in exchange for the product i.e. time or discomfort. Again, in social marketing product and price are often intangible. Place refers to the action outlet or the place and time that the behavior will be carried out (Grier & Bryant 2005). Promotion is the visible part of a marketing campaign and can include: advertising, public service announcements, billboards, commercials, pamphlets, or signage. Consumer orientation is the understanding of the consumer, his/her wants and needs and the behavior that they hope to change. It is important for social marketers to understand the wants, needs and values of their consumers. Additionally, marketers need knowledge regarding the consumers' self efficacy and perception of: the seriousness of not adapting a behavior change, the benefits of adapting a behavior change, and barriers to adaptation (Grier & Bryant 2005). Throughout the marketing planning process, social marketers must evaluate the campaign and be willing to make adjustments to the campaign if it is not resonating with the target audience and resulting in the desired behavior change. This evaluation needs to include both the broad marketing strategy and the specific message that is being conveyed to the consumer (Balch & Sutton 1997).

Social marketing campaigns that adhere to the principles of commercial marketing have been successful, especially when they incorporate a marketing plan which identifies the activity to be promoted, identifies barriers to the activity and strategies to overcome those barriers, tests the marketing plan, and evaluates the plan after implementation (Ragin et al 2005). Health related areas that have been successfully marketed through social marketing campaigns include: increased physical activity for youth age 9-13, condom use, promotion of breast feeding, increased fruit and vegetable consumption and smoking cessation (Grier and Bryant 2005).

Cause-Related Marketing

A third form of marketing is cause-related marketing (CRM). Historically, corporations contributed money to non-profits as a philanthropic activity, and they were not concerned with what benefit they received in return (Lachowetz & Gladden 2003). By the 1980s, corporations started viewing their contribution to a non-profit as an investment by the corporation (Lachowetz & Gladden 2003). In 1998, Varadaragan and Menon published an article that suggested cause-related marketing was a valuable marketing tool. Varadarajan and Menon (1998) defined cause-related marketing as a “marketing program that strives to achieve two objective – improve corporate performance and help worthy causes – by linking fundraising for the benefit of the cause to the purchase of the firm’s product and/or services” (p. 59). In 1999, Adkins defined cause-related marketing as “activity by which business and charities or causes form a partnership with each other to market an image, product or service for mutual benefit” (p.11).

Cause-related marketing generally has two types of objectives, either product related objectives or corporate objectives. Product objectives are focused on improved product sales and include breaking through advertising clutter, broadening customer bases or persuading customers (File and Price 1998). Corporate objectives consist of enhanced corporate image and positive publicity (File and Price 1998). Thus, unlike social marketing, the focus of the cause-related marketing campaign is the benefit to the corporation, not the benefit to the consumer. Like commercial and social marketing, an important part of cause-related marketing is understanding the target market and supporting a cause that resonates with that target market.

Andreasen (1996) conceptualized a framework for understanding cause-related marketing. To create, enhance or reinforce brand association, the following conditions must be met: resonance of cause with the organization’s target market and belief system, organizational commitment to the cause-related marketing program, tangible exchange between cause and the organization, promotion of the cause-related program. If these conditions are met, the outcome can include: enhanced brand image, enhanced brand loyalty and consumer brand switching. As mentioned earlier, the cause that a corporation chooses to promote must not only be a valuable cause for the corporation, it must also be a valuable cause for their target market and resonate with that group. To have a successful cause-related marketing campaign, the corporation must commit to the campaign by being genuine and supporting and advocating the cause throughout the organization (Lachowetz & Gladden 2003). Corporations must also define what they will be donating and promote their donation. By meeting these conditions, the corporation creates an association in the target audience’s mind of the corporation in connection with the cause. This can result in an enhanced brand image. Customers may develop favorable attitudes about the corporation based on their enhanced brand image (Ross, Stutts, & Patterson 1991).

Studies have shown that consumers are more likely to buy from companies as a way to support a cause that resonates with them (Ross, Stutts, & Patterson 1991) which is a way that consumer loyalty is enhanced. Another outcome of cause-related marketing that meets the necessary conditions is getting consumers to switch to their brand or product from another brand or product. Studies show that consumers say they will switch brands or try a new brand based on the company’s contribution to a charitable cause (DiNitto 1998; Ross, Stutts, & Patterson 1991).

Rationale for a Multi-tiered Marketing Framework

CRM has increasingly been recognized in sport as a viable strategy to improve brand image and advance social responsibility goals, but no examples were found where social marketing was acknowledged as a strategy in sport marketing. While sport marketing is often separated into marketing through sport, and marketing of sport, the utilization of CRM and social marketing strategies have been found in both sport marketing approaches. The multi-tiered marketing framework will demonstrate how incorporation of all three marketing strategies can be useful in reaching target markets and building the brand while achieving economic and non-economic objectives. The following table illustrates the three strategic approaches based upon locus of benefit, objectives / outcomes sought, target market, voluntary exchange and market perspective.

Table 1
Comparison of Commercial, Social and Cause Marketing

	Commercial Marketing	Cause Related Marketing	Social Marketing
Locus of Benefit	Producer of good or service Marketing Organization	Cause group or association Supporting corporate partner	Individuals in target market Society at large
Objective / Outcomes	Purchase behavior Attitudes towards and image of product Norms and values addressed to the extent that they affect purchases Gratification more likely to be immediate. Benefits tend to be shorter termed	Purchase or donation behavior Attitudes towards the image of the brand, corporation or product Consumer loyalty / Brand switching Gratification more likely to be immediate. Benefit tends to be more short termed	Behaviors that increase personal and/or social welfare Norms, values, knowledge and attitudes addressed to the extent that they inform behavior decision Gratification more likely to be delayed Benefits tend to be longer term
Target Market	Tends to be more affluent, more connected to media, easier to reach Segmented by psychographic and demographic attributes and relationship or involvement with product	Tends to be more affluent and concerned with cause related issues Segmented by psychographic and demographic attributes and relationship or involvement with the product or cause	Tends to be less affluent, more diverse, more in need of social services, harder to reach Segmented by psychographic attributes and relationship, involvement or need for the product or services
Voluntary Exchange	Emphasis on monetary exchange	Includes weighing of economic and non-	Includes weighing of economic and non-

	Often includes weighing of cost / benefit for the consumer Expectation that marketing information is true, but biased in favor of the product	economic costs and benefits Expectation that the information about the cause product or service is complete and that choices are fully informed	economic social costs and benefits Expectation that the information about the social product or service is complete and that choices are fully informed
Market Perspective	Products tend to be more tangible Competition tends to be more tangible and categorical Economic factors like purchase power tends to be more important	Products tend to be a mix of tangible and intangible Competition tends to be more tangible and categorical Economic factors like purchase power tend to be more important	Products and services tend to be less tangible Competition tends to be less tangible and more varied Economic factors like purchase power tend to be less important

(Adapted from Story et al 2008)

APPLICATION OF MULTI-TIERED MARKETING STRATEGIES

Increasingly companies are finding that meeting consumer's needs means more than producing a quality product or service. The recent economic challenges have forced consumers to re-evaluate their spending and brand choices (Pring 2009). Additionally, younger generations have demonstrated more loyalty to companies committed to social responsibility (Stevens, Lathrop, & Bradish 2005). CRM and social marketing strategies provide organizations the opportunity to create value beyond profit by incorporating socially responsible initiatives. Social marketing goes beyond CRM to influence a behavior change in consumers, and as a result represents the next tier in consumer driven marketing strategies. The best example of a company benefitting from the multi-tiered marketing approach also happens to be one of the most prominent sport brands.

Nike Inc.

Phil Knight devised the name Nike and the trademark swoosh in 1971. The corporate office is located in Beaverton, Oregon along with major operations in North America, Europe, the Middle East, Africa and Asia Pacific (Datamonitor 2009). Nike is the "world's leading designer, marketer and distributor of athletic footwear, apparel, equipment and accessories for a range of sports and fitness activities" (Datamonitor 2009, p. 4). In the late 1990's, Nike was scrutinized for labor practices overseas, particularly the use of child labor, low wages for workers and horrible working conditions (McGlone & Martin 2006). Public pressure in response to this information forced Nike to create strategies to address the negative public perception. As a result, Nike became involved in socially responsible programs like PLAY (Participating in the Lives of America's Youth) beginning in the early 1990's. Today, Nike competes with many other companies to promote and sell sport products even though Nike Corporation has become the leading sport company with regards to significant investment in both social marketing and CRM. Nike's marketing initiative known as Gamechangers will be

used to evaluate social marketing as a strategy. Nike's LiveStrong brand developed in cooperation with the Lance Armstrong Foundation will be used to evaluate CRM.

Cause related marketing – Livestrong

In 2004, Nike and the Lance Armstrong Foundation launched the cancer fundraising and awareness campaign Livestrong. The Livestrong CRM campaign has become a worldwide phenomenon, demonstrating how "cause marketing can be a very powerful tool for both the cause and the company if practiced strategically" (Marre 2009, para. 1). The loci of benefit for the Livestrong CRM campaign are the Lance Armstrong Foundation (LAF) and Nike Corporation. LAF was founded by professional cyclist Lance Armstrong following his life threatening battle with cancer (McGlone & Martin 2006). One hundred percent of the proceeds from the Livestrong collection of apparel, footwear and accessories go to the LAF (Nikebiz 2008). The LAF uses the proceeds to: support cancer research, help raise awareness about cancer, promote advocacy, end stigma about cancer and create support networks for those with cancer and cancer survivors. Nike Corporation benefits from this alliance with Livestrong and LAF through increased brand awareness and the building of brand equity. According to Marre, "what really separates the Livestrong campaign from others is that the cause doesn't just support the brand; it is the brand. That is a huge differentiator" (para. 5). Through CRM with LAF and Livestrong, Nike can benefit from the halo-effect or the positive emotion or image that is transferred to Nike by the association with Livestrong. Nike's involvement with the LAF enhances Nike's image and demonstrates corporate social responsibility (McGlone & Martin 2006).

The objective / outcome sought through Livestrong by the LAF is to generate money. This is accomplished through two mechanisms: donations and purchase of Livestrong products. As stated above, one hundred percent of the profit from the Livestrong collection goes to the LAF. The objectives / outcomes sought by Nike through the Livestrong CRM campaign are positive attitudes towards the image of Nike and consumer loyalty with brand switching. The Cone/Roper report (1999) showed that eighty three percent of consumers have a more favorable image of companies that participated in CRM with sixty six percent having greater trust in companies that supported social causes (as cited in Irwin, Lachowetz, Cornwell & Clark 2003). Although the Nike swoosh or brand name does not appear on the website for Livestrong.org, Nike has become synonymous with Livestrong / Lance Armstrong Foundation. Through the purchase of apparel, footwear and accessories of the Livestrong collection or donations to LAF, gratification is more likely to be immediate and benefits tend to be more short term for the consumer.

The target market for the Livestrong campaign is 1) society in general in an effort to increase awareness about cancer, cancer survival, and generate money for cancer research, but also 2) affluent, active, sport fans connected to cancer as a cause who will purchase and wear items from the Livestrong collection. The voluntary exchange of the Livestrong campaign includes both economic and non-economic costs and benefits. The economic benefit of Livestrong is the generation of money for the LAF through purchase of the Livestrong collection or through donations by consumers / supporters. The economic cost to consumers / supporters is the money that they exchange for Livestrong product. The non-economic benefit is increased awareness about cancer and cancer survival, education about risk factors for cancer and the development of support networks / community for those impacted by cancer. For Nike, the economic benefit is the sale of non-Livestrong apparel, footwear and accessories. The non-economic benefit is the goodwill generated through the support of the Livestrong / LAF.

The marketing perspective of the Livestrong campaign is the mix of the tangible products such as the Livestrong collection of apparel, footwear and accessories and the Livestrong

website, as well as intangible products such as support groups, education, information, community, and social networks. Competition for the Livestrong campaign is found in other cancer related organizations such as Susan G. Komen Race for the Cure that competes with Livestrong for attention, donations and support. Economic factors like purchase power and donations are important to support the Livestrong / Lance Armstrong Foundation and cancer research. The marketing perspective for Nike also includes a mix of tangible and intangible products. Tangible products are items that Nike produces for the Livestrong collection. Intangible benefits include the positive emotion or image that is transferred to the Nike brand via the association with Livestrong / LAF. Although competitors like Adidas also engage in CRM, no other CRM campaign has captured as much attention or been as successful for all entities involved as the Livestrong campaign.

Social marketing – Nike Gamechangers

Nike Gamechangers is a social marketing campaign that uses sport to promote social change. A quote from Nike found on globalgiving.org reads, “At Nike, we believe that the passion and drive inherent in sport can be a powerful tool in overcoming issues of inequality, conflict, prejudice, drugs, violence, etc. Because as a community, and as a team, we can effect social change where we live, work and play” (Globalgiving 2009). Nike Gamechangers is involved in several different campaigns for social change including (Nike)Red, the Homeless World Cup, Nike Vietnam, and Changing the Game for Women in Sport. The intent of these campaigns is to use sport to improve the lives of individuals and communities through the adoption of healthy behaviors, equality, social justice and social support. The target market of Gamechangers is comprised of the individuals impacted by the different campaigns and includes: youth in Africa (NikeRed), the homeless (the Homeless World Cup), disabled and underprivileged people (Nike Vietnam) and girls and women in developing countries (Changing the Game for Women in Sport) and society at large.

The objective / outcome sought through Gamechangers is social change with sport as a catalyst. The objectives / outcomes of various Gamechangers campaigns include the adoption of healthy behaviors such as HIV prevention by using football as a framework to teach youths how to avoid contracting HIV/AIDS; the use of sport to empower girls and women; the use of sport to help homeless people stop drug and alcohol abuse, find employment, education, homes and training (Nike GameChanger 2009). These objectives / outcomes create new social norms / values, increase participants’ knowledge, and help change attitudes regarding the value of girls and women, the disabled and the homeless. The Gamechanger’s target market is comprised of those who are less affluent, more diverse, and more in need of social services. This market includes: underprivileged youth, homeless, girls and women, disabled, and athletes in developing countries like Rowanda.

The voluntary exchange of Gamechangers includes both economic and non-economic costs and benefits. Nike provides training, product (apparel and footwear), equipment, and resurfaces playing fields along with financially supporting community based programs. In 2008 and 2009, Nike invested \$100 million in community based sport initiatives world wide (Nike Donations 2010). The non-economic costs of Gamechangers are the non-monetary things that the participants give up to participate and make lifestyle changes. These costs include time, personal investment in sport, and the choice of sport and healthy behaviors over unhealthy options (drugs, alcohol, unprotected sex). The market perspective of Gamechangers includes less tangible products like soccer tournaments, coaching, skill development; knowledge, education, training, and empowerment. Competition for Gamechangers comes from non-sport / non-healthy alternatives that the target audience could chose over sport / healthy alternatives like substance abuse, alcohol abuse and unprotected sex. Economic factors such as purchase power are less important for the target

market of the Gamechangers marketing campaign than for the marketing campaign of Nike Inc.

Table 2
Nike's use of a Multi-tiered Marketing Framework

	Commercial Marketing	Cause Related Marketing	Social Marketing
		Livestrong	Nike GameChangers
Locus of Benefit	Nike brand Nike corporation Nike stockholders	Livestrong – Lance Armstrong Foundation (LAF) – an organization dedicated to fighting cancer. 100% of the proceeds from the Livestrong Collection go to LAF to fight cancer. Lance Armstrong Foundation supports cancer research, helps to raise awareness, end the stigma about cancer and creates a support network Nike Corporation – alliance with LiveStrong and the Lance Armstrong Foundation increase brand awareness, building brand equity.	Individuals impacted by Gamechangers programs: under privilege youth, girls and women, homeless, disabled, society at large
Objective / Outcomes	Nike product purchases Nike image enhancement Nike brand preference Gratification is more likely to be immediate (purchase of product) and benefits tend to be more short termed.	Livestrong- donation behavior / purchase related the Livestrong collection Nike: attitude toward brand; enhance brand loyalty, possible brand switching Gratification is more likely to be immediate and benefits tend to be more short term through the purchase	Behaviors induced by Gamechangers programs. “Beat anything. Change Everything”. HIV prevention; the use of sport to empower girls and women; the use of sport to help homeless people stop drug and alcohol abuse, find employment, education, homes and training Gratification is more

		of Livestrong apparel, footwear or accessories or a donation to LAF.	likely to be delayed (adoption of a new health behavior) and benefits tend to be longer termed.
Target Market	Active, affluent, brand conscious, sport enthusiasts Segmented by sport, gender, country	Livestrong – society to change attitudes related to cancer, cancer survival, cancer research Nike: affluent, active, sport fans connected to cancer as a cause Segments by connection to the cause.	Underprivileged youth, homeless, girls and women, disabled, Athletes in Developing countries ie. Rowanda Segmented by need
Voluntary Exchange	Nike product exchanged for money Consumers weigh the cost / benefit of Nike purchase over other purchases	Livestrong: economic benefit is money raised; non-economic: increase awareness about cancer & cancer survival; education about cancer risk factors; development of support network / community Nike: economic benefit is the sale of products other than those from the Livestrong collection; non-economic is the goodwill generated through Livestrong for Nike Inc	Economic – Nike provides products, equipment, training, resurfaces playing fields and supports community based programs. Non-economic – time, personal investment in sport; choice of sport and health behaviors over unhealthy options (drugs, alcohol, unprotected sex)
Market Perspective	Tangible products in multiple sport categories – apparel, footwear, accessories, equipment. Intense Competition in multiple sport categories; Significant Purchase power needed	Livestrong Tangible Products: website (LAF store). Livestrong collection Intangible products: social network, support groups, community, education, information. Competition – significant number of	Less tangible products ie. Soccer tournaments; coaching; skill development; knowledge; education Competition from non-sport / non-healthy alternatives that the target audience could chose over sport / healthy

		<p>cancer-related cause orgs. Ie. Susan G. Komen</p> <p>Economic factors like purchase power and donations are important to support Livestrong and cancer research.</p> <p>Nike tangible products – Livestrong collection; intangible products – positive emotion or image that is transferred to Nike by the association with Livestrong</p> <p>Competition from other sport brands using CRM – ie. Adidas</p>	<p>alternatives ie. Substance abuse, alcohol abuse, unprotected sex</p> <p>Economic factors like purchase power are less important</p>
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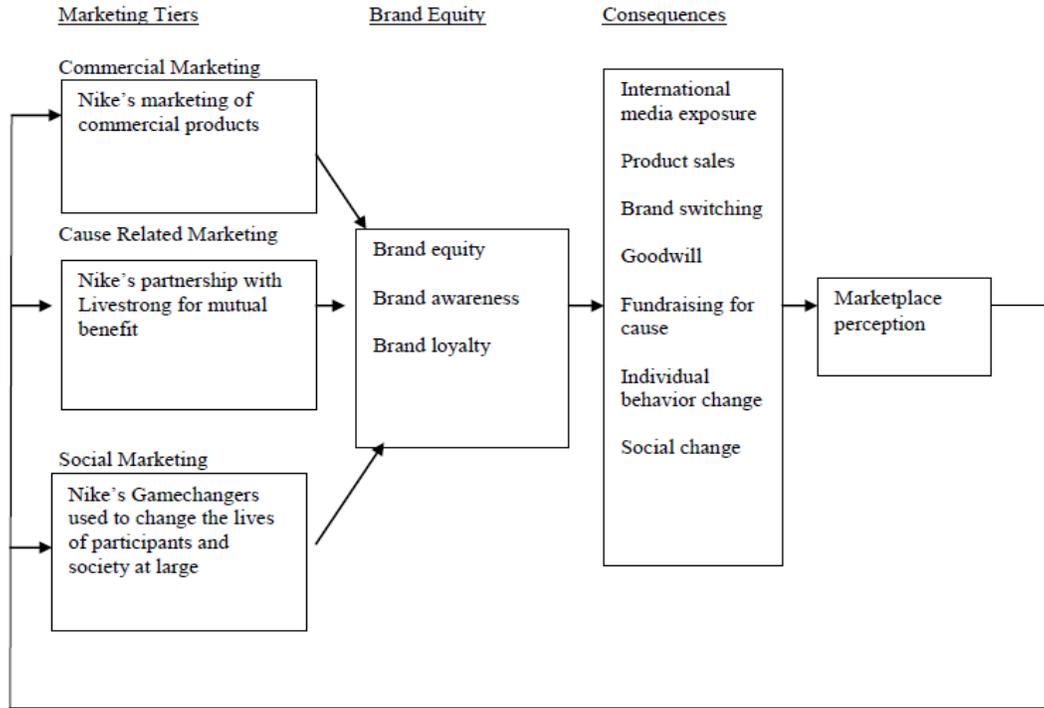
Commercial Marketing

While the goals of social marketing seem altruistic and socially responsible, there is no question that the goal of Nike Inc. is to make a profit as the leading provider of sport apparel, shoes, and other sport equipment. Nike provides textbook like examples of sport marketing. Marketing through sport is evidenced by Nike’s involvement with multiple college athletic teams and programs, providing uniforms, shoes, equipment, etc. all with the goal to drive consumers to choose the swoosh (Nike brand). Marketing of sport is exemplified by the Nike Marathon, which is a sport event created and managed by Nike personnel and one of the few running events available exclusively to women. The table depicts the locus of benefits, objectives / outcomes, target market, voluntary exchange and market perspective. However, what has gone unexamined to date is the integration of multiple marketing strategies that have truly made Nike the leader in sport marketing.

IMPLICATIONS FOR MARKETING PRACTITIONERS

Specifically, the goals of the paper were: a) clarification of the three strategic approaches, based upon objectives / outcomes sought and locus of benefit, b) identification of the appropriate strategy as employed in a sport specific example, c) analyze the complementary relationship resulting from integration of the three strategies. The conceptual model (see figure 1) assists in understanding how the three strategies are used by Nike in a tiered marketing approach.

Figure 1
Conceptual Model for Multi Tied Marketing



In essence, this integration of strategies serves to deepen the connection between the consumer and the brand at each tier, thereby building or enhancing brand equity. As Aaker (1992) indicated brand equity is “a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers” (p. 10) CRM strategies often are used to offset negative publicity, as was initially the case with Nike. Controversy around labor practices worked to subtract from the value of the Nike brand. In response, CRM efforts such as Livestrong have altered the negative perceptions and provided added value to the Nike brand. With increasing awareness around social responsibility among consumers and marketers, strategies to integrate CRM also assist Nike in achieving commercial objectives. As Mullin, Hardy & Sutton (2007) stated, “brand equity creates brand loyalty” (p. 174). By enhancing brand equity and building loyalty, Nike benefits by selling more product, retaining more consumers and creating the perception that they are socially responsible.

The benefits realized by integrating CRM have gained recognition in sport marketing however few have awakened to the potential benefits offered by social marketing. Just as Maslow (1970) depicted the hierarchy of needs for human actualization, brand equity can be further enhanced by deepening the connection with consumers. In essence, commercial marketing satisfies the consumer’s basic needs such as physiological, safety and social needs. Physiological and safety needs are satisfied through use of branded equipment and apparel that performs up to expectations. The sense of belonging ascribed to social needs in the hierarchy can be gained by wearing branded apparel and maintaining loyalty to a specific brand such as Nike. Esteem needs such as recognition and status may be attained through brand loyalty. In addition, the esteem value is enhanced through CRM initiatives. As the

brand is aligned with a cause that resonates with consumers, the consumer may bask in the “halo effect” of the goodwill created (Kahle & Riley 2004).

Through social marketing initiatives individual consumers may satisfy higher order needs ascribed to self actualization. The need for self actualization resonates with social marketing efforts to impact social change. While few Nike consumers will ever travel to Rowanda or witness the Homeless World Cup in person, these Nike sponsored projects connect the brand with a deeper human need. Gamechangers and similar social marketing initiatives are strategic efforts designed to create social change, communicate corporate social responsibility and at the same time build brand equity. While the target market identified in social marketing is represented by those who will change their behavior as a result of the campaign or initiative, consumers of the brand supporting these initiatives often benefit from the feeling that their support of the brand had made these initiatives possible. The goodwill provided to consumers across the globe from the point of impact of programs such as Gamechangers serves to satisfy a need to ameliorate suffering. When making purchase decisions and brand choices, increasingly consumers are paying attention to companies / brands who invest in social change, as they experience the feeling of contributing to or supporting efforts to improve society and the world at large. Increasingly research has demonstrated that people care about companies who care. Thus, social marketing can be viewed as a new frontier for deepening the consumer connection and building brand equity as a result.

Directions for Future Research

The intention of this article was to illuminate a marketing strategy that has been utilized in sport, yet overlooked in the sport marketing literature. Through examination of Nike’s Livestrong and Gamechanger initiatives, the conceptualization of a multi-tiered approach was introduced. Future research is needed to examine the consumer connection to social marketing programs, and the benefits to companies willing to invest in programs for social change. For example, a study evaluating the influence of the Livestrong campaign and Gamechangers initiatives on perceptions of the Nike brand may be a valuable start. Examining purchase intention and brand equity related to the multi-tiered marketing approach would assist in validating the conceptual model. While not all sport brands or companies are expected to find social marketing appealing, the connection to corporate social responsibility is clear. Efforts by the NFL (Play 60) and WNBA (Be Smart – Be Fit – Be Yourself) have illustrated the use and value of social marketing strategies in sport to improve the health of children and youth. It appears as though there is a need and a value that can be addressed through incorporation of social marketing strategies and the multi-tiered marketing approach.

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