

GLOBALIZATION AND SPORTS - WHAT ROLE FOR EMERGING MARKETS?

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**ICEA 2012
UNIVERSITY OF BUCHAREST, ROMANIA
JUNE 8, 2012**



Our game plan

- ◎ Globalization of sports
- ◎ National and international strategies in sports
- ◎ Opportunities and threats for emerging markets
- ◎ Final word



Globalization of sports (1/3)

◎ Sports industry...

- 114 billion US\$ (2010) vs. 133 billion US\$ (2013)
- Gate receipts: 43 billion US\$ by 2013
- Sponsorship: 35.2 billion US\$
- Media rights: 26.7 billion US\$
- Merchandising: 28.1 billion US\$ (PWC, 2011)



Globalization of sports (2/3)

- ◎ Sports spending growth vs. GDP growth (2000-2009; AT Kearney, 2010)
 - Russia: x 8.2
 - United Kingdom: x 3.8
 - Germany: x 3.5
 - Mexico: x 3.0
 - India: x 2.1
 - USA: x 1.9
 - China: x 1.6



Globalization of sports (3/3)

- ◎ From sports to « sportainment »
 - From a local activity to a global event...
 - Village circus vs. Walt Disney or Cirque du Soleil
 - Sports and entertainment
 - Socialization and unique experience
 - Transformation in product, management and ownership
 - Sports content wrapped up in entertainment packaging for delivery through media and communication platforms (added value?)
 - Sports marketing + branding
 - Strategic leverage for today's challenges...



National and international strategies in sports (1/2)

- “The love for the club is not affected by the way the team is playing in a particular moment” (Dinamo Zagreb)
- “The Dynamo brand has a great history, our past successes represent the foundations for future successes (e.g. Lev Yashin; FC Dynamo Moscow)
- “Red Star enables people to escape from and forget about the worries of everyday life” (Red Star Belgrade)
- “We represent a star in all aspects: on and off the field” (Steaua Bucharest)



National and international strategies in sports (2/2)

- ◎ Capitalize on fan identification (brand identity)
 - Strong brand, anchored in community, history (storytelling)
 - Sports, lifestyle brand and co-branding (USP)
- ◎ Make fans enjoy a unique experience
 - Fans, true « consumactors » (real and virtual world)
 - Ambassadors and « co-creators » of the brand
- ◎ Stadium: « sportainment » convergence point
 - Multipurpose facilities
 - « Jewellery boxes » and revenue generators



Towards a « VIPization » of sports?



Air Canada Centre (Toronto):
287 to 465,000\$/year,
10 people



Prudential Center (Newark):
225 to 285,000\$/year,
12 to 18 people



Nationals Park (Washington DC): From 400,000\$/year, 16 to 60 people



Pool Zone (Phoenix):
6,500\$/game, 35 people



FedEx Fields (Washington DC): 100 to 225,000 \$/year, 30 people



Rogers Centre (Toronto):
100,000\$/year,
16 people

Opportunities and threats for emerging markets

- ◎ Globalization of sports...
 - International strategies of sports brands
 - Emotional anchor points and « glocalization »
- ◎ Rising emerging markets...
 - Expansion opportunities for Western brands
 - Fearless challengers...
 - Organization of major events: Olympic Games (Brazil, Russia), Soccer competitions (Poland, Qatar, Romania, South Africa, Ukraine), Formula 1 (China, Malaysia), etc.
 - Financing of clubs (UA Emirates, Hong Kong, Qatar, etc.)
 - At what cost? Sustainable legacy?



Final word

- ⦿ Emergence of « Sportainment »
- ⦿ Tornado of globalization
- ⦿ Influence of « Consumactors » (e.g. social media)
- ⦿ Major threat to integrity of sports: doping + betting
- Branding: strategic leverage for stakeholders



The sports business universe



Vă mulțumesc pentru atenție!

Thank you for your attention!



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