

MANUSCRIPT

MARKETING AND MANAGEMENT IN THE FIELD OF SPORTS BUSINESS

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We can observe evolutionary development of economic relations in the field of sports. This thesis is associated with the situation that since the foundation of the modern Olympic Games, for nearly 100 years, amateur sports prevailed over the professional sport, but in the present conditions of market transformation professional sport receives the priority in the development. Such tendency in sport is accompanied by a number of changes in the organization of the training process and its intensity. Thus, the daily time lag which is given for training before international sport competitions is longer than the regulated working day; energy consumption of athletes to perform the obligatory range of exercises is higher even in comparison with such professions, which originally should have high nervous and mental pressure because of the intensity of the operations. The excess value of indicators is associated with physical exertion in training and nervous overstrain during the competitions. This thesis is proved by the busy and saturated schedule of training and competitions, which includes the following items, namely: training sessions, which sometimes reach 20 per week; training camps during which athlete's workload increases 1.5-2.5 times; sporting events, which in some sports (for example, swimming, tennis, road cycling) can reach 7-8 responsible starts during the year, and in other sports (for example, football, basketball, volleyball, handball), they can be planned in such a way that an athlete is required to participate in them for 6-8 months. Through his activities within the competition the professional athlete produces a particular product that is called «performance», by which, in fact, he attracts the consumer who is ready to pay for the service. The last fact is reflected in

the classification of the UNO which considers sportive events as those belonging to the field of services. That is why, if we stick to the opinion of a number of researchers [1-2, 4, 7, 8], sport should be viewed as an independent branch of activity, as a sector of the market, which has its own qualities and characteristics for registration.

In addition to the above-mentioned, considering professional sport specialists [2, 6, 13-15] connect it with the term «industry». There is a strong opinion that professional sports – is, above all, a business, the end result of which is not the score or outcome of the match, but profit due to well organized colorful show, due to the «performance». However, business in sports is not a business in the full sense of the word. It has some peculiarities which are present in the very essence of sport. Usually business people try to sell as much of their product as possible and on this basis to get ahead or to suppress competition in this kind of business. In the sportive business, according to authors [5-6], competition between individual athletes and between teams occurs only on the sports grounds during the sportive event. They make business projects together creating and uniting in associations, clubs, leagues, federations. The organizational structures of the professional sports, goals and tasks pursued in the leagues and teams by athletes and managers, indicate that professional sport at the same time is a great sport, an exciting entertainment, and multi-business. As a result, professional sport is a type of show business entertainment, in which fans expect pleasure and are ready to invest funds in their leisure and recreation time. The research [16] shows the interconnection between TV broadcasting and the attendance of the sports events by the spectators, which fact proves the interest of the society to the sports events and readiness make financial expenses for such kind of entertainment.

Basing on the specifics of the business in professional sports, the author [5] has formulated principle peculiarities of such relations. They are the following:

clubs, teams and athletes enter the competitive relationships in the competition process. In business in this case they become partners, not competitors;

there is a specific system of recruiting and employment («draft») and contracts which include some limitations for the athletes;

there is an exclusive right of the club (team) for the given area;

there are specific rules of joining federation (association, league) for new clubs (teams);

there is a distribution of profits between clubs (teams) from the sale of tickets for the competitions and the rights for radio and television broadcasting;

municipal sports facilities are given into rent;

preferential use of antitrust laws to the team sports and sport games;

the high level of salaries of athletes and coaches comparing to the representatives of other professions;

differentiated approach to the payments and fees of professional athletes.

The economy of the transitive period forms a new type of economic thinking [11], makes new decisions in marketing and management [3, 12]. The attention of the specialists is focused on the control of the system of coming into the sportive club finances and payments to associations, leagues, and federations. Marketing experts and managers deal with the organization of the financial flows; they develop business projects aimed at the successful implementation of the sportive event. In general this interaction means management of the sport organization which gives a possibility to regulate sales of the sportive goods and services at the stadiums and other sports facilities; supervise production, supply and sales of attributes, printed materials and souvenirs; manage commercial Internet projects, sport shops, club cafes and other business projects which provide additional profit for the sports organization.

In modern practice, managers of sports organizations use a wide range of merchandising tools which, with skilful management, bring significant revenues to the organizers of sporting events. Forming the structure of corporative management, sport organizations include the respective staff positions whose functions are described in our researchers [9-10]. The duties of these employees include

development and promotion of the market projects to raise the budget of the sports organization with additional financial resources. Thus, creative manager generates business ideas, suggests new, innovative and unconventional ways to increase other sources of funding, his duties also include production and maintenance of sports events, their music, color and fireworks support, organization of the private services for the sports celebrities and so on. Public relations manager deals with the processes which attract new people to the sport environment and finds ways to keep the existing contingent of fans, he implements the programs attributes and souvenirs sales, interacts with external commercial organizations. Advertising manager carries out work with advertisers; this work is associated with the search of the client and keeping contacts with companies and organizations, whose owners are interested in efficient advertising support. Ticket manager develops ticket programs of the sport club, price policy and controls the success of their implementation, makes changes into the prices of the tickets and season tickets, organizes Internet sales and VIP clients services.

Another important issue for sports clubs and organizations in this area is the regulation of relations in the co-operating business through the acquisition of shares of the companies. Sports club buy more or less significant shares of the cost of commercial enterprises, souvenir and sporting goods shops, ticket and tour operator business. It should be mentioned that sports clubs more and more often and more willingly purposefully invest money in modeling and advertising business, in publishing, in the mobile phone companies. Thus, sports clubs and organizations diversify their business making it more stable and sustainable.

We can observe in the organization of sport environment spontaneous higher organizational level based on the synergetic conditions, assistance and cooperation. This fact means that the territory of Europe has a long-term memory for long-term investment horizons. It also means that the characteristics of any studied phenomenon will influence its future behavior. For example, when we consider the continent market we can state that market efficiency is also reflected in the fact that the new

information is immediately taken into account and previous indicators do not relate to the future. However, if the market is viewed from the perspective of fractal theory, there is a correlation and interaction between the past and the future, which fact contradicts to the thesis that market gets only new information and does not consider the past experience.