

**TEST BANK**



**SPORTS MARKETING**  
A STRATEGIC PERSPECTIVE FOURTH EDITION



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## Chapter 2

# Contingency Framework for Strategic Sports Marketing

### Multiple-Choice

1. One reason that the contingency approach is especially useful for sports marketers is that the sports environment is \_\_\_\_\_.  
a. very complex  
b. very certain  
c. full of uncontrollable factors  
d. basically a positive experience  
e. none of the above

Answer: c

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Difficulty: Medium

2. The three broad parts of the contingency framework include \_\_\_\_\_.  
a. external contingencies, the sports marketing exchange, internal contingencies  
b. external contingencies, the sports marketing mix, internal contingencies  
c. external contingencies, strategic sports marketing process, internal contingencies  
d. external contingencies, sports marketing selections, internal contingencies  
e. external exchanges, sports marketing contingencies, internal sport processes

Answer: c

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Difficulty: Challenging

3. All of the influences within the organization that affect the strategic sports marketing process are known as \_\_\_\_\_.  
a. internal contingencies  
b. internal technologies  
c. organizational culture  
d. organizational strategies  
e. external contingencies

Answer: a

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Difficulty: Easy

4. In attempting to express its changing role in a dynamic business environment, a team may state that it provides an experience that is entertainment based. This simple phrase is, in effect, a(n) \_\_\_\_\_.
- a. organization statement
  - b. mission statement
  - c. business objective
  - d. vision statement
  - e. external contingency

Answer: b

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Difficulty: Challenging

5. According to the text, a sport's organizational objectives stem from the \_\_\_\_\_ and \_\_\_\_\_ statements.
- a. vision; mission
  - b. goal; vision
  - c. mission; goal
  - d. organizational; mission
  - e. none of the above

Answer: a

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Difficulty: Medium

6. In the operational-level strategy, which of the following is NOT one of the levels?
- a. promotion
  - b. product
  - c. price
  - d. sponsorship
  - e. population size

Answer: e

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Difficulty: Medium

7. Direct competition for a Reds baseball game includes \_\_\_\_\_.
- a. a high school baseball game
  - b. the Kings Island Amusement Park
  - c. a Bengals football game
  - d. a University of Cincinnati basketball game
  - e. none of the above

Answer: a

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Difficulty: Medium

8. Marketers of sporting events at any level realize their true competition is other forms of entertainment. This is known as \_\_\_\_\_ competition.
- a. direct
  - b. indirect
  - c. professional
  - d. minor
  - e. both a and b

Answer: b

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Difficulty: Easy

9. The \_\_\_\_\_ environment consists of natural resources and other characteristics of the natural world that have a tremendous impact on sports marketing.
- a. political
  - b. legal
  - c. physical
  - d. regulatory
  - e. none of the above

Answer: c

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Difficulty: Easy

10. One major area of the legal environment for sport marketers to consider is \_\_\_\_\_, which deals with billions of dollars of sports-licensed merchandise.
- a. Title IX
  - b. breach of contract
  - c. trademark violations
  - d. new telecommunication laws
  - e. both a and c

Answer: c

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Difficulty: Medium

11. Which of the following is NOT considered a part of the demographic environment?
- a. size of population
  - b. age
  - c. shifts in ethnic groups
  - d. social trends
  - e. both b and d

Answer: d

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Difficulty: Medium

12. Which of the following is NOT one of the four stages of the business cycle?

- a. prosperity
- b. race
- c. recovery
- d. recession
- e. depression

Answer: b

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Difficulty: Easy

13. According to the text, \_\_\_\_\_ elements examine the big picture, or the national income, while \_\_\_\_\_ elements are those smaller elements that make up the big picture.

- a. microeconomic; macroeconomic
- b. macroeconomic; microeconomic
- c. macroeconomic; external
- d. external; microeconomic
- e. internal; external

Answer: b

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Difficulty: Medium

14. A firm's attempt to continually acquire information on events occurring outside its organization in order to identify and interpret potential trends is called \_\_\_\_\_.

- a. external planning
- b. external contingencies
- c. environmental scanning
- d. internal contingencies
- e. external marketing resources

Answer: c

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Difficulty: Challenging

15. A limited period of time during which the characteristics of a market and distinctive competencies of a firm fit together well and reduce the risks of seizing particular market opportunity is called \_\_\_\_\_.

- a. a strategic window
- b. a SWOT
- c. external scanning
- d. environmental factors
- e. audit scanning

Answer: a

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Difficulty: Challenging

## True/False

16. According to the text, one model that provides a system for understanding and managing the complexities of the sports marketing environment is called the *contingency framework for strategic sports marketing*.

Answer: True                      Page: 39                      Difficulty: Challenging

17. The first step in the strategic sports marketing process is the control phase.

Answer: False                      Page: 40                      Difficulty: Medium

18. According to the text, internal contingencies are defined as all influences outside and inside the organization that can affect the organization's strategic marketing process.

Answer: False                      Page: 41                      Difficulty: Challenging

19. According to the text, a *vision* of a sport organization is described as a long-term road map.

Answer: True                      Page: 41                      Difficulty: Medium

20. Nike running shoes and Reebok running shoes would be an example of indirect competitors.

Answer: False                      Page: 50                      Difficulty: Easy

21. Internet sites are one of the fastest growing new technologies to affect sports marketing.

Answer: True                      Page: 51                      Difficulty: Easy

22. The *cultural values* that are of interest to sports marketers include individualism, youthfulness, achievement, success, and family.

Answer: True                      Page: 56                      Difficulty: Medium

23. The physical environment is natural resources of the natural world that have an impact on sports marketing.

Answer: True                      Page: 57                      Difficulty: Easy

24. The major issue that has affected the legal environment of sports in the past decade has been the passage of Title IX.

Answer: True

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Difficulty: Easy

25. According to the text, size of population is NOT considered a part of the demographic environment.

Answer: False

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Difficulty: Medium

26. Age is one of the most common variables that a sports marketer uses in segmenting and targeting groups of sport consumers.

Answer: True

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Difficulty: Medium

## Essay

27. The first step in the strategic sports marketing process is planning. Discuss how Major League Baseball would apply this process (the planning step) to increase the number of European fans.

Suggested Answer:

The home office of MLB could begin by playing some preseason games (like they do in Japan) in a part of Europe that has a climate that would be more suitable to the sport of baseball, maybe southern Italy or France. This would give MLB an estimate (fans at games) of the level of interest in the sport. At these games, they could distribute some type of sport market questionnaire that would give them more feedback on attitudes for the sport of professional baseball.

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Difficulty: Medium

28. List and describe the external contingencies that are associated with sports marketing.

Suggested Answer:

**Competition:** the attempt of all organizations to serve similar customers. Two types are direct and indirect. Direct competition is two or more sport organizations (e.g., Nike and Reebok) producing similar products or services. Indirect competition in the sport industry is any other form of entertainment (going to the movies vs. going to the local collegiate basketball game).

**Technology:** the Internet, cable television, out-of-market (DirecTV and Dish Network) affect the way sports events are delivered to the customer.

**Cultural and Social Trends:** beliefs or traditions passed on from generation to generation that affect the way the population views sports.

Physical Environment: natural resources and characteristics that have an impact on sports. For example, a region dictates what climate conditions affect certain sports.

Political Environment: politics play an ever-increasing role in the sports industry (e.g., taxes for new stadiums). Politicians team up with famous athletes during voting season.

Legal Environment: affects how sports organizations can govern. Examples are Title IX, collective bargaining (professional sports), and team licensing.

Regulatory Environment: enforcement of rules and bylaws to which sport organizations adhere. Examples are NCAA, NBA, NAIA, and state high school athletic associations.

Demographic Environment: observing population trends for determining effective sports marketing. Examples are size, age, ethnic groups, and population shifts.

Economic Environment: sports organizations are affected by either macroeconomic (prosperity, recession, depression, or recovery), or microeconomic elements (individual income—disposable and discretionary—discretionary being the most important to the sports marketer).

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Difficulty: Challenging

29. List the two different types of competition for the sports industry and discuss how these would affect your favorite NFL team.

Suggested Answer:

The two types of competition are direct and indirect. Direct competition for the Tampa Bay Buccaneers would be if they (Tampa Bay) choose to have a Friday night game during the fall. Many fans would have to choose between going to see their sons play (local high school team) football and seeing the Bucs play. Indirect competition would be any local entertainment venue that would cut into an individual's discretionary income for a season (going to all the Tampa Bay Bucs games vs. going to some of the Bucs games and also going to the Dave Matthews concert).

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Difficulty: Medium

30. Discuss how the physical environment would affect the marketing of waterskiing in North America.

Suggested Answer:

Marketing waterskiing in North America is basically seasonal. In the southern states, it is a longer season (Florida, lower Alabama, Georgia), than in the northern states (New York, Ohio, Missouri). The marketing efforts for waterskiing would start sometime in February in



the southern states and sometime in April or May for the northern states.

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Difficulty: Easy

31. Title IX has made a large impact on the collegiate athletic community. Discuss how a sports marketer would comply with Title IX in a marketing campaign for men's and women's basketball at the University of North Carolina.

Suggested Answer:

Under Title IX, any institution that receives money from the federal government must apply the monies evenly, based on gender. For the sports marketer for the UNC Tar Heels: if he/she has five halftime promotions for the men's basketball team, then there should be at least five halftime promotions for the women's basketball team. If the sports marketer makes a poster (team picture and game schedule) for the men's team, there should be one for the women's team as well.

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Difficulty: Medium

32. What is SWOT analysis? Describe its components, using SWOT for Nike in its campaign effort to be number one in the world soccer market.

Suggested Answer:

SWOT is an acronym: Strengths vs. Weaknesses, Opportunities vs. Threats. For Nike, their use of a SWOT analysis in the world soccer market is that they are the most widely known athletic shoe producer (strength) with very little or no weakness at all. Their best opportunity would be the 2004 Summer Olympics, with a vast audience watching via television. The only threat would be the Reebok Shoe Company or perhaps Adidas.

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Difficulty: Medium