

STUDY ON THE IMPACT OF PUBLICITY ON DEMAND MANAGEMENT - EVIDENCE FROM A ROMANIAN PRIVATE SPORTS CLUB

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ABSTRACT

The present research attempts to identify the impact of publicity on business demand in order to improve in order to improve the private sports clubs management. The study allowed an in-depth analysis on customer perception regarding the informative character of publicity, the attractiveness and credibility of the publicity message, respectively, confidence, design and easy access of webpage in a Romanian private tennis club. The study aims to analyze the individual impact of the variable "publicity" on the variable "demand", identifying important information regarding the quality assurance and the customer perception improvement of sports club services with effects in increasing demand and increasing customer loyalty. The study was based on an exploratory type of research, realizing on the random sample consisting of 200 actual and potential clubs customers (which represents 200 valid questionnaires). The study revealed the fact that between private sports club publicity and its demand is a strong correlation, thus, the publicity explains the variation of private sports club demand.

KEYWORDS: *demand management, private sports club publicity, sports club management.*

JEL CLASSIFICATION: *L1, L2, M10, M12.*

1. INTRODUCTION

Identification of the specific characteristics of sport market respectively the market potential, market structure, customer requirements and the competition are essential elements in developing and implementing market strategy, as part of the global strategy of the sports club. The sports industry market is highly competitive. Jinga states that "increased competition in sport requires the managers of sports organizations to know and deepen forms of competition, they are:

- competition between sports organizations and those wishing to capture customer attention (generic competition);
- competition between organizations of different areas of sport;
- competition in the same sport field;
- competition between members of the same sports organizations;
- competition with itself " (Jinga, 2009: 9)

To study customer demand of sports services is important to consider the economic criteria that determine consumer behavior respectively purchasing decision along with other performance criteria related to quality, price, availability, customer satisfaction etc.

For this reason, sport organizations must have a database of customer requirements expectations and complaints and how to solve them all with significant impact on customer satisfaction.

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Identifying the factors that determine the demand on sports market is a very important step for private sports organizations, given that (the degree) how it is done depends on their survival in the market. Issues that need to take into account concern: competition characteristics, quality standards required by customers, availability of services, access to sports facilities, expertise and reputation of coaches and instructors, ticketing method, security of participants in sporting events, the sports base comfort etc.

Of course all of these aspects may manifest decisive influence of market demand and success of the sports organization offer.

Since many organizations that activates on sports market have small and low financial strength, access to this information can be done through market studies made by external experts.

In small organizations, which show a high degree of market vulnerability, managers must devote more time to monitor the market. The interviews conducted in this research show that managers consume 25-30% of their time to get information about the market (customers, competitors, business cycle, etc.), considering that they cannot employ specialized marketing personnel. We believe that an important way to exploit, effectively and efficiently the market opportunities is the outsourcing marketing functions with undeniable advantages in better knowledge of the market respectively the needs and expectations of customers for the design, development and implementation of appropriate and effective marketing strategies.

Even if the number of clubs in Romania is low, well below the European average (4000 clubs in 2014), we believe that the practice of marketing, effective adaptation can provide better sports clubs on the market, a prerequisite for their survival.

In Romania in the last 10 years we can observe a growing demand for sports organizations such as: clubs, aerobics, fitness, bodybuilding, tennis, golf, swimming, etc., which led to increased competition between them. These issues lead managers of sports clubs to step up efforts to assimilate specific knowledge management to design and implement appropriate policies and strategies (including marketing the distinguished importance) to customize services (customer loyalty) by diversifying package offered for the design of effective systems of staff motivation etc.

Demand management refers to policies serving customers, methods of analysis and forecast of demand. It is considered by experts as a method of demand management, control and tracking customer requirements. It starts with a deep perception of the behavior, requirements and customer expectations.

All contribute to sizing and personalization supply, pricing, calendar and programs of activities and events that the club holds. It also helps management clubs to establish standards for customer service based on a better knowledge of their needs and expectations. Demand management has a very important role in strengthening customer relationships.

A major concern of sports organizations is related to diversification of services and differentiating actions based on quality and cost.

An important trend in the sports market in Romania, aims to develop high-performance professional sport that is practiced both in professional organizations and in the amateurs. Sports organizations are increasingly run like any other business, i.e. on economic principles, the profitability and market share plays an important role in legal terms, they fall into the category of private sports clubs.

Necessity and appropriateness of our study is motivated by the fact that in Romania sports organizations (federations, sports associations, sports clubs) is based more on a reactive system that depends more on intuition and experience of managers, rather than a practical based on market knowledge and coherent, adequate and effective strategies (Jinga, 2009).

Structurally, private sports clubs, which were the subject of our study do not have specialized marketing structures. Marketing function is provided in over 67% of investigated clubs by sports club manager that has a low level of competence in this area.

Good and very good results of Romanian sporting clubs are obtained furthermore because of the talent and merit of athletes and technicians (coaches, trainers) was confirmed by respondents to the questionnaire and interview participants.

2. LITERATURE REVIEW

The involvement of sports club customers is different from a traditional organization because of the needs, desires, customer's expectations, experiences and performance of sport services differ. A player can be satisfied by the fact that his team won the most games in a season, while another may be disappointed because he has not improved as much as would be desirable. Both players are part of the same team, but their experiences are different (Chelladurai, 2001).

All sports organizations face a certain level of uncertainty. Therefore uncertainty is an event, an unforeseen event who influence the structure and organization behavior (Daft, 2004). To control uncertainties, sports organizations can either to meet the requirements of their external environment (through changes in the internal structure, processes and behaviors), or try to change the nature of their external environment (Graham, 2001).

Sports club, in terms of marketing, it can be considered "experimental package, benefits, products and services designed to satisfy adequately its members, being they coaches, athletes and fans" (Mullin, Hardy, Sutton, 2007, p 148).

In sport as in any other field, keeping existing customers is the key to success for many reasons. Customer retention minimizes the number of new sales that must take place for the sports organization to be profitable and provide a stable base that can help attract new customers.

The image of a club in the minds of consumers is important for the club's marketing efforts. Effective public relations involves development and customer relations. The club must be very active in creating these relationships and to monitor those ideas that could help the club to achieve its objectives.

Using segments is extremely important in business because they are based on sports consumers' motion to the highest levels of involvement in the sport either as a fan or player. Sports organizations should invest more in educating existing consumers and then try hard to attract new ones. Although campaigns to attract new fans are very important they have a much lower impact than strategies that lead current customers to make a few steps forward on the line of involvement and commitment.

This approach is supported by studies on the consumer, both as participant and bystander. These studies argue that new entrants is only a minor percentage of the total purchases. It becomes clear that the participants in sporting events is high up on a scale of involvement and most of those who buy sports equipment already practice the sport and some are looking for new ways to improve performance.

Sales is a vital element of any sports organization. Whether its tickets, broadcast rights, sponsorships, advertising or any other sports product, the sales are what matters, i.e. revenues. Ron Seaver, founder of the National Sports Forum, said that "nothing happens until somebody sells something" (Slack, 2006).

The unique nature of the sport allows us to become increasingly creative in selling sports product. Among the innovative methods of selling promotional products and sports services, the most important are the following (Starkes, 2003):

- education can sell;
- remember the package offered;
- remember that fun is a positive factor;
- using coupons is not just for food;
- do not forget the profitability and the impact of group sales
- Websites.

Websites are a great way to sell directly or can be used as an excellent tool to improve telemarketing image. Consumers can use websites to chat with a sales representatives. The website is an attempt to create a successful model for distribution and sales in a balanced way. The intention of this model is to provide a balance, and thus to minimize the dependence on any segment of the customers. The model ensures that there will always be consumers.

Promotion includes any activity that contributes to the increasing interest in a sports club and, ultimately, lead potential customers to become members of the club. Promotion methods may include printed or electronic advertising, sending emails, telemarketing, trade fairs and exhibitions, attracting sponsorships or direct sale.

By all these means to communicate benefits provided by the club to potential customers, play an important role in developing and strengthening its image in the minds of customers. For example, a brochure or an advertisement presenting images of children having fun practicing a particular sport can contribute to winning many adherents to promote sport in that it creates in the minds of potential customers a positive image of the club (Mullin, Hardy, Sutton, 2007).

In the communication and the promotion of products/services, a sport organization can use a number of techniques and effective and efficient means of advertising such as media advertising; radio - television advertising; advertising through cinema; outdoor advertising (billboards, posters, neon signs etc.).

3. THE IMPACT OF PUBLICITY ON DEMAND MANAGEMENT: EVIDENCES FROM A ROMANIAN PRIVATE TENNIS CLUB

3.1. Methodology

Our study was based on the investigation of a private sports club market leader in Transylvania with tennis specialty. Statistical research presented in this study is based on a random sample consisting of 450 actual and potential customers of the tennis club analyzed. On the population sample was applied a questionnaire with seven types of general questions, each includes a number of simple questions to answer choice from a range of values between -2 and 2. Value -2 correspond to total disagreement and the value of 2 to total agreement. Of the 450 customers surveyed, 200 valid questionnaires was provided.

In conducting this study, we took into account the following variables:

- *CalPubl* – its value indicates the "tennis club publicity quality";
- *CalWeb* – its value indicates the „tennis club web pages quality”;
- *CalCurs* – its value indicates the „tennis club courses quality”;
- *PolPret* – its value indicates the „tennis club price policy”
- *FidelClien* - its value indicates the „level of customer loyalty”

3.2. Research results

Regarding the structure of the sample studied in relation to respondent's gender approach, the sample meets the requirements of the statistic connections for each value of it.

Table 1. The proportion of sample respondents in relation to gender

Gender	Freq.	Percent	Cum.
F	56	28.00	28.00
M	144	72.00	100.00
Total	200	100.00	

Customer's distribution in relation to age allows us to get an overview of the structure of the sample (table 2):

Table 2. Customer's distribution in relation to age

Age	Freq.	Age	Freq.	Age	Freq.
16	1	37	9	53	3
22	1	38	7	54	1
23	4	39	7	55	1
24	1	40	13	56	1
25	2	41	6	61	1
26	3	42	10	65	2
27	5	43	5	67	1
28	4	44	9	68	3
29	8	45	10	69	1
30	11	46	1	73	1
31	9	47	7		
32	5	48	3		
33	5	49	1		
34	7	50	4		
35	10	51	3		
36	9	52	5		

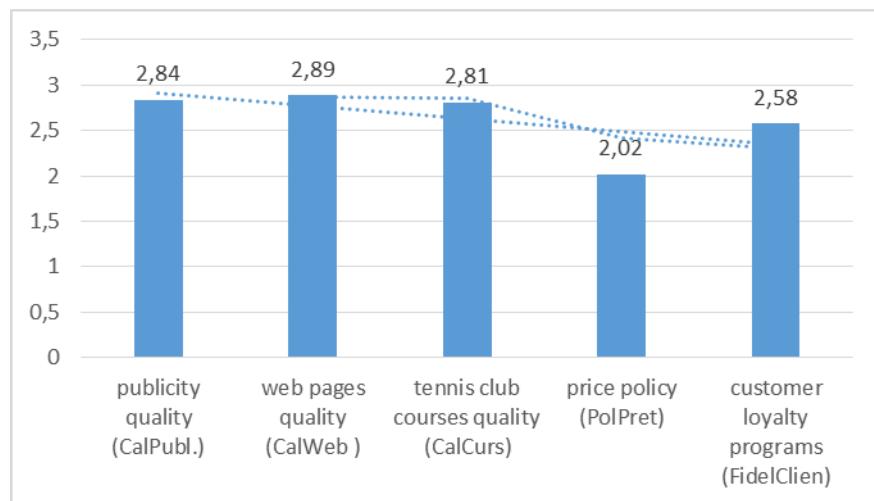
Respondents studies presented in Table 3, is another structure variable in relation to which we can characterize research sample.

Table 3. Customer's distribution in relation to study level

Study	Freq.	Percent	Cum.
Lyceum	12	6.00	7.50
Post Lyceum	2	1.00	8.50
Professional School	7	3.50	12.00
University studies	176	88.00	100.00
Other	3	1.50	1.50
Total	200	100.00	

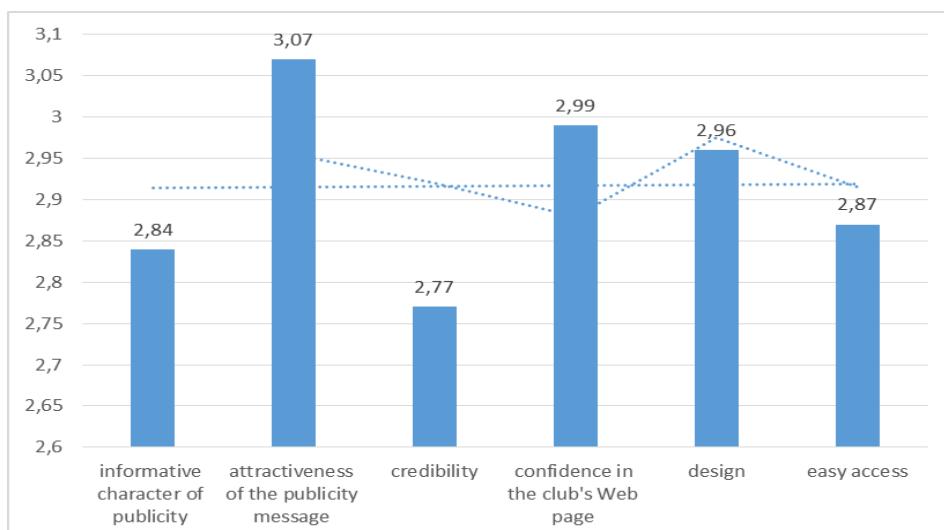
Regarding the complex variables resulting from the processing of information in the questionnaires, they are appreciated by the respondents with the following scores (figure 1): publicity quality (*CalPubl.*), with 2,84; web pages quality - (*CalWeb*) with 2,89; tennis club courses quality – (*CalCurs*) with 2,81; price policy (*PolPret*) with 2,02; level of customer loyalty programs (*FidelClien*) with 2,58.

A characterization of six complex variables, calculated on the scores account is found in tables 4 and 5. First we have a representation of them through parameters: mean, standard deviation, minimum and maximum.

**Figure 1. Variables scores****Table 4. Statistical indicators for the publicity quality, web pages quality, courses quality, price policy, customer loyalty**

Variable	Obs	Mean	Std. Dev.	Min	Max
CalPubl	200	14.2	3.629859	2	20
CalWeb	200	8.655	2.227281	0	12
CalCurs	200	11.225	3.054673	0	16
PolPret	200	12.14	5.839598	0	24
FidelClien	200	10.305	3.198928	0	16

Regarding the impact of variable “*publicity*” (*Publ*) (figure 2), constructed by summing the variables *CalPubl* and *CalWeb*, we can observe that the items most highly evaluated by customers are: informative character of publicity (2,84), attractiveness of the publicity message (3,07), its credibility (2,77), respectively, confidence in the club's Web page (2,99), design (2,96) and easy access (2,87). An important aspect in assessing poor quality publicity, which emphasizes the need for market research or gathering information from customers, to achieve an effective communication policy, as part of the marketing mix of sports club.

**Figure 2. Components of variable “publicity” (Publ)**

We believe that the analysis of variables „*CalCurs*”, „*PolPret*”, „*CalAntr*” (coaches quality operating at club) and „*FidelClie*n” (figure 3) can provide important information to improve the quality and customer perception towards the sports club services, with effects in improving demand both quantitatively and qualitatively, especially as the club bid to offer tennis classes is evaluated by respondents, with an average score of 2,56 to which is added the prices applied by competition (2,47) and customer expectations (2,51). The quality of coaches in terms of training and awareness (1,95) and the experience and courtesy towards customers (2,20) is an important factor that can negatively impact the image of the club, that may place the sports club in a difficulty position, regarding the remaining in the market leader position. It can be seen that the concern for customer loyalty in terms of good locally market share is low (average score 2,16). The same the attractiveness of programs and competitions is appreciated by respondents with a score of 1,75 to which is added promptness in responding to customer complaints, with an average score of 1,63, which medium and long term may adversely affect the market share of the club. This is explained by the fact that the club managers in the last 3 years due to the economic crisis has put a low focus on keeping valuable coaches, preferring to rent their fields and not actually involved in club operational processes and activities. We note that there are customers for whom the impact of loyalty, price policy, quality courses and internet advertising is null. This is another major problem to the attention of decision makers. Correlation in Table 5, shown below, we observe that between any two variables is a level of correlation that should be taken into account.

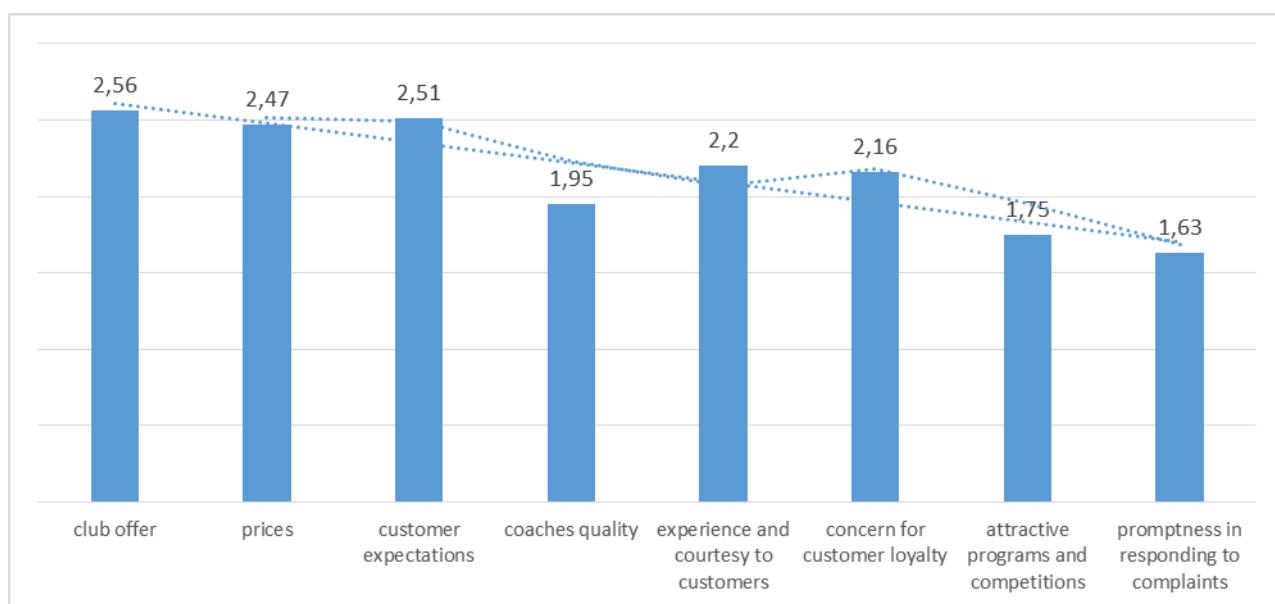


Figure 3. Variables „*CalCurs*”, „*PolPret*”, „*CalAntr*” and „*FidelClie*n”

Table 5. Table of correlation between the variables studied

Demand	CalOfer	FidelCl	CalAntr	PolPret	CalCurs	CalWeb	CalPubl
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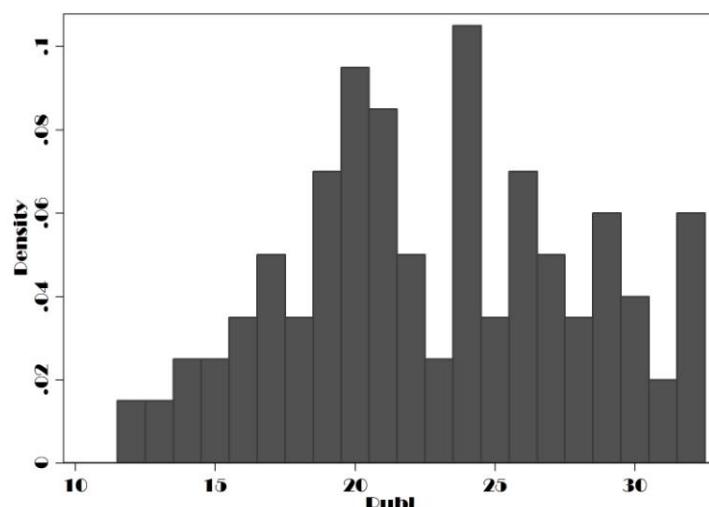
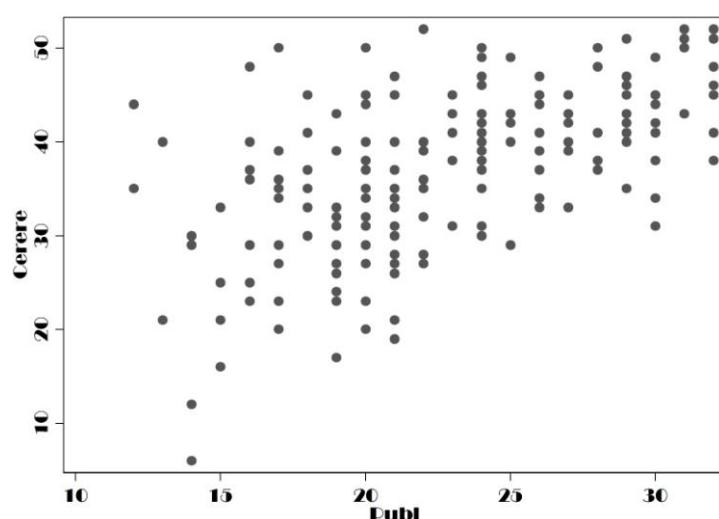
Demand	1.0000							
CalOfer	0.7298	1.0000						
FidelCl	0.6694	0.5658	1.0000					
CalAntr	0.4401	0.3711	0.3853	1.0000				
PolPret	0.6015	0.5244	0.7001	0.4573	1.0000			
CalCurs	0.6553	0.5972	0.6167	0.6496	0.6597	1.0000		
CalWeb	0.4962	0.4031	0.4218	0.3382	0.3221	0.4871	1.0000	
CalPubl	0.5537	0.5776	0.4924	0.3149	0.4733	0.5171	0.5245	1.0000

We constructed the variable “*Publ*” by summing the variables "CalWeb" and "CalPubl". The high degree of correlation shown in table 6 make it difficult for us to introduce new factors into the model. We will try to analyze the individual impact of the variable "*Publ*" on the variable "*Demand*".

Table 6. Table of correlation between demand, publicity and offer quality

	Demand	Publ	CalOfer
Demand	1.0000		
Publ	0.6038	1.0000	
CalOfer	0.7290	0.5804	1.0000

The histogram in Figure 4 shows a large scattering of publicity perception from customers. Range 12-32 reflects diversity in publicity perception. Statistical cloud in Figure 5 allows us to anticipate a linear relation given the arrangement of points around the trend.

**Figure 4. The histogram of variable „*Publ*”****Figure 5. Statistical cloud between variables „*Demand*” and „*Publ*”**

The quality of the model „*Demand*” and „*Publ*” is summarized in table 7. Statistics „F” entitles us to assume a linear relationship. $R^2=0,3646$ tells us that the publicity explains 36,46% of demand variation. Publicity has a positive impact on demand by the fact that an increase of one point of advertising, demand increases by about 1.03 points.

Table 7. Regression model - the link between demand and publicity

Linear regression	Number of obs =	200
	F(1, 198) =	94.56
	Prob > F =	0.0000
	R-squared =	0.3646
	Root MSE =	7.0318

Demand	Robust					
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
Publ	1.029757	.1058968	9.72	0.000	.8209263	1.238587
_cons	13.75491	2.673989	5.14	0.000	8.481757	19.02807

The "T" test shows that "*Publ*" is a significant factor in the demand variation. We introduced two variables in the model as shown in the table below. The model is linear, $R^2 = 0.5816$, shall mean that the two factors explains the demand variation in rate of 58%. The "T" test shows that the two factors are significant (table 8).

Table 8. Regression model - the link between demand, offer quality and publicity

Linear regression	Number of obs =	200
	F(2, 197) =	161.09
	Prob > F =	0.0000
	R-squared =	0.5816
	Root MSE =	5.7202

Demand	Robust					
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
CalOfer	.6551238	.0575482	11.38	0.000	.5416342	.7686135
Publ	.4633798	.1042168	4.45	0.000	.2578561	.6689034
_cons	-.1213142	2.293319	-0.05	0.958	-4.64392	4.401292

As shown in the table below, the average age of female clients not significantly different from the average age of male clients. Although female customers is a quarter of total, the average age is 39 years. The "T" test presented shows that on average customers who frequent the club have the age of 39 years.

Table 9. The analysis of variance - the impact of gender on respondents' age

Two-sample "t" test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]
F	56	38.92857	1.036934	7.759703	36.85051 41.00663
M	144	39.27083	.880055	10.56066	37.53124 41.01043
combined	200	39.175	.6957313	9.839127	37.80305 40.54695
diff		-.3422619	1.553234		-3.405267 2.720743

diff = mean(F) - mean(M) t = -0.2204
 Ho: diff = 0 degrees of freedom = 198
 Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
 Pr(T < t) = 0.4129 Pr(|T| > |t|) = 0.8258 Pr(T > t) = 0.5871

The customer's perception of clubs offer is different in relation to gender. Table 10 gives the average clubs offer perception of 43.96 points for females and for males the same indicator takes the value of 39.76 points. The "T" test is relevant in this regard. It turns out the hypothesis that females are more demanding in relation to clubs offer.

Table. 10 The analysis of variance - the impact of gender on customer demands

Two-sample "t" test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]
F	56	43.96429	.7661526	5.733361	42.42888 45.49969
M	144	39.76389	.6695731	8.034877	38.44035 41.08743
combined	200	40.94	.5433767	7.684508	39.86848 42.01152
diff		4.200397	1.175952		1.881398 6.519395

diff = mean(F) - mean(M) t = 3.5719
 Ho: diff = 0 degrees of freedom = 198
 Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
 Pr(T < t) = 0.9998 Pr(|T| > |t|) = 0.0004 Pr(T > t) = 0.0002

4. CONCLUSIONS

A conclusion of our study is the fact that despite the efforts of private sports clubs to achieve performance in terms of both technical (i.e. the characteristics of services provided) and economically (profitability), marketing is insufficient approached as separate function of these organizations. One explanation is that the vast majority of clubs (over 90%) are small clubs with limited financial power that can not afford hiring personnel or organizational subdivision creating a marketing specialist that would explain the way of empirical intuitive application of marketing principles.

The necessity and appropriateness of our study is motivated by the fact that in Romania sports organizations (federations, sports associations, sports clubs) is based more on a reactive system that depends more on intuition and experience of managers, rather than a practical system based on market knowledge, coherent, adequate and effective strategies and policies.

Structurally, private sports clubs, which were the subject of our study do not have specialized structures for marketing. Marketing function is provided, in over 67% of investigated clubs, by sports club manager that has a low level of competence in this area.

Sports clubs obtained good results, more due to talent and merit of athletes and technicians (coaches, trainers), as confirmed by respondents to the questionnaire and interview participants. Another problem, which greatly limits the success of sports clubs management refers to the lack of adequate and effective database that contains information on the sport market, respectively those relating to competitors, offer and demand, resources, contributing members, intermediaries agents etc.

In the sports organizations the concerns on the production, processing and storage of information are reduced. Much of the information is obtained from the media, magazines, participation in conferences and symposiums.

Our study identified a strong link between demand and club publicity. The club publicity explains 36% of clubs demand variation.

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