

SPECIFICS OF SPORTS MANAGEMENT – PRACTICAL EXAMPLES

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Abstract: Sport evaluated from activity linked to healthy lifestyle or fun to global industry managed by professional managers. Most significant changes are connected to globalization and modern technologies, but even in age of international technologies is sport able to retain its characteristics, which push managers to use specific techniques. Purpose of paper is to compare specific characteristics of sports management and compare them to classic management approach.

Keywords: management, sport, sports management, management specifics, practical examples

JEL Classification: M00

1. INTRODUCTION

According to the English etymological dictionary the term sport was created around thirteenth century with abbreviation of word „disport“ (old English) or „desport“ (old French). Word expressed entertainment, joy, pleasure, play or flirting. Certain elements of sports management were used before and during the first Olympic Games in 776 BC. n. l .. In practice, it means, that sport management has been created sooner than the word sport. [1]

At present, Oxford and Cambridge dictionaries define sport as an activity involving physical effort where individuals or teams compete for purposes of entertainment, health and / or earnings. Although Klein (2016) agrees with the general definitions, he focuses more on the use of the term "physical activity". There are games and activities that are not based on a physical basis, for example chess. Interestingly, he also considers the limits of what sport is and what sport is not. People could think, that they know exactly what sport is, until they compete in eating or run down the hill chasing cheese. Sport management, as we know it in its present form, originated in the eighteenth century in England when the noblemen began to establish and gradually develop the first sports clubs. Membership in these clubs has been limited and only people with political and economic power could become the members. The first clubs organized one-time events or annual competitions, where members met. Since the nineteenth century, clubs began to standardize their rules, compete and organize seasonal competitions. One of the first sports with a club management system, a competition comprised of individual clubs was horse racing. Other sports such as rugby, cricket and football have a similar structure.

The strong British Empire subsequently transferred its sporting culture to its colonies across the world [1].

2. FINDINGS

The most significant changes have been made in sports management over the last 20 years. In the past, the purely volunteer-led sector has transformed itself into a fully professional, commercial industry that is constantly growing [2]. The definition of sports management of contemporary authors is based on the definitions of classical management, supplemented by the specifics of sport. The overview of the authors and their definitions of sports management is shown in Table 1.

Stewart and Smith [7] have outlined characteristics distinguish sport a classic management:

1. Irrational passions: Sport is symbolic for its strong emotional intensity, which is almost absent in other sectors. Emotions and passion often suppress logical and economic behavior. Popularity of cycling in Slovakia is growing. After the success of Peter Velits (Vuelta 2010 - 3rd place) and especially afterwards Petr Sagan (currently 3-times world champion, 6-times winner of the green jersey in Tour de France), the interest in cycling in the country is increasing and sport, which only a little attention was paid to, has become one of the most popular sports in the country. As early as in 2013, in the GfK Slovakia survey, four of five respondents said that they are at least occasionally watching the results in professional cycling. In survey of the same agency in 2016 people of Slovakia chose cycling as third most popular sport (hockey 9.98%, football 8.83%, cycling 6.96%) [8].

Table 1 Definitions of sports management

AUTHORS	DEFINITION
<i>Bartoluci (2003)</i>	It is the driving force of a sports organization that aims to achieve a certain sporting and business outcome.
<i>Bill (2009)</i>	Managing relationships with various sport-related areas, including strategic, operational, marketing, financial, information, and human resources.
<i>Covel et al. (2012)</i>	Responsibility for results and achievement of set goals, which are diverse depending on the type of sports organization.
<i>Hoye et al. (2015)</i>	It is the management of a sporting organization with the same techniques as are used in modern enterprises, but with a different view of performance evaluation.

Source: [3] [4] [5] [6]

2. Profits or winning: The most important difference between sports organizations and the private sector is the way the performance is measured. While the main goal of private sector is to make profit, main performance indicator of sports clubs is sports results. Manchester United is with dept of 536 million Euro club with the highest dept in Europe [9].
3. Competitive balance: Excessive dominance of one team in a league or competition may be counterproductive for clubs and athletes. Repeated winnings of the same or a small group of teams / athletes do not maximize profit. For example, NHL (National Hockey League - USA) has introduced a salary cap, that represents the upper limit of the salaries for players of the club. This ensures a relatively even distribution of the best players with the highest pay requirements. In praxis it means, that it is not possible to group more star players in one team, unless they are willing to significantly reduce their salaries. This rule was introduced in the NHL in the 2005/06 season. Since this season, only one team - Pittsburgh Penguins was able to win two years in a row (2015/16 and 2016/17) [10].
4. Variable quality: Products and services in the business environment, have little variation of quality and their consistency and reliability are highly valued. On the other hand, predicting of what awaits fans at sports events, is more complicated. On the other hand, competitions where there is no clear favorite, attract more audiences than those with easy predictable results. The huge variability in the quality of the sporting product is also a threat. Weather, injuries, excitement, size, and audience influence affect the quality the customer feels. In 1965 were boxing for a heavyweight title two best boxers of their time, Muhammad Ali and Sonny Liston. Ali won by knockout in the first round. Highly expected duel with the cheapest ticket price of \$ 25 (today 200, according to an inflation calculator) lasts only slightly more than two minutes. From another point of view, this is one of the most famous boxing duels of all time. Various visitors could then leave with various feelings [11].
5. Anti-competitive behavior: Existence of competition brings benefits to sport. Many strong clubs or athletes in one competition attract the attention of fans and sponsors. Competitive clubs are together involved in creating sporting experiences for fans or customers. The marketing activities of domestic clubs are often aimed at promoting an attractive competitor, which can attract more fans. A similar practice is offering part of the tickets for the visiting teams, even if would be possible to sell out all tickets by home fans. The fans of both clubs create together atmosphere and improve the overall sports product.
6. Product and brand loyalty: Cross-elasticity of demand is in sport is low. This shows a low possibility of substitution between different sports or clubs. Even if a fan is disappointed with the results, it is unlikely that it will change his sporting preferences. There exists also hierarchy sport - club - athlete, it means sport is first, followed by club and then concrete athletes running in the club. Since 1994, the Spanish pro cycling team Euskaltel-Euskadi Road has been a symbol of Basque cycling. This was largely made up of Basque cyclists and largely sponsored by the local government. The characteristic orange color represented the region and supported the pride of Basque people. Ending of team in pro racing events in 2013, Delia led to loss of interest of Basque people in cycling overall, after leaving their local team of professional cycling. It did not matter that in the most prestigious UCI (International Cycling Union), competed another Spanish team Movistar Team [12].
7. Vicarious identification: Fans often identify themselves by wearing jerseys and souvenirs of their favorite sports, clubs or athletes. They also influence their families to behave similar. It is common for parents to dress their children to colors of their favorite sports club. When Cristiano Ronald moved from Real Madrid to Juventus Torino in the summer of 2018, jerseys in price of € 60 million were sold for the first 24 hours. Club received from six to nine million from the sale [13].
8. Blind optimism: Sports fans tend to trust their club or national team regardless of actual performance or situation. In professional clubs even after leaving the biggest stars, fans believe in maintaining quality in their favorite club. The same optimism prevails with national teams. Citizens of selected countries responded before the World Cup in 2018 in Russia to the questionnaire from yougov.co.uk [14]. The main question was how they estimate result of their national team. Sign of optimism was, for example, at a percentage of fans believed, that their team would get into the semifinals. 79% of the Spanish (eliminated in group stage), 74% of the German eliminated in group stage), 59% of the French (champion), 40% of the Maroccan (eliminated in group stage) and 31% of Saudi Arabians (eliminated in group stage).
9. Technology: There are many examples of where information technology helped companies to be more successful than their competition or completely changed the business environment. However, sport is field of information technology very conservative and it develops slowly, whether it is to improve the training process of athletes or to improve the performance of sporting events. VAR technology was first used in the World Championships in Russia in 2018. Technological progress, however, made it possible for the thirty years ago when technology began to be using to help referees [15].
10. Supply: When is high demand for products and services of company in private sector, it is possible to increase the production relatively fast. Sports clubs, however, have a production line with low elasticity. Clubs have only a limited number of games during a season or other cycle. Managers must attract fans and sponsors during these events, because there is no possibility to repeat them. If this fails, revenues are lost. American football club Green Bay Packers did not make the playoffs for the first time in ten seasons in 2017/18. According to club management, their earnings have fallen by 50% compared to the previous season [16].

3. CONCLUSION

The most significant changes have been made in sports management over the last 20 years, but even in times of modernization and new technologies is sport still able to keep its specifics. There are ten main differences between classic and sports management. Sport is symbolic for its strong emotional intensity, which is almost absent in other sectors. While the main goal of private sector is to make profit, main performance indicator of sports clubs is sports results. Another difference connected to goal of private sector is to reach as highest market share as possible, in sport is may be dominance of one team in a league or competition counterproductive. Products and services in the business environment, have little variation of quality and their consistency and reliability are highly valued. The marketing activities of domestic clubs are often aimed at promoting an attractive competitor, which can attract more

fans. Cross-elasticity of demand in sport is low. This shows a low possibility of substitution between different sports or clubs. Fans often identify themselves with favorite team by wearing jerseys or another fans kit, what is in private sector not usual. Another specific of sports management is, that Sports fans tend to trust their club or national team regardless of actual performance or situation. Information technology helped companies to be more successful, however, sport is field of information technology very conservative and it develops slowly. Last specific it is related with demand. When is high demand for products and services of company in private sector, it is possible to increase the production relatively quickly. Sports clubs, however, have a production line with low elasticity. All those specifics make from sport field of study worthy of research.

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