Marketing strategies in sports industry

Introduction

Services, such as many of those provided by the sports/leisure industry, have the following characteristics that make them different from the manufactured product.

* Intangibility
* Inseparability
* Variability
* Perishability
* Lack of ownership

Using leisure-related examples, explain the meaning of these terms and discuss their relevance to a marketer in the sports/leisure/tourism industry.

Explain why marketers in the sports industry need to be aware of the following service-related characteristics of their product offering:

* Intangibility
* Inseparability
* Variability
* Perishability
* Lack of ownership

Intangibility-This is lack of physical existence. Sodexo prestige offers services such as hospitality. (Barker, 2011). Inseparability-This term is applicable since services from Sodexo are manufactured and consumed at the same time, and they cannot be separated from the customer’s experience as well as a means of production.Variability-This is lack of consistency. Quality and individual performance may vary with time.Perishability- this implies how Sodexo cannot store its services for future use. Sodexo must serve their customers when they need their services. (Pride & Ferrell, 2008). Lack of ownership- this implies that Sodexo customers do not obtain a tangible good to own as they obtain their services.Marketers in the sports industry need to be aware of the service associated features as they offer their products since they offer intangible service solutions that call for extended marketing contemplation beyond straight product marketing. (Fyall & Ranchhod, 2009).

Advertising is where the marketer pays the selected media outlets for placing a message to promote sales (Floor & Raaij, 2011).Personal selling is a personal promotion where the seller’s effort is to persuade a buyer to buy the product or services. Public relations is a planned promotion of goods and services to enhance institutional reputation.

The advantage of advertising is that it eliminates broker charges. The disadvantage of advertising is that advertising does not stimulate immediate demand of the advertised goods or services.
The advantage of personal selling is that a marketer is able to convey more information. The limitation of personal selling is that it is very costly.
The advantage of public relations is that it helps the institution to reach its target market. On the other hand, the disadvantage of public relations is that PR may lack chances due to breaking news in media coverage.

Sodexo must come up with an appropriate price strategy since price determines the quantity to be sold. Therefore, the following factors should be considered. First, the cost of manufacturing goods and services. Sodexo should also consider other hidden costs of the business such as taxes, unpaid invoices, as well as insurance (Smith, 2012). The second factor to consider is profit. Sodexo must consider the amount of money they make above their break even. The other factor to be considered is the market demand. Sodexo might decide to make their services more expensive if their services and products are in high demand. Conversely, if the demand is low, Sodexo have to charge low prices. Lastly, an industry standard is also a factor to be considered. Sodexo must consider what other larger businesses are charging, and the services are offering. This will help Sodexo to fit in the market.

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