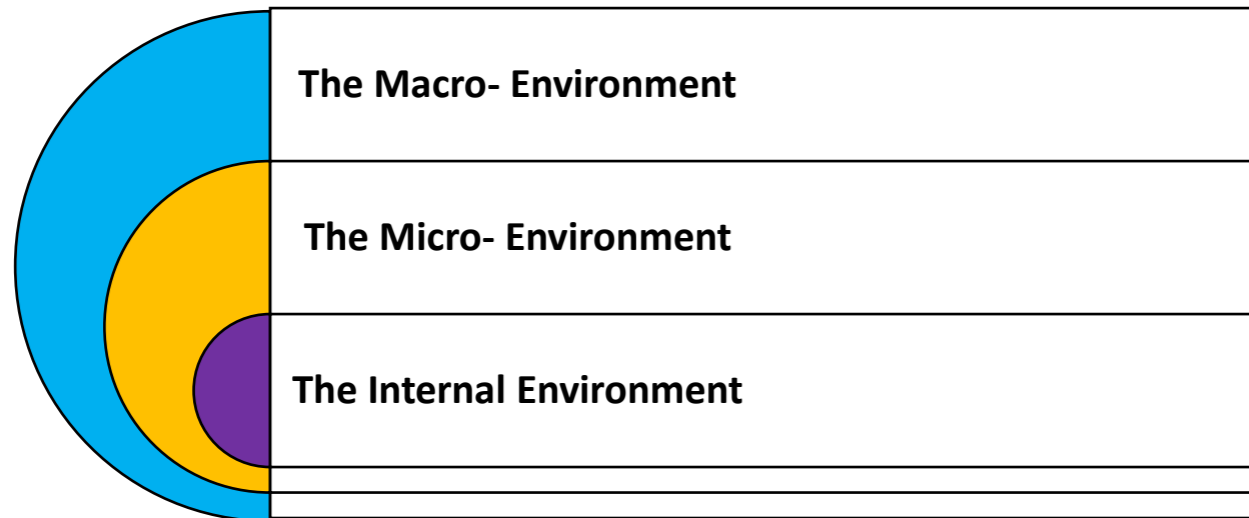


**LO1: Understand types of sports businesses and their organisational structures**

**Definition of a sports business:** Sports businesses are people, activities and organisations involved in producing, facilitating, promoting or organising any activity, experience or business enterprise focused on sport.



**The Macro- Environment**  
 General forces and trends rather than specific organisations  
 Political – trade regulations, political stability, laws and legal issues, government agencies and pressure groups which influence activities and its population.  
 Economic environment – influence on spending power and purchase habits of consumers e.g. inflation, interest rates, economic growth.  
 Social and cultural – demography and culture e.g. population growth, age groups, religious focuses, fashion trends etc.  
 Technological – new opportunities, government investment, influence of new technology.

**The Micro- Environment**  
 All the organisations and individuals who directly or indirectly affect the activities of the company (Customers, competitors, intermediaries, suppliers and stakeholders).

**The Internal Environment**  
 Employees, equipment, finance and functional responsibilities.

Organisational Structures			
Local	National	International	Global
Can be individuals or small teams of staff	Medium to large teams of people	Large teams of people	Very large teams of people
Target group is local community/small area	Target group is nationwide	Target group is international but not worldwide. Product tailored to suit different countries	Global target audience
Single site or a low number of premises	Multi-site/ locations	High number of sites/ locations but may not be in every country	Presence in every country traded in
Can be private, public or voluntary	Can be private, public or voluntary	Can be private or voluntary, not likely to be public	Most likely to be private, could be voluntary, unlikely to be public
Can be entrepreneurial	Hierarchical structure	Complex hierarchical structure	Complex hierarchical structure
Can involve shared job roles	Could be a franchise	May use intermediaries/ deal in export	Could be franchised

Categories of Sport Business		
Private	Public	Voluntary
Profit driven	Not for profit, money that is made is reinvested	Non-profit
Funded by private investment, membership fees, sales and sponsorship	Funded by local or national government, memberships, lottery funding or private donations	Funded by memberships, donations, sponsorship, loans and private investment
Target groups with disposable income, athletes, schools and teams.	Target groups with low income, local communities, specific groups e.g. older adults	Target groups included low income, local communities and specific groups
		Aim is to fulfil a specific purpose e.g. increase participation
		Set up as charitable status. Provided self-fulfilment/ giving back to the community

**LO2: Understand how sports businesses are managed**

**Measuring Success**

- Customer satisfaction / low number of complaints
- Reputation
- Recognisability
- Share Prices
- Profitability
- Expansion of organisation
- Legacy
- Winning trophies and competitions
- Repeat business / customer loyalty / customer retention
- Growth / reach /inclusion of product / service reputation

**Staff Recruitment**

The recruitment of staff is dependent on:

- Sector (private, voluntary or public)
- Local needs / demographics
- Budget (how much can you afford to spend)
- Roles and requirements (any legal requirements or personal skills / qualities)

**Staff Retention**

**Methods** used in order to try and maintain staff.

- Bonus schemes and rewards
- Self-development
- Team spirit
- Success of the organisation
- Positive working environment
- Progression
- Pension and share schemes

**Benefits to an organisation**

- Lower/ fewer recruitment and training costs
- Skilled workforce
- Promoting from within
- Staff know the customers

**Benefits to customers**

- Familiar workforce
- Rapport building
- Recognising individual needs

**Benefits to staff**

- Promotion opportunities
- Job security
- Professional development
- Job satisfaction

**Customer retention v Customer attraction**  
**Transactional v Relationship marketing**

Characteristics	Transaction Marketing	Relationship Marketing
Time	Short-term	Long-term
Organisational goal	Make the sale	Retain customers
Customer service priority	Relatively low	Key component
Customer contact	Low to moderate	Frequent
Degree of customer commitment	Low	High
Basis for seller-customer interactions	Conflict manipulation	Cooperation; trust
Source of quality	Primarily from production	Company-wide commitment

**LO3: Understand how volunteers support sports businesses**

Types of volunteers in sport
<ul style="list-style-type: none"> <li>• One-off</li> <li>• Short-term</li> <li>• Long-term</li> </ul>

Roles undertaken by volunteers
<ul style="list-style-type: none"> <li>• Event support staff</li> <li>• Club/team committees</li> <li>• Sports coaches/ leaders</li> <li>• Officials</li> <li>• Administrative positions</li> </ul>

Why sports businesses use volunteers in sport
<ul style="list-style-type: none"> <li>• Cost</li> <li>• Inclusion</li> <li>• Meet objectives</li> <li>• Avoid contract / legal issues</li> <li>• To meet funding criteria</li> <li>• Advocacy</li> <li>• Nature of organisations</li> <li>• Supporting employability and development</li> <li>• Supporting local communities</li> <li>• Positive reflection of organisation</li> <li>• Corporate social responsibilities</li> </ul>

Managing volunteers			
Recruitment	Managing expectations	Rights of volunteers	Training
<ul style="list-style-type: none"> <li>• Promoting the benefits of volunteering</li> <li>• Understanding people's motivation for volunteering</li> </ul>	<ul style="list-style-type: none"> <li>• Possibly a one-off position</li> <li>• No pay</li> <li>• No contract / legal issues</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• Grievance</li> <li>• Zero-hour contracts</li> <li>• Right to training</li> <li>• Treated the same as paid employees</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Type of training e.g. health and safety</li> <li>• Limitations (cost and availability)</li> </ul>

## LO4: Understand Corporate Social Responsibility in sport and sports business

### Defining Corporate Social Responsibility

An approach where the business considers the impact which its activity has on society and the environment and contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

### Importance of CSR

- A way to meet social and community obligations
- Improve organisation's reputation
- Develop positive corporate image
- Can enable access to funding
- Can increase commercial success
- Can be used as a marketing tool/ strategy
- It is a regulatory requirement for many sports organisations
- Reaching and engaging with more people from across the entire social and demographic spectrum
- It is the correct thing to do ethically
- Consumers are increasingly focussed on CSP issues
- Sport is an effective CSR medium/ sport reflects the values of CSR e.g. fair play, caring for the community and inclusivity

### Sustainability of a business

- Environmentally friendly/ Ecologically friendly (what they produce or how they operate)
- Economically viable
- Managing and reporting sustainability
- Sports organisations creating a lasting legacy
- Being aware of changes in sports business environment in which they operate and adapting to these
- By seeking to expand what they do where appropriate
- Making profit if in the private sector
- Securing future funding
- By becoming more efficient/ requiring less investment

### What does CSR involve?

Environmental and sustainability awareness/ policies e.g.

- Reducing carbon footprint of large sports events such as the Olympics
- UEFA Respect Campaign – emphasis on public transport
- Stadia being powered by clean energy sources

Community Projects – It is about giving back to the community e.g.

- Coca-Cola GB and Park Lives
- Football Clubs with a Community Sports Trust

Ethics

- Fair Trade
- Living wage
- Avoiding staff exploitation e.g. child labour

Adhering to laws and regulation

- **Employment laws**
- **Equal opportunities**

Positive reputation

### Corruption in sport

- Cheating
- Match fixing
- Doping
- Breaking financial regulations
- Bribes and kickbacks
- Money laundering through sport

### Corruption in sports business

- Acceptance of unethical practice in sport (e.g. using an athlete who has failed a drugs test to promote a product)
- Breaking financial regulations
- Bribes and kickbacks
- Money laundering through sport

## LO5: Understand how sports businesses obtain funding and why it is necessary

### Sources of funding

- Sales and sponsorship deals
- Grants
- Loans/ bonds
- Membership fees
- Debentures
- Philanthropic donations
- Fundraising
- Selling shares

### How is funding applied for?

Submitting an application form or a bid – the process should include meeting funding body criteria:

- Proving need/ demand for service/ product
- Having clear goals/ impact
- Proven/ demonstrating ability to deliver the outcome
- Eligibility (e.g. recognised sport, size of the organisation, location)

### Who grants funding?

- Government
- QUANGOs
- NGBs
- Local governments
- Funding from sports businesses

### What is funding used for?

- Kit/ equipment
- New/ improved facilities
- Grounds work/ grounds keeping
- Running events
- Coaching/ training

### Who can request funding?

- Sports clubs
- Community based organisations
- Local schools/colleges
- Individual athletes/ performers

## LO6: Understand the impact of the commercialisation of sport and physical activity

### What is commercialisation?

**“To be managed or exploited in order to make profit.”**

### Positive impacts of commercialisation

- Increase in revenue
- Improvement to stadia
- New forms of sponsorship
- Improvement to training facilities/ training of coaches
- Recruitment and development of employees/ players
- Increased exposure to national/international/ global audience
- Increased fan base/reach
- Introduction of global sport superstars
- Increased product range?

### Impact of commercialisation on consumers

- Exploitation to make a profit e.g. cost to spectators, increased ticket prices, cost of replica kit and equipment
- Sports moving from leisure activity to paid spectator activity e.g. improved stadia gives better experience
- Introduction of media contracts limiting access to sport e.g. F1, Premier League Football, Boxing – Sky and Sky Sports - Contracts with NGBs meaning changes to kick off times
- Realisation by sport businesses that strong engagement with consumers has become essential e.g. professional clubs with community engagement programmes – large sports goods manufacturers supporting and sponsoring sporting events and children’s events
- The impact on consumers by sport businesses utilising or being represented in the mass media e.g. product advertisements, product endorsements by celebrities, product placement
- The amount of social media and digital marketing which consumers are exposed to connected with sport business e.g. product endorsements by celebrities, product placement

### How has sport developed because of commercialisation?

- Move from amateur to professional status
- Transformation from leisure activity to paid performers/ spectators
- Introduction of sponsorship
- Influence of new social media and digital marketing in sport
- Importance of customer/ fan engagement
- Impact of mass media

### Negative impacts of commercialisation

#### Changes in who controls sport:

- Increased influence of commercialisation organisations and media corporations
- Less control by national and international governing bodies
- Powerful/ rich individual clubs holding increased influence
- Individual players and agents having increased power rather than clubs
- Over-reliance on funds/ monies from media deals
- Influence of new technology
- Changing rules in sport to make more suitable for television coverage
- More pressure on players e.g. extended season, player injuries, player burnout, early retirement
- Introduction of global sports brands
- Media intrusion into sports stars’ lives
- Impact of social media – positive and negative
- Rising cost of spectatorship (both live and through media)
- Disconnection between fans and performers