

# Real and virtual sport events in marketing industrial products \*

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## Introduction

Sport has manifold values (recreation and fun, professionalism, passion, volunteerism, wellness and health, show, etc.) that make difficult its definition. Sport is universal and global, it expresses socialization, integration and participation since it aggregates people overcoming linguistic and generational barriers. Over the last decades sport has suffered enormous changes assuming connotations of *business*<sup>1</sup> that nevertheless do not cancel its exciting and emotional dimension: the desire “to consume” the sport experience keeps involving thousands of practitioners and fans.

In the contemporary competitive context, to acquire a market space sustainable in terms of profitability, companies try to involve consumers in a *cognitive, sensorial and affective* way (Resciniti, 2004) offering consumption “experiences” able to entertain and to make feeling the consumer an active protagonist of “unique occasions”. Although are mainly commercial and distribution companies to be oriented toward an experiential marketing approach, even industrial firms can enrich their products by offering an entertainment experience. Specially *sport*, by being a *service activity* (Zagnoli, Radicchi, 2008), combined with the experimentation of industrial products (e.g. clothes, equipment, beverage, pc, etc.), allows companies to diversify their offer, change their brand’s image, focus on specific target segments and so on.

In recent years *corporations are increasingly using sport and its events to promote and sell their products*. Many *sport equipment suppliers* are attempting to capitalize on potential international sales creating their own events division. Sport has emerged as a strategic promotional focus for many *non-sport-related companies* as well. Given the broad appeal of sport events it is hardly surprising that sport has become a central component of strategies even of *global media companies* (television networks, mobile companies, Internet service providers, online game developers, etc.). The strategic significance of sport as a value added content for new media (Zagnoli and Radicchi, 2008), may explain why normally sport is a core component of media’s market entry strategies. For global media corporations, sport events generate high audiences - and, hence, are preferred rather than advertising and sponsorship investments. Furthermore, sport clubs and sport events may be appropriated as a means of entering new markets or even to promote new technologies.

In contemporary marketing strategies, industrial companies look at sport events such as an important *experience provider* to create an intimate, personal, bi-univocal and long lasting relationship with specific target segment and to gain meaningful *competitive advantages* towards their competitors. Moreover, participating to sport occasions and events can guarantee an high quality of contact with the consumer and acts on the motivational pushes to the purchase. The active participation of spectators creates an *emotional involvement* enabling to build the “values heritage” connected to the brand and to the product’s identification of consumers.

Among the possible relations between marketing and sport, this paper focuses on *how industrial companies* (sport products and equipments suppliers, multimedia companies and service providers, consumer goods manufacturers, etc.) *combine sport with their products and brands “staging” experiential events*. The sport occasions are manifold and can assume different nature (real, multimedia, virtual, hyper real, hybrid) related to:

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\* Although the authors have shared their research work, the Introduction and paragraphs 2, 3 have been written by Patrizia Zagnoli, while paragraphs 1, 4 and 5 have been written by Elena Radicchi.

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<sup>1</sup> For an in-depth examination see Zagnoli P., Radicchi E., *Sport Marketing. Il nuovo ruolo della comunicazione*, Franco Angeli, Milano, 2008.

- the evolution of technological paradigms that can have different application depending on the cultural approach, the level of infrastructural equipment and of technological literacy diffused in a specific context;
- the strategic choices implemented by the companies which in turn are influenced by several variables (consumers' target, product type, companies' core business, level of competition, accessibility to the technology, etc).

In the light of the empirical research several ways of combining sport to the use of industrial products emerged. We found many events in which the *sport theme* (practiced, viewed, diffused through the new technologies, lived within a specific place - flagship store, theme park, 3D environment, etc.) *hauls* the *experimentation of the product* that the company wants to promote. Since the increasing diffusion of new multimedia and interactive technologies at global level, companies often adopt experiential marketing strategies aimed to the ideation and implementation of sport events that intend not only to enhance a direct consumers' involvement, but also a "mediate participation" up to offer a sport virtual representation. Multimedia and interactive opportunities granted by the new media induce industrial companies to stage real sport events enriched with multimedia value added services aimed to maximize the user's involvement and co-participation as well as to diversify their own incomes, arriving in some cases particularly structured to offer a virtual representation of the sport event. Therefore the events differ not only for their complexity level - rather variegated in terms of human, organizational, technological, infrastructural, financial, etc. required resources, but also for the feature of the event (from real events to hybrid forms, up to virtual events) that answers to specific strategic choices implemented by each company.

A *qualitative methodology* based on the experiential marketing literature and a *multi-cases analysis* (Yin, 2002) was used. The case studies have been developed through qualitative interviews (*primary source*) with decision makers of sport equipment suppliers (Adidas, Nike, etc.), consumer goods companies (e.g. Coca-Cola), multimedia companies (Vodafone, Yahoo, Linden Lab, Electronic Arts, etc.), sport event organizers (Sportur, Festival del Fitness, etc.), industrial divisions of sport clubs (Ferrari<sup>2</sup>), sport retail stores (Universo Sport). The cases selected involve above all big companies with global brands since those constitute the major proponents of sport experiential occasions with a case histories that allows to make an articulated analysis of the several situations in which sport emerges as a tool of experiential marketing.

*Focus group* with professors of the Master Degree in Sport Management of the University of Florence, sport professionals and experts such as marketing directors of sport federations, event's organizers, sport venues managers, etc. were also organized. Further meaningful information have been gathered through specialized database (SBRnet, Sport and Technology Review, Sport Business Journal, etc.) and official web sites (*secondary source*) of sport equipments producers, multimedia services suppliers, event's organizers, etc.

The observation of experiential events staged by the industrial companies is driven by the analytical tools of experiential marketing (§. 1) reviewed in the light of the new media technologies emergence and diffusion (§. 2). The deepen exploration of each selected case study, in synergy with the experiential marketing literature, allowed to represent a sport events typology distributed along a *continuum* at whose extremes we can find on one side real sport practices and on the other extreme side sport virtual artifacts. In the middle we can observe "hybrids" forms: real sport events enriched with multimedia and virtual dimensions such as web sites, video streaming, web community, Sms, etc (§. 3). The empirical evidence allows us to enlighten the connection between *industrial companies strategies* and the *typology of experiential sport events* (§. 4). To gain a distinctive competitive advantage, industrial companies implement different experiential occasions for users and consumers on the base of key variables such as their core business, company's assets, new technologies diffusion among users, target consumers, etc. by choosing the experience dimensions lived by the users during the event (physical and mental involvement, sport practice participation, mediate participation, virtual networks with other users, etc.) in association with a variety of possible winning and popular sports (§. 5).

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<sup>2</sup>Ferrari is the only sport club included within this research work since it is an *exemplum* in the Italian sport sector in terms of experiential complexity and richness. The sporty side of the automotive company (the Scuderia), thanks to the "marriage" with the industrial division, benefits from the managerial and organizational capabilities and of the experience in the marketing area developed within the management of automotive sector: it emerges an interesting range of experiences offered to the fans of the Ferrari's team.

## 1. The experiential marketing approach

The economic approach to the concept of experience has been elaborated in a systematic way from Pine and Gilmore (1998; 2000; 2002). The authors argue that companies, to achieve a competitive advantage towards their competitors, should produce “*experiences*”, *a sort of new category of offer that can be launched on the market* (Pine, Gilmore 2000).

The key concepts of *experiential marketing* approach can be categorized as follows (O’Sullivan, Spangler, 1998; Resciniti, 2004; Zarantonello, 2005):

- *user involvement* (physical, mental, emotional, social and spiritual) (O’Sullivan, Spangler, 1998);
- *user’s co-participation* to the products offer;
- relevance of product/service’s *symbolic values*;
- *product/service’s multi-functionality*;
- *experience’s places centrality*.

1. The *consumer’s involvement* in *consumption* is one of the main elements of the experiential marketing approach (Addis, 2005; Resciniti, 2004). To involve does not mean only to entertain, but to “immerse” (Carù, Cova, 2005) people “in activities or in an environment, images, sounds and smells that surround them” (Pine, Gilmore 1999), so that they can live a *physical* and *sensorial experience* overcoming the distance with the context in which they are (Carù, Cova, 2005).

*Sport gets several levels of involvement*. In *physical* terms it involves the practitioner: sporting activity takes up the whole body submitting it to a physical exercise and “recovering moments of run, jump and game otherwise excluded by the routine actions developed in the daily life” (Minerva, 1982).

Sport enhance a *mental involvement* in how much it is able “to darken the critical faculties of people” when they participate to a match both as practitioners or as spectators: by being immersed in the sport experience “people can shout and get excited, running away at least for sometime from the real life problems” (Guttmann, 1986). Watching a sport game in a mediate way (TV, pc or mobile phone), can induce a particular type of mental involvement: new interactive technologies produce a feeling of total absorption that isolates the spectator from the real world and from his daily life transporting him in a different environment (Addis, 2002).

Sport offers, above all for fans, an *emotional involvement* that goes beyond the event (competition, match, tournament, etc.). The fan supports his team even in other occasions such as during the meeting with athletes, sport professionals and with other fans through the fan club or the websites, living not only like a club’s supporter but being a “piece” of the team. Moreover, the *sport participation* satisfies a *social need* to be with other people with whom sharing the same passion for a sport or a club: practitioners, fans and supporters are open to live an *associative experience*.

Last, but not least, sports such as river rafting, freeclimbing, trekking, etc., by creating a state of *symbiosis* and *immersion into the nature*, “produce a feeling of abduction, joy and intense appreciation of the action” (Arnould, Price, 1993) and introduce a discontinuity in the flow of daily life favoring a sort of “*mystical and spiritual experience*” (Ladwein, 2005).

2. The concept of *self-determination* is related to the interaction between demand (who lives the experience) and supply (who offers the experience). According to some authors (Prahalad, Ramaswamy, 2004), the dimension of self-determination can evolve toward a process of “*co-production*”, that is the *consumer becomes producer, together with the company, of his own experience*.

The user’s co-participation to the process of supply is a typical element of the service sector - and of the sport as well - that implies the simultaneity between production and consumption: the customer participates to the service’s design and delivery (Eiglier, Langeard, 2000) by assuming a central role as a “co-producer”.

The role of *consumer* as *co-producer* of the *experience* can be favorite by new technologies. In the digital era spectators gain the role of *interactive users* of multimedia services, evolving from a passive to an active condition. With the development and the diffusion of the broadband Internet<sup>3</sup>, the spectator interacts not only with the media tool, but also with other people, becoming part of *communities*, spaces where they

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<sup>3</sup>Broadband or high-speed Internet access is provided by a series of technologies that give users the ability to send and receive data at volumes and speeds far greater than Internet access over traditional telephone lines. In addition to offering speed (more than 200kbps), broadband provides an “always on” connection and a “two-way” capability, that is, the ability to both receive (download) and transmit (upload) data at high speeds.

communicate through chat and forum, as well as to insert new *self-generated contents* (User Generated Contents - UGC). New digital technologies such as digital cameras, Personal Video Recorder, etc. allow the user to register and *broadcast* video, images, texts, podcast and music and to develop web sites with personal pages to be shared with other people<sup>4</sup>.

With new technologies, users can also create their *own customized product*. Although interactive content is mainly produced by media, the advanced technology allows users to be part of the process, by interacting with the event's broadcaster. For example Sky Italia offers a channel called My Sky, which allows users to record sport events and put them on a separate platform creating their own "My Sky" event.

3. The relevance of *symbolic benefits*, that is those related to what the product/service represents in psychological and sociological terms, in comparison to those functional benefits, is another peculiar element of the experiential approach (Holbrook, Hirschman, 1982).

The *symbolic value* associated to sport assumes a relevant importance in comparison to "technical" features such as the need to practice a physical activity in order to gain a wellness and health value. People often choose a sport to socialize, and to become part of a *tribe*. For example people who play snowboard, surf, skateboard, feel part of a "group" and very often besides using a specific equipment, also share a language that "marks" them (Cova, Cova, 2002) and at the same time aggregates them. The *need to be part of a group* is very strong even for *spectators*, specially for the fans of a team. By identifying themselves with the colors of a club, people can attenuate social, professional and political differences that usually distinguish them within the society. During a match fans feel like they are in the same "family" with whom to share joys and pains of the competitive competition.

*Communities of sports passionate* are born and created *online* as well. The Internet, through blog, online forum, chat, etc. enhance relationship building. The creation of *virtual communities* occurs in particular through the use of social network sites, such as Myspace, Facebook, etc. Social network sites are virtual places in which people of similar interest (football, music, technology, running, motorcycle, etc.) are aggregated to communicate, share, and discuss ideas since they allow users to post information about themselves, pictures, leave messages about upcoming events, and link to specific websites. These "virtual tribes", although existing predominantly online, very often also meet in the "real life", by strengthening and renewing their sense of affiliation to the community.

4. *Multi-functionality* means to *enrich the consumption experience* by integrating products and services *with additional features* to differentiate the offer and to enhance consumers' loyalty (Resciniti, 2004).

In sport is not only a matter of creating value and increasing the consumers loyalty by offering additional services (in venues' comfort, restaurants, café, Internet point, etc.). The sport product is made by a mix of elements (sport trainers, athletes, sport venues and equipment, etc.) chosen by the sport club with the aim of satisfying its target segments' needs. Nevertheless, the sport organization cannot plan in advance nor control all the relations among the different elements of the sport product. Unlike the industrial sector, *sport does not have a precise delivering process*, but it is the result of *related tangibile* (athletes, team, technical equipment, etc.) and *intangibile* (emotion, passion, competition, etc.) dimensions (Zagnoli, Radicchi, 2008). The combination between sport tangibles and intangibles induces the aleatority of the performance result which in turn determines an economic *risk*. The impossibility to control technical results imposes to the sport clubs to focus on *product extensions* (Mullin et al., 1993). That is income diversification strategies, such as building new sport venues, sponsorships, merchandising, multimedia and interactive services (play cam inside the stadium, web tv, etc.). The purpose is not only to increase the fans brand loyalty, but even to acquire new economical resources to sustain the financial autonomy of the club.

5. Places where people live the experience, is another important element of the experiential marketing paradigm. According to Pine and Gilmore (2002), companies should create "thrilling and absorbing places" where the consumer can be immersed (Carù, Cova, 2005). There is a variety of *customer experience places - real or virtual venues* where companies can sell experiences connected to the their brands.

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<sup>4</sup>For example MySpace, Youtube, Flickr and Wikipedia allow users to *upload* on the web multimedia contents to whom millions of online surfers can have access. The active and interactive involvement of users allowed by new media technologies find its expression within the new so-called paradigm Web2.0. See O'Reilly T., *What is Web2.0. Design Patterns and Business Models for the Next Generation of Software*, 30 September, 2005. [www.oreilly.com](http://www.oreilly.com).

*Virtual places* such as sport clubs and sporting goods suppliers' web sites are additional spaces compared to the "physical sport venues" (stadiums, arena, ballparks, etc.), where people can live a sporting experience. The latter, although very different in comparison to a direct experience, can create an *emotional involvement* for users. Web sites are a sort of *branding communities* (Mandelli, Vescovi, 2003) where spectators, passionate, and fans share and exchange information and comments by strengthening their ties with the team. *New technologies can enhance the users' brand perception and awareness* with the creation of consumption experiences lived through virtual channels (Schmitt, 1999).

*Distribution places* are central within the experiential marketing paradigm as well. They are not only "functional boxes" (Siri, 2004) where to sell products, but can gain the brand value with features that can strengthen its relational power with the consumers.

Distribution places can be *physical, virtual or both*. *Physical places* are for example the Adidas and Nike single-brand stores. These latter have the value of concept store, that is spaces where all the elements are thematic centred with the purpose to sell a "pleasurable experience" to the consumer (Codeluppi, 2001).

Distribution places are *virtual* when *selling products or delivering contents* takes place through a *digital channel*. There are places where we can find both physical and virtual dimensions, that is contexts where the shopping activity is enriched with entertainment features that allow the consumer to live an experience associated to the brand and to the company<sup>5</sup>.

## 2. New media opportunities to enhance the sport event experience

The sport experience has *in nuce* two distinct intrinsic dimensions: *practice* and *spectatorship*. In origin the participation to the sport event as a practitioner or a spectator is exclusively live. It is a direct and *real experience*. With the advent in the '50s of the analogical television and with the emergence at the end of the '90s of new media, the sport experience assumed connotations close to a *virtual reality*. By enriching the participation both of practitioners and spectators with *multimedia and interactive dimensions* it allows them to interact with the event's environment and other consumers. The entry of new technologies within the sport event began in the '60s with the first satellite transmission of the 1964 Tokyo Olympics. Over the years events and sport contents have been increasingly distributed through electronic, multimedia, interactive and virtual channels thanks to the emerging of different technological paradigms.

For example the process of *digitalizing*<sup>6</sup> in the computer systems at the beginning of the '80s has been the hauling element in the transformation of telecommunications sector, producing important consequences. In this phase the *technological paradigm*<sup>7</sup> is characterized by the emerging of *personal computer* that allows the *database construction* and therefore the *management of a complex system of information* on the pc, also by a single user.

The need expressed by companies and institutions to transfer information from a terminal to another, induces the push toward the connection among manifold database before inside the same network, then in connection with other networks. With the diffusion of the Internet, the telecommunication network becomes a necessary feature to elaborate and transmit data. The new *technological paradigm* is characterized by the *Internet* that realizes the *convergence between computer science sector and telecommunications*: information are transmitted through the web by overcoming space and time limits. Thanks to the development of the telecommunications sector and its convergence with the computer science (Information Communication Technology), new ways of organizing information emerged, both in terms of data elaboration, and transmission and sharing. In the '90s the *interaction between computer science and telecommunications* represents the *embryonic phase of the multimedia paradigm*<sup>8</sup>.

In the new millennium *digital era* the next paradigm is given by the *convergence among web, television and new broadband technologies*. It is the affirmation of the *virtual technological trajectory*.

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<sup>5</sup>Kozinets *et al.* (2002) define those spaces like *themed flagship brand store*.

<sup>6</sup>Digitalizing means "to codify, transform and broadcast information as a *bit*".

<sup>7</sup>Every innovation cycle starts with the affirmation of a new *technological paradigm*, defined as a "pattern of solution of *selected* technological problems based on *selected* principles derived from natural sciences and on *selected* material technologies" (Dosi, 1988).

<sup>8</sup>Multimedia applications employ a combination of data formats such as full motion video, digital audio, still photographs, animation graphic and text. See Zagnoli P., Cardini C., "Patterns of International R&D cooperation for new product development: the Olivetti multimedia product", *R&D Management*, Volume 24, N.1, 1994.

The evolution from analogical to digital system and then to the multimedia and virtual one, has important consequences on the way in which sport consumers access the sport event.

New media - which is any digital media production that is both interactive and digitally distributed (Pastore and Vernuccio, 2002; Santomier and Shuart, 2005) such as websites, streaming audio and video, e-mail, online communities, web advertising, and mobile technologies - enables sport organizations and companies with a variety of platforms to deliver multimedia contents (voice, audio and data together), everywhere and anytime the consumers want it. People increasingly interact with the world through a new media network (Gillis, 2006) composed of the Internet, chatrooms, interactive TV, SMS messaging, blogs, and iPods.

A major aspect of the changes in new media consumption is the *shift in control from broadcaster to viewer*. Consumers are becoming their own editors, empowered as to which messages they receive (Tapscott, Ticoll and Lowy, 2000). Interactivity is becoming central to the way in which people, and specially young people, use new media (Gillis, 2006). In the Digital Economy (Ciotti, 2000; Tapscott, 1996; Tapscott *et al.*, 2000; Yoffie, 1995; 1997), people are no longer merely passive agents but are participating interactively (Tapscott, 1996). The emerging new digital technologies, particularly the broadband Internet and other different ways of broadcasting (mobile phones, digital television, etc.), enables the spectator to interact not only with the device, but also with other people, up to create relational network that give place to virtual “communities”.

*Interactivity* - intended as the “interaction” of the user with the new media, the event and with other users - is the dimension that is likely to be the most significant feature for sport experiential events development. Spectators do not simply want to sit and watch a sport event on their televisions. They want to have a “sense of active involvement” in the event. From an experiential perspective (Pine and Gilmore, 2000), the diffusion of new media as a main distribution channel of sport may allow people to live an *interactive experience*.

In addition to interactivity, other new media potentialities that companies should exploit<sup>9</sup> in terms of experiential sport events are the *personalization* of products and services, the *enrichment of events’ consumption* with new multimedia applications (such as video streaming online with high quality images, interactive forum and blog, video games, etc.), the development of *e-commerce* and mobile commerce (*m-commerce*), the creation of *virtual communities* able to enhance the fans and consumers “brand loyalty”.

*Multimedia, interactivity* and *social networks* are therefore the main dimensions of new technologies that companies would be able and should try to adopt in the planning and implementation of experiential events.

Regarding the choice, ideation and implementation of sport experiential events appears the centrality of each technological paradigm developed since the ‘80s up to the new millennium. Pc, the Internet, and virtual environments have been rolled out over the time without being completely surpassed, but rather embedded into the next innovative technologies.

Nevertheless, some paradigms appear to be more affirmed than other in different local contexts of application. In fact, although new digital technologies are inexorably rolling out across the world (Gillis, 2006), the opportunities offered by new media for the organization and access of experiential events can be still considered “potential”. The adoption and the diffusion of the new media in different countries is dependent on several factors, such as access technologies regulation, governments’ attitude, technological infrastructures, penetration’s rate of various access terminals, users’ attitude towards new technologies, users’ preferences, and culture (Barnes, 2004; Castells, 2001; De Mooij, 2003; Douglas and Craig, 1997).

*First*, the diffusion of new technologies resides in the technological availability and consolidation, linked primarily to the *infrastructural conditions of each country*. As an example consider the wide existing gap between Italy and United States regarding the diffusion of “*cable Tv*”, that allows to enrich television services with multimedia and interactive contents. The Italian *gap* is linked to the lack of accessible infrastructures (digital decoder, etc.) required for the digital television<sup>10</sup>. Instead the situation of our country regarding the diffusion of the *mobile telecommunication wireless technology*<sup>11</sup> is quite different. Its popularity in comparison to other network infrastructures, such as digital terrestrial TV or cable TV, is fostered by the lower infrastructural activation costs, due to the strategic diffusion of antenna towers on the Italian territory.

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<sup>9</sup>See Wigley J., 2005.

<sup>10</sup>According to an Italian government’s Ministerial Law, by the year 2012 the digital terrestrial television (DTT) should have completely surpassed the analogical technology. See Decreto Ministeriale 8 Agosto 2006, “Italia Digitale”, Ministero delle Comunicazioni.

<sup>11</sup>According to a report on the diffusion of new technologies, in 2005 mobile phones are used within the 87% of Italian families with an increasing of 5% compared to the year 2003. See Federcomin, Anie, 2006.

*Second, applicability and user friendly access by the users* are crucial. The varying adoption and success of new media across nations depends on *socio-demographic and cultural factors of each single countries*. For example in Italy the use of mobile phones is still linked to voice services, integrated with Sms, *instant messaging* and *infotainment* (sport news, economy, weather forecasting, etc.). The delay of our country in comparison to other European and Asian contexts (Japan, Korea, etc.) in the diffusion of multimedia contents, such as moving images, movies, sport matches, etc., may derive from the cultural attitude of Italian people that still use mobile phones primarily to communicate through voice services and SMS (MIP Report, 2006) instead of as an entertainment channel.

*Third, the users new technologies literacy* is another important element for accessing sport contents through the new media. The lack of diffusion of a “technological culture”, connected to factors such as age, occupational status, degree of urbanization, etc. can negatively influence the possibility to maximize the benefits that new technologies offer to the consumers in terms of diffusion and interactivity.

### **3. Experience in sport events: a tentative typology**

In the following paragraph we try to build a classificatory map of the sport experiential events staged by the industrial companies which comes out from an empirical exploration. The emerged typology is built matching the analytical *categories* of the *experiential marketing* paradigm with the different *feature of the event* (real, mediate, multimedia, virtual) (see exhibit 1).

As sketched in the exhibit 1, in terms of *users involvement, events differ primarily for the experiential dimensions that are implicated*. Within *real events*<sup>12</sup> the experiences realized by the companies mean a *physical* and *sport practice participation* (recreational/professional, individual/team) of athletes that take part to the competition. There is also the presence of a *live audience*.

In the case of *mediate events* the *spectators' participation* is *not direct*, but it happens through the use of different communication channels such as digital television, radio, etc. To watch a sporting event through the use of media enables “to enrich” the spectator’s experience as regards to the live event. In fact, taking in a game from a stadium for example, fans do not benefit from the commentary, instant replays, and statistics provided on television. Conversely, with “traditional” TV viewers only see what the networks choose to and are able to show. And neither offers the opportunity of personalizing or interacting with the game. With the use of I-TV, the Internet, and the mobile phones, users are watching a “real” sport event (a football game, a rugby match, etc.) through the lenses of multimedia channels. The main feature of *multimedia sport participation* is that *users can access and live the sport event in a “mediate” way*, by enriching their experience through the use of new digital technologies (selecting different camera angles, instant replay, athletes statistics, etc.). *New media provide entertainment to enrich the event sport experience and opportunities for interactivity*.

The main feature of *virtual*<sup>13</sup> *sport events* is that the *media player (user) can interact with the event, modify the sport content* (environment, athletes, etc.) and *determine the final result*. The *main difference between multimedia events and virtual sport events* is that in the latter case the player chooses their athletes, coach, can create its own avatar, and acts in those virtual environment. Moreover, players (users) are not passive but *active audiences*: selection, choice, strategy, dialogue, etc. are activities done by the users who create in a unique way their own event version. Moreover virtual events permit simultaneous participation of many people through the Internet connection. In addition, sometimes the *virtual event can become « real »* when companies organize “daily challenges” in which *real players compete against each other* inside physical locations such as arcade video games, arena, etc. through *virtual athletes or sport avatar* while a *real audience is watching* and cheering at the live match.

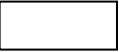
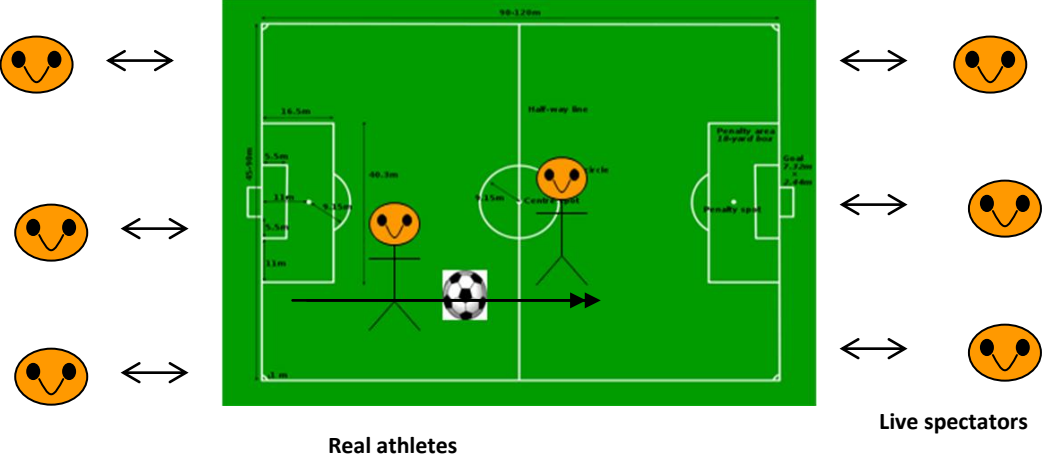

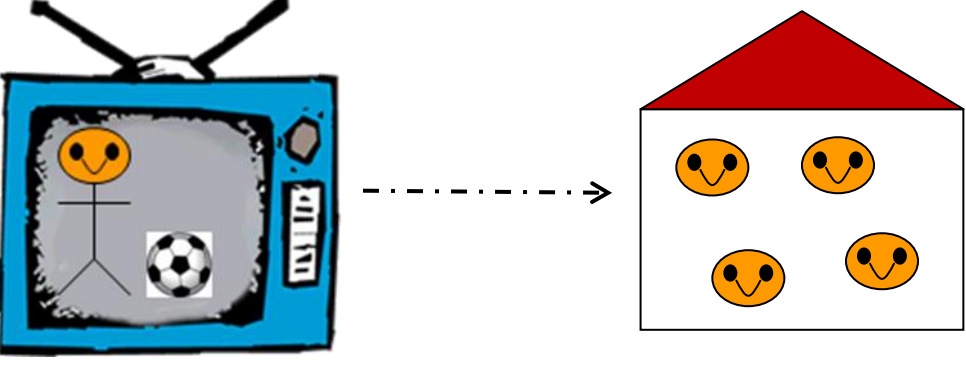
In the light of the empirical analysis we observe that real, mediate, multimedia and virtual events are not left out by each other. Rather, companies use different events features by mixing and matching them in order to pursue a variety of marketing strategies how it will be thoroughly described and examined in the following sections.

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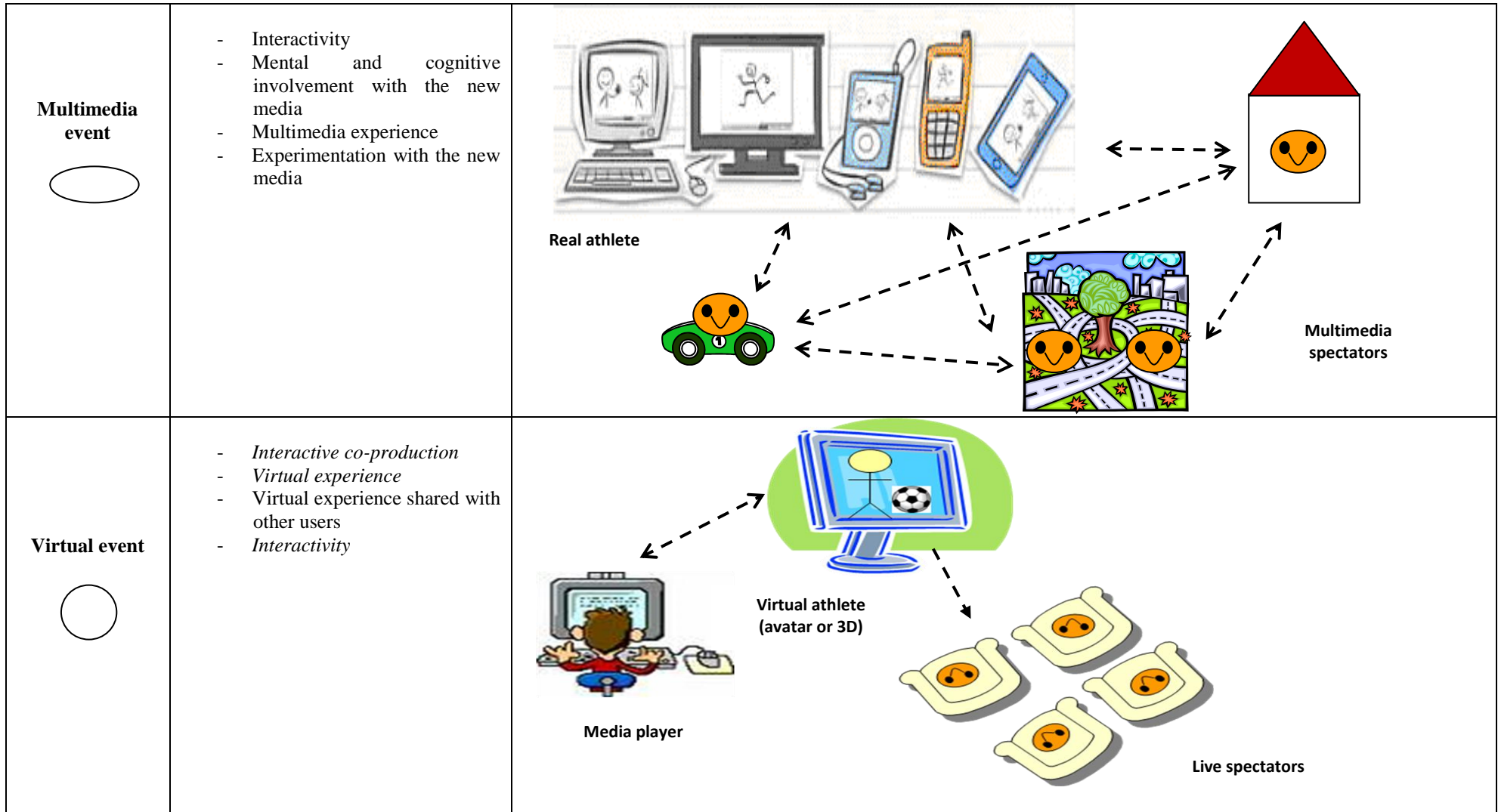
<sup>12</sup>According to the Dictionary’s definition the term *real* comes from the latin word *res* (thing) and means “*all that exists, that can be observed in a tangible way*”.

<sup>13</sup>Within the computer science language, *virtual* means *simulated, not real*. The term virtual is usually applied for describing each kind of simulation created through the use of pc, video games or the web users network.

Exhibit 1 – Typology of experience in sport events

Feature of the event	Experiential marketing dimensions of the sport event	
<p><b>Real event</b></p> 	<ul style="list-style-type: none"> <li>- <i>Physical involvement</i></li> <li>- “Immersion” within sport practice experience</li> <li>- <i>Direct participation</i></li> <li>- Emotional involvement</li> <li>- <i>Associative experience</i></li> <li>- Central role of the distribution place</li> </ul>	 <p style="text-align: center;"><b>Real athletes</b> <span style="float: right;"><b>Live spectators</b></span></p>
<p><b>Mediate event</b></p> 	<ul style="list-style-type: none"> <li>- Mental involvement</li> <li>- Mediate participation</li> </ul>	 <p style="text-align: center;"><b>Real athlete</b> <span style="float: right;"><b>Mediate spectators</b></span></p>





————> The unbroken arrow explains a *direct relationship* between the sport event and the live spectator (real event).  
 - - - -> The cross-hatch arrow explains a “mediate” relationship between the sport event and the spectator (mediate, multimedia and virtual event).



### 3.1 Sport practice events

Among all the industrial companies that invest in sport, *Nike* represents a “*model*” of how a brand can be managed through the *promotion of sport events* planned and *created ad hoc by the firm*. The American sport supplier recognizes a strategic role to marketing and communication with an explicit orientation to the experiential marketing. To increase the visibility and the value of its brand, Nike chooses of “to not only offer its shoes, but experiences as well through events that actively involve participants”. A “Sports Marketing” division for each country, that differ from the company’s marketing Division, is specifically dedicated to plan and promote events. Therefore *Nike develops a rich and articulated range of sport experiences*.

The sporting good supplier conceives several initiatives aimed both to strengthen its brand position and to promote and sell its products. There are different format of *sport events* which involve *young non professionals athletes* such as training camps, indoor and outdoor tournaments, 1 against 1 challenges, etc.

*Training camps* are staged by Nike at least once in a year. There is the participation of the best under 20 years old basketball players, “protagonists” of training days where usually are involved both the greatest International Basket Federation (FIBA) coaches and some big Italian and American champions. The sporting good supplier offers to the young players the opportunity to be noticed by famous talent scouts who are attending the trainings. The participants can also meet their “idols”: Nike enables them to live a “thrilling experience” (Pine, Gilmore, 2000) with the aim to *approach them to the Nike brand and its values*.

With an experiential marketing view, Nike also organizes *competitive road events* that involve thousand of participants from many Italian cities. For example the “Nike skills contest” is a basketball event of three month length during which the Nike staff visits numerous basketball gyms<sup>14</sup> to scout young boys and girls (10-18 years) that compete in 1 against 1 challenges to gain the Most Valuable Player (MVP) of the year title.

As for the camps, the skills contest aim not only to appeal to new consumers. Besides, those events allow Nike to develop a sort of “emotional priority right” towards young athletes. During these events, in fact, Nike offers to the participants their first opportunity to be visible, it favors the development of excellent competitive performance enabling them to train with the best coaches, and it furnishes a technical support to the young athletes that receive shoes and other technical equipment branded with the whoosh. By “adopting” the *athlete* during his sport-technical growth, Nike creates the premises for a *future* role as *company’s testimonial*.

The numerous examples described in this paragraph enlighten that Nike, by engaging in initiatives aimed to promote sport passion, participation, dream, champion’s emulation, etc. can develop the participants’ identification with its brand. Moreover, Nike can stimulate the purchase of its products by enabling young athletes to live *absorbing and memorable experiences* both physical and emotional. These experiential marketing events involve a further strategic goal: to make emerging the technical qualities of the “next basketball champions” in order to include them in the range of the new testimonials.

The *sport event* as a *promotional tool* can also be planned, organized and implemented by companies that not directly operate in the sports sector, but within interrelated businesses. As an example, consider Red Bull Company Limited which produces and markets the namesake energy drink. Red Bull is positioned on the *drinks sector* as *being non-conformist and innovative* and aiming to a *young target of consumers* (15-39 years), the so-called “*work hard-play hard*” segment<sup>15</sup>. Its product is thought for all daily life occasions where concentration, attention and physical resistance are put to hard test.

Red Bull’s marketing strategies appear quite original and innovative. From the can’s design to the high visual impact promotional campaigns (“Red Bull gives you wings”) and promotional tools<sup>16</sup>, and “non conventional” marketing activities like sponsorships and sport events. Since few years ago the Austrian brand has in fact *diversified* its business activity investing within the sport sector at an international level. The company, besides owning and sponsoring some major sports and teams<sup>17</sup>, organizes *sport practice events* which involve young, extreme and “high speed” sport disciplines such as *free climbing, snowboard,*

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<sup>14</sup>The 2006 “Nike skills contest” edition involved more than 26.000 participants from more than 200 Italian basketball clubs.

<sup>15</sup><http://www.redbull.com>.

<sup>16</sup>Consider for example the products’ test made by “sampling girls” that on board of the Red Bull car make people tasting the drink in different occasions such as concerts, events, demonstrations, etc.

<sup>17</sup>For example the New York Red Bull soccer team and the football club Red Bull Salzburg, the Formula 1 teams Red Bull Racing and Toro Rosso. See <http://www.redbull.com>.

*kite surf*<sup>18</sup>, *acrobatic flight*, as well as an international tour of *football freestyle*: the association between the product and this kind of sports can strengthen the energy drink's image.

For example Red Bull is planning the 2009/2010 "Red Bull Street Style" tour dedicated to the best world football freestylers. The event will be held in several cities worldwide before the final in South Africa. This *real event assumes a virtual dimension* as well. The best freestylers from each country are selected online by football passionate connected to the event's website: streetstylers have the chance to upload their video profile and to demonstrate their sport ability to the freestylers' community (<http://www.redbull.com>).

Red Bull is a single product multinational company that invests about the 30% of its income in experiential marketing sport events (MarketingArena, 2008) to increase the *brand awareness* and *brand loyalty* of a specific target segment that plays unconventional sports akin to the image and the features of the famous drink. By being oriented toward "extreme" sport practice occasions there is an additional synergy between Red Bull product and the real event: people who play sports like snowboard, free climbing, etc. want to test their physical limits, be immersed into the nature and experience the risk linked to the sport adventure. In this case the choice of a completely virtual event maybe would not be consistent with the values linked to the product (energetic drink) nor with the expectations of those people that practice sport disciplines that induce high levels of "adrenaline".

Other examples of sport practice events planned by *sport-related companies* are the Universo Sport<sup>19</sup> occasions. The *sporting goods supplier and retailer* organizes several sport tourism and leisure events that combine sport with the exploration of non-usual places or sport collective experiences to be shared with a community of people with a passion for the same discipline. For example in 2008 Universo Sport organized a trip to Algeria where participants were involved in a road trekking of 8 days to explore the Sahara desert on the Tassili n'Ajjer highland following the paths of the local tribes. In the first half of 2009, the sporting good supplier also arranged "nordic walking"<sup>20</sup> tours on the mountain that ideally go back over the past of a territory, as it for example happens with the appointment the "Anello del Rinascimento", a foot path that from Florence goes up to the slopes of the Morello Mountain, the Romans' ancient Mons Mauritius, for then go down towards the Mugello country side<sup>21</sup>.

The choice of organizing real events pursues a strategic goal. The aim of the sporting goods supplier and retailer is not only to enhance the consumer's emotional identification with its brand, but rather to *induce its target segment (passionate of active sport life, 25-44 years)* to purchase products that would improve their physical and sport performance. During the event, outdoor practitioners can experiment and test on the field the functionality of sport clothes and equipment, that are usually rented near the Universo Sport single-brand stores (e.g. the nordic walking poles). *The sport practice event* therefore can be an *occasion to stimulate the purchase and to increase the flow of sales within the stores*.

Even though the *events* organized by Nike, Red Bull and Universo Sport, can be defined *real*, often their promotion and their participants' recruitment happens through *digital channels* such as blogs and web sites, a sort of *online agorà* where people can exchange information, comments and suggestions. Companies that organize these events publish online "portals" where to find dedicated sections ([universosport.com](http://universosport.com), [redbull.com](http://redbull.com), [nike.com](http://nike.com)) to leave messages, upload video and pictures and consult the scheduled events. Besides, people who participate and/or attend to these events that are both physically and emotionally involving, then feel the need to preserve their experience in a video or with pictures to be shared online. New interactive technologies favor the sharing of memorable experiences in real time with a high number of people. New media make also share the passion for the brand that is to the origin of those events.

*On the users' side* (demand), through blog and web communities the consumer can express himself and also share passions and emotions. A passion that strengthens itself whenever people are on the field to live a sport experience in contact with the nature and with the others.

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<sup>18</sup>*Kite surf* is a variant of surf and it is practiced with the use of a special board and a *kite*. See [www.fki.it](http://www.fki.it).

<sup>19</sup>Universo Sport is a *sporting goods supplier and retailer* founded in Tuscany in 1997. In recent years the company opened 19 single-brand stores diffused in the North and Centre of Italy. Universo Sport include a wide range of sport and leisure products of more than 180 brands, grouped in four segments: *Core* (sporting clothes, fitness equipment, sporting shoes), *Urban Active* (tennis, football, swimming, running), *Open Air* (snow board, ski, outdoor, motoracing, sea) and *Other&Accessories* (home fitness, golf, martial arts, food integrator, books, trekking equipment). *Source*: Universo Sport Spa, 2007.

<sup>20</sup>*Nordic walking* is a sport walk that was born in Finland. It is practiced with the help of special poles. The technique is very similar to that of traditional long distance ski (alternate step).

<sup>21</sup>See <http://www.universosport.com>.

*On the companies' side* (supply), web sites dedicated to the events are tools that at relatively low costs allow to reach specific target consumers, to gather information about the users, to record their purchase behaviors, needs and expectations, and to enlighten new and innovative ways of interaction with them. Moreover, web communities are crucial to annul the psychological distance between consumers and firms, to enhance users' loyalty that can be stimulated by the sense of affiliation to the "community". Virtual communities can further increase the flow of consumers inside the stores or to grow their products purchase frequency by associating events and experiences to the brand in order to carry emotions that remain memorable beyond the shopping experience.

### 3.2 Multimedia sport events accessed through the Internet and mobile phones

In the contemporary *hyper competitive context*, companies often develop high sophisticated marketing strategies by collaborating with multimedia service providers to make the fans live experiences with an "high rate of involvement".

As an example consider Ferrari: in this case is not the Scuderia (the sport club) that builds and implements the fan experience, but rather the industrial division of the Italian automotive firm which has developed a *distribution partnership* with an important *mobile telecommunication provider*. Despite it has not been more active since 2006, the Ferrari-Vodafone partnership is meaningful to explain its functional and strategic importance for the exploitation of the fans and supporters' *brand experience*.

According to this *cooperation agreement* started in 2003 Vodafone - one of the most important worldwide mobile telecommunication provider and a global firm such as Ferrari, have shared their specific resources and capabilities to offer services able to *enrich the real event with multimedia and interactive features*.

The two firms have implemented a Ferrari web site within the Vodafone Live! <sup>22</sup>Internet platform for mobile services, whose contents are different by those already offered by the web site FerrariWorld.com, and are specifically dedicated to the new generation mobile phones consumers (mms and UMTS).

The Ferrari's fans, thanks to multimedia and interactive contents (texts, sounds, motion images, etc.) associated to the company's products and brand, live *cognitive* and *emotional experiences* in a *virtual dimension* featured by the *convergence* among the *Internet* and the *mobile phones*.

*In strategic terms*, the choice of Ferrari to use Internet and the mobile telecommunication to offer multimedia experiential events aimed to pursue several goals. First, the *Internet has low barriers of entry* both for the company and for the consumers and it favors the creation of an *interactive communication channel* with fans. Moreover, through the multimedia web site dedicated to the Ferrari's supporters, the sport club can reach a wide users segment without huge investments. By managing directly the interactive distribution services<sup>23</sup>, the sport club have implemented an *effective segmentation strategy* based on the *different users profiles*. Finally, the multimedia tool (the mobile phones combined with the web) allows Ferrari to create a feedback between the fan and the team. Ferrari have been able to implement specific and customized marketing strategies based on the socio-graphic and psychographic features of different supporters segments.

*On the mobile service provider side*, the partnership with Ferrari have allowed Vodafone to *qualify its offer through the added value generated by the sport contents*. At the time of the Ferrari-Vodafone agreement, the latter has chosen to jointly promote its mobile services in partnership with a sport club that was the best racing team at global level, in order to positioning the English company as "first class" in the mobile phones sector. In fact, since 2000 to 2004 with the excellent Schumaker's performance, the Scuderia Ferrari won consecutively five world titles. Today Vodafone is a McLaren's partner. Therefore, with Hamilton is confirmed the strategic choice of the Anglo-Saxon company to partner with worldwide winning and exciting sport teams.

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<sup>22</sup>From the web site users could have access to the "Mobile zone", the services' link dedicated to Vodafone subscribers. This web site offered multimedia contents (video, texts, pictures, video games, etc.) connected to the Ferrari world, such as the preview of Formula 1 GP pictures and the racing cars technical descriptions.

<sup>23</sup>In the year 2000 Ferrari set up Ferrari.net, a joint-stock company wholly controlled and absorbed within the Ferrari Spa's Communication Division. The main function of Ferrari.net is to implement an effective websites' segmentation policy based on each users target (sponsor, fans, community members, Ferrari Store clients, Ferrari's owners, other companies).

To promote and sell their brands and products, sporting goods suppliers offer virtual experiences through strategic collaborations with multimedia contents distributors. Think for example about the Adidas-Yahoo! and Nike-Google partnerships.

The agreement between Adidas and Yahoo! started in 2004 with the promotional campaign “Impossible is nothing”. Accessing the Yahoo! homepage (www.yahoo.com) consumers could participate in the online initiatives arranged by Adidas - such as games, podcasts, music and chats available on the search engine portal. With the world football championship held in 2006 in Germany, the agreement was further strengthened: Adidas was selected as world cup official equipment supplier. This allowed the sportswear sponsor to *spread its online community* through a specific space within the FIFA official web site (www.FIFAworldcup.com).

During the 2006 world football challenge, even Nike signed an agreement with Google and, leveraging on the last minute enthusiasm, developed the Joga.com web site, whose philosophy was to attract the greatest number of users. This web site *have generated a virtual community of football passionate* that interacted with the forums and downloaded video whose contents were designed and delivered by Nike in collaboration with Google.

The partnerships implemented by Adidas and Nike with the two search engines entail *viral marketing*<sup>24</sup> strategies that have allowed the two sport equipment suppliers to increase their brand visibility by creating an “interactive users involvement” and making low budget investments. In a short time, video and games available online have reached a wide number of people and have created football fans *virtual communities*. Adidas and Nike have benefited from the “network effects”<sup>25</sup> produced by the amplification of consumers connected to the Yahoo! and Google search engines.

Exploiting the web “word-of-mouth” effect, Nike and Adidas have been able to reach a wide but “selected” consumers’ target. During the football world championship, the two firms have chosen to address their services to a specific target - the younger football fans – by using one of the most diffused tool (the Internet). The sportswear suppliers aimed to pursue specific strategic goals: on one hand *Adidas*, with a distinctive competence in the production of football sneakers, intended to *re-launch its image*<sup>26</sup> as a up-to-date company in technological and engineering terms to become a “trend brand” from a marketing and communication point of view as well. The German supplier tried to enrich its products offer with additional experiences dedicated to a specific market segment: young people that spend a lot of time on the Internet by consuming entertainment, sport, and communicating with other people surfing on the web. On the other hand *Nike*, by offering multimedia experiences to football passionate, aimed to strengthen its position in this market segment where it did not have great experience yet due to its traditional position in the jogging sector.

The collaboration has also involved *benefits* for the Internet portals: thanks to a simple and effective web site registration to access to the exclusive Adidas and Nike services, the two *search engines* have *increased notably their contacts*, have *widen their respective users communities* and have *enhanced their businesses*.

### 3.3 In house real and multimedia sport events: the flagship stores

In recent years *stores* have become new *relational and emotional marketing tools* (Codeluppi, 2001). Since the new role of modern consumer for whom purchasing is not only a way to buy products, but also a relaxing and entertainment activity (Fabris 2003), important implications for both industrial and commercial companies emerge. The need to increase the *emotional side of stores* induces to consider them as strategic marketing mix tools. Shops are evolving from being a place of mere purchase to become a space to be visited and to be admired, up to be a *relational and meeting point* (Codeluppi, 2001; Castaldo, Botti, 2001).

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<sup>24</sup>According to the *viral marketing* approach (Godin, 2001; Wilson, 2000), a promotional message is diffused as a “virus” thanks to the *buzz* generated by the common habit of sharing emotions and experiences with family and friends. This approach assumes that the *firm* has an *active role* in the *launch*, development and control of the “*viral*” *communicational campaign*, planned to increase its brand popularity among users.

<sup>25</sup>Shapiro and Varian (1999) talk about “network effects” when “for the single user the utility deriving from the purchase of a product or a service is connected to the number of other consumers of that product or service” (p.16). As an example consider new technologies such as Umts, e-mails, Skype, etc: the wider is the technology capillary diffusion, the bigger is the number of potential users. Shapiro C., Varian H.R., *Information Rules. Le regole dell’economia dell’informazione*, Etas Libri, Milano, 1999.

<sup>26</sup>Between the 2006 and 2007, that is immediately after the promotional campaign launched on the Internet, Adidas increased its market share from 36% up to 40% proving itself as a leader in the European football segment. *Source*: Sport Stratégies, « Adidas conforte sa position de leader du marché du football », 16 Giugno 2008.

*Events arranged inside sport suppliers single-brand stores*, can create a strong image value and can be an important strategic tool to “immerse” consumers within the company’s brand experience: shopping is enriched with the participation in a *physical (sport practice)* and *emotional experience* lived by the consumer inside the single-brand shop. As an example consider the events organized since April to June 2006 inside the Nike Town, the *flagships stores* opened by Nike in several cities worldwide (London, Milan, Chicago, New York, etc.). The events aimed to present and promote the Nike + iPod Sport Kit<sup>27</sup>. Inside the Nike store, jogging passionate have lived the running experience by racing on a tapis roulant, assisted by a personal trainer, while they were wearing their preferred shoes and listening to the music.

In this specific case, the place where the event is staged is highly relevant. The Nike Town is not only a “shop” where to buy products, but becomes a space where the consumer can live memorable experiences by personalizing its own shoe, meeting athletes or challenging friends (e.g. basket, mini golf indoor, etc.). The Nike Town offers a complex experience by *involving consumers’ senses* as well as *cognitive and emotional processes*<sup>28</sup>, and it becomes a meeting and *social participation* place where it is possible to meet other Nike community members with whom to share the passion for running.

Moreover, the event is enclosed within the *R&D and marketing collaboration* agreement between Nike and Apple. The partners, through a joint promotional commitment, besides to organize *events inside the stores*, aim to create a *sport, music and technology passionate community* using their respective *web sites*. By registering to *nikeplus.com* and *apple.com*, in fact is possible to have access to *online additional services* such as to chat inside runners forums, design personal jogging paths with Google Maps (the satellite service that allows the visualization of geographical maps on the web), personalize shoes, download the favorite athletes songs, challenge other people during their workouts, etc.

By *joining* the two brands, both “*technology-driven*”, each partner pursues specific marketing goals: on one hand *Nike*, through the *nikeplus.com* portal is able to gather users information thus enhancing the creation of a wide and diversified consumers’ database. On the other hand *Apple*, by including within the iTunes virtual store music files created for sport fans, can *widen* its own *target market*. With this *collaboration* each partner can exploit the *other brand visibility* and *notoriety* to strengthen the *value of it owns*. The partnership is a strategic means to reach the consumers target already “loyal” even to only one brand: the Nike’s appeal is in favor of Apple and vice versa. The experience conceived by Nike and Apple through the web, enlightens how the web sites represent a sort of *flagship sites* in companies marketing strategies (Pine, Gilmore 2002): these *single-brand virtual spaces* (e.g. *nikeplus.com*) enrich the consumer experience with multimedia dimensions by strengthening the consumer brand loyalty.

In some cases the *sporting goods suppliers*, rather than using their own single-brand stores, *select retailer store chains* already affirmed in a specific market to favor the identity penetration and strengthening between products and consumers target. As an example consider the event staged by Nike near the “Universo Sport”<sup>29</sup> store in Florence which *actively involved* hundreds of *young people* from 16 to 30 years old. Among those participants five have been selected to compete in a football challenge with a famous ACF Fiorentina’s player. The possibility to play and to technically compete with the football player, has enhanced the strong sense of local identity with the athlete and the team. The *emotional involvement* stimulated by the participation of an athlete who expresses a strong tie with the ACF Fiorentina and its fans, gets stronger since the place (the Universo Sport store) where the event is staged, is located in the city (Florence) to which “belongs” the team.

The challenge that has taken place in the Universo Sport store has a strategic value for both partners: *Nike* has promoted its new shoe “laser T90”, designed for football passionate, in a city as Florence where the tie with the team that represents this sport is so meaningful to be almost unique in Italy<sup>30</sup>; to increase the flow of sales within its store, *Universo Sport* “has jointed its brand’s with the values of modernity, youth and active motion expressed by a sport like football (Universo Sport, 2007).

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<sup>27</sup>Through a wireless system, the Nike shoe is connected to the iPod by allowing the runner to measure its performance, and at the same time to listen to the music downloaded on its Mp3 from iTunes, the Apple online music store. <http://www.apple.com/itunes/store>.

<sup>28</sup>On the Nike stores’ shelves besides clothes and shoes we can find sport memorabilia, meeting points for athletes and clubs are fitted out, and several scenographic features like basketball camps and tunnel for the visitors’ entrance.

<sup>29</sup>See footnote 19.

<sup>30</sup>The strong tie between Florence and the local team is confirmed by the fact that 90% of season tickets members live in Florence and in its metropolitan area.

### 3.4 Real and multimedia collateral sport events

Sport offers to sponsors several occasions to arrange memorable experiences that involve wide numbers of people. For example the Olympics or the Football World Championship usually aggregate thousand of live participants and “catalyse” the attention of millions of spectators. Therefore this kind of international events have a strategic value for companies and corporations that plan and stage *collateral events* with several dimensions: recreational sport practice, entertainment and virtual game.

For example, in 2006 Coca-Cola, *main presenting sponsor*<sup>31</sup> of the Turin Winter Olympics, staged the Olympic Torch Tour<sup>32</sup>. In that occasion more than 2.000 torch-bearers have been selected through a series of institutional initiatives that involved schools and local communities. Moreover, during the tour Coca-Cola has anticipated the torch-bearers arrival with a convoy of promoters, caravan and Fiat 500 creating excitement and expectation toward the torch’s appearance. With a wide capillarity on the territory, Coca-Cola have directly reached 7 million people, by distributing products and gadget (flags, cans, bracelets, etc.) in the streets, squares and into the Italians’ houses. The ability of Coca-Cola to enter inside the places and daily life of Italians, has created an *experiential event of sport passion and entertainment* that has induced an “Olympic emotional participation” for those people that have not taken part to the Games as well.

Coca-Cola decided to sponsor a global event watched by diversified consumers’ segments in terms of age, sex, life style, etc., with the purpose of *promoting the soft drink* not only among the youngest people, but even *towards the whole Italian population*. Since many years Coca-Cola made a strategic choice to be sponsor of the Olympics with the goal to introduce its products in new markets -as for example Europe in the ‘30s<sup>33</sup> or China with the 2008 Beijing Games, a market that is featuring a strong growth rate even though still away from being mature. The 2006 Turin Olympics allowed the American brand “to stage” a sort of road tour through which the company has brought its product “directly inside the houses of citizens”, by giving the possibility to experiment the drink even to a segment of population that maybe would not have purchased it, with the intent to widen its consumers range in all the market segments.

Other interesting examples of *collateral events* are those organized in 2006 in Germany by Adidas as official technical sponsor of the Football World Cup. Football passionate have lived “an event within the event”: 32 teams of worldwide not professional football players challenged in the “XboX Cup” tournament staged at the “Adidas World of Football”<sup>34</sup> park with the same rules and contemporaneously to the football championship. The event aimed to develop the participants’ sense of identification with the champions and to create an *emotional involvement*: athletes selected for each team “represent” their respective national flag, such as the official teams players. Moreover, the event assumes a *virtual value*: the selected participants had previously challenged online competing with football video games on the XboX Live<sup>35</sup> platform, conceived by Microsoft.

The event is included within the agreement started in 2005 among Adidas and Microsoft to jointly promote the sport supplier’s products and the video game console “XboX 360” created by the high tech firm. The *collaboration with the multimedia partner* had a *strategic value for the German supplier* since it feeds the relation between network of users and community of football fans through multimedia tools. The synergy was highly remarkable: virtual connections intensify the relations among the communities – football fans on one hand, and video games passionate from the other -, and extend enormously the number of accesses and online relations. The partnership with XboX Live has allowed Adidas to widen the visibility of its products and services through the global<sup>36</sup> “network” produced by the community of *video games addicted*.

Microsoft qualified its products by offering additional value added sport contents with the purpose to overcome a part of the market share held by the competitor Sony which produces the PlayStationPortable.

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<sup>31</sup>Even Samsung Mobile was *presenting sponsor* of the Olympic Torch Tour, but in this research it is explained and analysed only the Coca-Cola’s role.

<sup>32</sup>The Olympic Torch Tour, starter the 8 of December 2005 and concluded the 10 of February 2006, has been considered the widest Italian road event: more than 11.000 Km covered, 64 days lenght, 10.000 torch-bearers involved, an itinerary that has traveled around all the Italian Regions and Provinces.

<sup>33</sup>The 1928 Olympics in Amsterdam are the Coca-Cola Company’s debut as a sponsor, when together with the US Olympic team were sent beyond the Ocean even 1.000 Coca-Cola’s boxes. Source: <http://www.coca-colaitalia.it/olympicemotions>.

<sup>34</sup>The German sporting good supplier had built in Berlin, in front of the German Parliament house, the Adidas World of Football, a park that included a temporary stadium, bar, restaurants and stand where people could buy the Adidas sponsored teams’ merchandising.

<sup>35</sup>Through the web site it is possible to download hundreds of online video games beside to play in real time with other users.

<sup>36</sup>The XboX Live, in 2007 accounted more than 10 millions users. Source: [www.xbox.com](http://www.xbox.com).



The strategic choice to combine Microsoft's brand with that of the sporting good supplier was aimed at specific promotional and marketing goals. When in 2001 was launched on the market, although technologically more advanced than its competitor, the console Xbox however was not able to offer a more exciting *user experience* regarded as to that of the PlayStation. The main weaknesses were the graphic aspect and the lack of available games (only 19 vs. the 200 titles of Sony). The partnership with Adidas has allowed Microsoft to increase the visibility of its console through a "platform integration" strategy: the sporting equipments supplier has contributed to enrich the console's features with interactive and multimedia sport contents dedicated to a young target of football fans, while the Xbox360 was enabled to be present on the Adidas mobile portal specifically implemented for the 2006 FIFA World Cup.

### 3.5 The hyper real<sup>37</sup> event: sport theme parks and video game arcades

The theme park is one of the most complex events, both economically and financially and in relational and transactional terms. As an example consider the "Ferrari Park" that should be opened by the end of the year 2009 in Abu Dhabi, United Emirates Arabs.

The theme park differs from other "temporary" experiential events. Through a thematic park dedicated to the Ferrari brand, the Italian company besides organizing the racing experience, widens its activities with the offer of a *memorable experience* that, having a stable location, can be lived over the time by millions of people. The park is in fact a sort of *lasting event* where Ferrari builds experiences that can be repeated over the years.

The Ferrari theme park will rise in the surroundings of the Abu Dhabi Formula 1 circuit and will be open all year round, even beyond the race competition. The park, with a spatial extension of 250,000 square meters, of which 80,000 indoor, will offer several attractions such as multi-functional and high tech theatres, driving schools for teenagers and adults, museums and exhibitions dedicated to the Ferrari models, besides restaurants and other entertainment features always accessible<sup>38</sup>. The park - a sort of "Formula 1 racing city", is a *multi-dimensional place* (physical, virtual, leisure, entertainment, etc.) where fans will live memorable experiences connected to the Ferrari world by strengthening their identification with the company and the brand.

Through the theme park, the Italian firm aims to *export on a new market a know how* developed in managing a place dedicated to Ferrari where worldwide passionate should live the same emotions as the drivers when they ride the "red cars". The museum and the Galleria Ferrari in Maranello are the first "lasting event" where since the last ten years fans have been experiencing the Ferrari brand<sup>39</sup>: from the new models unveiling to the meeting with the most famous drivers, to the historical cars which won worldwide competitions. By establishing a theme park in the Emirates, Ferrari aims to make its technical capabilities and skills known to new target consumers, by matching it with the immersion in an experience of video, images, memorabilia, car models, etc. in order to light the global passion for the Ferrari brand.

The "place" selection where the park will be built has relevant strategic implications. Although Pine and Gilmore (2002) advise to set up parks in spots that have a strong identity with the company - such as the Volkswagen *Autostadt* park in Wolfsburg, Germany or the Legoland in Billund, Denmark - the choice to place a Ferrari theme park in the Emirates involves the strategic goal to expand and consolidate the Italian company into new markets. This emerging market area can be considered as a "theatre" where to stage and promote products with a high global and luxury value like the Ferrari. Moreover, the Emirates are an important market both in commercial<sup>40</sup> and tourism<sup>41</sup> terms, by being a wide consumers segment where to promote and sell the Ferrari products, its merchandising, its *know how* and its brand image.

*Mubadala Development*, the Emirates real estate company which since the 2005 holds a 5% share of the Italian firm, has had a central financial role in the park establishment. It transferred its own infrastructural

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<sup>37</sup>Hyper reality (Baudrillard, 1983) relates to the *confusion* of the boundaries *between reality and simulation*. The author (Baudrillard, 1983) defines hyper real purchase and consumption contexts like places where the reality is augmented with symbols so that it is difficult to distinguish what is real from what is fake. They are spaces where users are "catapulted" within a simulated and imaginary dimension through which they are immersed in a physical and mental experience out of their daily life. As an example consider the Disney parks, where the experience is re-built with a *lay out* that aims to transfer the visitor in a "parallel" world.

<sup>38</sup>Source: Scuderia Ferrari.

<sup>39</sup>Over the last ten years the Museum and the Galleria Ferrari registered more than 2 millions visitors.

<sup>40</sup>The establishment of a Ferrari park in the Emirates is consistent with the Italian company's goal to expand its brand over this market where since few years Ferrari Middle East & Africa has been selling its cars.

<sup>41</sup>Are accounted more than 8 millions visitors each year.

management and design know how and capabilities in planning all the services that will be offered in the park. The next development plans of Ferrari with Mubadala provide the opening of other “Ferrari theme parks” within well-known tourism destination (e.g. Miami).

*In structural terms*, the theme park establishment is highly complex and involves huge investments. The company needs to entry into business segments usually not explored yet - distribution, entertainment, etc. – which require new infrastructural, technological, organizational, and promotional skills. Very often only firms with a strong and well-known brand like Ferrari, are able to manage such a complex experience. In this case the theme park is set up by the industrial division of the Italian company provided with *technological* and *managerial know how*. The firm’s organizational structure is engaged in the achievement of a complex product such as the park, rich of entertainment and managerial dimensions. Ferrari is supported by internal and external resources acquired through a partnership process with several stakeholders (firm’s ownership, sponsor, financial real estate corporations, local government, etc.) with whom resources and capabilities are shared to stage an experiential place, but at the same time to reach specific economical goals.

Another example of *hyper real event* can be the *arcades*, game-based urban amusement sites which in some developed contexts become similar to the Disneyesque theme parks. As an example, in the mid-1990s, the Japan video games developer *Sega* decided to *pursue other business opportunities than home video games sector which was around a crisis*, investing in a chain of video-game-based entertainment complexes to be built across Canada.

In 1996 the first “Playdium @ Sega City” opened in Toronto on the grounds of a huge shopping mall. It is a 33,000-square-foot entertainment park designed as an “indoor games sensorium” (Kline et al., 2003). The complex includes hundreds of arcade-style video games and simulation games. It also has outdoor activities like beach volley, mini golf, rock climbing, go-karting and indoor baseball batting cages<sup>42</sup>. This site radically update the attractions of traditional arcade, small places where people could go and play different kinds of video games. The Playdium represents a sort of a *theme amusement park* where people can live an “intense immersive experience”. When people walk through the door of one of this game theme park, which are by now almost standard in mega-shopping complexes in the US or in Asia, they are going to leave the reality and enter a virtual reality (Kline et al., 2003). Game parks therefore represent a *hybrid model of sport experience* since they entail *real* (real players and gamers, real food, and physical games), *hyper real* and *virtual* (video games) features.

*Strategically speaking*, the Playdium park is a sort of “Sega City” whose main purpose is to *make players and gamers being “immersed” in the Sega video games world, enhancing their brand loyalty and inducing them to purchase Sega’s products*. Although Sega is an home video games producer, the Japanese company decided to enter into the arcades segment to *diversify its products portfolio*. The strategy of creating a chain of “Sega cities” is complementary to the development and distribution of video games for the home market which in fact the company did not give up. Investing in the implementation of a sort of “Sega theme park” answers to the necessity of *reducing the economic risk linked to the life cycle stage* (maturity and saturation) in which is the *video games sector* at the beginning of the ‘90s.

In structural terms, the implementation of the Playdium chain was made possible through the involvement of Sega in a partnership with a North American real estate company, a society led by one of the Asias’s richest woman, the Spielberg’s Dreamworks and later with Famous Players Inc.<sup>43</sup> This strategic alliance has favored Sega to access a pool of capital, technological, infrastructural and creative resources and capabilities which allowed the Japan company to pursue two strategic goals: to *foster its international expansion in the US* trying to reach *diversified target segments* (children, teenagers, young adults) and to spread resources and investment risk beyond the domestic environment.

### 3.6 Virtual sport events

We found a *variety of virtual sport events* along with an increasing complexity. Among the *simplest sport virtual events* there are those played with the Nintendo Wii, the video games software launched in 2008 by the Japan company. The video game console allows the user to play a sport (baseball, golf, fitness, etc.) not

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<sup>42</sup>See <http://www.playdium.com>.

<sup>43</sup>Famous Players, Inc. operates as a theatrical exhibitor in Canada. The company operates in metropolitan areas, including Toronto, Vancouver, and Montriz. It also operates theatres in partnership with IMAX Corporation and Alliance Atlantis Communications, Inc. The company was founded in 1920 and is headquartered in Toronto, Canada. As of 2005, Famous Players, Inc. is a subsidiary of Cineplex Entertainment LP. See: <http://www.wikipedia.com>.

being on the field (stadium, arena, etc.) but within a domestic context. The player interacts with the electronic console through the remote control<sup>44</sup> which allows him to reproduce the same physical activities as those made on the field. With the Wii console the user can play alone competing against the pc or otherwise against other players which are in the same room. In fact, on the contrary to other video games, Nintendo Wii is not an “online network platform” since the players must be located within the same domestic environment and cannot compete with each other through the Internet. The event in this case entails a *physical, mental and emotional involvement* of the user which is “real”. Moreover, the user *sport participation* is “direct” but it happens *within a virtual environment*.

The Nintendo Wii example enlightens that the *experiential content of sport* has a *strategic value* for the video games console producer. *Sport* is appropriated as a *driver for entering* these technological products in *new markets* or for *promoting them among new target consumers*. Nintendo drives the purchase and substitution process of its *hardware* and *software* products through the offer of virtual experiential services by combining sport and new technologies, thus inducing consumers to possess new multimedia *devices* that in turns, by complying the “technological push” of producers, induce to the purchase of new products.

Another interesting example of virtual sport events are *online poker tournaments*. Online poker is the game of poker played over the Internet. There are many websites which offer the possibility to play a virtual match with other *real players* from all over the world. For example, *Pokerstars.net*, which accounts in Italy (*pokerstar.it*) more than 14 millions users and 160.000 tournaments played every day. Game rules are the same as in a real competition. To play and participate in the competition the user only needs to become a member of the website. In this case the *participation to the event* is made in a *virtual environment*. There is no physical contact among players: relations among them are exclusively virtual. Participants “simulate” the game around the poker table through the web. Although there is a virtual relationship, the role of poker gamers is “active” since they are choosing their strategy and are directly involved within the competition.

Another example of virtual sport events are *fantasy games*, one of the most popular activities in the sport industry. While fantasy sports were born of paper, pencil and calculator, the preferred venue to trade players is now *online*, through live drafts, message boards and instant messaging. Several *online games companies* and *television network* are offering fantasy games through their websites (*powerplaymanager.com*, *fantascudetto.sky.it*, *hattrick.com*, ecc.). Many of them allow consumers to develop management skills. For example, users have to answer finance related questions and can earn points, sport passionate can trade players and make virtual money out of their deals. The most common type of fantasy game is the traditional manager game, where consumers build their own team by picking the league’s players and earning points according to the real player’s performance. In fact fantasy sports provide participants with the opportunity to play the role of coach for a team of athletes they select. The better the athletes perform in their real-world competitions, the better the virtual teams they are on will perform.

Fantasy games allow fans and sport consumers to develop new capabilities in choosing and managing athletes, budget, sport roles, etc. assuming relevant *cognitive features*. In those kind of virtual experiences there is a sort of *auto-creation of the sport event* by the users (*user generated event*). In fantasy games the *final result of the virtual event* usually *depends and is linked to what happens during the real sport performance*. Nevertheless, other forms of fantasy games where the athletes as well are completely “fictitious” are diffused on the web. As an example, consider the website *hattrick.com*, a fantasy game platform dedicated to football where athletes, their physical features (height, weight, etc.), their performance level, etc. are all created by the website developers. There is no connection with what happens on the real field. The most interesting aspect of this fantasy football platform is the virtual community which over the years has been grew up. In 2008 it counted about 1 million users, who connect online through forum, blog and chat waiting for the weekly match.

For the *online game companies*, the offer of virtual events is mainly connected to their *core business* and to the *product* type that they want to promote. For the developers of online multi-player games that can be accessed through dedicated online portals, digital channels like mobile phones or web sites can be strategic tools for their diffusion. The online multi-player game is a virtual product so the implementation of events that involve a mediate participation by using the electronic media is “related” to the feature of the event. Moreover, for the games producers the virtual community which can be developed around certain sports, especially football, can be a strategic tool to leverage their appeal. In fact, very often the community dimension (blog, forum, chat, etc.) is the central aspect that enables to increase the interest towards this kind

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<sup>44</sup>The function of the remote control can be considered the same as the “wired gloves” used to move within a virtual environment.

of entertainment services. For users is not so important the final result, but rather the possibility to share information, statistics, comments, etc. with other users.

The *consumers target* can impact online games software developers strategies as well. Fantasy games passionate are usually teenagers and young adults who use new media and spend a great part of their time on the web. The use of interactive services that imply the online connection of different users groups, enable the company to promote their products by leveraging multimedia and interactive services.

Among *complex virtual events* we found *sport interactive softwares* such as Madden Football and NBA Live, both developed and published by Electronic Arts (EA), a video game producer headquartered in Redwood City, California. Interactive sport video games are *sports simulation products* which differ from other kind of video games since are enriched with specific features like (see Kline et al., 2003):

- the *freestyle control* which allows users to create and execute realistic moves on screen based on the sequence of motions made with the right analog stick. Freestyle control is very revolutionary because it is a complete deviation from the old style video games where the user push the button and a random action occurs depending on the situation. Here the user can explicitly execute an action (crossover, dribbling, etc.) with a specific syntactical combination using the right analog stick. This allows the player to have total control over its moving;

- the game includes the *complete team rosters*. The realism of these video games comes from excellent graphics which allows that the athletes depicted on the screen look like reproductions of the actual champions whose faces are scanned to improve the verisimilitude of the game. Graphically, athletes models are designed to better represent the different sizes of the various sport players, high texture resolutions are used for the uniforms so that they look more realistic with creases and folds, and head geometry are developed to realistically recreate athletes' likenesses. The *game also features the real basketball and football arenas*, for example including the same leagues and teams' sponsors<sup>45</sup>;

- the video games *includes famous sport analyst to perform the play-by-play commentary* in the game to give the user the feel that playing the game is just like watching a real event,;

- the video games reproduce views, perspectives, or other techniques from television and cinema gameplay. The games also include all the camera angles show during real gameplay and free throws that TV uses to display extra information.

The US company is leader in the video games segment and considers sport as a strategic content for its products. In fact the distribution of sport games accounts for the 60% of EA's sales. In recent years Electronic Arts has reached high technological simulation standard in the video games implementation, so that the user is quite not able to distinguish a real athlete from a 3D representation. The high faithful recreation of sporting venues (stadiums and arena), athletes, audience and additional services usually included within the match (e.g. the play-by-play commentary) give the user the feel that playing the game was just like watching a real game. The whole "immersion" within the virtual environment granted to users by the EA sport games is a meaningful competitive advantage: by offering a realistic game simulation, and by increasing the users' control on the game context and athletes, the latter can live a virtual experience customized on the base of its own abilities.

One example of the *most complex virtual sport event* is the *Empire of Sports*, the first virtual sports worlds dedicated to multi-sports. This is a sport gaming platform and massive multiplayer online role playing game (MMORPG) in real time 3D entirely built around sports. This new role playing game has been unrolled to enable players across the globe to meet in a persistent 3D world, where their avatars socially interact, train, compete, manage their teams, attend events and acquire the goods and services they need to build a *parallel sporting existence*. The main features of this virtual platform are:

- the player assumes the role of a single player character throughout the entire game, which will result in an up to now unimagined gaming experience especially in team sports.

- the user becomes a 3D avatar, capable of developing his or her virtual body, skills and capabilities through sport and training all-the-while socialising within the virtual community.

Within this kind of game experience, users "immerse" themselves in a graphical virtual environment and interact with each other through avatars. The *experience is completely user created and unique*. Clothes, physical appearance, life style, are created by the user who make the avatar live within the sport competition.

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<sup>45</sup>Electronic Arts (EA) which develops and produces sport video games such as Madden Football and NBA Live with many other sport titles (see [www.ea.com](http://www.ea.com)), acquired copy rights from the National Football League and National Basketball Association to reproduce the Leagues' athletes, logos, sponsors, etc.

Another important aspect to be underlined in this case is that, as it happens in Second Life, many real people can gain a “social status” in a virtual environment, becoming a successful person. Something that maybe in the real life would never happen. Creating and acting through an avatar, almost everyone can become a “sports star”.

The Empire of Sports has been developed by InFront Sports & Media who markets the FIFA World Cup, which has formed with F4, a European and Asian game development company, a joint venture to produce and operate the platform from its headquarters in Zug, Switzerland. The *joint venture* aims to *exploit* the *partners’ know how* and *expertise* in the new media sector by *diversifying* their own *business* in to the *virtual multi-player games*.

Partners share *complementary assets* (Teece, 1989) to gain specific goals: *Infront*, by having a rooted capabilities in managing new media rights and strong connection with the most important international sport federations, becomes content provider by entering in the virtual world sector. Its diversification into the new sector happens by gaining a complementary technological competence held by the virtual game developer (*F4*). Through the joint venture the latter can access a marketing capabilities heritage that enable the online games producer to have a commercial expansion at an international level. Through the agreement, both partners share complementary competences that allow them to implement an innovative virtual product destined to a marketing with a high expansion rate.

#### 4. Companies’ marketing strategies and sport events features

In the light of the empirical evidence described in the paragraph 3, this section attempts to analyse the *connection* between *industrial companies strategies* and the *typology of the event*. The latter can be considered a dependent variable, that is the choice of certain sport events is explained *in primis* by the marketing strategies that a company aims to pursue.

Exhibit 2 is an attempt to make a graphics description of the connection between different typologies of experiential events in relation to companies’ marketing strategies. The exhibit is a simple matrix where on the ordinate axis there is the *feature of the event*<sup>46</sup> (from real to virtual) and on the abscissa axis are placed the *industrial companies’ marketing strategies* emerged by the cases’ analysis. To facilitate the exhibit’s reading we have aggregated a variety of marketing goals emerged from the empirical exploration in four groups of strategies:

( $\alpha$ ) *Promotion*:

- 1) to change and to enhance company’s image;
- 2) to induce products and brands popularity in order to reach new consumers segments;
- 3) to position the brand on global emerging markets.

( $\beta$ ) *Consumers’ loyalty*:

- 1) to increase the *brand awareness* and *brand loyalty* of specific and segmented target users;
- 2) to develop a relational involvement with consumers and users;
- 3) to support and induce global brand visibility.

( $\Omega$ ) *Sales*:

- 1) to increase sales flow;
- 2) to support products selling in new market areas;
- 3) to develop the flag store’s loyalty.

( $\Sigma$ ) *New product’s launch*:

- 1) to test products’ usability and performance;
- 2) to induce products’ substitution
- 3) to enlarge products’ portfolio.

Exhibit 2 enlightens a *wide variety of experiential occasions* placed along a *continuum* from real to virtual events. We found above all “hybrids” events where multimedia and interactive services enrich the experience and increase the value both for the user and for the company which stages the event. The hybrid typology’ features are sketched with more than one symbol (e.g. rectangle, circle and triangle) where the main one

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<sup>46</sup>The graphics description of real, mediate, multimedia and virtual event is the same as sketched in the exhibit 1 (see. §. 3).

holds the other complementary dimensions. This graphic representation enlightens that for example experiential occasions that involve a physical participation (real events) can even find diffusion through electronic channels. The real dimension gets in this case a multimedia enrichment (see the Nike, Red Bull and Universo Sport cases, §. 3.1 or the Adidas case, §. 3.4). From the empirical observation also emerges that the hybrid form can reach a high level of complexity. For instance the Ferrari Theme Park is one of the most articulated experiential event since it implies highly inter-related multiple dimensions (real, mediate, multimedia). For this reason the Ferrari Park case is put within the matrix in a position that is intended to show the integration among the different features implied.

The exhibit 2 also enlightens that there is no strictly correlation between a type of event and a specific marketing strategy: companies that are pursuing specific marketing goals (brand promotion, consumers' loyalty enhancing, etc.) can make recourse to a variety of events since most of them are global corporations with complex and articulated marketing strategies. To pursue some specific goals, such as the penetration within a single country, companies implement experiential sport events to entry into new geographical markets, to launch a new product or to reach a specific target of consumers. For instance Nike can be regarded as a pioneer in the sport experiential marketing: the sporting good supplier is included within our sample with three events which *differ* from one another in terms of *consumers target, strategic goal and feature of the event* (see §. 3.1, 3.2, 3.3).

Given the variety of the variables able to influence companies' choices about a type of event or another, and since the relational complexity existing among these variables, not all have been included within the matrix. Nevertheless, three groups of factors able to impact companies events' selection emerged from the empirical evidence:

1. Motivations connected to the consumers target seem relevant in each case. Specially *demographics* (e.g. age, sex, etc.) and *psychographics variables* such as users life style (see the Nike+ case, §. 3.3), personality, attitudes and sport preferences (see the Red Bull case, §. 3.1) as well as their technological inclination (see the virtual sport events, §. 3.6), are able to impact the company's decision about what kind of event to organize, which services to offer, with which promotion and distribution (location) features.

2. Choices connected to *product/sector* are central in each case study. There is a strong connection between on one hand the *type of product* and the *company's core business* (food and beverage, sportwear suppliers, mobile phones, etc.) and on the other hand the feature of the event (real, multimedia, virtual). For example virtual events seem to be privileged by companies with a *sectorial affinity* with the nature of the event. In fact are mainly multimedia companies to be oriented to stage virtual events where the user can interact not only with the electronic tool but also with other users, due to their specific capabilities and productive specialization (see the online game companies and fantasy games, §. 3.6).

The *product's positioning* on the market (consumer goods, niche products, etc.) can strategically orient companies towards specific sporting occasions (global events, in house events, etc.) (see the Coca-Cola case, §. 3.4). The selection of a specific kind of event can be also conditioned by the *product life cycle's stage*. For example the maturity phase can induce the company towards a correlated diversification able to "re-style" the product portfolio (see the Sega Ltd. case, §. 3.1.5), while the development stage can be most strategical to organize events that aim to strengthen the consumer's identification with the brand.

3. In the contemporary hyper competitive context, the *emerging, evolution and diffusion of new digital technologies* is a key variable for the choice of a specific type of event through which a company decides to relate with a consumer target. The selection of potential promotional and distribution tools cannot leave out of consideration a correct evaluation of all the available channels. This in turn feels the effect both of *different contexts infrastructural endowments, applicability and user friendly access*.

In *structural terms* from the exhibit 2 can be drawn that the more an event is a hybrid, the more complex can be its planning and implementation process. For instance real events enriched with multimedia and interactive dimensions can have a high level of complexity in organizational, logistics, infrastructural, promotional, and financial terms and therefore is required a specific arrangement of resources and capabilities, a high number of partners involved and consequently relevant economic commitment by the promoting company (see the Nike case §. 3.1 and the Ferrari Theme Park case, §. 3.4). Nevertheless, the

planning and staging process of virtual and multimedia events is not simple, but require a variety of technological resources that usually can be found outside of the firm's boundaries. Very often to enrich the event with the use of new technologies impose to the companies to create a partnership network with other firms to have access to *multimedia complementary assets* (Teece, 1989) (see the Empire of Sport case, §. 3.6). Moreover, the sport virtual event (e.g. Nintendo games, Electronic Arts video games, etc.) implies a *co-planning* and a *co-production process* of multimedia contents which involves both video games producers and developers, and sport Leagues, clubs, federations. Usually the athletes' physical features, the sport venues elements and the sponsors' logos included within the video games graphics are the same as those in the real sport world. Therefore the implementation of the virtual event needs to develop rights management agreements between the multimedia producers and sport organizations (see §. 3.6).

The experiential sport events' range sketched in the exhibit 2, which is an attempt to specify a possible relationship between sport events typologies and industrial companies marketing strategies, does not intend to be exhaustive. In fact based on the different "weights" that in turn each variable can assume, we found a variety and variability among the factors combination and within the composition of experiential events.

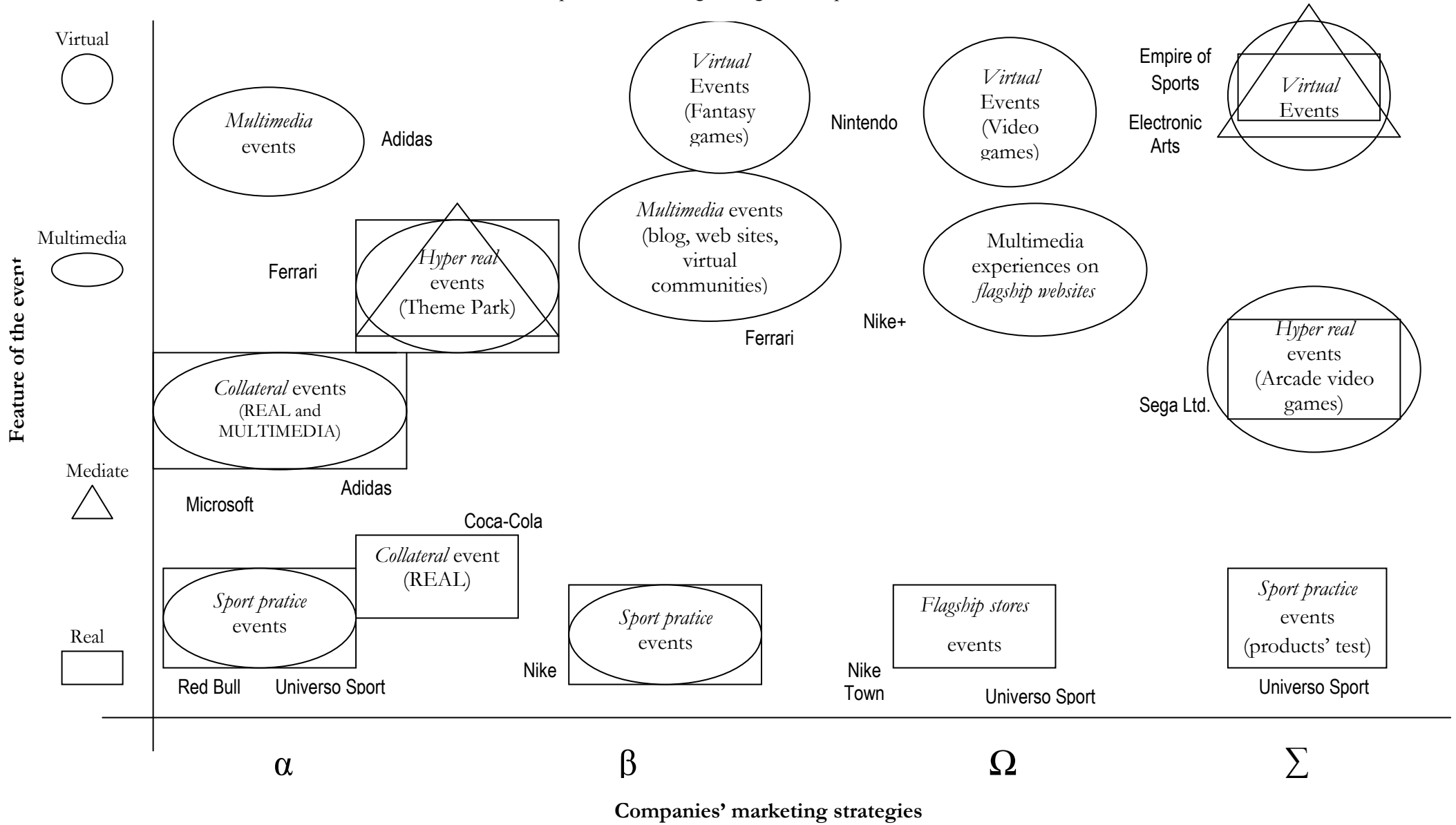
It is also important to note that events are not isolated. Specially companies with a high organizational and managerial complexity, tend to develop an experiential events "portfolio" (Pine, Gilmore, 2002): from real events enriched with multimedia services to sport practice events diffused by online communities up to the creation of virtual occasions, along a continuum where the transactional complexity is increasing and needs the collaboration of a plurality of subjects that participate in the experience implementation.

Among all the possible events typologies, some are more explored rather than others, but it is clear that the strategic ability of companies just resides within the implementation of events format not offered yet and that enable to make live "unique" experiences. In the light of the empirical research therefore emerge a wide range of occasions where real, multimedia and virtual features are complementary aspects aimed to maximise the event's value to the users.





Exhibit 2 - Companies' marketing strategies and sport events features



$\alpha$  = Promotion;  $\beta$  = Consumers' loyalty;  $\Omega$  = Sales;  $\Sigma$  = New product's launch



## 5. Concluding remarks

This paper is a first attempt to classify *experiential sport events* staged by industrial companies. It is the result of a research activity applied to sport marketing that authors have made in different contexts at National, European and North American level within the Sport Management Master Degree at the University of Florence.

The empirical evidence and the attempt to analytically structure this study, allow to develop some concluding remarks about the implications connected to the fact that companies are oriented towards experiential marketing strategies where sport events emerge as significative occasions for directly involving consumers and users.

1. Regarding events typologies, the case studies enlighten a *wide range of experiential occasions* that are primarily “hybrids”. That is *real events enriched with multimedia and virtual dimensions*. Nevertheless, traditional ways of accessing sport contents such as the analogical TV are not surpassed by new technologies. Rather it seems that *interactivity and virtuality co-exist with the real experience*, completing the latter with multimedia additional services. *The real dimension feeds the virtual one*: almost all the events that involve a physical and direct participation, are promoted through a “virtual word-of-mouth” that is by using web sites that can favor an “online” participants selection: people are informed about the event through viral messages diffused on the web.

It is also important to note that in recent times several factors have induced a reduction of live events participation: for example the multiple media access to sport games (web TV, mobile TV, etc.), new games schedules imposed by the media, the safety and security matters, along with the increasing tickets price. Therefore companies appear to be most oriented to stage experiential sport marketing occasions jointed with multimedia and virtual aspects.

By moving from real to virtual events users involvement level seems to grow. This in turn induces the creation of a virtuous circle where brand loyalty appear to be increased. New technologies allow users to express their opinions, by giving voice to their participation, and showing their abilities. In some cases they can also *co-create the event*. Therefore we found a change not only regarding to the places where people access to the event – less physicals venues than before. Moreover, by using blogs, web communities, newsletter, social network, etc., users can satisfy their social needs. And there is an evident advantage for companies as well. In fact, if on one hand new technologies increase the entertainment side of the offer, on the other they allow firms to develop an information feedback with users where to plan new customized marketing activities aimed to increase their passion toward a product, a brand, a sport.

Technology is therefore one the most significant dimension exploited by industrial companies in staging sport experiential events. Nevertheless, the market environment is essential in this context as well, because it determines different scenarios for users and companies. Certain technologies may or may not be available in different geographical or cultural areas. The development might be slower in some areas than in others. This could affect users too, since it is important to see if they are “ready”, if they have the competencies to use new technologies. Although we found a wide range of multimedia events, the development and diffusion of events exclusively virtual seems not to be still broaden either because the virtuality paradigm does not find application within every context due to the withdraw in terms of technological infrastructures, and since the culture of a “virtual sport experience” appears to be only in few geographical markets (e.g. the Asian countries).

2. On the side of the *connection between type of event and marketing strategies*, the empirical evidence let emerge that especially *global companies make huge investments on sport events as experience provider*. Global firms are in fact the biggest proposers of experiential sport events. The research also enlightens that *especially sport-related companies* - such as sporting good suppliers and retailers decide to invest in experiential marketing occasions. For them sport events can have multiple connotations, not only to involve practitioners and fans but even to test and to improve product usability and performance. Nevertheless, we found several examples of *non-sport related corporations* such as *manufacturing firms, consumer goods producers* (in primis food and beverage) and *multimedia companies* (Internet, mobile phones providers, online games developers, etc.) with a high “strategic sensitivity” in promoting and selling their products by joining them with sport.

It is interesting to note that sport contents chosen by companies to enhance their products and brands’ image are always *top class sports* such as the *most exciting and popular disciplines* (e.g football), the *best*

*global performers teams* (e.g. Ferrari), or the *most worldwide appealing sport events* (e.g. the Olympics, the Football World Cup). Industrial companies' marketing strategies require to jointly promote their products through events that represent successful, popular and spectacular sports that enable to appeal wider consumers segments and to create memorable emotions.

Products are jointly promoted in association with the "winner and emotional sport" symbolic values (passion, dream, athletes emulation, etc.) for example by staging in store products test, champions meeting, road events, etc. Companies' goal is to enhance an identification process of consumers with their brand in order to carry within people daily life the emotions lived during the sporting experience.

In this regard, within the research it would have been interesting to gather data about the importance and effectiveness of experiential marketing investments made by industrial companies. But firms included within our sample have been absolutely not available in terms of disclosing the multiple feedback (image return, market share rising, etc.) generated by the implemented experiential events. Sport experiential events are new marketing tools that for companies can assume an important planning connotation regarded as experiential dimensions that they involve. Therefore, as well as for all new products, it is clear that they imply a certain level of secrecy by the promoting companies.

The main discriminant for the selection of a promotional event (real, multimedia, hyper real, virtual, etc.) by companies is strongly connected to specific marketing goals such as a new product launch, the increasing of certain consumers segments loyalty, etc. (see exhibit 2 in §. 4). Marketing strategies are in turn influenced by a variety of variables like consumers target, sectorial synergies, technological infrastructures, users new media literacy. What is emerged by the empirical analysis is how the experiential events range is widely open and it is not "bridled" within pre-determined formats. It is therefore a matter of how companies, given their marketing strategic abilities, managerial capabilities and financial assets, are able to offer experiential occasions that are "unique" and memorable specially for the consumers target that they want to reach and involve.

Moreover, competition is another relevant factor able to influence companies' strategic choices. In the contemporary hyper competitive context where firms have to distinguish their products and brands facing the promotional messages *overload* that overwhelm the consumer, many of them are oriented towards *branded entertainment* occasions. Those activities, if on one hand appear to enable companies to distinguish themselves from their competitors, on the other imply huge economical, organizational, human, and technological investments. The more is the event complexity, the bigger is the necessity to access complementary technological, productive, commercial, and creative assets that usually are outside firm's boundaries. We found several examples where to implement sophisticated experiential events is crucial to develop *co-technology and co-marketing partnerships* among sporting goods suppliers, sport organizations and multimedia service providers (television network, Internet and mobile telecommunication providers, video games software designers and developers, etc.).

3. On the consumer side, the empirical research enlightens that the increased use of the new technologies as new tools of communication has changed the way people interact. New digital technologies appear to play a role in the virtual socialization of people by encouraging group interaction and involvement about the same passion. Virtual communities are not opposite to the real ones. Simply they put on a virtual environment activities that in early times were exclusively done in the real world, such as commenting a match result or an athlete's performance with friends. Today blogs, social networks and online communities enable users to live a memorable experience. Within communities, consumers share their interest for specific passions (products, brands, sports, music, etc.), create collective identities which are influenced by the brands they prefer, they produce innovative knowledge that can be leveraged by companies in order to innovate their products and offerings. If multimedia companies are strongly impacted by the use of these applications as tools of content distribution and promotion, this phenomenon is quite important also for other manufacturing firms which use interactive instruments to appeal different consumers targets by associating their product and brands with memorable experiences.

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