The Relationship between Marketing Strategies and Relationalism in Sport Marketing Networks

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ABSTRACT: Present research aims to investigate the relationship between marketing strategies and relationalism in sport marketing networks. Statistical population of the study comprised of managers of all body building clubs (public and private ones) of Karaj city (N=884). Using Morgan’s table a sample of 269 managers was selected in a random way. After distribution and collection of questionnaires finally 237 completed ones were analyzed. Slater (2001)’s marketing strategy scale and Goffman’s (1992) relationalism scale were used for data collection. Sport experts and professionals were consulted to verify validity, content and number of questions of marketing strategy questionnaire and relationalism questionnaire. Conducting a pilot study on 30 respondents, reliability of the above-said two questionnaires were respectively verified by Cronbach’s Alpha values of 0.84 and 0.79. Present research was a descriptive-correlational one and conducted in the form of field study. Descriptive measures and statistical tests including kolmogorov-smirnov’s test, Pearson’s coefficient, stepwise multi-regression and path analysis were used for data analysis. Results showed that there was a positive and significant relationship between marketing strategy (p=0.004, r=0.186), aggressive marketing dimensions (p=0.017, r=0.156) and price leadership (0.027, r=0.156). Also there was a significant relationship between product presentation and relationalism (p=0.212, r=0.081). Results of regression analysis showed that relationalism in the regression equation was able to predict aggressive marketing strategy. Results of path analysis showed that marketing strategy had a positive significant effect on relationalism (t-value=2.09, r=0.28).

Keywords: Marketing strategy, Relationalism, Marketing networks.

INTRODUCTION

In today technology age having pleasant and satisfying relationships and interactions have become an unrealizable dream for people involving in mechanistic life. This fact may have been ignored by marketers who intelligently explore their surrounding evolutions to find appropriate opportunities. With respect to the fact that today firms are subject to increasing bombardment of advertisements from various firms and every day encounter thousands of these advertisements, thus it is important to realize that how their selection is made (Hassani Zadeh, 2011). Today marketing is considered as a means to communicate with people for all organizations especially sport ones (Moharram Zadeh, 2006). Success in today high competitive world requires an appropriate marketing strategy. But complicated conditions of market, entry of new information technology, continuous changes and intense competition have made it difficult to make a decision on appropriate type of marketing strategy. Various factors influence selection of marketing strategy among them customers and competition may be mentioned. In this respect consumers behavior is one of the key factors playing a major role in choosing appropriate marketing strategies (Nikoukar et al., 2009). Every organization enters into commercial cycles of growth, shortage, depression or inflation in its economic environment (Karami, 1996). Thus marketers are in need of modifying their marketing mix so that they are able to maintain and enhance their market share (Hosseini et al., 2011). Today organizations are under increasing pressure from their customers to develop products with higher quality. In this respect successful firms seek to create a unique and sustainable competitive status in their market by employing their key competencies and resources in the framework of strategic management process. It should be noted that only formulating and choosing a strategy compatible with market situation have not major effects on final performance of the organization. Instead it is the interaction of high-level strategies with those at functional level which lead to improvement of organizational performance in the operational environment (James & Hatten, 1995). Thus conducting studies in this field may provide general guidelines to institutions and firms so that they understand

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which strategies provide better answers and how the marketing mix should be. With respect to critical importance of effectiveness of marketing environment and efficiency of production process to achieve appropriate performance and success of the firm in intense competition of market, firms should coordinate their activities in two major areas i.e. marketing and production and strike a balance between production efficiency and marketing effectiveness so that they can meet customers, needs and demands and increase their sales and profitability (Bateson & Haffman, 1999).

Based on the results of previous studies in the field of strategic management, most firms have difficulties in implementing strategy in various organizational levels. Malkoum (2002) believes that implementation of the selected strategy is more difficult than formulation of an appropriate one (Qaffarian, 2006). Most theoreticians in management refer to similar factors for successful implementation of strategies. For example, Aaker (2008) emphasized four factors including structures, systems, people and culture in their discussion on strategy implementation. In strategic planning literature, marketing strategy and marketing design are considered as a subset of marketing planning process. Indeed organizations require marketing planning in order to realize their macro-level goals and their marketing objectives and one major aspect of this process is to formulate marketing strategies.

Accurate implementation of strategy is the final step and guarantees success of firms in its marketing efforts and it requires implementation and operationalization of the strategies in the right way (Mamoudouhi, 2008). Marketing strategy includes making long-term decision making and allocation of resources required for development of products in various fields including setting market goals, selecting target market, pricing, packaging, advertising and distribution (Fugate et al, 2004). On the other hand concept of relationalism is widely studied across marketing channels. According to the related literature, presence of powerful relational norms between intermediaries of marketing channels has a significant relationship with factors including performance, channel management and regulation, conflict resolution, information exchange and competition (Davis, 2006). Some believe that rationalism is a solution for all commercial problems. Research literature emphasizes on the importance of a favorable fit between marketing strategy and regulation structure and literature on rationalism in marketing channels and marketing strategy argues that long-term relationships between intermediaries of marketing channels may be beneficial to corporate strategy (Black, 2005). According to the fact that actually most activities of production and marketing units are directed towards achieving different goals, management of the relationship between these two functions is too challenging and sometimes conflicts and problems in this relationship prevent the organization from achieving a powerful competitive situation in the market (Malhotra & Sharma, 2002). From managerial viewpoint, marketing channels are too important for successful implementation of management strategies. According to this fact, most managers in the field of marketing use different relationship norms so that they can employ more effective ways of marketing channel management to attract customers. Indeed managers in this field should be knowledgeable of the accurate relationship between channel members and relationship between marketing strategies and marketing channels (Audhesh et al., 2011). Marketing channels typically include intermediaries who meet requirements and demands of customers as accurately as possible. Most researchers in marketing channels agree that cooperation norms may lead to behaviors which are bases of management of today marketing channels (Fugate, 2006).

Jazani and Gharibnavaz (2009) realized that with strengthening of competitive position, firms initially concentrate on defensive strategies and maintaining of their position and aggressive strategies is the second priority for them. Reese et al (2001) in their study on pricing strategies in American football league found that team performance is the most influential factor in relation to ticket pricing.

Ivens and Blois (2004) suggested that there was a positive significant relationship between honesty in performing tasks and rationalism structure. Stavros et al (2008) believed that most important reasons for marketing development in professional sport in Australia, was strong emphasis on the relationship marketing and enhancement of knowledge of managers in relation to marketing. Glenn et al (2008) acknowledged that maintaining implied conventions by managers had a positive significant effect on staff productivity. Alison (2009) conducted a study on business simulation with respect to decision making process in UK and the results showed that relationship management may predict pricing tactics in various conditions, Audhesh et al (2011) concluded that aggressive marketing strategy and price control strategy had significant positive relationship with relationalism in marketing channels. Contrary to this, product strategy had a negative relationship with level of relationalism in marketing channels. Kenneth et al (2012) argued that employing marketing strategies by firms may have a positive effect on organizational performance. Leonidas et al (2013) studied 152 hotels in Greece and concluded that employing a strategy can lead to competitive advantage in the market and create a potential for achieving market high performance. Study of situation of marketing strategies may help managers in critical planning with the aim of enhancing corporate economic and social status because obviously in today competitive market, marketing strategies are of high importance in order to enhance corporate growth. Thus development of such strategies are of high importance. Therefore in present research it is tried to determine the relationship between relationalism and sport marketing networks to cast a light on above-mentioned issues.

**METHODOLOGY**

Present research was a descriptive-correlational one and conducted in the form of a field-study. Statistical population of research consisted of all managers of sport clubs of Karaj city (N=884). Using Morgan’s table a sample of
269 managers was selected in a random way. After distribution and collection of questionnaires finally 237 completed ones were analyzed. Research instruments consisted of two scales as follows:

1. Slater’s marketing strategy scale consisting of 11 items and includes the components aggressive marketing strategy, product control strategy and price control strategy. Questions were in a close-ended form and a 5-point Likert scale was used to rate the items as 1, 2, 3, 4, 5 which respectively represented strongly disagree, disagree, neutral, agree, strongly agree.

2. Goffman’s relationalism scale consisting of 16 items. Questions were in a close-ended form and a 5-point Likert scale was used to rate the items as 1, 2, 3, 4, 5 which respectively represented strongly disagree, disagree, neutral, agree, strongly agree.

Verification of instrument validity was done to ensure accurate study of the intended concepts. Sport experts and professionals were consulted to verify validity, content and number of questions of marketing strategy questionnaire and relationalism questionnaire. Conducting a pilot study on 30 respondents, reliability of the above two questionnaires were respectively verified by Cronbach’s Alpha values of 0.84 and 0.79. Descriptive measures and statistical tests including kolmogorov-smirnov’s test, Pearson’s coefficient and stepwise multiple-regression and path analysis were used for data analysis. Statistical software SPSS and LISREL were used and significance level was set \( p \leq 0.05 \).

RESULTS

Among 237 subjects incorporated in present study, 147 were male (62.00 percent) and 90 were female (38.00 percent). Mean age of subjects was 36.69±7.98 year. 47 ones had high school diploma (19.8 percent), 58 ones had associate’s diploma (24.5 percent), 119 ones had bachelor’s degree (50.2 percent) and 13 ones had master’s degree (5.5 percent). Also 101 subjects (42.5 percent) had academic degrees in the fields related to physical education and 136 ones (57.4 percent) had academic degrees in the fields other than physical education.

In order to verify normality of data kolmogorov-smirnov’s test (K-S test) was used and results in table 1 shows that the variables marketing strategies (\( p=0.087, z=1.73 \)), aggressive marketing (\( p=0.063, z=1.90 \)), product presentation (\( p=0.085, z=1.81 \)) and price leadership (\( p=0.114, z=1.19 \)) were normal.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Z</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing strategies</td>
<td>237</td>
<td>1.73</td>
<td>0.087</td>
</tr>
<tr>
<td>Aggressive marketing</td>
<td>237</td>
<td>1.90</td>
<td>0.063</td>
</tr>
<tr>
<td>Product presentation</td>
<td>237</td>
<td>2.19</td>
<td>0.163</td>
</tr>
<tr>
<td>Price leadership</td>
<td>237</td>
<td>1.81</td>
<td>0.085</td>
</tr>
<tr>
<td>Rationalism</td>
<td>237</td>
<td>1.19</td>
<td>0.114</td>
</tr>
</tbody>
</table>

Results from table 2 shows that there was a significant positive relationships between marketing strategy (\( p=0.004, r=0.186 \)) and aggressive marketing dimensions (\( p=0.017, r=0.156 \)) and price leadership (\( p=0.027, r=0.144 \)) and relationalism. On the other hand no significant relationship was observed between product presentation and relationalism (\( p=0.212, r=0.081 \)).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Marketing strategies</th>
<th>Aggressive strategies</th>
<th>Product presentation</th>
<th>Price leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationism</td>
<td>Pearson’s correlation</td>
<td>0.186</td>
<td>0.159</td>
<td>0.081</td>
<td>0.144</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.004</td>
<td>0.017</td>
<td>0.212</td>
<td>0.027</td>
<td></td>
</tr>
<tr>
<td>Sample size</td>
<td>237</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to table 3, regression analysis showed that only rationalism in regression equation was able to predict aggressive marketing strategy. According to results on Beta coefficient, per every one unit increase in relationalism, marketing strategy value increases by 0.156 unit. Thus according to t-values and significance level, assumptions of coefficient equality and constant value of zero are rejected and the mentioned Beta coefficients should be kept in the regression equation. Thus regression equation is as follows:

Aggressive marketing \( y=51.66+0.161 \)
Table 3. Significant variables in regression model.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Non-standard coefficients</th>
<th>Standard coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standard error</td>
<td>B</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Constant value</td>
<td>2.38</td>
<td>51.66</td>
<td>...............</td>
<td>21.64</td>
</tr>
<tr>
<td>Aggressive marketing</td>
<td>0.161</td>
<td>0.39</td>
<td>0.156</td>
<td>2.41</td>
</tr>
<tr>
<td>Constant value</td>
<td>3.18</td>
<td>49.68</td>
<td>...............</td>
<td>15.61</td>
</tr>
<tr>
<td>Aggressive marketing</td>
<td>0.163</td>
<td>0.369</td>
<td>0.147</td>
<td>2.26</td>
</tr>
<tr>
<td>Product presentation</td>
<td>0.179</td>
<td>0.169</td>
<td>0.061</td>
<td>0.94</td>
</tr>
<tr>
<td>Constant value</td>
<td>3.339</td>
<td>48.06</td>
<td>...............</td>
<td>14.39</td>
</tr>
<tr>
<td>Aggressive marketing</td>
<td>1.166</td>
<td>0.316</td>
<td>0.126</td>
<td>1.902</td>
</tr>
<tr>
<td>Product presentation</td>
<td>1.183</td>
<td>0.106</td>
<td>0.039</td>
<td>0.579</td>
</tr>
<tr>
<td>Price leadership</td>
<td>0.197</td>
<td>0.306</td>
<td>0.105</td>
<td>1.55</td>
</tr>
</tbody>
</table>

**Goodness of Fit**

In test of goodness of fit, fit of model to the data is addressed. According to table 4, $X^2/df$ is 3/13 and RMSEA$^2$ is 0.095. Also GFI=0.97, CFI$^2=0.90$, IFI$^4=0.90$ and AGFI$^6=0.91$ verified model fit. On the other hand among 8 mentioned measures, NFI$^7=0.68$ and NNFI$^8=0.80$ did not supported model fit. Totally among eight indices mentioned above, six ones verified fit of model and two ones did not supported it. Thus structural model of research was appropriate based on fit indices and all proposed factors can be entered in the structural model of the study.

**Table 4. Values of goodness of fit test.**

<table>
<thead>
<tr>
<th>Variable</th>
<th>CFI</th>
<th>NNFI</th>
<th>NFI</th>
<th>RMSEA</th>
<th>$X^2/df$</th>
<th>GFI</th>
<th>AGFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>0.90</td>
<td>0.80</td>
<td>0.86</td>
<td>0.095</td>
<td>3.13</td>
<td>0.97</td>
<td>0.91</td>
</tr>
<tr>
<td>Result</td>
<td>Supported</td>
<td>Not Supported</td>
<td>Not Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Figure 1 shows coefficients and parameters obtained from structural model of marketing strategies and relationalism. According to the results there is a significant relationship between marketing strategy and relationalism ($T$-value=2.09, $r=0.28$). Thus structural model of the study showed that marketing strategies had significant effects on relationalism.

**Figure 1.** Path analysis: factor loadings and RMSEA of research structural model.

**DISCUSSION AND CONCLUSION**

Results from analysis of hypotheses of present research showed that there was a significant positive relationship between relationalism and marketing strategy ($p=0.004$, $r=0.186$). It means that when marketing strategies are at high levels, used frequently and implemented in a favorable way, then relationalism enhances to the same extent. Also results of analysis of present study showed that with respect to structural model of the study, fit of model was supported using $X^2/df$ (3.13), GFI=0.97, CFI$^2=0.90$, IFI$^4=0.90$ and AGFI$^6=0.91$ and RMSEA=0.095. Thus all factors can be used in the structural model of the study. Path analysis results showed that marketing strategies had a significant positive effect ($T$-value=2.09, $r=0.28$) on relationalism and this is consistent with results of Audhesh (2011). In this respect Young et al (2009) argued that developing marketing strategy map helps marketing managers to identify favorable measures. Also Kenneth et al (2012) confirmed that using marketing strategies in the whole supply chain has impact on
organizational performance. If sport managers and authorities are able to use marketing strategies in appropriate ways, they would be able to establish a mutual relationship with their customers. The more strong the relationship between sport club and customer, the more the number of customers, output and profitability.

On the other hand, employing marketing strategies in a correct way, enhances organizational performance and this in turn leads to attraction of customers towards sport clubs and a mutual interaction is established between customers and sport clubs. On the other hand, further attraction of customers towards sport clubs leads to more willingness of customers towards membership in sport clubs and this in turn enhances societal health. Babu et al (2011) argued that sustainable marketing strategies may lead to stability of customers’ behavior, maintenance of competitive and strategic advantage and also foresightedness.

Results showed that there was a significant positive relationship between aggressive marketing strategy and relationalism (p=0.017, r=0.156). It means that the higher the level of aggressive marketing, the higher the level of relationalism and this is consistent with results of Audhesh et al (2011). Also results of regression analysis in present research showed that relationalism was able to predict aggressive marketing. In this respect Jazani and Gharib Navaz (2009) stated that with strengthening of competitive strategy, firms should pay special attention to aggressive marketing strategy. According to aggressive marketing strategy, one brand tries to exploit an advertising campaign or event sponsored by the other one freely and in this way it can promote itself without incurring sponsorship costs and without committing any illegal acts. Among characteristics of aggressive marketing strategy high quality of new products, close relationship between customers, extensive research in marketing, market segmentation in order to identify target market and extensive advertising may be mentioned (Adhush et al, 2011). It can be concluded that sport clubs can use aggressive strategy in order to establish a more favorable relationship. Sport clubs can prepare the grounds for development and enhancement of relationalism by enhancing their service providing conditions, providing welfare resources, pay attention to male and female customers and employing appropriate policies to attract customers, and in this way exploit the related competitive advantages.

Results showed that there was not a significant relationship between product presentation strategy and relationalism (p=0.212, r=0.081) and this is consistent with results of Audhesh (2011). That means that employing product presentation by sport clubs in their marketing efforts would not impact their relationalism. Product presentation strategy is a set of activities which associate preferred image of product to the intended purposes, inform target audience on the product and its advantages and finally convince sport customers to buy the product. It seems that with respect to sport clubs, managers and authorities cannot influence relationalism by using this strategy. Thus they should prepare the grounds for better interaction with customers by focusing on other marketing strategies.

Results showed that there was a significant positive relationship between price leadership and relationalism (p=0.027, r=0.144) and this was consistent with results of Latinnen (1993) and Audhesh (2011). It means that to the extent that managers expand their using of price leadership strategy, they would be able to enhance relationalism. In this respect Michel (2009) stated that low pricing strategies may lead to development of marketing activities of firms and in turn their profitability increases. Also Alison (2009) showed that relationship marketing may predict pricing tactics in various conditions. In may be concluded that if managers are able to display a good performance in the field of pricing products, they can enhance attraction of customers towards sport clubs. If there is a fit between services provided by clubs and their prices and this fact is clear to the customers, then rationalism is enhanced. According to Latinnen (1993), strategy of reducing production costs, leads to improvement of relationship with customers. Reese et al (2001) confirmed that ticket pricing strategies of American football league is the most important factor in relation to team performance. Finally managers at high levels of Iran are suggested to take measures to hold marketing strategy courses using related experts as teachers to enhance knowledge of sport club managers on marketing strategy and their strategic skills. Also using a comprehensive map for coordinating marketing strategies may be useful in coordinating marketing strategies with marketing sub-systems of sport clubs. On the other hand, managers should pay attention to price factor and take it in to account in improving sales and distribution so that relationalism is enhanced. Managers of sport clubs may review their spending on distribution channels and achieve intended goals using price leadership strategy.

REFERENCES