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## THEORETICAL ASPECTS OF SPORTS SERVICES EFFECTIVENESS

*The article considers the theoretical aspects of the efficiency of sports services in the development of sports industry at the beginning of XXI century. Effectiveness of marketing management decisions is the sum of the effectiveness of sports organization and the efficiency of its functioning. The author suggests the classification of the indicators characterizing marketing management efficiency in the development of sports organization.*

*Keywords: sports marketing; sports services; efficiency; sports industry.*

*JEL Classification: M12, M31.*

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## ТЕОРЕТИЧНІ АСПЕКТИ ЕФЕКТИВНОСТІ СПОРТИВНИХ ПОСЛУГ

*У статті розглянуто теоретичні аспекти ефективності спортивних послуг в умовах розвитку індустрії спорту на початку XXI століття. Обґрунтовано, що ефективність маркетингових управлінських рішень складається з ефективності спортивної організації та ефективності її функціонування. Запропоновано авторську класифікацію показників, що характеризують ефективність маркетингового управління розвитком спортивної організації.*

*Ключові слова: спортивний маркетинг; спортивні послуги; ефективність; індустрія спорту.*

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## ТЕОРЕТИЧЕСКИЕ АСПЕКТЫ ЭФФЕКТИВНОСТИ СПОРТИВНЫХ УСЛУГ

*В статье рассмотрены теоретические аспекты эффективности спортивных услуг в условиях развития индустрии спорта в начале XXI века. Обосновано, что эффективность маркетинговых управленческих решений складывается из эффективности спортивной организации и эффективности ее функционирования. Предложена авторская классификация показателей, характеризующих эффективность маркетингового управления развитием спортивной организации.*

*Ключевые слова: спортивный маркетинг; спортивные услуги; эффективность; индустрия спорта.*

**Problem statement.** One of the main categories in sports organization management is the concept of the control system, the study of the structure which is necessary to assess the effectiveness of marketing management decisions. The effectiveness of marketing management decisions is the concept that characterizes the relationship between inputs on sports facilities and the implementation of these services, i.e. the result of production. However, the effectiveness of marketing of the production function in sports today is insufficiently studied, largely due to the extreme complexity of the analysis of such kind of social production as physical training and sport, as the system of sports services depends on the interaction of a number of variables, essentially different in nature.

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**Latest researches and publications analysis.** The research results are prerequisites for the formation and development of sports marketing and problems of efficiency of sports services presented in A.G. Babaskin and M.A. Babaskin (2009), O.A. Chizhov (2009), J.B. Golikova (2007), A.V. Malgin (2011; 2012), G.V. Ryabenko (2013), O.V. Skopin (2013), O.N. Stepanova (2008), A.I. Volkov (2009) and others. However, despite the objectively existing interest of Russian and foreign researchers to the above issues, some aspects still remain beyond the academic focus.

The effectiveness of direct marketing and marketing of recreational services is investigated by the author in a number of scientific works. The logical continuation is to solve the effectiveness of marketing in the sports industry.

**Unresolved issues** concern the problems of application of the most effective marketing techniques in relation to the sports services at the level of individual sports organizations or sports facilities (Sheremetyev, 2014) and at the regional scale, especially on the threshold of large-scale sporting events such as the Olympics or the World Cup.

**The purpose of the research** is to consider the key issues of sports services efficiency in a rapidly developing sports industry at the beginning of the XXI century.

**Key research findings. Specific features of the effectiveness of sports marketing.** The effectiveness of marketing management decisions covers the two aspects: effectiveness of sports organizations (potential) and performance of sports organizations (use of their potential). The system of sports services depend on the interaction of a number of variables, essentially different in nature. Among them are important socioeconomic factors associated with the traditions of social environment, consumers, mental attitude, motivation of consumers etc. Important strategic benchmark of social policy in the field of sport and physical education should stimulate the motivation of economic activity, creating the conditions for the manifestation of initiatives, energy and abilities, possibilities to ensure decent life. A special role in the solution of these problems is played by the policy in the field of sports services, which should save its potential as a defining factor of socioeconomic development. Progressive development of sport organizations is connected, first of all, with efficiency increase. We assume that the efficiency of sports marketing should be implemented in 3 interrelated and interdependent aspects: educational, economic and social.

Innovations in education differ significantly from innovations in other areas due to the fact that economic efficiency of their implementation cannot be considered a priority. In any sport organization the educational aspect is important but not the key one, therefore, profit in the provision of educational information on sports goods and services should not be the main goal of organization's functioning. The effect of the functioning of the sports system can be direct and indirect. Direct is the volume of sports services and it consists in increasing the quantity and improving the quality. Indirect effect arises due to the functioning of other industries and represents the increase in wealth at the expense of application of labor coaches of the highest qualification, i.e. aimed to increase material production due to the growth of educational level of employers.

One can differentiate internal and external efficiency of the system of sports marketing in an organization.

Under *internal efficiency* we mean the set of performance indicators of sport organization, characterized by the adequacy of its major tasks of ensuring the functioning of the system taking account of the development of organization with minimum resources.

When it comes to internal efficiency of the system of sports marketing, it is largely characterized the sports complex of services as an object system. Internal efficiency has various manifestations, somehow connected with the saving work directly in the field of sports services.

Under *external efficiency* we mean the efficiency of its impact on external environment, characterized by the final results, as a whole, and on individual aspects of a sport organization. External efficiency may be treated with individual and social perspectives. Effective individual sports service is only when provided services bring satisfaction, both moral and material.

As for the external efficiency of sports services from the public point of view, the most significant expression is its contribution to economic growth. Practical assessment of external efficiency involves the analysis of the ratio of costs and results, financing methods, ways to reduce costs and increase financing volumes. Such external efficiency characterizes the interaction of the system of sports marketing and the spheres of material production.

Based on the above assessment of the effectiveness of marketing management decisions of sports organization must be considered in 3 aspects: social, educational and economic.

Educational and social efficiency is measured through the indicators such as the positive impact on the development of the best qualities of personality, on the improvement of all aspects of social life, on the formation of a healthy society. The level of services provided by a sports organization determines the state of security, strengthening the social security.

***The key vectors determining the economic efficiency of marketing in sports.*** Economic efficiency is proposed to be viewed from two fundamentally different perspectives:

1. From the point of view of sports services customers, i.e. the efficiency of influence of services quality on the development of healthy society working in all sectors of national economy.

2. Efficiency of functioning of the sports organizations, i.e. from the point of view of management and marketing effectiveness of management decisions.

Economic efficiency from the perspective of a consumer, is reasonable to be evaluated by a tuple:

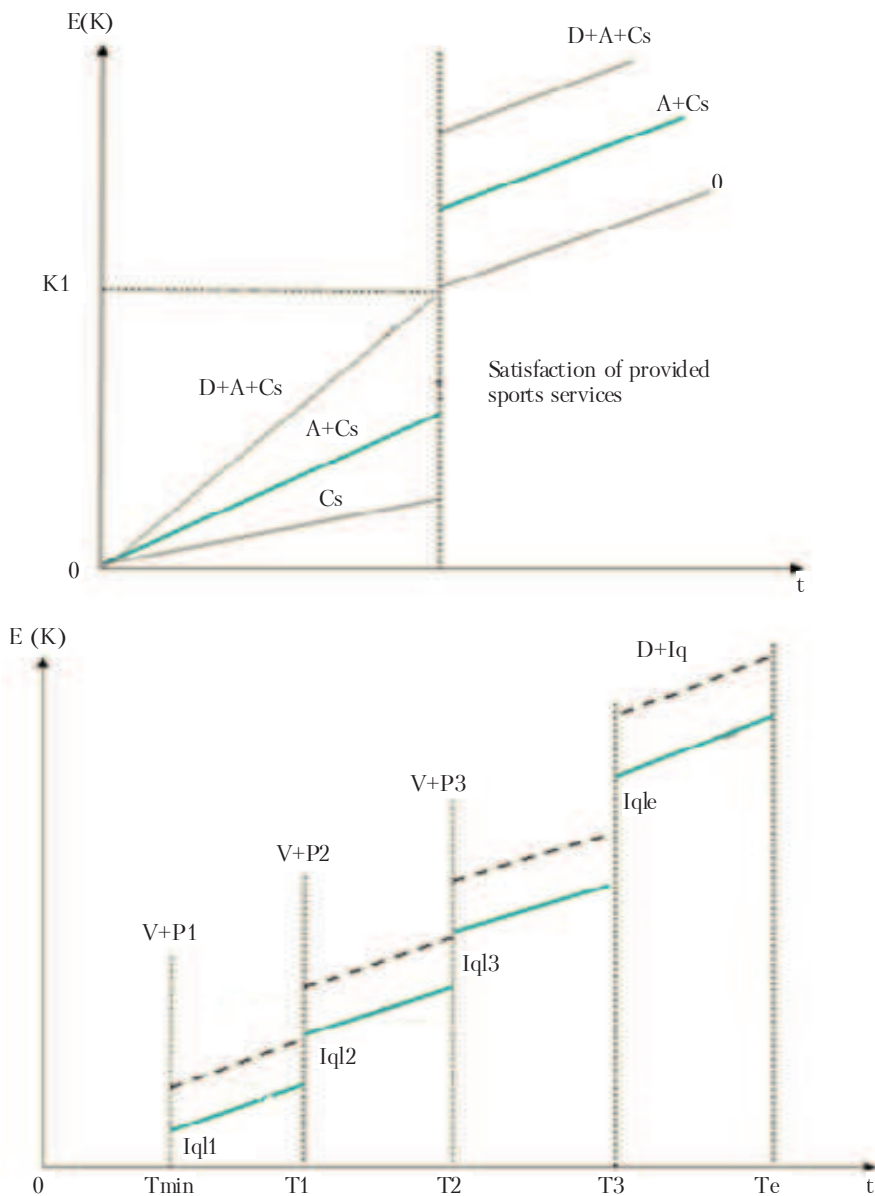
$$E = (C, P_s, A, D, I_{QL}), \quad (1)$$

where  $C$  – the cost of sports services;  $P_s$  – produced sports services, the quality of which is measured through the customer satisfaction;  $A$  – acquisition of additional services;  $D$  – the demand for sports services market;  $I_{QL}$  – improving the life quality.

Each of these components of indicators depends on a number of parameters.

For example, the quality of sports facilities is determined by the quality of qualified personnel and the cost of services is determined by the level of payment for work, sport organization. The difficulty lies in the fact that to assess effectiveness of sports

services provided to customers is possible only after a certain time. In the conditions of market economy in addition to quality sport services, one of the indicators of efficiency is competitive sport organization, characterized by complete satisfaction of consumers, repeated appeals, and the image of sport organizations. Performance indicator from the point of view of competitive advantages obtained by the customer at the sports complex is illustrated in Figure 1.



**Figure 1. A chart of efficiency of the process of obtaining sports services from the point of view of competitive advantage received by consumers in sports organizations, developed by the author**

With respect to the efficiency of marketing management solutions, provided sports services should express the degree of implementation of the goals, outcomes are realized at the account of expenses directed at achieving them.

One of the components of economic efficiency of sport organization is the cost of sports services. In general, the total price of sports services is the expression of the total cost of their creation, meaning the sum of the amortization fund (equipment, buildings, structures), revolving fund (current expenditures: salary and social charges, payment for public utilities etc.) and development fund.

While developing the effective system of sports marketing it is objectively required to have significant initial costs: the costs for preparation of teaching materials, training of employees of sport organizations, costs associated with the organization of communications and purchase of additional computer equipment and other capital investments. However, the cost of new sports facilities should not, however, grow significantly.

If we accept that the purpose of efficiency of marketing management decisions is the development of sport organizations, as one of performance indicators can be the following:

$$EMMD = \frac{I_{vmd}}{C_{rad}} = \frac{\sum_{i=1}^m K_{bi} O_{pi}}{\sum_{j=1}^n K_{cuj} O_{rj}}, \quad (2)$$

where  $EMMD$  – efficiency of marketing management decisions;  $I_{vmd}$  – assessment of the impact of a particular variant of management decisions;  $C_{rad}$  – assessment of the required value, all efforts on realization of administrative decisions;  $K_{bi}$  – the ratio of weight to each of  $m$  alternatives;  $O_{pi}$  – performance of evaluation of this option by the  $i$ -th sports proposal;  $K_{cuj}$  – the complexity factor of use of each of the  $n$  types of sports resources;  $O_{rj}$  – assessment of the required size of the  $j$ -th sports resource for this variant of administrative decisions.

Traditional approach to the definition and calculation of efficiency indicators for the organizational economic mechanism of sports organization management is quantitative interpretation of all aspects of organization's activities.

**Conclusions and perspectives for further researches.** To structure the indicators in this article their division into eight more or less homogeneous functional groups is proposed (Figure 2). Some of the indicators include not one, but two groups, because they characterize two sides of the activities of sports organization (SO).

The group of indicators of *sustainability* of the current activities of sports organizations includes: the number of sports services, rating sports organizations, quality and cost of sports services.

The group of the indicators of *scientific potential* of sport organizations is characterized by a number of trainers, their professional level, a number of manuals, the volumes of research, the number held seminars and conferences in a sports organization.

The group of the indicators of *resource availability* of sports organizations includes: athletic training area, availability of material and sports facilities, computerized information, technical support, the composition and number of staff.

The group of *financial indicators* of sports organizations includes: the volume of charges of budget and extrabudgetary funds, salary fund, the volume of allocated

funds to improve work, for the purchase of sports equipment and inventory, for the purchase of educational and methodical literature.

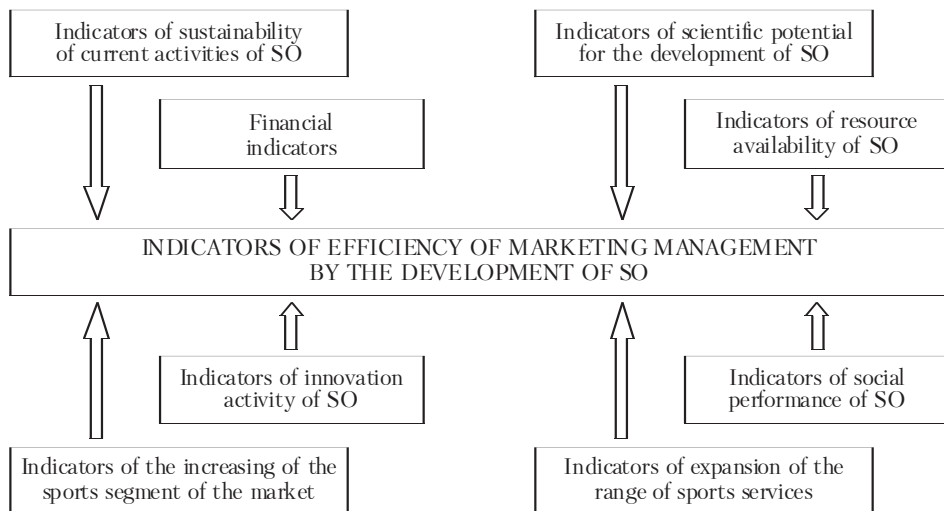


Figure 2. The structural scheme of the effectiveness indicators for marketing management development in sports organization, developed by the author

The group of indicators of *innovation activity* includes the automated control system of sports organization, electronic catalogue of services, application of new technologies and methods in sport.

The group of indicators of *expansion of the range of sports services* allows estimating the number of different kinds of sports complex programs.

The group of indicators of *increasing the sports segment of the market* describes the number of sports organizations, the number of various consumers who receive sports services in this organization.

The group of indicators of *social performance* of sports organization includes the average salary of trainers, professional athletes and employees, social development fund, the contribution of sport organizations in the development of city and district.

Due to the transition to market relations, there have been significant changes in management models, and the category of efficiency of marketing management acquired a particularly significant status. Sports organizations have set new objectives. At the present stage the effectiveness of marketing management decisions in sports organizations of different levels applies to all aspects of their activities, as well as all to other elements of the sports market.

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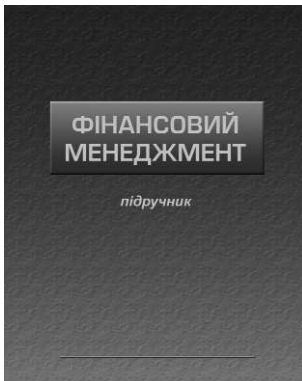
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### КНИЖКОВИЙ СВІТ



СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА  
ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД  
**НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ**

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**Фінансовий менеджмент: Підручник / За наук. ред. д.е.н., проф. М. М. Єрмошенка. — К.: Національна академія управління, 2011. — 506 с. Ціна без доставки — 112 грн.**

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Має гриф підручника від Міносвіти України.

У даному підручнику, котрий дає системне і змістовне уявлення щодо управління капіталом у всіх його формах. Комплекс питань, що стосуються фінансово-кредитних відносин на макро- і мікрорівні з точки зору міжнародних стандартів фінансового розвитку, дозволяє сформулювати у читача глибоке уявлення про взаємозв'язки комерційної діяльності підприємств з державним механізмом регулювання монетарної сфери через розробку і реалізацію фінансової і грошово-кредитної політики в Україні.

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