

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This chapter addresses several elements. Firstly, a background sketch to the study is provided. This is followed by a discussion of the formulation of the problem. Thirdly, the objectives of the study, as well as the research methodology, are presented. The chapter concludes with an orientation towards the main components of the study.

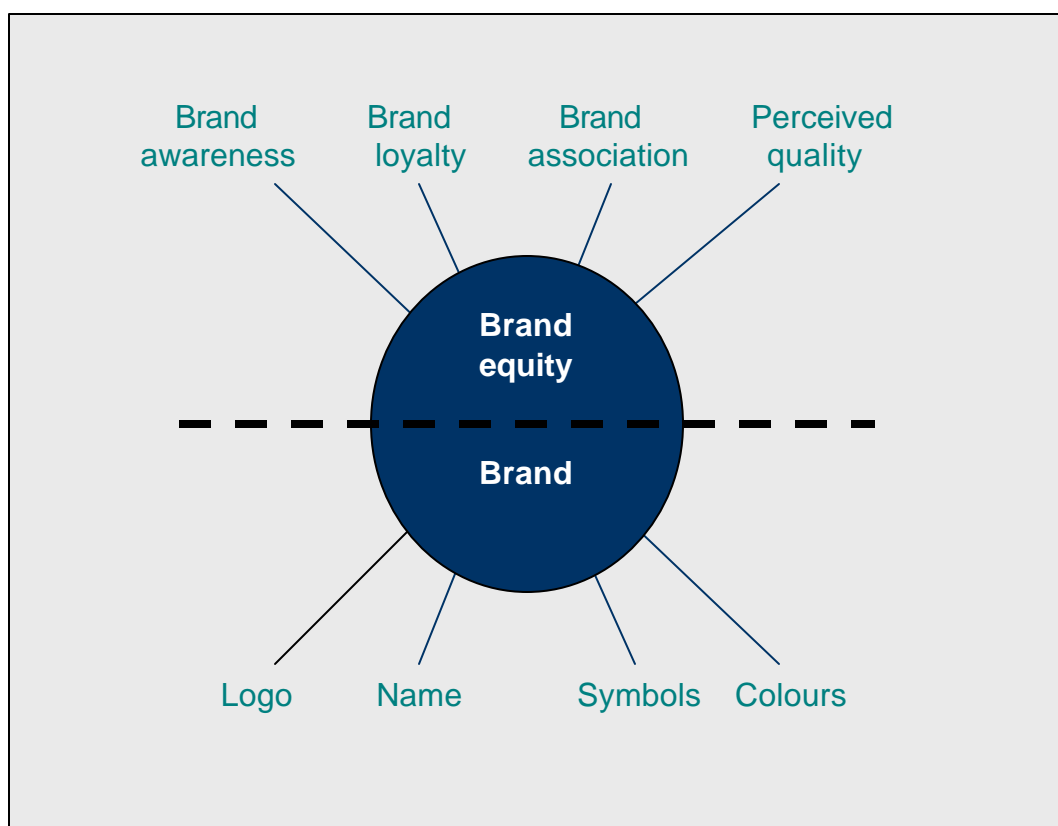
1.2 BACKGROUND SKETCH

According to Williams (2004:18) South Africa's international isolation from the 1970s to the early 1990s resulted in South African sport organisations missing out on a generation of global sports development, both on and off the field. When South African rugby became professional in 1995 (Basson, 2003:15), leadership, governance and management were often primitive, and while the top nations were evolving professional structures, brand management and appropriate legal and medical relationships, South African sport was stagnating (Williams, 2004:18).

Hence South African sports brands still need to undergo intense development before reaching the earnings levels of the top sports brands in the world (Hasenfuss, 2001a:52).

This study focuses on the determination of brand equity of the provincial, regional and national rugby teams of South Africa. For the purposes of the study it is necessary to differentiate between the concepts of *brand* and *brand equity*, as illustrated in figure 1.1. These concepts are discussed below.

Figure 1.1 Branding and brand equity



Source: Adapted from Shepherd (2004:1)

1.2.1 BRANDING

A *brand* is a name, symbol, design or some combination, which identifies the product of a particular organisation as having a sustainable differential advantage (Baker & Hart, 1999:49). In this study therefore any reference made to a name, symbol and/or design will refer to a brand.

Brand identity includes all elements through which a brand communicates with the world around it (Kohli & Leuthesser, 2001:6), and helps consumers to identify the various attributes and characteristics of the brand, its values and supporting behaviours (Clifton & Simmons, 2003:154).

The way consumers perceive brands is a key determinant of long-term business-consumer relationships (Louw & Lamb, 2000:1). A successful brand has a recognisable name which signals specific attributes to the consumer, and performs many key functions. These functions include the following (Palumbo & Herbig, 2000:1):

- It communicates messages to the consumer.
- It functions as a piece of legal property in which the owner can invest, and through law, is protected from competitor trespass.
- It identifies the product or service and allows the consumer to specify, reject or recommend it.

A brand is a promise made to consumers about the product or service they are purchasing. The promise is not immediately credible but instead is reinforced over time because the relationship between an organisation and its consumers is built (Gregg, 2003:1). Recognition of the economic value of brands has increased the demand for effective management of the brand asset (Clifton & Simmons, 2003:39) and is better known as brand equity.

1.2.2 BRAND EQUITY

The term *brand equity* is used to describe the value added to a product because of the brand associated with that product or the value of the branded product less its value as an unbranded product (Gregg, 2003:1). According to Aaker (1998a:173), *brand equity* refers to a set of assets and liabilities linked to a brand that add to or subtract from the value provided by a product or service to an organisation and/or that organisation's customer. The value of a brand is found in the memory of each potential consumer in a target market (Gregg, 2003:2) and can be established by considering consumers' awareness of associations with brand loyalty to and perceived quality of brands (Aaker, 1998a:173).

Brand equity can be tracked and rated using the following criteria (Gregg, 2003:12):

- *Relevance*. This refers to the personal appropriateness of the brand to consumers (ie perceived quality).

- *Esteem*. This has to do with the extent to which consumers like a brand and hold it in high regard (ie brand loyalty).
- *Differentiation*. This is the defining aspect of a brand and what distinguishes it from all others (ie brand association).
- *Knowledge*. This involves being aware of the brand and understanding what the brand or service stands for (ie brand awareness).

One may thus conclude that brand equity is like a reputation, which cannot be bought or sold and is often one of the key intangible factors in an organisation (Clifton & Simmons, 2003:xiii). Various methods can be used to measure brand equity (Keller, 2003:477). According to Gregg (2003:12), methods range from consumer-driven brand diagnostic tools (loyalty, repeat purchase intent) to financially driven brand valuation techniques (net present value of future cash flows derived from the brand, comparable brands that have been sold). Although there are a number of ways to measure brand equity in goods and services marketing (Gregg, 2003:1; Aaker, 1996:319; Duffy, 2003:38), a few attempts have been made to look at the brand equity of sports teams (Shank, 2002:271). Hence for purposes of this study, the brand equity of the provincial, regional and national rugby teams of South Africa was determined by applying Aaker's Brand Equity Ten model to sports marketing. (This model is discussed in detail in chapter 5 of this study.)

According to Kelly, Hoffman and Carter (1999:472), aspects of sports marketing can be viewed as a special case of marketing a brand. Branding is

a new phenomenon in South African rugby, which, as mentioned above, only recently became professional and commercialised in South Africa. Branding in South African rugby will now be discussed.

1.2.3 BRANDING IN SOUTH AFRICAN RUGBY

It was estimated that the South African rugby industry was worth approximately R400 million by the end of 2000 (Vice, 2001:3). There are various role players in this industry, of which the provincial, regional and national rugby teams are probably the most important (the South African rugby industry is discussed in detail in chapter 2.) The various provincial, regional and national rugby teams of South Africa are illustrated in table 1.1.

Table 1.1 Provincial, regional and national rugby teams of South Africa

Provincial	Regional	National
<ul style="list-style-type: none"> • Blue Bulls • Boland Cavaliers • Border Bulldogs • Cheetahs • Eagles • Falcons • Golden Lions • Griffons • Griquas • Leopards • Mighty Elephants • Mpumalanga Pumas • Natal Sharks • Western Province 	<ul style="list-style-type: none"> • Bulls • Cats • Sharks • Stormers 	<ul style="list-style-type: none"> • Springboks • SA Sevens • South Africa U-23 • South Africa A • South Africa U-21

Source: Adapted from Colquhoun (2003; 2004)

When rugby in this country was professionalised, the reorganisation of the rugby unions afforded the various South African rugby unions an opportunity for branding and aggressive marketing (Anon, 1998:22). Most of the unions have since updated their rugby brands to reflect a more powerful and aspirational feel (Van der Berg, 2003b:5).

According to Van der Berg (2003a:5), the Springbok brand is regarded as a “massive sports brand” and is also considered to be the best-known sporting brand in South Africa (Cronje, s.a.:1). Furthermore, according to Taylor (2003:22), the brand is considered to be the most valuable brand in the country. The sale of Springbok merchandise amounts to R20 to R25 million per year (Capostagno, Nel & Rich, 2003:4). However, according to Moodie (2003a:1) the management of the Springbok brand say that it is impossible to value this brand because of the emotions vested in a national team.

Adam and Adam (2002:2) contend that it is possible to measure the value of sports brands. Manchester United is the most valuable sports brand in Europe with a value estimated at \$259 million (Garrett, 2001:3).

1.3 REASON FOR THE STUDY

Sporting types such as soccer in Europe seek to maintain the base of loyal sporting fans and to help clubs maintain and increase their membership base. When clubs actually implement this, they can usually afford better players and

win more matches, thus enhancing their brand equity (Adam & Adam, 2002:1).

Through the application of marketing principles and practice, sports marketers should anticipate, manage and satisfy sports consumers' wants and needs when marketing sport. Marketers should strive to create and build awareness of a specific sports team, which should ultimately lead to loyal supporters. Sports teams' brands should therefore be emphasised and marketed.

In the sports marketing environment, management are faced with several challenges (Kelly *et al.*, 1999:470), and should attempt to gain a competitive advantage for their organisation through a differentiation strategy, by striving to be unique in its industry or market segment. This can be achieved by designing product characteristics to satisfy customer needs in ways that competitors find difficult to match (Covell, Walker, Siciliano & Hess, 2003:163). A thorough understanding of sports marketing theory and its application is thus a requirement for management to succeed in the sports industry. Sports marketing is described as the anticipation, management and satisfaction of sport consumers' wants and needs through the application of marketing principles and practice (Parkhouse, 2001:301). Effective sports marketing programmes should therefore develop effective fan adoption plans that facilitate fan movement by creating awareness, generating interest, facilitating trial and ensuring adoption (Kelly *et al.*, 1999:472).

The brand-related marketing activities of sports teams should first focus on building the awareness of the sports team's brand (Kelly *et al.*, 1999:472). However, despite the importance of brands and consumer perceptions of them, rugby unions in South Africa have not used a consistent definition or measurement technique to assess spectators' perceptions of the South African rugby brands (Louw & Lamb, 2000:1). If some understanding of spectators' perception of brands could be developed, rugby unions would be able to determine and measure the brand equity of their teams. By ascertaining spectators' awareness of, associations with, loyalty to and perceived quality of the respective brands of the provincial, regional and national rugby teams of South Africa, the brand equity of these teams could be established.

1.3.1 FORMULATION OF THE PROBLEM

From the above it is clear that brand equity is the total value of a brand as a separable asset. It is a measure of the strength of consumers' attachment to a brand, as well as a description of the associations and beliefs the consumer has about the brand (Wood, 2000:2). The literature study also revealed that despite the importance of brands and consumer perceptions of them, sports marketing researchers in South Africa have not applied a consistent definition or measurement technique to assess consumer perceptions of brands. Furthermore, in South Africa, no measurement technique has been used to establish the brand equity of either the provincial, regional or national rugby teams.

The reason why this study was undertaken was to determine the brand equity of the provincial, regional and national rugby teams of South Africa.

1.3.2 CONTRIBUTION OF THE STUDY

The study will contribute to the field of sports marketing, with specific reference to sports marketing and sports branding in South Africa. The information gathered in this study will provide an indication of the profile of rugby supporters in South Africa and their awareness of, associations with, loyalty to and perceived quality of their various rugby brands in South Africa (ie the brand equity of the provincial, regional and national rugby teams of South Africa).

1.4 OBJECTIVES OF THE STUDY

The main objective of the study as stated above was to establish the brand equity of the provincial, regional and national rugby teams of South Africa. This was determined by means of primary research. The secondary objectives of the study, which constituted the secondary research dimension, included the following:

- Investigate South African rugby supporters' brand awareness of the various South African rugby teams
- Examine South African rugby supporters' brand associations with South African rugby teams

- Analyse South African rugby supporters' brand loyalty to South African rugby teams
- Examine South African rugby supporters' perceived quality of the South African rugby teams
- Identify future areas of research

1.5 RESEARCH METHOD

In order to achieve the objectives of the study, secondary research was conducted, followed by primary research.

1.5.1 SECONDARY RESEARCH

Secondary research refers to information that has been collected for some other purpose and is readily available (Steyn, Smit, Du Toit & Strasheim, 1999:8). The advantage of secondary information is that it provides necessary background information on the particular problem or research study at hand (McDaniel & Gates, 2001:85).

In this study an extensive literature study was undertaken as outlined in chapters 2, 3 and 4. Aspects that were covered included the South African rugby industry, sports marketing and branding and brand equity. Although there is ample secondary information available on branding; information on brand equity, the South African rugby industry and sports marketing was not as easily accessible.

1.5.2 PRIMARY RESEARCH

Primary sources of information are those that have originated directly as a result of a particular problem under investigation (McDaniel & Gates, 2001:25). The primary research of this study was undertaken in an endeavour to achieve the main objective of the study, namely to determine the brand equity of the provincial, regional and national rugby teams of South Africa.

Research was conducted among rugby supporters throughout South Africa by means of telephone interviews. The rugby supporters were probed about their awareness of, associations with, loyalty to and perceived quality of the provincial, regional and national rugby teams of South Africa. A structured questionnaire was used.

1.5.2.1 POPULATION OF THE STUDY

A population can be defined as the total group of persons or universal collection of items to which the study relates (Steyn *et al.*, 1999:16). In this study, the population constituted all rugby supporters older than 16 years in South Africa.

1.5.2.2 SAMPLING METHOD

Since the population of the study was large, only a sample of the population was studied. Because no information was available on the population (ie South African rugby supporter), the sample obtained in this research study is considered representative. This is substantiated by Kerlinger (1986:110) who says: "Sampling is taking any portion of the population or universe as representative of that population or universe." The sample was drawn by means of multistage sampling. In stage one South Africa was geographically divided into 14 rugby provinces. In stage two a minimum of 30 households were randomly selected in each province, using the telephone directories of each area as a sample frame. The sample elements (respondents) were finally selected by random chance in the final stage. A total of 4 122 telephone calls were made, and 511 respondents participated in the research study. (The sampling method adapted in the study is discussed in detail in chapter 5.)

1.5.2.3 DATA GATHERING

After the questionnaire had been pretested amongst 30 people, the primary data were gathered by means of telephone interviews, using a structured questionnaire. Fieldworkers were briefed, and controlled throughout the data gathering process. Completed questionnaires were also checked by telephoning some of the respondents as indicated on the questionnaire.

1.5.2.4 DATA PROCESSING

The data obtained during this study were processed by means of the SPSS programme, with the assistance of *Complete Statistical Solutions*. Data were coded, edited and cleaned, and are presented in this study by means of frequency tables, cross-tabulation and graphs. Significant tests (chi-square, Pearson correlation and ANOVA) were used to test for significant differences between variables. (The research results are discussed in detail in chapter 6.)

1.5.2.5 LIMITATIONS OF THE STUDY

It should be noted that the primary research of this study was conducted during the 2004 Super 12 season and could have had an influence on the recognition of the different rugby brands. The data were however obtained before the semi-finals and finals of the tournament in May 2004.

1.6 ORIENTATION OF THE STUDY

The orientation of the study is as follows:

CHAPTER 1 INTRODUCTION

This chapter sketches the background to the study, formulates the problem and objectives of the study and discusses the research method adapted.

CHAPTER 2 THE SOUTH AFRICAN RUGBY INDUSTRY

In chapter 2, a situational analysis of the South African rugby industry is executed. The focus of the chapter includes the main role players in the South African rugby industry and South African rugby competitions. Since the South African rugby industry is extremely volatile, this chapter was based on information gathered until February 2004.

CHAPTER 3 SPORTS MARKETING

Chapter 3 examines sports marketing, and how it is applied in the South African rugby industry. The nature of sports marketing is first discussed, followed by a detailed study of the sports industry and sports consumer behaviour. The chapter concludes with a brief overview of the sports marketing strategy.

CHAPTER 4 BRANDING AND BRAND EQUITY

This chapter provides a brief overview of the main concepts of branding and brand equity, and examines how brand management is applied in the South African rugby industry. The concepts *branding* and *brand equity* are first explained in detail, and following from that the four categories of brand equity. The chapter concludes with an in-depth discussion of brand management.

CHAPTER 5 RESEARCH METHODOLOGY

The marketing research process is discussed in detail in this chapter; as well as the research approach adapted in the study and the type of primary data collected.

CHAPTER 6 RESEARCH RESULTS

The findings of the empirical research are presented in chapter 6. These findings refer to the profile of the sample, the South African rugby supporter profile, and the brand awareness, brand association, perceived brand quality and brand loyalty of the provincial, regional and national rugby teams of South Africa.

CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the findings of the research results are interpreted, conclusions are drawn, recommendations are made and areas of future research are discussed in detail.