Marketing Segmentation of Division I School Fans through Socio-Demographics and Consumption Level

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The saga of athletic programs' operating expenses exceeding revenues continues to plague many universities (Knight Commission, 2010). For example, Fulks (2008) reported an average increase of 43% in operating spending, while only an approximate growth of 33% in revenue. Aligned with these results, a recent *National Collegiate Athletic Association (NCAA) Revenues and Expenses Report* noted that program deficits have risen 35% in Football Bowl Subdivision (FBS) programs in just four years (NCAA, 2010). In fact, the NCAA recently reported that 80% (94/119) of FBS institutions had average losses of $9.9 million (NCAA). Thus, the ever growing need to drive collegiate athletic consumption is at the forefront of most programs, especially given that ticket sales account for approximately 28% of revenues (Knight Commission, 2010). However, collegiate athletic program have constantly faced challenges in finding the necessary fiscal resources to adequately support their programs (Fulks, 2008). Therefore, it is important to understand the market segmentation concept.

According to Mullin, Hardy, and Sutton (2007) and Pitts and Stotlar (2002), market segmentation is central to the understanding of sport consumer behaviors, which would provide crucial information that can be used to design marketing strategies and activities aimed to attract and retain consumers. Segmentation is a process of dividing a large, heterogeneous market into more homogeneous groups of people, who have similar needs and wants, and are likely to exhibit similar consumption behaviors (Weinstein, 1994). In order for sport organizations to remain competitive, they must be able to develop and refine their products and services to meet the needs and preferences of consumers of diverse backgrounds. Due to the relative ease of obtaining information such as age, race, and education, demographic segmentation is the most widely used method of segmentation. Researchers have identified a number of sociodemographic variables that are associated with the level of sport consumption. Consumption level would be another popular form of market segmentation, through which consumers are categorized into groups based on their types of membership, frequency of attendance, and level of purchases. Mullin et al. (2007) indicated that when possible, it would be advantageous to adopt multiple approaches of market segmentation, which would help provide more specific information about the consumers. The purpose of this study was twofold: (a) conducting a market segmentation of Division I School fans according to their socio-demographics and Division I School fans' consumption levels, respectively, and (b) examining the relationships between sociodemographics and levels of consumption of Division I School fans.

A total of 522 participants were recruited from Division I university. They responded to a survey that included socio-demographic variables (gender, ethnicity, marital status,

education level, occupation, and household income) and variables assessing Division I University attendance. Descriptive statistics and multiple regression analysis were conducted by applying the SPSS 18.0 program. Descriptive statistics were calculated for the sociodemographic variables and consumption variables. ANOVA was conducted in order to reveal significant differences across sociodemographic variables and consumption variable.

Results indicated that 80% of the participants were between 18 and 34 years of age. Also, 80% of respondents were driving within 50 miles to attend the game, while 10% of participants drove 100 miles to attend game. The participants were of various educational backgrounds and occupations, with a majority having at least some college experience (77.3 %) and being educator/student (51%) or professional (14.4%). Regarding household income level, 59% of participants had less than $40,000 annually. ANOVA revealed that Division I fan attendance consumption level was significantly influenced by age [F (2, 353) = 20.1, p> .05], marital status [F (4, 361) = 11.0, p> .05], education [F (3, 351) = 6.81, p> .05], occupation [F (11, 328) = 7.23, p> .00], and income [F (11, 298) = 3.09, p> .001]. However, gender was not found to be significantly related to the consumption level [F (2, 364) = .877, p < .05], neither was ethnicity [F (5, 364) = 1.00, p> .05].

The findings of this study revealed that Division I fans of various ages, marital statuses, education, occupation, and income had different consumption level of attendance, which were likely due to the differences in their needs, wants, preferences, disposal resources, availability, and even lifestyles. While young male singles with good family income are likely the core market segment of Division I school fans, greater marketing efforts and service activities should be targeted at attracting adult members, female consumers, and even families. When formulating promotional strategies, differential marketing procedures may be formulated and used to specifically address the uniqueness of needs for members with difference combination of socio-demographics and consumption levels.