

# [Segment consumers of cricket on the basis marketing essay](https://assignbuster.com/segment-consumers-of-cricket-on-the-basis-marketing-essay/)

The thought of this study came during my summer internship in Mudra Connext, where I was working on the study “ to understand the gravity of IPL as an ecosystem and finding opportunities for sponsors to engage with the IPL Fans”. One was the most important finding of this study was that in order to connect with the IPL fans or cricket fans in general you need to have a deeper understanding of the psyche of the consumers of cricket. Thus I conceptualized this study to know these people who are so in love with the game of the cricket.

Cricket is called a religion in India with millions of followers, who consume it in different fashion from TV to newspapers to magazines to watching games at the stadiums. IPL has brought a new wave in this game and certainly has bought new followers with it. Thus it is very interesting in the current scenario to try and know these people, who love it all.

When I tried to find some sort of literature available in field of segmentation of sports fans, I couldn’t find much, especially studies done in India and that too on cricket. Most of the studies available were done in US on sports like NFL, NBA etc. Hence, I thought there is a need of such a study in India on cricket.

This study aims at segmenting consumers of cricket on the basis of their behavior and attitude towards the game. It was found from the literature review that attitude and behavior are two good parameters to do segmentation of sports fans, thus these two parameters were employed. A qualitative study was devised, employing questionnaire as the data collection tool to know people’s attitude and behavior towards cricket. The survey was carried out among 153 respondents in 6 post-graduate colleges in Ahmedabad. Then factor and cluster analysis was run to analyze the results.

It was found from the cluster analysis that there are 4 different segments among consumers of cricket.

Entertainment Seeker

IPL Cynic

IPL Fan

Ardent Cricket Fan

Each of these segments is profiled using the demographics data.

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CHAPTER 1

## Introduction

## Just Cricket

Cricket, the phenomenon that occupies the notorious position of “ the nation’s preoccupation” has a place in every Indians heart, mind, soul and television. This seemingly innocuous game has more to it than meets the eye; thus one needs to understand the relationship it shares with the people who consume it. We need to look at this from a different perspective.

This phenomenon in the recent times has become more than just a sport, with the commercialization of cricket brought by the IPL, the whole angle to business and entertainment is added to this sport. Thus we see there are there are four dimensions to cricket as shown below:

If we see it from the point of view of business and consider cricket as a product, the important question to ask is, can the principles of marketing be applied to cricket? Can the theories of segmentation of consumers of products be applied to cricket? Can we use the same approach to get a deeper understanding of the fans of Cricket or we need separate parameters for same? This study will try to answer such questions; here an attempt is made to segment consumers on the basis of their attitude and behavior towards cricket. Here quantitative research is used, where Questionnaire will be used as the data collection tool and Factor and Cluster Analysis would be used for analyzing the data.

This area of study is new in India especially for cricket thus there is not much study that has been done on this subject. Thus this study can prepare the ground work and could act as the first step towards understanding the psyche of cricket fans. It can be of great use to the organization who are trying to connect with the consumers of cricket, especially in the case of cricket where there is no benchmark available.

## Purpose of the Study

As this area of study is quite nascent in India especially in the field of cricket, not much literature is available on the subject. Thus the importance of this study lies in setting up a platform for further studies and developing a deeper understanding of the consumers of cricket. This could also hugely benefit the IPL teams in building a strong fan base, because with the help of this study they’ll be able to target the various segments present among their fans.

The literature review was done to find out about the existing research, if any, on the same or related topic and the knowledge gaps that can be filled. Besides, by explaining the key terms of the study and the market scenario, both international and Indian, the literature survey would serve as the backbone of the entire study.

CHAPTER 2

## Review of Literature

## Segmentation

While defining a market, we consider it as a function to which a product caters whereas while defining a segment, its benefits (benefits sought and by whom) are considered. Segmentation analysis therefore gives the following output:

Profiles of the target group of customers, focusing on details that will aid us develop the strategies for product, promotion, price and distribution.

Set of beliefs that help us build an offering to match the benefits sought and select benefits in our offering that will be a critical advantage to induce buying.

(Competitive Marketing, A Strategic Approach, John O’ Shaughnessy)

A 3-step approach used by market research firms segment the market is as follows:

Step one: Survey stage. Exploratory interviews and focus groups are done by the researcher to gain insight into consumer motivations, attitudes and behavior. These findings are then used by the researcher to design a formal questionnaire and collect data on:

Attributes and their importance ratings

Brand awareness and brand ratings

Product usage patterns

Attitudes towards the product category

Demographics, Geographic, Psychographics and Media graphics.

Step two: Analysis stage. To create maximum number of different segments

Step three: Profiling stage. Each cluster is profiled based on distinguishing attitudes, behavior, demographics, psychographics, and media patterns. Each segment is given a name in terms of its dominant distinguishing characteristic. New sements are discovered by investigating the hierarchy of attributes that consumers scrutinize in choosing a brand. This process is called market partitioning. So, one can make different segments with each segment having distinct demographics, psychographics and Media graphics.

(Philip Kotler, Marketing Management, Tenth edition)

## Segmentation Strategies

Segmentation is a marketing tool that enables a marketer to measure and identify sufficiently homogeneous groups within the market to warrant separate products or marketing programmes. Market segmentation, in the past few decades, has been researched taking several bases which include demographic and socioeconomic characteristics, personality, values and lifestyle characteristics (psychographics), product usage patterns, attitudes towards products, benefits sought, and attitudes toward marketing strategies. However, conceptual understanding between the various segmentation bases, especially between psychographics, values, and attitudes, is not always clear. Regardless of all this, segmentation has been widely used both in subject matter and methodological strategy. Segmentation based on attitudinal measures has been very popular in 1990’s. In segmentation, consumers with comparable preferences, beliefs, or attitudes within a specific group are clustered together.

## Attitude

Attitudes are psychological tendencies that are expressed by evaluating a particular entity or objects with some degree of favor or disfavor. Here, “ object” would mean individuals, tangible entities, situations, and acts.

## Psychographics

Marketers use psychographic analysis to understand consumer lifestyles of the core customers in order to communicate more effectively with people in that segment. It also helps in positioning new or existing products closely to consumers in a segment. The idea is to go beyond standard demographics to position the poduct.

## The Concept of Fan Loyalty: Attitude and behavior

If customer loyalty is known somewhere it’s in sports, but still we know very little about the factors that lead to loyalty to a sport. If we look at the marketing studies outside sports, it can be found that individuals who are emotionally involved to a particular product or service are far more likely to repurchase that product or service. It was also found that the same relationship extended to sport fans. Some of the studies have shown that “ ardent sports fans” are more likely to attend a live game.

## Behavior

Although there are many behaviors that may be an expression of fan loyalty (e. g., television viewing, radio listening, team merchandise purchases), prior research has relied heavily on attendance data to measure loyalty towards sports. Total attendance, increases in ticket sales, and the extent of repeat attendance have been used as behavioral indicators of consumers’ loyalty to a sports team or organization. Although repeat attendance may be the biggest indicator of a person’s attachment to a team, this strictly behavioral indicator ignores the underlying psychological processes explaining why some people attend more games over time. In fact, research has shown attendance alone is a poor measure of loyalty.

## Attitude and Behavior

Most of the loyalty researches are done primarily on two main dimensions, behavioral and attitudinal. Some researches proposed a two-dimensional conceptualization of loyalty integrating both behavioral and attitudinal components.

For example, Backman and Crompton used attitudinal and behavioral scores to segment respondents in their study of golf and tennis participants. A 13-item semantic differential scale was used to measure “ participants’ general feelings toward the activities” (p. 208). The researchers referred to this dimension as attitudinal loyalty. The proportion of participation devoted to golf or tennis during the previous 12-month period was used as the measure of behavior. Thus we can say that attitude and behavior can be used for segmentation of sports fans.

## The History of Cricket in India & IPL

Cricket truly rules the hearts of this Nation of a billion. It has been and continue to be regarded as religion.

The Indian cricket board is the richest cricket board in the world called the Board of Control for Cricket in India (BCCI). Some of the important domestic cricketing competitions held in India are:

The Ranji Trophy – which started in 1934

The Irani Trophy – which normally means the beginning of the domestic season, and holds a high degree of importance amongst fans and serves as a selection ground for upcoming tours

The Vijay Hazare Trophy – Is a Limited over’s edition of Ranji Trophy

The Duleep Trophy – it is in a knockout league format;

The Deodhar Trophy – Is the Zonal one day tournament held between the four zones

The Challenger Series – is perhaps the most popular domestic structure after the IPL, and it represents the top 36 players of the country organised into three teams, India Blue, India Red and India Green.

Twenty 20 has also marked a huge impact on the sport in the country. There are currently three domestic tournaments held in the country in this format.

The Inter-state T20 Championship

The Indian Cricket League (ICL)

The Indian Premier League (IPL).

ICL was launched by Zee TV, it took BCCI head on thus it was also called as the rebel league. BCCI in counter-attack launched IPL. The BCCI banned the players playing in the ICL from their National squads, it also ensured that the ICL does not gain ICC approval,. The inaugural edition of the IPL saw 8 teams participating: Delhi, Kolkata, Mumbai, Chennai, Bangalore, Hyderabad, Punjab and Rajasthan. The format of the tournament is a league-knockout, where each team plays every other team twice, home and away. The top four teams from the league qualify for the knockout semifinal stage, and subsequently the finals.

It is predicted that BCCI would earn an income of approximately USD 1 billion over a five year period from IPL. 40% of these earnings are directed to IPL/BCCI, 54% would be split evenly between the franchisees, and 6% is allocated for prize money. The 10-year media rights deal struck by Sony Entertainment and World Sport Group was for a record 725 million Euros (Cricinfo staff, 2008).

The Indian Premier League is still in its infancy, and it is yet to be seen how it will fare in the years to come. But the heady concoction of cricket, Bollywood and corporate involvement will surely make for interesting, if not successful, times.

CHAPTER 3

Methodology

## Research Design

The various elements of research design are described below:

## Research Problem

Segmentation of consumers of cricket on the basis of their attitude and behavior towards the game.

## Research Objective

The research objectives are as follows:

To study the psychographic orientation of Post-Graduate students in Ahmedabad towards IPL and cricket in general; to derive clusters on the basis of their attitude and behavior.

To profile the segments (clusters) on the basis of the demographics of consumers.

## Information Areas

The broad areas covered under the questionnaire are as follows:

Demographics

Attitude towards Cricket

Attitude towards IPL

Behavior towards cricket

Consumption of Different Media

## Methodology

Qualitative Research methodology was used for the survey. Survey was done with the help of the questionnaires administered by the researcher. The survey was a door to door survey.

## Sample Design

The sample design is described below:

Universe: The universe consists of male and female, from 15-35 yrs of age. This universe was chosen because an analysis of TVR ratings of two seasons (2008-09) of IPL showed that the highest TVR’s came for the age group of 15-35.

Sample size: 150 – 180

Sampling Method: The sampling method used was non-probability, convenience sampling. The sample consisted of Students from Post Graduate colleges of Ahmedabad, below 35 yrs of age.

The survey was conducted in 5 Post Graduation colleges: Taking 20-25 respondents from each institute.

## MBA

## Non-MBA

IIM-A

NIFT

IIPM

NID

ICFAI

## Screening Criteria

There were two screening criteria:

Age: Below 35 yrs

Cricket Lover: This was decided on the basis of the questions given below:

Do you watch Cricket?

Have you watched the last two cricket matches of India?

Have you read about the last two cricket matches India?

In case, the answer of 2 out of 3 questions is yes the respondent was selected.

CHAPTER 4

## Statistical Treatment

## Factor Analysis

Factor analysis as a tool is used for data reduction and summarization. In this, relationships among set of many interrelated variables are examined and represented in terms of a few underlying factors.

For the current study, factor analysis was run on attitude towards cricket, attitude towards IPL and behavior statements, in order to find out the underlying factors. The Principal components method was used for factor analysis and varimax procedure was used for rotation. The factors were interpreted using the statements that had large loading on a specific factor.

## Cluster Analysis

Cluster Analysis is used to classify objects into relatively homogenous groups called clusters. Objects in each cluster are similar to each other and dissimilar to objects in the other clusters. This Tool is mostly used for segmentation in marketing.

For this study, it was used to cluster the consumers of cricket on the basis of their attitude and behavior towards cricket. For this, the various factors obtained from factor analysis were used as variables, to run the cluster analysis. First, Hierarchical method was used to find out the number of clusters, and then K-mean cluster analysis was used to get the clusters.

## Cross Tabs

This is a cross-tabulation program which displays the cross-classification tables and provides cell counts, row and column percentages etc.

Here, it is used to profile the segments (clusters) obtained from the cluster analysis, using demographics data collected from the questionnaire.

CHAPTER 5

## Data Collection, Analysis and Results

## Data Collection

The data collection procedure is described below:

Tool for data Collection

The tool used for data collection was questionnaire. Thus a survey was conducted using the questionnaire; it included the broad information areas discussed in the methodology section like

Demographics

Attitude towards Cricket

Attitude towards IPL

Behavior towards cricket

Consumption of Different Media

## Data Collection Plan

The data collection was done using printed questionnaires administered by the researcher; the survey was conducted in 5 Post Graduate colleges of Ahmedabad, taking 20-25 respondents from each institute.

## MBA

## Non-MBA

IIM-A

NIFT

IIPM

NID

ICFAI

## Data Compilation

Once the data collection was done, the following process was used for compilation of data:

Data Input: Firstly the variables were defined and then the data was fed manually in the SPSS software to prepare the data set for further analysis.

Data check and correction: Then the data was checked for any missing or invalid values, which may have occurred because of manual input of data and the data was corrected in case such errors were found.

## Factor Analysis

The Factor analysis was used to arrive at the underlying factor among the various items taken to understand the values, attitude towards cricket, attitude towards IPL and Behavior towards cricket of the consumers of the game. Explained below are the factors obtained for each of the areas:

Attitude towards cricket

Attitude towards IPL

Behavior towards cricket

## Attitude towards Cricket

Factor analysis was done taking the 6 items under ‘ attitude towards cricket’ as variables to find out the underlying factors, two factors came which are explained below:

## Rotated Component Matrix(a)

Factors

Ardent Cricket Lover

Entertainment Seeker-Cricket

Cricket had low spectator interest before IPL

-. 176

## . 688

Cricket is now a low Risk Career for players because of IPL

. 284

## . 591

Cricket has become more positive as more runs are scored in Test and ODI

## . 675

. 161

The entertainment factor is not good for cricket

## . 580

-. 556

Bollywood connection is good for cricket

. 366

## . 505

Cheerleaders are extras, they don’t belong to cricket

## . 672

. 006

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 3 iterations.

## Ardent Cricket Fan:

Two of the three items loading on the factor relate to entertainment frills added to cricket and the third item relate to runs scored in the game. The respondents felt that all these entertainment frills do not belong to cricket (cheerleaders are extras, entertainment factor not good for cricket) and that now more runs are scored in cricket, thus it has become more positive. Thus this factor talks about Ardent Cricket fan. This factor accounted for 24 per cent of the variance.

## Entertainment Seeker-Cricket:

The three items loading on the factor relate to entertainment aspect in the game. The respondents felt that entertainment is good for cricket (Bollywood connection is good for cricket, Spectator interest has increased because of IPL). Thus this factor talks about the Entertainment in cricket. This factor accounted for 23 per cent of the variance.

## Attitude towards IPL

Factor analysis was done taking the 10 items under ‘ attitude towards IPL’ as variables to find out the underlying factors, four factors came which are explained below:

## Rotated Component Matrix(a)

Factors

Prosperous Career

Commercialization

Entertainment Seeker-IPL

IPL Fan

There is high motivation among players because of IPL

## . 827

. 054

-. 141

. 119

IPL has fast forwarded the career of local players

## . 801

-. 160

. 032

. 197

IPL is more business less cricket

-. 103

## . 788

-. 024

. 054

IPL will have a bad impact on young cricketers

. 111

## . 709

-. 094

. 234

IPL has made cricket a family soap opera

. 075

## . 547

. 460

-. 345

It’s not about cricket, IPL games are a place to have a good time, listen to music and have fun with friends

-. 120

## . 523

. 366

-. 192

IPL games are pure entertainment

-. 060

. 040

## . 817

-. 152

The stadia facilities has improved because of IPL

. 572

. 094

## -. 591

-. 070

More than the entertainment, IPL games are a good place to see legendary cricketers together

. 048

. 043

-. 112

## . 828

IPL is the next big thing in cricket

. 379

. 061

-. 094

## . 616

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 7 iterations.

## Prosperous Career:

Both the items loading on the factor relate to cricket as a career. The respondents felt that cricket has become a prosperous career for players (high motivation among players, IPL has fast forwarded the career of local players). Thus this factor talks about cricket as prosperous career. This factor accounted for 26 per cent of the variance.

## Commercialization:

Three of the four items loading on the factor relate to commercialization of cricket and the forth item relate to impact of IPL on players. The respondents felt that IPL has led to commercialization of cricket (more business less cricket, family soap opera), and will have a bad impact on young cricketers. Thus this factor talks about the Commercialization of cricket. This factor accounted for 17 per cent of the variance.

## Entertainment Seeker-IPL:

Both the items loading on the factor relate to entertainment. The respondents felt that IPL games are pure entertainment and it’s not really related to cricket, it’s just entertainment. Thus this factor talks about the Entertainment in IPL. This factor accounted for 10 per cent of variance.

## IPL Fan:

Both the items loading on the factor relate to IPL as a game. The respondents felt that IPL games are a place to see legendary cricketers and it’s the next big thing in cricket. Thus this factor talks about the ‘ IPL Game Lover’. This factor accounted for 8 per cent of variance.

## Behavior towards Cricket

Factor analysis was done taking the 15 items under ‘ behavior towards cricket’ as variables to find out the underlying factors, three factors came which are explained below:

## Rotated Component Matrix(a)

Factors

Indoor Media

Mobile Customer

Outdoor Media

I Watch cricket at the stadium alone

. 108

. 109

## . 910

I Watch cricket at the stadium with friends

. 168

. 284

## . 788

I Watch cricket on TV alone

## . 728

. 044

. 048

I Watch cricket on TV with friends

## . 631

. 241

. 253

I read about cricket online

## . 840

. 296

. 027

I read about cricket in newspapers

## . 883

. 222

. 083

I read about cricket in magazines

## . 754

. 203

. 142

I buy cricket merchandise ( t-shirts, caps etc)

. 159

## . 691

. 246

I listen to cricket commentary on radio

. 292

## . 619

. 253

I get latest score updates on my mobile phone

. 211

## . 624

. 314

I check score online

## . 782

. 341

. 102

I participate in online contests(cricket)

. 250

## . 744

. 023

I participate in mobile contests(cricket)

. 079

## . 810

. 126

I play cricket PC game

. 269

## . 709

-. 040

I play cricket

. 479

## . 484

. 220

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

## Indoor media:

All the 6 items loading on the factor relate to Indoor Media. The respondents said that they watch cricket on TV, read about it in newspapers & magazines and check scores online. Thus this factor talks about the Indoor Media. This factor accounted for 44 per cent of the variance.

## Mobile Customer:

Three of the seven items loading on the factor relate to spending money on buying merchandise and participating in contests. The remaining items relate to being updated about the scores while on the move and Playing cricket. The respondents said that they buy merchandise, participate in contests (online & mobile) and also play cricket. Thus this factor is about the mobile customer. This factor accounted for 11 per cent of the variance.

## Outdoor Media:

Both the items loading on the factor relate to Outdoor media. The respondents said they watch cricket at stadium. Thus this factor is about the Outdoor Media. This factor accounted for 8 per cent of variance.

## Cluster Analysis

The Cluster analysis was used to arrive at the segments taking the various factors obtained from factor analysis as variables. Explained below are the four Clusters obtained, from the cluster analysis:

Entertainment Seeker

IPL Cynic

IPL Fan

Ardent Cricket Fan

## Final Cluster Centers

Clusters

Entertainment Seeker

IPL Cynic

IPL Fan

Ardent Cricket Fan

Ardent Cricket lovers

## -. 84023

-. 15720

. 33228

## . 64322

Entertainment Seeker – cricket

. 31518

## -1. 33216

. 29839

. 15071

Prosperous Career

-. 06303

-. 42183

-. 27143

## . 68456

Commercialization

## -. 80778

. 11815

. 35005

. 40338

Entertainment Seeker – IPL

. 27750

-. 04332

. 21691

## -. 55381

IPL lovers

-. 23354

-. 61725

## . 67996

-. 17065

Indoor Media

-. 30422

-. 13900

## . 74618

-. 48721

Mobile Customer

## -. 70130

-. 35723

. 42972

. 49710

Outdoor Media

## . 33517

## -1. 19621

. 07346

. 31685

## Entertainment Seeker

All the 3 items loading on the Cluster relate to entertainment seeking behavior. The respondents felt that entertainment is not a frill in cricket, it’s important and IPL hasn’t led to commercialization of cricket. Thus they believe that cheerleaders are not extras and entertainment belongs to cricket. They don’t buy merchandise or participate in contests, but go to stadium to watch matches, just for the entertainment value. Thus this Cluster talks about the Entertainment seekers, who more the cricket are looking for entertainment. Out of the 153 respondents this cluster had 43 clubbed under it and is also the second largest cluster.

## IPL Cynic

All the items loading on the cluster relate to attitude against IPL. The respondents felt that Entertainment brought by IPL doesn’t belong to cricket; also they don’t like the combination of cricket and entertainment and thus are against it. They don’t like to watch matches in stadiums also. Thus this Cluster talks about ‘ I Hate IPL’ attitude, who don’t like the combination of Cricket and Entertainment. Out of the 153 respondents this cluster had 25 clubbed under it and is also the smallest cluster.

## IPL Fan

Both the items loading on the cluster relate to positive attitude towards IPL. The respondents felt that the combination of entertainment and cricket is good. They believe that IPL is the next big thing in cricket. They watch cricket on TV and read about it in newspapers and magazines and also check scores online. They sometimes participate in contests (Online & Mobile) and buy merchandise also. Thus this C