

Sport Marketing in Egypt: Prospective Challenges

Ahmed Alafandi, University of Benha, Egypt, aalafandi@uottawa.ca

Benoit Séguin, University of Ottawa, Canada

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Abstract

Aim of Paper

Sport marketing is a recent phenomenon in Egypt. The important decrease in government funding towards Egyptian sport federations in recent years has left sport leaders with little choice than to consider alternate means of financial support. While some professional soccer clubs have had success in marketing themselves and generating commercial revenues, sport marketing has developed at a slowly and randomly pace. The purpose of this paper is to determine the current barriers faced by Egyptian sport federations in their marketing efforts. Specifically, the political, economical, social, legal, legislative, technological and cultural environments will be examined through the eyes of experts from sport, government and business fields. Recommendations for future research will be provided.

Theoretical Background

The sport marketing literature in Egypt remains at an early stage of development. Like other countries around the world (see Berrett, 1993, Séguin et al. 2005), Egyptian sport organizations have traditionally depended on government funding (e.g. Egyptian Sports Council) with little or no support from private sector (Fekry, Zaki, 2006). In recent years, the difficult economic conditions have led to a decrease in financial support from the government and left many Egyptian sport federations with little choice than to look for alternate sources of funding. Shalaby (2004) examined the funding sources of professional Egyptian Football Clubs and the marketing of their commercial rights. He found that within the sport clubs, the majority of companies (68 %) preferred to sponsor football events. However, the lack of scientific research and the need for market research in sports have prevented Egyptian sport federations from taking advantage of marketing opportunities (Fekry, Zaki, 2006). Hence, a thorough analysis of the current environment (political, economical, social, legal, legislative, technological and cultural changes), and its future effects on sports industry will lay the groundwork for developing a marketing strategy for Egyptian sport federations.

Methodology

This study utilized a modified Delphi technique to determine the various challenges of marketing sports in the future. An open-ended questionnaire was mailed to 179 experts. These experts were randomly selected among 500 experts with at least 10

years of experience in sports media, sports administration, government and/or academics.

A total of 144 persons completed the questionnaire.

The questionnaire asked about the probability of some events happening in each of the environments described above and the respondent's judgment as to the impact of the proposed challenge. Using a Likert Scale measurement, the respondents were then asked to qualify the kinds of impact (very positive to very negative) and their importance on sport marketing (very significant to not significant).

Results / Discussions / Implications

Our analysis led to 24 possible events that best capture the future challenges facing the Egyptian sports industry.

One of the most important issues identified was the need to modify general association laws in sports and youth field. It is suggested that the current laws are preventing the commercialization of the sports industry in Egypt. For example, the law provides no protection for sponsor rights and as such as a negative impact on the development of sponsorship agreements between the private sector and sport federations. Experts agreed that the enactment of protection laws has a high probability of occurring and should have a positive impact on sponsorship opportunities in the future.

They also refer to the positive and significant impact that modifying taxes and customs laws would have in the field of sport.

The cultural environment was another factor identified as important by the participating experts. The fact that sporting events have traditionally been free of charge for the public may cause some problems if a new economic model is pursued. A number of issues related to the important economical challenges faced in Egypt. It is projected that government funding will eventually ceased. This would have a negative and significant impact on sports. While it was confirmed that sport marketing would play a significant role in finding new sources of revenues in the future, the biggest challenge identified by the respondents was the lack of expertise in this field. Hence, the development of sport management/marketing curriculum in Egyptian Universities may contribute to the development of sport marketing.

These results framed the future challenges for sport marketing in Egypt and future research should investigate each of the factors identified in this study in more depth.

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