



**Universidad del Azuay**

**Faculty of Law**

**School of International Studies**

**SPORTS MARKETING IN ECUADOR AND IT'S INTERNATIONALIZATION**

**(To Improve the JP Sport Marketing's Management Structures Company).**

**Graduate thesis prior to obtaining a Bilingual Bachelor in International Studies minor  
in Foreign Trade**

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## **DEDICATION**

This thesis is a tribute to my Mother who has dreamt for this moment, to my daughter Anamilé who's my motivation in my whole life, to Stefanie for being the support that I need to have peace and happiness, my sisters and brothers from whom I have learned about effort and respect, to my nephews who make me smile all the time, and to you dear Dad for taking care of us from anywhere.

### **MY GRATITUDE**

Firstly to God for letting me finish a stage in my life. To my director Antonio Torres for contributing for this thesis, with knowledge and patience to support this project.

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## **ABSTRACT**

JP Sport Marketing Company's international projection is established on 4 important axes:

1. Auditing on the resources that the organization has in the administrative, financial, technological, personnel and service areas. 2. Analysis of the local market and determination of the markets to which the organization will be directed. 3. Implementation of a marketing plan that supports it 4. Key parameters: Knowhow, Benchmarking, International Business Relationships and Joint Ventures.

In addition to establishing guidelines to integrate more products and services available to the customers. A holistic and concatenated integration of the communication, design, marketing, administrative and legal departments will be indispensable to increase the value of the brand in a national context, which will serve as a catapult for its projection in the foreign markets previously mentioned.

It will be fundamental to constantly train internal customers, to empower them in the pursuit of excellence, not by chance, but by causality.

In addition to collecting data and best practices from leading global sports marketing companies, which will be instrumental in establishing the best administrative and business structure in the sports' industry.

## **Introduction**

This project is aimed at analyzing sports' marketing in Ecuador and relevant cases in the world, in addition to creating a real structure, financeable and applicable for the internationalization of JP Sport Marketing Company

Through the elaboration and carrying out of this project, an attempt is made to strengthen the organizational structure, with the purpose of achieving the desired objectives. The implementation of this research and its plan will benefit the sports industry in Ecuador, by knowing its strengths and weaknesses, to create business opportunities for the organization, as well as knowing the most relevant link between sports marketing and society.

It is very important to note all these variants to understand the real functioning, the essence of the sport and its consequences, since it is structured in a professional way through strategic processes, integrating a group of professionals in several areas (marketing, communication, law, administration, Psychology, etc.) in alliances with different brands or firms, to generate interest and investment by public and private companies in the sports industry. This industry must be conceived as a social phenomenon, capable of influencing in the social, economic and productive life of citizens, which is even manifested in the increase or decrease of the productive and economic development of a country or region (GDP).

It should be noted that large world corporations sustain their projects (manage it) through huge budgets destined for their development, whose amounts usually come from 4 large sectors: sports clothing, technology, food and entertainment, which in turn most of these resources are destined generally to the most relevant natural institutions or personnel in the world of sport, including federations, committees, soccer teams, and characters with great notoriety and influence in this industry such as: Lionel Messi, LeBron James, Lance Armstrong, Maria Sharapova and in the History to legends like Pele, Michael Jordan, etc. In the case of Ecuador is not the exception, corporations management is handled by the system of recommended and media.



## **Chapter 1.**

### **JP Sport Marketing Company's current situation Analysis**

Objective: To have current information of JP Sport Marketing.

#### **Introduction.**

After having analyzed the organization's profile, the company has been found to be in a stable economic and administrative position. After reviewing its balance sheets that show that since the company was set up in 2003, the last statement 2015, has obtained profits in all years, except in 2011, where it reflects a slight loss. However, it is necessary to generate a process in a professional and technical way, by implementing a strategy of this type, and taking that into consideration processes that have been successful, could be lagging behind, the current dynamics in which companies of this nature move, could allow some tasks not to be fulfilled according to schedule, leaving aside the control, monitoring and evaluation that a business should have. In addition, considering that this company sells more intangible than tangible ones, such as advertising sponsors, brand promotion, event organization, electronic timing, event logistics, etc., these result very malleable in the market depending on the behavior of external factors that we cannot control such as economic policy and state measures that restrict the normal development of business activities in Ecuador.

### **1.1 JP Sport Marketing's philosophy and Strategic purpose**

The main purpose of the preparation of this plan is the positioning and expansion of the company, which will be obtained with the retention of the current client portfolio, its growth and the development of new products and / or services that will help the company to obtain economic resources to support itself in time. For this reason the installation of offices in the cities of Quito or Guayaquil is foreseen, where the 70% of the clients of the company are concentrated , besides from constituting the most commercial markets of the

country, which is a brilliant opportunity for expansion that will lead us to become market leaders with the best and highest participation in it. (JP Sport Marketing, 2003)

### **1.1.1 Mission**

To promote sports and entertainment through the generation of innovative events that help develop the economy, commerce, culture, health and fun, with excellent products and services for the well-being of thousands of citizens.

### **1.1.2 Vision.**

To transform JP SPORT MARKETING into the leading company in innovation and development in sports and entertainment focusing on event's organization, athletes' representation and sports technology in Ecuador and South America, with strategic alliances that generate a solid network consolidation in 2020.

It is important to cite the values of the organization, which are mentioned behind, this helps to project security and trust between internal and external clients with the aim of facilitating successful alliances for mutual benefit.

### **1.1.3 Values**

- **Honesty**

We are committed to accomplishing tasks and commissioned assignments under established ethical principles, by carrying out businesses in a legal and transparent way.

- **Ethics**

It is practiced day by day as part of our philosophy of life, and represents our essence inside and outside the company

- Solidarity

We show a spirit of collaboration with internal and external customers. Proceeding in a fair and humane way in all acts in which the organization get involved.

- Respect

We observe and practice all the rules, regulations and policies established by society and the organization.

- Empathy

We proceed rationality and sensitivity when making observations or suggestions that contribute to the benefit of external or internal customers.

Throughout these values, the integrity of the organization can be viewed as a philosophy of life, which helps in projecting its image to internal and external customers. Generating a valuable corporate ethics' strength.

#### **1.1.4 Organizational Objectives**

- 2018. To consolidate the company as a national leader in the organization of sporting and artistic events, in addition to being one of the most recognized company in entertainment.
- 2020. To expand our market abroad by establishing ourselves in the Peruvian and Colombian markets, either through the opening of our own offices or double-track corporate alliances.

## 1.2 Products (Goods and / or services) and markets to which they are directed.

As part of the business, JP Sport Marketing devotes to various activities within the entertainment and sports around the country, particularly Quito, Guayaquil and Cuenca, with the portfolio of services and products, as follows:

- Organization of own sporting events
- Organization of sporting events for third parties
- Organization of internal corporate events
- Rental of equipment for electronic timing of sporting events
- Sports Management Consulting
- Representation of athletes
- Sale of Tickets for all kinds of shows
- Training and motivational talks by Jefferson Pérez

## 1.3 Fundamental Processes.

For this company the processes and responsibilities are at the same level, for which the employees must do their best to fully carry out their task, just like a tower, its structure and pillar are very important. Our processes have several levels depending on the degree of responsibility of each one.

It is important to identify the kind of internal and external clients that the organization has, to determine the type of approach that must be given to each one of them, understanding their needs and desires.

Internal clients: administrative and executive staff.

External clients: public and private companies, athletes, natural persons.

#### 1.4 Past strategies and their results.

The strategies applied in the past have been relatively successful. This can be evidenced in the growth of the company throughout the 13 years of presence in the Ecuadorian market. However, these could have been more successful with the application of technical processes, the necessary trained personnel and the use of the available technological tools.

#### 1.5 Organization chart of the company.

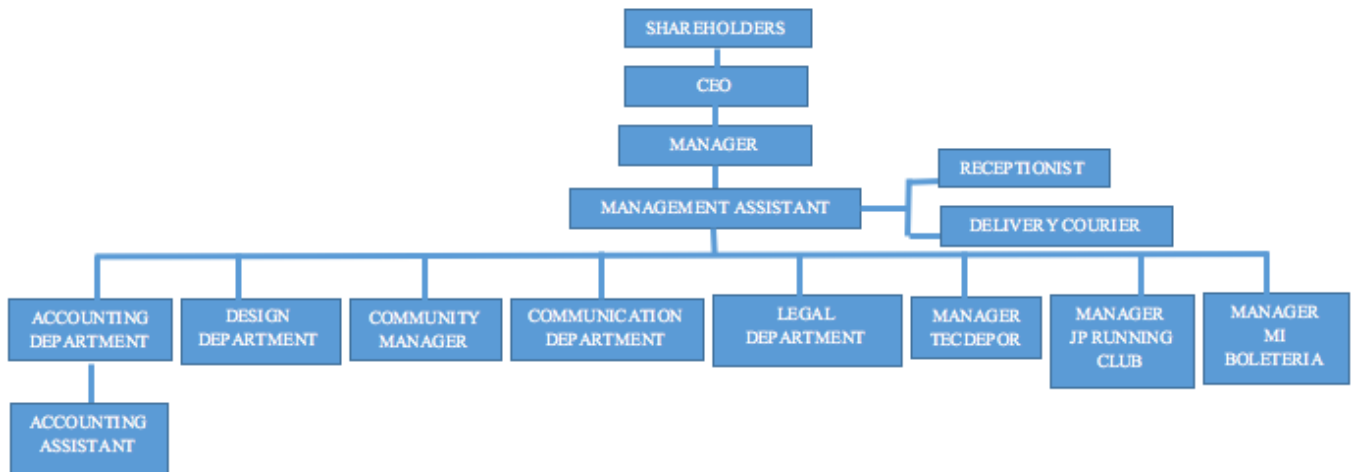
The company manages a business flow chart as horizontal as possible. In few words, few kings, many pawns. The employees have the power to make the most pertinent decisions in their tasks, following the guidelines of norms and policies of the organization. This is an inclusive company and provides the necessary empowerment to each employee.

#### 1.6 General Audit of Resources.

##### 1.6.1 Human Resources

At the moment the company has 10 employees in payroll, 3 external professionals in different areas and more than 100 contingent people, who are hired for specific tasks several times a year. All of them earn very competitive salaries in the working market, which has prevented the excessive rotation of personnel, allowing the company to give continuity to generated tasks and projects. The following is an organizational chart to illustrate this situation.

**Graphic 1 JP Sport Marketing's Organizational Chart**



(JP Sport Marketing, 2003)

#### 1.6.2 Technological Resources

These are arranged differently, both for general uses of the collaborators, and to be used by external clients. The company currently has enough computer equipment, software, communication radios, cellular equipment, telephone switchboard, department telephone extensions, etc., so that each activity takes the shortest possible time to execute. We also have the most sophisticated technological equipment for external customers, such as IPICO electronic timing system, one of the most recognized for these type of tasks worldwide.

#### 1.6.3 Administrative Resources

The company currently operates in two rented offices each one measuring 150 square meters, located at 1087 24 de Mayo Avenue in the city of Cuenca. This is

located in an easy to access area for internal and external customers. This has been suggested by the shareholders, it is hoped to be acquired by next year. It also has the all necessary furniture and equipment necessary as to fit the convenience of each employee. In addition there is a bus for 17 passengers which issued to transfer the work team to different places in the country. In addition it is leased to external clients for traveling and touristic activities, which generates an interesting extra income for the company.

#### 1.6.4 Capital Resources

At the moment, the company's subscribed capital according to the last balance of the 2015 period, is \$ 70,000, which facilitates the obtaining of credit lines by financial institutions, when the company need it. In addition, in some occasions, when required, the partners have made contributions to continue the normal operation of the company. Additionally, at the moment the company has a fund amount of \$ 65,000 for future capitalizations.

It is important to note that this chapter shows us an organization with clear administrative foundations. Its light structure shows a responsible efficiency towards available activities and resources. In addition the availability of resources will help to lighten the weight of the investment for internationalization. Priority should also be given to certain specific areas such as communication and social networks, which will promote brand awareness, facilitating a probable alliance outside national boundaries.

## **Chapter 2.**

### **Ecuador's general Environmental Analysis and the Company's Location**

Objective: To obtain valuable data about the country's macro environment and the development of the current sports and entertainment industry. This information will be used as a base to strengthen the organization's administrative structure.

#### **Introduction.-**

Ecuador is a country located in the southern region of the American continent, its inhabitants are distributed in 4 regions (coast, sierra, Amazonia and insular region), conformed by 24 provinces. Its population is constituted by 16,206,559 inhabitants. Of which about 3 million are located outside the country, in countries such as the USA, Spain and Italy, and whose resources or remittances serve as a great support to the country in order to maintain the dollarized economy represented after taxes, as the country's second line of income according to the latest INEC and ECB report of December 2015. Ecuador's official currency is the dollar (since January 2000). The ethnic composition of the country consists of: mestizos, indigenous and Afro-Ecuadorians, its inhabitants mostly practice the Catholic religion. Its main exporting products are: oil, banana, shrimp, fruits, flowers, coffee, and cocoa, in most commodities. It is currently governed by the political party Alianza País for a decade now, its leader Rafael Correa has held the presidency since 2007 with many supporters and also detractors.

#### **2.1 Analysis of the Country**

Currently the country is going through moments of uncertainty and expectation, due to the polarization of the population regarding the perspective on the situation of Ecuador, since some people think that the nation is on the right track, and others who think otherwise.

The problems of international stock markets and the sharp fall in the price of oil to \$ 25 dollars a barrel, this means less of the cost of production (\$ 23.54), which clearly shows a loss in this item, which bonanza reached more than \$ 250,000 million in this decade until December of 2015. In addition an election process is coming in 2017, with the beginning of



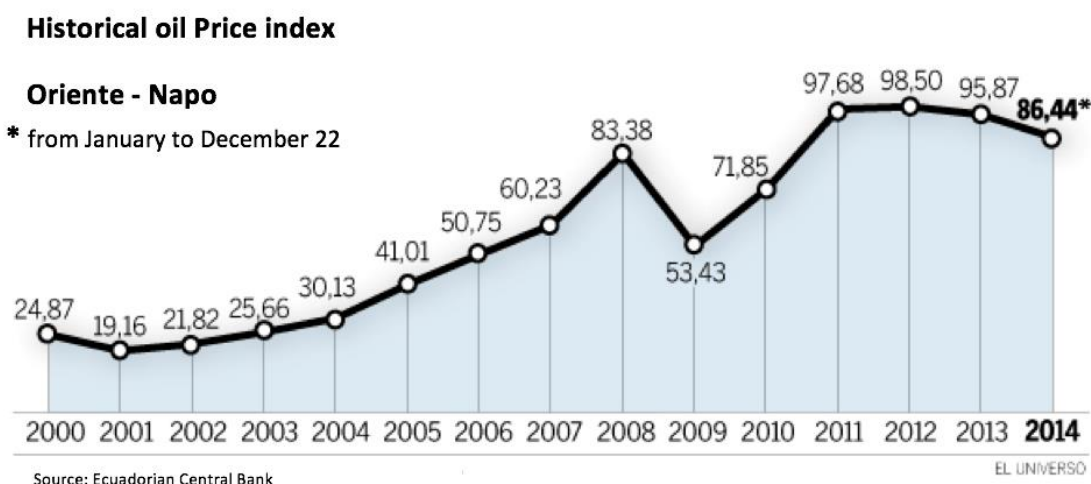
the campaign in October of 2016, generating a high social and economic cost for the country, whose budget for elections according to the CNE, and already reduced and approved, is at

\$ 110,734,145.24.

(CNE)

<http://www.elciudadano.gob.ec/costo-de-produccion-del-barril-del-crudo-ecuatoriano-esta-por-debajo-del-precio-del-mercado-presentacion/>

Graphic 2 Historical oil price Ecuador 2000-2014

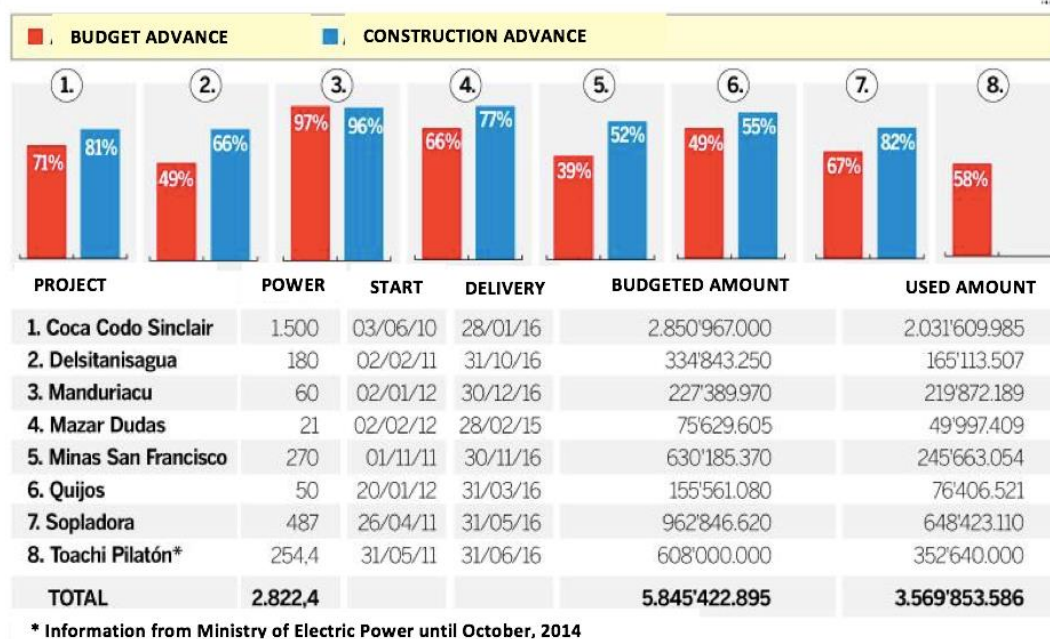


Nonetheless Ecuador's evident energy development could give unbudgeted extra income, a few weeks ago the first revenue from the sale of energy to Colombia was obtained, due to the large investment of about \$ 4.5 billion made by the State with resources And by means of pre-sale oil credits to Chinese companies. This has generated an encouraging scenario for both the energy sector and the generation of jobs and dynamism of the economy around these projects.

Although President Correa has expressed the firm decision to sell one of the most emblematic hydroelectric plants of this energy development which is Sopladora.

Graphic 3 Investment in hydroelectric projects

Until December 31, 2014



Source: SENPLADES

EL UNIVERSO

(Universo, 2015)

## 2.1.2 Political Profile.

The traditional political parties have lost space in the voters' intention to vote because of the vices that had arisen since the return to democracy in 1979, whose political class is governed mostly by a minority, generating popular discontent and the need of a radical change in the political model of Ecuador. To take advantage of this discontent, in 2006, a coalition of leftist parties formed what gave rise to the emergence of new political cadres, led by Alberto Acosta, and that led to the emergence of a new leader named Rafael Correa, who would later be constituted Candidate and president of Ecuador for a decade, succeeding in changing several state institutions including the delicate judiciary, according to some to remove old entrenched practices that had not allowed Ecuador to evolve. According to others, to manipulate them based on their interests, according to others in their own way achieving at the same time that his party seizes all the powers of the state to the

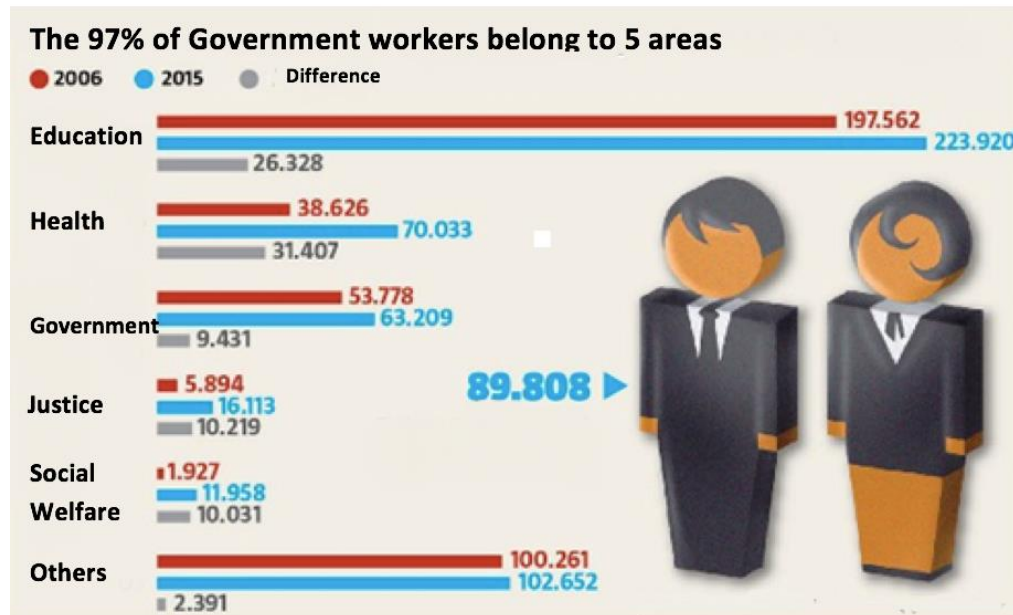
neoliberal style of past eras, which served to implement public policies, especially in the social, that have given rights and have generated the development of groups Which were excluded for decades in our country.

Ecuador has entered a new political scheme, since the president himself has declared it, calling its political project, of modern socialist cut or "socialism of the 21st century", which is the same as to say, with a better equitable distribution of the national wealth, prioritizing social care over the payment of foreign debt at the outset, which unfortunately has degenerated into a new external debt, with a new player China, who's policies are harmful for Ecuador.

Currently the State has implement policies with a welfare nature, who does not hesitate to try to keep his promise of change, which for many is very well seen, however for others it is believed to not be correct, due to the lack of foresight and savings to confront the current crisis. To corroborate this statement objectively, we cite three important sources such as the Ministry of Labor, Ministry of Finance and Pablo Dávalos, an expert Ecuadorian economic analyst.

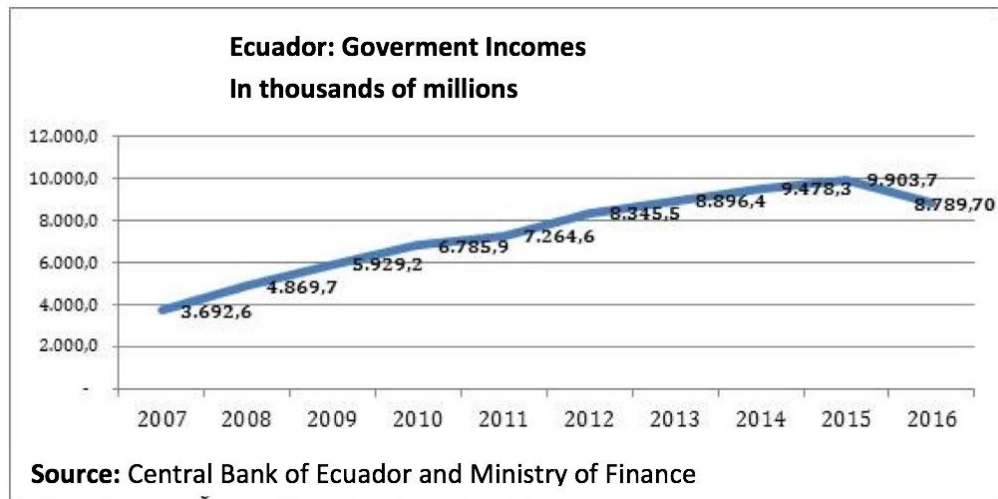
With all the background noted above that have to do with the lack of resources and liquidity in Ecuador, in addition to the imminent arrival of a new president in 2017, added to this the modest result obtained by the Ecuadorian athletes in the most recent Olympic Games held in July of this year in Rio de Janeiro, Brazil, all this will surely give new guidelines to the country's administrative structure, which will undoubtedly generate a great change in the sports' industry in Ecuador, where in the midst of the crisis it will have to find the necessary opportunities for a change in favor of the organization.

Graphic 4. New Public Sector Hiring Ecuador 2006-2015 Difference



(Ministry of Finance, 2015)

Graphic 5 Wages and Salaries Government of Ecuador 2007-2016



(Ministry of Finance , 2016)

### 2.1.3 Economic Profile.

The state's budget for 2016 is set and approved by the National Assembly at \$ 29.835 billion, some reductions are made by the President, because the volatility of the oil price in the external market.

In this situation it has been prioritized, as for the economy, the country has a projection this year to obtain the highest GDP in its history with \$ 43.936 million dollars, an indicator that is very encouraging, as this will generate a PER CAPITA INCOME GDP Of about \$ 3945 dollars. At this point it should be noted that before the dollarization was established (January 2000) the PER CAPITA INCOME GDP of Ecuador was \$ 1296 dollars.

Graphic 6 Ecuador's Economic Indicators



Public External Debt as % of GDP (December 2015)	20.40%
Annual Inflation (May 2016/ May 2015)	1.63%
Monthly Inflation (May 2016)	0.03%
Urban Unemployment rate (March 31, 2016)	7.35%
Active Interest Rate ( June, 2016)	8.66%
Passive Interest Rate (June, 2016)	6.00%
Oil Barrel (June 26, 2016)	46.94USD
Index Dow Jones (June 26, 2016)	17400.75
Country Risk (June 26, 2016)	917.00

(Central Bank of Ecuador, 2016)

Graphic 7. State's National Budget 2016

<b>Budget Incomes 2016</b>	
<b>Incomes Groups</b>	<b>Estimated</b>
110000 - Taxes	\$ 15.489.701.480,00
130000 – Fees and Contributions	\$ 1.780.008.793,44
140000 – Assets and Services sells	\$ 81.914.065,00
170000 – Investment and fines incomes	\$ 344.234.795,46
180000 – Transfers and Donations	\$ 4.807.269.231,00
190000 – Other Incomes	\$ 56.826.250,82
240000 – No financial assets sales	\$ 39.615.818,84
270000 – Investment Recovery	\$ 4.559.780,34
280000 – Transfers and donations of capital and investment	\$ 633.952.933,40
360000 – Public Financing	\$ 5.858.287.756,49
380000 – Pending Accounts	\$ 13.727.416,00
390000 – Advance sales	\$ 725.000.000,00
<b>Total</b>	<b>\$29.835.098.320,79</b>

<b>Budget Expenses 2016</b>	
<b>Expenses Groups</b>	<b>Estimated</b>
510000 – Workers Expenses	\$ 8.789.691.178,26
530000 – Consumer Assets and Services	\$ 4.676.207.657,00
560000 – Financial Expenses	\$ 1.750.374.006,00
570000 – Other Expenses	\$271.424.940,00
580000 – Transfers and Donations	\$ 1.925.167.455,00
710000 – Workers Expenses for Investment	\$ 167.449.108,97
730000 – Assets and Services for Investment	\$ 1.131.122.925,25
750000 – Public Works	\$ 1.683.287.927,84
770000 – Other Expenses of Investment	\$ 930.359,52
780000 – Transfers and Donations for Investment	\$ 1.401.721.254,67
840000 – Long term Goods	\$ 529.433.606,08
880000 – Transfers and Donations of Capital	\$ 3.373.905.308,21
960000 – Repayment of the Public Debt	\$ 2.575.444.090,99
970000 – Current Liabilities	\$ 1.558.938.503,00
<b>Total</b>	<b>\$28.835.098.320,79</b>

(Ministry of Finance, 2015)

As far as the GDP, our country currently stands in the middle of the ranking of the South American countries, closing December 2014 with \$ 100.9 billion dollars, which mean below Brazil and Argentina by a long shot it is above Bolivia, Peru and Venezuela. The GDP per capita is at \$ 6,248 dollars, places in the same situation in the ranking, which shows that the country is not "the Ecuadorian miracle", as the President Correa say every time.

The country risk index stood at 917 points at the end of May, reflecting a low index of confidence from international organizations.

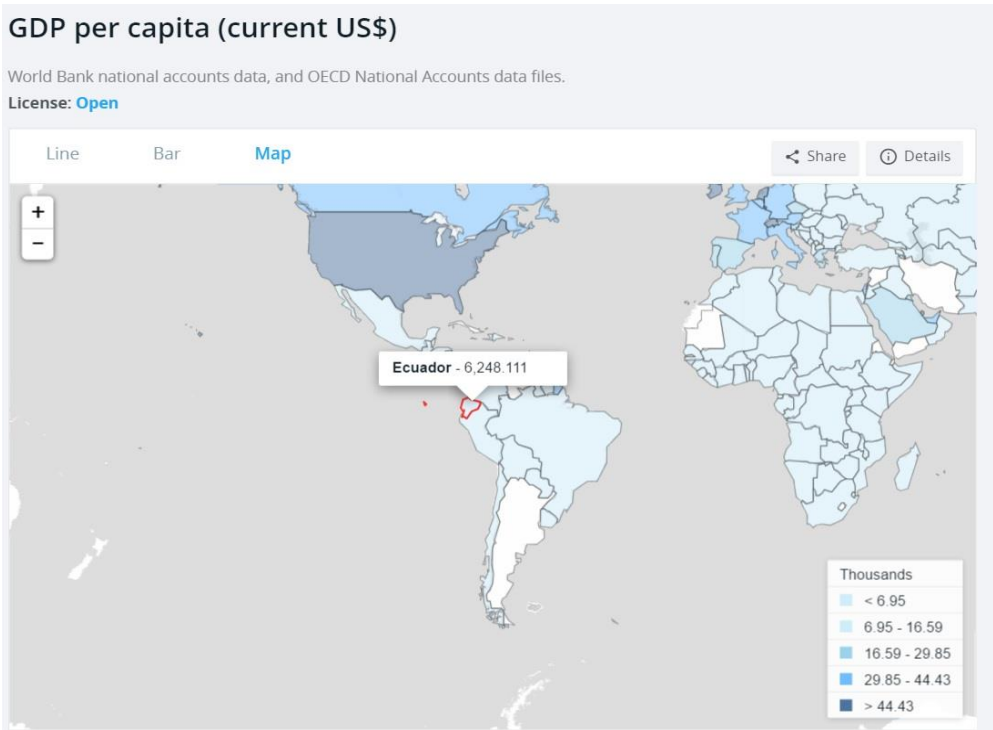
Meanwhile the unemployment rate at the end of May stood at 10.1%, while underemployment at 17.10%, which is extremely worrying, and gives us the idea to think that these underemployed depend on a very fine thread between ascending the sector of employees or swelling the ranks of the unemployed.

We must highlight a unified basic salary of \$ 366 per month, which is one of the highest in the Andean Community. But instead has a marked contrast, when compared to a basic food basket of \$ 683.16 dollars, it is clear that the State says that this basic food basket should be covered by the family income of 1.6 recipients, which would generate income per household of \$ 683.20, covering over 100%, according to the State's economic perspective, which differs a lot from the real life.

Source: <http://www.trabajo.gob.ec/nuevo-salario-basico-unificado-alcanza-el-103-de-la-canasta-basica/>

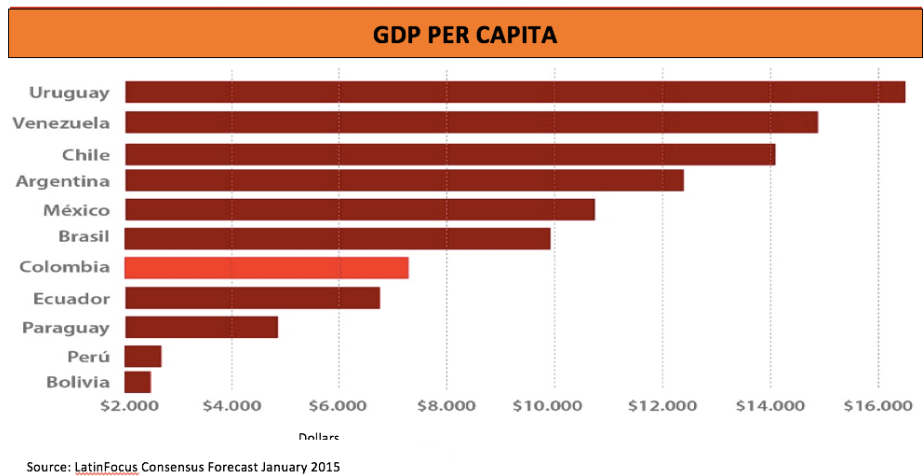
The projected economic inflation for this year it will be 1.78%, which has been decreasing in recent years, this gives an encouraging perspective in the middle of the current crisis, being one of the lowest in Latin America.

Graphic 8 PERCAPITA GDP Ecuador, according to World Bank analysis



(Banco Mundial, 2016)

Graphic 9 GDP per capita comparative Latin America



(Forecast, 2015)



## 2.1.4 Social Profile.

It is important to note that the groups with the lowest economic resources have been poorly served for a long period of time, since before this regime, that is to say all which preceded to 2007, other issues were addressed over the prioritized attention groups. Even a large part of the State's National Budget was allocated to the payment of the external debt. For this reason it was determined in this government to prioritize the payment of social debt (health, education, basic service, science and technology) over the external debt. Even within the fiscal estimated these areas have been the most focused in recent years, for this we quote an illustration of the States Ministry of Finance in 2015.

Graphic 10 Allocation of the Budget of the Ecuadorian State by Ministry



Source: Financial Ministry; JA / EL COMERCIO

(Ministry of Finance, 2015)

Nevertheless this figure is falling in the excessive governmental paternalism, which has taken us to the psychological and physical conformism, special to people who receive free public assistance, nobody knows if it is going to be possible to maintain it or not this benefit, due to today's Ecuador's serious economic crisis, such as the poverty bond, free tax education, etc.

Ecuador's official language is Spanish. However, 14 other languages are spoken, of ancestral type according to data from an investigation carried out by the State's Secretary of Good Living. In addition a high percentage of the young population (15-35 years) speaks other languages like: English, French and German. The country is composed of 55% mestizos, 25% indigenous, 10% descendants of Spaniards, 10% descendants of Africans, whose cultural characteristics are similar to the countries of the Andean Community, according to the latest census carried out by INEC in 2010.

Education is free and secular in public educational establishments. This is reflected in some way in a practically nil index of illiteracy in the country, which is at 2%, this percentage is decreasing every year.

#### 2.1.5 Technological Profile

At the end of 2015 Ecuador had interesting figures in terms of technology, on the one hand the penetration of the internet increased in homes and businesses, which made the technology gap ostensibly decrease. On the other hand, the State has opted to offer the new generations extraordinary options such as the Yachay scientific and technological university located in the province of Imbabura, whose investment exceeds \$ 1 billion in the first stage (2013-2017). This has served to professionals of very high level of the world to share their knowledge in new technologies and science researches, which undoubtedly will benefit the Ecuadorians. In this sense, the public sector has been shielded by the best technologies in many institutions, facilitating the provision of most services to citizens

Graphic 11 Internet penetration in South America

Internet Users in South America						
South America	Population (2015 Est.)	Users year 2000	Users June 30, 2015	Penetration (% Population)	Users %	Facebook Dec. 31, 2012
Argentina	43,431,886	2,500,000	34,785,206	80,1%	14,4%	20,594,680
Bolivia	10,800,882	120,000	4,214,504	39,0%	1,7%	1,826,140
Brazil	204,259,812	5,000,000	117,653,653	57,6%	48,6%	64,878,260
Chile	17,508,260	1,757,400	12,667,226	72,3%	5,2%	9,648,660
Colombia	48,929,706	878,000	28,475,560	58,2%	11,8%	17,505,920
Ecuador	15,868,396	180,000	8,297,093	52,3%	3,4%	5,300,260
Malvinas Islands	2,932	-	2,862	97,6%	0,0%	1,860
French Guiana	253,511	2,000	71,360	28,1%	0,0%	71,360
Guiana	735,222	3,000	295,200	40,2%	0,1%	137,060
Paraguay	6,783,272	20,000	2,916,807	43,0%	1,2%	1,290,500
Peru	30,444,999	2,500,000	14,583,953	47,9%	6,0%	9,856,600
Suriname	579,633	11,700	232,317	40,1%	0,1%	110,080
Uruguay	3,341,893	370,00	2,053,927	61,5%	0,8%	1,678,500
Venezuela	26,457,369	950,00	15,960,691	60,3%	6,6%	9,808,560
<b>TOTAL SOUTH AMERICA</b>	<b>409,397,773</b>	<b>14,292,100</b>	<b>242,210,358</b>	<b>59,2%</b>	<b>100,0%</b>	<b>142,708,440</b>

(Exportador, 2015)

## 2.2 Analysis and History of the Sports Sector.

The sports in its beginnings were seen as a task or practice reserved exclusively for a small group of people, who either because of their innate conditions or by family pressure, were in need of practicing some kind of sport, even without having the best conditions to do so. And when an individual tried to practice it, or even to open commercial space to dedicate himself 100% to this activity, there was an absurd belief that the sponsorship that could be offered to the sportsman, team, etc., represented an expense for the company and not an investment.

That is to say, the sports industry was not a priority for private companies, much less the public ones, to remedy this problem, representatives, managers or sports negotiators came to the picture, they began to be the nexus between the world of sports and the business world, the first formal way to appear in the 90's, when dazzling stars such as Maradona, Michael Jordan, Mike Tyson, Ayrton Senna, among others began to call the commercial

attention of the biggest brands in the world to associate them with their products and thus getting the pleasure and preference of the public consumer, this would later be known as sports brokerage or agent representativeness, who were in charge of taking the sport industry to another level, forever changing the history of the sector as can be seen in the following chart.

Graphic 12 World's best paid athletes.

<div> <div> <div></div> <div>Forbes</div> </div> <div>Best Payed Athletes 2015</div> </div>		<div> <div> <div></div> <div>Forbes</div> </div> <div>Best Payed Athletes 2015</div> </div>	
10.	Floyd Maywether Jr. Total Incomes: 300 mdd Salary/ Prizes: 285 mdd Sponsorships: 15 mdd	5.	LeBron James Total Incomes: 64.8 mdd Salary/ Prizes: 20.8 mdd Sponsorships: 44 mdd
9.	Manny Pacquiao Total Incomes: 160 mdd Salary/ Prizes: 148 mdd Sponsorships: 12 mdd	4.	Kevin Durant Total Incomes: 54.1 mdd Salary/ Prizes: 19.1 mdd Sponsorships: 35 mdd
7.	Cristiano Ronaldo Total Incomes: 79.6 mdd Salary/ Prizes: 52.6 mdd Sponsorships: 27mdd	3.	Phil Mickelson Total Incomes: 50.8 mdd Salary/ Prizes: 2.8 mdd Sponsorships: 48 mdd
8.	Lionel Messi Total Incomes: 73.8 mdd Salary/ Prizes: 51.8 mdd Sponsorships: 22 mdd	2.	Tiger Woods. Total Incomes: 50.6 mdd Salary/ Prizes: \$600.000 Sponsorships: 50 mdd
6.	Roger Federer. Total Incomes: 67 mdd Salary/ Prizes: 9 mdd	1.	Kobe Bryant Total Incomes: 49.5 mdd Salary/ Prizes: 23.5 mdd

(Revista Forbes, 2015)

### 2.2.1 Present situation of sports (what it is and how it works).

Throughout the years, sports took great importance, to the point of becoming a benchmark of a country's productive performance in the last decade, since sports results almost always go hand in hand with the economic results of a nation, except for a few exceptions, it is so easy to take the Olympics as a reference, and observe which countries have won the most medals in history, and we will realize that they have generally been the most economically powerful.

Graphic 13 Most valuable sports teams in the world.

The 10 most valuable sports teams in the world		Forbes	The 10 most valuable sports teams in the world	
10.	Real Madrid Value: 3.260 mm Owner: Club Members		5.	Los Angeles Lakers Value: 2,600 mm Owner: Philip <u>Anschutz</u>
9.	Dallas Cowboys Value: 3.200 mm Owner: Jerry Jones		4.	New England Patriots Value: 2.600 mm Owner: Robert Kraft
8.	New York Yankees Value: 3.200 mm Owner: Steinbrenner Family		3.	New York Knicks Value: <u>2.500 mm</u> Owner: Madison Square Garden Co.
7.	Barcelona Value: 3.160 mm Owner: Club Members		2.	Los Angeles Dodgers Value: 2.400 mm Owner: Guggenheim Baseball
6.	Manchester United Value: 3.100 mm Owner: Glazer Family		1.	Washington Redskins Value: 2.400mm Owner: Daniel Snyder

(Revista Forbes, 2015)

After a few years, and once the Soviet Union disintegrated (1989), the United States saw a great opportunity to become the political, economic and of course the sports leader, since the former USSR (now Russia) the last time that Russia won the Olympic Games medal chart was in 1992, but under the name of USSR. After this,

the United States resumed the leadership in parallel in all the aforementioned areas, including the Olympic sports. Another one example of the close relationship that exists among sports, world political power and the economy of a country is the case of China, who in the last decade has become the largest creditor in the world, and at the same time, for the first time in history, won first place in the 2008 Olympic medal, and a second place in the London 2012 Games, in addition its economy has been seen strengthened which reflects and impacts in its economic indicators. This has made sports an important part of the world's economy and an indispensable element in the articulation of all the factors for the development of society. As can be seen in the following historical medal chart.

Graphic 14 Historical Medal Olympic Games Winners

Place	Country	#JJO	GOLD	SILVER	BRONZE	TOTAL
1	United States	27	1,022	794	704	2,520
2	Soviet Union #	10	440	357	325	1122
3	Germany *	24	275	313	349	937
4	Great Britain	28	263	295	289	847
5	France	28	212	241	260	713
6	Italy	27	206	178	193	577
7	China	10	227	165	151	543
8	Australia	26	147	163	187	497
9	Sweden	27	147	170	179	494
10	Hungary	26	175	147	169	491

(TOPENDSPORTS)

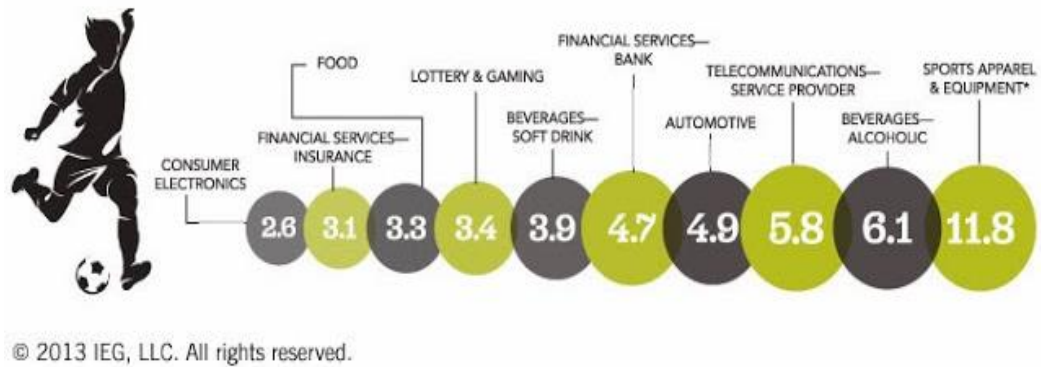
Graphic 15 Relevant data from the sports industry



(Revista Forbes, 2015)

Even nowadays universities around the world have been teaching professorships and have opened careers dedicated to the economy of sports, that is to say, sports businesses. Big investments are made every day around the world related to sports, we have seen cases like Real Madrid, The NFL with the Super Bowl in the United States, both generators of immense amounts of money in sports sponsorships. Large companies such as Adidas, Visa, Toyota, Sony, and Budweiser among others have been the most money invested in sports, as they have seen in this a method of persuasion to the final consumer to increase their sales, as we appreciate in the following illustrations.

Graphic 16. Sectors that invest the most in the sports industry.



(Soccer- Finances, 2013)

Graphic 17 Top brands in the sports industry.

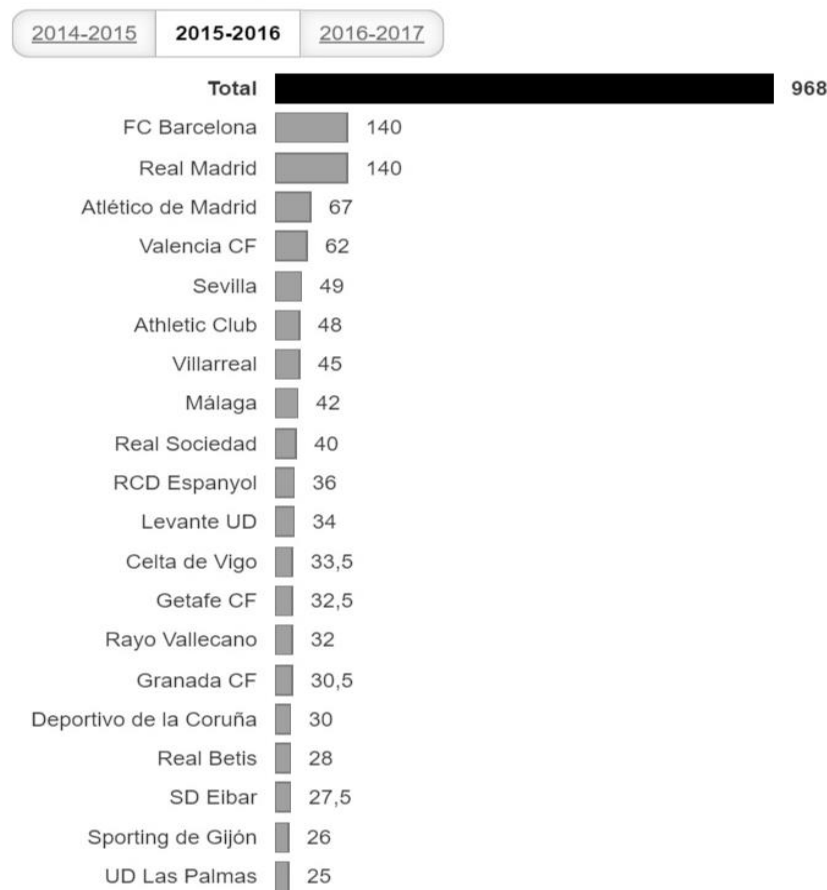
1. Coca Cola - USA
2. Nike - USA
3. Adidas - Germany
4. Puma - Germany
5. Gillette - USA

(Marketing y Finances, 2014)



The global environment of the sports industry is managed through sports marketing, which gives the most impressive economic movements on the planet, we cite as an example the Spanish Soccer League, where astronomical values are handled, we quote the 80 million euros that enter for advertising in the coffers of the Spanish Soccer League, of which about 20 million are allocated in prizes between the finalists and its champion. In addition, this League through the Royal Spanish Soccer Federation receives around 1000 million euros for television rights, of which two teams Barcelona and Real Madrid take around 25% of the total, that is to say 140 million Euros each, the rest is distributed among the remaining 18 clubs who receive between 25 and 90 million each team. In another case of soccer, the revenue from the sale of FIFA television rights in 2015 was 2,000 million euros.

Graphic 18. Revenues for television rights The Spanish Football League in millions of Euros



(Palco 23, 2015)

In the United States, one of the best-selling sports in commercial and marketing is basketball, due to the amount of audience each game of this championship, to the point that the NBA has just signed an agreement for Television rights for \$ 24 billion for 9 years (2106-2025) with the Disney chain, owner of brands such as ESPN, ABC, etc., that is, about \$ 2,666 million per year. According to the most important sports newspaper of Spain in a report of late 2014.

In the particular case of Ecuador, the situation has also changed in an ostensible way, from the achievement of exceptional sporting successes for the country, such as the Olympic Gold Medal of Jefferson Perez, the classification of the soccer team for 3 World Cup Championships and other achievements. Ecuadorians companies became much more interested in sports activity and its protagonists. Factor in which the private company saw an opportunity to relate their products with these successful achievements through sports sponsorship.

In this way an attractive market emerged for the obtaining of sponsors and the generation of sporting events of great connotation. This is why some people and companies decided to dedicate themselves to sports management, that is to say, the representation of soccer teams, athletes, events, etc., with the purpose of creating a link between private companies and the sports industry to generate a better channeling of investments that these companies were ready to offer to this industry. It was then that in 2003 JP SPORT MARKETING arises as a necessity to generate this link between the sport and the private company.

Today the sports market has been seen with great amazement and approval, the accelerated growth in the interest of people for physical activity, whether for health, aesthetics, pleasure, status, fashion, etc. This "boom" in the world of sport practice opens new opportunities within the same sector, in order to stimulate this type of

events to create elements that are useful for this market niche, in this case amateur sport and thus increasing the marketing of products or services in this area.

In the national case we mentioned two basic examples, the investment made by the Ecuadorian State in sports in 2015, whose value amounts is \$ 124 million dollars. This in order to have a healthier and economically active population.  
(Sports Ministry, 2016)

Another interesting case is represented by the Barcelona Soccer Club of the city of Guayaquil, whose annual budget is over \$ 12 million, of which \$ 1.5 million comes for television rights, \$ 6.5 million per Advertising, and the remaining \$ 4 million dollars per box office.

SEE ANNEX 1. INTERVIEW1 FRANCISCO CEVALLOS PRESIDENT OF BARCELONA SPORTING CLUB

These are just some of the most important cases, which show the economic and social weight of the sports industry in the world, which gives us a perspective that through the correct application of sports marketing, we can take full advantage of the opportunities in this country.

### 2.2.2 Competitors

As explained in the previous point, there are currently no specific studies on the participation of each companies in this industry. However, it has been possible to identify that among our potential competitors are the Guayaquil companies: DM3, Timing Ecuador, T3Sports and in the city of Quito: Sportime, Silvio Guerra Sports, companies organize sports events, both for public and private companies. Other possible competitors could be some organizations under the figure of foundations such as "Special Olympics" for example, who have been interested in becoming a part of this attractive market.

In addition there is a great variety of free agents that have empirically or informally entered this industry, who lack structures, strategies or objectives for the development of major events. However they cannot be underestimated, either as rivals or direct competitors. Reason why this particular has been taken into account in the moment of carrying out the present marketing and communication strategy.

Also we cannot neglect another type of event in which the company has ventured into a start as are the athletic competitions turned into great shows for people. In this sense we have chosen to create events with much defined formats, to differentiate ourselves from the competition and to be recognized as leaders and innovators. For example creating exclusive events for women, exclusive for children, as well as complementing them with artistic presentations or extreme sports.

In addition there are "Rivals" who offer an alternative product, in this case, entertainment and fun, and could compete on the part of the industry pie in this case of entertainment, with sports being an important part of it.

### 2.2.3 Entry barriers.

The factors that prevent the normal development of a company's activities are known, that is to say, it does not depend on the organization, and here are some examples:

A. The contraction of the economy, where the first resources to eliminate to adjust budgets of the companies, are the sponsorships.

B. Logistics are increasingly difficult and costly to obtain for the development of events.

C. City regulations or ordinances, economic, political and social measures.

### 2.2.4 Substitute products or services.

At this point it is necessary to differentiate the items conceived as such, for both the corporate customer who invests in sports as sponsor and the final consumer who

consumes sports, it mean the athletes. For example, the corporate costumer or sponsor can substitute their sport investment for other elements such as: advertising, music, promotions, and even with the free delivery of samples of their product.

On the other hand, the final consumer can substitute the sport with musical shows, films, books, etc., that is to say elements that cover his/her desire or need.

#### 2.2.5 Power relations between suppliers and buyers.

First, we must identify our suppliers and buyers. In this sense and in view of the fact that the company offers services and products based on the sports and entertainment industry, the company has several types of suppliers, most have the bargaining power to be constant consumers and of high values, which generates a greater profit margin by lowering costs to its lowest possible value. As for consumers, it is recognized that the company is very competitive with regard to competition, if the products and services are of high quality at a very competitive price, which has produced a greater demand of consumers, whether companies or natural people. As for the bargaining power with customers, these forces are balanced, since they depend on the customer, the company handles this power, or they can do it in turn, for example if a customer chooses to be part of all the events that are organized and buy products, they have the power; Instead if another decides only to be part of a certain event, power is maintained by the company.

This chapter has been able to have a summary but effective diagnostic of the current situation in Ecuador, whose data will be of great relevance when making corporate decisions to reduce risk and maximize potential business opportunities for the organization. In addition, valuable information has been obtained first-hand on the values that are handled in the sport industry in the world and a couple of specific cases in Ecuador, this big data will give a better north to the organization to apply the best strategies that will lead to achieve the stated objectives.

## Chapter 3.

### Construction of an business action plan for JP Sport Marketing Internationalization

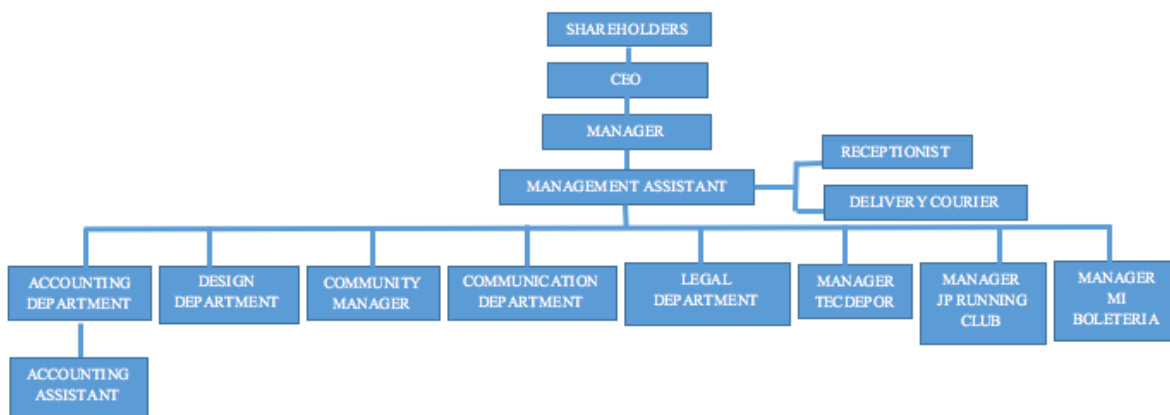
Objective: To develop the necessary structure that supports the implementation of an ambitious business plan in the medium and long term.

Introduction.-

#### 3.1 Guidelines for the elaboration of the Plan.

The main guidelines or paths to be followed for the elaboration and execution of this plan are discipline, solidarity, teamwork, constancy, effort, efficiency, effectiveness, being empowering each collaborator in each of the processes, to achieve the success.

Organization chart JP Sport Marketing



(JP Sport Marketing, 2003)

Also with the SWOT application it is sought to obtain valuable information by crossing variables or relevant data, which identify problems and find the solutions to make the most appropriate administrative decisions.

### 3.2 SWOT Analysis

Table 1 SWOT Analysis with Cross Data

<b>SWOT Analysis</b>	<b>STRENGTHS</b> <ol style="list-style-type: none"> <li>1. Know-how of the business.</li> <li>2. Leverage in the character Jefferson Pérez. Olympic medalist and leader of national opinion.</li> <li>3. Staff with experience.</li> <li>4. Solid administrative structure</li> <li>5. Portfolio of clients on the rise.</li> <li>6. Power of negotiation with suppliers.</li> <li>7. Knowledge of the brand by the consumer</li> <li>8. Well-paid staff.</li> <li>9. Good reputation of the company with suppliers, customers and citizens.</li> </ol>	<b>WEAKNESSES</b> <ol style="list-style-type: none"> <li>1. Reduced number of staff.</li> <li>2. Central office located in Cuenca, away from its main customers and consumers in Quito and Guayaquil.</li> <li>3. Technical processes not defined.</li> <li>4. Very open function manual</li> <li>5. Incomplete procedure manual.</li> <li>6. Multi-tasking staff</li> <li>7. Lack of communication</li> <li>8. Duplication of tasks</li> </ol>
<b>OPPORTUNITIES</b> <ol style="list-style-type: none"> <li>1. Incursion in the market of "blue oceans" to achieve the greater differentiation and the creation of a new segment.</li> <li>2. Growth of sport activity in all ages and gender.</li> <li>3. Appreciation of sports as a daily healthy living habit.</li> <li>4. Use of external contacts for internationalization.</li> <li>5. Increased investment by public and private companies in the sports and entertainment industry (despite a temporary recession).</li> <li>6. Increased personal investment in sports and fun.</li> <li>7. Positive sport-health association</li> </ol>	<b>STRATEGIES (FO)</b> <ol style="list-style-type: none"> <li>1. Take advantage of the untapped market still.</li> <li>2. Show our character in state campaign.</li> <li>3. Promote reputation to attract investment.</li> <li>4. The consolidated customer portfolio will help attract investment.</li> </ol>	<b>STRATEGIES (DO)</b> <ol style="list-style-type: none"> <li>1. Multitasking personal could help take advantage of growth in sports activity.</li> <li>2. Office location in Cuenca can be strategic to take advantage of sport-health association, per capita practice of the highest.</li> </ol>
<b>THREATS</b> <ol style="list-style-type: none"> <li>1. Internal political and economic instability.</li> <li>2. Norms and ordinances that harm the sports industry, for example a new public entertainment ordinance in Cuenca.</li> <li>3. Contraction of budgets for sponsorship and events.</li> <li>4. Global economic crisis.</li> <li>5. Increased number of competitors in the market.</li> </ol>	<b>STRATEGIES (FA)</b> <ol style="list-style-type: none"> <li>1. Knowledge will reduce threat from competitors.</li> <li>2. The solid structure will minimize the impact of instability.</li> <li>3. Bargaining power with suppliers will generate savings and counteract global economic crisis.</li> <li>4. Staff with experience minimizes the impact of new regulations and ordinances.</li> </ol>	<b>STRATEGIES (DA)</b> <ol style="list-style-type: none"> <li>1. Training staff will enable you to deal with competitors.</li> <li>2. Reduced number of staff, light structure, helps to sustain global crisis.</li> </ol>

As we can see in the chart, we can emphasize the importance of this analysis of cross data, since at the same time we point out the variables of the organization, with this information we find the answers and solutions to these drawbacks.

### 3.3 International market situation faced by the brand.

The lack of knowledge in the international market can create uncertainty when trying to penetrate the market, the region's constant economic problems could increase the risk for this purpose and the contraction of the international economies targeted by the brand. However, risks and fears will be controlled with knowledge, always seeking to find the opportunities between the alleged problems or risks.

On the other hand, JP Sport Marketing has been recognized as one of the largest suppliers of products and services related to sports in Ecuador, and have been determined to have more than 30,000 direct customers in its own events, in addition to the number of events organized for third parties that add another 50,000 customers. In addition, the fact of having organized international events, generate a high reputation of the brand within the country and the knowledge of some players outside the territory. In addition, important elements will be taken into account in the expansion of the company in Ecuador and outside such as legislation, regulations, culture, competition, etc., to be efficient in achieving the purpose.

Therefore, it is necessary to structure a professional marketing plan, that is trustworthy to the potential international alliances, under a responsible and real budget, in which the fundamental characteristics are elements such as: fulfillment, creativity, ethics, efficiency, effectiveness, honesty and wherever possible, exclusivity.

### 3.4 Main idea of communication.

JP Sport Marketing offers a portfolio of services related to the sports and entertainment industry. Therefore it is in your interest to communicate the direct relationship in your campaign with these activities and all their manifestations and links inside and outside of Ecuador.



The final consumer and our potential international alliances must perceive leadership, knowledge, differentiation, fulfillment, exclusivity. Thus our potential international alliances.

Internal costumers should feel the full support of the organization, actively participating in the responsibilities and benefits that it gives them to belong to this great team, giving them the necessary empowerment for this purpose.

The work must be focused on both internal and external customers that have a perception of the brand, as the only and best option to link and fulfill their desires and goals.

### 3.5 Correct handling of international relations

For this purpose, an administrative division for the management of external relations will be created, led by a coordinator, who will be in charge of processing these relationships to generate a two way earn relationship. For this we will establish contacts with potential allies in Peru and Colombia visiting them on site or using technology for the first approaches.

### 3.6 Who do we need to influence and how?

First, our internal customers, convincing them with arguments that the product that we offer and the organization to which they belong enjoys credibility and compliance. This will be achieved through fluent and transparent communication, as well as giving them the necessary empowerment to achieve the established objectives.

To our external customers for them to see in us the only option of reliability, quality and safety to promote or link their brands and achieve the best experience in the sports industry.

Finally to our alliances outside the border that will allow the internationalization of the company in the shortest time possible.

### 3.7 What is the expected relationship of customers with the brand?

A strengthened relationship, to the point where customers put their total trust in us to manage their brands and have them in the company's service portfolio, this are the best options to link their organizations. In addition the consumers of the company's events will have an exceptional experience with the brand.

With the internal costumers, a relationship of empathy and responsibility is sought for the fulfillment of the tasks entrusted and the remuneration for those tasks. That is, a fair monetary and emotional payment.

Also generate confidence with international partners to achieve the desired objectives.

### 3.8 How the service or product behaves.

With high peaks at the beginning of the year, being that here the strategy and budget that will work throughout the period is defined, also before each event gives a similar environment, additionally when something happens within the sporting event such as positive score of the national soccer team, sales are increased. Given that these are the best moments for the service of the company, it tries to get the most out of it, to sustain the seasons of low demand of the product or service.

### 3.9 What personality transmits the product or service?

This is determined based on the policies that the organization wants to give the brand, that is, a kind of imprint to make it easy to recognize and want. Of course, in the end, who decides how to see the brand, is the customer or the final consumer, that is why the importance of a brand makes frequent focus groups, since these will determine the public

perception of what the brand wants to transmit, it determines whether you are on the right or wrong track.

As far as what JP Sport Marketing wants to do, well this brand wishes to convey the following attributes:

Trust, Energy, Prestige, Personality, Exclusivity, Integrity, Aspiration

### 3.10 Because people must believe in this. (Reason, Why, Customer)

They must believe in the brand by the convincement of the staff in its service, by its executives who proceed with ethics, by the professionalism in its activities. Because of the differentiation of its products and services. By linking with other strong brands from other industries, and by linking with international alliances with great reputation, all this generates messages of credibility and trust.

### 3.11 Benchmarking.

The best practices of the leaders of the international market will be emulated, applying them under the philosophy and local idiosyncrasy of each market, to obtain high yields and great benefits. Some of these examples of corporations that dominate the sports marketing industry are:

Euroaméricas, a world-renowned company whose critical success factor has been to have major brands like its customers such as ESPN, Bayer Munich, etc., which have managed to capture much of the industry's market.

Another company that has emerged as a world leader since 2013 is the one created by artist Jay Z, husband of another artist Beyoncé, who from the platform of promoting artists and themes related to music called Rock Nation founded in 2008, decided to use it to promote Rock Nation Sports, that is to say entering the sports' industry by representing great athletes of the NBA, Boxing etc., initially with Americans and soon with athletes from

several parts of the world. These are just two cases of global relevance in the sports industry.

These successful practices should be taken as a reference to apply them into JP Sport Marketing, analyzing previously the correct way to land them to the reality of our country.

### 3.12 Plan Execution

For this purpose, internal steps will be taken into consideration by the internal costumers, which have been previously elaborated in the planning process. These should be applied under strict compliance, monitoring and evaluation parameters to achieve the objectives set.

Table 2 Alliance monitoring and evaluation matrix

CHART OF EVALUATION AND GOALS							
ACTIVITY	DATE	PLACE	RESPONSABLE	INDICATOR	VERIFICATION METHOD	SUMMARY AND RECOMENDATIONS	NEXT STEP
LOBBYING TO STABLISH THE RULES (FIRST MEETING)	01-ene-17	BOGOTÁ - COLOMBIA	LUIS ALVAREZ	PERCENTAJE OF AGREEMENT OF THE PARTNERS	DOCUMENT ANALYSIS		MEETING MARCH 10TH 08H00 QUITO
MANAGEMENT STRUCTURES AND DRAFT CONTRACT OF THE ALLIANCE (SECOND MEETING )	01-mar-17	QUITO - ECUADOR	FANNY LOYOLA	INVESTEMENT AMOUNTH AND ACTIVITIES	PLANIFICATION AND BUDGET		MEETING MAY 30TH 10H00 BOGOTÁ
AGREEMENT AN SINGNS (THIRD MEETING)	01-may-17	BOGOTÁ - COLOMBIA	SOFIA ACEVEDO	TIMIING LIMITS AND DAEDLINES	MEETING PARTNERS		SING OF ALLIANCE

### 3.13 Quantifiable and Qualifiable Objectives. Actions on the Marketing Mix.

The objectives have to be measurable in time to determine their degree of execution and development, they must also be achievable by the organization in reasonable time frames,

and generating positive changes that motivate all those related to the company, among the main ones are:

#### 3.13.1 Product or Service

Objective. - To be a strong brand, differentiation and recognition of internal and external customers inside and outside of Ecuador to get ourselves in our consumers top of heart, knowing that this parameter measures the level of love and closeness of the consumer with the brand, unlike the top of mind, which demonstrates the level of recognition of the brand instead.

Strategy. - To have a wide portfolio of high quality products and services in the sports industry. And to meet the times of delivering these products to the customers.

Tactics. - To have the best suppliers, technological equipment and professionally trained personnel for the development of the activities entrusted to us.

All this to be reached in 2017

#### 3.13.2 Price

Objective. - To value the brand through reputation, so that the customer feels satisfied with the value paid for the products or services.

It should be noted that we have two types of customers, corporate (sponsor) and final consumer (athletes).

Strategy. – To apply an huge level of brand knowledge to generate greater value on it.

Tactics. - Implementing a direct communication campaign in Radio, TV, Press, Social Networks, etc., all this to be reached in 2017. Its tentative plan is below:

JP SPORT MARKETING LOCAL AND NATIONAL PRESS MEDIA PLAN - ALLIANCE COLOMBIA					
NEWSPAPER THE MERCURY					
DATE	SIZE	SIZE IN CM.	DETAIL	INFORMATION	VALUE PER PUBLICATION
JULY	6x2	29.7x10 CM	SPORTS COVER	CORPORATE	\$ 500.00
NOV	6X2	29.7x10 CM	ECONOMY SECTION	SERVICES	\$ 500.00
					\$ 1000.00

NEWSPAPER THE UNIVERSE					
DATE	SIZE	SIZE IN CM.	DETAIL	INFORMATION	VALUE PER PUBLICATION
JULY	6x2	29.7x10CM	GENERAL SECTION	CORPORATE	\$ 1,200.00
OCT	6x2	29.7x10CM	SPORTS COVER	SERVICES	\$ 1,200.00
NOV	6x2	29.7x10CM	ECONOMIC SECTION	SERVICES	\$ 1,200.00
					\$ 3,600.00

NEWS PAPER THE COMMERCE					
DATE	SIZE	SIZE IN CM.	DETAIL	INFORMATION	VALUE PER PUBLICATION
JULY	6x2	29.5x10cm	SOCIALES	CORPORATE	\$ 140,20
SEPTEMBER	6x2	6x2	PORTADA DEPORTES	SERVICES	\$ 304,80
					\$ 445,00

		<b>STADIUM MAGAZINE</b>			
JANUARY	FULL PAGE	COORPORATE	\$ 500.00	JANUARY	FULL PAGE
AUGUST	FULL PAGE	SERVICES	\$ 500.00	AUGUST	FULL PAGE
			\$ 1,000.00		
TOTAL PRINT VALUE			TOTAL PRINT VALUE \$6,045.00	TOTAL PRINT VALUE	

AVERAGE	TYPE OF GUIDE	PERIOD	VALUE	OBJECTIVE
FACEBOOK	VARIOUS POSTS	ROTARY JULY- DIC	\$ 1,000.00	GET FANS AND PRESENT ALLIANCE
TWITTER	VARIOUS POSTS	ROTARY JULY- DIC	\$ 1,000.00	GET FOLLOWERS AND SUBMIT ALLIANCE
WEB PAGE	SITE CONSTRUCTION	JULY	\$ 3.000,00	SHOW PICTURE AND COMMUNICATE
WEB PAGE	SITE MAINTENANCE	JULY-DEC	\$ 1,500.00	GENERATE NEWS OF INTEREST AND TRAFFIC USERS
TOTAL PRINT VALUE			<b>\$6500</b>	

The case of radio and TV broadcasting has been omitted for now, to reduce costs, however, it will generate leverage in the own media plans that performs each event organized by the company throughout the year on radio and TV.

### 3.13.3 Place

Objective. - Expansion of the market at an international level through alliances with companies or persons of this industry in other countries, so that the company's products have a greater presence in mentioned places and generate greater knowledge of the brand.

Strategy. – To generate lobbying and direct contacts with possible partners, such as: More and More Marketing, One Sports; companies located in Bogotá-Colombia, to generate a mutual beneficial alliance.

Tactics. – Have new offices in Guayaquil or Quito, and from there operate internationally in the central objective of the company. This all to be reached in 2017

### 3.13.4Promotion

Objective. – To generate an internal and external campaign capable of reaching and convincing costumers and potential international alliances about the company's expertise, ethics and credibility in the sports and entertainment industry, all with the development of a timely concept.

Strategy. – To use strategies of direct communication impact, having as priority BTL (Below the Line) and ATL (Above the Line). Media Lobbying, and social media.

Tactics. - Make alliances with high penetration media such as TV, where the brand will be promoted as free press. Also to position the services and products on social networks through the company's community manager department.

This all to be reached in 2017



### 3.14 Calendar and Budget

The indicated activities are developed according to the following schedule:

**Table 3 Budget for initial partner partnership with Colombia**

Budget for initial partner partnership with Colombia												
			CALCULATION ABOUT 20% OF WORKING ISSUE			20 PER DAY, 6 DAYS FOR TRIP, TOTAL 3 TRIPS	AVERAGE 2 TRIPS \$240	10 PER DAY, FOR 18 DAYS				
NAME	POSITION	MONTHLY SALARY	6 MONTH SALARY	DATE	ACTIVITIES	PROVISION AND LUNCH	AIR TRANSPORTATION	LAND TRANSPORTATION	CORPORATIVE SHEETS	LEGAL PROCEEDINGS	PAPER PRINTERS	
LUIS ALVAREZ	MANAGER	\$ 1.500,00	\$ 1.800,00	JANUARY-MARCH-MAY	LOBBYING, NEGOTIATION, SIGNS	\$ 360,00	\$ 700,00	\$ 180,00				\$3.040,00
CARLOS VAZQUEZ	MARKETING	\$ 900,00	\$ 1.080,00	JANUARY-MARCH-MAY	MEET PARTNER,	\$ 360,00	\$ 500,00	\$ 180,00	\$ 1.000,00			\$2.120,00
MARCO TORRES	LEGAL	\$ 500,00	\$ 600,00	JANUARY-MARCH-MAY	CONTRACTS, LEGAL PAPERS	\$ 360,00	\$ 500,00	\$ 180,00		\$2.000,00		\$1.640,00
FANNY LOYOLA	PUBLIC RELATIONS	\$ 700,00	\$ 840,00	JANUARY-MARCH-MAY	BRAND MANAGEMENT	\$ 360,00	\$ 700,00	\$ 180,00			\$ 500,00	\$2.080,00
SOFIA ACEVEDO	HOST COLOMBIA	\$ 500,00	\$ 600,00	JANUARY-MARCH-MAY	LOBBYING COLOMBIA, LINK	\$ 360,00	\$ -	\$ 180,00				\$1.140,00
ANNUAL BUDGET FOR ALLIANCE			\$ 4.920,00			\$ 800,00	\$ 2.400,00	\$ 900,00	\$ 1.000,00	\$2.000,00	\$3.000,00	\$16.020,00
MONTHLY EXPENSES			\$ 820,00			\$ 300,00	\$ 400,00	\$ 150,00	\$ 166,67	\$ 333,33	\$ 500,00	\$2.670,00
INITIAL FINANCIAL CAPITAL												\$30.000,00
TOTAL INVESTMENT FOR INTERNATIONALIZATION												\$48.690,00

## **Conclusions and Recommendations**

It is important to note that JP Sport Marketing Company has a light administrative structure, which undoubtedly helps the processes to establish an international alliance, since it can have available economic resources to invest with the required objective that has been quantified in near of \$ 50,000 for this purpose.

At the same time, since it has a light administrative structure, it lacks some human resources in areas such as communication and community management, which may lead to problems of compliance with administrative activities, for this reason it is recommended to hire key personnel for the normal development of activities of the company, otherwise these could be assumed by personnel from other areas, who is not qualified for this type of activities other than those they develop.

As far as the PESTLE (Political, Economic, Social, Technological, Legal and Ecological) analysis is concerned, this has been very useful, since it has shown us a broad perspective of the current situation of the country, and the importance of the sports industry in the daily economic and social life of the Ecuadorians, which presents a great opportunity to present to the Ecuadorian State a sports plan that approaches the sports as a catalyst for social development, in which the Ministry of Sports, Ecuadorian Olympic Committee, Provincial Federations and private enterprise, etc., provide citizens with emotional and physical well-being, which will result in a less sedentary and less ill population, saving the state millions of dollars in health and promoting productivity levels with healthy, active and happy citizens. In addition, this same project could be replicated in the countries of Colombia and Peru through the commercial partners of the sports industry, which will undoubtedly generate a very high social and economic return for the company

Finally, the analysis of the data generated in the SWOT cross-tables gives the necessary parameters to convert the threats into opportunities and the weaknesses into strengths, this being done through the crossing of variables obtained from the organization which will facilitate the achievement of international partners by showing a solid and well-developed structure.

In the interview made to Jose Francisco Cevallos President of Barcelona Sporting Club, which is shown as an annex in this work, you can see the sports leader corroborates everything pointed out throughout this work, in the sense of the importance of marketing in the sports industry, and how it is in turn influencing various aspects of the population in general. Also with the figures obtained we can establish the economic influence on this industry in Ecuador.

Much attention will be paid to all variables to be implemented, following a regular course and thus avoiding waste time and resources on unnecessary issues.

You could also think about the possibility of creating an international franchise with the ally on how to operate in the sports industry, which would expand the brand to other countries.

## **ANNEXES**

### **APPENDIX 1.-**

#### **INTERVIEW FRANCISCO CEVALLOS PRESIDENT BARCELONA SPORTING CLUB**

**Q. What motivated you to be President of Barcelona?**

**R.** An aspiration that I had since I was a player, I always wanted to become president after my professional retirement. To carry out a serious project with order and control, projecting it as the Colossus of America that we affectionately call it.

**Q.** What do you think is the biggest reason why the Barcelona brand has been so commercial for so many years, when you think was that moment of this change ?, and when did the club stopped being just a soccer team and became a social phenomenon?

**A.** The great achievements that Barcelona has made throughout its history, winning games when we were lost and, sometimes, in numerical inferiority, to beat world champions have made Barcelona a social phenomenon, economic and commercial, rather than just a sporting club.

**Q.** What is the Barcelona's 2016 Budget and what items do the revenues come from?

**A.** The budget is 15 million, where the commercial part, through its sponsors, represents a little more than 50%, complemented by box office, TV rights and partners

**Q.** Who manages Barcelona's marketing? managers, external agency or specific personnel.

**A.** Barcelona Sporting Club's marketing is managed by an external agency with specific staff, hand in hand with club managers

Q. How important is the marketing in Barcelona?

A. Marketing in Barcelona is very important as it represents more than 50% of the club's annual budget. In addition to positioning Barcelona as a brand in all spheres, that is our strategy as a directive.

Q. Is the commercialization done through personal contact (lobbying) presentation of projects and returns for sponsors, or which is the most effective way according to the experience of the current executives?

A. Lobbying is very important to be able to reach the sponsors with the appropriate proposal to the interests of the company. We seek strategic alliances rather than a sponsor, where the company sees its return based on its investment, and the club creates commercial loyalty and it is attractive to other sponsors nationally and internationally

Q. Do you think that the position of executives members should be professionalized? That is, stop being an honorary position to become a paid one with administrative and legal responsibilities as well?

A. I believe in the responsibility and ability of the people who aspire to lead a serious project in each of the institutions, giving themselves the time to lead and position it.

Q. In what new lines does Barcelona enter to increase resources?

A. The Barcelona brand is very strong and very well positioned in the country; we analyze deeply each of the strategies of incursion. We prioritize the immediate lines of business such as: sponsors, partners and income selling tickets. Additionally we consider new opportunities in the virtual world through smart applications, official stores and new licenses, where the club perceives a future and a permanent income without being related to the sport's aspect.

Q. When you were Minister of Sports, what was your highest priority and your biggest obstacle in the sport?

A. The well-being of the athlete who cares only to train, study, eat well and rest without having to work excessively to achieve the goals and objectives. The biggest obstacle was the start of compliance with the sport's law.

Q. Was the private company opening to financially support the Ministry's strategic sports plan?

A. There was always a lot of companies ready to work together with the Government where the main beneficiary would be the ecuadorian athlete.

Q. What is the club's relationship with the fans and partners? What do you think they are expecting from each other?

A. Being close and familiar with everything that goes on inside the club, and ben participating in the important decisions.

Q. How many fans does Barcelona have?

A. According to one study, 60% of Ecuadorians follow soccer, and 50% of that percentage are Barcelona's fans.

Q. How does the club influence the population on the day to day for the fan?

A. We have noticed that when Barcelona wins or is in stellar positions, it generates a good vibes to tackle the problems of the day. There is a continuous joy that motivates the entire Ecuadorian population.

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