SPORTS CAREER CONSULTING

THE BUSINESS OF SPORTS

AND ENTERTAINMENT

Student Edition

For the 2018-19 School Year

2018-19 Membership Edition (Students)

This digital publication is an updated and enhanced version of the free textbook available online and is available only to SCC members. The information contained in this version of the publication contains information current as of August of 2018. This edition features some interactive elements. Please remember that the interactive links will take you to content that SCC does not control so it may be possible that some links are broken or no longer exist.

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Introduction

One of the greatest values of an "elective" course like sports and entertainment marketing is its ability to transform the classroom into a dynamic atmosphere where progressive "new age" learning can take place while reinforcing the same academic standards students learn within the confines of a generic business or marketing class. The examples used to support each lesson resonate on a different level for students thanks to course content that most students take a genuine interest in.

Unfortunately, many instructors today wishing to integrate elective studies into the classroom face the inevitable challenge of being handcuffed by severe budget constraints. Sports Career Consulting (SCC) understands the current budget crises and is empathetic to the needs of the school system. And, while we're all certainly advocates for the adoption of current, up-to-date and effective class resources, the realist in us knows that isn't always an option. This publication is available to teachers to help ease some of those pressures.

Today the business and marketing world has evolved into a multi-dimensional work- in-progress for companies around the globe. Sports and entertainment companies are no exception. From the NBA and Nike to Paramount Pictures and Geffen Records, organizations pay a premium to remain ahead of the curve in a world of evolving technologies and shifts in trends within the industry. This publication is designed to share those practices with you, and ultimately, your students.

Please note, this publication is not meant to replace the use of any existing textbook, nor is it the goal to be sole provider of instructional material for your class. SCC believes you should find any and all resources that offer the best fit for your teaching style. Just as important, as you know, is to continually search out other supplemental resources for your course. At SCC, we are confidant you will find our program to be an excellent resource for all business or marketing classes in your quest to provide the best classroom experience possible for your students.

So, whether your school offers a sports and entertainment specific marketing class or a general business class with this topic area as a medium for introducing the basic principles of marketing, we believe you'll find this and other SCC resources to be a cutting-edge provider for enhancing the classroom experience for you and your students.

Enjoy!

Chris Lindauer
President
Sports Career Consulting

Acknowledgements

There are so many people I'd like to thank for their constant support, encouragement and contributions to not only this publication, but also all the content SCC produces for our community of sports and entertainment business educators. It would take another lengthy publication altogether to mention everyone who deserves credit in one form or another, but I would like to take a moment here to recognize a few people in particular.

To all the industry professionals who have offered guidance, contributions and continued support, hopefully the progression of this class will continue to help shape an exceptional next generation of sports and entertainment business leaders. Without your efforts, providing top-notch education programs for our high schools would not be possible. Thanks to everyone who has shared their wisdom, insight, advice, time and support. You should all be proud of the profound impact your insight has in guiding the next generation of successful industry professionals. Most of all, thank you all for making the sports and entertainment industry a great place to work and play!

I would also like to thank all our current and past subscribers from around the country...thanks for helping us grow! I am truly blessed to be fortunate enough to work with some of the best educators in the world. Together, we make a great team!

Last but certainly not least, I'd like to give extra special thanks to:

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Unit 1: The History of SEM

Overview

Unit one provides students with an understanding of the evolution of sports and entertainment as it relates to business. Identifying industry "pioneers" and important milestones will assist students in the comprehension of how the sports and entertainment industry has become the multi-billion dollar industry it is today.

Objectives

1) Define the acronym SEM
2) Identify factors that contributed to the growth of the sports and entertainment industry
3) Understand the concept of "fandom" and its importance to the business of sports and entertainment
4) Discuss the impact specific individuals had on the evolution of the industry
5) Recognize specific milestones relevant to industry growth
6) Define media
7) Understand the importance of media (broadcast) rights

Lessons

Lesson 1.1 Genesis of Sports & Entertainment Marketing
Lesson 1.2 Factors Contributing to Industry Growth
Lesson 1.3 Media Impact on Industry Growth
Lesson 1.4 Industry Pioneers
Lesson 1.5 Important Milestones in SEM History
Lesson 1.6 Where Are We Now?

Key Terms

Fandom
Media
Media (Broadcast) Rights
SEM
Superfan

Lesson 1.1
Genesis of Sports and Entertainment Marketing

A. The origins of sports and entertainment marketing (SEM)
   1. What is SEM?
      a. **SEM** is the acronym for sports and entertainment marketing
   2. Sports and entertainment marketing is a relatively new player in a field of multi-billion dollar industries.
      a. Forms of sports marketing started as early as 1858 (first known athletic event to charge admission took place at a baseball game)
      b. Entertainment as we know it today (movies, radio, television, music) exploded from 1900 on, and as technology improved, so did the products being offered
         i. Silent movies progressed to sound, and radio eventually expanded to television;
         ii. Vinyl records evolved into tape and CD and today's digital formats
      c. The 1900's also brought the advent of carnivals, amusement parks, and theme parks which evolved from (but did not completely replace) fairs, circuses and festivals
   3. Many events have influenced the industry's transition from leisure activity to big business
      a. Evolved as fan support grew with willingness to spend discretionary income
      b. Emergence of radio and television offered more opportunity for consumption of sports and entertainment products
      c. Corporations began to see the benefit with sports and entertainment affiliations, resulting in a marketing and sponsorship boom
      d. Celebrity endorsements and naming rights deals became common industry practice
      e. Advancement of technologies making it easier to consume sports and entertainment while more sports and entertainment properties are introduced
   4. Size and scope of the sports industry
      a. The sports business industry is one of the largest and fastest growing industries in the United States
      b. Research conducted in by Plunkett Research estimates the overall size of the entire sports industry in the U.S. is around $498.4 billion (globally, the sports industry is estimated to be around $1.5 trillion) [1]
      c. Comparatively:
         i. More than twice the size of the auto repair services and parking industries [2]
         ii. Larger than such industries as insurance carriers and legal services [2]
   5. Sports industry revenue breakdown [3]
      a. $43.8 billion in sales of U.S. sporting goods *equipment by retailers*
      b. $35.8 billion in racetracks, sports teams and other spectator sports
      c. $34.9 billion in company spending for sports advertising in the U.S.
      d. $33 billion in revenues for the "Big 4" U.S. sports leagues
         i. NFL, MLB, NBA, NHL
      e. $22.4 billion in revenue in fitness and recreation centers
      f. $1 billion in NCAA sports revenue
         i. Click here to learn more about how the NCAA surpassed $1 billion in revenue for the first time in 2017
   6. Click here to watch a video from Plunkett Research on the current state of the sports industry. The video provides a very broad introduction to the business of sports.
   7. Size and scope of the entertainment industry
      a. Industry extends from movies, television and radio, to theatre, home entertainment, amusement/theme parks, gaming and much more

b. Consumers have shown an insatiable appetite for entertainment resulting in an industry boom
    i. Broadly measured, the entertainment and media industry spans multiple sectors
        (a) There are 9,566 FM radio stations in the United States
            (i) According to the latest figures from Nielsen's annual "Year in Sports Media Report," sports radio attracts 23 million weekly listeners, who tune in for an average of 4 hours a week
        (b) Over 1.4 billion movie tickets are sold each year in U.S. theaters
            (i) According to information from statista.com, forecasts predict that the entertainment industry will grow to over $679 billion in value over the next four years, proving its worth in domestic markets and as a major U.S. export. The film industry is one of the biggest, if not the biggest, player in the broader entertainment sector; it is considered a cornerstone of the industry.
        (c) Analysts at PwC estimate that total U.S. communications and media spending hit $1.8 trillion in 2016 (up from only about $891.5 billion in 2008 and beating 2011 estimates by over $300 billion) and will grow to more than $2.2 trillion by 2019 [4]

8. Entertainment industry revenue breakdown (according to latest US Census Data) [5]
    a. $91 billion in film/theatrical/DVD rental/related revenues
    b. $80 billion in TV broadcast and cable revenues
    c. $76 billion in music industry revenues (CDs, downloads, radio, concerts, etc.)
    d. $18 billion in electronic gaming [6]
    e. $12 billion in amusement/theme park revenues
    f. $7 billion in theatrical productions
        i. Click here to watch a video from Plunkett Research on the current state of the entertainment and media industry. The video provides a very broad introduction to the business of entertainment.
        ii. PriceWaterhouseCoopers created several interesting infographics featuring projections for industry growth. Click the links below to view the images on SCC's Pinterest page.
            (a) Click here for advertising growth projections
            (b) Click here for TV subscription growth projections
            (c) Click here for growth projections for the music industry
            (d) Click here for growth projections for the filmed entertainment industry

Lesson 1.2
Factors Contributing to Industry Growth

A. Many factors in sports and entertainment business led to its enormous growth
   1. Increase in numbers of those participating in sports and entertainment
      a. The U.S. Youth Soccer Association reports that there were 100,000 registered players in 1974. Today the organization has grown to 3.2 million registered players and over 800,000 coaches and volunteers. [8]
      b. The number of U.S. golfers has risen to 12.6% of the population vs. 3.5% 50 years ago [9]
         i. According to the National Golf Foundation, participation in "off-course" golfing, in the form of play at facilities such as Topgolf or at facilities with on-screen simulators, rose 7 percent, to 21.7 million participants, last year
      c. According to the National Federation of State High School Associations, the sport of lacrosse has seen a 280% increase in participation in the last decade [10]
      d. Among sports and recreation activities that grew more than 15% the past 10 years, skateboarding led the way with a 74.1% growth, according to the National Sporting Goods Association (NSGA) [11]
         i. "*Skateboarding saw a remarkable increase in the last 10 years, due in part, to the television exposure provided by ESPN's X-Games*," said NSGA Vice President of Information & Research Thomas B. Doyle (NSGA) [11]
      e. According to a CBS Sports report, USA Hockey saw a record 519,547 people register as amateur hockey players in the US in 2014, 8,000 more players than any other year as non-traditional markets like California, Texas and Florida have grown exponentially over the past 20 years
      f. Data from USA Water Polo (USAWP) shows water polo is one of the fastest growing sports in the USA, specifically at the high school level
         i. According to swimmersworld.com, nationwide participation is up 25% in the last five years while memberships increased by 67% from 26,873 to 44,773 (an all-time high) in the last eight years
   2. Increase in numbers of those following sports and entertainment
      a. U.S. television broadcast 800 hours of sports TOTAL in 1971 [12]
         i. Compare that to the coverage of the 2016 Summer Olympics in Rio, Brazil, when NBC featured more than 6,000 hours of television coverage (up from 5,535 in 2012) across its platforms (including NBC, USA, Bravo, CNBC, MSNBC) and all 130 competitions were streamed online [13]
            (a) NBC streamed 1,800 hours of 2018 Winter Olympics coverage, twice what the network streamed in the 2014 Winter games -- just over 1,000 hours of footage, which also marked the first time that every event was streamed online
            (b) The 2018 games were also the first Winter Olympics to feature a live simulcast of broadcast network coverage for authenticated pay-tv subscribers. Those users were able to watch at the NBC Olympics website or on mobile apps, as well as through connected TV devices such as Roku and Apple TV. [14]
         ii. According to a *LA Times* story, Americans collectively spent 31 billion hours watching sports on TV last year — a 40% increase from a decade ago
   3. Increase in sports/entertainment offerings

a. More options for sports as participants
   i. Disc Golf
      (a) The sport had 560 courses in the U.S. in 1995; by 2017 that number had grown to nearly 7,000 and the sport has averaged 16% growth annually over the past 15 years
         (i) In 2000 there were 5,653 active members of the Professional Disc Golf Association; by 2017 there were 35,663 members
            1. 10,774 people joined the PDGA in 2016 alone
      (b) Visit the Professional Disc Golf Association website to learn more about the sport
   ii. Spikeball
      (a) This fast-paced game was invented in the 1980's, disappeared during the 90's, and burst back on the scene in 2013 – today the sport boasts over 125,00 participants, has its own governing body and is the self-proclaimed fastest growing sport in the U.S.
         (i) According to the *Columbus Dispatch*, over 300 official USA Spikeball tournaments were scheduled throughout the U.S. last year
         (ii) According to Spikeball's website, there are over 1 million players in the US alone and 1,500+ nationally ranked teams
         (iii) In 2018, Spikeball continued to grow, when ESPN began coverage of spikeball events, even describing the sport as "mainstream"
            1. Click here to read the ESPN story about how Spikeball went "mainstream"
   iii. Rugby is another one of the fastest growing sports in the U.S.A. According to bloomberg.com, the number of rugby participants has increased 14 percent annually for the last five years and now boasts a record 1.2 million participants throughout the country.
      (a) Last year, NBC televised a match between the United States rugby team and the top ranked team in the world, the New Zealand All Blacks. The event drew 62,000 spectators at Chicago's Soldier Field and NBC's ratings were higher than any Major League Soccer game in the network's broadcast history.
      (b) In 2016, Rugby was a competitive event at the Summer Games in Rio for the first time since the 1924 Olympic Games (the Rio event was be Rugby "Sevens", a 7-on-7 version of the sport)
         (i) According to Forbes, over 1,000 U.S. colleges now sanction rugby teams for men and women
            1. In 2018, a crowd of over 30,000 fans packed Talen Energy Stadium in Philadelphia to watch the Penn Mutual Collegiate Rugby Championships
      (c) As one of the most popular sports on the international stage, rugby is no doubt poised for a breakout in North America
   iv. U.S. high schools have recently recognized non-mainstream sports as officially sanctioned sports in recent years
      (a) Hawaii became the first state to sanction surfing as an officially recognized high school sport in 2013
      (b) Also in 2013, the state of Missouri bass fishing became an officially sanctioned high school sport (joining the states of Illinois, Kentucky and Tennessee as states sanctioning fishing as a recognized sport)

(c) One school in Florida is attempting to legitimize Go Kart racing as an official varsity sport
(d) According to the National Federation of State High School Associations, other high school athletic and activity associations have been adding sports such as bowling, archery, beach volleyball, rodeo, air riflery, chess, Nordic skiing and canoe paddling
(e) *Forbes* reported in 2018 that high schools across the United States were preparing to launch varsity e-sports activities which will be sanctioned by the National Federation of State High School Associations (NFHS)
(i) Click here to read more from forbes.com how e-sports penetrated the high school activities market

b. Media broadcast offerings
i. According to the *Sports Business Journal*, ESPN's coverage features over 65 sports (including MLB, NBA, NFL's Monday Night Football, NASCAR, MLS, FIFA World Cup, WNBA, college football, men's and women's college basketball, golf, Little League World Series, fishing, spelling, billiards, poker, arena football, eating championships, and the X Games), 24 hours a day in 15 languages in more than 150 countries
ii. DirecTV offers over 285 channels as part of their "premiere" package, including over 50 channels dedicated specifically to sports programming (and that doesn't include the seventeen "specialty" packages that require an additional subscription like the NBA League Pass, NFL Ticket or NHL Center Ice)

4. Attendance increases had an enormous influence on the size and scope of the sports and entertainment business industry
a. The NHL enjoyed its fourth highest attendance figure in league history during the 2017-18 season with 22,174,263 fans visiting NHL arenas
i. To put the league's growth into perspective, the NHL's attendance in 1978-79 was just 7,758,05 [16]
ii. Click here for an updated link for more attendance figures for other sports leagues
b. Over 75 percent of movies in the top 50 all-time highest-grossing films (before inflation) were released after the year 2000. Nearly 70 percent of films in the top ten were released in 2015 or later.
i. The highest grossing film in the 70s was *Star Wars*, at just under $800 million, and in the 80s was *E.T.*, at roughly $750 million (click here for the full list). [17]
ii. In the summer of 2018, "Avengers: Infiniti War" needed just 11 days in theater to surpass $1 billion in gross sales, setting a new record
(a) The previous record of 12 days was set just one year earlier by the blockbuster "Star Wars: The Force Awakens"

5. Media coverage of sports and entertainment has grown significantly in the past half-century, placing athletes and entertainers in the public eye with incredible frequency
a. Television and radio provide alternative news sources to newspapers while social media provides an even newer alternative to all other forms of media

b. Profit potential for media centers encourage increased competition for top stories
c. Introduction of Internet makes information available "on demand" with increased frequency and accessibility
    i. Tiger Woods explains: "*Arnold Palmer…came along at the same time television was exploding in America. Now we've got global Internet access. Our sport wasn't global when I began playing the Tour. Now it is. You can log on anywhere in the world and see what any player did in any tournament or for the year. With that international boom, that international stream of information, golf is getting exposed to parts of the world that it never even thought of getting into*."[18]

6. The international marketplace continues to provide a platform for driving sales of sports and entertainment products and services
    a. J.K. Rowling's (UK) *Harry Potter* series
    b. Athletes like the NBA's Dirk Nowitzki (Germany), Ben Simmons (Australia) and Giannis Antetokounmpo (Greece), MLS's Wayne Rooney (England), David Villa (Spain) and Zlatan Ibrahimovic (Sweden), the NHL's Sidney Crosby (Canada), Alexander Ovechkin and Evgeni Malkin (Russia), the PGA Tour's Rory McIlroy (Ireland), Tennis stars Maria Sharapova (Russia), Novak Djokovic (Serbia), Rafael Nadal (Spain) and Roger Federer (Sweden), Track star Usain Bolt (Jamaica), UFC's Conor McGregor (Ireland) and MLB's Jose Altuve (Venezuela), Yasiel Puig (Cuba), Miguel Cabrera (Venezuela), Ichiro Suziki and Yu Darvish (Japan) help their respective sports, teams and leagues draw fans from all over the world
        i. In 2017, Takuma Sato became the first Japanese winner of the Indianapolis 500 when he denied Helio Castroneves a record-tying fourth victory as the two traded the lead in the final laps
        ii. At the start of the 2017-2018 season, and for the fourth year in a row, NBA rosters included over 100 international players and each of the 30 teams had at least one international player
        iii. According to a release from Major League Baseball, nearly 27% of players on Major League Baseball's 2018 Opening Day rosters were born outside of the United States, representing 17 different countries
    c. European musicians like the Rolling Stones, U2, Adele and Coldplay, Columbian artist Shakira, Canadian Justin Bieber and Barbados-born Rihanna sell millions of records (and downloads) to consumers all over the globe
    d. Actors and actresses such as Cate Blanchett, Kate Winslet, Colin Farrell, Emma Watson and Russell Crowe help boost International box office sales for the films in which they have a prominent role
    e. Global events like Wimbledon, the Tour de France, FIFA World Cup, Olympic Games, and Cannes Film Festival attract world-wide attention, providing an exceptional marketing opportunity for ticket sales, sponsorship sales, licensing and merchandise opportunities while providing a tremendous economic impact for host cities
        i. ESPN, CANAL + Events and Tignes Ski & Snowboard Resort (in France) launched the first Winter X Games to be held outside the United States and X

Games Munich 2013 demonstrated the growth in global appeal of the event when 47.5 hours of action were broadcast across ESPN's various platforms, including 26.5 hours on live television
(a) In 2018, ESPN live-streamed every X Games Norway event on Facebook

f. The global demand for footwear and sports apparel continues to grow with international brands like China's Li Ning, South Korea's Fila, Japan's Mizuno and Germany's Adidas and Puma fiercely competing with American brands like Nike and Under Armour for market share
   i. A number of NBA stars have either opted out of relationships with American brands to pursue deals with Chinese sportswear brands or signed contracts to endorse brands, notably Dwyane Wade who left Jordan Brand for Li-Ning, and Klay Thompson who has his own signature shoe (the "KT FIRE") with Anta [19]
      (a) Click here for an in-depth look at Wade's deal with Li-Ning from ESPN the Magazine and here to see the brand's microsite dedicated to Wade's signature sneaker
      (b) Click here for details on Anta's extension with Klay Thompson (for a reported potential $80 million deal) from *USA Today*
      (c) Click here for a fascinating, in-depth look at Chinese sportswear brands
   ii. Reebok recently intensified its marketing efforts to reach consumers in India (with its population of more than 1.2 billion people) by signing Indian cricket captain M.S. Dhoni as its ambassador, along with other yet-to-be-revealed "well-known personalities from different walks of life such as musicians, entertainers and professionals" (according to the *Economic Times*) [20]

g. Prominent American sport properties are making a push to expand their presence overseas
   i. Last season, the NBA played two regular season games in London while this season Mexico City will host a regular season NFL game (between the New England Patriots and the Oakland Raiders)
   ii. NFL Commissioner Roger Goodell has been very public with his sentiments that he would like to see a much bigger NFL presence in London, even suggesting the possibility of bringing an expansion franchise to the city
      (a) Last season, 77,357 fans attended a regular season game in Mexico City between the Oakland Raiders and New England Patriots
         (i) According to a USA Today report, 205,000 fans attended a 2017 fan fest in Mexico City, while 55,000 took part in additional community events related to the NFL game.
         (ii) The NFL plans to build off this success by hosting more games in the city in Mexico City
         (iii) Click here for an in-depth look at the NFL's strategic plan for growing their presence internationally
      (b) To continue expanding their global brand, the NBA will host its 3rd annual NBA Africa Game in 2018
         (i) "Basketball is witnessing explosive growth in Africa," NBA Commissioner Adam Silver said in a statement. "Our return to Johannesburg this

summer is part of the league's continued commitment to bring the authentic NBA experience to fans around the world."

1. According to the league's website, the NBA sold-out two of the three Africa Games, in Johannesburg in 2015 and 2017, in support of charities including UNICEF, the Nelson Mandela Foundation and SOS Children's Villages South Africa (SOSCVSA)

(ii) At a press conference in 2016, Mr. Silver suggested that the NBA would consider scheduling regular season games in the morning to reach more international fans

(c) Africa isn't the only global market the NBA is pursuing. In 2018, the league shared its strategy for reaching basketball fans in India with a digital media partnership to provide access to short-form videos featuring on-court storylines, player profiles, and coverage of the league's history.

iii. The UFC staged a bout (*UFC 120* featuring Michael Bisping and Yoshirio Akiyama) at London's O2 arena and the event was attended by 17,133 fans, breaking the European attendance and gate receipts record which was set by the MEN at UFC 105. It was also the biggest box office sporting event in O2 Arena history.[21]

B. Signs of continued industry growth

1. Indications point toward heavy increases in consumption of sports and entertainment

a. Overall industry revenues continue to climb, domestically and internationally

i. The worldwide video game industry will become a nearly $100 billion industry this year and is projected to reach $118.6 billion by 2019, thanks to the combined growth of console, portable, PC, and online video games, according to a story published on venturebeat.com [22]

ii. The U.S. music industry experienced double-digit growth for the first time in 20 years in 2016 as recorded music sales hit $7.65 billion [24]

(a) Streaming services - $3.93 billion

(b) Downloads, CDs, Vinyl - $3.51 billion

(c) Paid music subscriptions - $22.6 million (up from $10.8 million in 2015)

iii. The global theme parks market is projected to reach $44.3 billion by 2021, according to a report by Global Industry Analysts, Inc. [25]

(a) Click here to see a graphic illustrating U.S. theme parks revenue growth since 2011

iv. According to Grand View Research, the global athletic footwear market is expected to reach $95 billion by 2025 [26]

v. In 2016, the soccer industry generated a record $60.2 billion in sponsor dollars – an increase of roughly $14 billion since 2010 [27]

vi. Adidas reported revenues of nearly $2.78 billion in 2016 in global soccer sales, an increase of a whopping $300 million from the previous year [28]

vii. NFL media fees are projected to double to $8 billion annually by the end of the decade [29]

viii. According to a 2018 *Forbes* report, the NBA generated a record $7.4 billion in revenue last season, a 25% increase from 2017 [30]

ix. Centerplate, the leading hospitality partner to North America's premier sports, convention and entertainment venues, is now also the fastest growing restaurant chain in America, according to Nation's Restaurant News. Centerplate serves over 115 million guests per year. [31]
   (a) Click here to see an infographic featuring an interesting comparison from Centerplate examining the eating habits at games of US fans vs. UK fans
x. *Forbes* reports that ESPN is now valued at over $15 billion, making it one of the 50 most valuable brands in the world (and ranked one spot ahead of IKEA)[32]

b. Television audiences continue to grow while sports and entertainment properties expand the various means for distributing content (social media, streaming etc)
   i. The 2017 NBA Finals saw record viewership numbers – Game 5's 25.5 million viewers made it the second-most watched NBA Finals contest since 1998
      (a) Game 5 was also most-streamed NBA Finals game in league history
         (i) While ratings slipped for the 2018 Finals in the U.S. (although they were actually up on ESPN Deportes), the regular season viewership numbers were at a four-year high (via *Variety*)
      (b) The NBA continues to be a leader in embracing social media surpassing 400 million likes and followers combined across all league, team and player pages on Facebook, Twitter, Instagram, Sina and Tencent. The NBA was the first professional sports league to exceed one billion videos viewed on its YouTube channel and now has more than 1.3 billion videos viewed overall (according to nba.com).
         (i) Click here for an update on the NBA's remarkable progress in the social media space (like becoming the first pro sports league to surpass 1 billion social media likes and followers across all league, team and player platforms).
   ii. Sports and entertainment consumers are increasingly turning to streaming content to consume major events
      (a) Super Bowl 53 was reportedly delivered the most live-streamed Super Bowl ever for NBC Sports on its app and website, and the Yahoo Sports app, delivering an audience of 3 million, up 15% over last year and an increase of 260% over FOX's Super Bowl stream in 2014
      (b) According to sportsbusinessdaily.com, the number of fans who listened to the streaming audio broadcast Wimbledon (via the event's website, Wimbledon.com) jumped a whopping 500% in the last two years

c. The value of major league sport franchises continues to grow at a furious pace. In 1973, the late George Steinbrenner bought the New York Yankees for just under $9 million. In 2018, *Forbes* magazine valued the historic franchise at $4 billion. [34]
   i. In 2018, the average MLB team was worth $1.65 billion, a 7% increase from 2017
      (a) Click here to view *Forbes'* entire list of 2018 MLB franchise valuations
   ii. In 2018, *Forbes* reported that the Dallas Cowboys franchise was the most valuable sports team *in the world* at a whopping $4.8 billion (a 14% increase over last year's valuation)

(a) Rounding out the top five most valuable sports teams in the world (including the increase in value from last year's rankings) were:
(i) Manchester United, $4.12 billion, 12% (Soccer)
(ii) Real Madrid, $4.09 billion, 14% (Soccer)
(iii) Barcelona, $4.064 billion, 12% (Soccer)
(iv) New York Yankees, $4 billion, 8% (MLB)
1. Click here to view Forbes' complete list of the 50 most valuable sports franchises in the world

iii. In 2018, the Houston Rockets were sold for a NBA league-record $2.2 billion (the team's previous owner, Leslie Houston's former owner, Leslie Alexander, bought the team in 1993 for $85 million
(a) By comparison, the NBA's Milwaukee Bucks were sold in 2015 for $550 million – illustrating the impact market size can have on the value of a franchise
(i) However, *Forbes* reported in 2018 that every NBA franchise is now worth more than $1 billion, which is a remarkable return on investment if and when the Bucks' ownership decides to sell
1. Click here to view Forbes' list of all NBA franchise values

(b) In another example of how market size impacts franchise values, the NFL's Rams franchise nearly doubled in value (from $1.45 billion to $2.9 billion) as soon as it was announced that they would re-locate from St. Louis to Los Angeles (according to CBS Sports)

iv. According to *Forbes*, the average Major League Soccer franchise is now worth over $157 million, an increase of more than 50% from just two years ago and an increase of 324% from eight years ago

C. Fandom
1. The level of "fandom" in today's culture shows no signs of slowing down
a. **Fandom** is a term used to refer to a subculture of fans characterized by a feeling of sympathy and camaraderie with others who share a common interest [35]
i. Ultimately, fandom is what motivates the sports and entertainment consumer to make purchase decisions relating to available sports and entertainment products
b. The term fandom can be used to describe all types of fan groupings or "subcultures"
i. *Star Wars, Harry Potter* or *'Game of Thrones'* fans
ii. Fans of Beyoncé, Jason Aldean or Kendrick Lamar
iii. Manchester United fans
(a) Based on a study commissioned by the popular English soccer club, Manchester United claims to be the most popular sports franchise in the world. Its fan base has doubled in the past five years to 659 million people, nearly one tenth of the world's population.
iv. Fans of Broadway musicals
v. Fans of *Call of Duty* video games
vi. Fans of a particular comic book series
vii. Fans of athletic shoes (affectionately referred to as "sneakerheads")

c. Impact of fandom
   i. ESPN's annual "SportsNation Survey" has revealed the following over the years:
      (a) A whopping 90% of male respondents claimed to be sports fans on some level [36]
      (b) Over 50% of respondents claimed to more of a sports fan than they were five years ago [37]
      (c) 58% of respondents would prefer to receive free season tickets to their favorite sports team than be promoted at work [38]
      (d) 80% of home team fans talk about their favorite team *every day* during the season [38]
   ii. Fans have, on occasion, successfully organized on behalf of a cancelled television series to lobby networks to bring back their favorite show (examples include *Chuck* in 2010, *Community* in 2012 and NBC's *Timeless* in 2017 while fan support led to Netflix's second resurrection of cult hit series *Arrested Development* in 2018)
      (a) Click here for an in-depth story from mentalfloss.com on how Chuck fans created the campaign that saved the show
      (b) In 2015, fans outraged over the death of key characters in three different shows all launched petitions to have the characters resurrected (Grey's Anatomy, The Walking Dead and Game of Thrones)
      (c) According to FanSided.com, in 2018, 'Brooklyn Nine-Nine' fans managed to save the show from cancellation in just 24 hours
         (i) Click here to see FanSided.com's ranking of the top 250 "fandoms" in the world
      (d) Also in 2018, fans managed to save NBC's 'Timeless' for a second time in just two seasons when the network announced plans for a two-part series finale

d. The intensity levels of fandom vary, ranging from a casual sports fan who might take in one game per year to those fans that put the "fan" in "fanatic" (and otherwise engage in behavior that other fans might otherwise find to be irrational)
   i. Fans who go to extremes to show their loyalty to their favorite team, athlete, band, actor or other celebrity are often referred to as "**superfans**"
      (a) Self-proclaimed Clippers superfan "Clipper Darrell" spent $12,000 customizing his BMW to reflect his love for the Los Angeles Clippers (complete with the license plate "CLIPERD") [39]
         (i) Clipper Darrell even has his own website where he shares Clippers news, promotes events and encourages fans to book him for events
         (ii) Because Clipper Darrell began charging people for public appearances, the Clippers franchise asked that he disassociate himself with the team in 2012. They would later sort the issue out and Darrell returned to his regular seats.
         (iii) Click here to see a video about Clipper Darrell's fandom

(b) Jets superfan Fireman Ed "retired" in 2016, then was publicly chastised by other NFL superfans for allegedly "quitting" on his favorite team (the Jets allegedly reached out to Fireman Ed to persuade him to come back, but he turned them down and encouraged them to find someone else to lead the chants)
  (i) Click here to see comments from NY Giants superfan, "License Plate Guy"
  (ii) Click here to see comments from Miami Dolphins superfan, "Big Papa Pump"
  (iii) Click here to USA Today's list of "most annoying fans ever", a list which comprised primarily of superfans like Fireman Ed
(c) Even college teams enjoy the support of superfans
  (i) Northwestern University superfan, Jake Schaefer, dressed as a purple-themed Phantom of the Opera for every Wildcats home basketball game last season
    1. Click here to see Jake's game day routine

ii. During a holiday season, a Santa Claus at a Toronto Christmas market made a three-year-old boy cry by mocking him for wearing a Maple Leafs hat [40]
iii. On opening night, Activision says that approximately 1.5 million gamers lined up outside 13,000 stores to buy a copy of Modern Warfare 3 at midnight [41]
  (a) USA Today published a story suggesting the number of people calling in to work sick the day after Call of Duty is release results in a significant increase
iv. University of Kentucky fans paid between $7,500 to $12,500 for the opportunity to attend a basketball camp (called John Calipari Basketball Fantasy Experience) and "essentially experience what it's like to be a Kentucky basketball player" [42]
v. One New York man built a replica of Yankee Stadium using 75,000 matches in honor of his favorite team (the team was so impressed by the effort once they learned of the creation that they put the replica on display at the new Yankee Stadium)
vi. According to *USA Today*, the owner of a popular steakhouse in Oklahoma City declined to rent out his restaurant to former Thunder player Kevin Durant, costing him an estimated $35,000, over concerns that other patrons and fans could boycott the establishment
vii. Last year, a Villanova fan recreated the winning final shot of the 2016 NCAA Championship (Villanova vs North Carolina) entirely out of Legos for his daughter
viii. In 2017, Game of Thrones fans literally watched a block of ice melt for over an hour when HBO revealed the season 7 premier date via Facebook Live
ix. Fandom explains why people propose at sporting events or feature a themed wedding centered on their favorite sports team
  (a) Click here for a story about a Green Bay groom who took his wife's surname so the couple could be introduced as "The Packers"
  (b) Click here to read about a bride-to-be who gave her future husband a Miami Dolphins helmet to wear on their wedding day

x. The Green Bay Packers have 360,760 "shareholders" who own "stock" that have no value and cannot be traded (not to mention a waiting list of 115,000 more fans waiting for the chance to buy more shares when they become available again)
xi. In 2018, Peru soccer fans quit jobs, slept on floors and gained weight to try to get tickets designated for bigger fans while another soccer fan (of the Brazilian team Flamengo) had his entire body covered in a tattoo of the team's jersey

e. The existence of fandom is what ultimately fuels today's non-stop, around the clock media coverage of celebrities and sports stars and drives a culture in which athletes and celebrities are often quickly forgiven for highly publicized transgressions
   i. While many media pundits publicly chastised LeBron James' decision to announce which team he would be joining in a one hour ESPN special, the show (aptly named "The Decision") drew very high ratings as nearly 10 million people tuned in to watch [43]
   ii. Despite being suspended by the NFL for charges relating to child abuse, then demanding to be traded and ultimately, seeing his career fizzle out in Minnesota after two injury plagued seasons, Vikings fans appear to have forgiven the former face of their franchise, Adrian Peterson
      (a) Peterson signed as a free agent in 2017 with the New Orleans, whose Saints jersey was the number one selling jersey in the state of Minnesota at the start of training camp, according to an ESPN report [44]

f. Because of the strong emotional connection fans maintain with their favorite sports teams, wins and losses on the grandest of stages can yield incredible influence on a community at large
   i. It can provide a positive experience when communities tap into fandom to help rally around a common cause
      (a) After struggling with one of the worst national disasters in US history (Hurricane Katrina), fans in the New Orleans area often cited the New Orleans Saints Super Bowl win as an inspiration for the city's resurrection
      (b) After another devasting hurricane hit the gulf coast region, Houston area sports teams and athletes played a significant role in helping the area begin the recovery process
         (i) Emotionally, the area got a huge lift when the Houston Astros won the 2017 World Series
            1. Click here to read a USA Today story on how "Astros' World Series run lifts Houston amid Harvey recovery"
         (ii) Financially, the area got a giant boost from donations and fundraising efforts from local sports figures
            1. The Houston Rockets' owner (who recently sold the team) donated $10 million while James Harden, one of the league's biggest stars, voiced his support and pledged $1 million to aid in the city's recovery
            2. Houston Texans' star JJ Watt set up a fundraising campaign with a goal for raising $200,000 for disaster relief. In one of the greatest examples of the powerful platform available to athletes and

entertainers, the campaign raised $37 million, thanks to donations from more than 200,000 people.

(c) Sports have played a role in helping communities impacted by mass shootings to heal

(i) Click here for a touching story from abcnews.com discussing how sports helped the Orlando community move past the tragic nightclub shooting that took place in 2016

1. In addition to providing an "escape" and emotional relief for fans in the community, area sports teams raised money for victims (the Orlando Magic donated $100,000, and their owners, the DeVos family, gave $400,000 to the victims, the Orlando City Soccer Club donated $100,000 and the Tampa Bay Rays raised $300,000 between ticket sales and donations for the game they dedicated to the city)

(ii) After a mass shooting in Las Vegas in 2018, many media outlets credited the city's new NHL expansion franchise's success for helping provide a diversion that helped the community get back on its feet by giving them something to rally around

1. Click here to read more from the *Las Vegas Review-Journal*

2. Click here for a brief video from Fox 5 Vegas

(d) In 2018, the Buffalo Bills needed the Cincinnati Bengals to beat the Baltimore Ravens in the last game of the season if they hoped to advance to the playoffs. After Bengals' QB Andy Dalton threw a TD late in the game to seal the victory and send the Bills to the playoffs for the first time in 17 years, grateful Bills' fans flocked to the quarterback's foundation with donations, ultimately raising nearly $400,000 to aid sick and special-needs children in Cincinnati area hospitals.

(i) Click here to read more from *Sports Illustrated*

ii. Fandom can, unfortunately, also result in an unhealthy (and potentially dangerous) subculture of fans that become too emotionally invested and obsessive with their favorite sports teams or celebrities

(a) In 2017, 4 people were killed and 25 injured when thousands of soccer fans stampeded their way into National Stadium in Honduras to watch a championship match between Motagua and Honduras Progreso [45]

(b) After a 2017 NCAA Elite Eight game between North Carolina and Kentucky, referee John Higgins received multiple deaths threats from Kentucky fans who thought he was favoring UNC throughout the game (the Tarheels beat the Wildcats to advance to the Final Four) [46]

(c) After 13 years of being vilified and blamed for ending the Chicago Cubs' championship hopes for interfering with a play in 2003, a fan was given a $70,000 championship ring when the team won the 2016 World Series

(i) The vitriol directed at the fan warranted police protection and eventually he and his family had to move

1. The incident was even featured in ESPN's popular "30 for 30" sports documentary series when "Catching Hell" aired in 2011

2. Upon receiving the gift from the Cubs franchise, the fan's statement specifically addressed the concept of fandom: "*My hope is that we all can learn from my experience to view sports as entertainment and prevent harsh scapegoating, and to challenge the media and opportunistic profiteers to conduct business ethically by respecting personal privacy rights and not exploit any individual to advance their own self-interest or economic gain*."

iii. Because of the high levels of loyalty created by fandom, companies often create marketing strategies that try to connect their brands directly with fans (consumers)
   (a) Goodyear sponsored a "Fan Index" in partnership with USA Today, polling college football fans around the country to determine winners of categories ranging from the best uniforms (Michigan Wolverines) to the best fans overall (Ohio State Buckeyes)
      (i) Click here to view the complete database
   (b) Continental Tire, recognizing the incredible passion of soccer fans, tapped into fandom by becoming the official sponsor of Major League Soccer
      (i) In 2017, the company launched a marketing campaign paying tribute to fans with a 10-part video series called "supporters"
         1. Click here to see one of the "supporters" commercials
   (c) USA Today, recognizing the elevated levels of fandom surrounding shows on the brink of cancellation, created a "Save Our Shows" campaign
      (i) Click here to see which show the campaign saved in 2018

Lesson 1.3
Media Impact on Industry Growth

A. What is media?
   1. **Media** refers to a means of communicating a message to large numbers of people [47]
   2. In the earliest days of sports, fans would have to wait to read the paper to "see" the game
      a. It was not until the 1936 Olympics (broadcast by ABC radio) that Americans were truly exposed to the amazing talents of Jesse Owens, one of America's greatest athletes of all time
      b. Now, fans can follow athlete performances live through television, radio, Internet as well getting information through national papers, local papers, magazines, and industry specific journals
   3. Media rights
      a. **Media rights** (or broadcast rights) are fees paid by broadcast companies to sports or entertainment properties for the opportunity to provide live coverage of the property's games and events on television, the radio or the Internet
         i. Many media rights deals provide exclusive coverage rights
            (a) Because of the NFL's deal with DirecTV, no other television network can broadcast out of market games in their respective geographic markets. In other words, if you are a Green Bay Packers fan living in Virginia, you would need to order DirecTV for the opportunity to watch Packers games at your home each week.
               (i) In 2014, DirecTV renewed their deal with the NFL through 2022 at a reported average of $1.5 billion per year
            (b) Nearly ten years after Comcast Sports Northwest (a cable television provider who also owns a regional sports network) partnered with the Portland Trail Blazers for exclusive TV distribution rights, nearly 50% of fans in the Portland area still cannot watch Blazers games if they are DirecTV or Dish subscribers
               (i) With the Comcast deal expiring at the end of the 2015-16 season, many fans hoped the franchise would find a broadcast partner that would expand its distribution
                  1. After months of negotiations with other prospective partners and exploring other distribution options (like live-streaming via Twitter), the Blazers determined that Comcast Sports still offered the best option for reaching the most fans and extended their deal through the 2020-21 NBA season, a decision that disappointed many fans
         ii. Media rights contracts are not reserved for national broadcasting companies as sports franchises work to maximize revenues by selling regional broadcasting rights to regional partners in addition to generating revenue through national broadcast deals
            (a) Time Warner Cable paid a reported $3 billion for exclusive rights to broadcast Los Angeles Lakers games in the L.A. market through the 2032-33 season. [48]

(b) Even in smaller markets, regional rights deals can be extremely lucrative. In 2018, the Milwaukee Bucks agreed to a new seven-year local TV deal with Fox Sports Wisconsin that was worth a reported $200 million.

iii. Rights fees have grown at a rapid rate

(a) Media rights fees for the Rose Bowl (per year) were $2 million in 1974, $30 million in 2012, and reached $80 million annually when ESPN inked an 11-year deal in 2015 [49]

(b) According to Plunkett Research, today the NFL generates over $6 billion annually from their contracts with major television stations and providers

(i) To put that in perspective, the NFL earned $2.4 million in broadcast rights in 1960 (adjusted for inflation, that's $19.4 million today)

(ii) Click here to see an interactive graphic illustrating the meteoric rise of NFL broadcast deals

(iii) Click here for a graphic breaking down the NFL's deals with each network from SCC's Pinterest page

b. Why are media rights important to sports and entertainment properties?

i. In a word, *revenue*

(a) NASCAR generates a reported $820 million annually in media rights for television broadcasts from Fox, a 46% increase from the previous deal. [50]

(b) According to the *Chicago Tribune*, a dispute over the value of the Chicago Cubs' broadcast contracts complicated efforts to sell the iconic franchise. Because media rights are such an important piece to any major league sports organization's bottom line, negotiations to sell the franchise momentarily fell apart until the issue could be resolved. [51]

(c) According to Nielsen (a company who measures ratings): "*Ratings are used like currency in the marketplace of advertiser-supported TV. When advertisers want a commercial to reach an audience, they need to place it in TV programs which deliver an audience. The more audience a program delivers, the more the commercial time is worth to advertisers*." [52]

c. Why are media rights important to broadcast companies?

i. Companies want to invest in advertising that will reach as many consumers as possible and sports and entertainment events provide an effective platform for advertisers to do that

(a) In 2015, the Super Bowl set a record for American television viewing when the Nielsen Co. estimated 114.4 million people watched the New England Patriots' 28-24 thrilling victory over the Seattle Seahawks [53]

(i) Super Bowl 52, played in 2018 between the New England Patriots and Philadelphia Eagles, drew the eighth largest audience in TV history with more than 103 million viewers while another 3 million viewers streamed the game (a new record)

(b) According to early estimates, 3.4 billion fans were expected to tune in to watch the 2018 World Cup in Russia – that's nearly half of the total world population [54]

(c) According to the research firm Kantar Media, advertisers have spent $4.55B during CBS' coverage of the men's NCAA basketball tournament over the past decade to reach the millions of fans tuning in [55]
(d) NBC invested in the rights to the 2018 Super Bowl and 2018 Winter Olympic Games. According to AdWeek, the broadcast company was rewarded by generating a whopping $1.4 billion in advertising sales in just a 22-day period in February.
(i) Click here for a short video clip from AdWeek's website, entitled "How to Make $1.4 Billion in 22 Days"

d. Media rights examples
i. Network/Cable TV
(a) The NBA recently extended its deals with TNT, ESPN and ABC through the 2024-25 season, generating over $2.66 billion per year in revenue for television broadcast rights (more than double what the league earned through its previous rights deal) [56]
(i) As a result, teams now have more money than ever to spend on payroll and player salaries will increase exponentially
(ii) Click here for an in-depth look at how the NBA's lucrative TV deals impact the league's salary cap (thereby increasing player salaries) from the *New York Times*
(b) NBC won a bidding war to retain its rights to broadcast the Olympic Games through 2020 for $4.38 billion [57]
(c) ESPN signed a deal reportedly worth nearly $500 million or the exclusive broadcast rights of Wimbledon through 2023 [58]
ii. Satellite TV
(a) DirecTV's exclusive agreement for broadcast rights for out of market NFL games was extended in 2014 for eight years at a reported $1.5 billion per year (a 50% increase on an annual basis over the previous deal)
iii. Satellite Radio
(a) Reuters suggested in an online news story that Sirius satellite radio has invested "billions" on rights to the NFL, NBA, NASCAR [50]
iv. Network Radio
(a) The NFL's deal with Westwood One as its exclusive network radio partner is reportedly worth over $30 million [59]
v. Multimedia rights
(a) Within the 17 months of acquiring Host Communications and folding it into its college division, IMG invested more than $700 million in multimedia rights fees [60]

e. Ratings
(a) Radio, cable and broadcast television programming measure their effectiveness through ratings, which are expressed as a percentage of the potential TV audience viewing at any given time
(b) Basically, a rating refers to the number of households or people tuned into a particular radio or television program at a specific time
(c) Example [61]

(i) ESPN's telecast of the Alabama's thrilling 26-23 win over Georgia in the 2018 College Football Championship drew the best ratings for the network's college football coverage in eight years, attracting 28.4 million viewers
(ii) Nielsen can identify peak hours in which the most people are tuned in to watch or listen; viewing of the game peaked from 9:45-10 PM ET
(iii) Nielsen can also identify specific markets in which ratings were the highest; Birmingham led all markets for the telecast with a 57.6 rating, followed by Atlanta (47.8), Greenville, S.C. (31.9), Jacksonville (29.0) and Nashville (28.3)

(d) Without ratings, broadcast companies would have a difficult time selling advertising and sports/entertainment programs would not be able to command million-dollar rights fees
(i) Ratings will fluctuate from year to year, but a ratings increase or decrease will have an impact on the sports property and broadcast company
1. When NBC renewed its hockey deal (at a cost nearly triple the previous rights deal), the decision was heavily influenced by the fact that overall NHL television ratings in the United States had increased by 84 percent over the last four years [62]
a. After another year of record ratings, ESPN extended the deal Major League Eating (parent company of the Fourth of July International Hot Dog Eating Contest) in 2014 for ten years, guaranteeing the rights to broadcast the annual event on its various platforms through 2024 [63]

B. The progression of media and its impact on the business of sports has been significantly influenced by several specific events [64]
1. 1921 – First baseball game on radio (Philadelphia Phillies at Pittsburgh Pirates)
2. 1935 – First full season broadcast (Chicago Cubs)
3. 1946 – First major sports event on television (Joe Louis boxing match)
4. 1954 – First sports exclusive magazine hits the stands, *Sports Illustrated* is introduced
5. 1970 – *Monday Night Football* kicks off
6. 1973 – Tennis match between Billie Jean King and Bobby Riggs (billed as the "*Battle of the Sexes*") watched by 48 million in the US and 90 million worldwide
7. 1995 – DirecTV and the NFL join forces to offer the *NFL Sunday Ticket*, a subscriber based cable program enabling customers to watch any games of their choice [65]
8. 1999 – Major League Baseball broadcasts World Series on the Internet [66]
9. 2009 – CBS' free online broadcast of the 2009 Men's NCAA Tournament reaches an audience of 7.5 million [67]
10. 2012 – NBC provides unprecedented LIVE coverage of EVERY Olympic event by streaming content online in addition to its traditional television coverage
11. 2015 – The boxing match between Floyd Mayweather and Manny Pacquio generated 4.6 million pay-per-view purchases in the U.S. alone (good for over $400 million in revenue, tripling the previous revenue record for a pay-per-view event)
a. The highly anticipated fight last summer between Mayweather and UFC star Conor McGregor was expected to break the record set by Mayweather vs. Pacquio, but in the end came up short, generating 4.3 million PPV buys [68]

C. In the early days of team sports, concessions and tickets provided the only real source of revenue for team owners. Today, because of the numerous multi-media opportunities available, organizations have more options available to them to drive revenue. Examples of revenue generated through the sale of media rights could include:
   1. National television contracts
   2. Local television contracts
   3. Cable television contracts
   4. Sale of radio rights
   5. Streaming Internet audio
   6. Online revenue
   7. Team specific publications

D. Sports and entertainment business coverage has become widespread and easily accessible
   1. National publications devote consistent coverage to the business of sports
      a. CNN / MONEY and CNBC feature sports business columns on their Websites
      b. The *Wall Street Journal* employs a regular sports business columnist
      c. *Forbes* magazine frequently offers readers exclusive sports business-related reports and news
   2. Thousands of podcasts coverage all aspects of the sports and entertainment industry
      a. For example, the Portland, Oregon based Sports Business Radio podcast show produces content focused on the business of sports
   3. Today, local newspapers all around the country offer readers sports business related coverage on a regular basis on their websites
      a. The *New York Times* and Wall Street Journal regularly cover sports business stories

Lesson 1.4
Industry Pioneers

A. Discuss the legacy of sports industry pioneers and their impact on the industry's evolution
   1. Pierre de Coubertin [69]
      a. Responsible for the re-introduction of the Olympic Games in the 18th century after Emperor Theodosius I had abolished the games existence in 393 A.D.
      b. Fourteen countries and 245 athletes competed in the Games
   2. Bill Veeck
      a. One of the most imaginative sports entrepreneurs of the past century and the most creative marketer in baseball history
      b. Sent 3'7" Eddie Gaedel to the plate in an official game in one of the most outrageous promotions seen in professional sports
      c. Introduced "Bat Day" – the first of many giveaway days featuring premium items which have become commonplace in sports today
   3. Mark McCormack
      a. Became the first sports agent with an agreement to represent Arnold Palmer
      b. Founded International Management Group (IMG), the largest sport marketing agency in the world
      c. Is credited with developing the concept that customers would all like to identify with athletes
   4. Mildred "Babe" Didrikson Zaharias [70]
      a. Widely regarded as the greatest female athlete of all time
      b. Won Female Athlete of the Year award six times
      c. Entered team track event and won the entire meet
      d. First female athlete to sign an endorsement contract, signing with Wilson Sporting Goods in 1948
      e. Co-founder of the Ladies Professional Golf Association (LPGA) in 1950
   5. Roone Arledge
      a. Recognized as the visionary for "Monday Night Football"
      b. Responsible for the integration of slow motion and the replay into broadcasts
   6. Jackie Robinson
      a. Broke segregation barrier in pro sports when offered a contract to play for Major League Baseball's Brooklyn Dodgers
      b. Went on to win a batting title and Most Valuable Player award
   7. Mohammed Ali
      a. Transcended every barrier (from racial to political) to bring the sport of boxing to a global level of recognition
      b. Uncanny ability to generate publicity, arguably unmatched by any other athlete in history
      c. Became a celebrity on an international scale
   8. William (Bill) H.G. France Sr.
      a. Founded the National Association of Stock Car Auto Racing (NASCAR)

   b. Founded the International Speedway Corporation (ISC), which owns and/or operates such venues as Daytona International Speedway, Phoenix International Raceway, North Carolina Speedway and the Michigan International Speedway
9. Arnold Palmer
   a. Became one of the first athletes to focus on a personal brand when he trademarked his name and developed a logo
   b. Made more than $350 million from endorsements over his career (more than 50 times his earnings from golf) and paved the way for athletes to sign more lucrative endorsement deals
   c. Known as one of the best golfers of all-time and for having his name attached to the famous summer drink of half lemonade and half iced tea
      i. In partnership with Arizona Iced Tea, sales of "Arnold Palmer" beverages eclipse $200 million annually
      ii. Click here for the ESPN story that called Arnold Palmer the "father of modern day sports marketing"
10. Pete Rozelle
   a. As commissioner of the National Football League (NFL), guided the league from relative instability to arguably what has become the model for professional sports leagues today
   b. In 1960, Rozelle, in his first year as commissioner, the value of the Dallas Cowboys was $1 million. The storied franchise is now valued at nearly $1 billion.
11. Michael Jordan
   a. Responsible for the emergence of athlete/shoe company partnerships because of successful marketing and sales of Nike sneakers
   b. Marketed as "Air Jordan"
   c. Helped the National Basketball Association (NBA) gain recognition as a global product because of his worldwide appeal and the marketing efforts of the league
   d. In 1998, Fortune Magazine estimated that Jordan alone generated $9.9 billion for the economy
   e. Starred in the movie *Space Jam* in 1996 with Bugs Bunny
   f. Still brings in roughly $80 million in endorsement deals a year - even though he hasn't set foot on a court in a decade
12. David Stern [71]
   a. Credited for the NBA's economic turnaround after becoming commissioner. Since he took over in 1984, the NBA's revenue has increased by 500%
   b. Responsible for positioning the NBA as a global brand
   c. Opened international NBA offices in Barcelona, Hong Kong, London, Melbourne, Mexico City, Miami, Paris, Singapore, Taiwan, Tokyo, and Toronto
   d. Responsible for the creation of the WNBA
   e. Developed a minor league basketball system (NBDL) directly affiliated with the NBA
13. Jon Spoelstra
   a. Widely regarded as one of the most innovative and successful sports marketers

b. During his tenure as president of the New Jersey Nets, the team set its all-time attendance record and sellouts at Meadowlands Arena increased from zero to 25 and local sponsorship sales went up from $400,000 to $7,000,000
c. In his 11 years with the Portland Trail Blazers as Senior VP/General Manager, there was never a game that wasn't sold out and he was integral in making the Blazer front office a model for all team sports

14. Phil Knight
    a. Founder of Nike, Inc.
    b. Named the "Most Powerful Man in Sports" by *The Sporting News* in 1992
    c. Started by selling running shoes from the trunk of his car
    d. Grew Nike to a multi-billion dollar company with effective marketing strategies, primarily by luring top athletes (such as Michael Jordan and Tiger Woods) to endorse Nike products

B. Discuss the legacy of entertainment industry pioneers and their impact on the industry's evolution
    1. P.T. Barnum
        a. Credited as the creator of the circus
        b. Branded his shows "The Greatest Show on Earth"
        c. His museum grossed over $100,000 in its first three years and he would later become the second richest man in the United States [72]
        d. Had a New York newspaper print his obituary before his death as a publicity stunt, only to pass away two weeks later [72]
    2. Walt Disney
        a. Developed the first fully synchronized sound cartoon when Mickey Mouse was featured in *Steamboat Willie*
        b. Went to Hollywood with only $40 in his pocket, drawing materials and an animated film
        c. Produced the first full-length cartoon feature film, *Snow White* in 1937
        d. Invested $17 million into Disneyland in 1955. By 2003, more than 400 million people will have visited the California attraction [73]
        e. Opened Magic Kingdom in Walt Disney World in 1971. Since then, three subsequent parks have opened in Paris, Hong Kong and Tokyo. [74]
    3. Adolph Zukor
        a. Founded Paramount Pictures
        b. In 1912, made entertainment history when he daringly offered the American public its first feature-length film, "Queen Elizabeth," starring Sarah Bernhardt [75]
        c. Became one of the first producers to generate significant crowds at his theaters, creating the first real opportunities to generate substantial revenue through ticket sales
        d. In 1919, bought 135 theaters in the Southern states, making him the first individual owner of a theater chain
        e. Built the Paramount Theater in New York City
    4. Charlie Chaplin [76]
        a. Introduced "slap-stick" comedy

   b. In a 1995 worldwide survey of film critics, Chaplin was voted the greatest actor in movie history
   c. He was the first, and to date the last, person to control every aspect of the filmmaking process — founding his own studio, producing, casting, directing, writing, scoring and editing the movies he starred in
   d. In 1916, his third year in films, his salary of $10,000 a week made him the highest-paid actor — possibly the highest paid person — in the world
5. Louis Armstrong
   a. Revolutionized the musical genre of Jazz, raising its level of popularity to where it is today
   b. His death on July 6, 1971, was front-page news around the world, and more than 25,000 mourners filed past his coffin as he lay in state at the New York National Guard
   c. In 2001, New Orleans International Airport was re-named Louis Armstrong International to honor his legacy and as a tribute to his impact on the city [78]
6. Lucille Ball
   a. Known for her talents as an actor, musician, comedian, model and producer
   b. She was TV's first leading lady
   c. For four out of its six seasons, *I Love Lucy* was the No. 1-rated show on television; at its peak, in 1952-53, it averaged an incredible 67.3 rating, meaning that on a typical Monday night, more than two-thirds of all homes with TV sets were tuned to Lucy[79]
7. Jerry Siegel and Joe Schuster
   a. Creators of "Superman" comic strip, introduced in 1939
   b. "Superman" was considered to be the first comic book superhero to gain international fame
   c. "Superman" is later adapted in Hollywood in the form of four movies that would gross $328 million at the box office, making it one of the top 20 highest grossing film series of all-time [80]
   d. Paved the way for the future of comic book superheroes, many of which would later become blockbuster Hollywood movies (Batman, Spiderman, X-Men, Wonder Woman, Daredevil and the Incredible Hulk)
8. Rodgers and Hammerstein (Richard Rodgers and Oscar Hammerstein) [81]
   a. Rodgers, a composer, and Hammerstein a librettist, collaborated on nine musicals
      i. Of the nine, five are considered classics; *Oklahoma!*, *Carousel*, *South Pacific*, *The King and I* and *The Sound of Music*
   b. The pair also contributed much of the creative work in Walt Disney Studio's *Cinderella*
9. The Beatles
   a. Created the first concept album (songs unified by a common theme)
   b. The Rock and Roll Hall of Fame proclaims The Beatles "revolutionized the music industry" [82]
   c. Set a music industry record (that will unlikely be broken) when they occupied all five of the top positions on Billboard's Top Pop Singles chart [83]
10. Elvis Presley

a. Sold over 1 billion albums worldwide, far more than any other artist in history
b. Revolutionized television performances with his controversial dancing style
c. Dubbed as "Undisputed King of Rock and Roll" by the Rock and Roll Hall of Fame [84]
d. Proved pop music icons can also star on the big screen by becoming an accomplished actor, starring in *Blue Hawaii*, *Jailhouse Rock* and *King Creole*
e. His home (Graceland) ranks as one of the top tourist attractions in the city of Memphis and is ranked by CitySearch Online as the 7th best tourist attraction in the country! [85]

11. William Hanna and Joseph Barbera [86]
    a. Founded Hanna-Barbera studios
    b. One of the first animators to bring live characters to television (Flintstones, Yogi Bear, The Jetsons, Scooby Doo and The Smurfs)
    c. Helped drive the popularity of Saturday morning cartoons as we see today
    d. Many of their characters have become cultural icons by crossing the boundaries into film, books, toys and many additional forms of media
12. Theodor Seuss Geisel ("Dr. Seuss")
    a. Generally regarded as the greatest author of children's books of all time
    b. His 46 children's books, which he both illustrated and wrote, have sold more than 220 million copies and have been translated into twenty languages as well as Braille [87]
    c. His books have seen adaptations in animation film format, Broadway musicals and success in Hollywood (*The Grinch* and The *Cat in the Hat*) [88]
13. Hiroshi Yamauchi [89]
    a. Took over a small company founded by his great-grandfather in 1949 called Nintendo
    b. He transformed Nintendo from a small card making company in Japan to the multi-billion dollar video game company it is today
    c. Leaders in the home video game industry throughout the 80s and early 90s, selling its Nintendo Entertainment System, Super Nintendo and Nintendo 64, Wii and games like Super Mario Brothers and Tecmo Bowl to millions of customers worldwide
    d. Nintendo's incredible success in the video game industry led to other entries into market such as Sony (Playstation systems) and Microsoft (X-box systems). Nintendo's primary console, the Wii, is still the top selling console in overall unit sales to this day.
14. Steve Allen, Ed Sullivan, Johnny Carson
    a. Steve Allen created The Tonight Show, the first of its kind to interview guests and introduce musical and comedy acts [90]
    b. Ed Sullivan hosted an immensely successful television show from 1948 to 1971 that featured everything from dancing dogs and jugglers to the Beatles
    c. Johnny Carson took The Tonight Show to a new level of popularity, essentially putting the concept of late night television on the map
15. Mort Sahl [91]

a. Revolutionized the format of stand up comedy by becoming the first comedian to break away from covering the traditional light and un-offensive material and drawing on his own personal experiences as an opportunity to relate to the audience
b. He was the first comedian to openly adopt political material
c. The first comedian to record a comedy album
d. First stand-up comedian to appear on the cover of *Time* magazine
e. His style eventually paved the way for a future generation of comedians such as Lenny Bruce, Woody Allen, George Carlin, Richard Pryor, Dennis Leary, Chris Rock, Dane Cook, Louis CK, Amy Schumer and many others

16. Jim Henson
    a. Created the *Muppets* and Kermit the Frog
    b. Had arguably the most profound influence on children of any entertainer of his time
    c. Created the characters for *Sesame Street* (Bert and Ernie, Big Bird, Grover and the crew)
    d. His characters have entertained hundreds of millions of children worldwide [92]
17. Steven Spielberg
    a. One of the world's most proficient film producers
        i. Produced many of today's highest grossing films (*Jurassic Park, E.T., Jaws, Men in Black, Shrek, Indiana Jones* and *Schindler's List*)
        ii. Successfully integrated a commercial tie-in with a major motion picture with the use of Reeses Pieces in the blockbuster film *E.T., The Extra Terrestrial*
18. Steve Jobs
    a. Co-founded Apple Computers in 1972 from his garage with Steve Wozniak
    b. Co-founded Pixar, the Academy-Award-winning animation studios in 1986
    c. Pixar's five films have earned more than $2.0 billion at the worldwide box office to date, including *Toy Story*, *Toy Story 2*, *Monsters, Inc*., *Finding Nemo* and *A Bug's Life*
    d. A leader in the online music distribution revolution by offering the first pay-per-song service to music fans worldwide with Apple's iTunes music store, introduced in 2003
    e. Served as chairman for Apple at a salary of $1 per year until his death in 2011 [93]
19. Vince McMahon [94]
    a. In June 1982, McMahon purchased the World Wrestling Federation from his father, who decided to retire from the wrestling business
    b. Strategically took the WWF national, eventually leading to Wrestlemania in March 1985. Celebrities such as Mohammed Ali, Liberace, and baseball's Billy Martin turned the extravaganza into a media spectacle
    c. The crowning of the WWF as a national powerhouse came in March 1987 at Wrestlemania III. Over 78,000 fans jammed Detroit's Pontiac Silverdome to witness the legendary Hulk Hogan defeat Andre the Giant
    d. Admitted professional wrestling was not a sport, but became the first person to refer to his product as "sports entertainment"
    e. Battled with World Wildlife Fund to keep the acronym WWF. Courts ruled the World Wildlife Fund had the name first and owned the rights to the WWF acronym. The World Wrestling Federation is now known as World Wrestling Entertainment (WWE)

20. Michael Jackson [95]
    a. Known internationally as the “King of Pop”
    b. 1982 blockbuster album, *Thriller*, became the biggest-selling album of all time
    c. First African American artist to find stardom on MTV, breaking down innumerable boundaries both for his race and for music video as an art form
    d. Won a record eight Grammys in one night
    e. Earned the largest endorsement deal ever (at the time) when Pepsi paid him $5 million to be their spokesperson in 1983

    f. Jackson’s three-song medley during halftime in 1993 led to the extravaganza that currently defines today’s Super Bowl performances
    g. In the first three weeks after his death, over 9 million digital copies of his songs were sold online, setting a record that's likely to stand for years. Before that, no music act had ever rung up even 1 million digital tracks in a single week. In that same period, fans also bought more than 2.3 million Jackson albums. [96]
21. JK Rowling [97]
    a. Author of the Harry Potter series of books
    b. In a generation where the youth demographic statistically prefers television, film and video games, all seven Harry Potter books have landed in the top 20 best-selling children’s books of all-time
    c. The final installment in the Harry Potter series became the world's fastest-selling book when it sold nearly 15 million copies worldwide in its first day
    d. Nearly a half billion books have been sold and have translated into 67 languages and the last four books have consecutively set records as the fastest-selling books in history
    e. The 2011 release of *Harry Potter and the Deathly Hallows, Part 2* took just 17 days to gross $1 billion in worldwide box office sales [98]
22. Ted Turner
    a. Popularized cable television by creating “super stations” with a basic programming menu of sports, news and old movies
    b. In 1996, Turner sold his company to Time Warner for $9 billion
    c. He won the prestigious America’s Cup sailing race in 1977 with his yacht *Courageous*
    d. Sold the NHL Atlanta Thrashers and NBA Atlanta Hawks for $250 million [99]
23. Sean “Puffy” Combs (aka Diddy)
    a. Founded Bad Boy Entertainment in 1991
    b. Considered to be one of the first to bring the rap and hip hop genre "mainstream"
    c. Accomplishments include ownership of a clothing label, restaurants, a successful recording career, producer and actor [100]
24. Shawn Fanning and Sean Parker [101]
    a. Co-founders of Napster, an online file-sharing portal that many consider to be the most innovative Internet program of all time
    b. Napster, at its peak, had over 80 million registered users

c. Program opened the door to the digital music revolution, paving the way for successful commercial online music companies such as Apple's iTunes, Rhapsody, Spotify, Pandora, Rdio and MOG

25. Evel Knievel [102]
    a. Legendary motorcycle daredevil and entertainer
    b. Knievel's nationally televised motorcycle jumps, including his 1974 attempt to jump Snake River Canyon at Twin Falls, Idaho, represent four of the twenty most-watched ABC's Wide World of Sports events to date
    c. His achievements and failures, including his record 37 broken bones, earned him several entries in the Guinness Book of World Records
    d. Became one of the first athletes to enjoy success as an individual brand with merchandising efforts including a bendable action figure and a pinball machine
    e. Widely recognized as a pioneer who opened the door for a future generation of action sports athletes

Lesson 1.5
Important Milestones in SEM History

A. Significant dates in the history of the ***sports*** industry (as it relates to the business of sports)
   1. 1869: Cincinnati Red Stockings become the first sports team in history to have each member of the team on salary
   2. 1923: First known individual player endorsement deal between golfer Gene Sarazen and Wilson Sporting Goods
   3. 1928: Coke teams up with the Olympics as an "official sponsor" of an athletic event
   4. 1949: The first major female endorsement deal takes place with Wilson Sporting Goods agreeing to sponsor the Ladies Professional Golf Association (LPGA)
   5. 1951: Eccentric owner of the Chicago White Sox, Bill Veeck, sends 3'7" Eddie Gaedel to the plate in an official game as a publicity ploy as one of the most outrageous promotions seen in professional sports
   6. 1979: An all sports television network makes its debut on cable television as the world gets its first glimpse of ESPN
   7. 1980: Evidence of the power of an alliance between corporations and sports is taken to a new level as Syracuse University becomes the first college to offer naming rights to a facility as they introduce the "Carrier Dome"
   8. 1984: The Olympics become commercialized, and made profitable for the first time under the leadership of Peter Ueberoth
   9. 2003: The lucrative possibilities of naming rights reaches new heights as the Chicago Bears become the first professional franchise to sell the naming rights of their team as Bank One becomes the "presenting" sponsor and in all media the team is mentioned as "The Chicago Bears presented by Bank One"
   10. 2010: FIFA (the governing body for soccer internationally) estimates that just over 3 billion people – nearly half of the world's population – tuned in to watch the 2010 FIFA Men's World Cup Final held in South Africa
   11. 2016: Twitter signs deals with sports properties like Wimbledon the NFL, MLB, NBA and MLB to become the first legitimate social media platform to live-stream major league sports programming

B. Significant dates in the history of the ***entertainment*** industry (as it relates to the business of entertainment)
   1. 1550-1700: Outdoor entertainment and recreational games are introduced, such as bowling, music and dancing
   2. 1919: Recording and sound on motion picture film is developed
   3. 1920: The first radio stations begin airing regularly scheduled programming
   4. 1931: RCA establishes the National Broadcasting Company (NBC)
   5. 1951: The first color television sets are offered to consumers
   6. 1955: Disneyland opens in Anaheim, California
   7. 1961: The first regional theme park, Six Flags, opens in Texas
   8. 1980: Turner Cable Network launches the first all news television network, CNN
   9. 1981: IBM makes the first personal computers available for consumers

10. 1981: Music Television (MTV) is launched
11. 1983: The first compact disc is released
12. 1985: Nintendo introduces its home entertainment system for video games
13. 1996: German inventor Fraunhofer Gesellschaft receives a patent for MP3 technology
14. 2003: Apple introduces iTunes, the first commercial online music service
15. 2006: Nintendo launches the Wii platform, revolutionizing the video game industry with the introduction of motion sensor technology
16. 2009: Amazon introduces a digital book “e-reader” device known as the Kindle
17. 2011: Justin.tv spins off its gaming division as Twitch, creating the platform that helped fuel the explosive growth of eSports
18. 2016: Augmented reality goes mainstream with the introduction of Pokémon Go

Lesson 1.6
Where Are We Now?

A. How big is the sports industry now?
   1. The number of fans following sports and the rate at which they consume content is astounding
      a. According to the *Sports Business Journal,* 200 million Americans, or 7 of every 8 adults, consider themselves sports fans [103]
      b. American fans spend an average of 8 hours per week consuming sports content [104]
   2. Fantasy sports
      a. According to the Fantasy Sports Ad Network, the fantasy sports industry has an estimated total market impact of $4.48 billion dollars annually (about 57 million people in the United States and Canada play fantasy sports each year according to a recent Ipsis poll) [105]
      b. In 2018, nearly 60 million people will play fantasy sports in the USA and Canada, according to the Fantasy Sports Trade Association
      c. Fantasy sports have grown to include everything from Premier League soccer to fantasy bass fishing leagues and the World Surf League
      d. One major trend that has taken fantasy sports to a new level is the introduction of several "daily" fantasy sports sites that allow fans to play fantasy sports with real money any day of the week
         i. According to the sports media coverage website awfulannouncing.com, Draft Kings and Fan Duel (the two largest daily fantasy sports sites) rake in a combined $3 billion in entry fees annually (more than triple what they grossed four years ago), despite the consistent legal challenges facing both companies
   3. Major sporting events now attract so much attention that they can actually have an adverse impact on worker productivity
      a. An estimated 3 million American workers spend one to three hours a day during work watching the NCAA men's basketball championship tournament, according to a study from outplacement firm Challenger, Gray & Christmas. [106]
         i. Click here to see a video discussion of how brackets impact the workplace on the Today Show
      b. American companies lose an estimated $134 million in "lost wages" in *the first two days* of the tournament alone [106]
         i. At $122 billion, the amount of spending the NCAA's annual basketball tournament generates is equal to Iceland's GDP. Click here to see an info graphic examining the amazing numbers behind the business of March Madness.
         ii. Click here to download the entire Challenger, Gray & Christmas report/press release from the 2017 NCAA Men's Basketball Tournament ("March Madness")
      c. A study conducted by the European Central Bank suggests that the soccer World Cup (played every four years) significantly slows down activity in the world's stock exchanges [107]

i. Click here for a qz.com report on how the World Cup can potentially influence stock prices

d. One *Fortune* magazine study suggested that a drop in employee productivity as a result of employees playing fantasy football costs employers $13.4 billion per season

B. How large has the entertainment industry become?

1. Movies

a. Eight of the top 10 biggest combined grossing movies in a single weekend at the box office ever were movies released within the last five years (click here to see the list)
[108]

b. Actors and actresses are being paid more now than ever, particularly those with proven "star power" who can draw a crowd (Dwayne "The Rock" Johnson earned a reported $124 million last year according to Forbes' 2018 "World's Highest Paid Celebrities" report) [109]

2. Music

a. Over 25 billion songs have been downloaded from Apple's iTunes store

i. By contrast, 2006 was the first year to see over 1 billion digital download tracks sold [110]

ii. HOWEVER, as the industry has shifted from vinyl, to compact disc, to digital downloads, streaming music is the fastest-growing segment of the recorded-music industry (according to the Recording Industry Association of America)

(a) In 2015, paid music streaming services generated a record $2.4 billion and overtook paid digital downloads in sales for the first time ever

(b) Nearly 400 billion songs were streamed last year on Spotify alone

(c) In 2018, the release of Beyonce's "4" album was streamed over 1 billion times on Spotify

3. Books

a. The wild popularity of Author Veronica Roth's *Divergent* series of books shows the crossover appeal books have with other forms of entertainment, spawning a box office smash and successful soundtrack sales

i. Amazon reported that the final book in the trilogy, *Allegiant*, surpassed sales of *The Hunger Games* book three, *Mockingjay* at a pace of nearly five to one [111]

ii. First-day sales for *Allegiant* surpassed 455,000 — a company record for publisher HarperCollins [112]

iii. Divergent opened with a $54 million weekend at the box office and took just 14 days to surpass $100 million in sales [113]

iv. The film soundtrack debuted in the top 30 on the Billboard charts in its first week despite being release well before the film hit the theaters [114]

v. Divergent went on to make nearly$300 million globally [115]

b. "Harry Potter and the Cursed Child", the script for J.K. Rowling's new play, became the fastest-selling book this decade in the U.K. when it was released in July of 2016 and was on track for the second biggest single-week sales for a book ever [116]

4. Video games

a. According to guinessworldrecords.com, sales of the video game *Grand Theft Auto V* broke six world records, including the highest revenue generated by an

entertainment product in 24 hours and the fastest entertainment property to gross $1 billion [117]

b. In less than six months, Fortnite generated over $1 billion in revenue, despite being *free to play*
   i. Epic Games, Fortnite's developer, took an unconventional approach to its revenue generating model by offering a free game with "in-game" sales opportunities like power-ups and character cosmetics
      (a) Click here for a *Forbes* story describing how the game makes money
      (b) Click here for a *USA Today* story describing how 'Fortnite' made $318 million in the month of May alone

c. According to data released last year, an estimated 65% of U.S. households and over 59% of Americans (that's over 150 million people) play video games [118]

d. Video game intelligence company, Newzoo, reported 2 billion video game players worldwide in 2017

e. The global video game market generated $99.6 billion in revenue in 2016, an 8.5% increase from 2015 – analysts expect this number to reach $118 billion by 2019

f. As the popularity of eSports continues to explode, many industry analysts expect to see significant growth in video game sales as a result

5. Theatre
   a. In 2018, "Harry Potter and the Cursed Child" set a new record at the Broadway box office — by a wide margin — for the highest single-week gross reported by a nonmusical in Broadway history when it grossed over $2 million [119]
   b. With *Springsteen on Broadway, Mean Girls, and Harry Potter and The Cursed Child* debuting, critics had high expectations for the 2017 – 2018 Broadway season, but, sales jumped over 14 percent and broke records – pulling in $1.65 billion [120]

Unit 1 Key Terms Defined:

Fandom: A term used to refer to a subculture composed of fans characterized by a feeling of sympathy and camaraderie with others who share a common interest
Media: A means of communicating a message to large numbers of people
Media (broadcast) rights: Fees paid by broadcast companies to sports or entertainment properties for the opportunity to provide live coverage of the property's games and events on television, the radio or the Internet
SEM: Acronym for Sports and Entertainment Marketing
Superfan: Fans who go to extremes to show their loyalty to their favorite team, athlete, band, actor or other celebrity

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Unit 2: What is SEM?

Overview

Unit two describes the basic concept of sports and entertainment marketing and highlights the idea that sport is a form of entertainment. Students will be introduced to the fundamental concept of sports and entertainment marketing: the marketing of sports versus the process of marketing through sports.

Students will also begin to familiarize themselves with general marketing principles that are integrated within the framework of sports and entertainment business. They will be introduced to marketing philosophies such as defining the primary marketing functions and understanding what industry marketers are trying to achieve. Unit two will also provide an introduction to how innovation and advances in technology have changed not the sports and entertainment marketplace.

Objectives

1) Define sports marketing and entertainment marketing
2) Explain the two primary types of sports and entertainment marketing
3) Compare and contrast sports marketing and entertainment marketing
4) Describe the seven functions of marketing
5) Understand what makes sports and entertainment products unique
6) Explain the concept of competition for entertainment dollars
7) Identify the five P's of event marketing
8) Explain the event triangle

Lessons

Lesson 2.1 Sports & Entertainment Marketing Defined
Lesson 2.2 The Fusion of Marketing with Sports & Entertainment
Lesson 2.3 Sports ARE Entertainment
Lesson 2.4 Primary Marketing Functions
Lesson 2.5 Understanding the Sports & Entertainment Product
Lesson 2.6 Competition for the Entertainment Dollar
Lesson 2.7 Reaching Consumers
Lesson 2.8 Introduction to Event Marketing & Management

Key Terms

Cross Promotion
Customer Loyalty
Discretionary Income
Entertainment
Entertainment Marketing
Event Triangle
Intangible
Product Attributes
Marketing
Perishability
Products
Sports Marketing
Tangible

Lesson 2.1
Sports and Entertainment Marketing Defined

A. Marketing
   1. **Marketing** is the process of developing, promoting, and distributing products, or goods and services, to satisfy customers' needs and wants [1]
   2. The term "marketing" has grown to encompass many business activities such as selling, promotion and publicity

B. Sports
   1. Webster's dictionary defines sports as "a source of diversion or physical activity engaged in for pleasure"
      a. Sports can be a participation *or* spectator activity, and it is a form of entertainment either way
   2. When we examine sport defined in terms relating to the sports and entertainment industry, we see a slight variation in definitions. Consider the following definition: "Sport, as used in contemporary sport management and in relation to the sport business industry, denoted all people, activities, businesses, and organizations involved in producing, facilitating, promoting, or organizing any sport business, activity, or experience focused on or related to fitness, recreation, sports, sports tourism, or leisure"[2]
      a. This definition incorporates a business-oriented, broader description of the term, helping us to understand the unique nature of sports and entertainment as an industry

C. Sports Industry
   1. The sports industry is the market in which the businesses and products offered to its buyers are sport related and may be goods, services, people, places or ideas [3]

D. Entertainment
   1. Webster's offers the following definition: "To entertain is to amuse or to offer hospitality"
   2. **Entertainment** is whatever people are willing to spend their money and spare time viewing rather than participating [4]

E. Leisure time
   1. Leisure time is the time available to people when they are not working or assuming responsibilities, often times referred to as "free time"
   2. It is the goal of the sports and entertainment marketer to provide a product or service that can satisfy the needs and wants of those individuals who choose to be entertained during their leisure time

Lesson 2.2
The Fusion of Marketing with Sports & Entertainment

A. After examining the definitions of sports and of marketing, how do we integrate the two to paint an accurate portrayal of the sports and entertainment marketing function?
   1. In the book *Sports Marketing: A Strategic Perspective*, Matthew Shank defines sports marketing as "the specific application of marketing principles and processes to sport products and to the marketing of non-sports products through association with sport."[5]
   2. We define **sports marketing** as the act of using sports as a platform to market products or services and increase sales **or** the process the of marketing and selling the sports property itself

B. There are two types of sports and entertainment marketing, **1)** Marketing *through* sports and entertainment and **2)** Marketing *of* sports and entertainment
   1. Marketing *through* sports and entertainment
      a. Companies use sports and entertainment as a vehicle to gain exposure for their products
         i. Coca-Cola, Samsung, Panasonic, Visa, General Electric and others spending millions to sponsor the 2018 Winter Olympic Games in PyeongChang as a tool to brand their product globally on the international stage
         ii. Gatorade affiliating its product with athletes like Usain Bolt, Serena Williams, JJ Watt, Cam Newton, Paul George, Abby Wambach and Bryce Harper
            (a) Click here to see a commercial that shows how Gatorade leveraged their relationships with athletes to connect their brand to the 2018 FIFA World Cup
         iii. A CEO entertaining potential customers at a PGA Event in the hospitality area as a sales tool
         iv. Acura aligning its brand with some of the biggest entertainment events by sponsoring the Sundance Film Festival and New Orleans Jazz & Heritage Festival
      b. Product placement (also called product integration) to promote a specific product
         i. Brands like Amazon, Jeep, Dairy Queen, Dr. Pepper and Doritos being prominently featured in the 2018 blockbuster film, *'Jurassic World: Fallen Kingdom'*
            (a) Click here to see Jeep's commercial which aired during the 2018 Super Bowl (and racked up nearly 40 million views in its first 24 hours online following the Big Game)
            (b) Click here for an in-depth look at how these brands were aligned with the film
         ii. Judges on the hit TV show *American Idol* drinking Coke products during episodes
            (a) In 2014, Coke ended their sponsorship after 13 years but AdAge examined how the relationship "transformed TV advertising" (click here to read the story)
   2. Marketing *of* sports and entertainment
      a. The marketing of the sports and entertainment products themselves
         i. The Potomac Nationals minor league baseball club offering a "holiday" ticket package to fans
         ii. Organizers of the 2018 Winter Olympics in PyeongChang branding the Games with the slogan "Passion. Connected." in hopes of communicating a message to inspire youth and future generations of athletes

iii. Sony Pictures spending a whopping $400 million in marketing (including "promotional partnerships and the studio's own spending" according to the *LA Times*) on the 2016 box office success *Angry Birds* [6]
(a) The *Hollywood Reporter* suggests, based on information from industry insiders, marketing a film worldwide now costs around $200 million
(i) Compare that to 1980 when the average cost of marketing a studio movie in the U.S. was $4.3 million
iv. A country club offering a special rate to increase its membership
v. New Balance advertising the launch of a new sneaker or shoe line
vi. Field Turf selling and installing a synthetic grass football field at a high school

C. Sports *marketing* vs. Sports *management*
1. The field of study known as sports marketing is often confused with sports management, but how do we differentiate between the two?
a. *Sport management* is the study and practice of all people, activities, businesses or organizations involved in producing, facilitating, promoting or organizing any sport-related business or product [7]
b. Although the terms are often used interchangeably, sports management is best described as the application of *management* concepts and principles to the sports industry while sports and entertainment marketing refers to the *marketing* concepts and principles to both the sports and entertainment industries
c. Theoretically, sports marketing is considered a function of the broader field of study, sports management
2. Sport management areas of study might include:
a. Sport law
b. Facility management
c. Human Resources
d. Sport governance
e. Leadership
3. Sports marketing activities could include:
a. Allstate sponsoring the Sugar Bowl
b. A MLS team offering payment plan options for season ticket buyers
c. The Big East athletic conference agreeing to a 7-year television contract with ESPN worth an estimated $130 million [8]
d. A corporation's purchase of a courtside tickets to entertain clients at NBA games
e. A sign or banner displaying a company's logo on the dasherboards at a hockey rink
f. Coca-Cola paying for "pour rights" at an event or facility
g. A blimp flying over sporting events
i. Click here to see video of Met Life blimp behind scenes flying over Phoenix Open
h. Fans receiving free bobble head dolls at a baseball game
i. Foot Locker stores offering special sales or coupons to help increase sales
j. A local restaurant sponsoring the local high school soccer team

D. Entertainment marketing
1. **Entertainment marketing** is the process of developing, promoting, and distributing products, or goods and services, to satisfy customer's needs and wants through entertainment, or any diversion, amusement, or method of occupying time [9]
a. Entertainment marketing can be focused on both content and delivery
i. For example, a studio makes money by producing films (content) and the theater (delivery) makes money showing the "product" (along with concessions)
ii. Much like paying rights fees to sports leagues, broadcast companies also pay for the rights to broadcast major television events

(a) According to the Hollywood Reporter, NBC is paying an estimated $21.5 million per year in 2014 for NBC through at least 2018 for the rights to broadcast the next four Golden Globe shows
(b) ESPN spends billions for the broadcast rights to live sports programming

b. Last year alone, film studio marketers spent almost $2.4 billion on television advertising to promote their films (according to *Variety*)

2. Entertainment presents itself in many forms
   a. Examples of entertainment
      i. Seeing the Houston Symphony perform at Jones Hall in downtown Houston
      ii. Attending a LSU Tigers football game
      iii. Reading one of Suzanne Collins' novels in *The Hunger Games* trilogy
      iv. Visiting the Seattle aquarium
      v. Going to a Zac Brown Band or Adele concert
      vi. Listening to the newest Justin Timberlake song on your mp3 player
      vii. Watching the Broadway musical "Lion King"
      viii. Seeing a Cirque du Soleil show in Las Vegas
      ix. Disney opening the 'Pixar Pier' attraction in 2018, and Sea World opening its 'Infiniti Falls' (featuring the world's biggest drop on a river raft ride) to help revive its brand
         (a) Click here to see *LA Times'* ranking of the top theme park additions for 2018
         (b) Click here to see why Disney invested $500 million on an 'Avatar' branded theme park last year

Lesson 2.3
Sports ARE Entertainment

A. Comparing and contrasting sports and entertainment
   1. There are many similarities between sports and other forms of entertainment as each activity is one that entertains or occupies our time
      a. Watching a Broadway show
      b. Listening to music on an mp3 player
      c. Watching a movie
      d. Watching a football game
      e. Playing a game of soccer
   2. According to Peter Guber (Chairman and founder of Mandalay Entertainment, Co-owner of the NBA's Golden State Warriors and former studio chief at Columbia Pictures and chairman and CEO of Sony Pictures whose films have reportedly earned more than $3 billion in worldwide revenue and have been nominated for numerous Academy Awards):[10]
      a. "*I believe sports is entertainment. I know there's athletic excellence. But when I watch a game-let's say I'm watching Charles (Barkley's) show on (TNT)-it's not just for the athletic excellence. Every piece of information is available in that telecast: scores, highlights, standings, analysis-0-right? I watch it because it's entertaining. It's about being entertained. It's about being consumed. You're a consumer, and you're consumed by the entertainment, you're engaged by the entertainment*." [11]
      b. ESPN broadcasts a number of events such as the national spelling bee and a hot dog eating contest. Because ESPN is the broadcaster, would you define those events as sports or entertainment?
         i. Click here to see ESPN's intro/promo for the Nathan's Famous Hot Dog eating contest staged annually on July 4th, comparing eating champion Joey Chestnut to some of the most iconic, legendary athletes of all-time
   3. There are several key differences between sports and entertainment
      a. Unscripted
         i. Consumers of sports do not know the outcome of the event in which they are participating
      b. Emotional attachment
         i. Traditionally, consumers of sports products have an emotional investment or interest in the outcome of the event (winning vs. losing, close games vs. "blow outs")
      c. Differences in customer loyalty
         i. **Customer loyalty** is a customer decision to become a repeat consumer of a particular product or brand
         ii. Entertainment consumers lack the desire to be team or brand loyal, but rather want only to satisfy their own entertainment needs
         iii. If a company's movie, book, sitcom, amusement ride, video game, magazine, CD, DVD or video does not deliver the expected level of entertainment, it is likely that the consumer will turn to a competitor's product
      d. Despite the differences, sometimes it can be difficult to differentiate between sports
   4. Integration of sports with entertainment and entertainment with sports
      a. **Cross promotion** is the convergence of two entertainment properties working together to market products or services

i. Justin Timberlake performing at half time of the Super Bowl and Kendrick Lamar's performance at the first-ever College Football National Championship Game halftime show in 2018
ii. Major League Baseball partnering with HBO to cross promote with the hit series, 'Game of Thrones'
iii. FOX Sports partnering with The Simpsons for the Daytona 500 to help amplify marketing efforts with the hashtag #DaytonaDay
(a) Click here to see one of the commercials
iv. ESPN's ESPY awards
v. Minor League Baseball's Jacksonville Jumbo Shrimp partnering The ECHL (minor league hockey) Jacksonville Icemen playing as the "Frozen Shrimp" for a game as a cross-promotion with another area team, Minor League Baseball's Jacksonville Jumbo Shrimp for a "Shrimp Night" promotion
vi. To help promote "Stadium Series" game at Coors Field, the NHL Network cross-promoted the event with MLB Network when on-air personalities from the NHL Network appeared on MLB Network programming and vice versa
(a) MLB Network also built the "Rink at Studio 42" which appeared on-set during some MLB Network programming [12]

b. Cross promotion can be an effective sales and branding tool for all parties involved
i. In promotion of the arrival of 'Cars 3' in theaters, Disney/Pixar teamed up with NASCAR
(a) The cross promotion included widespread activations to generate excitement for the 2017 race season and other NASCAR programs
(i) 'Cars 3' had a presence at various NASCAR races and events with physical displays and co-branded merchandise
(ii) NASCAR used the 'Cars 3' partnership to help promote NASCAR Acceleration Nation, its youth program, as well as the NASCAR Hall of Fame
(iii) 'Cars 3' incorporated the voices and characters of several young and upcoming NASCAR drivers
ii. In 2017, The NBA Finals partnered with Sony and the box office release of '*Spiderman: Homecoming'* for a cross-promotional short film that starred key personalities representing both the movie and the league (Robert Downey Jr., Stan Lee, Magic Johnson, DJ Khaled and Jon Favreau)
(a) According to forbes.com, the cross promotion successfully drove "a substantial amount of online engagement to both the NBA and the film"
iii. Variety.com reports that a significant factor in ESPN's successful launch of its Chicago-based website on all things Windy City was cross promotion, suggesting the cable company used "plenty of cross-promotion as a way to attract listeners to the site" [13]
(a) It took just six months for ESPNChicago to become the city's top sports site, attracting about 590,000 unique visitors in the month of June alone while the city's historic newspaper company's (*Chicago Tribune*) online sports section drew just 455,000 unique visitors [14]
iv. Some cross promotions occur between unlikely partners, like the 2018 partnership between the NFL and Cirque du Soleil who teamed up to create the "NFL Experience Times Square"
(a) Click here to learn more about how and why the two properties collaborated on the project

c. However, not all cross promotions are successful

i. 20th Century Fox engaged in several cross promotional efforts, including a tie-in with TNT and the NBA playoffs and an advertising campaign with Farmers insurance, to promote the release of the film "X-Men: First Class", yet the film was largely underwhelming at the box office, yielding around $36 million less in its opening weekend than 3 of the other 4 installments of the film's franchise (the third film, "X-Men", did just as poorly)
ii. A badly botched a *Spider-Man 2* promotion in which MLB had planned to feature the *Spider-Man* logo on each base during the All-Star Game provides a cautionary tale to marketers considering cross promotional strategies. The league received such opposition from fans and baseball purists that the promo was eventually pulled. [15]

Lesson 2.4
Primary Marketing Functions

A. Pricing
   1. Assigning a value to products and services on the basis of supply and demand
      a. Tickets to the Super Bowl are very expensive because demand is high while tickets to see two marginal teams compete during the pre-season will be less expensive, particularly if the game is not sold out, because demand is lower
         i. Supply and demand not only impacts ticket prices but concessions, parking and merchandise as well
            (a) At Super Bowl 52 in Minneapolis, a ham and swiss sandwich cost $14, a bag of chips $5, bottled soda $7 and "souvenir cup soda" a whopping $30 – parking two blocks away from the stadium cost $100 (via sbnation.com)
      b. Due to lagging fan attendance and poor team performance, the New York Jets decreased ticket prices by an average of 11% for the 2018-19 season [16]
         i. Click here to see how much of an impact ticket sales have on the planning process for the opening of the Sacramento Kings' new arena
      c. When demand fluctuates as frequently as it does in the ticketing world, companies must implement strategies to help identify the best price points to match demand
         i. This is why many organizations are moving toward alternate ticket pricing strategies like "dynamic pricing", where games in higher demand cost more than the same ticket for a game with lower demand (*more on dynamic pricing in unit nine*)
      d. The secondary and broker markets have a large impact on ticket pricing and availability
         i. After the announcement that the Lakers signed LeBron James in the summer of 2018, prices for pre-season games skyrocketed by over 400% on the secondary market
      e. Supply and demand plays a significant role in driving fans' buying behavior, especially for popular events, shows and games
         i. Take for example Wimbledon where tickets to the 2016 Final sold out just 27 minutes after going on sale online
            (a) Event officials anticipated a high demand for tickets and raised prices accordingly, yet *The Guardian* reported that over 111,000 fans were waiting in an online queue when only 22,000 *total* tickets were available
            (b) As a result, tickets being resold on the secondary market commanded outrageous prices, starting at over $3,000 with the most expensive selling for nearly $25,000 [17]

B. Distribution
   1. Determining how best to get products and services to consumers
      a. EA Sports sells their video game products at Target and in Best Buy stores, because they know their target consumers shop at those stores for video games and entertainment
      b. On Demand and streaming services have become prevalent options for consumers in today's marketplace
         i. In the last few years, many major entertainment properties (including Disney Channel, ESPN, HBO and Showtime) are making a targeted approach to reach "cord cutting" consumers by offering specific packages that do not require access to cable or satellite television

(a) Three years ago, Twitter became the first social media platform to distribute live sports programming when they live-streamed Wimbledon
(i) They then signed a one-year $10 million deal with the NFL to stream ten Thursday night games for the 2016 season while also coming to terms with the NBA for an exclusive live programming agreement
1. According to Variety, Twitter also landed deals with the NHL and MLB in 2016 to give it rights to live stream the four biggest pro-sports in the U.S.

(b) NCAA March Madness is available for streaming on more than a dozen different platforms, including Amazon Fire TV, Roku players and Roku TVs, Apple TV, Amazon Fire tablets, iOS and Android mobile devices, Windows handsets, Web browsers, and Apple Watch

c. Sports and entertainment companies must determine which distribution strategies will help to maximize sales, whether that is mass distribution in as many outlets as possible or partnerships with individual retailers to create exclusivity and drive demand
i. According to the *Sports Business Journal*, a sports performance beverage brand aiming to compete with Gatorade (called Glukos) elected to pursue a distribution strategy that focused on special retail stores in several specific categories: sporting goods, running, outdoors, cycling, golf and vitamin retailers [18]

ii. Retail chain Sports Authority provided an excellent distribution channel for Under Armor to sell its products
(a) *San Francisco Gate* reported that when Sports Authority filed for bankruptcy (and announced it would be closing all its stores), Under Armour executives were forced to cut the company's sales forecasts by nearly $5 billion[19]
(i) Subsequently its stock quickly dropped by almost 4% the next day
(b) However, as consumer shopping habits continue to shift to online distribution channels, brands like Under Armour will likely continue to see robust sales

iii. To help expand distribution of its popular 'Sims' franchise, EA and Maxis created a new version of Sims game specifically for mobile devices
(a) The Sims Mobile game has many of the same features as the PC version, but EA/Maxis saw an opportunity to take advantage of a new distribution channel to increase both fan engagement and profits

1. Sometimes a retailer or brand will arrange for exclusive distribution of a particular product or brand to drive traffic to their store or website
a. To promote the release of the 4:44 album, Jay-Z inked an exclusive (and lucrative) partnership with Sprint to provide free copies of the album to current Sprint customers via Jay-Z's streaming service, Tidal
i. Despite limiting consumer access through exclusive distribution channels, it took just one week for the album to go platinum
b. Billboard reported that Lady Gaga and Elton John partnered with Macy's to create a new line of products focused on the theme 'Love Bravery' - products were sold exclusively at Macy's, with portions of the proceeds going to charity
c. According to *Forbes*, Under Armour released sunglasses specially designed for golfers to help players better read greens, gauge distances and detect nuances in the terrain. The product was availably exclusively at PGA Tour Superstore locations.
d. Exclusive distribution doesn't always guarantee success however, illustrated by the disappointing sales of Sears' "Kardashian Kollection" [20]

C. Promotion
1. Communicating information about products and services to consumers

2. Typically involves ongoing advertising and publicity and sales
    a. One of the Cincinnati Reds' most popular season-long promotions involves a free pizza giveaway from local pizza chain LaRosa's every time Reds pitchers strike out at least 11 batters in a home game
        i. According to bizjournals.com, LaRosa's gave away an average of $900,000 worth of pizza the last in three years as a result of the promotion but has only given away $62,000 in pies halfway through the 2016 baseball season (which isn't necessarily a good thing for the company) [21]
            (a) According to LaRosa's executive vice president of marketing: *"(The chain) loves the giveaway and so do its franchisees. They bear the brunt of the cost, but the giveaway is great publicity for the local chain and it generates a ton of customer traffic." (via bizjournals.com)*
3. Short-term promotions are often created in an effort to drive immediate sales
    a. Monster Energy (a NASCAR sponsor) worked out an arrangement with Pocono Raceway to offer free admission to a 2017 event if fans brought an empty Monster can to recycle at the track [22]

B. Financing
1. Creating a budget and revenue projections for a company's marketing plan
    a. In 2016, Nike confirmed long term revenue projections of $50 million by 2020, up from $32 billion [23]
    b. Budgets and projections/forecasts are never an exact science
        i. The 2018 summer release of the film '*Solo: A Star Wars Story'* was forecast to produce $130 million at the box office over Memorial Day Weekend, but it came up considerably short with $83.3 million [24]
2. Analyzing the cost effectiveness of existing or previous marketing efforts
    a. The US Army chose to end its NASCAR sponsorship after the Air National Guard spent $650,000 to sponsor a NASCAR Sprint Cup race that resulted in just 439 recruitment leads, none of which ended up joining the Army [25]
3. Providing customers with flexibility in purchasing company products or services
    a. Like many professional sports franchises, MLB's Washington Nationals offer payment plans for customers purchasing ticket packages. According to the team's website, the Nats' "Grand Slam E-Z Payment Plan allows season ticket holders to pay a fraction of the total cost of their tickets in easy monthly payments. This is available for either Full, Half, or Partial Season Ticket Plans. [26]

C. Selling
1. Communicating with consumers to assess and fill their needs, as well as anticipating future needs
2. Involves the following activities, cultivating prospective buyers (or leads) in a market segment; conveying the features, advantages and benefits of a product or service to the lead; and closing the sale (or coming to agreement on pricing and services) [27]
3. Many professional sports teams utilize a call center to revenue generated by ticket sales
    a. A call center is a physical location where calls are placed, or received, in high volume for the purpose of sales, marketing, customer service; typically through the use of telemarketers
    b. Call centers employ a staff to perform telemarketing activity with the goal of selling ticket packages over the telephone
    c. Example
        i. The University of Minnesota athletics department outsourced their ticket sales operation to a third-party organization (Aspire Group) to help boost ticket sales for Gopher athletic events. Aspire deployed a full-time sales staff to work in

Minneapolis on the effort. Said Gophers' Associate Athletics Director Jason LaFrenz, "*We need to put more butts in seats*." [28]
(a) Click here to read how outsourcing to a call center was part of Middle Tennessee State University's strategy for building attendance at football games as they entered Conference USA last football season

D. Marketing information-management
1. Gathering and using information about customers to improve business decision making[27]
   a. Professional sports teams began offering smaller ticket packages (half-season, quarter-season, five-game packages) after determining through customer research that full season ticket plans were often too costly and/or time consuming for many fans to purchase.
   b. As visitors pass through the turnstiles at Disneyland in California, guests are randomly selected to answer interview questions from friendly staff members equipped with hand held data recording devices. This provides Disney management with up to date information about park guests, such as where they are from, how many are in their group, and how many times they have visited the theme park in the past.
   c. After conducting a series of tests utilizing virtual advertising technology in 2018, German soccer club Bundesliga announced plans to integrate augmented reality features to create more revenue opportunities

E. Product and service management
1. Designing, developing, maintaining, improving, and acquiring products or services so they meet customer needs [29]
   a. To strengthen their position in the U.S. market and attract top creative talent, Adidas opened a design studio in Brooklyn
      i. BrooklynFarm houses elite designers and developers but also encourages collaboration with music, film and technology personnel [30]
   b. Executives from professional sports leagues and teams are always working to improve their product
      i. Last year, NASCAR announced plans to break their three national series races into three stages with points awarded to top 10 finishers in each stage to increase both fan engagement and the level of competition
         (a) Said Brian France, NASCAR Chairman & CEO: "*Simply put, this will make our great racing even better. I'm proud of the unprecedented collaboration from our industry stakeholders, each of whom had a common goal -- strengthening the sport for our fans. This is an enhancement fully rooted in teamwork, and the result will be an even better product every single week*." [31]
   c. In an effort to appeal to more families, the Atlanta Falcons took the unconventional approach of lowering concessions prices at their new stadium by introducing $2 hot dogs and sodas (less than half what most stadiums charge) as well as a handful of other low cost items for the 2016-17 NFL season
      i. Despite significantly reducing the price of concessions, the team saw a 16% increase in food and beverage sales at Falcons' games the following season
         (a) Spending less on concessions meant more money to spend on merchandise as the Falcons enjoyed a 90% increase in merchandise sales last season after lowering food and beverage prices
      ii. In addition to the financial advantage, the decision was viewed as a score for the franchise in many ways. Click here for a Forbes story describing how the "Atlanta Falcons' 'Fan-First Pricing' Model Yields Numerous Unforeseen Benefits".

Lesson 2.5
Understanding the Sports & Entertainment Product

A. Sports products
   1. Products
      a. **Products** are tangible, physical goods as well as services and ideas [32]
         i. **Tangible** products are capable of being physically touched [33]
      b. Sports products are the goods and services designed to provide benefits to a sports spectator, participant or sponsor [33]
      c. Examples of sports products
         i. Licensed merchandise - A Houston Rockets hat
         ii. Participation - Tickets to a Gwinnett Braves baseball game
         iii. Equipment and apparel - Louisville Slugger baseball bat
         iv. Promotional items - A bobblehead giveaway/promotional item
         v. Sports facilities - The Verizon Center arena in Washington, D.C.
         vi. Marketing research – A report on participation levels of soccer in the United States provided by the American Sports Data research firm
         vii. Marketing / Management services – Services provided by Octagon Consulting Group such as competitive analyses and sponsorship valuations
B. Entertainment products
   1. Several segments of the entertainment industry rise to the top as predominant money makers
   2. These segments include:
      a. Film and cinema
      b. Television
      c. Music (includes recorded music and concerts/shows)
      d. Radio
      e. Video games
      f. Theme parks
      g. Publications (newspaper, magazine, book)
C. The unique nature of sports and entertainment products
   1. Sports and entertainment products often share common characteristics of *services*
   2. Two primary characteristics of services
      a. Services are perishable
      b. Services are intangible
   3. Many sports and entertainment products are perishable
      a. **Perishability** is the ability or need to store or inventory a product
      b. Once a game or event has already taken place, they no longer carry a value and cannot be sold
         i. According to Mullin, Sutton & Hardy in *Sports Marketing*: "No marketer can sell a seat to yesterday's game, yesterday's concert or yesterday's ski-lift ticket" [34]
            (a) According to data from Ticketmaster, over 50 million tickets to sporting events went unsold last year, representing roughly $900 million in lost/uncaptured revenue [35]
      c. Perishability can also apply to playing careers which impacts product quality
         i. Dallas Mavericks owner Mark Cuban said in a recent interview, "*I wrote a blog post a few years back saying that NHL players lost more than 1 billion in wages for their missed season. It could be more than that if the NFL walks out. The players can't ever get that money back. Their playing time is perishable*."

4. They are also often intangible
    a. **Intangible product attributes** are the unobservable characteristics which a physical good possesses, such as style, quality, strength, or beauty [36]
        i. Copyrights, logos, graphics and trademarks would also be considered intangibles
    b. Even tangible items such as a soccer ball or music CDs have less significance than the feeling or emotion that the activity itself reveals
5. Examples of sports activities that would be considered intangible [37]
    a. The *exhilaration* we get from running our best marathon
    b. The *thrill* of winning a competition
    c. The *satisfaction* of scoring well on a challenging golf course
    d. The *pride* we feel when teams we support win
    e. The *emotional attachment* fans invest in their affiliation with a favorite team
    f. The *connection* fans feel with other fans (whether they know them or not) supporting the same players or teams

D. Importance of a quality product
1. Even the best marketers and salespeople in the world can't promote or sell an undesirable product. No matter how much effort an organization puts into its marketing, promotion and sales efforts, they will face challenges generating and sustaining interest in the product if they don't offer consumers and fans a quality product.
    a. Vince McMahon, founder of WWE, infamously launched a professional football league (the XFL) in 2001 with grandiose plans of competing with the NFL. In its initial stages, thanks to a very successful marketing campaign, the league enjoyed outstanding ticket sales, sponsorship sales and television ratings. Fans, however, quickly discovered the product on the field was severely lacking, and the league was forced to close its doors after just one very lackluster season.
        i. "Those initial (TV) ratings tell you they had superior promotion," said Stephen Greyser, a Harvard Business School professor who co-authored a Harvard Business Review study on the XFL and still highlights the XFL as a case study in his Business of Sports course in an interview with the Sports Business Journal. "They just did not put as much emphasis on building the product as they did on building the hype." [38]
    b. In 2018, Vince McMahon announced plans to revive the XFL, this time focusing on a football product without the gimmicks (and assurances that he would invest at least
    $500 million in the product)
        i. Click here to read more about the XFL announcement
2. Sports and entertainment business professionals are always critiquing the product and looking for ways to improve
    a. After a controversial call made by a replacement referee on Monday Night Football, Green Bay Packers shareholder David Goodfriend called on the Federal Trade Commission to investigate whether the National Football League's "deceptive" use of replacement referees has violated "consumer protection statutes." The NFL signed an agreement soon after for the regular officials to return to the sidelines. [39]
        i. Click here to read the entire letter
    b. Feeling that "flopping" (when a player tries to deceive the referee into making an incorrect call) was detrimental to its product as a whole, the NBA implemented a system that would fine players for any play the league deemed to be a flop
    c. A few years ago, the NCAA implemented new rule changes to help bring more excitement to the college men's basketball game by reducing the shot clock to 30 seconds and allowing just four timeouts instead of five

i. According to *USA Today*: "The measures are aimed at improving the on- court product after a regular season marked by low-scoring, slow-paced games."
ii. In 2018, several sports leagues were considering "pace of play" rule changes to speed up the games and improve the overall product, including Major League Baseball, the USTA, ATP and WTA

d. After setting an all-time record for points scored (374) in a NBA All-Star Game, commissioner Adam Silver and several players called for a revamped, more competitive format to improve the game's watchability
i. New ideas include the potential inclusion of a 4-point shot or a half-court shot worth 10 points
ii. In 2018, to add more excitement to the All-Star Game, the NBA adjusted the format from its traditional "East vs. West" to feature two teams that were "drafted" by team captains LeBron James and Steph Curry, regardless of which conference the players were in
(a) Click here to see a TNT video with the two players discussing their picks

3. When the professional sport product improves, typically consumers respond by purchasing more tickets and merchandise while television audiences increase
a. Last summer, the Minnesota Timberwolves improved their product by making a trade for an all-star player in Jimmy Butler. Fans responded, and the move helped generate a 20% increase in season ticket sales over the previous year.
b. The acquisition paid off during the season as well when the Wolves were one of the best teams in the NBA in the first half of the season, resulting in an uptick of 2,000 more fans per game filling the team's arena and a 64% increase in TV ratings for games on the team's regional network (Fox Sports North)
i. According to team executives, that enthusiasm also helped give a big boost to sponsorship and merchandise sales

a. Research published by an assistant professor at Harvard Business School recently suggested that "When a school goes from being mediocre to being great on the football field, applications increase by 18.7 percent. To attain similar effects, a school has to either decrease its tuition by 3.8 percent or increase the quality of its education by recruiting higher-quality faculty who are paid five percent more in the academic labor market." [40]
i. Click here to see how Clemson's NCAA football championship helped boost interest in enrollment

b. In 2018, the top two NBA teams in merchandise sales were also the two teams that competed for the NBA Championship, the Golden State Warriors and Cleveland Cavaliers (according to figures from nba.com)
i. Of the top five most popular NBA player jerseys, three were players from the Cavaliers and Warriors
(a) These figures were released prior to LeBron's decision to sign with the Los Angeles Lakers in the summer of 2018, most industry analysts expect LeBron's jersey to be the #1 seller by the end of the 2018-19 season
1. Stephen Curry, Golden State Warriors
2. LeBron James, Cleveland Cavaliers
3. Kyrie Irving, Cleveland Cavaliers
4. Kevin Durant, Golden State Warriors
5. Ben Simmons, Philadelphia 76ers

c. According to the *Philly Voice*, it took Philadelphia Eagles fans just three days to set both retail and online merchandise sales records after winning the Super Bowl in 2018 (it was the first Super Bowl victory in franchise history)

i. According to online retailer Fanatics, 60 percent more Eagles gear had been sold within 24-hours after the game ended than New England Patriots merchandise sales in the entire year after winning the 2017 Super Bowl
ii. The Eagles' Super Bowl LII win prompted the second most championship sales of all time across *all sports*, second only to the Chicago Cubs following their 2016 World Series win

d. A trip to the NCAA Final Four will almost always result in a huge jump in apparel sales for participating schools
   i. Schools participating in the 2017 Final Four all enjoyed an incredible boost in merchandise sales
      (a) According to Forbes, sales of Gonzaga gear went up 825%, South Carolina sales jumped 660%, Oregon saw sales grow by 325% and North Carolina merchandise sales increased by 110%
         (i) Click here to see an infographic from Fanatics illustrating the top-selling Final Four merchandise sales by state
   ii. In 2018, the University of Maryland, Baltimore County made history when they, as a sixteen seed in the NCAA men's national basketball tournament, defeated the number one-seeded University of Virginia
      (a) Two days after the Retriever's historic win, the school's official bookstore announced that it had already surpassed its yearly online merchandise sales (via *Baltimore Sun*)

e. Nashville Predators were barely drawing 10,000 fans per game ten years ago but a resurgence on the ice (including a 2017 playoff run that ended in the Stanley Cup Finals) resulted in a sell out at every single home game for the 2016-17 season (marking the first time in franchise history that all regular season games sold out) [41]
   i. The team even sold out Bridgestone Arena (its home arena) for "watch parties" for away games during the Stanley Cup Finals
   ii. The Predators also reportedly recorded the second-highest merchandise sales in NHL playoff history [42]

f. For collegiate athletic programs, performance on the field can lead to an uptick in donations
   i. Thanks to a Final Four appearance in the 2018 men's NCAA basketball tournament, the Loyola University athletics department enjoyed an outpouring of support from donors
      (a) According to *Forbes*, the Ramblers' athletic department received a 660% increase in athletics donations over the previous year
      (b) Click here for a graphic illustrating the boost Loyola received with its Final Four appearance

2. On the contrary, when the professional sport product declines, typically consumers respond by purchasing fewer tickets, less merchandise and TV ratings drop
   a. After claiming their first American League East title this century in 2014, Baltimore Orioles' attendance has dropped every year for the last four years as the team continues to struggle to win baseball games
      i. According to the *Baltimore Sun*, the team set a franchise attendance low in 2018 when they drew under 8,000 fans for an April home game (Camden Yards, the Orioles home, is one of the most historic and iconic ballparks in America)
   b. As one of the most successful basketball programs over the past several decades, UConn Huskies men's basketball fans are used to seeing a winning product on the court.
      i. Unfortunately, as the team struggled to win games the last two seasons, attendance has bottomed out. According to the *Hartford Courant*, attendance at

UConn men's basketball games has reached its lowest point in 30 years when the average dipped below 8,000 fans per game.

ii. Meanwhile, the Huskies' women's team continues to dominate the competition. As they continue to put a quality product on the floor, the program continues to thrive financially.

(a) According to the *Hartford Courant*, the UConn women had the second highest season ticket sales in the past 10 years last season while averaging 10,096 fans per game

B. Impact of Technology

1. Advancements in technology have led to new product innovations and forced an evolution in the way sports and entertainment marketers work to reach consumers

a. Analysts at Sportz Interactive identified four major technologies that are changing the way sports are being marketed: [44]

i. Data-driven storytelling

(a) From wearables to optical tracking, more data on athletes and their performance is being captured and utilized to give fans new insight on their favorite players and teams

ii. Virtual Reality

(a) VR opens a whole new realm of possibilities on how fans consume and experience sports

iii. Social Media

(a) Fans have more access to players and teams than ever before thanks to new lines of communication that have evolved from social media

iv. Digital Sports Stadiums

(a) "Smart" arenas are trending – fans can utilize their phones to order food, find their seats, interact with athletes and access unique in-stadium content

b. Podcasting

i. The NHL's league website (nhl.com) features a podcast page which includes podcasts of its NHL radio show ("This Week in the NHL") and podcasts for individual teams in both audio and video format (the Minnesota Wild podcast show is referred to as the "pondcast", St. Louis Blues have a "BluesCast", Washington Capitals have a "Caps Report" etc.) [45]

ii. Podcast technology opened the door for comedian Adam Corolla to reinvent and revive his career after his network show was cancelled. Since launching his self-produced podcast show, "The Carolla Podcast" is frequently been the most popular podcast on iTunes, even edging out President Obama's weekly address and drawing over 3 million downloads in a given week [46]

iii. In 2016, the UFC launched a twice-a-week podcast that features UFC President Dana White, its fighters and celebrity fans

iv. In 2017, ESPN expanded their 30 for 30 film series into a podcast experience with plans for releasing a new episode every week

(a) Click here to read the official release from ESPN Front Row

c. Streaming audio and video capabilities

i. Online sports talk "radio" (ESPN Radio)

ii. Streaming audio (Pandora, Spotify etc.)

iii. Websites offering TV programming, short films, video clips and movie trailers (Hulu)

(a) By 2016, most broadcast companies will offer streaming opportunities for consumers to view content online or via mobile devices

iv. Sirius XM satellite radio

v. Streaming live video events

(a) In 2018, most major global sporting events like Winter X Games, The Masters Golf Tournament, British Open Golf Tournament, Super Bowl, Wimbledon and NCAA Tournament will be streamed through the Internet allowing fans to watch online and/or on mobile devices
(b) A report in *Business Week* suggested that adding live sports broadcasts "may help YouTube expand revenue by keeping viewers on its site longer to woo more advertisers. YouTube's contract to show cricket from the Indian Premier League, which gives the Google unit a share of ad revenue from games and the league's website, brought in 55 million visits from more than 250 countries." [47]
(c) Thanks to a daily three-channel live webcast straight from the festival, you didn't have to actually be out in the fields of Manchester, Tennessee to catch all the bands playing at Bonnaroo

d. "Interactive" technologies
   i. Shazam (a mobile phone app that helps users identify music) partners with shows like American Idol, allowing viewers to identify what songs contestants were performing, click links to buy the songs, get Twitter feeds from insiders, follow the official social media channels, and see video and photos from AmericanIdol.com. Shazam's "audio tagging" technology was also featured during broadcasts of the Super Bowl, Grammy Awards & Olympic Games.
      (a) According to Shazam, its Super Bowl audio tagging led to "record engagement," with football fans tagging content millions of times during the game, the half-time show [49]
   ii. At FanFest during Major League Baseball's All-Star weekend, a FanZone touch-screen station was on-site, allowing fans to create and purchase customized name and number all-star jerseys [50]
      (a) Click here to see similar technology from FanZone in Winnipeg at the MTC Center (home of the NHL's Winnipeg Jets)
   iii. When the new Green Bay Packers Hall-of-Fame opened, it featured a number of interactive elements, including a replica version of legendary coach Vince Lombardi's office, complete with a touch-screen conference table that allows fans to view dozens of archived Lombardi possessions (everything from playbooks to letters from fans)
   iv. The New York Mets sponsorship strategy doesn't include bland PowerPoint presentations. Instead, they partnered with Sportsdigita to create interactive and customized presentations that feature high resolution images, videos, animated GIFs and infographics that showcase the team's fanbase, premium experiences and sponsorship opportunities
      (a) This innovative technology has allowed the Mets staff to "wow" their clients with interactive sales elements to increase both sales and retention
   v. After years of preserving its traditional brand, the Indianapolis Motor Speedway Museum "looks much as it did when it opened in its current location 40 years ago", according to a Sports Business Journal story.
      (a) However, the museum has ambitious plans for engaging visitors. According to IMS Foundation Executive Director Betsy Smith, "*The lighting, the technology, it's vintage 1976. We're a racing museum, but nothing in here moves. Except the trophy. ... I'd like to get some interactive technology in here and some video so that visitors could really experience racing*."

e. E-Commerce
   i. E-Commerce refers to the consumer's ability to purchase goods and services (sports and entertainment related or otherwise) online on the Internet

(a) Compact discs, DVDs, Bluray and other forms of music and video
(b) Individual songs, shows and movies in digital format (including streaming)
(c) Subscriptions to listen to Major League Baseball games live
(d) Tickets to events
(e) Online video games and in-game purchases
    (i) Electronic Arts (EA) reportedly earns $110 million each year from microtransactions such as acquiring new players in their FIFA soccer game franchise [51]
(f) Customized jerseys from NFLshop.com

f. Advertising
    i. Signage and displays
    (a) American Airlines Arena unveiled new technology capable of delivering "live and dynamic billboard advertising", making the NBA's Miami Heat the first U.S. sports franchise to tap into the next generation of outdoor media systems designed to drive revenue [52]
    (b) The Kansas City Royals teamed up with Cisco Systems and AT&T Inc. to launch a new video platform that offers customized advertising, capable of delivering live game video, concessions menus and customized fan content [53]
        (i) "*Technology enables us to enrich the experience for our fans, who are celebrating 40 years of Royals baseball this year*," said Kevin Uhlich, Royals senior vice president of business operations [54]
    (c) Advertising firm "Instadium.com" sells promotional materials and "touchpoints" to advertisers at venues such as Coors field in Denver. They have ads positioned in hundreds of locations around the stadium, from rotational signage around the field perimeter to ads in the restrooms, concessions areas, and concourses. Fans can't help but be exposed to their messages.
    (d) In 2017, ESPN launched "Live Connect" to deliver personalized banner ads to fans on ESPN.com
        (i) The technology uses captured data to deliver specific ads based on what sports, teams and players fans prefer, delivered in real time based on event/game outcomes to capitalize on fans' emotional connection to sport
    ii. Virtual advertising
    (a) In recent years, NHL organizations have turned to virtual advertising to generate incremental revenues from their television broadcasts. Eight NHL clubs have sold digital inventory on the glass behind the net, a prime asset with terrific on-camera visibility. On average, teams can reportedly generate $500,000+ from virtual ads on the glass, an inventory piece that costs just $2,700 per game ($113,400/year) in production costs from Sportsvision. While virtual advertising has been widely adopted in the sports marketplace for the past ten years, notably with behind-the-plate signage in baseball, it is gradually becoming utilized in hockey. [55]
        (i) Last season, 17 different NHL teams utilized virtual advertising technology in their arenas according to *The Sports Business Journal*.
    (b) Sportvision, a U.S. based sports technology company, provides virtual advertising opportunities during broadcasts of NHL and MLB games
        (i) The Toronto Blue Jays went one step further by partnering with Brand Brigade and placed VA spots directly on the playing field, around first and third base, and above the wall in center field
            1. Click here to see more from Sportvision's website

(c) MLB utilized virtual advertising during last year's World Series and All-Star game, allowing sponsors to purchase ads that were tailored to specific audiences
(i) Click here to read more from Fox Business as to how the strategy allows MLB to reach potential advertisers on a global scale

iii. Interactive "shopping" experiences

(a) While the technology is not being used frequently, QR codes (a barcode that can be scanned by camera-enabled mobile devices that direct consumers to various digital content like web pages, or other phone functions like email and text messaging) provide sports and entertainment marketers with a way to communicate additional information to consumers
(i) The Detroit Red Wings feature specific QR codes in their game day program, allowing ticket holders to find more information, watch videos, or buy related merchandise—all without leaving their seat. To ensure that fans take full advantage of the technology, the Red Wings broadcast a how-to instructional video during timeouts on the Little Caesars Arena jumbotron.[56]
(ii) Nike's digital push includes an opportunity for consumers to scan QR codes at displays to find it if the sizes and colors of the merchandise they want are in stock, helping boost sales and improve the customer service experience.
1. According to a *USA Today* story, by analyzing the data, consumers will be able to help determine which products Nike will stock at retail
2. The technology could change the way consumers shop
a. For example, if the customer wants to try on a pair of shoes or merchandise, they don't have to ask for help from a clerk. They can scan the QR code on a label and ask that the apparel be delivered to a fitting room or to them directly so they can try it on.
b. In the future, if they are interested in an outfit on a mannequin, they will be able to scan the code on the model and see a list of all the items and their prices. The system will also give them the opportunity order the outfit online if it is not in stock.
(iii) For the 2018 Winter Games in PyeongChang, NBC offered interactive video advertising for its production of the Winter Olympics in PyeongChang
1. According to Marketing Dive, the promos (which featured Olympic stars Shaun White, Lindsey Vonn, Mikaela Shiffrin, Nathan Chen and Gus Kenworthy) gave viewers the opportunity to access information and fun facts about each athlete using their TV remotes

(b) A cricket team in India (the Royal Challengers Bangalore) introduced interactive tickets where fans of the Indian Premier League team can access highlights, get live traffic updates from areas surrounding the stadium, parking information and a call-a-cab tool. Other features include a 3D stadium view, team store and video highlights.

(c) Sport Chek, Canada's largest retailer of sporting goods, apparel and equipment, opened an interactive retail store that featured over 700 motion-activated screens
(i) The interactive shopping experience features holograms, a virtual golf kiosk, specialized treadmills to recommended personalized footwear, in-store tablets to help consumers find any product not physically available

in the store, and shop-in-shop stations for Nike, adidas, Fitbit, GoPro, Reebok and Oakley that allowed shoppers to custom build products

(d) Last year, adidas shoes were featured on a "lift and learn wall" – when customers removed shoes from their platforms a digital wall/screen would update with the sneaker's specs (material, price, etc)

(i) Click here for a video on the lift and learn technology

(e) Under Armour opened their 'World Of Golf' store, the first interactive retail experience dedicated to golf – featuring a VirtualGreen for putting and indoor swing simulator

g. Audio / Visual Enhancement

i. High Definition broadcasts

(a) In a sentiment shared by many sports consumers, popular former ESPN writer Bill Simmons discusses how HD television has revolutionized the fan (viewer's) experience: "*It's a new world for sports fans: an intimacy that can't be found otherwise, unless you're paying through the nose for great seats. I thought I'd like sports less when I got older. Actually, I like them more. And it's partly because of HD. I'm constantly saying to myself, I can't get over how great that looks!*" [57]

(b) Over 1,000 FM radio stations are now broadcasting in high definition (special HD-ready receivers are required to hear the high quality signal) [58]

(c) 4K, or Ultra HD, televisions have been deemed as the future of the high definition viewing experience [59]

(i) Samsung featured a "Soccer Mode" feature for its 2014 lineup of 4k sets, which the company describes as "deliver(ing) crisper picture quality to ensure the viewer experiences a greener shade of grass, more lifelike details of the players, and vivid sound that makes people at home feel as if they are actually at the stadium." [60]

ii. Facebook is launching "Surround 360" technology, a camera that will give fans a 360-degree view their favorite sporting events

(a) Click here to read a story from sporttechie.com on how the technology could be a game changer for fans

h. Video games

i. Games now feature enhanced graphics, creating a more realistic user experience while game players now enjoy greater accessibility and interactive capabilities through the Internet

ii. Today's video game enthusiasts enjoy motion sensor technology, allowing for users to simulate various activities (ranging from simple movement like running and jumping to sports activities like bowling or tennis) with (Wii and PlayStation Move) or without (Microsoft Kinect) a video game controller

iii. Video game technology continues to rapidly improve

(a) The popular 'Madden' franchise now offers enhanced features like voice control and a virtual twitter feed

(b) Electronic Arts recently added a "Real Player Motion Technology" feature to its 'Madden' franchise, a new animation system that unlocks next level responsiveness and mimics the actual personalities of players in the game

(c) Virtual Reality is taking video games to a whole new level

(i) According to geek.com, VR video gaming went "mainstream" in 2016 with the release of three platforms: the Oculus Rift, the HTC Vive and the Sony PlayStation VR

1. Sales of VR hardware and software are expected to exceed $30 billion by 2020

i. Apparel/Footwear/Sporting Goods
   i. Columbia Sportswear introduced its line of Omni-Heat Thermal Electric apparel (including electrically heated jackets, a line of heated boots and a $400 pair of electrically heated gloves) targeting active outdoors activists such as winter sports enthusiasts and those who enjoy hunting and fishing
      (a) Columbia recently launched a line of products that feature its Omni-Shade technology which uses breathable moisture-wicking fabric and reflective dots that deflect sunlight to keep consumers cooler and sun protection
   ii. Technology can also improve production capabilities
      (a) In 2016, Adidas announced plans to open a SpeedFactory in Germany which will produce 500,000 pair of sneakers annually (versus Adidas' current production that hovers around 300,000 pairs every year)
      (b) The SpeedFactory combines robot technology with highly skilled workers to increase production
   iii. Runners in the New York Marathon have MapMyRun technology available to them, allowing friends and family to track their progress in real-time, including status updates for each participating runner automatically posted to Facebook and Twitter accounts as runners pass pre-determined mile markers [61]
      (a) Last year, Under Armour purchased MapMyFitness (the company that developed MapMyRun and MapMyRide) then purchased MyFitnessPal and Endomondo (fitness tracking technologies) for a grand total of $710 million
      (b) According to dcrainmaker.com, Kevin Plank, the CEO of Under Armour has a vision to "turn Under Armour into a technology company"
   iv. According to theverge.com, Nike used their innovation to design a product specifically for people with disabilities by incorporating a wraparound zipper system that lets wearers peel open the shoe with one hand, slipping their foot in with ease. According to the Nike, the goal is to make life easier for people who have physical difficulties, including amputees, stroke victims, and Parkinson's sufferers.
      (a) In 2016, Nike released their self-tying HyperAdapt 1.0 shoe, a battery operated sneaker that tightens and loosens by simply hitting the '+' and '--' buttons
   v. Under Armour is developing a shirt that will feature technology that can track your heart rate, breathing and even your G-force as you work out using specially designed sensors that pick up electrical signals from your heart [62]
      (a) To read more about Under Armour and its commitment to innovation and technology, click here.
      (b) Click here to read about Under Armour's plans for an interactive running suit
   vi. Ahead of the Rio 2016 Olympics, Lululemon and Whitespace lab partnered with Canada's Olympic beach volleyball team to develop uniforms designed from materials that would enhance athlete performance
      (a) The process was so detail-oriented that they simulated Rio's temperature using "climate chamber" technology to help ensure the desired uniform fit while raising areas on the tops and bottoms that would limit areas where sand from Copacabana beach (the playing surface) could accumulate or find a way in [63]
         (i) Click here to read more about the process from *Sports Illustrated's* website
   vii. With concerns of the zika virus running rampant among athletes participating in the 2016 Summer Games in Rio, South Korea outfitted their athletes with

uniforms infused with inspect repellent designed to ward off disease-carrying mosquitoes

viii. In 2017 Nike released their cutting-edge Hyperforce sunglasses with trainers and baseball players in mind, with features including:
  (a) A high-performance green-based tint that enhances the ability to track and intercept objects in bright and shifting light
  (b) An outer lens that is treated with a reflective mirrored coating that shields the athlete's eyes from opponents
  (c) A ventilated frame to prevent fogging and rubber elements for enhanced grip to eliminate slippage caused by sweat
  (d) A thin temple tip so the frames can fit on top or underneath a hat
  (e) A raised top bar and a subtle nose pad that eliminates obstruction
  (f) An auto-adaptive nose bridge and temple arms that adjust to the athlete's unique face shape

ix. Under Armour released their Gemini 3 RE "smart shoes" in 2017
  (a) The shoe eliminates the need for wearable technology as they have a fitness tracker built into the soles of the sneaker that gathers runners' data and saves it to an app

x. In 2018, adidas added a "sock-shoe" technology for its lineup of golf shoes, including a version that features its no-lace closure system

i. The parkas Ralph Lauren designed for Team USA at the 2018 Winter Games incorporated a hidden heating component inside the jackets to help keep athletes warm when temperatures dipped well below freezing in PyeongChang
  (a) Click here to learn more about the technology

i. Broadcasting / Viewer Experience and accessibility to programming
  i. DirecTV offers its NFL Sunday Ticket subscribers access to the "NFL Game Mix", an exclusive channel that displays up to eight games at once in real time, allowing viewers to select games with a peak in the action for which to tune in to
  ii. ESPN's "Goal Line" channel features unlimited live cut-ins and highlights from numerous top college football games during each Saturday of the college football season, plus up-to-the-minute commentary from ESPN analysts and experts [64]
  iii. Today's viewing experience offers more flexibility to consumers when providers offer content on a number of devices, like Augusta National Golf Club's "multi-platform coverage" of the Masters Golf Tournament (which included traditional television coverage on ESPN and CBS, several live video channels on the Masters Web site, multiple free apps for both smartphones and tablets, and Golf Channel's on-air coverage that featured over 60 hours of live programming)
    (a) Said Chairman Billy Payne via press release, "Each year, our goal is to deliver meaningful content in a significant way. Fans of the Masters can experience the history, tradition and competition of the tournament in any manner they wish to receive it." [65]
  iv. Despite the industry's quick adoption of 3D programming, consumers did not flock to the new format the way many analysts anticipated, resulting in a short shelf-life for the technology [66]
    (a) Just two years after introducing its highly touted "24-hour 3D" channel, DirectTV removed it from its lineup, citing lack of content as the reason for the decision
    (b) Meanwhile AT&T's U-verse eliminated its 3D lineup entirely because of low customer demand
    (c) ESPN's 3D channel lasted less than two years, also citing a lack in viewership

v. Like anything else, broadcasting technology will continue to evolve
  (a) The next wave in improved broadcast technology includes curved TVs, 4k and 8K technology (which ESPN is focusing on now in place of the 3D)
    (i) In 2016, European satellite broadcast company Sky launched ambitious 4K broadcast plans, announcing no less than 124 Premier League matches would be broadcast live in the Ultra High Definition format (4K), along with every Formula 1 race and the world premier of the Spectre James Bond film
    (ii) Fox Sports' broadcast of the 2017 Super Bowl included 4K *and* 8K cameras, augmented reality, and next-gen graphics and stats [67]
      1. Click here to read more about how Fox integrated tech with its coverage of Super Bowl 51
      2. According to the *Sports Business Journal*, the Pittsburgh Pirates upgraded the suites at PNC Park in 2017, adding new furniture, countertops, flooring and a 65-inch 4K television to each suite [68]
  (b) ESPN deployed a 4D Replay system at the 2018 Home Run Derby that provided viewers with 360-degree replays of homers throughout the telecast
    (i) According to sportsvideo.org, the technology relied on 60 4K cameras mounted on the concourse level behind home plate and stretching from first to third base
  (c) While many considered Google's "glass" project to be a flop, others remain intrigued about the prospects of streaming video from the athlete or performer's perspective through a pair of technologically advanced glasses and its potential to impact the sports and entertainment consumer's home viewing experience
    (i) Poised to potentially fill that niche is Snapchat's "spectacles" product, which can help to bring fans closer to the action
      1. MLB Network used Snapchat Spectacles to give fans a unique perspective throughout the 2018 MLB All-Star festivities
        a. According to sportsvideo.org, MLB Network analyst Harold Reynolds wore Snapchat Spectacles during the MLB Futures Game on Sunday, providing fans with unique social-first content
        b. In addition, at the MLB Futures Game, Team USA captain Mitch Keller wore them in the dugout during batting practice, while Chicago Cubs infielder Javier Baez wore them in the batting cage to provide fans with a unique player's perspective
          i. Click here to view MLB Network's Instagram post sharing Baez's perspective from the batting cage
  (d) Many believe the future in live sports programming may be in virtual reality
    (i) In 2016, the NCAA partnered with Fox Sports and NextVR to offer the entire men's basketball Big East tournament in VR – the first time an entire tournament has been offered in VR
    (ii) In 2017, ESPN broadcast the X Games live, in VR, from Minneapolis, when it streamed skateboarding and BMX racing events for its first live VR production
      1. Click here to read more about the production
    (iii) Six Flags Over Georgia added the first North American VR roller coaster, giving fans the chance to fly like Superman or save the planet from alien invasion

(iv) Disney's investment in VR has yielded a significant return as the 'Avatar: Flight of the Banshee' ride has quickly become one of the most popular attractions
1. According to wdwnt.com, attendance last year at Disney's Animal Kingdom went up 15%, beating out Epcot for the first time and making Animal Kingdom the second-highest-attended park at Walt Disney World

(v) Click here to see a story from intel.com on how virtual reality is putting sports fans "in the game"

j. Augmented reality
i. Augmented reality (AR) is essentially the practice of taking the same graphics used on television screens or computer displays and integrating them into real-world environments
ii. AR is one of the hottest trends in the sports and entertainment marketing world as companies experiment with ways to utilize augmented reality to immerse fans in a more realistic entertainment experience and many industry insiders believe augmented reality will be a "game-changer" when it comes to connecting fans with their favorite sports and entertainment brands
(a) An augmented reality campaign led to significant buzz at the 2014 Billboard Music Awards when a hologram of Michael Jackson performed a previously unreleased song ("Slave to the Rhythm") on stage, helping to demonstrate the opportunity for marketers utilizing the technology
(i) Click here to see video of the performance
(b) The Pittsburgh Penguins' arena features kiosks with face-recognition and touch screen technology that allows fans to have their picture taken, then superimpose one of eight 3D "game faces" selected by the user. Fans can enter their email addresses to have their images instantly e-mailed to them so they can share through social media.
(c) During the NHL's two-day, family-friendly "tailgate party" events leading up to the 2017 Stadium Series game, hockey fans were encouraged to step inside an augmented reality photo booth to outfit themselves in the latest Reebok NHL gear
(d) After winning the 2016 NBA Championship, the Cleveland Cavaliers used AR to share a unique experience with fans
(i) Each fan attending the 2017 season opener was given a silicon ring that when used in combination with the Cavs app would activate a 3D rotatable view of the actual championship ring
(e) The San Francisco 49ers celebrated their 70th anniversary by using AR to bring some of their franchise's top moments to life
(i) Before each home game during the 2016 season, the 49ers gave away 2,000 trading cards outside the team store – fans could then scan the cards with the 49ers app to bring the action to life
(f) In 2018, the PGA tour not only added an AR feature to its app by delivering a 3D interaction from featured holes in various tournaments to fans, but also monetized the technology by connecting a sponsor (MasterCard)

k. Drone technology
i. Brands ranging from Callaway Golf to the Dallas Cowboys are experimenting with ways drone technology can help improve their product
ii. Drones provide an excellent means for capturing aerial footage of live sporting events, all in high definition

(a) Brandchannel.com credits the World Surf League, longtime innovators with technology in sport, for creating the world's first drone capable of taking Snapchat photos and videos
(i) The WSL was also the first sports league to live stream on Facebook in 2015 and the first to live-stream surfing directly from the ocean via Periscope

iii. Intel, as part of their sponsorship of the 2018 Winter Games in Pyeongchang, deployed drones to capture footage of the Games
iv. Drones stole the show at the 2018 Winter Olympics in PyeongChang when they lit up the sky during the Games' Opening Ceremonies
(a) Click here to see the video from Good Morning America

Lesson 2.6
Competition for the Entertainment Dollar

A. Discretionary Income
   1. **Discretionary income** is money left to spend after necessary expenses are paid [69]
   2. There is only so much discretionary income available in today's economy
      a. The competition for entertainment dollar increases when the economy is in a recession
         i. According to the U.S. Bureau of Economic Analysis, discretionary spending among U.S. consumers reached an all-time high in 2016 [70]
            (a) It should be noted, however, that more discretionary income does not automatically mean more spending for U.S. consumers
               (i) Click here to read a related store from usnews.com
      b. Regardless of economic conditions, the role of the sports and entertainment marketer is to find ways for consumers to spend those dollars with their organization
   3. Competition for the entertainment dollar is always on the rise with new, innovative ways to entertain constantly being introduced to the market
   4. What types of entertainment are offered in your area?
      a. Sporting events
      b. Live music and entertainment
      c. Video games
      d. Theatre
      e. Festivals and events
      f. Movie rentals
      g. Theme parks
      h. Movie theaters
      i. Excursions (hiking, rafting, etc.)

B. Consider the many entertainment options available to residents in the Denver Metro Area
   1. Sports (professional and major colleges) and activities
      a. Denver Broncos (NFL)
      b. Denver Nuggets (NBA)
      c. Colorado Avalanche (NHL)
      d. Colorado Rockies (MLB)
      e. Colorado Crush (Arena Football League)
      f. Colorado Rapids (Major League Soccer)
      g. Colorado Springs SkySox (Minor League Baseball)
      h. Colorado Mammoth (National Lacrosse League)
      i. University of Colorado Buffaloes (NCAA)
      j. Colorado State University Rams (NCAA)
      k. University of Denver Pioneers (NCAA)
      l. Air Force Falcons (NCAA)
      m. The International Golf Tournament (PGA Tour)
      n. Bandimere Speedway (National Hot Rod Association Championship Drag Racing)
      o. Grand Prix of Denver (Auto racing)
      p. Dew Action Sport Tour (Action sports)
      q. Mountain climbing/hiking/camping
   2. Entertainment
      a. Theme and entertainment parks
         i. Six Flags
         ii. Water World

iii. Lakeside Amusement Park

b. Movies
   i. Movie theaters
   ii. Redbox
   iii. Drive-in theaters
c. Music
   i. House of Blues
   ii. Red Rocks
d. Venues
   i. Pepsi Center
   ii. Invesco Field
   iii. Coors Field
e. Performing Arts/Theatre
   i. Boulder's Dinner Theatre
   ii. Colorado Ballet
   iii. Colorado Children's Chorale
   iv. Comedy Works, Inc.
   v. Denver Center for the Performing Arts
f. Festivals
   i. The Denver Mariachi Festival
   ii. Colorado Music Festival
   iii. Bravo! Vail Valley Music Festival
   iv. Cherry Creek Arts Festival
   v. Colorado Renaissance Festival
g. Museums/Art/Culture
   i. Astor House Museum
   ii. Black American West Museum & Heritage Center
   iii. Buffalo Bill's Museum & Grave
   iv. Cherokee Ranch and Castle
   v. Children's Museum of Denver
   vi. Colorado Sports Hall of Fame
h. Zoos/Aquariums/Gardens
   i. Downtown Aquarium
   ii. The Denver Zoo
   iii. Butterfly Pavilion and Insect Center
   iv. Denver Botanic Gardens
i. Specialty Tours/Attractions
   i. Cave of The Winds
   ii. Cripple Creek & Victor Narrow Gauge Railroad
   iii. Dinosaur Ridge
   iv. United States Mint

Lesson 2.7
Reaching Consumers

A. The Elusive Fan
   1. A classic sports marketing book entitled "The Elusive Fan" was published to examine the volatility of the sports/entertainment marketplace and the challenges today's sports business professionals face
      a. Excerpt from the book: "*It's an October Saturday in Chicago. On television are two MLB playoff games, two preseason NBA games, fourteen college football games, five golf tournaments, an AHL game, an international horse race, two NASCAR races, and eight soccer matches. The University of Illinois and Northern Illinois University football teams and the AHL's Chicago Wolves have home games. Hawthorne Race Course has a full card and there's harness racing at Balmoral Park. There are twenty-nine high school football games and the final round of the boys and girls Illinois high school state championship golf tournaments. Youth and recreational league games are also being played in every community of the Chicago area. What about the Chicago Bulls, Bears, Blackhawks and Northwestern Wildcats? The Bulls played at home last night, the Bears play at home tomorrow, the Blackhawks are away and the Wildcats had their midseason bye. Of course, this does not include the hundreds of satellite television channels broadcasting soccer, rugby or cricket games all over the world; the millions of sports Web sites with fantasy games, insider information and gamecasts; and a wide variety of increasingly realistic sports video games.*" [71]
      b. The primary challenge for today's sports/entertainment business professional is capturing consumer interest and building loyalty once that connection has been made
         i. Why is loyalty important? Most marketers follow the widely accepted "20/80 rule": 20% of customers account for 80% of company sales.
         ii. An excerpt from a Forbes article on NHL fan loyalty suggests that "From a marketing perspective, loyalty – because it's a leading-indicator of positive consumer behavior correlating, highly with viewership, licensed merchandise sales and, to a more-or-lesser, degree, attendance – represents the ultimate trophy a sports marketer can win."
            (a) According to a report from Fanatics.com, here are the most loyal fans in the NHL:
               (i) MOST loyal NHL fans
                  1. Chicago Blackhawks
                  2. Pittsburgh Penguins
                  3. Boston Bruins
                  4. NY Rangers
                  5. Detroit Red Wings
               (ii) Click here to view an infographic from Fanatics illustrating the most loyal NHL fans
               (iii) Click here to view an infographic from Fanatics discussing the best-selling NHL team jerseys
            (b) Because NASCAR fans are among the most brand loyal in all of sports, more Fortune 500 companies invest in NASCAR marketing programs than any other major sports property [72]
               (i) According to Steve Phelps, chief marketing officer for NASCAR: "*We have the most brand loyal fans in all of sports. More than three out of five*

avid NASCAR fans agree that even in tough economic times, they will continue to support NASCAR sponsors over other brands."

iii. Because loyalty is so important, many sports and entertainment organizations implement "loyalty programs" to reward core customers
   (a) The NBA's Portland Trail Blazers offer their season ticket holders a percentage-savings based on tenure – the longer fans hold seats, the higher their discount, up to 20% off [73]
   (b) According to 500Friends, an agency specializing in loyalty programs, the practice of rewarding loyal fans is increasing in popularity among sports leagues
      (i) In the English Premier League,12 of its 20 teams offer an active loyalty program while 23 of the 32 MLB teams and 20 of the 26 NBA teams offer programs rewarding fans for their loyalty [74]
      (ii) For example, the Jacksonville Jaguars offer a rewards program that provides loyal fans with cash back on purchases and exclusive discounts available only to loyalty program members and drawings to win prizes like a trip to the Super Bowl
         1. Click here to visit the Jags Rewards website

c. New and emerging sports and entertainment offerings keep the marketplace in a constant state of competition and evolution
   i. Dennis Deninger, a former ESPN production executive who now teaches sports communications at Syracuse University, perfectly summarizes this concept in an interview with the Los Angeles Times: "*Every year, there are more entertainment options for people to fill their leisure time*."
   ii. The rapid growth of eSports has taken the entertainment industry by storm
      (a) Global revenue for eSports rose 51.7% to $493 million in 2016, increased more than 200% in 2017 to $1.5 billion, and is expected to hit $2.3 billion by 2022 [75]
         (i) Click here for a graphic illustrating the revenue growth of eSports
         (ii) Click here for a graphic illustrating the audience growth of eSports
         (iii) Click here to access Newzoo's 2018 Global eSports Market Report
   iii. Many industry analysts are beginning to ponder the growth potential of cricket globally and in the U.S.
      (a) *Forbes* reported The Big Bash League, which features eight cricket franchises in Australia, saw average attendance increase by 22% in 2016 – TV ratings were up 11% and merchandise sales were up 44% over last season [77]
      (b) Joe Favorito, a long time and well respected industry expert, put it this way in a blog post: "*On April 2 it generated 45 percent of all page views on ESPN's mobile platform, and over a million views in the United States alone. Its final was watched not by millions, but by billions around the world, and its professional league, which started just days after its international final, saw sellout crowds, waves of blonde haired cheerleaders and loud music. It is also the subject of one of the most talked-about documentaries of the upcoming Tribeca Film festival. No it's not football or baseball, or NASCAR or even soccer or the X games. It is cricket, and while it is still not registering in mainstream America or with the media, it is becoming a bigger player on the global sports landscape than ever before. Should we care in North America? The numbers say yes we should*." [78]

(ii) Click here to read an interview posted on joefavorito.com the sports business impact cricket's growth could have in the U.S.
(iii) Click here to read digiday.com's story urging U.S. brands not to dismiss the growing popularity of cricket as a fad or trend

(d) Jay Pandya (chairman of Global Sports Ventures) announced his plans to invest $2.4 billion in the creation of eight cricket stadiums for a professional cricket league that will begin play in the United States in the next year or two
(i) Last year, Mr. Pandya set the plan in motion by signing a $70 million licensing agreement between the United States of America Cricket Association (USACA) and Global Sports Ventures, LLC
(ii) Mr. Pandya's ambitious plans make this the biggest new-sport initiative in the U.S. since the launch of Major League Soccer
1. Click here to read how the league is planning which U.S. cities will get new cricket stadiums as part of the league's launch

(e) According to sports business website JohnWallStreet.com, the Indian Premier League (IPL) generates more sponsorship revenue annually than Major League Baseball, despite its season being just 47 days long
(i) Last year, in just its 11th season, IPL took in $1 billion in sponsorship revenue; 12% more ($892 million) than its baseball counterparts (founded in 1903). It's not just sponsorship dollars that are ballooning in cricket though, newly signed broadcast deals, the rising value of title sponsorship rights and the increasing brand value of the individual teams has sent the league's valuation soaring +26% (to $5.3 billion) over the last year.

iv. ESPN's action sports X Games franchise's consumer products and licensing business does more than $120 million in retail sales each year [79]

v. In a sport once publicly denounced by Senator and former Presidential Candidate John McCain, Mixed Martial Arts (MMA) has gained mainstream appeal
(a) The sport is now sanctioned in every state with an athletic commission with the long-awaited approval from the state of New York in 2016
(i) Click here to read more about New York lawmakers' decision to finally sanction MMA in the state
(b) UFC's pay-per-view audience surpassed boxing and World Wrestling Entertainment for the first time in 2006, and has been on top ever since
(c) UFC events are now being broadcast to a half billion homes worldwide, but Dana White, recently stated that he is working on deals that would double that number in the near future [81]
(d) In 2016, the most popular mixed martial arts league (Ultimate Fighting Championship) was sold for $4 billion, the richest sale of any franchise in the history of professional sports
(i) The sales figure becomes even more impressive when you consider that UFC was launched in 1993 and purchased for just $2 million in 2001 by casino operators Lorenzo and Frank Fertitta (turning $2 million into $4 billion is quite a profit) [82]

vi. According to the *Edmonton Journal*, curling is capturing the attention of fans throughout Canada, particularly on television
(a) The sport has soared in popularity, generating ratings in Canada on par with the likes of the NFL's 'Monday Night Football' and NHL's 'Hockey Night in Canada' while attracting major sponsors and advertisers like Tim Hortons

(i) Last year, the Tim Hortons Brier Saturday night semifinal outdid Hockey Night In Canada, drawing an audience of 896,000 compared to the Toronto Maple Leafs vs St. Louis Blues telecast that drew 743,000
1. Click here to read more from edmontonjournal.com on how curling has exploded in Canada

(b) Thanks in part to Team U.S.A. capturing gold in the 2018 Winter Olympic Games, curling is developing a fervent following in the United States

B. Examining the Elusive Fan
1. Many factors impact a consumer's decision to participate in sports and entertainment
   a. Primary influencers are money and time
   b. Other factors can include personal issues like spending time with family, camaraderie among friends and relaxation
2. Innovation, enhancement of the overall fan (consumer) experience and careful market research become essential components of marketing plans and strategies
3. According to the book, an elusive fan is defined by seven major characteristics: [71]
   a. Pressurized competitive environment
      i. The sports marketplace is extremely crowded
      ii. Paintball, while not a direct competitor of the NHL, poses an indirect threat as the sport gains popularity and has the potential to attract new sports fans
   b. Higher fan expectations
      i. Fans demand a higher consumer experience than ever before with more concessions options, newer facilities and advances in broadcast technologies
      ii. Fans also demand more access to athletes and entertainers as well as "behind-the-scenes" experiences
   c. Paradox of commercialism
      i. A conflict between business and game exists as the business of sports grows while fans still crave the spirit of competition and integrity of the game
         (a) In 2012, Indianapolis Motor Speedway featured signage on the racing surface for the Indy 500 for the first time in its history
         (b) Said a spokesperson familiar with the event, "*That's the tricky part of operating an iconic sports venue, such as the Indianapolis Motor Speedway, Fenway Park, Wrigley Field. That's the balancing act. How do you maintain the integrity of the facility but at the same time be able to compete in this new world of sponsorship sales where [marketing] revenue is important to help us [keep] down ticket prices and get brands involved that will activate to help us build the overall brand of the Indianapolis 500*." [83]
      ii. Sports teams and leagues often face backlash and criticism from fans when a perception exists that the games become too commercialized
         (a) Click here to see a video criticizing Major League Baseball's decision to allow virtual advertising during broadcasts
         (b) The fine line between commercialism and marketing is often on display when teams or leagues introduce new uniform designs
            (i) Adidas and Nebraska introduced new "alternate" uniforms for the 2015 football season and while many fans were excited for the new look, critics were quick to voice concerns about disrespecting the school's historic and proud college football tradition
      iii. Many sports marketing executives wrestle with the decision as to whether they should sell the rights to advertise on the front of their jerseys
         (a) The WNBA was at the forefront of the jersey advertising trend when they announced a partnership with Boost Mobile in 2015 that would place ads on

the uniforms of 10 of the league's 12 teams, with the Boost corporate logo appearing on uniforms directly below the players' numbers [84]

(i) The WNBA announced a partnership with Verizon (replacing Boost Mobile) that included ad space on the uniforms of 10 of the league's 12 teams

1. Verizon's corporate logo was placed on jersey fronts directly below the players' numbers
2. The league also allows for teams to sell jersey space individually, meaning some WNBA teams would have three logos on jerseys (including adidas, another league sponsor), leaving some teams with just a small patch displaying the team's name and logo below the left shoulder
3. According to *USA Today*, the WNBA announced plans in 2018 to sell on-court signage at the free-throw line and also allow another jersey patch on team uniforms

(b) Major League Soccer's Philadelphia Union announced the controversial decision to sell the jersey sponsorship rights to Bimbo (correctly pronounced Beem-bo), the world's largest bakery, in a four year, $12 million deal [85]

(i) A 2016 report from *International Business Times* suggests Major League Soccer rakes in more than $6 million annually from league jersey sponsorship sales

(c) While the debate continues, sports teams who choose NOT to sell jersey advertising are passing up the potential for extremely lucrative sponsorship deals

(i) Several years ago, Horizon Media estimated that by refusing to let brands place advertisements on team uniforms, major sports leagues like NFL, MLB and NHL were missing out on $370 million per year [86]

(d) Beginning with the 2017-18 season, the NBA began allowing its teams to sell jersey sponsorships

(i) The Philadelphia 76ers became the first franchise to embrace the concept when they sold jersey sponsorship rights to StubHub in a deal worth $5 million per year, according to a *USA Today* report

1. The *USA Today* report also suggests that jersey advertising is projected to generate $150 million in annual revenue for the NBA, money that will be split among the league, the teams and its players

(ii) It took less than six months for more than one-third of NBA teams to sign jersey partnership deals

1. When the 2018-19 NBA season tips, more than two thirds of the league's teams will feature a sponsor patch on their jerseys
   a. Click here for an inside look on Rakuten's $60 million jersey sponsorship deal with the Golden State Warriors
   b. Click here to see why Wish spent more than $30 million to advertise on the Los Angeles Lakers' jerseys

(iii) The decision to allow jersey sponsorships resulted in the NBA's first ever year with more than $1 billion in revenue (the league reportedly generated $1.12 billion in sponsorship sales last season, a sizeable 31% increase over the previous season)

1. Click here for a graphic illustrating the NBA's explosive revenue growth since 2013-14 through last season
2. Click here for a graphic that looks at the NBA's top sponsors, team rank by jersey patch and patch placement

(iv) In 2015, NHL officials reportedly told team presidents that the league would prefer not to be the first of the big four professional leagues in North America to feature on-uniform ads, even though the move might generate $120 million per year
1. According to a 2016 study from S&E Sponsorship Group (a Canadian sponsorship agency), 36.5% of Canadian fans would be open to seeing advertising on NHL jerseys
   a. Click here to read more from the S&E survey

(e) In 2017, NHL commissioner Gary Bettman re-affirmed his position that the NHL would not be following the NBA's decision to allow advertising on jerseys
   a. At the 2017 All-Star game, Mr. Bettman explained: "*The fact of the matter is we take great pride in our sweaters. We think they're the best in all of sports, and (adding jersey ads) is not something we're running off to do. We think what we have is special. We talk about history and tradition and how special hockey jerseys are*."

(f) Despite its position as one of the most prestigious events in all of sports, Augusta National Golf Club (home to the PGA Tour's annual "Masters" golf tournament) turns down "hundreds of millions" of dollars every year in potential revenue
(i) By maintaining low concessions prices and broadcast rights fees, limiting the number of fans allowed in and not chasing sponsors, *Golf Digest* calls the Masters "perhaps the last major sporting event left where the emphasis is solely on the game"
1. Compared to nearly any other major sporting event, Augusta has always maintained low prices on concessions (a *Golf Digest* report suggests they operate on a break-even or even net loss on food items at the Masters)
   a. For example, they charge just $1.50 for an egg salad sandwich and $1.00 for chips, peanuts or popcorn
      i. Compare that to concessions prices at Super Bowl 51 where peanuts cost $7 and popcorn was $15)
      ii. In 2017, Callaway Golf sent a tweet from the tournament displaying concessions prices. Click here to view the tweet.
2. Rather than open up a bidding war for broadcast rights, Augusta National sells the rights every year to CBS on a one-year contract with a rights positioned that neither CBS nor Augusta makes money on the deal
3. The popularity of the event drives up the cost for fans to attend on the secondary market, a practice the club deplores and has attempted to remedy over the years
   a. Rather than inflating its own prices to capitalize on the strong demand, Augusta has even bought back some of the weekly passes to redistribute as more affordable daily passes in the past
4. That's not to say the event isn't profitable; *Golf Digest* reports the event generates nearly $30 million in profits each year (which is then reinvested in the golf club for course maintenance, repair, upgrades etc.)

(ii) Click here to read more from *Golf Digest*

iv. As it becomes more and more challenging to generate a profit in professional sports, many organizations look for new and creative ways to generate advertising dollars
  (a) The Florida Panthers announced they would convert every seat in the BankAtlantic Center's lower bowl to the color red in conjunction with the team's "We See Red" marketing campaign and that the logo for one of their sponsor's (Zimmerman Advertising) would appear on the front of each seat (a deal that will reportedly generate revenue in the mid-six figures each year for the team) [87]
  (b) The NFL recently relaxed its long standing policy of not allowing teams to solicit advertising dollars from any gambling entity when they approved the Baltimore Ravens' effort to open conversations with casinos about signage, radio advertising and ads in game programs [88]
    (i) Last year, Maryland Live! Casino expanded its partnership with Washington, D.C.'s Verizon Center by branding a section of the arena as the Maryland Live! Casino Players Club
      1. According to sponsorship.com, the members-only space features an all-inclusive menu, pool tables, TVs and end-zone viewing of NBA Washington Wizards and NHL Washington Capitals games and other sports and entertainment events that occur in the building
    (ii) Nearly every major professional sports property has partnered in some capacity with daily fantasy websites which many would argue are already a form of legalized gambling
      1. In 2018, the United States Supreme Court's decision to open the door to legalized sports gambling created new revenue opportunities for sports leagues around the country
      2. According to bizjournals.com, the biggest opportunity could be with sports media and sponsorship
        a. Just months after the announcement was made to legalize gambling, the NBA signed a deal with MGM Resorts to become the official gaming partner of the NBA and WNBA
          i. ESPN reports the three-year deal was worth an estimated $25 million
          ii. Click here for more details on the partnership between the NBA and MGM
  (c) In 2017, the NFL also relaxed its long-standing ban on showing liquor commercials during broadcasts, opening the door for NBC, ESPN, CBS and FOX to cash in by selling advertising to liquor brands
    (i) Click here to read more about what will and won't be allowed from profootballtalk.nbcsports.com.
v. The practice of product placement is an oft-criticized component of the entertainment business as many consumers feel the strategy replaces the organic element of pure entertainment with an aspect of commercialism

d. New technology
  i. Never before have consumers had so much information or access to sports and entertainment products at their fingertips with the proliferation of media channels
  ii. The fan experience is being consistently upgraded as a direct result of new technologies and advances in social media as consumers can absorb the sport experience from almost anywhere

(a) Approximately 73 percent of sports fans engage with brand content online during the pre-game excitement, while 77 percent do so after the game, according to a recent Catalyst study (via a fan engagement report from the *Los Angeles Times)*
  (i) Whether they're using smartphones, laptops or tablets, sports fans are active sharers who use game time for both watching and connecting
  (ii) Fans use mobile devices to supplement their televised content
  (iii) According to Catalyst, on average, sports fans use Facebook 5.8 times, Twitter 5.6 times and Instagram 4.4 times on game day [89]

e. Individualism
  i. Society as a whole has become less focused on group interaction and developed more specialized interests
  ii. Individualism has slowly resulted in the deterioration of the popularity of team sports
    (a) The fastest growing sports in America and internationally are individual sports
    (b) Pickleball, a sport that could be described as a tennis-badminton-ping-pong hybrid that was invented more than fifty years ago, is the fastest growing sport in North America and has been for the last four years [90]
      (i) According to the Sports & Fitness Industry Association, pickleball is the fastest-growing sport in the U.S., with more than 2.8 million players and a participation increase of more than 12% over the last year
    (c) According to the Outdoor Foundation, slightly over 1 million Americans participated in stand-up paddling, also called SUP. By last year, however, the number of SUP participants in the U.S. tripled to nearly 3 million. [91]

f. Change in family structure/behavior
  i. Today, more than half of all U.S. families are divorced, single parent or diverse groups of unrelated people [92]
  ii. As a result, the decision-making process for sports and entertainment participation becomes more complicated

g. Time pressure
  i. The time demands Americans face today offer fewer hours for the consumption of sport in any capacity, be it as a spectator or participant
  ii. It is not simply the activity itself that poses challenges for consumers
    (a) Consider the plight of a sports fan that purchased tickets to see a Dallas Mavericks game. Tip-off is at 7:00 p.m. and the fan leaves work at 4:30 or 5:00 on a weeknight to meet a friend at a local restaurant for a pre-game dinner. Given traffic and parking issues, that fan may not get home until 11:30 p.m. That two or three-hour game has now eaten up nearly six hours of the consumer's day.
      (i) As a result, some teams are shifting the start time for home to accommodate fans to help relieve the characteristic of time pressure
        1. According to the News & Observer, the Carolina Hurricanes will push Friday night home games next season to 7:30 instead of 7:00 in an effort to cater to the needs of fans with busy schedules

Lesson 2.8
Introduction to Event Marketing & Management

A. Event marketing
   1. Event marketing
      a. Event marketing refers to the actual marketing and management of an event by its organizers
         i. According to Bizzabo's Event Marketing 2018: Benchmarks and Trends report, the majority (80%) of marketers believe live events are critical to their company's success [93]
            (a) Visit bizzabo.com for more statistics and data relating to the future of event marketing
      b. Event examples
         i. Tour de France
         ii. Competitive Eating Events
         iii. Cannes International Film Festival
         iv. US Air Guitar Championships
         v. America's Cup
         vi. ESPY Awards
      c. While event marketing can provide a profitable segment for the sports/entertainment industry while creating a positive economic impact for the areas that host events, the costs associated can be significant
         i. A report by Event Farm suggests event marketing can consume 25% of a company's marketing budget [94]
         ii. According to some reports, Russia spent more than any other country in history to host both the Winter Olympics (Sochi Games in 2014 with a $50 million price tag) and the FIFA World Cup (2018 with a $15 billion price tag) [95]
            (a) Click here for a slide show with details with the costs associated with each of the venues hosting matches at the 2018 World Cup
         iii. WrestleMania 32 was not only the highest grossing WWE event ever at $17.3 million (compared to $12.6 million at WrestleMania 31), but also set a new attendance record at 101,763 at AT&T Stadium in Arlington, Texas [96]
         iv. The organizers of Montreal's International Jazz Festival operate on a hefty $30 million budget [97]
         v. Since opening in downtown Washington, D.C. 19 years ago, the Verizon Center arena has hosted nearly 4,000 different events and attracted over 47 million fans [98]
      d. For sports and entertainment events, event marketing can involve many different marketing activities
         i. Marketing the event to athletes or entertainers/celebrities to recruit and secure their participation to elevate the attractiveness of the event as a whole
         ii. Creating a publicity strategy incorporating a plan to utilize the media to increase coverage of the event
         iii. Promoting the event to the general public to increase attendance or follow the event through the media
         iv. Marketing the event to corporations to urge sponsorship and general event support
         v. Working with government officials to provide public support
         vi. Marketing to private vendors that can provide services for the event
   2. Corporate support of events

a. The role of corporate support in event marketing has increased dramatically in the past few decades. Without sponsorships and corporate support, many events would not only fail to generate a profit, some would cease to exist.
    i. The ADT Championship, once one of the LPGA's most prestigious events, was eventually canceled because the event sponsor, Stanford Financial, had financial trouble and the event was unable to secure a new sponsor in their place. [99]
    ii. The 2014 Winter Games in Sochi had already inked over $1 billion in sponsorship revenue by 2010, four years before the games would even take place [100]
    iii. The 2016 Summer Games in Rio sold more than $1.5 billion in sponsorship revenue despite all the negative publicity surrounding the event and the implementation of "Rule 40" which gave athletes more rights to monetize their participation in the games by partnering with corporations on an individual basis
        (a) Over the past two decades, the International Olympic Committee has more than tripled the amount of money it generates from global sponsorship, according to ibtimes.com
    iv. Many college football bowl games rely almost entirely on corporate support
        (a) The International Bowl in Toronto failed to secure a title sponsor and had to go out of business
        (b) The Poinsetta Bowl in San Diego was only able to launch after the San Diego County Credit Union decided to support the event as the presenting sponsor
b. To entice corporate support, event marketers must integrate the "5 P's of Event Marketing" to their strategy to help sponsors achieve the results they are looking for as an event sponsor or partner

3. The 5 P's of event marketing [101]
    a. Participation
        i. Involves getting consumers to attend the event and interact with the company, whether visually, verbally or interactively
    b. Product/brand experience
        i. Refers to the activity of distributing samples or having the consumer try on or try out your product at the event
    c. Promotion
        i. Focuses on the generation of media exposure by creating stories within the event and further increasing corporate awareness through promotions that might include event-related coupons and sweepstakes
    d. Probe
        i. Conduct research before, during and after the event to make sure that you are effectively reaching and penetrating your target audience
    e. Prospect
        i. Implies that companies should approach event marketing as a long-term commitment
        ii. Involvement with an event can require several years to establish before a company will reap the reward on their investment

B. The event triangle [102]
    1. The **event triangle** is the model for studying the exchanges developed in sports marketing
        a. It places emphasis on the relationships between producers and consumers
    2. Three key components of the triangle
        a. Event
            i. A function that will draw participants, spectators and sponsors

ii. Could be amateur or professional
iii. Typically offers entertainment for spectators
iv. Provides exposure for sponsors
v. More event examples
    (a) Super Bowl
    (b) FIFA World Cup
    (c) High school state tournaments
    (d) Local charity golf tournament
    (e) Local blues or other music festivals
vi. With so many events being offered, event organizers often find creative new venues to host events in an effort to generate public interest
    (a) Red Bull launched its "King of the Rock" one-on-one basketball tournament to be played on the island of Alcatraz (it is the only official sporting event held on Alcatraz and the first time basketball has been played on the hard concrete of "The Rock" since the inmates left the island more than 50 years ago) [103]
    (b) As part of a cross promotion with Rugby World Cup Sevens 2018, the San Francisco Giants brought a "floating rugby field" to McCovey Cove, giving rugby teams of all levels throughout the Bay Area a chance to play games on a barge set in the middle of the cove [104]
        (i) Click here for more on the Giants' creative event activation
    (c) Events like Tough Mudder, Spartan Race and Warrior Dash have drawn millions of participants over the last decade as obstacle course racing has boomed in popularity
        (i) In 2010, Tough Mudder generated $10 million in revenue. By 2015, Business Insider reported the event was generating over $100 million annually.
            1. In 2010, Tough Mudder held three events. Two years later, in 2012, it had organized 35 around the world and by 2017, the event has a presence in 10 different countries which host more than 100 events each year.
            2. In 2017, the company announced a partnership with British sports media giant BBC for a televised series featuring coverage of its competitions
        (ii) According to its website, Spartan Race has more than 170 events planned this year, spanning more than 25 countries with more than 1 million global participants
            1. The brand also enjoys more than 5 million followers on social media and has its own popular NBC television series
        (iii) Today, there are reportedly more than four million people participating in obstacle races around the world and speculation is swirling that it could become an official sport in Olympic competition in the future
    (d) Based on the success of past shorter races (5k and 10k), many other unique racing events are now popping up, from the "Color Run", "Slime Run" and "Bacon Chase" to a holiday lights race event

b. Sponsor
    i. Opportunities for companies to utilize events as a means for communicating a message to consumers, often times to large groups of consumers
    ii. Utilize the event to market its products or services
    iii. Leverage its relationship to advance future business opportunities
c. Spectators

i. Those attending the event as a source of entertainment
ii. Typically must pay to attend the event

3. Exposed to promotions for the event and event sponsors

C. Event management
1. While the primary focus of event marketing is to attract all three components of the event triangle (event, sponsor, spectators), the primary function of event management is to ensure the event logistics are properly planned and executed
2. Event planning
a. Factors sports and entertainment marketers consider when planning an event
i. Working with vendors
ii. Facility selection
(a) Click here for an infographic illustrating how the organizing committee for the 2016 Summer Olympic Games planned the venues for the competitions
iii. Staffing and volunteers
iv. Traffic and parking
v. Transportation
vi. Security
vii. Concessions
viii. Ticketing and admissions
ix. Sponsorship
x. Awards (including award ceremonies)
xi. Special accommodations
xii. Weather
xiii. Hotels and lodging
(a) Click here for an infographic illustrating how the organizing committee for the 2016 Summer Olympic Games developed a lodging plan for participating athletes
3. For example, while some members of the Campus Rail Jam Tour were likely tasked with marketing roles in an effort to maximize attendance and attract sponsors, event management personnel would be responsible for event logistics
a. Organizers of the Campus Rail Jam Tour trucked in 30 tons of snow to build a snowboard and ski course in downtown Portland, OR. Organizers paid a reported $2,500 to have six dump trucks haul snow down from nearby Mount Hood in order to build an appropriate venue for the snow sport competition to take place. [105]
b. The event was also successfully marketed as over 6,000 spectators showed up to watch the competition [106]
c. The Campus Rail Jam Tour event managers aren't alone as often times it take some creativity to prepare an event for competition
i. According to NBC's broadcast of the 2018 Winter Games in PyeongChang, 99% of the snow in the cross-country ski event was man made
ii. It has been reported that Beijing will need to make almost ALL of the snow to be used for the 2022 Winter Olympic Games
(a) Click here to read how they plan to do so

Case Study

Cross Promotion and the X-Games:

A Unit 2 SEM Case Study

With the ultra popular, annual X-Games event, the ESPN net-work was able to successfully exploit an effective platform for cross promotion. For the 2003 event, ESPN began generating buzz by circulating free X-Game-branded sampler CDs at movie theaters and concert venues and running a retail promotion with the Coalition of Independent Music Stores (CIMS). The free CD offered music from a broad sampling of genres, including art-ists Linkin Park, Deftones, Motley Crue, Trapt and Inspectah Deck from the Wu-Tang Clan. The CD was distributed by ESPN street teams at such summer concerts as Ozzfest, Lollapalooza and the Vans Warped tour and included bonus video footage of X-Games athletes.

In addition, the network created commercials featuring Snoop Dogg, featuring the tag line: "X Games comes to L.A. It's off the hizzle fo' shizzle, dizzle." In past X-Games events, ESPN has featured live musical performances, ranging from bands comprised of competing athletes to major record label acts like Eminem and No Doubt.

X-Games IX (2003) on ESPN drew 55 million viewers and the event was later released in a DVD format that featured highlights from the L.A. games, including the inaugural X Games surfing contest and the first-ever 360-degree spin on a motocross bike. A CD soundtrack of the film was included with each DVD.

*** CASE STUDY QUESTIONS ***

1.) How has ESPN cross promoted its X-Games brand with other forms of entertainment?

2.) Why do you think ESPN selected this particular medium to cross promote its X-Games events?

3.) Do you think ESPN's decision to cross promote was effective? Why or why not?

Unit 2 Discussion Question Review

Sports products can be represented in a variety of ways. What are some examples?

Sports products could include:

- Licensed merchandise
- Participation
- Entertainment
- Equipment and apparel
- Promotional items
- Sports facilities
- Marketing research
- Management services

Entertainment products can be represented in a variety of ways. What are some examples?

Entertainment products could include:

- Film / Cinema
- Television
- Music / Concerts
- Radio
- Video Games
- Theme Parks
- Publications (newspapers, magazines, books)

Think about the various events offered in your community. How much effort is required to prepare,
plan and execute that event? Is marketing involved? How so?

There are a number of possible answers to this question. The goal of this discussion topic is to get students to consider the variables required for successful execution of the event management process. This question provides an excellent forum for introducing various marketing strategies and concepts.

What are some examples of sports and entertainment marketing witnessed in our everyday lives?

Sports and entertainment marketing influences:

- What we decide to do on vacation (scuba diving, hiking, fishing, sailing)
- What we wear (shoes & apparel)
- Which movie we decide to see
- Which commercials we see during our favorite weekly sitcom or television show

Sports and entertainment marketing is represented by more than LeBron James playing basketball, Aaron Rodgers playing football or Tom Cruise playing a movie role for millions of dollars. What other activities represent the activities of sports and entertainment marketers?

Sports marketing activities could involve:

- Gatorade using athletes to endorse products
- Spalding manufacturing equipment used by athletes of any skill level world-wide
- The Chicago Cubs staff responsible for servicing their ticket holders
- Individual arenas and facilities where events take place
- The NBA levying fines to players involved in fights
- Brands advertising during the Dan Patrick Show radio show
- Fans (consumers) purchasing game tickets, equipment, shoes, t-shirts and watching or listening to games on television, radio and online

What entertainment options are available to you in your community?

The goal of sports and entertainment marketing is to capture consumer interest in a manner persuasive enough for them to spend their entertainment dollars with your organization.

- Sporting Events
- Music & Movies
- Video Games
- Theatre
- Festivals & Events
- Movie Rentals
- Theme Parks

Unit 2 Key Words Defined

Cross Promotion: The convergence of two entertainment properties working together to market products or services

Customer Loyalty: Customer decision to become a repeat consumer of a particular product or brand

Discretionary Income: Money left to spend after necessary expenses are paid

Entertainment: Whatever people are willing to spend their money and spare time viewing rather than participating

Entertainment Marketing: The process of developing, promoting, and distributing products, or goods and services, to satisfy customer's needs and wants through entertainment, or any diversion, amuse- ment, or method of occupying time

Event Triangle: The model for studying the exchanges developed in sports marketing

Intangible Product Attributes: The unobservable characteristics which a physical good possesses, such as style, quality, strength, or beauty

Marketing: The process of developing, promoting, and distributing products, or goods and services, to satisfy customers' needs and wants

Perishability: The ability to store or inventory a product

Product: Tangible, physical goods as well as services and ideas

Sports Marketing: The act of using sports as a platform to market products or services and increase sales or the process the of marketing and selling the sports property itself

Tangible: Products that are capable of being physically touched

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Unit 3: Intro to SEM Business Principles

Overview

Unit three provides an introduction to the basic principles that create the foundation for the business of sports and entertainment. Students will explore the many segments that make up the industry and gain an understanding of how sports and entertainment organizations generate revenues in an effort to achieve profitability.

Objectives

1) Define and provide examples of sports and entertainment industry segments
2) Explain the concept of revenue streams and why they are important to an organization
3) Understand the general financial structure of a sports franchise
4) Recognize how entertainment companies generate revenue
5) Define ancillary products
6) Define and understand the importance of product placement
7) Describe industry trends
8) Provide an example of how an organization may track shifts in industry trends
9) Understand the concept of economic impact

Lessons

Lesson 3.1 Industry Segments
Lesson 3.2 The Financial Structure of Sports Business
Lesson 3.3 The Financial Structure of Entertainment Business
Lesson 3.4 Tracking Industry Trends
Lesson 3.5 Economic Impact

Key Terms

Ancillary Products
Economic Impact
Industry Segment
Product Placement
Revenue Stream
Royalties

Lesson 3.1
Industry Segments

A. There are many segments of the sports and entertainment business industry
   1. **Industry segments** refer to a grouping of similar types of products or services offered to consumers by businesses within the same industry
B. Sports business segments
   1. Sports tourism
   2. Sporting goods
   3. Sports apparel
   4. Amateur and Olympic sports
   5. High school athletics
   6. Collegiate athletics
   7. Professional sports
   8. Motor
   9. Recreation
   10. Outdoor sports
   11. Health clubs and fitness facilities
   12. Sports marketing firms
   13. Event management
   14. Sports-governing organizations
   15. Venue and facility management
   16. Extreme or “action” sports
C. Entertainment business segments
   1. Filmed entertainment
   2. Television *networks* (broadcast and cable)
   3. Television *distribution* (station, cable and satellite)
   4. Recorded music
   5. Video games
   6. Radio services
   7. Internet
   8. Publishing sector (newspapers, books, magazines)
   9. Digital media services
   10. Broadcasting-satellite services
   11. Theatre
   12. Casinos and gaming
   13. Fine arts
   14. Theme parks and amusement parks

Lesson 3.2
The Financial Structure of Sports Business

A. Team Sports
   1. It can be difficult for some professional sports teams to achieve financial success and turn a profit
      a. In 2012, *Forbes* reported that more than 50% of NHL franchises suffered financial losses the previous year (18 of the 30 franchises operated at a loss) [1]
         i. Because so many franchises were reportedly losing money, the owners chose to lockout the players to create a new financial plan that would create a healthier economic situation for each NHL franchise, ultimately resulting in the league cancelling half of the 2012-13 season [2]
         ii. Lockouts aren't always the decision of the owners. When players don't feel they are getting a fair deal, they may choose to strike. This is the position the NFL players are currently in as they prepare to negotiate a new agreement in 2021 with hopes to secure more financial stability via "guaranteed" contracts (where the player would still get paid even in the event of injuries etc).
      b. Though soccer's popularity is growing in the U.S., Major League Soccer players' average salary is just $326,129. Average player salaries for NBA, MLB, NHL and NFL are about $8 million, $4.4 million, $2.9 million and $2.5 million, respectively. Yet, some reports indicate just half the MLS clubs are currently profitable.[3]
      c. Despite selling out every home game and winning the NBA championship (including 13 home sellout playoff games), the Cleveland Cavaliers lost a reported $40 million in 2016 [4]
         i. After the 2014-15 season, NBA commissioner Adam Silver was quoted as saying a "significant" number of teams were losing money, leading many to speculate the league could have been headed for another lockout when the existing collective bargaining agreement expired in 2017
            (a) It was reported that 14 NBA teams lost money during the 2016-17 NBA season
            (b) According to Mr. Silver: "*I don't know the precise number and don't want to get into it, but a significant number of teams are continuing to lose money and they continue to lose money because their expenses exceed their revenue. Teams are spending enormous amounts of money on payroll. Some of the contracts we talked about. They still have enormous expenses in terms of arena costs. Teams are building new practice facilities. The cost of their infrastructure in terms of their sales people, marketing people, the infrastructure of the teams have gone up, and in some cases their local television is much smaller than in other markets.*"
            (c) According to a *Forbes* report, the NBA salary cap is expected to jump to $108 million for the 2017-18 season which will push average player salaries above $8 million
               (i) Click here for more on his change in perspective from sportingnews.com
            (d) Thanks in large part to the renewal of massive broadcast deals with ABC, ESPN and TNT that will provide owners and players with substantial revenue increases, the NBA and the National Basketball Players Association extended their collective bargaining agreement through the 2023-24 season
               (i) Click here to read more about the terms of the extension
      d. The *Royals Review* reported the only way the MLB's Kansas City Royals would make profit in 2016 is if the team made another deep playoff run

i. The franchise would have needed to beat ticket revenue projections of $88 million to off-set their largest cost of $130 million for player salaries

e. According to the *Sports Business Journal*, MLB's Miami Marlins were expected to lose millions of dollars in 2017 and projected salary increases would push those losses into the hundreds of millions for 2018

f. The ECHL's South Carolina Stingrays have reportedly been losing between $400,000 and $700,000 annually since the team first took the ice in 1993 [5]
   i. Current ownership is seeking assistance from the city of North Charleston to help cover half of their operating losses (estimated at $500,000), suggesting the franchise lost money when they averaged 9,000+ fans per game while this season they are averaging a paltry 3,300 per game [5]

g. The Rochester Rhinos of the United Soccer League reportedly claimed losses of $1.7 million last season
   i. As a result, the team is seeking more individual fan and corporate support as well as monetary assistance through their county's hotel-room occupancy tax to help the franchise minimize losses

h. Even the teams that are profitable (aside from NFL franchises) typically enjoy significantly lower profit margins than other for-profit entities such as banks or publicly traded companies
   i. Click here to view a chart comparing the profitability of pro sports leagues compared to broadcast/cable companies, banks and publicly traded companies
   ii. Click here to read an in-depth comparison of professional sports and other entities

2. Revenue Streams
   a. **Revenue streams** are the means for an organization's cash inflow, typically as a result of the sale of company products or services
   b. Sports organizations historically relied on several specific streams to generate the majority of their revenue
      i. Ticket sales
      ii. Sponsorship
      iii. Licensing and merchandise
      iv. Concessions
      v. Parking
   c. Sports organizations operating today have several additional, often very lucrative, revenue streams
      i. Television contracts (local and national)
         (a) TV contracts provide big money for franchises in the game of sports business, now accounting for a major portion of a team's overall annual revenue
            (i) The head of digital media at Tennis Channel summed it up in an interview with the *LA Times*: "*Live sports is the most valuable content on the planet.*"
         (b) For most major league professional sports teams and big time collegiate athletics programs, television money is now a primary source of revenue, now even more lucrative than ticket sales which had always been the financial backbone for most franchises
            (i) In 1973, the NBA signed a contract with CBS, yielding $27 million in revenue over 3 years [10]
               1. In the last two years, the league has signed extensions with ABC/ESPN and TNT through 2024-25 for a reported $2.66 billion *annually* [10]

(ii) According to Forbes, the biggest collegiate athletic conferences (known as the "power five") make the bulk of their revenue from three primary sources: conference specific TV deals, college bowl games and the NCAA Tournament

(iii) While these figures will likely increase significantly over the next several years, here is the revenue distribution from 2016-17 [11]

1. SEC - $476 million total - $34 million per school
   a. Bowl games: $112 million
   b. NCAA Tournament: $17 million
   c. TV deals: $347 million
2. Big Ten - $386 million total - $27.6 million per school
   a. Bowl games: $86 million
   b. NCAA Tournament: $21 million
   c. TV deals: $279 million
3. PAC-12 - $307 million total - $25.5 million per school
   a. Bowl games: $81 million
   b. NCAA Tournament: $11 million
   c. TV deals: $215 million
4. Big 12 - $253 million total - $25.3 million per school
   a. Bowl games: $72 million
   b. NCAA Tournament: $19 million
   c. TV deals: $162 million
5. ACC - $331 million total - $22.1 million per school
   a. Bowl games: $98 million
   b. NCAA Tournament: $21 million
   c. TV deals: $212 million

(c) It isn't just the national television deals that are generating an influx of revenue for some teams; in many cases local television deals can be extremely lucrative as well

(i) Local Major League Baseball deals reportedly average more than $60 million in annual revenue per team

(ii) Two years ago, the Dallas Mavericks signed a contract extension with Fox Sports Southwest in a deal that the *Dallas Business Journal* estimated to be worth $50 million per year [12]

(d) As competition for rights deals for live sports increases (NBC, CBS and Fox have all created sports networks to challenge ESPN), rights deals will likely continue to increase

(i) In 2016, ESPN signed a six-year deal with the Big Ten conference worth an estimated $2.64 billion, *three times* the value of the previous deal

(ii) According to businessinsider.com, ESPN paid $15.2 billion over 10 years for the rights to Monday Night football, a 73% annual increase over the previous deal

(e) Major television networks aren't the only ones investing in live sports programming, as streaming platforms like Twitter, Facebook and Amazon compete for the attention of sports fans

ii. Luxury suite sales

(a) Luxury suite revenue is one of the most robust business lines for sports teams

(i) According to CNBC, in the NBA, NHL and MLB, luxury suites represent up to 20% of a team's overall revenue

1. Yankees Stadium has 68 suites while AT&T stadium, home to the Dallas Cowboys, has 300 suites
    a. These suites sell for anywhere between $224,000 and $900,000 per year and are typically sold out every season

(ii) One of the primary reasons the Milwaukee Bucks had lobbied for a new stadium was the opportunity to increase revenue through luxury suite and premium seating sales

1. According to the Milwaukee Journal-Sentinel, the franchise sold out of their luxury suite inventory (32 suites) before the arena was open to the public

(iii) According to data from *USA Today*, the move from San Diego to LA will help the NFL's Chargers generate significantly more revenue through suite sales and other premium inventory

1. In San Diego, the team had 113 luxury suites, but in their new Inglewood stadium there are more than 275 (where each suite generates $2,700 in food and beverage sales every game)
    a. That's $742,500 in total for each game if the suites are full
    b. Over the course of a year, suite sales for the Chargers are expected to generate more than $56 million

iii. Premium and club seating sales

(a) Sometimes, the lack of suites or premium seating options within a venue or facility will prompt a sports franchise to lobby for a new stadium (or facility expansion and renovations)

(i) Since 1990, 125 of the 140 MLB, MLS, NBA, NFL and NHL teams have built or rebuilt arenas, at a cost of $33.8 billion -- and the public has picked up 54 percent of that tab, according to research by Robert Baade and Victor Matheson, economists at Holy Cross [6]

(ii) Tom Chuckas, president of the Maryland Jockey Club, said in an interview with The Associated Press: "*I believe there's an opportunity for the Preakness to generate additional income, which in turn would flow through the rest of the year and improve the condition of the Maryland Jockey Club. To do that, there has to be additional amenities at Pimlico. Churchill Downs has 65 skyboxes that they sell to corporate partners and corporate sponsors. At Pimlico, I don't have any amenity like that.*" [7]

(iii) In 2017, Anthony Precourt, owner of Major League Soccer's Columbus Crew, threatened to move the franchise to a new city if a new, state-of-the-art facility wasn't built in the area

1. The Crew's current home, Mapfre Stadium, was built in 1999 and was MLS's first soccer-specific stadium
2. In 2018, Precourt released renderings of a new stadium in Austin, Texas after months of publicly communicating his intentions to move the franchise after his please for a new stadium in Columbus were ignored
    a. According to a story in the *Columbus Dispatch*, area lawmakers filed suit against Precourt in an attempt to keep the franchise in Columbus
    b. Click here to read details relating to the proposed Austin stadium site

(b) Teams today strive to create value wherever possible and the addition of premium seating options provides a lucrative revenue stream

(i) In 2015, the Staples Center in Los Angeles (host to the Lakers, Clippers, Kings and a variety of concerts and events) generated over $100 million in premium seating revenue alone, the first time in the building's 15-year history
    1. The Staples Center's premium seating options include 150 private suites, 2,400 Premier Seats, 18 Premier Lounges, 25 Premier Tables and the San Manuel Club for additional dining selections [8]
        a. Click here for a detailed breakdown from hollywoodreporter.com.

(ii) When the Atlanta Braves moved to SunTrust Park in 2017, their premium seating inventory increased from 340 to over 4,000
    1. Dennette Thornton, Senior Manager, Groups and Premium Membership for the Braves tells *SEAT Magazine*: "*Moving from Turner Field to SunTrust Park, we definitely put an emphasis on premium*."
        a. Various levels of premium seating included:
            i. Champions Level: 12 suites at $500,000 per year
            ii. SunTrust Club: 160 seats at $450/ticket
            iii. Delta Sky360 Club: 1,500 seats at $225/ticket
            iv. Infiniti Club: 24 suites at $250,000 per year and 1,200 seats at $92/ticket

(iii) Many teams are now taking seating areas that had been less desirable in the past and converting them to premium seating areas
    1. Last year, the New England Patriots and Pittsburgh Steelers turned end-zone seating sections into luxurious new "club" seating areas
        a. According to the *Boston Globe*, the new indoor space behind the south end zone at Gillette Stadium (home of the Patriots) will be a "members-only" club with annual fees of $1,500 and a requirement to purchase a minimum of two memberships (fees are in addition to the cost of buying season tickets every year)
    2. High levels of fandom help to create revenue streams for some sports and entertainment properties by offering event opportunities on non-game days
        a. For example, the Pittsburgh Steelers renovation of Heinz Field will include an expansion of a "pub" area that will be open on non-game days to help the team
            i. According to the Pittsburgh Post-Gazette, the team hopes to create an opportunity to serve fans (and generate revenue) even when the team is not playing a home game
    3. Minor League Baseball's Reading Fightin Phils invested $200,000 in the construction of their "Savage61 Dugout Suite", creating the most upscale seating area in the stadium
        a. Click here for a video from the Fightin' Phils introducing the new dugout suite seating option
    4. The Sacramento Kings introduced a unique premium seating option for the 2017-18 season with ten new 'balcony boxes' positioned above the stadium's main entrance
        a. The balcony boxes offer fans a 360-degree view of the court and the city

b. Each box accommodates four people, comes with all-inclusive food and beverage, premium parking spaces and access to the arena's suite level clubs

5. Missouri athletics decided to renovate the south end zone area of their football stadium to add more premium seating and club seating areas
   a. By 2019, when the new structure is completed, the Tigers' new structure (complete with multi-purpose event decks in the stadium's southeast and southwest corners; a brand-new rooftop video board; capacity for 4,000 fans in general seats, club seats and suites; and a "Bunker Club" inspired by AT&T Stadium in Arlington, Texas) is expected to bring in $6 million in additional revenue per season, more than four times what the current configuration delivers each year [9]

iv. Additional media contracts and rights fees (satellite, terrestrial radio, streaming, etc.
   (a) Last year, Sports Business Daily reported that SiriusXM extended its media-rights deal with the NHL to broadcast games across through the 2021-22 season (exact terms of the deal were not disclosed) [13]
   (b) In 2018, Amazon inked a 2-year, $130 million deal with the NFL for the rights to stream Thursday Night Football games on its Prime Video service, about 30% more than they paid on their original deal with the league [14]
   (c) Also in 2018, Twitch secured exclusive rights to stream the Overwatch League's first two seasons for a reported $90 million
      (i) In a press release, Overwatch League described the deal as "historic", saying that it ensured "that every match of the world's first major global city-based esports league will be readily available to fans across the globe." [15]

v. Fundraising and Donations
   (a) Collegiate and amateur athletic programs rely heavily on fundraising and donations, primarily through boosters and alumni, for budget support
      (i) In 2016, Rutgers University announced a $100 million fundraising initiative called "R Big Ten Build"
         1. According to nj.com, it took the university just a few months to raise over $50 million, an amount that included 10 donations of $1 million or more and three of the largest donations the school had ever received
      (ii) People that donate to university sports programs will typically receive preferential treatment from the athletic department – perks can include better seats for games and higher priority to attend in-demand events

vi. Pay-per-view
   (a) Pay-per-view refers to a satellite or cable television service by which customers can order access to a specific broadcast for a set, one-time fee
   (b) Some sports and entertainment properties rely on pay-per-view sales as a significant revenue stream
      (i) WWE, UFC and boxing generate millions each year by broadcasting some of their biggest events on a pay-per-view basis
         1. Over one million boxing fans bought the 2017 fight beween Canelo Alvarez vs. Julio Cesar Chavez Jr., making it the biggest PPV boxing event since Mayweather vs. Pacquiao

(ii) Many speculated in 2018 that a rumored one-on-one match between two of the most iconic golfers of all-time (Phil Mickelson and Tiger Woods) would generate millions in pay-per-view revenue

vi. Additional revenues

(a) When the Green Bay Packers renovated Lambeau Field, the goal was to open up new revenue streams by building an atrium that could host events (from corporate outings to weddings) year-round. Thanks in large part to the number of events hosted in the atrium, the franchise is enjoying record profits. [16]

(i) Thanks in large part to those record profits, the team was able to invest $140 million in atrium expansion and renovations without turning to taxpayers to help with funding the project

(ii) The franchise also committed $65 million to another expansion project that will result in the development of "Titletown District", a 10-acre plaza that will host year-round community events

1. The Titletown District area features a Green Bay Packers' snow-tubing hill and ice-skating pond that opened to the public in 2018

(b) The Boston Red Sox created Fenway Sports Group, a marketing firm that creates businesses that are built on the team's community, firm and business relationships. They use their connections with media, charity, retail and entertainment firms to develop publicity campaigns for such organizations as Boston College, create online ads, manage events and much more. The company also owns equity in other properties like Red Sox Destinations and Roush Fenway Racing. They were profitable in their first year, and brought in more than $200 million.[17]

(i) Click here for an interesting, in-depth analysis of Roush Fenway Racing's business model and financial structure as it relates to the Red Sox organization

(c) In 2018, the Indianapolis Motor Speedway found a creative way to generate more revenue by offering opportunities for fans to live in "tiny houses" at the track in the days leading up to the Indy 500

(i) According to a *USA Today* story, 15 different "houses" were available, each with slightly different floor plans, but all included air conditioning, electricity, kitchens and indoor plumbing with showers, a big step up in amenities from the traditional "glamping" that traditionally happens at the track

(ii) For $3,000, fans got to "live" on the track, with as many as four people in a house that included tickets to the race, parking and other amenities

(d) Many teams host viewing parties at their home arenas for fans during away games (or other venues when home games are sold out) to drive additional concession, merchandise and parking revenues

(i) The Nashville Predators' popularity surged during their Stanley Cup run during the 2017 NHL playoffs with the team selling out watch parties at Bridgestone Arena for away games

1. Merchandise sales during the team's Game 5 watch party were "at least double what they were during a regular-season game", according to a story published on tennessean.com.

(ii) To generate even more revenue through viewing parties, some teams are looking at selling sponsorships and/or additional advertising opportunities

(iii) Click here for some perspective on how NHL teams could potentially monetize viewing parties (via forbes.com)
(iv) In some cases, viewing parties create opportunities for the organization to generate goodwill by donating portions of the proceeds to local charities
1. The Cleveland Cavaliers hosted a watch party for game 7 of the 2016 NBA Finals with proceeds from the ticket sales benefitting local charities
a. According to foxsports.com, face value of the tickets was $5 but after they sold out in two minutes, people ended up paying much more on the secondary market

(e) The Seattle Seahawks allow fans to use the suites at CenturyLink Field as draft central for fantasy football leagues, charging $85 per "ticket" with a minimum of 8 people
(f) Sports business analyst Chadd Scott reported that, in 2015, Mississippi State unveiled projections to build residential lofts with views overlooking the Bulldogs' baseball field available for year-round occupation
(i) Click here to read a story from sportsdaynow.com discussing the potential opportunity that exists by creating residential space at stadiums
(g) Because the Jacksonville Jaguars play in one of the smallest NFL markets and lack the corporate support many other teams enjoy, they must get creative to find new ways to generate revenue to maximize franchise profits
(i) For example, in partnership with the city of Jacksonville, the team is building a "flex field" and amphitheater as a new home for its practice facility which will double as an entertainment hub (one that hopes to eventually attract events like the NFL draft)
1. Click here to read more about the development from Jacksonville.com.

3. Costs/expenses could include:
a. Facility rental/leasing arrangements
b. Staff and player salaries (payroll)
vi. Also includes retirement and health care benefits
vii. In professional sports, player salaries are most often the biggest expense to a franchise
(a) The driving issue for NHL owners as it related to the last lockout wasn't revenues but expenses as many small market teams were unable to achieve profitability thanks in large part to high player salaries
(b) According to a *Forbes* report, player costs represent 57% of the Major League Baseball's operating expenses
c. Marketing
d. Investment in the customer
e. General operating expense
f. Stadium/venue/facility financing
g. Information management/research
h. Team expenses (travel etc.)
i. Maintenance and security

B. A sports franchise's basic financial model
3. To gain a better understanding of the financial structure of sports business, let's review the NFL's Green Bay Packers' financials for their 2017-18 season and how they compare to the team's previous season
4. Packers' revenue [19]

a. Packers' total *revenue* in the 2017-2018 season: a record $454.9 million (a 3.1 percent increase from 2016-17)
b. Primary revenue streams
   vi. National revenue from the NFL: $255.9 million (4.9 percent increase)
   vii. Local revenue: $199 million (0.8 percent increase)
      (a) Includes ticket sales, suite and premium sales, sponsorships, broadcast fees, merchandise sales from the Packers Pro Shop, concessions, atrium-business revenue etc.

5. Packers' expenses
   a. Green Bay Packers total *expenses*: $430 million (14.4 percent increase)
   b. Primary expense (cost)
      vi. Player payroll cost (includes team expenses): $193 million (9 percent increase)
6. Net income and profit
   a. The overall net income: $38.6 million (down 47% percent from the previous year)
      vi. Expenses increased in 2017 in part because of a salary cap increase (resulting in higher player payroll) and a contract extension for the team's head coach
      vii. The team was also impacted by a 7-9 performance on the field after their star quarterback, Aaron Rodgers, was sidelined early in the season because of an injury

C. Franchise Valuation

3. Unlike industrial or financial business, which is generally valued on cash flow and assets, sport franchises are valued on their revenues for two reasons:
   a. For the long term, the operating expenses within each league are about the same for every team
   b. Franchise revenues most closely measure the quality of a team's venue and track athletic performance, ultimately the two most critical elements in the evaluation of team's overall value [20]
4. Professional sport team values have risen over the past decade and are expected to rise to unpredictable levels for the next few years
   a. In 2012, the Los Angeles Dodgers were sold to an ownership group that included former LA Lakers star Magic Johnson for a whopping $2 billion. The team last traded hands in 2004 when maligned owner Frank McCourt purchased the club for $430 million. [21]
   b. In 2013, the San Diego Padres were sold for $800 million in a deal that ranked as the third largest in the history of Major League Baseball despite having appeared in the post-season just twice since 1999 [22]
   c. In 1981, former LA Clippers owner Donald Sterling paid $12.5 million for the team. After his involvement in a very public racism scandal, the NBA forced him to sell the team. At the time, it was valued by Forbes at $575 million, yet the sale price for the franchise fetched a whopping $2 billion (former Microsoft executive Steve Ballmer purchased the team).
   d. In 2015, Bruce Levenson sold the Atlanta Hawks for $850 million; ten years ago he acquired the franchise for $189 million
      vi. From 2014 to 2015, the average value of a NBA franchise (according to Forbes) skyrocketed from $634 million to $1.1 billion, a 74% increase in just one year. It is the biggest one-year gain since *Forbes* began valuing teams in the four major U.S. sports leagues in 1998.

e. In 2018, two sports teams were sold for record prices when the NFL's Carolina Panthers were sold for $2.3 million and NBA's Houston Rockets were sold for $2.2 billion

D. Why would sports team owners invest in teams if generating a profit is not a sure thing?

3. As reported by the *Charlotte Observer*, since 2000, the overall value of an average sports franchise has increased 250%. Annual growth is around 9%, which is significantly better than the stock market's 3.2%.
   a. Sports teams are also seen as recession proof as they gain value even when the rest of the economy is struggling
   b. Sports teams also continue to appreciate in value even when the team fails to perform
      vi. For example, a 2018 story from *Forbes* reported the average value of an NBA franchise at $1.65 billion, an increase of 22% over the previous season
         (a) Despite losing a collective 68% of their games over the past four seasons, the New York Knicks and Los Angeles Lakers remain the most valuable NBA teams at $3.6 and $3.3 billion respectively, increases of 9% and 10% over their 2017 valuations
         (b) Click here to see the full list at forbes.com
      vii. The Miami Marlins have not made the MLB playoffs in almost 15 years (and have only had two winning seasons in that period of time), but that hasn't stopped the franchise's value from increasing an incredible 1,165% since Jeff Loria bought the team in 2002 for $158.2 million
         (a) In 2017, Mr. Loria sold the franchise for $1.2 billion, or $1 billion more than what he originally paid for the team
      viii. It isn't just major league teams seeing record franchise values
         (a) A *USA Today* story published in 2018 suggests that minor league baseball's 20 most valuable teams are worth an average of $37.5 million, up 35% from 2013.
            (i) According to the story, the most valuable minor league baseball franchises are the Sacramento River Cats (valued at $49 million), the Charlotte Knights ($47.5 million) and El Paso Chihuahuas ($38.7 million)

2. Most owners accumulated massive wealth before purchasing teams and see sports franchises as long(er) term investments
      vi. According to *Forbes*, in 2016, there were 63 billionaires who own teams around the world -- 20 NBA teams were owned by billionaires and the NFL had 19 billionaire owners

Lesson 3.3
The Financial Structure of the Entertainment Business

A. Entertainment business revenue streams
   1. Similar to sports products in that both products can be developed into merchandise, used for promotion, and create profit through sales of ancillary products, licensing, and royalties [23]
      a. **Ancillary products** are products related to or created from the core product [21]
   2. Because there are so many different types of entertainment products, the revenue generated by marketing can be very diverse
      a. A single blockbuster Hollywood film can generate a number of ancillary products
         i. Videos
         ii. DVDs
         iii. Electronic games
         iv. Rights can be sold to cable television
         v. Rights can be sold to pay-per-view television
         vi. Film can be the basis for a video game, TV series, book, or clothing line
         vii. Rights can be sold for licensed merchandise (toys, games, apparel, etc)
      b. The sale of those ancillary products makes a profit for the film creators in the form of sales, royalties and licensing fees
         i. **Royalties** are payments made to the owner of copyrighted work for use of their material [24]
            (a) Songwriters like Bob Dylan and Paul McCartney receive compensation when other artists "cover" (record or perform their own version) of the original song or when parts of the song are used as "samples" in other artists' music
            (b) For example, a Billy Squier tune called "The Stroke", originally released in 1981, was heavily sampled in Eminem's "Berzerk", featured on his hit album Marshall Mathers 2. Eminem's success (the album debuted at number one on the US Billboard 200, had the second highest album sales in 2013, and the album has sold 2,155,247 as of July of 2014) will be shared long term with Billy Squier in the form of royalties.
            (c) When artists don't feel they are being fairly compensated for their work, or if they feel another artist is infringing on their intellectual property (stealing their work), lawsuits are soon to follow
               (i) For example, a company that owns partial rights to Marvin Gaye's 1973 hit song "Let's Get it On" reportedly sued Ed Sheeran in 2018, suggesting the singer-songwriter copied "Let's Get It On" on his 2014 song "Thinking Out Loud"
            (d) Click here to learn more about the different forms of royalties
         ii. There is a lot of money at stake for artists in the form of royalty payments
            (a) *Rolling Stone* magazine reported that the show *Glee* pays an average of $15,000 to $30,000 per song in licensing fees, with the biggest names getting more. [25]
            (b) Also according to a *New York Times* report, Pandora and Sirius XM paid out nearly $656 million in performance royalties last year
               (i) However,in 2018, Sirius XM agreed to a $150 million settlement over unpaid song royalties
            (c) In 2017, Spotify claimed its biggest expense was royalty and distribution payments, which they say was equal to 85% of their revenue

c. A typical Hollywood marketing strategy includes planning the merchandising and product tie-ins before planning the casting and film production schedule
    i. Increasingly, studios plan the merchandising, products, DVD and electronic games and toys they will tie in with their proposed film before the actors and other technical staff are determined
        (a) To a studio, movies seen as revenue generators, artistic statement is secondary
        (b) As DVD sales decline and box office sales show signs of slow growth (while films become even more expensive to make), studios are looking to other avenues to boost revenue
        (c) Tie-in toys are viewed as the future of movie marketing as they keep fans engaged between film releases
            (i) This trend has studios focused on making movies that are "toy-ready", of which there are 25 released in 2017, compared to the previous annual average of eight
            (ii) Examples of recent "toy-ready" films include "Wonder Woman", "Captain Underpants", "Cars 3", "Transformers" and "Despicable Me 3"
    ii. Tie-ins aren't limited to toys, marketing tie-ins also provide a studio with opportunities to generate additional revenue by connecting the film with brands
    iii. If a film can be developed into a franchise (a series of films which will tie together), it will be
        (a) Harry Potter, Rocky, Indiana Jones, Marvel, James Bond, Batman, Pirates of the Caribbean, Star Wars, Twilight, The Hunger Games
        (b) The top five film franchises in movie history are Marvel Cinematic Universe, Harry Potter, James Bond, Star Wars and Middle Earth (The Lord of the Rings) [26]
            (i) Click here to see the entire list

2. Product placement
    a. **Product placement** is an advertising approach in which commercial products and services are used within the context of certain media where the presence of a particular brand is the result of an economic exchange
        i. Product placement can be present in a number of media formats
            (a) Theatre, film, television, music, video games and books
        ii. Product placement is one of the fastest growing advertising mediums in the entertainment industry
            (a) According to PQMedia, the U.S. product placement market grew by 12.8% last year and is projected to reach nearly $11.5 billion by 2019 [27]
                (i) While currently only 2% of U.S. ad budgets is spent on product placement, that is starting to change as dollars drift to digital entertainment from television (according to the LA Times)
            (b) In-game product placements are quickly becoming one of the most lucrative forms of product placement for video game makers
                (i) In 2009, spending on in-game product placement was estimated at $699 million. It reached $1 billion by 2014 and according to *Forbes*, grew to $7.2 billion in 2017.
                (ii) Microsoft partnered with Chevrolet as the first ad partner attached to its Kinect Xbox 360 gaming interface when Chevy's Volt electric car appeared as a product placement in "Kinect Joy Ride," one of the first games designed for the popular console) [28]
                (iii) Xbox One has been optimized for advertising within its dashboard

(c) After the commercial success of his hit "Gangnam Style", PSY was reportedly paid $1 million for a three second spot in his follow up video for the song, "Gentleman", by a video game developer. Several other brands are also featured in the video. [29]
(d) "Man of Steel," the highly anticipated reboot of the Superman franchise, earned $160-million from product placements from more than 100 brands, shattering the record held by "James Bond Skyfall" which generated a then-record $45 million in endorsements in 2012. [30]
(e) According to Mashable, Krispy Kreme donuts were either shown or mentioned in at least 10 different scenes of the 2017 film, 'Power Rangers'
    (i) Krispy Kreme's partnership with Lionsgate, the studio behind the 'Power Rangers' film, went beyond product placement
        1. In the lead up to the film's release, Krispy Kreme offered Power Rangers themed donuts at a several of their donut stores (donuts were made to look like Power Rangers' shields)
(f) The concept has become so prominent that one filmmaker (Morgan Spurlock from *Super Size Me*) chose to create an entire film based on the idea of product placement in which the documentary (called *The Greatest Movie Ever Sold*) follows his efforts to fund the entire movie through corporate product placement deals

iii. Product placement and brand integration is presenting itself in new, more aggressive forms
(a) According to Adam Kluger, CEO and founder of the Kluger Agency: "*Brands are tripling their revenue (just) because of a mention in a Jay-Z song, so we go after the companies and partner them with the demographic. If you hear an artist talking about his new Fila sneakers, you're going to think about it when you go shopping*." [31]
(b) The selfie 2014 Oscars host Ellen DeGeneres took during the show with a Samsung mobile device sparked a lot of conversation and it was later revealed that, as part of its sponsorship and ad pact for the Oscars with ABC, Samsung previously negotiated to have its Galaxy smartphone integrated into the show
(c) When Seth Rogen presented an award at the 2017 Oscars wearing a pair of "Back to the Future" themed sneakers, Nike received an estimated $583,000 in promotional value without spending a dime on advertising (all they had to do was provide Rogen with the shoes)
    (i) Click here for the full story on how Nike was the "unexpected winner at the Oscars" from qz.com.
(d) In celebration of the 25th anniversary of the Discovery Channel's wildly successful "Shark Week" program, Volkswagen created a "Volkswagen Beetle Shark Observation Cage" to replace the standard shark cage used in prior airings of the show [32]
(e) More and more record labels are looking for ways to recoup lost revenue through declining CD sales and product placement provides a new avenue for generating revenue (and padding the pocket books of the entertainers themselves)
    (i) According to a report published in *Rolling Stone*, Britney Spears made a half million dollars from the product placement in her music video for "Hold It Against Me," which featured products such as a Sony television, Make Up Forever eye shadow and dating website Plenty of Fish [33]

(ii) The 9.5 minute music video for Lady Gaga's hit song "telephone" featured product placement for 10 different brands, including Virgin Mobile, Miracle Whip, Diet Coke, HP and Wonderbread (among others) and has been viewed nearly 110 million times on YouTube

(iii) The video for Ariana Grande's 2018 song "The Light is Coming" prominently featured the singer wearing Reeboks, while her Instagram post alerted fans to the fact the video would drop exclusively on Reebok's website (the brand reportedly paid for the music video)

(iv) Chris Brown's top-10 hit, "Forever", was originally financed by Wrigley's gum as a jingle for Doublemint chewing gum

(v) Pepsi basically financed an entire feature film when they took the theme from an advertisement that went viral (Pepsi Max's "Uncle Drew") and turned it into a box office success story

1. According to CNN, Pepsi declined to share production costs for the film, but several other brands (including Nike and Wheaties, who, like Pepsi have natural promotional interests in the "Uncle Drew" character) reportedly helped support the movie financially [34]
   a. Click here to read more from CNN why Pepsi decided to make "Uncle Drew" into a movie
   b. Click here to see the original Pepsi Max Uncle Drew commercial (viewed nearly 53 million times on YouTube)

(f) The next step in product placement? Even more aggressive strategies like retroactively placing ads in music videos that have already been created.

(i) Via Rolling Stone: *"As first reported in Financial Times, the deal will integrate brands in music videos in ways unheard of even five years ago. Unlike a traditional product placement deal — in which a brand would work with the record label and artist and insert their product into the video during its production — retroactive product placement (a.k.a. native in-video advertising) functions more like traditional advertising. The ads inserted into each video have a finite lifespan and can be removed or replaced instantly. Companies may also localize ads, meaning a person in New York may see a Pepsi billboard at the same time someone in London sees an ad for McDonald's."*

(ii) Similar technology is also used to retroactively insert products and brands into re-run episodes of popular television shows like "Friends" or DVD releases of films

1. When Marvel released "The Avengers" on DVD, several deleted scenes from the original film and the new format's inclusion of an "extended ending" featured prominent placement of Acura vehicles (according to brandchannel.com)

(g) Even authors and publishing companies engage in product placement. For example, auto brands make heavy appearances in the *Twilight* books (Volvo is mentioned 16 times in the original book and six times in *Eclipse*). [35]

(i) Gordon Hodge, who follows the comic books business for Thomas Weisel Partners, told the Wall Street Journal that the product placement in comic books "market is worth about $400 million to $450 million, with Marvel controlling about 37% and DC capturing around 33%." [36]

(ii) Marvel Entertainment has placed the Nike swoosh onto a character's T-shirt and on a car door in several of its popular comic books (including "New X-Men")

(iii) DC Comics, home to characters such as Batman and Aquaman, is launched "Rush City," boasting visible promotional support from General Motors Corp.'s Pontiac. As part of the series, a new hero known as "The Rush" will be prominently featured driving a Pontiac Solstice in the comic book. "*The car will be as essential to the character as the Aston Martin was to James Bond*," says David McKillips, vice president of advertising and custom publishing for DC Comics. [37]

1. Click here to read about Lexus' recent sponsorship of an entire issue of a Marvel comic called "The Chase"

(iv) A 2017 custom "special edition" digital "Guardians of the Galaxy" comic book highlighted several features of Ford's EcoSport vehicles as part of the brand's integration with the May 5th box office release of 'Guardians 2'

1. Click here to see some of the other ways Ford connected its brand with the 'Guardians 2' film with a Marvel microsite, marvel.com/ecosport.

b. A **product tie**-in refers to any marketing or promotional activity that connects one brand or product with another (usually more well-known or publicized) product or event

i. A tie-in is *not* necessarily the same thing as product placement

(a) For example, according to Media Post, through a series of promotional deals, Disney aligned the highly-anticipated 2018 'Incredibles 2' film with 14 different brands (but those brands were not necessarily featured on-screen during the film)

(i) Notable promotional tie-ins include:

1. Chrysler, who produced three commercials pairing the Parr family with the Pacifica family van
2. Coppertone, who featured the "Incredibles" kids' images on its kid-oriented sunscreen products
3. Kleenex, who offered special boxes that contained an "Incredibles" mask built into the packaging
4. Zillow, who featured the Parr family home on its home-finder website. Fans could explore the home inside and out, and even take a video walkthrough of the Parr home on Zillow's Facebook page

(b) Click here to see some of the creative tie-ins between 'Jurassic World: Fallen Kingdom' and brands like Amazon and Jeep

c. When the featured product does not pay for the exposure, it is referred to as a **product plug**

i. Not all product appearances are paid

(a) Of the 40 top box-office films in the US Box Office in 2011, nearly 43 percent featured Apple product placements, including iPads, MacBooks, and iMacs despite the fact that Apple allegedly never pays for product placement.

(i) However, Brandchannel found that for the first nine months of 2012, Apple only appeared in 17% of top-grossing films, compared to 43% in 2011. That also represented Apple's lowest appearance rate since 2004, when the brand's products showed up in just 11% of top films. [38]

(b) World Wrestling Entertainment (WWE) World Heavyweight Champion, Phillip Jack Brooks (a.k.a. CM Punk) has a Pepsi logo tattooed on his left shoulder despite reportedly not being a paid endorser of Pepsi products

(c) Hit AMC series *Mad Men* featured Koss brand headphones in a 2013 episode even though the company had no idea it was written into the script. Koss executives revealed they had no input into the storyline, and only found out

after watching the show along with the other 3.4 million Americans who tuned in to watch that particular episode. [39]

(d) FX's comedy 'Baskets' integrated several brands (Costco and Arby's) into the show's actual storyline but, despite trying to find partners for product placement within the show, did not gain any financial support from either brand

(i) Click here for an interesting read about the show 'Baskets' and its product placements from adweek.com.

(e) In 2018, iconic slow-cooker brand Crock-Pot tried to distance themselves from the television show, *This Is Us*, after an episode revealed that a popular character was killed when a Crock-Pot started a fire in the character's home

(i) The company said in a statement: "The safety and design of our product renders this type of event nearly impossible. Our Crock-Pot slow cookers are low-current, low-wattage (typically no more than 200 or 300 watts) appliances with self-regulating, heating elements."

(ii) The company even posted on Facebook: ""We're heartbroken over last night's episode, too! We're innocent until proven guilty."

(iii) Even show creator felt compelled to jump in and defend the Crock-Pot brand after the backlash, tweeting "Taking a moment to remind everyone that it was a 20 year old fictional crockpot with an already funky switch? Let's not just lump all those lovely hardworking crockpots together."

a. Is product placement effective?

i. According to CNBC, product integrations on Hulu deliver an 89 percent higher purchase intent and 74 percent higher brand awareness over traditional 30-second commercials

ii. The decision to feature Reese's Pieces in ET catapulted the product-placement craft into the Hollywood mainstream. Sales of the candy subsequently increased 80%.[40]

iii. Etch A Sketch, Mr. Potato Head and Slinky were toys in the blockbuster Disney movie *Toy Story*. Subsequently, Etch A Sketch sales increased 4,500 percent; Mr. Potato Head sales increased 800 percent; Slinky, out of business for 10 years, made a furious comeback after getting over 20,000 orders.[40]

iv. A Billabong brand jacket featured in the second *Twilight* film ignited a buying frenzy. The brand quickly sold out of the jacket and it could later be found on eBay going for many times its retail price.[41]

v. Thanks to a product placement ad in the popular social network game "Farmville", Microsoft gained over 400,000 Facebook fans on their Bing fan page in just one day [42]

vi. *USA Today* reported that, when Jaguar automobiles figured prominently in the story line of a 2012 episode of "Mad Men", the brand experienced a 96.27% lift in "content consumption" (how often people were talking about the brand on digital devices), despite the fact that the brand wasn't portrayed in a positive light.

vii. That's not to say product placement isn't a risky endeavor for both the brand and the film producer.

(a) Gitesh Pandya, editor of BoxOfficeGuru.com, told Investors Business Daily that product placement activity "has been going on for so long that most consumers are used to it. The big concern is if they overdo it with too many brand partners." In the case of "Iron Man 3," the product placement for Verizon FiOS is so obvious that it comes off as crass, he says. "Their plug in the film is just shameless," Pandya said." It's just blatant promotion for the brand and it really has nothing to do with the story."

(b) U.S. consumers who saw the fourth installment of the *Transformers* franchise, *Age of Extinction* complained the product placements were awkward, summed up when a viewer wrote on one movie review site after seeing the film, "It's disgusting to see so many ads in one movie."
(i) Chinese companies who paid hundreds of thousands of dollars to have their brands featured in the film complained about the limited exposure their brands received as a result of their placement agreement (at the time this text was released, at least one was taking Paramount Pictures, the studio behind the film, to court)

b. Reverse product placement
i. Reverse product placement occurs when real life products are developed that match products featured in a fictional context
(a) In 2012, Staples (an office supply chain store) began selling "Dunder Mifflin" branded copy paper products after entering a licensing agreement with NBC for the rights to use the name and images from the popular sitcom
(b) Later in 2012, Staples began to carry more Dunder Mifflin branded products while a statement from the company suggested revenue generated by sales of the original Dunder Mifflin copy paper was "two times what we expected."
ii. Brandchannel.com named Willy Wonka the "greatest example of reverse product placement of all time" in commemoration of the film's 40th anniversary (today, under the Nestlé umbrella, the Wonka candy company still produces a range of candy, from Sweet Tarts to Nerds, Gobstoppers to Laffy Taffy and still makes extensive use of the "golden ticket" for marketing opportunities) [43]
iii. To build hype for the premiere of the third season of TNT's "Dallas", the Ewing family unveiled its first "Ewing Energies" gas station, offering gas at deeply discounted rates in a reverse product placement that lasted just one day [44]
iv. A deal was announced between Frito-Lay and Wal-Mart in which 1.5 million packages of "Cheesy Poofs", the snack made famous in Comedy Central's cartoon show *South Park*, would be available exclusively at Wal-Mart stores to celebrate the show's 15th season [45]
v. Deadline.com explains how Heinz decided to run a series of print advertisements in 2017 showing close-up photos of chips, steak and burgers with a slogan, "Pass the Heinz", that was originally created (and filmed) for an episode of the popular television series, 'Mad Men'
(a) The ads were displayed on billboards across New York City, in the pages of the *New York Post* and in *Variety* magazine
vi. On August 8th, 2017 (8/8/17), ESPNU became "ESPN 8: The Ocho" for one day, drawing inspiration from the hit movie "Dodgeball: A True Underdog Story"
(a) For one day only, the faux network featured a line-up of unconventional, niche sporting events ranging from Disc Golf to Ultimate Trampoline Dodgeball and Firefighters World Challenge playing off the mantra highlighted in the movie: "Bringing you the Finest in Seldom Seen Sports"
(b) According to MVP Index, last year's switch to ESPN8 resulted in 207K engagements and a social value of $247.6K in just 24 hours
(c) On August 8th, 2018, ESPN announced plans to "The Ocho" back again, this time with KFC as a sponsor
(i) Click here to read a story from variety.com on how the "ESPN 8" strategy is more than just a crazy publicity stunt

Lesson 3.4
Tracking Industry Trends

A. Trends are constantly shifting within the sports and entertainment industry, making it critical for marketers to effectively track them
   1. Shifts in industry trends
      a. Customer buying patterns
      b. Consumer preferences / distastes
      c. Effective marketing techniques (product placement for example)
      d. Product and/or service modifications
      e. New technology
      f. Efficient communication tools
   2. How do sports and entertainment marketers adjust accordingly?
      a. Before any adjustment can be made, marketers must first be *aware* of changes or shifts in trends
      b. How do sports and entertainment marketers effectively track industry trends?
         i. Monitor sports and entertainment news online
         ii. Read trade or business magazines, journals or newsletters
         iii. Consider the marketing efforts involved when attending competitor events
         iv. Attend sports/entertainment business conventions, exhibitions and events
         v. Obtain research from sports/entertainment marketing firms
         vi. Read local or national news publication
         vii. Observe activity of competitors
         viii. Communicate with others within the industry
      c. Marketers evaluate trends that fit their respective marketing plans and implement changes accordingly
         i. In the sports and entertainment industry, the trend toward consuming online content has industry executives focusing on engagement strategies to capture (and keep) fan interest
            (a) Atlantic Coast Conference (ACC) launched a branded YouTube channel, marking the first and only official partnership between YouTube and a major collegiate sports conference [46]
            (b) Fans crave more than just news updates and live streams, they want to engage with their favorite sports and entertainment properties in other ways
               (i) Roughly 68 percent of sports fans use mobile devices to share blooper videos and photos, while 65 percent enjoy watching nostalgic moments in sports history [47]
            (c) As more and more consumers shift focus to tablets and mobile devices, marketers will respond by creating content available for digital distribution
               (i) Young males spend more time consuming media on XBOX than playing video games, according to Sean Bratches, ESPN Executive Vice President of Sales & Marketing, creating another platform for connecting with fans of the ESPN brand [48]
               (ii) As a result, WatchESPN is now available in over 83 million homes, more than double its distribution from a year ago [49]
         ii. As the trend toward a decline in advertising continues, marketers at broadcast companies are forced to find new revenue streams, such as the many deals made for CBS's adaptation of Stephen King's Under the Dome, which had an estimated production budget of $3 million per episode (according to vulture.com). To offset losses in advertising revenue, they struck a number of

deals with the likes of Amazon streaming, ultimately netting more than $3 million per episode, making the show profitable before it ever aired.

iii. Sports and entertainment industry trends to watch in 2018-2019
  (a) Continued growth of augmented/virtual reality offerings
  (b) More theme parks that look like "blockbuster worlds" [50]
    (i) After the success of Harry Potter's "Wizarding World" at Universal, expect more park operators to introduce attractions that feature themes from your favorite film franchises
      1. In 2017-18, a "Frozen" themed world depicting Arendelle will open at Tokyo DisneySea, Pandora ("Avatar") will open at Disney's Animal Kingdom and Star Wars Land will open at Disneyland and Hollywood Studios
      2. As of August of 2017, no theme park operator has yet licensed the rights to popular franchises like "Twilight", "Hunger Games", "Lord of the Rings" or "Game of Thrones"
  (c) Creative approaches to footwear and apparel
    (i) "Retro" shoes
      1. *Forbes* reported that sales of retro shoes, from all major brands, were up over 25%
    (ii) "Themed" designs
      1. In 2018, adidas released a special edition Dragon Ball Z collaboration
      2. Nike also released shoes themed around "Chicken and Waffle", Krispy Kreme and Starbucks
      3. Vans' latest line of themed sneakers were literal works of art when the partnered with the Van Gogh Museum to feature some of the artists' work on shoes and apparel
  (d) Continued increase in targeting of the female demographic
    (i) Women comprise about 1/3 of ESPN's adult audience for sports programming, nearly 1/2 of the Super Bowl's viewership and purchase 46% of NFL merchandise
    (ii) In 2018, Reebok enlisted the help of Ariana Grande, Gail Gadot, Gigi Hadot and many others to amplify the message of their "Be More Human" women's marketing campaign
      1. As part of the campaign, Reebok created 10 different limited-edition inspirational shirts with 100 percent of proceeds benefitting The Movement Foundation and The Women's Strength Coalition [51]
        a. Click here to view the commercials on Reebok's YouTube playlist
    (iii) The WWE is placing more emphasis on reaching female fans
      1. According to USA Today: "WWE's TV audience continues to increase in the percentage of females, nearing 38%, according to Nielsen figures, while merchandise sales depicting female performers continue to grow."
        a. Click here to read more on the WWE's strategy to focus on its women's division from forbes.com.
  (e) More and more tech in stadiums and arenas
    (i) According to contracostatimes.com, upon opening in 2014, Levi's Stadium (home of the San Francisco 49ers) will feature a network that includes about 680 Wi-Fi access points -- one for every 100 seats in the stadium, a superfast Internet connection (allegedly 10,000 times faster than what federal regulators classify as broadband), and about 1,700 high-tech "beacons" (technology that connects a fan's phone to a wireless

headset, used to pinpoint consumers' locations inside the venue to provide them directions)
1. "I don't think it's too much of a stretch to say that at opening day, (Levi's) will probably be the most advanced stadium, maybe in all of sports," said Paul Kapustka, editor-in-chief of Mobile Sports Report, which closely tracks technological features of sporting venues.

(ii) According to wired.com, the NBA's Sacramento Kings will open their new "Golden 1 Center" in late 2016 and have suggested the arena will be the most technologically advanced arena ever built
1. The building will be powered strictly by solar energy, will enable wi-fi usage in every nook-and-cranny while allowing fans to control the temperature in their seating section by voting through an app, and will boast a scoreboard that is higher-resolution than the famous Dallas Cowboy jumbotron (32 million pixels vs 25 million)

(iii) The Golden State Warriors are also due to open their new technology-savvy arena, the Chase Center, in 2018
1. According to cnet.com, the new facility will include floor tiles that generate electricity when people walk on them, streetlamps that transmit data to those nearby and several virtual reality possibilities

(f) Sports and entertainment properties will begin to explore Blockchain
(i) In 2018, the NFLPA (the players' union for the National Football League) partnered with blockchain startup SportsCastr to help athletes earn cryptocurrency by streaming their commentary on live sports
1. Click here to learn more about the partnership from medium.com.

(g) Sports teams will explore alternative packaging strategies
(i) As the team prepared for season ticket renewals down the stretch of the 2018 MLB season, the Oakland A's announced plans to re-imagine the traditional season ticket sales model
1. According to the San Francisco Gate, the "A's Access" program would provide "members" with general-admission access to every game, a reserved-seat plan and additional benefits including half-price concessions, 25 percent off merchandise and upgrade credits for games not included in a reserved-ticket plan

(h) Promotions celebrating franchise history and community
(i) A hot promotions trend the past few seasons features teams paying tribute to the community at large and/or the franchise's historic roots
1. The Lancaster JetHawks offered fans " throwback" prices on tickets as well as t-shirt giveaways to celebrate their 20th season. To recognize their 30th season milestone, the Harrisburg Senators introduced life sized bobbleheads and brought back former players to help the team celebrate.
2. In 2017, the Chicago White Sox celebrated the 100th anniversary of their World Series winning season by wearing replica jerseys for a July home game
a. In addition to the team donning throwback uniforms, the game featured old-time music and entertainment
b. Replica jerseys were given out to the first 20,000 fans in attendance while "1917 discounts" were available on food and merchandise (popcorn and White Sox programs were sold for 25 cents)

3. In 2018, the Green Bay Packers launched a microsite dedicated to the team's celebration of their 100th season, featuring one moment highlighted each day for the 100 days leading up to the regular-season opener
    a. The team ramped up merchandising efforts as part of the celebration, offering everything from bobbleheads and coffee mugs to hoodies and iPhone cases
4. The Charlotte Hornets' organized numerous promotional activities surrounding the franchises' 30th anniversary in 2018, including a new court featuring the team's original logos and colors,
    a. The franchise connected the celebration with a sponsor, selling "title sponsorship" rights to Spectrum
    b. Click here to read more about the promotions that will coincide with the Hornets celebration of 30 years as a NBA franchise

(ii) To celebrate community, many minor league teams create promotions in which the team undergoes a name change for one game

1. While Minor League Baseball has a brief history of food-themed marketing stunts, the practice really took off in 2016 when teams like the Lehigh Valley IronPigs (Bacon), Toledo Mud Hens (Eggs) and Fresno Grizzlies (Tacos) took the promotions to another level, donning themed uniforms along with other promotional activities
    a. Click here for a great recap of the history behind some of the best food-themed promos in Minor League Baseball
2. To pay tribute to Maryland's "most hallowed pastime of picking steamed crabs", the Aberdeen IronBirds changed their team name to the "Steamed Crabs" for a game last season
    a. The franchise promoted the event through social media, on its website and also launched a microsite at www.aberdeensteamedcrabs.com
    b. For one game, MiLB's Albuquerque Isotopes became the Green Chile Cheeseburgers. Taking the food theme even further, Albuquerque's opponent of the evening was the Fresno Grizzlies, who became the Fresno Tacos for the game.
        i. Green chiles are an iconic food in the Albuquerque (and New Mexico) area so the team wanted to pay tribute with a special promotion that the community could rally behind
        ii. Green chiles were roasted around the concourse and the team's ballpark (often referred to as "The Lab") was renamed "The Grill" for the evening
        iii. To further engage fans, the team launched a microsite at www.BringingTheHeatABQ.com encouraging fans to vote for their favorite style of green chile (hot or mild) by tagging posts on social media with the hashtags #HOTABQ or #MILDABQ
        iv. Click here to view a promo for the game on YouTube
        v. Click here to see some examples of the merchandise the team offered in conjunction with the promotion
    c. MiLB's Charlotte Knights chose to pay homage to their home state's culinary claim to fame (barbeque) by becoming the Charlotte Pitmasters for one game
        i. The team's General Manager explains why the franchise decided to jump on the name-change trend in an interview with

Charlotte Magazine: "*Seeing the success fellow teams had with rebranding their teams for a day around food items famous in their regions, we thought, Why not us? From there, our VP of entertainment, David Ruckman, thought that barbecue was the most fitting for Charlotte and the Carolinas and he developed a terrific brand and promotional theme night. The Charlotte Pitmasters are born*."

d. Among those who jumped on the trend in 2018:
   i. Corpus Christi Hooks became the "Raspas" and took the field in jerseys with multi-colored lettering that symbolized the "unofficial" summer treat of South Texas (the team cap also featured a colorful snow cone)
   ii. In a nod to Wisconsin's affection for bratwurst, the Wisconsin Timber Rattlers celebrated "Bratoberfest" and became the "Wisconsin Brats" for a night, donning uniforms that featured imagery depicting German lederhosen
   iii. The Vermont Lake Monsters became the "Maple Kings" for a game, paying tribute to the popularity of the region's maple syrup
e. It isn't just food themes; some teams will find other "quirks" to celebrate, like the Staten Island Yankees' name-change in 2018 to become the "Pizza Rats" for five games, a nod to a viral video that captivated the country in which a New York City rat attempts to carry an entire slice of pizza down the subway stairs
   i. Click here to see the "pizza rat" video (it has been viewed over 10 million times on YouTube)
   ii. Click here to see the team's microsite celebrating the promo.

(i) Why is this a hot trend?
1. Because these promotions work!
   a. According to espn.com, when the Fresno Grizzlies announced a "Taco Throwdown" promotion where team would change its name to the Tacos for the game and wear taco-themed jerseys and hats
   b. In the first 50 hours after the announcement, the team's website sold nearly 900 hats bearing the taco logo. Compare that to the 16 Fresno Grizzlies hats the team sold in the first three weeks of July.
   c. In 2018, when the San Antonio Missions of Minor League Baseball introduced a "Flying Chanclas" promotion as part of their tribute to Hispanic heritage event, it took just 22 games to surpass the in-park merchandise sales from the entire previous season

(b) Pop Culture Themed Promotions
(i) One of the hottest trends in sports right now are promotions that tie-in with pop culture references
1. Many teams now offer "Star Wars" theme nights (teams ranging from the Phoenix Suns, St. Louis Blues and Philadelphia Phillies to the Memphis Redbirds, Fort Wayne TinCaps and Buffalo Bisons have all hosted Star Wars theme nights)
   a. The Buffalo Bisons donned "Jedi Robe" themed jerseys for their event
   b. The Lehigh Valley IronPigs wore jerseys depicting Hans Solo frozen in carbonite

c. The Potomac Nationals put Lando Calrissian on their Star Wars jerseys
d. Star Wars theme nights were so popular with MLB teams in 2017 that the Star Wars website featured a "MLB Feels the Force" page communicating the dates each MLB team would be hosting their "Star Wars Night" promotions
    i. The website also featured a few of the unique Star Wars-themed giveaways at the ballpark, including storm trooper bobbleheads and jedi baseballs
    ii. Click here for more from starwars.com.

2. "Superhero" themed promos have gained a lot of momentum as another means for teams to connect their brand to pop culture and attract more fans to the ballpark or stadium
    a. The Cedar Rapids Kernels hosted a Mommy-Son Superhero Night that included a cookie & punch party and photos with Batman, Superman and Spiderman
3. The Durham Bulls hosted a PokemonGO promotion to help raise funds for a local pet adoption agency
4. The Toledo Mud Hens celebrated an iconic rock band by hosting a "Beatles Night" with jerseys inspired by the "Sgt. Pepper's Lonely Hearts Club Band" album
    a. The team sent a tweet with a "first look" at the uniforms that quickly generated a huge fan response, garnering more than 600 retweets and 1,000 likes (typically the team's tweets get just a few likes or retweets)
        i. The promotion even sparked a Twitter feud with a rival minor league team who claimed they had offered the promotion first
        ii. Click here to read about the feud from bensbiz.mlblogs.com
    b. Further evidence of the popularity of pop culture promotions, the Mud Hens' tweets with the highest levels of engagement were also "uniform reveal" tweets
        i. The Mud Hens' offered a salute to the original 'Dream Team', with jerseys inspired by the 1992 USA Men's Basketball team (the announcement was liked over 1,000 times and re-tweeted more than 400)
        ii. The team's announcement about a 'Harry Potter Night' promotion on Twitter gained over 900 likes and nearly 400 re-tweets

(c) 3D Printed Sporting Equipment
    (i) As the technology improves, athletes will have the ability to customize their equipment
    (ii) Sport Techie also reported that Nike and adidas are investing in 3D printing technology to produce footwear while Formula 1 racing already uses the technology to produce mechanical parts
        1. In 2017, adidas unveiled the "Futurecraft 4D", a huge improvement on their last 3D-printed running shoes which were more of a concept or prototype than a consumer product
            a. According to techcrunch.com: "The new version is better suited for mass production – Adidas plans on selling 5,000 pairs this upcoming fall, which will scale up to more than 100,000 pairs by the end of 2018. While the company hasn't announced the price,

expect the first run to still be priced as a limited edition shoe. The first 3D runners retailed for $333, but sold secondhand for many times that."

2. In 2018, the world's fastest marathoner (Kenya's Eliud Kipchoge) wore 3-D printed Nikes at the London Marathon, helping reduce the weight of the shoe

(d) Shoe and apparel brands relying on non-athlete celebrities to help drive awareness and move product
   (i) Nike with Kevin Hart
   (ii) Adidas with Kanye West
   (iii) Puma with Kylie Jenner and Rihanna
   (iv) Under Armour with Gisele Bundchen
   (v) Converse with Millie Bobby Brown (star of the breakout Netflix show, 'Stranger Things')
      1. Click here to read about the brand's 2017 "Back to School" marketing campaign starring Millie Bobby Brown
   (vi) Reebok with Ariana Grande and Gal Gadot

(e) Gamification
   (i) Gamification is a marketing strategy that encourages consumer engagement with brands through game play or similar activities
   (ii) Marketers believe that if you're able to successfully tap into the natural human instinct of competition, it will result in higher levels of engagement relative to whatever it is they are promoting
      1. The Jacksonville Jaguars, as an extension of their fan loyalty program, offer several team-branded games on their website as a way to add value for loyalty program members
         a. Click here to see more from the Jags' website
      2. As a way to get more fans excited about beach volleyball, the Association of Volleyball Professionals (AVP) launched a branded video game called "AVP Beach Volley: Copa" for play on mobile devices
      3. The Chicago Bulls launched a "Mascot Dash" game on the team website, complete with a leaderboard to encourage competition and activity from fans through social media channels with the hashtag #BullsMascotDash
         a. In addition to driving fan engagement with the Bulls brand, the team's gamification strategy paid dividends by collecting consumer data and driving revenue by connecting the game with a sponsorship opportunity (AT&T)
         b. Click here to see the game on the team's website
      4. Under Armour launched a gamification strategy in time for the 2018 NBA Playoffs when they introduced a game show app with real-time trivia features

Lesson 3.5
Economic Impact

A. Impact of sports and entertainment on economy
   1. Economic impact
      a. Sports, entertainment and events inevitably make an impact on the host city's economy
      b. **Economic impact** can be defined as the net change in an economy resulting from sport or entertainment event related activity
         i. This change is caused by either the activities involved in the development of new facilities and/or the revenue generated from visitor and public spending, employment opportunities and taxes
         ii. *Direct effects* are the purchases needed to meet the increased demand of visitors for goods and services
            (a) Darren Rovell, a well-respected sports business reporter sent the following tweet while attending the Masters golf tournament "*My hotel room in Augusta normally costs $73.32. Tonight, during Masters week, $401.02!*" [52]
            (b) Every year, more than 150,000 spectators descend upon Churchill Downs for the Kentucky Derby, temporarily transforming the population of that at the racetrack into the 3rd largest city in the state
         iii. *Indirect effects* are the ripple effect of additional rounds of re-circulating the initial spectators' dollars [53]
      c. Examples
         i. Philadelphia's economy experienced a boost of nearly $95 million from hosting last year's NFL Draft, a figure that exceeded expectations
            (a) *Philly Inquirer* reported over 250,000 people attended the three-day event, 63 percent were out-of-town visitors
            (b) 93 percent of sports fans surveyed as part of the study said the draft was the primary reason for their visit, 79 percent said they would recommend Philadelphia as a travel destination, and 62 percent said they plan to return to Philadelphia for a vacation within the next 12 months
            (c) The 2018 NFL Draft was hosted at Cowboys Stadium in Arlington, Texas and the event was projected to provide a $100 million boost to the economy, according to *Star-Telegram*
         ii. According to a report from UK Music, a London-based group that includes songwriters, managers and record companies, tourists visiting U.K. music festivals and concerts contribute at least $1.4 billion a year to the local economy[54]
         iii. Reuters reported that the 400,000 fans projected to head to Indianapolis for the 2016 Indy 500, along with 33,000 hotels rooms booked at rates 20% higher than normal, would provide a $336 million boost to the local economy
         iv. While the Twin Cities reportedly incurred costs north of $7 million to host Super Bowl LII in 2018, twincities.com suggested the event ultimately contributed $370 million to the region
            (a) For some fun facts relating to the visitors to Minneapolis/St. Paul for the 2018 Super Bowl, click here
         v. Each year, their respective Jazz Festivals stir significant economic increases in Montreal (approximately $125 million where it employs 2,500 people during its 10-day run and attracts more than 1-million people, roughly a third of them from

outside of the metropolitan area every year) and New Orleans ($300 million annually)
(a) *Click here to download a PDF of the latest economic study conducted to measure the economic impact of the Montreal Jazz Festival*

vi. According to venuestoday.com, Daytona International Speedway's recent $400 million renovation (which they coined DAYTONA Rising) helped create 6,300 jobs, $300 million in labor income and $85 million in tax revenue

d. In some areas, the sports/entertainment industry as a whole can have a positive impact on local communities
   i. A Florida Golf Economy report suggests the golf industry's direct effect on Florida's economy is approximately $7.5 billion and that the golf industry as a whole (both direct and indirect spending) generates a total economic impact of $13.8 billion state-wide [55]
   ii. According to Colorado Ski Country, skiing and snowboarding have a $3 billion annual economic impact in the state of Colorado, despite the fact that state tourism officials report that overnight ski visits have dropped in the state every year since 2008
   iii. According to a Reuters report, the equine (basically everything relating to horses from feed, equipment, publications, veterinary care, racing and advertising) industry has a $4 billion impact in Kentucky, which helps create over 55,000 jobs for state residents
   iv. A study conducted by the Nashville Area Chamber of Commerce shows that the music industry has an annual economic impact of nearly $9.7 billion on the Nashville region, suggesting that the 27,000 jobs directly supported by the music industry and the additional 29,000 jobs with indirect ties to it account for more than $3.2 billion in income.
   v. Hollywood film production can also provide an economic boost to local communities
      (a) The crew hired to work on the set of The Avengers created jobs for 2,000 people in Cleveland (a typical movie crew is about 100 to 150 people) and employed more than 3,870 state-wide while production was estimated to have generated $25 million in spending [61]
      (b) A study by the Washington, D.C., think tank Center on Budget and Policy Priorities reported that more than 40 states now offer some sort of financial incentive for film companies (compared to only a handful less than a decade ago) in an effort to encourage movie studios to film in their communities [62]
      (c) According to a *USA Today story*, government calculates that feature films contribute $560 million each year to New Zealand's economy. Like many countries, New Zealand offers incentives and rebates to film companies and will contribute about $100 million toward the $500 million production costs of "The Hobbit" trilogy.
      (d) According to wjcl.com, Georgia is one of the fastest-growing entertainment production centers in the world and the feature film and television industry generated an economic impact of $9.5 billion last year
         (i) According to UGA Today, the industry has grown in the last decade from $240 million in 2007 to its current $9.5 billion and there is an average of 30 to 40 productions ongoing at any given time across the state
      (e) According to a KHON2 News story, films like Jumanji and Jurassic World: Fallen Kingdom help to boost area tourism
         (i) Said Frank Among, a Hawaii Film Industry official: *"Top search terms online on all the search engines often reference "Jurassic Hawaii,*

Jurassic Oahu. Like 80 percent of our search terms have to do with Jurassic. So it has a huge effect."

(f) According to the Fantasy Sports Ad Network, the fantasy sports industry has a total market impact of $4.48 billion dollars as consumers spend $800 million directly on fantasy sports products, but also use an additional $3 billion worth of media products related to the hobby (such as DirecTV's NFL Sunday Ticket and XM Radio's coverage of all MLB baseball games)

vi. In rare instances, individual superstar athletes like can provide an economic engine *on their own*

(a) At the height of his popularity during his playing days, Fortune magazine suggested in a story titled, "The Jordan Effect," estimated that NBA superstar Michael Jordan was responsible for having an economic impact of at least $10 billion (an entire book, *Michael Jordan and the New Global Capitalism*, was later published discussing Jordan's impact on global economy) [56]

(b) A phenomenon often called the "Tiger Effect" is a reference to the economic impact many speculate Tiger Woods has on the entire golf industry

(i) Tiger Woods sat out the 2014 Masters golf tournament due to a back injury, one of the primary factors that the final round of the tournament had the worst television rating in ten years

1. Click here to read a story on how the 2014 Masters also suffered declines in ticket prices and sponsorship revenue
2. In 2015, despite the fact that Tiger was not ranked as one of the top 100 golfers in the world, his presence at the Masters led to a 26 percent boost in viewership for the final round coverage on CBS
3. In 2017, Tiger had become largely irrelevant in terms of performance but his name was still expected to provide events like the Honda Classic with an added layer of excitement
    a. A local news outlet (WPTV) published a story surrounding the Honda Classic with the headline "'The Tiger Effect': Woods' entry into The Honda Classic could bring record crowds, big business"
        i. Both event organizers and local businesses were anticipating a boost in business until Woods had to pull out of the event with an injury
4. In 2018, Tiger started to play in more tournaments, and ratings subsequently saw a significant spike
    a. Heading into the Masters, broadcast viewership was up 93% versus the same events one year ago when Tiger played and finished in the top 25, according to data from Nielsen (that's an average of roughly 2 million more viewers)
    b. At the Masters, thanks to the hype surrounding Tiger, prices for a week-long pass (tickets) to watch the tournament rocketed to an average of $14,250 on the secondary market, up from the $3,721 average the previous year
    c. At the British Open, Tiger was in contention to win the tournament heading into Sunday's play, and NBC drew the biggest audience since Tiger completed the career Grand Slam by winning the event in 2000
        i. The ratings were up over 38% compared to last year's final round and the streaming audience had an increase of 67%, making it the most streamed golf event ever for NBC

(c) According to *Time Magazine*, a professor of finance at the Boler School of Business at John Carroll University in suburban Cleveland suggested that LeBron James' return to the Cavaliers had a $500 million impact on the local economy [57]
  (i) Click here to see the breakdown on how that figure was determined
  (ii) According to a study from the *Cleveland Plain Dealer*, (who worked with economists), LeBron played a key role in $200 million in annual downtown spending -- $48 million during the regular season, and $150 million in regional spending for a deep playoff run, in his last stint with the Cavaliers in 2010, saying "*He's more than a sports superstar. He's a one-man economic engine that drives the lane, fills the bars and puts Cleveland on national TV*." [58]
  (iii) Upon news of James' return to Cleveland, the franchise nearly doubled in value and became one of just five NBA teams to be valued at $1 billion or more (joining the Knicks, Lakers, Clippers and Bulls) [59]
  (iv) According to a study by Convention Sports & Leisure (CSL), the Cavaliers' 2015 playoff run alone (not counting the regular season) generated an estimated $3.6 million per game for the Cleveland economy[60]
  (v) One study suggested James's presence in a Cleveland jersey increased the number of restaurants and bars within one mile of the Cavs' arena by 13 percent, and increased employment at those establishments by 23.5 percent
  (vi) Other researchers offered projections for LeBron's potential impact on the Los Angeles economy after he signed as a free agent in 2018
    1. Using the same model that estimated James' impact on the Cleveland economy, and mapping out the number of food and drink establishments a mile from Staples Center where the Lakers play, it was estimated that James' move to L.A. would bring 2,989 new jobs, have a five-year local economic impact of $396,985,680, and that the five-year state tax revenue would be $29,376,940
  (vii) To see a fun infographic illustrating the potential economic impact LeBron could have on each NBA city had he signed with them, visit SCC's Pinterest page by clicking here.

(d) To further illustrate the impact on the economy sport can have, consider the potential implications to local businesses had the 2012-13 NHL lockout not been resolved
  (i) Had the lockout persisted throughout the entire season, the Nassau County (home to the New York Islanders) economy was poised to lose an estimated $60 million in visitor spending while potentially absorbing a $1 million hit in taxes and other revenues [63]
  (ii) Visit Buffalo Niagara, the city's tourism bureau, estimated local hotels that play host to visiting NHL teams would have lost between $850,000 and $1 million had the lockout carried on for the entire season. Douglas Hartmayer, spokesman for the Niagara Frontier Transportations Authority, says up to 1,700 riders use Metro Rail to attend each Sabres home game. [64]
    1. To see more from examples from how the lockout impacted local businesses, click here to read the entire store from the *Pittsburgh Post-Gazette* or by clicking here to read a story from sports.nationalpost.com.

2. Economic impact study
    a. To measure economic impact, an economic impact study is often conducted
    b. These studies attempt to determine the financial implications an event has on a particular market or region
        i. In addition to fiscal impact, studies will often note the increase in community visibility and enhancement of overall community image as additional benefits to hosting large events in a particular region or area
    c. A study may be conducted *prior* to a city placing a bid to host an event (or building a new facility) as a vehicle for persuading local officials or the community at-large that bringing the event to the area will be a positive thing for the local economy
        i. Organizers of Tokyo's bid to host the 2020 Olympics suggested the event would generate economic activity worth $37.9 billion (including a $21.1 billion economic benefit for the Tokyo metropolitan area and $16.3 billion for the rest of the national economy) while creating more than 152,000 jobs for Japanese residents[65]
        ii. Louisville Mayor, Greg Fischer, recently commissioned an economic study in hopes of attracting a Major League Soccer franchise to the city [66]
    d. Studies can also be conducted *after* the event takes place to measure the overall impact the event had on the local economy
        i. A study conducted after the 2016 Coachella music festival found the event drew just under 600,000 attendees and generated $704 million for the local economy near Indio, California [67]
        ii. According to reviewjournal.com, Las Vegas Events, the organization responsible for marketing and promoting events in Las Vegas, said the NBA summer league games last year impacted the local economy by $57.1 million
        iii. According to a study following the 2018 Super Bowl by Rockport Analytics, the economic impact of the game and related events on the Twin Cities was nearly $370 million. A total of $202 million came in direct impact, with another $90 million in indirect impact.
            (a) Click here to download a PDF version of the entire report.
        iv. A study conducted by Ernst and Young found that the NFL's Raiders-Texans game in Mexico City was responsible for generating $45 million in gross revenues for the city
            (a) More than 20,000 fans traveled from other cities in Mexico to watch the game
            (b) More than 10,000 fans traveled internationally, spending an average of five days in Mexico City
3. Sports Corporations
    a. Sports corporations typically operate as not-for-profit organizations
    b. A sports corporation's (also referred to as "sports authority", "sports foundation" or "sports commission") primary objective is to attract events to the communities they represent
        i. The Greater New Orleans Sports Foundation is responsible for bringing Super Bowl XLVII, the Bassmaster Classic, the NCAA Basketball Final Four (men's and women's), the NBA All-Star Game and Wrestlemania to the city of New Orleans[68]
            (a) According to the organization's website, the GNOSF has turned a $25 Million investment, from public and private sources, into a $1 Billion Economic impact [69]
                (i) Click here to download a release from GNOSF highlighting the economic impact of these events on the NOLA community

ii. According to Scott Ratcliff, executive director of the Mississippi Gulf Coast Sports Commission: "*The Sports Commission was formed to provide information and support to the public and the private sectors on the importance of sports and to begin the process of establishing the Mississippi Gulf Coast as a major sports destination*."

c. Sports corporations can sometimes be the driving force behind economic impact studies
   i. According to *Naples News*, the Florida Sports Foundation commissioned a study to learn exactly what the Boston Red Sox and Minnesota Twins presence meant to the local economy during their stay in the area throughout spring training. Specifically, they wanted to learn who comes from where to see games, how many games they watch while in town, whether they come solely for spring training baseball and how much they were spending. That information would then be used to help determine whether to spend $75 million to build a new spring training facility. [70]

d. While most economic impact studies typically report significant financial gains for local economies, often times critics can be outspoken about the validity of such studies, even suggesting that hosting a major event can actually be more of a burden than a boon
   i. Click here for an interesting look at economists who debate the actual significance a NFL franchise would have on the Los Angeles economy if a franchise were to relocate to the area

B. Impact of economy on sports and entertainment
1. Sports and entertainment are not recession proof
   a. According to Brett Yormark, chief executive of the NBA's New Jersey Nets: "*We're not just competing for people's entertainment dollars anymore, We're going up against milk and orange juice*" [71]
      i. As a result of a $1 million decline in revenues thanks in large part to sponsors pulling funding as the economy tanked, the Iditarod Trail Sled Dog Race in Alaska was forced to significantly slash the prize purse provided to race winners as well as cut employee salaries and benefits. Said Stan Hooley, Executive Director for the Iditarod Race: "This event, not unlike a lot of other sporting events — and any other ventures, really — isn't immune to what's happening with this country's economy." [72]
      ii. The Preakness Stakes
         (a) Attendance for the 2009 Preakness Stakes was just under 78,000, the 2008 Preakness was attended by more than 112,000 fans representing a 30% decrease in just one year [73]
         (b) The 2009 Preakness also suffered a 10% decline in corporate sponsorships while the number of corporate tents in the infield dropped from 45 in 2001 to about 30 for 2009 [74]
         (c) As the economy began to show signs of life, attendance at the 2010 Stakes rebounded, showing a 10% increase over the previous year and the 2014 race drew a record crowd of 123,469 [75]
            (i) A new attendance record was set in 2017 when the 142nd Preakness Stakes drew 140,327 fans
      iii. In 2010, the Minnesota Timberwolves cited the struggling economy as the primary factor in the decision to lower ticket prices. Said Glen Taylor, owner of the NBA franchise, "*The economy right now is uncertain and we've listened to our fans' concerns and responded by providing reduced ticket pricing, new payment plan options and protection against job loss - all of which are important*

to Minnesotans right now. I don't want these uncertain times to deter our fans from coming out to Target Center and enjoying NBA basketball." [76]

iv. According to a Bloomberg.com report, golf in the U.S. was growing for the first time in five years as the economy strengthens, illustrated by the steady increase in the number of rounds played on American golf courses in 2012 [77]

v. The Wichita County Mounted Patrol in Texas gave up on the Red River Rodeo when it couldn't raise enough sponsorship funding, ending a tradition that lasted 52 years. The rodeo typically cost organizers from $60,000 to $70,000 to host. [78]

vi. The concert business struggled in 2010, and analysts pointed to the tough economic times as the reason for slower sales. The top 50 North American tours in 2010 combined for an overall take of $1.69 billion, down about 15 percent from $1.99 billion in 2009.[79]

Case Study

Tracking Industry Trends: A Unit 3 SEM Case Study

By 2002, George Lucas, the genius behind the digitized special effects in the Star Wars movies, had not yet made the leap into computer animated full-feature films. Then came the success of "Monsters, Inc.", which sold 11 million copies in DVD and VHS formats in the first week, "Shrek", which earned the honor of being the best-selling DVD of all time, raking in nearly $900 million in DVD and VHS sales in two months. Those figures proved to be enough to prompt Lucas to establish LucasFilm Animation in 2003 to compete with industry moguls DreamWorks Animation and Pixar Animation Studios. Ironically, Lucas founded Pixar but sold them in 1996 to raise capital for his other projects.

Lucas was not the only studio to see the lucrative potential of computer animation in film. Sony entered the market in 2002 with the launch of Sony Pictures Animation. Sony Pictures Animation is a collaborative project with the company's digital effects unit, Imageworks. The Sony animation team developed a digital tool called "shapers" that allows animators to re-shape character models into stronger poses and silhouettes. It also can generate subtle distortions such as "squash," "stretch," and "smears," typical of traditional, hand-drawn animation.

Sony's first two major films were Open Season, released in September 2006 and Surf's Up, which hit U.S. theaters in June 2007. Open Season earned $84.3 million at U. S. theaters and $104.8 million abroad,plus $95 million in DVD sales. Surf's Up earned slightly less ($58.9 million U. S., $86.5 million in foreign theaters, with a little over $50 million in DVD sales).

Other studios have noted the financial potential of computerized animation and have developed their own projects. Fox Filmed Entertainment's company Blue Sky Studios released the highly successful "Robots," in March 2005. The film, with a production budget of $80 million, generated over $260 mil- lion in worldwide sales. Blue Sky's 2006 release, Ice Age – the Meltdown, the follow up to Ice Age, was one of the most successful films in this genre, with U. S. theater receipts of $195 million, $452 million in international receipts, and almost $130 million in DVD sales in its first two months. Disney's Buena Vista Studios' Ratatouille, a story about a rat who wants to be a chef, debuted in June 2007. The film had a $150 million budget -- and grossed over $620 million in worldwide theater receipts alone, not counting the DVD sales.

The computer animation trend does not show any signs of slowing down. Sony has scheduled Hotel Transylvania for a September 2009 release. Disney, working with Pixar Animation, has six projects scheduled between 2008 and 2012, including 3-D reissues of its blockbusters, Toy Story and Toy Story 2.

*** CASE STUDY DISCUSSION QUESTIONS ***

1.) Why do you think George Lucas and Sony entered the computer animated film market?

2.) What do you think it takes to be successful when developing a computer animated feature film?

3.) With the market becoming more competitive, what do you think the future holds for this genre?

4.) What are some of the advantages of producing films through computer animation? What are some of the disadvantages?

5.) In 2013, Disney purchased LucasFilms for a hefty sum. Why do you think they invested so much in George Lucas' company?

Unit 3 Discussion Question Review

What are industry segments? What are some examples of sports and entertainment industry segments?

Industry segments can be defined as a grouping of similar types of products or services offered to consumers by businesses within the same industry.

Segments could include (see Lesson 1.1 in your unit 3 outline for more examples).

- Sports apparel
- Motor sports
- Recorded music
- Theatre
- Video games

How do you think sports teams generate revenue? Do you think most professional sports teams are profitable?

Professional team sports (particularly major league franchises) are finding it increasingly difficult to achieve financial success and turn a profit, due in large part to inflated athlete salaries.

Sports teams rely on the following revenue streams in an effort to turn a profit:

- Ticket sales
- Sponsorship
- Licensing & Merchandise
- Concessions
- Parking
- Fan clubs / Kid's clubs / Special events
- Luxury suites
- Premium / club seating
- TV contracts
- Other media contracts (satellite, radio, internet)

Unit 3 Key Words Defined

Ancillary Product: A product related to or created from the core product

Economic Impact: The net change in an economy resulting from sport or entertainment event related activity

Industry Segment: A grouping of similar types of products or services offered to consumers by businesses within the same industry

Product Placement: An advertising approach in which commercial products and services are used within the context of certain media where the presence of a particular brand is the result of an economic exchange

Revenue stream: The means for an organization's cash inflow, typically as a result of the sale of com- pany products or services

Royalties: Payments made to the owner of copyrighted work for use of their materia

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Unit 4: Marketing Applications

Overview

Unit four begins to integrate basic marketing principles with the sports and entertainment industry and explores the dichotomy of the term "sports and entertainment marketing" by defining the roots of the phrase.

Students will be introduced to the components comprising the marketing mix as well as basic marketing concepts. Students will investigate the importance of target markets, segmentation and positioning strategies. In addition, they will learn the importance of market research and its correlation with advertising.

Objectives

1) Explain the marketing concept
2) Identify the components of the marketing mix
3) Define target market
4) Identify the five bases of segmentation
5) Illustrate the concept of positioning
6) Differentiate between customer and consumer
7) Explain the importance of market research
8) Identify specific forms of advertising and explain why businesses advertise
9) Understand the concept of digital marketing

Lessons

Lesson 4.1 The Basic Marketing Concept
Lesson 4.2 The Marketing Mix
Lesson 4.3 Target Markets
Lesson 4.4 Market Segmentation
Lesson 4.5 Positioning
Lesson 4.6 Understanding the Sports & Entertainment Consumer
Lesson 4.7 Market Research
Lesson 4.8 Advertising
Lesson 4.9 Digital Marketing

Key Terms

Advertising
Demographics
Exchange Process
Market Segmentation
Marketing Concept
Marketing Mix
Niche Marketing
Social Media
Target Market

Lesson 4.1
Basic Marketing Concept

A. Marketing concept
   1. The **marketing concept** is the view that an organization's ability to sell its products and services depends upon the effective identification of consumer needs and wants and a successful determination of how best to satisfy them
   2. Why are marketing activities so important to business? [1]
      a. Financial success is a direct result of an organization's ability to effectively market its products and services
      b. A business achieves profitability when they offer the goods and services that customers need and want at the right price
      c. Marketers strive to identify and understand all factors that influence consumer buying decisions
B. Needs vs. Wants
   1. A need is something a consumer must have and cannot live without
      a. Without food, we cannot survive
   2. A want is something a consumer would like to have
      a. You might want a Xbox One or tickets to an upcoming game, but you can survive without them
C. Exchange process [2]
   1. The exchange process is a marketing transaction in which the buyer provides something of value to the seller in return for goods and services that meet that buyer's needs or wants
   2. The exchange process has three requirements
      a. There must be at least two parties involved
      b. Some means of communication must be present between all parties, and typically a desire must be present to engage in a partnership with the other party or parties
      c. Each party must be free to accept or decline
D. Benefits of marketing [3]
   1. The marketing process serves many purposes and provides numerous benefits for the consumer
      a. The ability to add perceived value to goods and services
      b. Making the buying process easy and convenient for consumers
      c. Creating and maintaining reasonable prices
      d. Offering a variety of goods and services
      e. Increasing production

Lesson 4.2
The Marketing Mix

A. The four P's of marketing (marketing mix) [4]
   1. The **marketing mix** consists of variables controlled by marketing professionals in an effort to satisfy the target market
      a. Product
         i. Goods, services, or ideas used to satisfy consumer needs
         ii. Designed and produced on the basis of consumer needs and wants
      b. Price
         i. Determined by what customers are willing to pay and production costs
      c. Place
         i. The process of making the product available to the customer
         ii. Marketers must identify where consumers shop to make these decisions
         iii. Careful consideration is given to determining the distribution channels that will offer the best opportunity to maximize sales
      d. Promotion
         i. Information related to products or services are communicated to the consumer
         ii. Marketers determine which promotional methods will be most effective

B. Applying the marketing mix
   1. Consider how Wilson Sporting Goods might implement the marketing mix in an effort to maximize sales of its tennis racquets
      a. Product
         i. Wilson manufactures racquets to meet the needs of tennis players with varying skill levels
         ii. Beginner racquets are made with cheaper material, while racquets designed for advanced players feature higher quality construction
      b. Price
         i. Price levels for Wilson's racquets vary depending on quality and target consumer
         ii. Beginner racquets sell for as little as $20 while some of Wilson's upper end racquets command a price of nearly $300
      c. Place
         i. Wilson has a number of distribution channels, making its tennis racquet product line widely available and easily accessible to consumers
            (a) Sporting goods stores (Dick's Sporting Goods, Big 5 Sporting Goods etc.)
            (b) Discount stores (Target, Wal-Mart, Fred Meyer etc.)
            (c) Specialty stores & fitness clubs (West Hills Racquet Club etc.)
            (d) Internet (amazon.com, etc.)
      d. Promotion
         i. Wilson's promotes its upper end racquets as a higher quality product than the racquets sold by competitors
         ii. To promote their products, Wilson may choose to feature POP displays at sporting goods stores

Lesson 4.3
Target Markets

A. Before we examine target markets, we must first understand what determines a market
   1. The group of potential consumers who share common needs and wants
   2. That consumer group must have the ability and willingness to buy the product
   3. Businesses strive to meet the needs and wants of those consumers
B. A **target market** refers to people with a defining set of characteristics that set them apart as a group
   1. Target
      a. The target is a specific group of consumers with a defining set of characteristics
      b. This market shares one or more similar and identifiable needs or wants
   2. Considerations when evaluating a target market [5]
      a. Sizeable
         i. The size of the market
         ii. Market can have too many or too few consumers
      b. Reachable
         i. Ability for marketers to reach consumers
         ii. Marketer must have a means for communicating with target group of consumers
      c. Measurable and identifiable
         i. Refers to the ability to measure size, accessibility and overall purchasing power of the target market
      d. Behavioral variation
         i. Marketers seek to find similar behaviors within each respective target market
         ii. For example, motivation of buying for the corporate season ticket holder is different than for the individual season ticket holder
   3. Target market strategies are influenced by several factors
      a. Diversity of consumer needs and wants
      b. Organization size
      c. Attributes of company products and/or services
      d. Size and strength of competitors
      e. Sales volume required for profitability
   4. Sports and entertainment organizations must have an understanding of their target market to create an effective marketing strategy that caters to their audience
      a. Red Bull believes that action sports fans provide an accurate representation of their target market. As such, they sponsor events like the X Games and use athletes like popular ski jumper Sarah Hendrickson and Olympic star Lindsey Vonn to drive marketing campaigns [6]
         i. Click here to see a Red Bull commercial featuring popular surfer Carissa Moore and other action sports stars
         ii. Red Bull has also successfully built its brand through content marketing strategies, like this video starring Ryan Sheckler
      b. Part of P&G's marketing strategy is to target moms (P&G is the parent company for brands such as Gillette, Tide and Pampers). As such, the company rolled out a comprehensive marketing campaign tied to the 2016 Summer Games in Rio based on the knowledge that the Olympics traditionally attract more female viewers than almost any other sporting event. [7]
         i. Click here to read more about the launch of the "Thank You Mom" campaign for Rio 2016 from olympic.org

ii. Click here to see the "Thank You Mom" commercial
iii. P&G's sponsorship of the 2018 Winter Games continued the theme of promoting family values when they provided a hospitality area in PyeongChang for athletes and their families
(a) Click here to read more about P&G's "Home" initiative at the 2018 Winter Olympics

C. Niche marketing
1. **Niche marketing** is the process of carving out a relatively tiny part of a market that has a very special need not currently being filled [8]
a. Cable television channels often seek niche audiences to appeal to specific target groups with a common set of interests, such as ESPN designing programming to appeal to sports fans
b. Niche marketing often offers a unique opportunity to consumers or one that has not been offered in the past
i. Lululemon Athletica is a Canadian retailer that distributes product in Canada and the U.S. The company targets its branded yoga and fitness apparel to a niche consumer of female athletes.
(a) Often times after a niche has proven to be a successful market opportunity, competitors soon follow
(i) Lululemon, positioned as a high-end brand, has enjoyed explosive growth in the past several years. On the heels of their success, Under Armour has introduced a new yoga line, Gap introduced its GapBodyFit line, Forever 21 began selling active wear and both Nordstrom and Target expanded their store branded women's sportswear offerings (even lingerie company Victoria's Secret now sells yoga pants).[9]
1. Under Armour was projected to generate nearly $4 billion in sales of "athleisure" gear
a. When Lululemon was forced to recall product in 2013 because they were see through when stretched, Under Armour (who has been targeting women as a key demographic for several years), responded by featuring the tag line "We've Got You Covered" on its Facebook page in an effort to drive customers to its site
2. According to Apparel News, in 2016 the "athleisure" market accounted for $45.9 billion in sales, an 11% increase over the previous year
ii. As the running category became one of the hottest categories in the athletic shoe and apparel business, brands like Vibram and their "five finger shoes", Fila with skeletoes, and Adidas with adiPURE (among others) carved a niche with "minimalist" running shoes, designed to create a "barefoot" jogging experience while still providing protection for the feet [10]
(a) While minimalist shoes made up just 4% of all running shoes sold (representing about $260 million in business), sales of minimalist shoes more than doubled in the first quarter of 2012, according to a report from industry analyst Matt Powell at SportsOneSource [11]
(b) However, not all niche markets last. For the first quarter of 2013, sales were of the minimalist shoe were down 10% while motion control shoes were up 25% (another niche in the running category). Said Matt Powell in an interview on runnersworld.com, "It appears this fad is pretty much over."
iii. As the NFL begins to invest in research to curb the dangers of playing football, many entrepreneurs are taking note. In a story posted on Yahoo! Sports' website, about half the vendors at a recent sports conference were in some way involved with concussions.

(a) In 2017, a high-tech football helmet startup prepared to equip some NFL and college football teams with safer helmets for the upcoming season
(i) The company, Vicis, raised more than $30 million over the past 4 years, with investors ranging from ex-NFL players to engineers
(ii) According to a 2018 report from Inc.com, the NFL named Vicis's updated 2018 model of its helmets as the safest product on the market and its 2017 version as the second-safest, ahead of long-time helmet maker brands like Riddell and Schutts
1. Click here to read more from inc.com.

2. *Sports Illustrated* captured a lucrative niche market with the annual Swimsuit Issue. What started in 1964 as a five page supplement in February has grown into a multi-billion dollar specialty issue which has impact in fashion, travel, product placement and many additional marketing tie-ins. [12]
3. Niche can also be a term applied to a particular sport that is not considered to be "mainstream"
   a. Archery is a niche sport that experienced rapid growth, thanks in part to popularity of *The Hunger Games* book series
   b. The CBS Sports Network fills its non-peak season programming with many niche sports, including off-road racing, bowling, surfing and more recently, Pickleball
   c. Other-niche sport examples could include many Olympic sports, beach soccer, or arm-wrestling
      i. For example, based on the game in J.K. Rowling's "Harry Potter" books, the sport of "Quidditch" was created on a small college campus in Vermont a in 2005. The sport now boasts 700 teams in 25 countries, has a governing body (International Quidditch Association), an official rule book and a World Cup (the 2011 event reportedly cost more than $100,000 to stage). [13]
      ii. A few years ago, ESPN introduced an "*On The Road*" program in which ESPN personalities traveled to the site of several niche sporting events (like the World Championships of Cornhole X in Knoxville, TN and The National Horseshoe Pitchers Association World Tournament in Topeka, KS) and incorporated coverage within their SportsCenter broadcasts
         (a) Click here to see a local television station's news coverage of ESPN's appearance the Horseshoe tournament
         (b) Click here for a short video from CNBC featuring an interview with Stacey Moore, American Cornhole League founder, discussing the recent explosion in the game's popularity
      iii. Trampoline Dodgeball is another niche sport that is growing in popularity
         (a) In 2012 there were 40 parks to play across the U.S. By 2016, there were 500, representing a 92% growth rate in less than four years.
      iv. WhirlyBall is another fast-paced niche sport gaining traction across the U.S.
         (a) Click here to read more about WhirlyBall
      v. A new flag football startup league has ambitious plans for carving out its own niche as it looks to capitalize on concussion concerns among athletes and parents
         (a) Click here to learn more about the American Flag Football League, which already includes several high profile former NFL plaers like Michael Vick, Terrell Owens and Chad Ochocinco
      vi. Many fringe sports that are still hoping to be included in future Olympic Games would also qualify as niche sports
         (a) In 2015, The International Olympic Committee officially recognized the World Flying Disc Federation (WFDF), the governing body of disc sports including

Ultimate Frisbee, which means sometime in the near future we could see the 30 year old sport become an official competitive event in the Olympic Games

(b) A number of niche sports have been admitted for participation in 2020 Olympics, including skateboarding, surfing and climbing

(i) Click here to see a list of other niche sports that have already submitted applications to be a part of the 2024 Olympic games

vii. Click here for an interesting perspective from medium.com that suggest niche sports provide a unique advertising opportunity for prospective sponsors

Lesson 4.4
Market Segmentation

A. Market segmentation
   1. **Market segmentation** is the process of identifying groups of consumers based on their common needs [14]
   2. Segmentation is the first step toward understanding consumer groups as it assists in determining target markets, the marketing mix and developing positioning strategies [15]
   3. Segmentation is important because it allows businesses to customize their marketing mix and strategies to meet the needs of the target market [16]

B. Bases for segmentation
   1. Demographic
      a. **Demographic** information provides descriptive classifications of consumers
      b. Focuses on information that can be measured [17]
         i. Age
            (a) Fans of the PGA and LPGA tours tend to be among the "baby boomer" age demographic (45-64), according to data from Scarborough Sports Marketing[18]
            (b) According to knowledgebase.com, the biggest demographic for the artist Shakira is 20-year old women
            (c) The World Surf League's fan base has an average age of 32, much younger than most other professional sports leagues
               (i) Understanding their fan demographics gives the WSL direction in creating marketing strategies
                  1. Because the WSL has such a young fan base, the league focuses on digital marketing initiatives as a primary means for connecting with their consumers
         ii. Income
            (a) Since 2000, the number of NASCAR fans earning $100,000 or more has doubled from 7% to 16% of its fan base, and those with incomes of $50,000 or more has risen from 35% to 48% [19]
            (b) According to league data, the average household income for NHL fans is $104,000, highest of the four major sports with Major League Baseball ($96,200), the NBA ($96,000), and the NFL ($94,500) [20]
         iii. Household statistics
            (a) According to report from Leichtman Research Group, 81% of households in the U.S. have at least one high definition television set, up from 17% in 2006[21]
            (b) A survey by CNBC has found that half of all American households own at least one Apple device, and the average Apple-buying household has a total of three [22]
         iv. Occupation
            (a) Scarborough Research released demographic figures relating to fans of the IndyCar, suggesting 29% of the fan base were "blue collar", while 37% were "white collar" [23]
            (b) According to Newzoo's global eSports report, 50% of the eSports online population held full-time jobs, 58% of occasional viewers held full-time jobs and 62% of eSports enthusiasts were employed full-time

v. Gender
(a) According to a report by the Entertainment Software Association (ESA), 45% of the entire gamer (video game playing) community are women and they comprise 46% of the most frequent video game purchasers [24]
(i) Click here to view a graphic reporting on gamer demographics from USA Today
(b) Target retail stores understand that 60% of their shoppers are women, likely playing a significant role in their decision to sponsor the ASP Women's Surfing Event In Maui [25]
vi. Education
(a) 68% of NHL fans have attended college [26]

c. If a target market is a group of people with a defining set of characteristics that set them apart as a group, then marketers want to learn as much about that group as possible to assist in the development of an effective and successful marketing strategy
i. Triple A baseball posts its demographic information online for prospective sponsors to review
(a) 40% of the fan base earns $46-75k per year in salary
(b) 42% of the fan base has an Undergraduate Degree
(c) 91% of the fan base has a major credit card
(d) 69% of the fan base owns their own home [27]
ii. IMG College (a marketing and multimedia agency) boasts that college sports fans provide the largest and most attractive fan base in all of sports
(a) Click here to see how IMG supports this claim with demographic information on their website

1. Product usage [28]
a. Reflects what products consumers use, how often they use them, and why
i. Sports individual game ticket buyers vs. season ticket buyers
2. Psychographic
a. Grouping consumers based on personality traits and lifestyle [29]
i. Sports fans, music lovers, individuals who enjoy attending live events
3. Benefits [30]
a. Refers to a perceived value consumers receive from the product or service [31]
i. Season ticket holders typically enjoy additional "perks" such as exclusive invitations to pre-game chats with the team coaches and/or staff
4. Geographic
a. Dividing of markets into physical locations
i. North, South, East and West regions of the United States
(a) For example, according to data from Facebook in 2015, nearly one out of every three people in the U.S. that watch baseball on television live in Southern states (the South has the highest MLB viewership percentage at 32.8%, 7% more than Midwest which represents the next highest region based on viewership)
(i) Click here to view the entire geographical map breaking down MLB fandom through Facebook data
(b) Click here for a geographical breakdown of U.S. regions where fans are most likely to tune in for major sporting events (ranging from Wimbledon to the Winter Olympics) from a *Wall Street Journal* analysis
(c) Click here to see what genre of music is most popular in each state (and here to see which musicians are the most popular in each state)
ii. Urban and rural areas of a particular state

b. Sports consumers are characteristically loyal to particular regions
   i. Most sports teams enjoy higher levels of fandom in the immediate geographic area for which their team calls “home”
   ii. However, a variety of factors can influence the overall popularity (and subsequent fandom) of sports teams on a national and global scale
      (a) For example, the Dallas Cowboys have historically been referred to as “America’s Team”
         (i) Click here for a video from the NFL’s website explaining how the Cowboys became “America’s Team” (and insight as to why many fans might disagree)
         (ii) However, a 2016 poll suggests just 27% of fans today actually consider the Cowboys to be deserving of the moniker while 64% said they did not deserve that designation deserve that designation
         (iii) According to the same poll, the most popular NFL team nationally is actually the Green Bay Packers
            1. Click here to download a PDF with more results from the survey
         (iv) Click here to see a great breakdown of the geographic support for participants in the 2017 Super Bowl from Nielsen
      (b) Click here for a map illustrating college football fandom in the U.S. (published on Reddit)
      (c) Click here for a map illustrating Major League Soccer fandom in the U.S. (published on Reddit)
   iii. Because of the unique characteristics of a sports consumer, geographic limitations are often imposed by professional sports leagues
      (i) According to the *Indianapolis Business Journal*, the NBA will double the size of the geographic area teams are allowed to deploy marketing efforts to 150 miles, a rule change that could result in a significant boost in revenue or a team like the Indiana Pacers
      (ii) One NBA executive told *SportsBusiness Journal* the new rules will allow its 30 teams overall to reach 100 million more fans with their marketing efforts
         1. Click here to see a map of how the new rule will impact the geographic area for which the Charlotte Hornets can reach

C. Selecting multiple segments
   1. Because many segments may be valid in helping marketers make decisions, marketers often choose to use several segments
   2. Ultimately, a decision is made based on what best fits the organization’s target market
      a. Young women have played a major factor in the revival of the Toronto Blue Jays franchise, where the 57% of fans age 18 to 24 are female, representing “one of the fastest-growing segments of (the team’s) entire demographic slice," according to Toronto's vice-president of marketing and merchandising

Lesson 4.5
Positioning

A. Positioning
   1. Positioning is the fixing of a sports or entertainment entity in the minds of consumers in the target market [32]
   2. Positioning is important to all sports and entertainment products
      a. Sports leagues (NFL vs. Arena Football League)
      b. Sports teams (The Los Angeles Lakers in the 1980's as "Showtime")
      c. Sporting goods (Under Armour as comfortable performance apparel)
      d. Sports drinks (Gatorade as a performance beverage)
      e. Movie studios (Pixar as a leader in animated films)
      f. Entertainers (Will Ferrell as a comedic actor)
      g. Entertainment products (DVD vs. Blu-Ray)
      h. Facilities and venues (Premium seating vs. general seating)
   3. Positioning is about perception
      a. Puma's "Calling All Troublemakers" spot encouraged fans to be more daring and push boundaries to achieve "danger, risk and potential fugitive status" in an effort to differentiate itself from Nike, Adidas and Under Armour as it continues its efforts to gain credibility and position itself as a legitimate performance apparel brand
         i. To drive the campaign and assist in their positioning effort, Puma partnered with athletes with "bad boy" reputations like Olympic champion Usain Bolt and soccer player Mario Balotelli [33]
      b. Wheaties cereal has positioned itself as a brand affiliated with athletic performance and its slogan, "the breakfast of champions", has remained since the brand's introduction in 1924
         i. With declining sales, General Mills (parent company of the Wheaties brand) eventually introduced a new spin off product aimed to take advantage of consumer perceptions of the Wheaties brand. General Mills developed three formulations of the cereal (dubbed Wheaties Fuel) with the help of a sports nutritionist and five world class athletes: the NFL's Peyton Manning, the NBA's Kevin Garnett, gold medal-winning decathlete Bryan Clay, the MLB's Albert Pujols, and triathlete Hunter Kemper. [34]
      c. With other professional teams leaving the city (the Warriors to San Francisco and the Raiders to Las Vegas), and hoping to gain financial support for a new stadium, the A's made an aggressive push to position themselves as THE local team to support in Oakland
         i. Their 2017 marketing campaign was titled "Rooted in Oakland" and featured famous local landmarks and personalities
            (a) To declare themselves as the team to support in Oakland, the A's raised a team flag above Oakland's city hall only minutes after news of the Raiders move to Las Vegas was finalized
            (b) The team also unveiled a local mural, decorated local muni stops and decreased concession prices
   4. Positioning also refers to the place the product occupies in consumers' minds *relative to competing products* [35]
   5. Described by marketing experts Jack Trout and Al Ries, "positioning is what you do to get into the mind of the (consumer)" [36]

B. Positioning strategy
   1. Products or services are grouped together on a positioning map

a. Products or services are compared and contrasted in relation to one another
b. Marketers must determine a position that distinguishes their own products and services from competitor products and services [37]
    i. Reebok has engaged in a unique marketing initiative by positioning itself as a leader in "The Sport of Fitness", a phrase it has incorporated into its cross-promotional efforts with the CrossFit brand
        (a) CrossFit training participation has increased 700 percent in just the last four years, creating an even bigger opportunity for Reebok to enjoy continued growth

2. Selecting a positioning strategy [38]
    a. Identify all possible competitive advantages
        i. Products, services, channels, people or image can be sources of differentiation
        ii. Organizations often position their products relative to competitor weaknesses
    b. Choose the right competitive advantage
        i. How many differences to promote?
        ii. Unique selling proposition
            (a) Recruiting student athletes is an extremely competitive process for collegiate athletic programs throughout the U.S. One way the University of North Florida helps pitch the school as an ideal destination for recruits is a "lazy river" water feature on campus, creating a laid back feel for students to relax
                (i) In a tweet, ESPN Sports Center anchor (and former UNF athlete) Sara Walsh said when asked how often the Ospreys athletic program leverages the amenity as a recruiting tool, "Tons!"
                (ii) The concept is not lost on other schools as colleges like Texas Tech and Missouri have either already implemented similar amenities or have announced plans to do so in the future (like LSU's planned $85 million lazy river pool and collegiate recreation facility)
            (b) In 2018, recognizing the exploding popularity of eSports, sneaker brand K-Swiss designed a pair of shoes specifically for "The Immortals", one of North America's best-known eSports groups
                (i) According to the Verge, apparel is becoming an increasingly intense area of interest for eSports teams looking for new revenue streams, providing a very unique opportunity for a sneaker brand like K-Swiss
    c. Positioning errors to avoid
        i. Which differences to promote?
        ii. Are the differences legitimate?
            (a) When Kanye West's *The Life of Pablo* album was released, the hip-hop star tweeted that it would "never never never be on Apple. And it will never be for sale … You can only get it on Tidal."
                (i) Kanye was clearly positioning Tidal as the exclusive streaming service for his music, and subscriptions quickly tripled as a result. Yet just weeks later, the album was available on his own website, Pandora, Spotify…and even Apple.
                (ii) As a result, Kanye and Tidal are facing a lawsuit alleging false advertising
                    1. Click here to read more about the potential plausibility of the class-action suit

3. Product differentiation
    a. Product differentiation refers to a positioning strategy that some firms use to distinguish their products from those of competitors [39]

i. For example, when Glukos launched, the brand positioned itself as an all-natural alternative to differentiate their products from competitors like Gatorade or Powerade [40]
ii. BodyArmor sports drinks differentiate the brand by suggesting the product is a healthier alternative to competing products like Gatorade because they do not contain caffeine, have no added preservatives, and are gluten-free and nut-free
iii. When the BIG3 basketball league launched in 2017, it differentiated itself from existing basketball leagues by establishing unique rules and game play, including its unique "3-on'3" format, a 4-point shot, no "foul outs" and a smaller court size
(a) Click here to read the league's rules and philosophy from the BIG3 website

4. Re-positioning
a. Re-positioning is a marketer's plan for changing consumers' perceptions of a brand in comparison to competing brands
i. A private golf course may be suffering slumping membership sales. As a result, the course management may choose to open up the course to the public, which will ultimately require a well-planned re-positioning strategy.
(a) Re-positioning involves identifying who the new target market is and a strategy for creating awareness and demand within that market
(b) Part of the re-positioning effort in this case would require sending a message to the target market that the club is affordable by public standards
(c) Slogan might be "Enjoy the benefits of a private club at public course rates!"
ii. According to the Sports Business Journal, as part of their deal with CBS, the Pro Bull Riders Association will be grouped among other major properties online, like the NFL and the NCAA men's basketball tournament to re-position it as a more legitimate sports property (in the past, PBR was grouped under the "CBS Sports Spectacular" banner alongside some niche sports)
iii. The Milk Processor Education Program wanted to re-position chocolate milk as a beverage athletes could use as a "recovery drink" to replenish after grueling workouts
(a) To help with their positioning efforts, the brand enlisted pro athletes like Sloane Stephens and Klay Thompson to star in a campaign to communicate the "Built with Chocolate Milk" message to consumers
(i) Click here to see other athletes that are part of the campaign
(b) The builtwithchocolatemilk.com website even features a page that explains the science behind the product's ability to help athletes recover
iv. Last year, Converse began re-positioning the iconic Chuck Taylor sneaker as a fashion shoe though a three-video series, "Forever Chuck", focusing on the characteristics that make the shoe unique: film, L.A. hip-hop and fashion
v. Bleacher Report underwent widespread layoffs as part of a strategy to distance itself from its roots as a brand previously positioned as a sports medium providing user-generated content
(a) According to digiday.com, BR's plan moving forward is to invest more in higher-quality and creative content (like its NBA vs. NFL jersey mashups), including original video like its popular "Game of Zones" series

Lesson 4.6
Understanding the Sports & Entertainment Consumer

A. Customer vs. Consumer
   1. The customer is the individual who *buys* the product or service
   2. The consumer is the individual who *uses* the product or service
      a. Let's say Frito Lay invests in four club seats at Jacobs Field in Cleveland for their customer service and sales staff to entertain clients and prospective clients at Major League Baseball games. Frito Lay is the customer while their staff members and their clients are the consumers.
   3. The customer can also be the consumer
      a. John Smith buys four tickets to take his family to see the Yankees play the Red Sox. Because he bought the tickets, he is considered a customer. Because he used the tickets with his family, he is also the consumer.

B. Who is the sports and entertainment business consumer?
   1. Marketers sell sports and entertainment participation
      a. It could be participation by event attendance or physical participation in the event itself
   2. Marketers target those consumers with free time, discretionary income, and a desire to be entertained

C. Who are the sports consumers?
   1. Sports consumers are people who may play, officiate, watch, or listen to sports, or read, use, purchase, and/or collect items related to sports [41]
   2. Could also include: [42]
      a. Manufacturers
      b. Resellers
      c. Sports governing bodies
      d. Institutions
      e. Media sports enterprises

D. Sports consumers participate in the exchange process in two ways [43]
   1. Spectators as consumers
      a. Benefit by watching the event or game
      b. Exchange for tickets and entertainment
   2. Participants as consumers
      a. Benefit by playing, competing, or participating in the event
      b. Exchange for equipment and/or participation

Lesson 4.7
Market Research

A. Market research
   1. Market research is the process of systematically collecting, recording, analyzing, and presenting data related to marketing goods and services [44]
      a. Market research provides an opportunity for companies to get to know their customers [45]
      b. Marketing research gathers information pertaining to: [46]
         i. Consumers
         ii. Competition
         iii. Company
         iv. Culture/climate
   2. The information gathered through marketing research is used to: [47]
      a. Form links between consumers and companies
      b. Identify and define marketing opportunities and potential challenges
         i. Before determining whether to sell jersey sponsorships, the NBA first collected and analyzed data from a social media measurement firm to make sure the visibility on uniforms would drive adequate value for their partners (via sportsbusinessdaily.com)
      c. Generate, refine, evaluate and monitor marketing activities
      d. Analyze and understand the company, its industry and its competition

B. Steps in the research process
   1. Identify the problem, concern or additional desired information to be gathered
   2. Select and design research
      a. Primary research is the original research conducted for a specific marketing situation
         i. Surveys
         ii. Direct mail
         iii. Telephone
         iv. Interviews
         v. Focus groups
            (a) Despite an already solid attendance track record in which the team has led the league in attendance in all 11 years of its existence (drawing nearly 5 million fans to date), Minor League Baseball's Lakewood BlueClaws decided to cap attendance at 8,000 fans per game, based on feedback from fans during focus groups that large crowds were negatively impacting the game- day experience [48]
      b. Conduct secondary research
         i. Secondary research is published data that has been collected for some other purpose (collect data)
            (a) Census reports
            (b) Demographic analyses
            (c) Trade associations
            (d) State agencies
            (e) Commercial research firms
      c. Collecting data
         i. A census is a method used for obtaining statistical information that counts every member of a population
            (a) The latest U.S. Census results showed an increase in the nation's Hispanic population of 43 percent since 2000, (four times the nation's overall 9.7

percent growth rate), as such the sports and entertainment industry has seen a boom in the number of marketing initiatives targeting the Hispanic audience[49]

(b) Also, according to census data, more than 10 percent of the overall population in the Phoenix area is Hispanic age 18-34, one of the largest such ratios in the country. Based on this information, Major League Baseball's Arizona Diamondbacks adjusted how they market to those prospective ticket buyers, after an offseason study indicated the team's Hispanic fans' preferences in terms of ticket sections or package options were significantly different than the general market.[50]

ii. A sample is a method for accumulating statistical information that is only obtained from a subset of a population

3. Report and analyze
   a. Qualitative research data [51]
      i. Typically involves large numbers of respondents, typically 100 or more, and yields results that are representative of the total population
   b. Quantitative research data [51]
      i. Generally gathered in the form of focus groups (groups of six to ten respondents who carry on a group discussion which is led by a trained moderator)
         (a) Another common form of qualitative research is in-depth one-on-one or two-on-one interviews
4. Communicate results of research

C. Examples of market research applications
   a. Consider the following figures from a fan avidity report released by Scarborough Sports Marketing (a research firm) [52]
      i. Based on the study results, U.S. consumers have typically shown unwavering support for the NFL, MLB, NBA, NHL, College Football and Basketball, NASCAR and the Olympics (53 percent of American adults are "Avid Fans" at least one of these sports). However, after these traditionally supported fan favorites, the list includes sports like Figure Skating, Gymnastics, Men's Golf, High School Sports and Pro Boxing.
      ii. Why does this matter?
         (a) *According to Scarborough:* "American sports fans have been opening their minds and wallets to a host of diverse sports. Avid Fans of these sports are often characterized by distinct audience demographics. For instance, 73% of Avid Gymnastics Fans are female and 81% of Avid Figure Skating Fans are female. This is a unique demographic makeup since Avid Fans of sports like the Olympics, Women's Tennis and the WNBA – classically "female friendly" sports – are only about 50% female. This notable demographic base helps explain findings such as: Gymnastics Fans are 53% more likely than all American adults to schedule a spa day, 30% more likely to visit a jewelry store and 33% more likely to visit a bridal store. Similarly, Figure Skating Fans are 28% more likely to visit a florist and 27% more likely to visit a dry cleaner." [52]
         (b) Another demographically interesting sport is Pro Boxing. Though European Soccer, Major League Soccer and Mexican Soccer are all leagues with large Hispanic fan bases, Pro Boxing is the non-soccer sports league with the

highest percentage of Hispanics among its Avid Fans – 35%. Avid Pro Boxing Fans are also 58% more likely than all American adults to use their smartphones to: listen to or download music, 67% more likely to check sports scores and updates, and a staggering 110% more likely to watch free TV programs. [53]

b. In 2017, Piper Jaffray conducted a "Taking Stock with Teens" poll, which surveyed 5,500 teens to determine what's "in" and what's "out"
    i. The study found teens prefer to wear athletic gear, particularly Nike, as 41% listed an athletic brand as their favorite apparel brand
        (a) Click here to read more about the poll from Promo Magazine's website
c. According to the Sports Business Journal, the NFL relied on market research to help determine the appropriate price of admission to its "NFL Times Square Experience" before opening the attraction in 2018

2. Additional market research applications explore many additional topics in sports and entertainment
    a. Sport participation
    b. Violence in sports
    c. Advertising
    d. Media outlets
    e. Viewer and listener ratings
    f. Financing
    g. Effectiveness of marketing efforts
        i. According to marketing-interactive.com, in 2018, Adidas decided to discontinue its investment in Facebook video ads after determining consumers were not regularly viewing the ads, making it difficult to verify the effectiveness of its marketing efforts

Lesson 4.8
Advertising

A. Advertising
   1. **Advertising** is any paid, non-personal form of communication by an identified company promoting goods and services
      a. Advertising is presented in many different formats
         i. TV commercials and infomercials
         ii. Print advertisements
         iii. Direct mail
         iv. Internet (banner advertising, "pop up" ads, social media ads)
         v. Social media
      b. The 2017 NCAA Men's Basketball Tournament ("March Madness") generated over $1.24 billion in advertising revenue (click here to see a breakdown from Kantar Media)
         i. Also, according to Kantar Media, March Madness television advertising has generated nearly $9 billion in revenue since 2007 and the college basketball tournament trails only the NFL in post-season ad revenue
      c. In 2015, movie marketers spent $2.36 billion on U.S. television advertisements, which is a 39% increase from 2014 when studios spent $1.7 billion [55]
   2. What role can advertising play in helping marketers achieve their goals? [56]
      a. Effective communication
      b. Create awareness
      c. Create or change image
      d. Associate a brand with feelings and emotion
      e. Precipitate behavior
      f. Establish and maintain positive public perceptions
      g. Assist in the increase in sales

B. Types of advertising [57]
   1. Print media
      a. Any written form of communication used to inform, persuade, or remind consumers about products or services offered
   2. Outdoor advertising
      a. Traditionally includes any outdoor signs and billboards
      b. Offers a high level of visibility
      c. Provides 24-hour advertising
         i. In celebration of Maya Moore winning her fourth championship ring, the Jordan Brand installed billboards in cities around the U.S., including Los Angeles and New York, and announced plans with the city of Minneapolis (Moore plays for the Minnesota Lynx) to find a permanent billboard space for the advertisement [58]
   3. Mass transit advertising
      a. Uses public transportation, such as buses, bus stands, taxicabs, and subways to post advertising messages
         i. The Hillsboro Hops, a minor league team in the Portland, OR area, wanted to encourage fans to utilize mass transit to come to games. To do so, they chose to brand the local light rail train with the team's logo to help generate more awareness.
         ii. Adidas and the Portland Timbers wrapped several light rail trains in branded content to promote the MLS All-Star Game when they hosted to the event [59]

(a) The Timbers also advertised INSIDE the train to encourage riders to use mass transit for travel to the stadium

4. Broadcast media
   a. Any visual and/or audible form of communication used to inform, persuade, or remind consumers about goods or services offered
      i. Radio advertising
         (a) Advertisers match their target market to a radio station that segments a particular market
         (b) Has the ability to reach a wide audience
      ii. Television advertising
         (a) Includes commercials and infomercials
            (i) The fitness craze known as P90X relied on a carefully crafted TV infomercial strategy to build a $400 million-a-year (and growing) empire
               1. The franchise has been so successful that they released a third installment, P90X3
            (ii) Because broadcast companies now spend so much in rights fees, they are forced to charge much more for television advertising during those broadcasts
               1. Honda assistant VP-advertising Tom Peyton, whose company spends more than $600 million on U.S. television advertising annually and sponsors the Honda Classic golf tournament, the Rose Bowl's Rose Parade, and the NHL's Anaheim Ducks, recently told Ad Age: "*There has to be a point where the price of sports properties on TV, the price of tickets for consumers to games, is truly affecting the amount of sports we can engage in — and the type of sports we engage in.*" [60]
         (b) TV advertising is traditionally the most expensive form of broadcast media
            (i) Higher ratings for programming translates to higher advertising rates
            (ii) Because the Super Bowl annually draws millions of viewers and generates a lot of publicity, the cost of advertising during the broadcast is more expensive than any other television event
               1. A 30 second commercial during the broadcast of the 2017 Super Bowl cost advertisers $5.02 million
                  a. Click here for the full story from bleacherreport.com
5. Online/digital media
   a. Advertising through various digital media platforms
      i. Banner ads, pop-ups etc.
      ii. Digital broadcasts
      iii. Social media channels (Facebook, Twitter, etc.)
         (a) Two years ago, Fox Sports launched 'Fox Sports Engagement', a new product designed to help advertisers reach sports fans through social media platforms like Facebook, YouTube, Instagram and Twitter [62]
         (b) Just days before the 2016 Summer Olympic Games, Nike turned to Twitter for a paid Twitter campaign using the slogan "Champions aren't born. They're made."
            (i) The brand then enlisted athletes to send tweets using the brand's iconic #JustDoIt moniker as a hashtag (the hashtag was also followed by a sneaker emoji adorned with a Nike swoosh) to help the advertising effort maximize the number of consumers it would reach

(c) According to Nike, its 'Believe' campaign launched on social media in conjunction with the 2018 FIFA World Cup (which featured Cristiano Ronaldo and Neymar in short films, along with a more traditional "trailer" advertising spot) generated over 100 million views and over 50 million engagements
(i) Click here to see the videos on Nike's YouTube channel
(ii) Click here for an interesting story from Fast Company describing how Nike's 2018 World Cup strategy was significantly different than its 2014 World Cup strategy, despite the success they had in Brazil

iv. Mobile
(a) A unique new professional football league kicked off in 2018 (Your Call Football) which allows fans to call the plays for participating teams through a mobile app
(b) According to the *Sports Business Journal*, the league plans to rely on selling mobile ads to generate a significant source of revenue

6. Specialty media
a. Known more commonly as *promotional products*
b. Includes "everyday" items displaying a company name or logo
i. Calendars
ii. Pens
iii. Magnets
iv. Coffee mugs

7. Additional forms of media
a. Marketers often use many other creative ways of communicating advertising messages to consumers
i. Blimps
(a) Goodyear, Outback, Met One ("Snoopy One")
ii. Supermarket carts and grocery bags
(a) Select grocery stores in Oregon offer "eco-friendly" grocery bags featuring the Portland Trail Blazers, University of Oregon Ducks and Oregon State University Beavers logos
iii. Hot air balloons
iv. Airports
(a) In addition to the light rail advertisements, Adidas and the Portland Timbers prominently featured a number of advertisements through the Portland airport to celebrate the MLS All-Star game
v. In-theater advertisements
vi. Airplanes trailing banner messages over beaches or outdoor events (or branded airplanes)
(a) Alaska Airlines took aerial advertising a step further when they introduced the Major League Soccer Portland "Timbers Jet", a Boeing 737 featuring a paint theme featuring the Portland Timbers' name and logo in the team's trademark colors (to celebrate the new airplane and their relationship with the team, Alaska Airlines grants early boarding to Portland International Airport passengers wearing an official Timbers jersey)[63]
(b) Boeing rolled out a Seattle Seahawks branded airplane, paying homage to the team's famed "12th Man" shout out to fans. In the plane's first flight, the aircraft carved the number "12″ in the sky over downtown Seattle.
vii. Alternative transportation

(a) In addition to advertising via mass transit, Fox took to their advertising to the streets during the popular Comic Con festival by positioning popular animated characters from “Family Guy”, “The Simpsons”, “Bob’s Burgers” and “The Cleveland Show” in San Diego pedal cabs [64]
(b) LSU Athletics took a unique advertising as part of a basketball campaign when they teamed with adverCar (a company that pays individuals to affix advertising messages to their personal vehicles), essentially paying fans to drive their message into local neighborhoods, shopping centers and commuter routes [65]

C. Up-front marketing
1. Marketers and media agencies may choose to buy ads in the spring selling period known as the "upfront", which is when networks sell much of the ad time for fall. Buying early sometimes affords marketers more creative flexibility, allowing them to ask for unique ways to promote their brands.
2. Upfront provides a measuring stick for networks to create a more accurate sales forecast and they typically sell 75% to 80% of the ad inventory that accompanies their new season
   a. Despite the last-minute cancelation of one of its hit shows (‘Roseanne’) just before their upfront pitch, ABC still managed to increase its commitment from the previous year [66]
   b. The upfront selling period becomes a significant event as networks woo advertisers in an effort to secure advertising commitments
      i. In 2018, ESPN brought in Los Angeles Lakers’ legend Kobe Bryant and Dallas Cowbys’ owner Jerry Jones to help open their annual Upfront show
         (a) Other celebrity appearances at ESPN’s Upfront presentation included on-air personalities like Stephen A. Smith and Kenny Mayne [67]
            (i) ESPN also enlisted several popular mascots, including the Philadelphia Eagles’ Swoop, the Dallas Cowboys’ Rowdy, Villanova University’s Will D. Cat, University of Alabama’s Big Al, Washington Nationals’ Racing Presidents, Houston Astros’ Orbit and the Los Angeles Lakers’ Laker Girls as guests at the upfront presentation
               1. Click here for a behind the scenes look at ESPN’s 2018 upfront
3. However, Upfront commitments should not be confused with actual advertising revenue because, while advertisers make an initial promise before the season starts, a good portion of any marketer's ad spend can and will change as shows are cancelled or rearranged on a schedule or if ratings are not meeting pre-determined levels of expectation [68]

D. Advertising (Ad) and Public Relations (PR) agencies
1. An ad agency is an organization that decides on and implements an advertising and marketing strategy for a customer while a PR agency is responsible for determining an effective public relations strategy for each respective client [69]
   a. Fox Sports contracts the Wieden + Kennedy ad agency to manage and oversee some of their advertising campaigns
      i. Until 2017, W+K had been the longtime ad agency of record for Fox Sports’ competitor, ESPN
         (a) Wieden + Kennedy was responsible for the popular “It’s Not Crazy, It’s Sports” and “This is SportsCenter” ad campaigns for ESPN, addressing the culture of fandom in the sports industry
            (i) Click here for a ranking of the top 25 “This is SportsCenter” commercials
   b. Nike is another sports brand that contracts the Wieden + Kennedy agency

i. Wieden + Kennedy was responsible for the popular video featuring star soccer player, Ronaldo, for the 2016 Euro Cup, that generated nearly 70 million views and gave Nike's brand a huge boost during a tournament where rival Adidas was the event's official sponsor
   (a) Click here to see the 5-minute video on Nike's YouTube page
   (b) Click here to read more from wk.com.

c. Under mounting pressure and facing a potential lawsuit, the Washington Redskins enlisted the help of a PR professional/agency to help make a decision as to whether the franchise should change the team nickname [70]

d. In many cases, the agency may have a comprehensive set of responsibilities, not just an advertising or PR focus
   i. For example, Professional Sports Partners served as the marketing agency for the Men's Final Four in Houston, Texas, and was responsible for managing the event's publicity, marketing, media, advertising and community outreach
   ii. Click here for an article (and video) of how a marketing agency contracted by Under Armour tapped into the power of virtual reality to make Stephen Curry's shoe release a smashing success

2. Why do companies work with agencies?
   a. Expertise
   b. Time constraints
   c. "Fresh" perspectives
   d. Access to athletes, celebrities, entertainers
3. Questions organizations address when selecting an agency [71]
   a. Does the agency have a solid, comprehensive marketing plan in place?
   b. Does the agency have comprehensive marketing skills?
   c. Can the agency effectively determine the target market and find a means to reach them efficiently?
   d. Does the agency have a track record of success?
   e. Has the agency worked with others in your industry?
4. Additional considerations for organizations opting to work with an agency [72]
   a. Comfort level with the representative that will be handling the account
   b. Making sure all written copy is customer centered
   c. Selection of an agency that views itself as a partner of the organization
5. Agency extension example
   a. Creative use of in house advertising capability
   b. The Red Sox, as a way to generate additional revenue, leveraged relationships in the industry and throughout the community and created a spin-off agency, the Fenway Sports Group
      i. FSG was so successful that they were profitable in their first year and their client base included NASCAR, Boston College, and even the rival New York Yankees[73]

Lesson 4.9
Digital Marketing

A. Digital Marketing
   1. What is digital marketing?
      a. *Digital marketing* can be described as actively promoting products and services using digital distribution channels as an alternative to the more traditional mediums such as television, print and radio
      b. Today's consumer is more cognizant of the marketing messages all around them, leaving them more likely to tune out advertisements or other forms of marketing communication
         i. In the "golden age" of television, an advertisement on one of the big three networks could reach 70 percent of the viewing audience [74]
         ii. According to Seth Godin (author of *Permission Marketing*), today's consumer receives roughly one million marketing messages a year on average
         iii. Overwhelmed consumers are becoming adept at tuning out marketing messages
            (a) E-mail filters to block spam
            (b) Digital video recorders (DVR) to skip commercials
            (c) Caller ID to screen telemarketers
            (d) Recycling direct mail pieces without opening them
      c. Business and marketing professionals refer to this abundance of marketing messages as "clutter"
         i. Clutter is a major problem for today's marketer
         ii. The cost of selling has almost tripled over the past decade [75]
         iii. Consumer trust with traditional marketing means is eroding (broadcast media, print media etc.)
   2. How does clutter impact marketers?
      a. Marketers today must determine ways to effectively cut through the clutter if the firms they represent are to financially thrive
         i. Digital marketers must become more creative and free thinking in their approach to promoting company products and services
      b. Sports, entertainment and event marketing provide an effective means for cutting through today's marketing clutter
B. Digital Marketing Strategies
   1. Digital marketers turn to technology to help reach target consumers.
      a. At a sports marketing summit last year, a marketer at Volkswagen suggested they currently spend 35% of their marketing budget through online marketing channels but they'd like that number to be closer to 50% in the future (via dsmsports.net)
      b. According to Forrester Research, investment in digital marketing channels (paid search, display advertising, social media advertising, online video advertising and email marketing) will represent 46% of all advertising by 2021
      c. According to a report featured on adweek.com, the average U.S. adult now spends more than 11 hours each day—almost half the entire day—listening to, watching, reading or interacting with some form of linear or digital media
      d. Digital marketing strategies
         i. Internet marketing
         ii. Mobile marketing
         iii. Social marketing
         iv. Viral marketing

v. Content marketing

e. Digital marketing helps boost levels of consumer (fan) engagement

f. A key goal for digital marketers is to focus on interactive elements, encouraging consumers to actively participate in promotions

i. U.S. interactive marketing spending will reach $103 billion by 2019, nearly double the spending in 2014, according to a report issued by Forrester Research[76]

ii. To promote its fall drama "Person of Interest," CBS created interactive billboards in New York City and Los Angeles which took photos of passersby, then incorporated those faces into the billboard's display, accompanied by a phone number and identification number to text-message. If the person sends the text, they receive a link to their "classified file" and can post the photo on Facebook or Twitter.[77]

iii. Korean tire manufacturer Kumho sponsored a virtual basketball shooting competition on the New York City subway as part of their NBA sponsorship

(a) A touch screen video game of pop-a-shot matched subway riders up against New York Knicks star Carmelo Anthony and they could enter to win a chance for a real game of H-O-R-S-E against Carmelo through social media [78]

(b) Click here for more the company's website

iv. It isn't always enough to simply host a Facebook page, so many organizations develop creative ways for engaging fans with interactive elements[79]

(a) Phoenix Suns fans can have their picture taken by Suns personnel at a game and retrieve it for free on the team's Facebook page

(b) The Los Angeles Lakers provided a virtual tour of the team's locker room for their fans on Facebook

(c) Vancouver Canucks fans could play a virtual hockey game on the team's Facebook page to win prizes and coupon vouchers

(d) Racing fans can test their NASCAR IQ via quizzes and polls featured on NASCAR's Facebook page

v. A12-year-old found a "Tony Hawk" customized Taylor guitar hidden at a local California restaurant during the annual "Hawk Hunt", a scavenger hunt hosted by skateboarding legend Tony Hawk via Twitter where his 4 million followers keep track of hundreds of clues sent out by Hawk and his helpers [80]

vi. The PGA Tour took an unprecedented approach to fan interaction in when they announced that fans all over the globe would help determine the pin placement at the par-3 15th hole in the final round of the PGA Championships through an online vote (they even enlisted golf legend Jack Nicklaus as a host for the unique event on PGA.com)

vii. Reebok launched a "Hunt for the pump" campaign on Instagram, encouraging fans to virtually run through the streets of San Francisco and "visiting" pictures of major city landmarks for a chance to win their new ZPump running shoe. Within each picture was a hidden Pump logo where users were to find the logo, like the post, and move on to the next landmark.

(a) Click here to see a video of the campaign from Reebok's YouTube page.

2. Internet marketing

a. The Content Marketing Institute defines content marketing as a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, drive profitable customer action [81]

i. Content marketing shows itself in many forms and can be found online through various channels
   (a) Blogs
   (b) Videos
   (c) Social media posts
   (d) Websites
   (e) Apps
ii. For example, Hyundai created a four-episode content series called "Rolling with the Rookies" surrounding the 2018 NFL Draft (the brand is a league sponsor) that brings athletes back home to visit the people, places and moments that helped shape their path to the NFL
   (a) Click here to learn more about Hyundai's NFL Draft content marketing strategy
   (b) Click here to see one of the episodes on YouTube

b. Consumer-Generated Media (CGM) encompasses the millions of consumer-generated comments, opinions and personal experiences posted in publicly available online sources on a wide range of issues, topics, products and brands. CGM is also referred to as Online Consumer Word-of-Mouth or Online Consumer Buzz. CGM originates from: [82]
   i. Blogs
   ii. Message boards and forums
   iii. Social media
   iv. Discussions and forums on large email portals (Yahoo!,AOL, MSN)
   v. Online opinion/review sites and services/ feedback/complaint sites
c. Sports and entertainment properties use the Internet for a host of marketing functions
   i. Ticket sales
   ii. Sponsorship sales
   iii. Merchandise sales
   iv. Additional revenue streams (advertising sales)
   v. Community relations
   vi. Player/staff fan connection (blogs, chats etc.)
   vii. Additional promotion
d. Internet marketing example
   i. The Lakewood BlueClaws Baseball Club used the Internet (specifically eBay and Craigslist in addition to the team's own website) to sell available luxury suite and premium seat inventory. The team also utilizes Twitter and Facebook to stay connected with fans. [83]

3. Mobile marketing
   a. Mobile marketing refers to two different marketing means: one refers to marketing on or with a mobile device (such as a mobile phone) while the other (more traditional) is meant to describe marketing "on-the-go" (taking the product, brand or service to the consumer)
   b. Modern mobile marketing represents an area of massive potential growth
      i. Industry analysts are reporting that SMS messaging is set to grow from $55.49 billion to $71.60 billion by 2021 [84]
      ii. 81 percent of smartphone users have done product research from a smartphone, and 50 percent have made a purchase via their phone [85]
      iii. 70% of NFL fans are consuming NFL content on a 2nd screen while watching games [86]

iv. The NBA has over 1.3 billion followers through social media platforms, most of which consume league-branded content through mobile devices
(a) Considering just 1% of these fans will ever attend a game live, in-person, developing effective mobile marketing strategies becomes paramount [87]

c. "Apps"
i. Apps are individual software programs designed to run on the Internet, computer, phone or other electronic device typically designed to increase functionality or ease of use
(a) Over 180 billion apps have been downloaded from Apple's online "apps" store, an increase of 80 billion apps in just two years [88]
ii. Most sports and entertainment industry properties now offer branded apps
(a) Already the best-selling sports app in history, Major League Baseball's "At Bat" app sold a record 5 million paid downloads before the 2015 season even started [89]
(i) The highest-grossing sports app a record seven straight years, At Bat unveiled a 2016 MLB Opening Day update that included a "multitasking" feature along with picture-in-picture streaming
1. Tech Crunch reported that the added capabilities resulted in a significant increase in consumption
a. Fans spent an average of 162 minutes per day with the MLB.TV iPad app during the first two weeks of the season
b. That represents an incredible 86 percent increase from the 2015 season
(b) With the "Fandango" app, users can watch film trailers, find showtimes, buy tickets and get directions to the theater, all from their mobile device
(c) With apps like Zippo's "concert lighter", cell phones have become the new lighters for today's concert goers (the app has been downloaded over 15 million times)
(d) Apps like ESPN's Fantasy Football app allow users to manage their fantasy football teams from the palm of their hand

d. Traditional mobile marketing
i. The NBA's Jam Van tour is an interactive basketball program that travels from the United States to China. The Jam Van is a 67-foot 18-wheeler that transforms into 8,000 square feet of basketball and interactive "off-court" activities. [90]
ii. The Green Bay Packers' annual "Tailgate Tour" visits five Wisconsin communities in five days during the summer while raising money for local non-profit organizations via tailgate parties at each stop. Along the way, the "Tour" also makes unannounced stops, often at schools. [91]
iii. Hard Rock took its world-famous collection of music memorabilia on the road with the "Hard Rock International 40th Anniversary Memorabilia Tour. It traveled to over 30 Hard Rock cafes around the USA in an 80-foot-long double-wide truck specially constructed to exhibit 64 memorable artifacts once owned by popular musicians, such as a Jimi Hendrix custom Gibson Flying V guitar that he played at the Isle of Wight Festival in 1970, Janis Joplin's handwritten love letter to a boyfriend, Buddy Holly's glasses, Michael Jackson's iconic jacket, Katy Perry's famous "birthday" dress and Justin Bieber's skateboard, among other things.[92]
(a) In another example of "interactive" marketing, the Hard Rock folks asked fans to vote for which items should be included in the tour via their Facebook page (they also allow fans to follow the tour through their blog and/or Facebook page while allowing visitors to check in on foursquare) [93]

iv. The Chicago Cubs deploy a Cubs "trolley", equipped with 8 flat-screen TVs and Cubs memorabilia, that would make appearances throughout the city at parades, street festivals and sponsor locations [94]
v. In 2016, Nike teamed up with the popular donut brand Krispy Kreme for the launch of the Nike Kyrie 2 signature shoe and deployed a "Ky-rispy Kreme" truck to tour the country [95]
(a) Click here to see photos of the unique packaging
(b) Click here to see photos of the truck
vi. According to the *Sports Business Journal*, the NHL celebrated the 2016-17 season (their 100th season) with a traveling tour that visited each NHL market, offering fans opportunities to play hockey in an NHL style "ball hockey" rink, experience a virtual reality exhibit and a visit a museum with memorabilia, photos and interactive displays

e. Modern mobile marketing
i. In 2017, the NBA enlisted former NBA/WNBA players to help educate fans about environmental issues by encouraging fans to text the word "TIMEOUT" to 49767 on their mobile phones
(a) Once signed up, fans received messages from former NBA/WNBA players with tips on saving energy at home [96]
ii. The Atlanta Symphony continues the tradition of introducing members of the ASO to the audience with an evening-long live, on-site broadcast of the concert on large 15′x20′ screens, which are permanently affixed on either side of the stage. The live feed will include a pre-concert show, as well as live intermission interviews of guest artists and musicians from the Orchestra, fueled by text-message questions sent by the audience the night of the concert.[97]

4. Social media (marketing)
a. **Social media** describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact [98]
b. Social media presents itself in the form of many variable applications
i. Twitter, Facebook, Google+, Evite (social networking)
ii. Instagram, Pinterest, Flickr (photo sharing)
iii. YouTube, Vevo, Metacafe (video sharing)
iv. Reddit (news sharing)
v. Snapchat
vi. Tumblr, Blogger, WordPress (blog network)
vii. LinkedIn, Plaxo (professional networking)
viii. Foursquare (location-based networking)
c. In today's digital marketing era, harnessing the power of social media has become a top priority of sports and entertainment properties of all shapes and sizes
i. Digital marketing affords sports and entertainment properties the opportunity to get more creative than ever with their promotional efforts
(a) For example, as part of its digital marketing campaign, the University of Oregon partnered with YourMoji to launch a custom emoji keyboard allowing Duck fans to share custom emojis, stickers and GIFs via social media
(b) Twitter released a line of new emojis in 2017 prior to the match between popular soccer clubs Real Madrid and Barcelona
(i) This single match generates $40 million in media value annually for sponsors, with $5 million coming from social media alone (according to thedrum.com)

ii. Social media also provides a platform for sports and entertainment properties to introduce unique and "exclusive" content in an era when fans continue to demand more access to their teams, athletes and celebrities
  (a) Sony Pictures customizes a wide variety of social media ads as part of their movie marketing strategy, helping them to engage and interact with specific target audiences and drive video views
    (i) Click here for a story from cio.com explaining why Facebook is a key to Sony's movie marketing success
iii. Social media encourages fan interaction and engagement levels previously unavailable to sports and entertainment marketers and in a medium that allows for properties to measure results
  (a) For example, the Los Angeles Dodgers generate an average of 25,805 likes per Instagram post (according to newswhip.com)
iv. Because it provides such a powerful medium for connecting with fans, athletes, celebrities, leagues, teams, events and corporate sponsors are all shifting the focus to digital marketing strategies as they compete for attention in the social media space
  (a) Among sports properties internationally, FC Barcelona is the most popular on social media with 321 million followers across platforms, and more than 213 million views on its YouTube channel alone last season [99]
    (i) Click here for more staggering figures on the soccer club's social media following

d. Why is social media important to a sports or entertainment marketer?
  i. In theory, social media is *free*
  ii. Allows an organization to reach a massive audience
    (a) Facebook: by far the #1 platform with 2.19 billion active users per month
    (b) Twitter: 336 million monthly active users – 83% of usage is mobile – 130,000 advertisers utilize Twitter
    (c) Instagram: recently crossed the 1 billion active monthly users milestone – 75% of users are outside the U.S.
    (d) Pinterest: 200 million active monthly users – 75% of Pins saved come from businesses
    (e) LinkedIn: 500 million users in over 200 countries (133 million users are in the United States) – 1 in 3 professionals in the world is on LinkedIn
    (f) Snapchat: one of the fastest growing networks with 191 million active monthly users – 78% of 18- to 24-year-olds use Snapchat
    (g) YouTube: 1.8 billion monthly logged-in users – 1/3 of all people on the internet use YouTube
  iii. Social media can help sports and entertainment properties learn more about their customers
    (a) Click here to read about Hurley's wildly successful Twitter campaign that helped them discover more about their target consumer (while reaching over 15 million people)
  iv. Statistics show the likelihood of a consumer making a purchase increases when the user has a social connection with a brand or its products (social activities such as sharing and recommendations drive sales, and fans of brands are 51 percent more likely to buy than non-fans) [104]
    (a) Click here for an infographic that examines the relationship between social media and consumer spending habits

v. Social media is still experiencing rapid growth, presenting unlimited potential for marketers
   (a) Today, nearly two-thirds of American adults are engaged via social media platforms, with nearly all reporting they utilize social media as a source for news
   (b) 81% of sports fans preferring to go online for game updates and sports news, giving sports and entertainment brands huge opportunities to engage and interact with consumers [105]
   (c) When the 2012 Summer Olympics began in Beijing in 2008, Facebook had 100 million users and Twitter had just 6 million users, compared with more than 2 billion Facebook users and over 330 million Twitter users just six years later for the 2018 Winter Olympics in PyeongChang [106]
   (d) A research project conducted by Catalyst Public Relations in conjunction with the *Sports Business Journal* revealed that 61% of MLB fans and 55% of NFL fans consider themselves bigger fans after they began following their teams through social media outlets [107]

e. Popular social media platforms
   i. Facebook
      (a) The marketing staff at Oregon State University used information collected on the Beaver's Facebook page from "friends" to contact them in an attempt to increase the donor base. People from 20 countries are now represented on OSU's page, 92 percent of them are younger than 44 and 58 percent are 18-24, providing a much greater reach than traditional donor marketing campaigns.[108]
      (b) For its midseason showcase, the Winter Classic, the NHL partnered with NBC to conduct a Watch-and-Win promotion on Facebook where fans were asked to register at the league's Facebook page. During the game, names of selected winners would appear on the TV screen. Those fans would then receive phone calls from NHL staffers with questions related to the Winter Classic game. Prizes including a Honda CR-Z and a trip to the NHL All-Star Game were awarded for correct answers. The effort helped boost awareness and usage of the NHL's Facebook page, now with more than 3.8 million fans. The game on TV also grew to an average audience of 4.5 million viewers, the largest draw for a regular-season NHL game since 1975. [109]
      (c) The Boston Celtics created the "3-Point Play", a Facebook game where fans picked three Celtic players and predicted a specific statistic for an upcoming game. Points were then awarded based on accuracy and the risk level of a fan's picks. After each game, the top-scoring fan won tickets to an upcoming home game.
         (i) The Celtics added 85,000 Facebook fans and sold $200,000 in tickets as a result of the promotion [110]
      (d) Soccer star Cristiano Ronaldo posted a video on his Facebook page of him playing soccer in disguise on the streets of Madrid; the video quickly went viral, racking up nearly 10 million views and 750,000 "likes" in just ONE DAY and generating a lot of publicity for his partnership with Monster headphones
   ii. Twitter
      (a) Twitter's popularity has exploded, in large part because it allows for the user to control the dialogue without any filter, creating a direct line of communication between the athlete, celebrity or sports/entertainment property and the fan

(b) Nearly all NBA players are on Twitter, including almost all the game's biggest stars providing a platform for them to communicate with fans and grow their brand [111]
  (i) While NBA All-Star Damian Lillard uses Twitter to announce release dates for his adidas signature sneakers, he also engages with the community
    1. In 2018, Lillard announced on Twitter that he would be giving away free sneakers to kids in the Portland area
    2. Lillard drove a U-Haul to a local park and distributed 50 pairs of sneakers to local youth, then stayed to sign autographs

(c) The 2014 #Oscars tweets made an unprecedented 3.3 billion impressions
  (i) According to *Time magazine*, Barack Obama's election-night photo of him embracing his wife held the record with over 778,000 retweets; it took less than an hour for Ellen Degeneres' "selfie" tweet to beat surpass that record and hit over 1.2 million retweets [112]

(d) Sports Networker's Twitter sports marketing guide analyzes the top twitter users in sports (teams like the Lakers and Real Madrid who enjoy the highest follower counts on Twitter) and offers five key steps for marketing a brand and interact with fans [113]
  (i) When in Doubt, Tweet
  (ii) Respect the Fan
  (iii) Use the Resources You Have
  (iv) Follow Back and Listen
  (v) If it isn't Broken, Don't Fix it

iii. YouTube

(a) The Vancouver Whitecaps took full advantage of YouTube by launching a "30-Day Countdown" marketing initiative that featured thirty consecutive days of viral videos introducing the team to the city of Vancouver, decorating landmarks, interviewing celebrities, displaying 3D billboard projections, and more [114]

(b) JK Rowling took to YouTube to create buzz prior to her Pottermore announcement on the Harry Potter YouTube channel by placing an interactive placeholder which featured a collection of owls that refused to budge, shaking their heads if touched — referring to the teaser line, "The owls are gathering... Find out why soon." [115]

(c) Rolex, in support of its long and storied relationship with Wimbledon, launched a "Golden Moments at Wimbledon" channel on YouTube

(d) The Harlem Globetrotters have successfully created a connection with fans by creating memorable content on their You Tube channel, including a clip of one of their players dunking a basketball without jumping (which has garnered over 4 million views already). They later added an interactive element by challenging fans to the "World's Largest Game of H.O.R.S.E." Fans were encouraged to submit video of their best trick shots and would later be attempted by a Harlem Globetrotter player. "Letters" were awarded weekly, based on fan voting, and prizes were distributed accordingly. [116]

iv. LinkedIn

(a) Many sports and entertainment business professionals utilize LinkedIn, not only as a networking and recruiting tool, but also as a means by for exchanging ideas and information and tracking current industry trends

(b) Last season, 21 NBA teams used LinkedIn's Sales Navigator as a tool to help sales executives connect with people that presented potential selling opportunities
(i) According to *Sports Business Daily*, the initiative helped the league achieve an impressive 80% season ticket renewal rate

v. Instagram
(a) In 2012, Major League Baseball became the first professional sports league to have every single one of their franchises on Instagram while creating web-based versions of their Instagram feeds so fans could view photos from the league and their favorite teams online
(i) Just one month into the 2012 season, there was already a 400% increase in Instagram photos posted from big league parks compared to the entire 2011 season when more than 40,000 photos of ballparks were posted [118]
(b) In entertainment, Selena Gomez dominates the list of 'most followed' on Instagram (as of July 2018) with 136 million followers, with Ariana Grande next on that list (118 million) and Beyonce (113.5 million) just behind
(i) Such a large following provides each celebrity with an efficient means for communicating with fans while continuing to build their brands
(ii) Click here to see a list of celebrities with the highest number of Instagram followers

vi. Tumblr
(a) Dewayne Hankins, Vice President of Marketing/Digital for the Portland Trail Blazers tells *Forbes*: "*Tumblr is a training ground for other social media platforms. It's best used as a place to share images, fan artwork and animated gifs that might make some sense. …Stuff that catches fire on Tumblr we share on other platforms*." [119]

vii. Snapchat
(a) After seeing Snapchat's popularity among British consumers rise to 10+ million users daily in early 2016, Wimbledon signed a multi-year deal with the social platform to provide exclusive tournament moments
(b) The NBA launched its first Snapchat initiative by highlighting the 2014 Sprite Slam Dunk contest through the popular app
(c) Last season, the Miami Dolphins provided fans with a behind the scenes look at their $350 million stadium renovation via the team's official Snapchat account
(d) Gatorade created a Snapchat filter for last year's Super Bowl that allowed fans to pose in front of their camera as an animated cooler of the sports drink was dumped over the user's head, virtually replicating one of the most iconic celebrations in sports history
(i) According to Digiday, the strategy led to 160 million impressions for the brand, more than the 115 million people who tuned in for the game
(e) Augmented reality applications open the door to even more innovative promotions, including gamification strategies, for marketers
(i) In 2018, Snapchat introduced an "interactive 3D bitmoji" lens for an augmented reality game at the start of Wimbledon, allowing fans to "play" Serena Williams in a virtual tennis match

i. Comprehensive social campaigns
(a) Sports and entertainment organizations must continue to expand their social presence by creating access points for consumers across multiple social media platforms

(i) Many NHL teams have partnered with the website www.beardathon.com to help raise money for their team charity as a way to piggyback on a longstanding NHL tradition where players do not shave during the playoffs. The "beard-a-thon" integrates a number of social media elements, including Twitter, Pinterest, Facebook and even a Facebook app that allowed those unable to grow facial hair the opportunity to participate through augmented reality.

1. The beard-a-thon effort has raised over $3 million for charities over the past six years [120]

(b) Taking it a step further, the Boston Bruins launched a unique "network" (called the DEN page) to serve as a portal to *all* the team's social media efforts, from Facebook to Pinterest, a gateway to its mobile app, and a home for video and other digital content offerings (the site attracts more than 2.5 million fans every month) [121]

1. Location-based marketing
   a. Location based social networking allows users to "check into" businesses at a physical location using a mobile device while alerting their friends and contacts know where they are and, in some instances, to receive coupons and discounts at the establishment at which they are visiting (think of it as the convergence of social media and mobile marketing)
   b. Through the use of iBeacons (Apple's Bluetooth, location based technology), sports teams are better equipped to provide customized notifications (ranging from special offers to trivia) to fans using mobile devices at stadiums around the country [122]
      i. According to a story from cnet.com, last season the Golden State Warriors became the first NBA team to use iBeacons (over 20 Major League Baseball stadiums are already outfitted with the technology), using them to send four specific types of notifications -- a welcome message; offers to upgrade to better seats; special concession deals; and promotions for the team store
      ii. The Miami Dolphins use iBeacon technology and location-based triggers to advertise food and merchandise specials to fans
         (a) According to Venuetize, the Dolphins were able to generate $184,933 in incremental revenue from the offers last season and reported that Beacon-only advertised items had an average transaction that was 87% higher than non-advertised merchandise
      iii. Beacon technology is now utilized in 93% of MLB parks, 75% of NFL stadiums and 47% of NHL arenas
         (a) MLB is experiencing triple digit increases in numbers of fans checking-in through the league's mobile app where targeted messages, offers and special promotions are communicated to fans at ideal times, increasing the likelihood of spontaneous concession and merchandise purchases
2. Viral marketing
   a. Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence [123]
   b. Viral marketing is the digital marketer's version of "word-of-mouth" advertising
   c. Viral marketing examples
      i. Nike launched a video as a way to tie in with the 2014 World Cup (named "Risk Everything featuring some of the biggest names in soccer) that racked up more than 56 million views in just one week [124]

ii. In just a few days after posting a response to the "Mannequin Challenge" on the team's Facebook page, BYU Gymnastics'' video was viewed over 2.5 million times and was featured on ESPN's website [125]
   (a) Click here to visit the BYU Women's gymnastics team Facebook page to see the video (which has now been watched over 7.5 million times)
iii. Last season over 150 NBA players received customized potatoes in the mail as part of marketing strategy from Potato Parcel
   (a) The savvy campaign quickly went viral as many players posted photos of their potatoes on social media, helping the message to spread like wildfire
   (b) Click here to see some of the custom messages sent to NBA players
iv. In less than 24 hours, a John Mayer music video racked up over 1 million views on YouTube when the singer posted that he shot the video at a small budget studio rather than investing in a big-budget production, using cheesy "green screen" back drops
   (a) Click here to see the "New Light" video (which has already surpassed 12 million views)

B. Ultimately, this shift in marketing trends creates new opportunities and growth potential for the sports and entertainment industry
   1. John Meindl, President of SPORTSBRANDEDMEDIA says on their website: "*Sports, TV, movies and music each offer successful marketing models. But when sports and branded entertainment work in unison, the result can cut through the clutter of advertising messages and enable you to reach your target audience in a unique and effective way*." [124]

Case Study

Establishing the Marketing Mix: A Unit 4 SEM Case Study

Consider the marketing machine that is international soccer's dream franchise, Manchester United. The franchise's success in establishing a solid marketing mix has effectively helped to brand the organization as one of the most recognizable professional sports teams in the world.

Manchester United has consistently offered an excellent product in an extremely successful soccer team, but the success on and off field has helped the organization maintain its marketability. The continued exposure of a quality product has resulted in high volumes of merchandise sales, furthering the development of the brand with fans gobbling up everything from replica jer- seys and apparel to key chains and coffee mugs.

The key to continued fan support for Manchester United has been the effective development of price points. The organiza- tion has positioned itself as a premium product, one which commands a higher ticket price. The simple foundation of the eco- nomic principle of supply and demand has no doubt weighed heavily into the pricing strategies as with the club selling out the majority of its home games. Access to seats is limited to the organization's "membership".

Adding to Manchester United's appeal is the venue in which they perform. With a historic tradition rivaled by very few sports stadiums, Old Trafford Stadium plays host to over 200,000 visitors from all over the world every year for tours alone. The team's website features information on the stadium, but also highlights an online video lounge, player interviews, team news and a host of other attractions that drive traffic. With thousands of visitors to the site each day, the organization has an excellent opportunity to make its products, such as tickets and merchandise, available to consumers. Fans also have an opportunity to see games live on television on MUTV, a television channel dedicated to Manchester United. MUTV is owned by the franchise, allowing for the team to maintain control of the broadcasting rights. In addition, fans can listen live on the radio and Internet.

Manchester United also engages in multiple promotional opportu- nities, including a host of sponsor partnerships. The mass world- wide appeal of the franchise provides exceptional marketing op- portunities for sponsors, and the club has effectively turned those sponsorships into unique promotions for fans, including offers for a Manchester United credit card (MasterCard) and insurance discounts (complete with an online quote from Man U's website).

Manchester United also has valuable sponsors in Nike, Voda- phone (mobile phone company), PepsiCo, and Anheuser-Busch. In 2005, a company called Serious USA will launch a line of DVD trading card collectibles featuring Manchester United. Also in 2005, the team website featured a promotion providing fans the extraordinary chance to "Fly To Milan With The United Team", donated by United's official car supplier Audi UK.

*** CASE STUDY DISCUSSION QUESTIONS ***

1.) How as Manchester United implemented each element of the marketing mix?

2.) Do you think Manchester United has been successful in integrating those components? Why or why not?

3.) How has the marketing mix helped Manchester United in branding their franchise

Unit 4 Discussion Question Review

Do you think sports and entertainment organizations implement the same general marketing strategies and practices as companies in other industries? Why or why not?

Sports and entertainment organizations do utilize the same fundamental marketing concepts that drive businesses in other industries, in large part because those strategies have proven to be effective time and time again.

Which concepts are important to sports and entertainment marketers?

- The marketing mix
- Target markets
- Market segmentation
- Positioning
- Understanding consumers
- Market research
- Advertising

Why is marketing a necessary and beneficial function to businesses?

The marketing function is necessary for any business. Some of the benefits derived from marketing sports and entertainment products and services could include:

- The ability to add perceived value to goods and services
- Making the buying process easy and convenient for consumers
- Creating and maintaining reasonable prices
- Providing a variety of goods and services
- Increasing production

Who do you think the sports and entertainment business consumer is? Why is it important to know who the consumer is?

Having a firm grasp on exactly who its consumers are allows sports and entertainment marketing professionals to develop the most effective strategies for reaching them to sell company products and services.

Marketers sell sports and entertainment participation. It could be participation by event attendance or physical participation in the event itself. Marketers target those consumers with free time, discretionary income, and a desire to be entertained.

Sports consumers are people who may play, officiate, watch, or listen to sports, or read, use, purchase, and/or collect items related to sports.

Unit 4 Key Words Defined

Advertising: Any paid, non-personal form of communication by an identified company

Demographics: Information that provides descriptive classifications of consumers

Exchange Process: Marketing transaction in which the buyer provides something of value to the seller in return for goods and services that meet that buyer's needs or wants

Market Segmentation: The process of identifying groups of consumers based on their common needs

Marketing Concept: The view that an organization's ability to sell its products and services depends upon the effective identification of consumer needs and wants and successful determination of how best to satisfy them

Marketing Mix: Consists of variables controlled by marketing professionals in an effort to satisfy the target market

Niche Marketing: Process of carving out a relatively tiny part of a market that has a very special need not currently being filled

Social media: Describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact

Target Market: Refers to people with a defining set of characteristics that set them apart as a group

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Unit 5: The Marketing Plan

Overview

Unit five prepares students with the basic fundamentals required to develop an effective marketing plan. The situation or SWOT analysis is an important tool for any organization in determining key characteristics of their business and is integral to the planning process. Students will also learn the importance of creating a solid mission statement and the role finance plays in the development of the marketing plan. Unit five also examines additional components critical to the creation of a successful marketing plan.

Objectives

1) Understand what the marketing plan is and why it is an important tool for sports and entertainment marketers
2) Identify the key components of the marketing plan
3) Successfully compose a mission statement
4) Explain the purpose of a situation or SWOT analysis
5) Identify the four elements of a situation analysis
6) Recognize the importance of understanding the financials within the marketing plan
7) Determine which information is important to address within the marketing plan

Lessons

Lesson 5.1 What is the Marketing Plan?
Lesson 5.2 Components of an Effective Marketing Plan
Lesson 5.3 The Mission Statement
Lesson 5.4 The Situation Analysis (SWOT)
Lesson 5.5 Financing
Lesson 5.6 Key Information in the Marketing Plan

Key Terms

Balance Sheet
Budget
Competition
Forecast
Income Statement
Marketing Plan
Market Share
Mission Statement
Situation (SWOT) Analysis

Lesson 5.1
What is the Marketing Plan?

A. Marketing plan
   1. The **marketing plan** is a written document that provides direction for the marketing activities for a specific period of time [1]
      a. The plan is a critical planning tool for any business, regardless of industry, as it provides direction for the organization by defining goals and strategies

B. Why is a marketing plan important?
   1. It communicates the goals, objectives, and strategies of a company to its employees
   2. Some marketing plans are prepared to be included as part of a complete business plan
      a. with the goal of obtaining financing from outside investors or bank for a new venture

C. Marketing plans can vary in complexity and time frame
   1. The complexity of the marketing plan is determined by the size and type of the organization
      a. The plan is also influenced by the organization's goals and objectives
   2. The time period covered by the plan also varies with organization size and type
      a. A new minor league baseball franchise may only plan for two years given the risk for minor league organizations to be short-lived
      b. A major league baseball team may create a five to ten year plan to implement complex and long-term marketing strategies

D. Understanding the market
   1. Before completing the marketing plan, organizations must understand their market
   2. An organization must research and evaluate many factors within a market
      a. The product
      b. The consumer
      c. The economy
      d. Target markets
      e. Existing market distribution channels
      f. Buying trends
      g. Competitor performance

E. Understanding competition
   1. **Competition** refers to a rivalry between two or more businesses selling products or services to the same customers or markets
   2. When two or more businesses sell the same goods or service, they are competing for the same consumers. Competition impacts price points, product features and marketing strategies because businesses are fighting for an edge that will persuade consumers to choose their products or services over those of competitors.
      a. PS4 (Playstation), Xbox One (Microsoft) and Wii U (Nintendo) compete for consumer dollars in the video game market
      b. The Dallas Stars, Dallas Cowboys, Dallas Mavericks, Texas Rangers and FC Dallas compete for consumer dollars in the Dallas-Fort Worth area
      c. Redbox, Blockbuster and Netflix compete for consumer dollars in the movie rental business
      d. **Market share** is a key indicator of how well one company is performing against competitors within the marketplace
         i. For example, Gatorade dominates market share among brands competing for consumer attention in the sports drink market [2]
            (a) Gatorade (71.2%)
            (b) Powerade (18.5%)

(i) Backed in part by former NBA star Kobe Bryant, BodyArmor is a relatively new player in the sports drink market looking to challenge Gatorade's dominance in the marketplace
1. The brand launched its first-ever national television advertising campaign during the 2017 NBA Playoffs in a spot directed and narrated by Bryant with the slogan "Obsession is Natural", starring highly visible athletes like James Harden (NBA's Houston Rockets) and Mike Trout (MLB's Los Angeles Angels)
2. Click here to see the commercial

(c) BodyArmor (2%)
(i) Click here for a great article on upstart Body Armor's strategic plans for claiming a bigger share of the $4 billion sports drink market from foxbusiness.com

2. A monopoly occurs when there is no competition in the marketplace
a. In 2017, the Federal Trade Commission blocked the merger between daily fantasy contest companies FanDuel and DraftKings with concerns about the effect the merger would have on consumers. The merger would have given DraftKings and FanDuel over 90% of the market. [3]
b. In 1984, the U.S. Supreme Court ushered in the modern era of escalating media rights fees when it declared the NCAA's control of football television rights to be an illegal monopoly. Today, schools that 30 years ago received less than $1 million a year from television can generate $20 million or more a year in revenue from the sale of television rights. [4]
c. A lawsuit alleged that EA Sports had "engaged in unlawful and anti-competitive agreements that nearly doubled the price of its popular game, Madden NFL, drove competition out of the market and prevented new competitors from entering." The company settled in 2012 for $27 million but only with respect to their NCAA and Arena football licensing agreements, not its Madden franchise. [5]
d. In 2018, the Department of Justice approved Disney's purchase of Fox on the condition that it did not include its regional sports networks
i. Disney owns ESPN so there were monopolistic concerns if they were to gain Fox's sports network assets as well
ii. For the agreement to be finalized, the DOJ required Disney to sell off Fox's 22 regional networks to a "reasonable" buyer (i.e. - a buyer that wouldn't give them control of the networks)

3. Types of competition
a. *Direct competition* occurs between sellers of similar products and services
i. Li Ning, an upstart Chinese footwear and apparel brand is a direct competitor of Nike, Adidas, Puma and Under Armour, had displaced Adidas as the number two brand in China based on sales of footwear, apparel and accessories by 2012. Today, the company is still trying to positioning itself to surpass Nike as the top footwear and apparel brand in China. Li Ning's goal was to be number one by 2013. [6]
(a) Unfortunately for the brand, it has struggled to reach its goal. As of last year, Nike still was still the largest sportswear company in China with a 17.5 percent market share, Adidas a close second with 16 percent share, while Anta Sports Products Ltd. (another Chinese brand) controlled nearly 10 percent and Li Ning just 5.5 percent.
(i) Click here to read a story from Bloomberg on the growth potential of both Li Ning and Anta in the Chinese market

(ii) The *Chicago Tribune* reported that Li Ning has rekindled high expectations after Wade's signing with the Chicago Bulls.

1. Just after Wade signed with the Bulls in 2016, the brand released two new versions of Wade's signature shoes available exclusively through the purchase of the "Way of Wade 4" combo pack which includes both pairs for $333

b. *Indirect competition* occurs between sellers that compete for the same share of consumers' discretionary income (competition for the entertainment dollar)
c. It is possible for some products and services to compete directly at times and indirectly at others
   i. Georgia Tech, Atlanta Falcons and NASCAR in the Atlanta market
d. *Substitute products* are products (or services) that consumers may choose to use rather than a particular company's product
   i. Watching games in HD on television rather than attending the game in person

Lesson 5.2
Components of an Effective Marketing Plan

A. Components of an effective marketing plan [7]
   1. Mission statement
      a. A **mission statement** is a written statement that captures an organization's purpose, customer orientation and business philosophy [8]
   2. Executive summary
      a. Provides an overview of complete plan
      b. Highlights key information within the document
   3. Situation or SWOT analysis
      a. The **situation analysis** (also referred to as SWOT) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates
      b. Reviews four key factors pertaining to the company's current market situation
         i. Strengths
         ii. Weaknesses
         iii. Opportunities
         iv. Threats
   4. Marketing goals and objectives
      a. Identifies what the company hopes to achieve with the marketing plan and a timeline for which the plan is to be carried out
      b. To be effective, objectives should follow the S.M.A.R.T. criteria
         i. Specific
         ii. Measurable
         iii. Action-oriented
         iv. Realistic
         v. Time bound
   5. Market research / Marketing strategies
      a. Defining a specific marketing approach intending to create segmentation and positioning objectives with the goal of influencing consumer purchase decisions
      b. Plan should include any relevant market research to help support strategy and implementation decisions
      c. Developing a strategy includes the process of designing an initial marketing strategy for a new product based on the product concept [9]
   6. Implementation
      a. Refers to the process of putting the marketing plan into action
   7. Evaluation and control
      a. The phase in which determinations are made whether the plan achieved the desired results
      b. The control process is on-going and allows for adjustments and changes to the plan as needed to attain desired results
   8. Additional components that may also be present within marketing plan
      a. Table of contents
         i. Most marketing plans will feature a table of contents to help readers quickly and easily access key segments of the plan
      b. Problem identification statement
         i. Provides direction for the analysis as a whole if an organization hopes to overcome a specific challenge
      c. Communication and/or publicity plan

Lesson 5.3
The Mission Statement

A. Mission statement
   1. Many organizational marketing strategies are founded on the basis of the mission statement content
      a. A mission statement should address the following questions[10]
         i. What business are we currently in?
         ii. Who are our current customers?
         iii. What is the scope of our market?
         iv. How do we currently meet the needs of our customers?
   2. To be effective
      a. Mission statement should be shared and supported by employees
      b. Should explain why your organization exists and what it hopes to achieve

B. Mission statement examples
   1. Mission statement for the International Olympic Committee's marketing commission [11]
      a. "Olympic marketing helps perpetuate the work of the Olympic Movement, by providing resources, programmes and financial support. All programmes and actions of a partner should be designed to enhance and protect the Olympic image and Olympic values."
   2. Mission statement of the International Skateboarding Federation [12]
      a. "The International Skateboarding Federation (ISF) is formally organized and incorporated as Skateboarding's International Federation and World Governing Body. The ISF has been established to provide direction and governance for the sport of skateboarding worldwide; The ISF's goals include but are not limited to:
         (a) *"To make skateboarding available to everyone in the world who wishes to participate*,
         (b) *To guarantee skateboarding continues to provide the freedom of self-expression and creativity*,
         (c) *To promote and support the sport of skateboarding in order to guarantee its future*,
         (d) *To continue to maintain the integrity and authenticity of skateboarding as a sport, a passion and a lifestyle*,
         (e) *and to apply these rules of governance in a fair and equitable way, and to do so through the leadership and expertise of the skateboarding family world-wide*"
      ii. Mission Statement for the Chicago Bulls [13]
         (a) Mutual respect for each other, and a commitment to excellence, innovation, integrity and quality in everything we do.
         (b) By providing our guests with superior entertainment value in a clean, secure, and comfortable environment—win or lose—regardless of their interest level in basketball.
         (c) By helping our sponsors build their brands and grow their business.
         (d) By treating our respective constituencies with respect, appreciation, and as we ourselves would want to be treated and serviced. In other words, by putting our fans and sponsors first every single day—and meaning it.
         (e) By making our community a better place to live through our support of worthy social causes.

(f) By involving our guests in the game as active participants—not merely spectators.
(g) By knowing who and where our fans are, and reaching out to them.
(h) By working hard to make NBA basketball the most popular sport in our community and by selling and humanizing our players to everyone we meet.
(i) By being proactive and accountable in carrying out our mission.

Lesson 5.4
The Situation Analysis (SWOT)

A. Components of the situation or SWOT analysis [14]
   1. **S**trengths
      a. Resources and capabilities that can be used as a basis for developing a competitive advantage
         i. Patents
         ii. Strong brand names
      b. Positive reputation among customers
   2. **W**eaknesses
      a. Qualities that give a business a competitive disadvantage
      b. The absence of certain strengths may be viewed as a weakness
         i. Lack of patent protection
         ii. Weak, unrecognized or ineffective brand name
         iii. Poor reputation among customers
         iv. Lack of resources
         v. Inadequate distribution channels
   3. **O**pportunities
      a. Events that could facilitate company profit and growth
         i. An unfulfilled customer need
         ii. Arrival of new technologies
         iii. A particular market niche that has not yet been exploited
         iv. Mergers
         v. Entry into new markets
   4. **T**hreats
      a. Events that could have a negative impact on the company
      b. Could be internal, such as falling productivity, or external, such as lower priced products offered by competitors
         i. Shifts in consumer tastes away from company products
         ii. Emergence of new substitute products
         iii. Government regulation

B. Hypothetically, let's say you were conducting a SWOT analysis for an apparel and footwear company competing with companies like Nike, Adidas and Under Armour for market share
   1. **S**trengths
      a. Strengths might include:
         i. Steady and consistent growth in profits
         ii. Innovative new technology (lightweight, stretchable fabric) that increases consumer performance
         iii. Products tied to effective endorsement campaign (Serena Williams wears your new technology during matches)
   2. **W**eaknesses
      a. Weaknesses might include:
         i. Too much reliance on sales of products online and not enough in retail environments (your products are not available at Dick's or Foot Locker)
         ii. Low brand awareness (not enough consumers are familiar with your brand)
         iii. Dependency on sales of apparel products with a track record of limited growth in footwear (75% of total sales come from the apparel category)
   3. **O**pportunities
      a. Opportunities might include:

   i. Well defined objectives with company-wide support (everyone in the company understands and supports the goal of increasing footwear sales in the next fiscal year)
   ii. Positive industry outlook (forecasts call for substantial growth in the footwear and apparel markets for the next three to five years)
   iii. Positive association with endorsers (Serena Williams' popularity is extremely high and she uses your product and will be featured in an upcoming campaign promoting the brand)

4. **T**hreats
   a. Threats might include:
      i. Competitors launching new, similar product (Puma is launching a similar lightweight, stretchable fabric apparel line in the upcoming year)
      ii. Rising raw material prices (the cost of producing products will rise)
      iii. Poor economic conditions (consumers are spending less)

Lesson 5.5
Financing

A. A critical element to an effective marketing plan focuses on finances
   1. Forecast
      a. The **forecast** predicts the costs and expenses as well as anticipated revenue
      b. A forecast simply provides a target figure and is not expected to be 100% accurate
         i. For example, University of New Mexico's athletics program fell short on its ticket revenue projections for the 2016-17 season [15]
            (a) In anticipation of a continued decline in attendance, the program lowered its projections for its revenue generating sports for the 2017-18 season [15]
               (i) Unfortunately, attendance dropped even more than expected, resulting in another revenue shortfall
                  1. Click here to see the Lobos' revenue projections for the 2018-19 season from the *Albuquerque Journal*
         ii. Sometimes, organizations can exceed projected revenues
            (a) In the Seattle Sounders' original business plan, the goal was to sell 12,000 tickets per game in its inaugural MLS season. However, the team averaged nearly 30,000 in its first year and has maintained that pace every year throughout their existence. [16]
            (b) Bloomberg reports Puma increased its revenue forecasts for 2017 twice in a span of three months after seeing significant quarterly gains in both sales and profits [17]
         i. When establishing a forecast, sports and entertainment marketers will evaluate several factors that will influence revenue and cost projections
            (a) For example, several factors influenced Georgia Tech's athletics department decision to raise its revenue forecast for the 2018 fiscal year
               (i) The department's spending on salaries was projected to increase by 9% to provide raises for the football coaching staff which would require an increase in revenue to help balance the budget
                  1. Georgia Tech's CFO, Marvin Lewis, tells the Atlanta Journal-Constitution: "*Many of our salaries are at the lower tier of the ACC. What we want to do is slowly make strategic increases to get us to the midpoint over time*."
               (ii) The program recognized the opportunity for a ticket sales increase due to several key home football games on the schedule and the excitement surrounding the potential for a successful men's basketball season that should attract larger crowds
               (iii) As a result, the budget calls for a 17% increase in ticket sales for the year

B. Budget
   1. A **budget** details the financial impact of each part of the marketing plan
      a. The budget also requires careful review of other financial statements, including the income statement and projected expenses
         i. The University of South Carolina athletics budget increased to nearly $122 million (up from 112.73 million for the 2017-18 fiscal year) [18]
            (a) The Gamecocks' budget includes projected revenues from the following for 2017-18 [18]
               (i) SEC revenue share ($40.1 million)
               (ii) Ticket revenue ($21.7)
               (iii) Gamecock Club ($13.5 million)

(iv) Sponsorships and royalties ($17.9 million)
(v) Media rights ($4.9 million)
(vi) Premium seat payments ($6 million)
(vii) Gifts and donations ($10.7 million)

(b) The Gamecocks' will budget for the following projected expenses for 2017-18 [18]

1. Personnel: $44,607,171
2. Grants-in-Aids: $12,999,300
3. Guarantees: $1,986,400
4. Team Travel: $7,078,800
5. General Travel: $582,495
6. Recruiting: $1,870,200
7. Team & Department Functions: $1,394,950
8. Uniforms, Equipment & Supplies: $7,517,518
9. Event/Game Services: $7,605,500
10. General Services: $3,786,708
11. Facilities: $7,947,986
12. Marketing Services: $1,211,575
13. General & Administrative: $4,312,350

ii. Click here for a look inside the Michigan athletic department's 2018 and 2019 budgets

b. When an organization is either losing money or hoping to generate larger profits, they re-evaluate budgets in an effort to save money
   i. According to a story published on rivals.com, Florida State's scholarship expenses will increased by about $2 million last year, prompting the Seminole's Athletics Director to impose a 2 percent budget cut in an effort to balance out the increase in program expenses
   ii. Sony Pictures reportedly shifted their film marketing budget from 10 percent on digital to as much as 50 percent, based on how they felt they could most effectively reach prospective movie goers (and ultimately boost sales at the box office)

C. Balance sheet
   1. The **balance sheet** indicates the current value of the company
      a. Shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans)

D. Income statement
   1. An **income statement** is a record of profit and loss
      a. Identifies all revenues received and expenses paid

E. Financing example
   1. Let's say your favorite college football team is evaluating their operating budget for the upcoming season
      a. One of the key challenges they will face from a financial perspective is the significant cost of travel for "away" games
      b. The program's primary budgeted football revenues could include:
         i. Corporate sponsorship
         ii. NCAA revenue distribution
         iii. Ticket sales
         iv. "Guarantee games"
            (a) A *guarantee game* is a game where a larger program's team (typically football or men's basketball) will pay a smaller school opponent to come to its campus for a game. Because the larger school believes it should be favored

to win, it becomes worthwhile to guarantee money to the smaller school for participating in the game and traveling.
   (i) Click here for a story from the Pittsburgh Post-Gazette on how these guarantee games benefit smaller schools
   (ii) For example, in 2018, the Ohio State football program will pay Tulane University $1.5 million and Oregon State University $1.7 million to come play games in Columbus, Ohio [19]
   (iii) According to a *USA Today* report, more than $150 million was paid out in "guarantees" last season in college football and basketball

c. Factors influencing the athletic program's budget decisions relating to football travel could include:
   i. The team's travel to an away game might cost the program $16,000
   ii. Costs are lower when the team plays opponents in a closer proximity because overnight stay wouldn't be required
   iii. Travel also becomes much more expensive when the team is required to fly rather than drive, so playing a team further away might require a $65,000 travel expense
      (a) Airfare = $48,000
      (b) Food = $7,000
      (c) Lodging = $6,000
      (d) Bus transportation = $4,600

d. Budget evaluation
   i. Ideally, the program will minimize costs in relation to budgeted revenues to avoid losing money or even resulting in a budget surplus
   ii. To cut costs, the athletics program might look for ways to minimize travel expenses
      (a) Programs may have some control over the schedule, so each road trip is evaluated on whether it fits the budget, ease of reaching the destination, game times and availability of commercial flights
      (b) The program might also look to partners such as Nike and different hotel chains as a means for minimizing expenses through discounts to try to remain within the budget

Lesson 5.6
Key Information in the Plan

A. In addition to a SWOT analysis, companies must thoroughly detail and expand upon each of the primary components of the plan [20]
   1. Product planning
      a. What event, product, or service will be marketed?
   2. Marketing-information management
      a. Who are the company's competitors?
      b. Who are potential customers?
      c. What characteristics define the target market?
      d. What motivates consumers to buy?
      e. How do we insure repeat purchases?
   3. Distribution strategy
      a. How will the company's product get to the consumer?
   4. Pricing
      a. How much does the product cost the company to produce?
      b. What is the optimal price for the product?
      c. What is the estimated demand?
   5. Promotional strategies
      a. How will the company integrate an effective promotional mix into the plan?
      b. What forms of advertising will they use?
      c. Will those decisions be cost-effective?
   6. Financing
      a. What is the projected overall revenue?
      b. What costs are involved?
      c. What economic conditions will influence marketing efforts?
      d. What other factors should be integrated within the budget?
      e. What is the time frame that should be considered?
   7. Risk management
      a. What legal liability could the company face?
      b. What laws could affect marketing strategies?
   8. Sales
      a. What sales strategy will be employed?
   9. Execution strategy
      a. How will the plan be carried out in a manner that will allow for the organization to accomplish its goals and objectives?
         i. An excerpt from the Vancouver Organizing Committee for the 2010 Olympic Games implementation strategy: [21]
            (a) Create awareness and excitement, across Canada, of the Olympic and Paralympic movements and the 2010 Games
            (b) Make the Games relevant to the entire country fostering the spirit of Canada's Games
            (c) Generate interest and excitement in the corporate community
            (d) Target companies and industries that are profitable and can afford the required investment levels
            (e) Create opportunities for sponsors to activate their sponsorships and maximize their return on investment throughout the entire term of the sponsorship agreements
            (f) Create a positive image and build a solid reputation of fiscal responsibility

10. The future
    a. Where is the business going?
    b. What is the future for company competitors?

B. Example of key information addressed in a marketing plan (**hypothetical**)
1. Product planning
    a. Before Gatorade makes the decision to introduce any new products to the market, they must first develop a marketing strategy to help maximize beverage sales
    b. They must also consider how to market existing products
2. Marketing-information management
    a. Gatorade must evaluate each of their competitors (Powerade, BodyArmor etc.)
    b. Identify the target consumers
    c. Understand how those make purchase decisions
3. Distribution strategy
    a. Will Gatorade utilize a mail order strategy through EastBay? Will they create an online shopping portal to sell online? Provide product at retail stores?
    b. Which combination of distribution channels best fits their overall sales strategies?
4. Pricing
    a. What will beverage production costs be? What range of potential price points makes sense for the product(s)? Will any discounting strategies be implemented? What type of demand can be expected for the new sports drink products at each of the price variations?
5. Promotional strategies
    a. What will Gatorade's promotional campaign include?
    b. What type of media will be utilized to communicate information about the shoe to consumers? Social media? Advertising? Endorsements?
    c. What will the budget be? Which promotional mediums will provide the best bang for the buck?
6. Financing
    a. How much beverage (volume) will Gatorade expect to sell?
    b. What is the forecast for gross income?
    c. What costs will Gatorade incur? Manufacturing? Packaging? Distribution? Inventory? Marketing?
    d. What is the projected net profit?
7. Risk management
    a. Are there potential legal ramifications for Gatorade's planned marketing strategy?
    b. Does the product pose any physical risk to consumers? Is there a risk of consumers getting sick from drinking the beverages?
8. Sales
    a. What sales strategy will help Gatorade to maximize the sales volume of the sports drinks? Personal selling? Online sales?
9. Execution strategy
    a. How will the plan be carried out in a manner that will allow for Gatorade to accomplish its goals and objectives?
10. The future
    a. What are the short term and long term goals for Gatorade?
    b. What does the future hold for companies like BodyArmor and Powerade? Are other beverage companies a potential threat in Gatorade's product category? Why or why not?

Case Study

SEM Marketing Plans in Action:

A Unit 5 SEM Case Study

In an effort to increase revenue generated by University of Portland athletics, the marketing team revamped marketing strategies by re-writing an outdated marketing plan for the 2004-2005 athletic season. The plan helped to expand the breadth of sales opportunities available to the athletic department marketing team. Tricia Miller, Director of Marketing for Pilot Athletics summarized the effort by saying "The marketing plan elucidates our goals and provides the framework to reach these goals. It often becomes a fluid marketing plan as we make adjustments throughout the season relative to market conditions."

The plan outlined the key factors that would help them to brand and promote University athletics. The goal was to increase the number of tickets sold to University sporting events, particularly men's basketball and women's soccer, which they identi- fied in the S.W.O.T. analysis as the most popular spectator sports at the University among both the student population, alumni and fans throughout the Portland area. Also included in the plan were identification of a target market, positioning and branding strategies, promotion/events planning, communication goals and a defined approach to,advertising.

Another important consideration in the Pilots strategic planning was careful analsyis of competi- tion. In addition to several other division one col- legiate athletic programs within a two hour drive of Portland (including Portland State, Oregon State and the University of Oregon), the Pilots must also content with the growing popularity of high school sports and the professional teams within the mar- ket.

Upon completion of the S.W.O.T. analysis, they opted to shift the focus of their marketing efforts to students, creating programs to encourage student attendance at athletic events. The rationale was simple, as Tricia explained, "These are our future alumni, future season ticket holders, and future donors. Perhaps the most important factor contributing to our evolution in strategy is the electric atmosphere our fans can create – a real home court advantage if you will – enhancing the experience for everyone involved."

Was the plan effective? The Pilot Athletic Department reached all of their goals for the season in both men's basketball and women's soc- cer, with women's soccer ticket sales seeing an overall increase of 59.7% (including a 134.2% increase in student attendance) and men's basket- ball witnessing a 26.9% boost in overall ticket sales (including a 36.7% increase in student attendance).

After the successful implementation of the 2004-05 marketing plan, the Pilots have already begun adjusting the plan to further improve ticket sales efforts for the 2005-06 season.

*** CASE STUDY QUESTIONS ***

1.) What was the University of Portland athletic department working to achieve with the marketing plan? What was the goal?

2.) What role did the S.W.O.T. analysis play in the creation of an effective marketing plan for Pilot athletics?

3.) Why do you think the University of Portland has decided to spend the time developing another marketing plan for the next season?

Unit 5 Discussion Question Review

Why is a marketing plan important? Would the practice of developing marketing plans be relevant in the sports and entertainment industry? Why or why not?

- The marketing plan is a critical planning tool for any business, regardless of industry
- Provides direction for the organization by defining goals and strategies
- Sports and entertainment organizations view this process as the creation of a business "game plan"
- It communicates the goals, objectives, and strategies of a company to its employees

What types of sports and entertainment organizations might benefit from a marketing plan? How and why?

Almost any sports and entertainment organization will utilize a marketing plan. The plan helps to de- fine their strategy for achieving corporate goals such as improving public opinion, selling more tickets or sponsorships and cross promoting with other forms of entertainment or events.

Examples could include:

- An LPGA event creating a marketing plan for boosting sponsorship revenues
- The NHL developing a plan for managing the negative publicity surrounding the league as a by-product of the season long labor dispute/lockout
- A chain of movie theaters implementing a strategy to increase matinee ticket sales
- A record company determining the best way to communicate information about an artist's upcoming album release

Unit 5 Key Words Defined

Balance Sheet: Indicates the current value of the company

Budget: Details the financial impact of each part of the marketing plan

Competition: A rivalry between two or more businesses selling products or services to the same customers or markets

Forecast: Predicts the costs and expenses as well as anticipated revenue

Income Statement: A record of profit and loss

Marketing Plan: A written document that provides direction for the marketing activities for a specific period of time

Mission Statement: A written statement that captures an organization's purpose, customer orientation and business philosophy

Situation (SWOT) Analysis: Provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates

Unit 5 References & Resources:

1) Sports & Entertainment Marketing, Glencoe-McGraw Hill, 2nd ed., p. 190
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3) https://www.forbes.com/sites/darrenheitner/2017/06/19/ftc-files-complaints-to-block-fanduel-draftkings-merger/#3f9b396b2adc
4) http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine
5) http://www.theverge.com/gaming/2012/7/23/3177295/ea-sports-monopoly-lawsuit-settlement
6) http://adage.com/globalnews/article?article_id=141601
7) Sports & Entertainment Marketing, Glencoe-McGraw Hill, 2nd ed., p. 190-195
8) http://bplans.com/g/print_glossary.cfm?full=yes
9) http://www.prenhall.com/divisions/bp/app/armstrong/cw/glossary_6.html#m
10) Framework for Strategic Sports Marketing, Presentation Notes, Dr. Brian Turner, Slide #12
11) http://www.olympic.org/uk/organisation/commissions/marketing/index_uk.asp
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16) http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine
17) https://www.bloomberg.com/news/articles/2017-07-17/puma-boosts-its-forecasts-again-as-turnaround-gathers-pace
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19) http://www.csnchicago.com/big-ten/huskers-reportedly-paying-165-million-2017-game-vs-arkansas-state
20) Sports & Entertainment Marketing, South-Western Educational Publishing, p. 258, 259
21) http://www.vancouver2010.com/dl/00/40/16/-/40160/prop=data/10ct75/40160.pdf

Unit 6: Branding & Licensing

Overview

Unit six addresses the concepts of branding and licensing, two very important principles in the sports and entertainment marketing business. Branding, as a function of marketing, contributes to the overall perception consumers carry with respect to a particular company or its products. Successful branding strategies can be seen all over the sports and entertainment industry, with examples like ESPN, Sports Illustrated, MTV, Gatorade and the New York Yankees. Licensing has become a critical revenue producer for all properties in the sports and entertainment industry and continues to grow at an astounding pace. Unit six explores the factors contributing to that growth.

Objectives

1) Define branding
2) Define brand equity and brand extension
3) Differentiate between corporate brand, product brand and store brand
4) Determine the characteristics of an effective brand name
5) Define licensing
6) Discuss the licensing process
7) Distinguish between licensor and licensee
8) Explain the advantages and disadvantages to a licensee
9) Identify the four key considerations of on-site merchandising

Lessons

Lesson 6.1 Branding
Lesson 6.2 Licensing
Lesson 6.3 The Licensing Process
Lesson 6.4 Merchandising

Key Terms

Brand Extension
Branding
Corporate Brand
Licensee
Licensing
Licensor
Product Brand
Slogans
Store Brand
Trademark

Lesson 6.1
Branding

A. Branding
   1. **Branding** is the use of a name, design, symbol, or a combination of those elements that a sports or entertainment organization uses to help differentiate its products from the competition [1]
      a. Describes a company's or event's efforts to develop a personality and make its products or services different from the competition [2]
      b. Branding mechanisms
         i. Brand mark
         ii. Logo
         iii. Trademark
         iv. Graphics
         v. Slogans and taglines
            (a) **Slogans** are short, memorable catch phrases used in advertising campaigns designed to create product affiliations among consumers
            (b) For example, Dick's Sporting Goods advertising often features the slogan "Every season starts at Dick's"
            (c) NBA teams often introduce slogans specifically for their playoff runs
               (i) Examples from the 2018 NBA Playoffs:
                  1. Cleveland Cavaliers: "Whatever it Takes"
                  2. Houston Rockets: "Run as One"
                  3. Boston Celtics: "C Us Rise"
                  4. Milwaukee Bucks: "The Time is Now"
                  5. Golden State Warriors: "Strength in Numbers"
      c. When a brand name or trade name is registered, it also becomes a trademark [3]
         i. A **trademark** is a device that legally identifies ownership of a registered brand or trade name [3]
            (a) ESPN reported that in 2018, LeBron James filed to trademark his slogan "Nothing is given. Everything is earned."
               (i) LeBron first used the phrase in a Sports Illustrated article in which he announced he would be leaving the Miami Heat and return to his hometown Cleveland Cavaliers
            (b) Also in 2018, Golden State Warriors forward Draymond Green trademarked the phrase "Hamptons 5", a reference to a moniker the media used to describe the meeting Green, along with three of his Warriors' teammates had, with then-free agent Kevin Durant to join them in the Bay Area
               (i) According to the trademark application (as reported by Mercury News), Mr. Green's plans for use of the trademark include sports drinks, gym bags, cell phone cases, headphones, comic books, athletic wear, "educational tools" and possibly a celebrity gossip website
            (c) Trademark battles can become contentious in the court of law with companies spending millions in pursuit of intellectual property rights
               (i) The NCAA paid $17.2 million to secure the registered trademark for the phrase "March Madness" [4]
               (ii) Organizations will protect their intellectual property, even in instances where the infringement doesn't use the exact phrase that has been trademarked

1. For example, the NCAA pursued legal action to keep a car dealership from using the phrase "Markdown Madness" in their advertising during the 2018 NCAA men's basketball tournament, suggesting the dealership was wrongfully exploiting its March Madness mark

(iii) Because Texas A&M University trademarked the phrase "The Twelfth Man" in 1990, the school sued two NFL teams for using the popular phrase in their marketing, saying the lawsuit was "mean to protect its 12th Man trademark from infringement"

1. In 2016, the Aggies reached an agreement with the Indianapolis Colts that requires the Colts to remove the "12th Man" phrase from the stadium's "Ring of Honor" and to stop all other uses of the trademarked phrase
2. According to the lawsuit, the Colts used the trademarked phrase to help sell tickets (one campaign urged fans to "Join the 12th Man") and merchandise
3. Click here for more on the story from the Indy Star

(iv) According to an ESPN report, Texas A&M also reached an agreement with the Seattle Seahawks in 2016 which gives the NFL franchise limited rights to use the trademark in exchange for an annual licensing fee [5]

1. The Seahawks will pay $18,000 per year to use the phrase and $10,000 to help Texas A&M continue fighting to protect the trademark
   a. Despite the annual licensing fee, the Seahawks will not be allowed to use the "12 Man" phrase in their stadium's Ring of Honor or as its handle through any of their social media platforms
   b. Click here for more on the story from espn.com.

(d) According to the Sports Business Journal, the NHL expansion franchise in Las Vegas has struggled to finalize a name for the franchise, suggesting many of the possible team names have already been trademarked

d. Protecting the brand

i. Organizations will go to great lengths to protect their brand from a legal perspective

(a) According to Michael Napolitano, Licensing Director for Major League Baseball in an interview, Major League Baseball spends millions of dollars per year on trademark protection [6]

(b) According to the *Oregonian*: "Adidas is well known for aggressively guarding the logo it's used for more than 55 years. It has pursued at least 325 infringement matters in the United States, including 35 lawsuits and 45 settlement agreements, according to court records." [7]

(i) In 2015, the brand aggressively pursued litigation against Skechers for trademark infringement, suggesting they copied the design of its iconic Sam Smith sneakers [8]

1. Click here to read more about the claim against Skechers and to see pictures of the shoes under dispute
2. In 2018, the two brands settled the lawsuit out of court

(ii) In 2017, adidas took Puma to court with another trademark infringement claim over a soccer cleat that had four stripes on the side

1. Click here to see a picture of the Puma cleat in question

(iii) Adidas has a portion of their website dedicated to explaining the legal ramifications of attempts to sabotage their brand

(c) Since 1967, Chapman High School in Kansas had been referring to its sports teams as the "Fighting Irish" and featuring a mascot bearing a similar

resemblance to the fighting leprechaun logo used by the University of Notre Dame. In 2012, the school received a cease and desist letter from Notre Dame, ordering them to discontinue using the logo. Unwilling to spend the money necessary to challenge the University in court, the school held an art contest to design a new logo for school athletics. [9]

1. Characteristics of a successful brand [10]
   a. Positive, distinctive and generates positive feelings and association
   b. Easy to remember and pronounce
   c. Logo is easily recognizable
   d. Implies the benefits the sports or entertainment product delivers
   e. Consistent with the image of the rest of the product lines and company/organization and/or city
   f. Legally and ethically permissible
2. Brand building [11]
   a. Brand awareness
      i. The process of working toward maximizing recognition of a particular brand
         (a) Many comic book fans associate comics with Marvel because of brand awareness. Because Marvel Entertainment has such a strong brand, the Walt Disney Company purchased the company for $4 billion.
         (b) Despite moderate expectations, *Teenage Mutant Ninja Turtles*, the fifth installment of the film franchise, stunned *Guardians of the Galaxy* by dethroning the superhero squadron after just one week at No. 1, shattering sales forecasts by $20 million
            (i) In nearly 25 years, no Teenage Mutant Ninja Turtles film has opened below No. 1
               1. In 2016, *Teenage Mutant Ninja Turtles: Out of the Shadows*, continued the streak of being #1 when it did $35 million in ticket sales in its first weekend
   b. Brand image
      i. Consumer perceptions linked to a particular brand (health, excitement, fun, family etc.)
      ii. Example
         (a) The Disney brand is associated with family fun and entertainment
         (b) Brand image is not limited to just sports and entertainment properties but also to athletes and celebrities
   c. Brand equity
      i. The value placed on a brand by consumers
         (a) Nike has strong brand equity because consumers have long associated the brand with top level athletes and quality products
            (i) Thanks it its strong brand equity, Nike is able to charge $310 for a pair of their soccer shoes
               1. Compare that to soccer shoes made by Nike's biggest competition, Adidas, that top out at $240 for a pair
               2. Typically a good pair of cleats from any brand can run $150, but Nike's brand equity allows them to sell them at a higher price point
         (b) Click here to read the results of a 2018 NFL fan equity study conducted by Emory University
   d. Brand loyalty
      i. Consumer preference for a particular brand as compared to competitor products or services

(a) In the recreational/sport fishing category, Plano brand tackle boxes have established a loyal customer base, maintaining a significant share of the market year in and year out. Plano tackle boxes were again the preferred brand among anglers, representing 55.8% of all tackle box purchases. [12]

ii. Brand loyalty is a critical factor influencing the concept of fandom, the higher the level of brand loyalty, the greater likelihood of an increased level of intensity in fandom

(a) The Brand Keys Sports Fan Loyalty Index ranked the most loyal sports fans based on league, the top four:
(i) Major League Baseball
(ii) National Basketball Association
(iii) National Football League
(iv) National Hockey League

(b) The Brand Keys Sports Fan Loyalty Index also ranked the "most loyal" MLB fans (results are below with the previous ranking in parenthesis)
(i) MLB teams with the most brand loyalty:
1. Chicago Cubs (#7)
2. Washington Nationals (#5)
3. Los Angeles Dodgers (#2)
4. Boston Red Sox (#8)
5. San Francisco Giants (#3)

(ii) MLB teams with the least brand loyalty:
1. Arizona Diamondbacks (#29)
2. San Diego Padres (#27)
3. Colorado Rockies (#28)
4. Milwaukee Brewers (#22)
5. Minnesota Twins (#16)

(c) Electronic Arts shares jumped 15% just after the video game publisher shared details on its deal with Disney to produce "Star Wars" games, pushing its stock to its highest level in more than a year, thanks to the incredible brand equity that the Star Wars brand has built over the years

(d) For a classic example of brand loyalty ***and*** fandom, click here to read the Reuters story about the Las Vegas resident who owns every single pair of Air Jordan sneakers ever made

3. Event branding opportunities [14]
   a. Naming rights
      i. TCS, a consulting firm, has the naming rights to the popular New York City Marathon
   b. Promotions and co-promotions
      i. PowerBar, another sponsor of the TCS NYC Marathon, utilizes its partnership to provide a special promotional opportunity to race participants by offering 20% off all PowerBar products at the PowerBar store online
   c. Sponsorship opportunities and presenting rights
      i. While TCS enjoys the naming rights to the annual NYC Marathon, several other sponsors enjoy "strategic partner" status, such as FitBit, Foot Locker and Gatorade
   d. Merchandising opportunities
      i. Licensing opportunities are often available which would include the authorized use of a brand, brand name, brand mark, trademark, or logo
      ii. ASICS was a "principal" (primary) sponsor of the NYC Marathon. Part of their sponsorship agreement provides them with merchandising opportunities in that

much of the merchandise sold online or on-site is co-branded by ASICS (they are also the presenting sponsor of the official Marathon Store). [15]
(a) After 25 years of sponsoring the NYC, ASICS announced that 2016 would be their last as race sponsor (New Balance took over as official sponsor for the 2017 race)

e. Hospitality
   i. Companies may have the opportunity to entertain clients, prospective customers and employees with tickets to the event
   ii. Most events offer hospitality packages, which typically include access to VIP areas and include food and beverages

4. Forms of branding [16]
   a. A **corporate brand** represents an entire company or organization
      i. Walt Disney Company
      ii. National Football League
      iii. Apple
   b. A **product brand** represents a particular product of a company or organization
      i. World of Warcraft video games
      ii. Harry Potter
      iii. iPod, iPhone, iPad
   c. **Store brands** (also called private labels) are the products retailers sell as their own brands
      i. Gander Mountain, an outdoor sports store, carries brand name merchandise from Columbia Sportswear and Wrangler, but also offers many products under the label of Gander Mountain
      ii. Athleta activewear for women (apparel primarily targeting the niche yoga and pilates consumer) is actually a store brand under the Gap, Inc. umbrella
5. Branding in sports and entertainment business
   a. Sports and entertainment organizations and companies work hard to develop strong brands as a means for differentiating themselves from one another [17]
   b. Branding provides a unique means for product differentiation in that individuals (athletes, actors, musicians) can have a tremendous impact on sales
      i. Fans of Dwayne Johnson will pay to watch nearly any movie for which he plays a role and will purchase DVDs, memorabilia and other licensed merchandise
   c. **Brand extension** refers to the use of a successful brand name to launch a new or modified product or service in a new market [18]
      i. Celebrities and athletes in today's marketing age are becoming managers of their own brands
         (a) *Forbes* magazine Senior Editor Matthew Miller says "*Celebrities are brands, and they are marketing to us and there's stuff we consume off of them, from movies to albums to concerts to books to speaking tours to everything in between, and we sort of all buy into it*." [19]
         (b) Musician Jimmy Buffett's list of brand extensions is expansive; from restaurants (Margaritaville cafes), casinos and footwear (Sole of the Tropics flip-flops) to his own radio station on Sirius and a complete line of Margaritaville-branded food and beverages.
         (c) Celebrities use their star power to launch product brands, like Boston Red Sox star David Ortiz (*Big Papi En Fuego Hot Sauce*) and Usain Bolt (*Bolt branded SOUL headphone line*), popular music stars Kanye West, Rihanna, Jay-Z, Taylor Swift, Justin Bieber, Tim McGraw (fragrance lines), Actress

Emma Watson (teen clothing line), American Olympic gold winning gymnast Nastia Liukin (girls clothing line for JC Penney)

(d) In 2018, legendary tennis star Serena Williams, also known for her fashion sense, launched her own clothing line featuring motivational messages and "feel good" fashion [20]

(e) Athletes and celebrities also leverage their popularity to open restaurants (according to an article in *ESPN the Magazine*, over 200 athletes are also restaurant owners), such as John Elway's "Elway's Colorado Steakhouse" in Colorado or Aerosmith's "Mount Blue" in Massachusetts [21]

(f) Click here to read a *Forbes* story about country star Toby Keith's economic empire, much of it resulting from his ability to extend his brand

ii. Brand extension is not limited to individual athletes and celebrities

(a) The University of Notre Dame sells a Notre Dame branded cologne, with 3.4-ounce bottles retailing for $62

(b) The entire *Pirates of the Caribbean* film franchise is an extension of a Disney brand (originally a theme park ride) that has been around for years and the films have now made nearly $3 billion at the box office (that is the booty from the films alone, not including licensed merchandise sales, which range from Halloween costumes to nail polish to lamps) [22]

(c) Stance introduced its first brand extension last season, expanding their product offering from niche socks to MLB-licensed underwear [23]

(d) Rovio, creator of the wildly popular Angry Birds video game app, announced a brand extension into education in which they will be marketing early childhood curriculum worldwide

(e) In 2016, the popular *Warcraft* brand, known originally for its video games and novels, expanded into movie theatres and was the #2 film during its opening weekend

(f) ESPN has grown to include ESPN2, ESPN News, ESPN Classic, ESPNU, ESPN Deportes, ESPN Films, 47 international channels; the largest sports-radio network in America; a magazine (ESPN the Magazine), restaurants (ESPN Zone), and a website that clocks 52 million unique visitors a month; and its own $100 million theme park in Florida [25]

(g) Disney announced a 'Frozen' themed cruise on the company's cruise line would make a stop in Norway that would include on-board meet-and-greets with popular characters from the film and other activities based on the popular film

(i) Click here for more on the Disney Cruise line

(h) Reebok launched a unique brand extension in an effort to continue to connect with cross fit brand by introducing a Reebok branded bacon product

6. Importance of developing a strong brand [26]

a. There are a number of benefits associated with the development of a strong brand

i. Strong brands have the power to create business value and impact more than just corporate revenues and profit margins

ii. Strong brands also create competitive advantage, command price premiums and decrease cost of entry into new markets and/or categories

iii. Strong brands reduce business risk and attract and retain talented staff

iv. Strength of a brand can carry the brand in a tough economy

(a) The Harry Potter brand has morphed into one of the strongest (and most valuable) brands in the entertainment industry with estimates placing the value of the Potter brand to be somewhere in the neighborhood of $25

billion [27]

(i) The LA Times reports that "The Wizarding World of Harry Potter" attractions at numerous U.S. Universal Studios are responsible for gains in attendance as much as 38%

1. "Harry Potter and the Forbidden Journey," the marquee attraction within "The Wizarding World of Harry Potter," reached one million riders faster than any other attraction in Universal history (according to comcast.com)

(ii) Click here to read a story from brandchannel.com about the many Harry Potter brand extensions

v. Re-establishing brand position and strengthening the brand is a critical component for maintaining a strong brand

(a) One strategy for re-establishing or strengthening a brand is the process of **rebranding**, which can be described as the updating or creation of a new name, term, symbol, design, or a combination thereof for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors

(i) Gatorade determined it needed to see more growth within the teenage segment of its customer base

1. In a rebranding effort aimed at recapturing the attention of the high school athlete demographic, Gatorade launched a “G Series” of sports drinks
2. The G Series campaign targets not only mainstream sports but also emerging sport athletes like skateboarders, surfers, and other non-traditional sports participants [28]

(ii) In an effort to forge a better connection with the community, a Minor League Baseball franchise in Akron, Ohio changed their team name from the “Aeros” to the “RubberDucks”, a tribute to the city’s longstanding connection to the rubber industry (not to mention that the rubber duck was invented in Akron)

1. As a result, the team won “logo/branding of the year” honors from Ballpark Digest [29]
2. Click here to read the full story and the backstory for the strategy behind the rebranding effort from ballparkdigest.com (along with coverage of several other minor league teams with honorable mentions for their rebranding efforts)

(b) Often times a re-branding effort includes the development a new logo or the alteration of an existing logo

(i) Because re-branding can be such a valuable marketing tool, many sports properties have recently included a logo update or, in some cases, a complete re-design

1. In 2018, the Los Angeles Rams announced that the team’s “throwback” color scheme would become the primary colors for the 2018 NFL season
   a. The team also hinted that it began discussions with Nike for a complete rebrand that would be introduced when the franchise moves to its new stadium in 2020
2. This season, several NBA teams adjusted their look, ranging from minor tweaks (Grizzlies) to entire collections (Nuggets)

a. Adding LeBron James to the roster wasn't the only change made by the Los Angeles Lakers front office as the team introduced new-look "Showtime"uniforms for the 2018-19 season
b. In Memphis, even the look of the Grizzlies' playing surface received an update
c. Last season, the Minnesota Timberwolves updated their logo with new colors and an entirely different wolf
i. The brand refresh paid off. According bizjournals.com, the Minnesota Timberwolves saw a 69% increase in merchandise sales over the previous year.

(c) Because rebranding entails some major overhauling for organizations, it can be an expensive investment for sports and entertainment properties
(i) The NBA's Charlotte franchise changing their name from the Bobcats to the Hornets (the franchise's original nickname) and the New Orleans Hornets changing their name to the Pelicans
1. According to the *Charlotte Observer*, Charlotte's rebranding effort cost the franchise nearly $3 million but has resulted in an immediate uptick in sales, with an increase of 59% in new ticket sales and a significant boost in sponsorship and merchandise sales [30]
(ii) After a two year rebranding process that set The Big 12 Conference back roughly $415,000 on logo design and implementation alone, it was reported by *Sports Business Journal* that, for the first time in league history, the logo would be required to appear on football uniforms
(iii) Some estimates suggest it would cost the Washington Redskins between $10 and $15 million to change the team name and rebrand the franchise
(d) Sometimes a sports or entertainment property will introduce a "secondary" or 'alternative" mark as an extension of their brand
(i) As part of their very successful rebranding campaign, the Atlanta Hawks introduced new uniforms along with secondary marks
1. Click here for a behind-the-scenes look at the uniform creation process
(e) However, with some iconic franchises, a more traditional look without bold or flashy logo updates and jersey/uniform designs helps the team remain true to their brand
(i) Click here for a historic look at the evolution of the Green Bay Packers' jerseys (including a nifty infographic) from fanatics.com

vi. Opportunities may exist for two strong brands to collaborate on a marketing initiative
(a) **Co-branding** is the practice of using multiple brand names to jointly promote or market a single product or service
(i) Reebok and Marvel partnered to launch a limited edition sneaker collaboration featuring shoes inspired by some of the most popular characters in the Marvel Universe (including Wolverine, Spider-Man and Captain America among others). The co-branded kicks were available online and through Finish Line retail stores.
(ii) Texas Tech University's licensed retail store, Red Raider Outfitter, partnered with the Texas Rangers and Houston Astros in 2016 through a cross-licensing agreement to create co-branded apparel [31]
1. Click here to see a sample of the t-shirts

(iii) A few years ago, five Australian rugby league teams suited up as Marvel Comics superheroes: Thor, Wolverine, Captain America, Iron Man and Hulk.
1. The uniforms were licensed by Marvel Comics and replica jerseys were available to fans for a retail price of around $150

(iv) In 2015, ESPN and and the Missouri Valley Conference announced plans to create a co-branded network, "The Valley on ESPN3"

(v) In 2017, Major League Baseball teams offered Star Wars co-branded merchandise at their team stores and online

(vi) Fashion brand Michael Kors created golf polos in conjunction with the U.S. Golf Association, allowing fans to purchase the co-branded merchandise on-site at the 118th U.S. Open at Shinnecock Hills Golf Club in 2018
1. According to a release, the collection featured eight to ten shirts and two outerwear options. The shirts had an average price point of $86 and the outerwear cost $120.

b. Top brands of 2018 [32]
   i. A brand analyst and strategy company (Kantar Millward Brown) annually ranks the world's most powerful brands measured by their dollar value
   ii. Top global brands of 2018
      (a) Google
      (b) Apple
      (c) Amazon
      (d) Microsoft
      (e) Tencent
      (f) Facebook
      (g) Visa
      (h) McDonald's
      (i) Alibaba
      (j) AT&T
         (i) Click here for an interactive graphic illustrating the top 10 brands in 2018 as well as other brand rankings, according to Millward Brown Optimor
         (ii) Click here to download the full report

c. Top sports/entertainment industry related global brands of 2018 (overall rank listed in parenthesis) [32]
   i. Apple (2)
   ii. Amazon.com (3)
   iii. Microsoft (4)
   iv. Disney (19)
   v. Nike (29)
   vi. Netflix (61)
   vii. Adidas (100)

d. The latest *Forbes* magazine ranking of the most valuable sports team brands (defined as "the portion of a team's overall value that is derived from its name"), and the increase/decrease from the previous year [33]
   i. New York Yankees (MLB) - brand value: $660 million, same
   ii. Dallas Cowboys (NFL) – brand value: $577 million, 19% increase
   iii. Los Angeles Lakers (NBA) – brand value: $546 million, 4.8% increase
   iv. Real Madrid (UEFA Champions League) – brand value: $521 million, 12.3% increase

v. Barcelona (UEFA Champions League) – brand value: $509 million, 16.5% increase
   (a) Click here to see a slideshow of the top ten most valuable team brands in sports from forbes.com.

e. The latest *Forbes* magazine ranking of the most valuable sports business brands based on overall brand value (previous year's value in parenthesis) [34]
   i. Nike: $27 billion ($26 billion), 3.8% increase
   ii. ESPN: $16.5 billion ($17 billion), 2.9% decrease
   iii. Adidas: $7 billion ($6.2 billion), 12.9% increase
   iv. Under Armour: $5.5 billion ($5.0 billion), 10% increase
   v. Sky Sports: $5 billion ($4.6 billion), 8.7% increase
      (a) Click here to see a slideshow of the top ten most valuable sports business brands from forbes.com.

f. The latest *Forbes* ranking of the most valuable event brands based on overall brand value (previous year's value in parenthesis) [35]
   i. Super Bowl: $630 million ($580 million), 8.6% increase
   ii. Summer Olympic Games: $366 million ($348 million), 5.2% increase
   iii. Winter Olympic Games: $285 million ($285 million), same
   iv. FIFA World Cup: $229 million ($229 million), same
   v. WrestleMania: $180 million ($170 million), 5.9% increase
      (a) Click here to see a slideshow of the top ten most valuable events brands from forbes.com.

Lesson 6.2
Licensing

A. Licensing
   1. Licensing industry continues to enjoy tremendous growth
   2. Sales of licensed products grew by 3.3% to $271.6 billion last year, according to the International Licensing Industry Merchandisers' Association's Annual Licensing Industry Survey. [36]
      a. Sale of licensed goods at retail last year by category (based on Licensing Industry Merchandisers' Association's Annual Licensing Industry Survey) [36]
         i. Character-related merchandise: $121.5 billion
         ii. Corporate brands: $55.8 billion
         iii. Sports: $26.5 billion
         iv. Fashion: $21.1 billion
            (a) The Walt Disney Company, the perennial leader in sales of licensed merchandise, netted $53 billion in sales alone, more than double the next closest company
            (b) Click here to download the PDF report and see the entire list
   3. **Licensing** refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee [37]
      a. The **licensor** is the company or individual granting the license
         i. Licensor examples
            (a) Cartoon Network
            (b) National Football League
            (c) NASCAR
            (d) Walt Disney Company
            (e) HIT Entertainment (home of Bob the Builder and Barney)
            (f) WWE
            (g) The American Society of Composers, Authors and Publishers (ASCAP)
            (h) Coca-Cola or Starbucks
      b. The **licensee** is the company or individual paying for the rights to use the licensor's name or property
         i. Licensee examples
            (a) Mars, Inc. (Shrek Snickers bar with green filling)
            (b) Mattel, Inc. (Harry Potter toys and consumer products)
            (c) Reebok (NFL apparel)
            (d) Hasbro (Marvel toys)
            (e) EA Sports (rights to put NFL players, stadiums and teams in its games)
            (f) Lincoln (for rights to use hip-hop artist Common's music in an ad campaign for the popular Navigator model of SUV)
         ii. In 2018, Columbia Sportswear entered into a licensing agreement with Major League Soccer, providing them with an opportunity to sell team-branded outerwear products
   4. The 3 P's of licensing[38]
      a. Profit
         i. Determine price points that will establish higher profit margins
      b. Promotion
         i. Merchandise does not sell itself
         ii. Trained sales staff and effective promotion are the keys to higher sales volumes

c. Protection
    i. It is important to copyright or trademark all names, logos, or slogans associated with the product
        (a) Michael Jordan has owned the trademark on his name since May 1988 [39]

B. Licensing and merchandise [40]
1. Licensed products and merchandise are not manufactured by leagues, teams, or schools, but rather by independent companies under an agreement with a sports entity[41]
2. Licensed products are an extremely lucrative business
    a. In 2018, the NFL Players Association announced that licensees generated retails sales of over $1.65 billion for the 2017-18 season [42]
        i. The Super Bowl champion Philadelphia Eagles saw five players make the top 50, including the team's backup QB (and eventual Super Bowl MVP), Nick Foles
        ii. Four of the top 6 leaders in women's jersey sales belonged to Dallas Cowboys players: Dak Prescott, Ezekiel Elliott, Dez Bryant and Jason Witten
            (a) The top five players last season, according to an announcement from the NFLPLA were:
                1. Tom Brady, QB, New England Patriots
                2. Dak Prescott, QB, Dallas Cowboys
                3. Carson Wentz, QB, Philadelphia Eagles
                4. Ezekiel Elliott, RB, Dallas Cowboys
                5. Antonio Brown, WR, Pittsburgh Steelers
                    a. Click here to see the entire list from nflpa.com.
    b. Over the span of Star Wars' lifetime, nearly $24 billion and counting of licensed goods has been sold, this on top of the $6.2 billion in tickets and $5.7 billion in home entertainment products [43]
        i. According to fortune.com, Star Wars was the #1 retail property in 2017, amassing over $760 million in sales
            (a) Here are the movies that have sold the most licensed merchandise all-time [44]
                1. Star Wars - $32 billion
                2. Cars - $10 billion
                3. Toy Story - $9 billion
                4. Harry Potter - $7 billion
                5. Frozen - $5.3 billion
                6. Transformers - $3 billion
                7. Spider-Man - $1.3 billion
                8. Avengers - $1 billion
                9. Teenage Mutant Ninja Turtles - $900 million
                10. Batman - $494 million
                11. Despicable Me/Minions - $267 million
    c. Last season, 160 teams combined to set a Minor League Baseball record by generating $70.8 million in licensed merchandise sales, a 3.7% increase over the previous season [46]
        i. Click here to see a list of the top 25 best-selling teams from MiLB.com
    d. Fans spend about $3.4 billion a year on National Football League merchandise, according to Ira Mayer of the *Licensing Letter*, a trade publication [47]
    e. According to Transparency Market Research, the global licensed sports merchandise market, which was valued at $27.63 billion in 2015, will reach $48.17 billion by 2024 [48]
    f. In 2018, Nike signed a 10-year $58 million extension with Clemson University to be the main apparel provider for the school [49]

i. According to an ESPN story, the new deal includes yearly payments of $400,000, an increase from $115,000 in the previous contract while Clemson's royalty rate for co-branded Clemson-Nike products increases from 11 percent to 14 percent

g. In 2017, the University of Michigan received $10.8 million in licensing royalties, an increase of $2.37 million from 2016
h. In 2017, WrestleMania 33 generated $3.7 million in merchandise for the WWE – an increase of 164% ($2.3 million) since WrestleMania 24 in 2008
i. Business Insider reported in 2017 that Netflix is looking to follow in the footsteps of Disney and Time Warner by leveraging their hit shows and movies by creating unique merchandise lines
   i. Experts project merchandise could generate over a billion dollars for Netflix
   ii. Netflix executives believe the positives will be two-fold: not only will the merchandise directly drive revenue but having visible merchandise will also act as advertising and increase the popularity of their hit shows

3. Licensed goods are available in retail department stores, chain stores, league-sponsored retail outlets, games/events and on the Internet
   a. Licensed merchandise is made available through many channels of distribution
      i. Consumers can purchase licensed products in a wide variety of outlets, ranging from team stores, online websites, retail outlets and specialty stores
   b. Special promotional deals create partnerships between the licensor and the licensee to help boost store traffic
      i. Sweepstakes and contests are run by the sponsor, with the prize being tickets to the sporting event
4. Because of high demand for licensed products and the wide distribution channels, both licensees and licensors face challenges from rampant counterfeiting
   a. Soon after the announcement that the Atlanta Thrashers NHL franchise would relocate to Winnipeg, Jets merchandise began appearing all over the Internet, despite the fact the franchise had yet to begin manufacturing any licensed merchandise. In an article appearing in the *Winnipeg Sun*, the newspaper reported finding a sweater described by an online site as being authentic with a price of just $28, however, officially licensed sweaters are expected to fetch closer to $130.[50]
   b. Major League Baseball uses a hologram sticker that makes a T-shirt or hat an official MLB product, making it easier for fans to identify counterfeit merchandise. MLB runs undercover investigations against merchandise counterfeiters year-round but it ramps them up every year for All-Star week. [51]
   c. In 2016 the NFL adopted a new policy to help decrease the amount of counterfeit products being sold online
      i. Anyone selling NFL licensed goods on Amazon now must list the licensee supplying the goods and the site includes a “turnoff switch” that can be employed if counterfeit products are detected [52]
   d. According to the *Star Tribune*, police screened more than 1,700 cars, seized 154 counterfeit tickets and confiscated 7,500 items of counterfeit merchandise at the 2018 Super Bowl in Minneapolis
   e. Over $2 million worth of fake World Cup merchandise was seized in 2018 as FIFA looked to take a more aggressive approach to combatting counterfeiters, according to Promo Magazine
5. Licensing has become a huge part of sports and entertainment business with players, teams, event names, entertainers and logos appearing on almost anything you can imagine

a. NCAA school logos find their way on to everything from pillows and bedding to waste paper baskets, wall clocks and bird houses
b. DeLea Sod Farms, the company that supplies the New York Yankees with sod for their field, signed a licensing deal with the Yankees franchise and Major League Baseball to sell the sod at $7.50 for five square feet (and officially licensed Yankees grass seed) at New York City-area Home Depots [53]
c. Team Grill's licensing deal with the NFL's New England Patriots allows them to produce two team branded gas grills that retail for $699 and $1,499 [54]
d. When Universal Studios in Orlando, Fla., opened its Wizarding World of Harry Potter attraction in 2010, the park's revenue from licensed merchandise revenue doubled from the previous year (products included souvenir magic wands, Slytherin scarves, Dumbledore steins and Voldemort key chains, among other items based on the blockbuster movie series) [55]
e. In 2016, the NBA signed a five-year licensing deal with Shock Doctor, a mouth guard manufacturer, who will create league and team branded versions of their products available through retail channels [56]
f. Organizers of the 2016 Olympics in Rio created a revenue target of $26 million in sales of licensed goods associated with the Summer Games by offering everything from flip-flops and toys to coins and clothing [57]
    i. The most popular Team USA licensed product leading up to the Rio Games was a $25 "bucket" hat, made by Outerstuff, who became an official Olympics licensee in 2010
        (a) According to bloomberg.com, the bucket hat continues a trend of unconventional apparel becoming popular in the lead-up to the Olympics after Team USA mittens were all the rage at the 2014 Winter Games in Sochi
        (b) According to a CNBC report, sales of Team USA merchandise were up 80% at the 2018 Games in PyeongChang as compared to the 2014 Winter Olympics in Sochi
            (i) Among the items that quickly sold out were a $300 Nike jacket and $800 Burton jacket

C. Collectibles and memorabilia
1. Collectibles and memorabilia have a major impact on the licensing industry
    a. According to the *New York Times*, there are 5 million autographs collectors in the United States alone [58]
    b. According to *Collector's Digest*, the sports autograph market is worth $500 million [59]
    c. A piece of music memorabilia is sold every 15 seconds on eBay [60]
    d. Americans alone spend an incredible $57 billion on sports memorabilia [61]
2. Like licensed merchandise, collectibles and memorabilia can be extremely lucrative
    a. Pete Rose, Major League Baseball's all-time hits leader who is banned from baseball, still makes a reported more than $1 million a year signing autographs [62]
    b. Steph Curry's game-worn jersey from Game 3 of the 2017 NBA Finals sold at auction for $135,060, breaking the previous record of $100,040 for Kobe Bryant's final All-Star Game jersey
    c. After winning a fifth Super Bowl, *USA Today* reported that Tom Brady was selling his autographed memorabilia for a hefty premium at a 2017 signing event:
        i. Licensed trading card (3.5″ x 5″) - $499
        ii. Flat Item up to and including 11×14 - $799
        iii. Flat Item larger than 11×14, mini helmet, or football - $819
        iv. Full size helmet, or NFL licensed jersey - $849

v. Reproduced artwork, canvas, or multi-signed item with 5 or more signatures - $1,399
vi. Original artwork, game used, or any other item not listed - $1,999

d. In 1992, McDonald's offered a McJordan Burger (a quarter-pounder with cheese, onion, pickles, barbecue sauce and bacon). The dish came in limited markets, making the secret sauce limited as well. In 2012, a gallon of that sauce showed up on eBay for $10,000. [63]
e. In 2018, a Mickey Mantle baseball card sold for nearly $3 million [64]
f. The uniform Don Larsen was wearing when he pitched the only perfect game in World Series history sold for $756,000 in 2013 in an online auction, including a 20% buyer's fee above the final bid of $630,000 [65]
g. In 2012, a 1928 World Series home run ball hit by legendary Yankee Lou Gehrig was auctioned off, ultimately fetching $62,617 (with the seller using the proceeds to help her son pay off his medical school debt) [66]
h. Prior to the 2014 World Cup, 1,283 "collectible" gems were created using legendary Brazilian soccer star Pele's hair (1,283 represents the total number of goals scored throughout his playing career) with estimates placing the cost of the souvenir somewhere in excess of $4,000
i. The only ball from the 2015 AFC Championship Game (the infamous "deflategate" game) known to be available publicly sold for $43,740 in a recent auction
    i. Click here for a video clip covering the story from espn.com
j. Shortly after his death in 2016, gloves worn by Muhammad Ali for his "Fight of the Century" vs. Joe Frazier sold for $606,000 at an auction, more than $218,000 more than what memorabilia collector Jeff Rosenberg paid for them just two years prior
    i. According to abcnews.com, a jock strap believed to have been worn by Joe Frazier in that fight was also sold in 2016 to an undisclosed buyer for $10,200
k. In 2017, a pair of Converse sneakers that Michael Jordan wore during the 1984 Olympic gold-medal game sold at auction for $190,373, the highest price on record for a pair of game-worn shoes
l. Click here for an infographic that examines the market for autographed sports memorabilia industry from SCC's Pinterest page

Lesson 6.3
The Licensing Process

A. Why do organizations engage in the licensing process? [67]
   1. Many factors contribute to the mass appeal of licensed products
      a. Intangibility of sports
      b. Consumer affinity for particular teams and/or brands
      c. Brand awareness
   2. Licensee advantages
      a. Positive association with the sports entity
      b. Greater levels of brand awareness
      c. Help to build brand equity
      d. Receive initial distribution with retailers
      e. Expanded and improved shelf space
      f. May be able to charge higher prices
      g. Potential to lower advertising and promotional costs
      h. Increased possibility of success and profitability
      i. Connection with an athlete, sports team, entertainer, or corporation
   3. Licensee disadvantages
      a. Athlete, league, celebrity, organization or sport may fall into disfavor
      b. Success depends on athlete/celebrity performance
      c. Styles change quickly
      d. Royalties and licensing fees can be expensive
      e. Manufacturing costs and risks
      f. Competition can drive up costs associated with licensing fees
      g. Competition can have a negative impact on market share
   4. Licensor advantages
      a. Expansion into new markets
      b. Increase its brand equity
      c. Minimized risk
      d. Enhanced company image and publicity
      e. Increased profit from fees and royalties
      f. Increased brand awareness or recognition
   5. Licensor disadvantages
      a. May lose some control over the elements of the marketing mix when an outside party sells products connected to licensor's brand
      b. Potential for licensee's manufactured products to be of poor quality, potentially creating a negative perception of the licensor's brand

B. How does licensing work?
   1. Licensing process
      a. Licensees pay a licensing fee
      b. Fees include the ability to use specific logos, slogans or other trademarked images for use in the creation of company products
      c. Licensees take on production issues and assume the risk by manufacturing product
      d. Licensing in the music industry
         i. When you hear a Missy Elliot or Busta Rhymes song while watching a Doritos/Mtn Dew advertisement during the 2018 Super Bowl, the brand likely invested a significant sum of money for the rights in a licensing fee for the rights to use the song in a commercial
         ii. Examples of music licensing are all around us

(a) Listening to the radio
(b) Watching a movie and hearing music during a particular scene
(c) Listening to music on Spotify online
(d) Hearing music in a restaurant or store
(e) Watching *American Idol* contestants perform hit songs from various recording artists

iii. The rights to use music through a license are bought and sold every day
(a) Lionsgate, the studio that produced "Mad Men", shelled out a reported $250,000 (about five times the typical cost of licensing a song for TV according to a *Wall Street Journal* blog post) for the rights to use The Beatles song, "Tomorrow Never Knows," in the closing scene an episode of the popular AMC series [68]

2. Licensor and licensee relationship [69]
   a. Licensing provides greater profit, promotion, and legal protection for the licensor
   b. The licensor approves the product and collects the licensing fees and royalties
      i. Warner Brothers granting permission, for a hefty fee, to Electronic Arts to use the Harry Potter character for the development of a new video game
3. Character vs. corporate licensing [69]
   a. A sports or entertainment entity permits a licensee to use specific characters for a fee
      i. Marvel licenses a manufacturer to use the images of the characters from *The Avengers*
   b. A corporation permits a licensee to use the corporate image of name for a fee
      i. NASCAR licenses a manufacturer to use their corporate logo on a baseball cap

C. Impact of licensing on consumers [70]
1. Increased opportunity to associate with an athlete, sports team, entertainer, or corporation
2. Increased supply of available products
3. Competition can result in lower prices, new products and better quality

Lesson 6.4
Merchandising

A. In-house merchandising [71]
   1. When the demand for licensed products is minimal, an organization may choose to handle their merchandising in-house
      a. In-house merchandising refers to managing the merchandising process within the organization itself, rather than outsourcing or acquiring licenses
      b. The key benefit of in-house merchandising is the probability of increased profits
   2. Steps in the in-house merchandising process
      a. Design the logo and slogan or tagline (if it is not already available)
      b. Determine merchandise type, quality and quantity
      c. Interview local merchants (vendors) and select the company that can best fit the organization's needs (on the basis of quality, type, quantity, pricing etc.)
      d. Determine distribution outlets
      e. Train sales staff
      f. Prepare on-site merchandising strategies
   3. If an organization feels an in-house merchandising approach is not be the most efficient strategy, they may choose to outsource the effort to a third party
      a. For example, last year the Big 10 Conference signed an exclusive five-year deal with sports retail vendor MainGate to sell merchandise for its football championship and the men's and women's basketball tournaments [72]

B. On-site merchandising [73]
   1. Refers to the process of selling merchandise at the physical location of the event
   2. The primary purpose is to maximize income for a sports or entertainment event
      a. Organizations maximize income through the sales of concessions and merchandise
   3. Four key considerations for a successful on-site merchandising plan
      a. The location of where the merchandise is being sold
      b. The physical layout and appeal of where the merchandise is being sold
      c. How well the sales operation is performed
      d. The appeal of the merchandise or product itself
   4. Best practices for selling on-site merchandise
      a. The heaviest traffic for merchandising is upon arrival and departure
      b. Test marketing is important to ensure the effectiveness of a good or service
      c. Training of sales personnel varies with the event

C. Online merchandising
   1. Refers to the process of selling merchandise on the Internet
      a. Online sales now represent more than half of overall sales for the Green Bay Packers' Pro Shop [74]
   2. Making merchandise available online opens up a new sales channel for a sports or entertainment organization to purchase related goods and services
      a. Organizations maximize income by providing a customized shopping environment and allowing consumers access to a wider variety of products and services
      b. Global e-commerce sales reached $2.3 trillion last year, and are expected to nearly double to $4.5 trillion by 2021 [75]
      c. After the Cleveland Cavaliers won the NBA Championship in 2016, sales of Cavs merchandise broke several records on NBAStore.com
         i. The day after Game 7, NBAStore.com had its highest sales day in store history

ii. The Cavs' 2016 NBA Champions Locker Room T-shirt was the top-selling item on NBAStore.com and the best-selling Locker Room T-shirt in the site's history
iii. The Cavs' 2016 NBA Champions Locker Room Hat was the best-selling Locker Room hat in the site's history
iv. During the NBA Finals, NBAStore.com generated record-breaking merchandise sales, up nearly 50 percent from the previous record achieved during last year's Finals

3. Distribution methods
   a. Direct shipping to consumer
   b. In-store pickup
4. Advantages
   a. Easier to control inventory
   b. Opportunity to offer exclusive merchandise
      i. According to *USA Today*, sales at the NASCAR.com Superstore jumped 359% after Dale Earnhardt Jr. announced he'd be joining a new team — even though images of the new merchandise weren't yet available [76]
      ii. A 2017 Albuquerque Isotopes promotion in which they changed the team name to the "Green Chile Cheeseburgers" for one night was so successful that the team had a hard time keeping merchandise in stock from the moment they put it on sale
         (i) Said the team's General Manager in an interview with KOB4 News: "*The sales for the Green Chile Cheeseburger merchandise has been unbelievable. The demand has been something that has blown us away. We've had a hard time keeping it on the shelves and we've had to place multiple re-orders and we've had orders from all around the country, all around the world in fact. It's been a really unbelievable experience. This green chile cheeseburger phenomenon has been something we thought was really going to be good, but it's been tremendous*."
      iii. Based on jersey sales, one of the most popular teams at the 2018 FIFA World Cup was Nigeria
         (a) According to CNBC, the kits (uniforms), designed exclusively for the tournament in Russia, sold out online in minutes as Nike received more than 3 million pre-orders
         (b) To put that into perspective, Manchester United (one of the most popular sports franchises in any sport in the world) sold the most soccer jerseys globally in 2016, with 2.85 million sales
   c. Opportunities to reach out-of-market consumers
      i. Minor League Baseball credits the advantages afforded by online merchandising for its sales growth (of the top 25 teams, 23 have online stores using the MiLBStore.com platform)
         (a) According to Sandie Hebert, Minor League Baseball's Director of Licensing: "*Our clubs continue to record online sales from around the world in addition to strong sales at their ballparks. The increasing popularity of Minor League Baseball, combined with the ease of online ordering, has created a tremendous amount of growth for our merchandise*." [77]

5. Disadvantages
    a. Security concerns in making transactions online
    b. Potentially higher distribution (delivery) costs
    c. Consumers inability to touch, feel or “test-drive” products before buying can be a deterrent and lead to higher return rates

Case Study

Harry Potter - Brand Wizard:

A Unit 6 SEM Case Study

How do you know when you've hit it big? Well, if selling millions of cop- ies of books, grossing millions at the box office and selling millions more in licensed merchandise didn't provide your first, second and third clue, the announcement of a planned theme park might be a pretty good indication. We're not talking a special ride at a theme park…we're talking a complete theme park…20 acres worth.

Universal unveiled plans in late May of 2007 that a Harry Potter theme park will open inside Or- lando's Islands of Adventure theme park (already home to 'Marvel Super Heroes' and 'Dr Seuss islands'). The "Wizarding World of Harry Potter" is slated to open doors to the general public at the Universal Orlando Resort sometime in 2009.

The timing of the news couldn't have been better in helping maximize the Potter hype. The summer of 2007 featured the release of the newest Potter film (Order of the Phoenix) and the last in the series of Potter books (Deathly Hallows), both virtual locks to score big at the box office and best sellers list respectively. Pottermania, it would seem, was at an all-time high. Of the park, Harry Potter author JK Rowling said: "The plans I've seen look incredibly exciting, and I don't think fans of the books or films will be disappointed." If the marketing success the Potter brand thus far are any indication, there will be little margin for disappointment.

Let's take a moment to examine the Potter brand by its extravagant numbers:

* Six Potter books have been published, collectively selling over 325 million copies worldwide

* Only two books have sold more copies than Potter; The Bible (2.5 billion copies sold) and The Thoughts of Chairman Mao (800 million)

* The Potter series of books have been translated into 61 different languages

* The first film in the Potter franchise grossed $976.5 million at the global box office alone, not counting DVD sales or rescreening rights for television

* Each subsequent film has made it to the list of the top 20 highest grossing films in history

* The films have spawned six Harry Potter video games and, ultimately, led to the licensing of over 400 additional Harry Potter products (including an Harry Potter branded iPod)

* In the U.S., advertising expenditures for Harry Potter branded merchandise (including books, movies, DVDs and other promotional products) totals $269.1 million from 1998 to date. Outside of the U.S. from 2000 to date, $119.3 million was spent on total advertising for all Harry Potter branded mer- chandise in Canada, Germany, Italy, Netherlands, Norway, South Africa, Switzerland, and the U.K. (nielsen.com)

* More than $11.8 million has been spent by U.S. consumers on Harry Potter-licensed trademark cook- ies, candy and gum products since June 2002 (nielsen.com)

* Since 2002, the Harry Potter movies have aired on U.S. television a total of 366 times (nielsen.com)

What does all this mean from a business and marketing perspective? Quite simply, the boy wizard Harry Potter has spent the last decade growing into a household name, as recognizable as Elvis, The Beatles, Tiger Woods or Michael Jordan, providing marketers with a plethora of promotional opportunities. What other brand properties spark a national trend of "themed" book release parties?

Take for instance this excerpt from a recent posting in the Seattle Times: "Bring wands, light- ning bolts and maybe a few tears to celebrate the release of the seventh and final book in the Harry Potter series." The paper featured two pages of library and book store listings, all cel- ebrating Potter release parties. Some will feature movie marathons and trivia contests. Others will host costume contests, "wizard rock songwriting workshops" and "sorting hat" activities. One even boasted of a rock band, The Parselmouths, performing live on-site.

To get an even more intriguing sense of how powerful the Potter brand has become, let's go beyond the numbers. Consider the following reports as they relate to the Potter phenomenon:

* Applications to boarding schools have boomed in the wake of Potter's success

* Many parents of children with learning difficulties claim that the books themselves offer a perfect workbook for those wishing to improve their grasp of language

* Owls are reportedly increasingly in popularity as household pets (much to the dismay of Animal Rights activists)

* The locations used in the movies have become extremely popular tourist destinations (though some sites have been chastised by Warner Brothers' legal department for advertising the connection)

* The fictitious Potter vocabulary of "Quidditch," "Muggles," "Gryffindor," "Slytherin," "Hogwarts," et al, has now become part of household vernacular

It is certainly no wonder how the Potter sensation has attracted such widespread corporate appeal, morphing over the years into a multi-billion dollar marketing machine. There is no question that the young wizard's impact crosses cultural and economic boundaries, appealing to both youth and adult consumers. That pervasive allure affords Potter marketers an exceptional platform for cross-promotional efforts, continuing to move the needle on the Potter brand.

The Harry Potter brand has partnered with products as diverse as bubble bath to electronic games. Notably, EA Games introduced several Harry Potter video games, Mead offered Harry Potter School Supplies, Mattel released a Harry Potter Edible Polyjuice Potion Maker and Lego produced, well, Harry Potter lego kits. This broad-based cross-promotional strategy is the driving force behind the wildly popular wizard's merchandising success.

In terms of brand recognition, Potter enjoys a tremendous level of awareness among consumers. According to Nielsen, 59% of U.S. consumers age 12 and older were aware that the 5th Potter film was scheduled to hit theaters in 2007. 57% of those interviewed (ages 12+) conceded that they had seen one or more of the previous Potter films.

That leads us to the obvious question…what is the Potter brand worth? Some estimate the Potter brand - encompassing books, films, DVDs, video games and other merchandising products - is valued at nearly $6 billion (www.news.com). The Potter series author, JK Rowling, is a billionaire, and several British reports have reported that she has a higher net worth than Queen Elizabeth. That's when you know you've hit it big.

*** CASE STUDY QUESTIONS ***

1) How do the concepts of licensing and branding relate to Harry Potter?

2) Is Harry Potter a brand? If so, what type of brand? Corporate brand, product brand or store brand? Explain your answer in detail.

3) Describe how the important components of brand building (brand awareness, image, equity and loyalty) are present with the Harry Potter phenomenon.

4) Explain how brand extension is present with the Potter brand. Be sure to cite specific examples to support your answer.

5) Is licensing a relevant topic when discussing the Potter brand? Why or why not?

6) In terms of Potter merchandise, who is the licensor? Who might be a licensee?

Unit 6 Discussion Question Review

Has anyone seen a Farrelly Brothers or Quentin Tarantino film in the past? Why did you choose to see that particular movie? Did you have an idea of what the movie film would be like?

Branding is extremely important to sports and entertainment organizations. Directors of popular Hollywood films often have a unique brand of movies (such as the Farrelly's or Tarantino's) which provides consumers with a very good idea as to whether or not a particular film will appeal to their tastes.

Branding, by definition, is the use of a name, design, symbol, or a combination of those elements that a sports or entertainment organization uses to help differentiate its products from the competition. Brand examples could include:

- New York Yankees
- National Hockey League (NHL)
- Walt Disney
- MGM Studios
- LeBron James

With the rise in popularity of "retro" or "throwback" sports jerseys and apparel, overall sales of merchandise are booming. What might deter anyone in our class from opening up a shop and selling these vintage clothes themselves?

Aside from the general issues of having enough start up capital to finance the venture, we need to be cognizant of the licensing process. We should develop a fundamental understanding of how licensing works, and who benefits from the licensing process.

- Licensing refers to an agreement which gives a company the right to use another's brand name, pat- ent, or other intellectual property for a royalty or fee
- You would be required to pay a licensing fee (typically millions of dollars) just for the right to use team names, colors, logos and player names
- Once you have purchased that right through a licensing fee, you now have the opportunity to manufacture and sell licensed products

When you see a favorite celebrity (entertainer or athlete) in an advertisement for a particular product, do you remember the product name (brand)? Why do you think that is? Discuss as a class.

Regardless of student response, this question will prompt a discussion that can be an effective introduction to the material presented in Unit 6.

Unit 6 Key Words Defined

Brand Extension: The use of a successful brand name to launch a new or modified product or service in a new market

Branding: The use of a name, design, symbol, or a combination of those elements that a sports organization uses to help differentiate its products from the competition

Corporate Brand: Represents an entire company or organization

Licensee: A company or individual paying for the rights to use the licensor's name or property

Licensing: Refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee

Licensor: A company or individual granting the license

Product Brand: Represents a particular product of a company or organization

Store Brand: Products retailers sell as their own brands

Trademark: A device that legally identifies ownership of a registered brand or trade name

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Unit 7: Promotion and Sales

Overview

Unit seven provides a basic introduction to sales and emphasizes its importance to sports and entertainment business. A basis for a fundamental understanding of promotion is also explored. Students will be able to identify steps within the sales process, recognize the role of customer service and identify various forms of promotion. Students are encouraged to work through related class activities, particularly role plays or simulation exercises, to gain a clear comprehension of the sales process.

Objectives

1) Define and give examples of sales
2) Identify three personal selling categories
3) Identify four sales methods
4) Name at least five steps in the sales process
5) Detail why customer service is important
6) Recognize some common characteristics of successful sales professionals
7) Define promotion
8) Identify the elements of the promotion mix
9) Describe and offer an example of five forms of promotion

Lessons

Lesson 7.1 Understanding Sales
Lesson 7.2 The Sales Process
Lesson 7.3 Sales Strategies, Skills & Techniques
Lesson 7.4 Importance of Customer Service
Lesson 7.5 Sales Professionals
Lesson 7.6 Promotion

Key Terms

B2B	**Customer Service**	**Feature-Benefit Selling**	**Objection**
Personal Selling	**Promotion**	**Promotion Mix**	**Proposal**
Sales	**Up selling**		

Lesson 7.1
Understanding Sales

A. Sales
   1. **Sales** can be defined as the process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction
   2. Sales activities in the sports and entertainment field could include
      a. Selling group tickets to a play
      b. Negotiating an event contract with a facility or venue
      c. Soliciting donations from alumni to fund scholarship opportunities
      d. Selling an event sponsorship package

B. Why is selling important?
   1. Selling is the revenue-producing element of the marketing process
   2. Sales is the only revenue-producing function for an organization
      a. Revenue for Charlotte's PGA Tour event increased to $18.5 million last year, according to the *Charlotte Business Journal*. That's an increase of 29% over the previous year, and event coordinators attribute that success to the decision to beef up the event's sponsorship and ticket sales staff.
   3. Selling helps customers make informed buying decisions
      a. Results in customer satisfaction and repeat business

C. Personal selling
   1. **Personal selling** entails any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions
      a. The process is a two-way communication between a representative of the company and the customer [1]
      b. Personal selling is the only form of sales that involves direct contact between the sales professional and potential customer
         i. In a non-traditional example of personal selling, members of the Western Kentucky University football team go door-to-door selling football tickets. That season, players sold 300 season tickets and the Hilltoppers enjoyed the second-highest average attendance figures in school history. Since the introduction of the door-to-door selling effort, student attendance has increased more than 80 percent. [2]
   2. Benefits to personal selling [3]
      a. The salesperson can immediately tailor the message he or she is communicating based on the prospective customer's response, feedback and buying signals
      b. It allows for the communication of more information specifically relating the customer needs than any other form of promotion
      c. Potentially confusing or complex information can be explained and the salesperson can be assured that the prospective customer has a complete understanding of the information being conveyed
      d. The likelihood of the customer paying attention to the information being shared is greatly increased because the communication is face-to-face
      e. Personal selling provides the best opportunity to establish solid working relationships, enhancing the probability of developing long term relationships with consumers
   3. Personal selling categories
      a. Inside sales

i. Sales professionals that sell company products and services over the phone, Internet, or other means of communication from inside the company's office
ii. They either make outgoing calls to prospective customers or receive incoming orders or phone calls pertaining to company products or services
(a) According to a report from two Illinois State University researchers, the most successful collegiate athletic departments are making as many as 3,500 outgoing phone calls each week to try to sell more tickets, an effort that their research suggests can generate $1 million or more in additional revenue for the school's athletics program
iii. Often utilized for products and services that require minimal investment levels, such as smaller ticket packages
iv. In most instances, an inside sales staff consists primarily of telemarketers
(a) Telemarketers are sales professionals that make outbound telephone calls to prospective customers in order to sell company products and services

b. Outside sales
i. Sales professionals that primarily communicate with customers in person
ii. Could include a ticket sales or sponsorship sales position
iii. Also referred to as "field sales" or "external sales"

c. Box office sales
i. Sales professionals located on site at a venue or facility who sell to customers in person at the event or to future events
ii. Movie theaters sell most of their tickets through box office sales, although more and more consumers are buying movie tickets in advance online through services like Fandango

d. A general rule of thumb among sports and entertainment companies is that everyone employed by the organization represents a salesperson on some level
i. If someone who works in accounting knows a friend interested in purchasing tickets, they would be expected to refer that friend to someone on the sales staff who can help them with their purchase

D. Sales methods
1. Feature-benefit selling [4]
a. Product attributes (or features) are the basic, physical, and extended characteristics of an item
i. For example, many professional sports teams sell tickets in club seating levels where the seats often have distinct product attributes that set them apart from general seating, such as wider seats, taller seat backs or video screens on the seats in front of them

b. Customer benefits are the advantages or personal satisfaction a customer will get from a good or service
i. Comfort, convenience, and space are benefits of club seating

c. The **feature-benefit** selling process involves matching specific product attributes to a customer's needs and wants
i. A company may have purchased club seats to entertain clients and would want to reward them for their business by allowing them to sit in the most comfortable seats possible at the game or event

2. Full menu marketing
a. The selling of a variety of products or services that meet virtually any customer needs and/or wants
i. A sales professional working for a minor league sports team may meet with a company and have the ability to offer a small sponsorship, a major sponsorship

featuring exclusivity benefits, season tickets, group tickets, VIP tickets, parking or a combination of those options

3. E-Commerce
   a. The buying and selling of goods and services on the Internet
      i. Any consumer who is a fan of Disney may go online and purchase DVDs, plush toys, action figures, watches, ornaments or many other products
   c. Sports teams, arena management companies and touring bands sell everything from merchandise to tickets online
      i. To encourage fans to purchase season tickets, the Portland Trail Blazers website outlines the benefits to being a season ticket holder and also features a short video mash-up with exciting game highlights and commentary from national media members like Charles Barkley and Skip Bayless praising the team's potential
4. Direct mail
   a. Direct mail is a sales effort conducted exclusively by mail
   b. Characteristically sent to large numbers of prospective customers soliciting orders for company products and services
   c. To be effective, the direct mail approach must be:
      i. Targeted
      ii. Personal
      iii. Measurable
      iv. Testable
      v. Flexible
   d. Direct mail examples
      i. Ticket brochures
      ii. Pocket schedules and team posters
      iii. Solicitation (sales) letters
      iv. Fliers, postcards and additional print media
         (a) In an effort to leverage the team's accomplishment of earning a playoff birth, the NHL's Tampa Bay Lightning utilized a direct mail strategy to boost ticket sales by sending 30,000 specially designed postcards to area businesses (the postcards featured each recipient's company name on the name plate above a player's locker in the Lightning locker room)
            (i) As a result, the team generated over $500,000 in new ticket revenue through their direct mailing campaigns. Said Lynn Wittenburg, VP of Marketing for the Lightning in an interview with the *National Sports Forum*, "The direct mail campaign was a quick and effective way for us to make the phones ring." [5]
         (b) To communicate the team's decision to drop concessions prices at their new stadium, the Atlanta Falcons sent direct mail pieces to potential ticket buyers that included a $2 bill (many of the new concessions items will be offered at a $2 price point, including stadium staples like hot dogs) [6]
      v. A creative spin on traditional direct mail
         (a) Under the guidance of sports marketing guru Jon Spoelstra, the New Jersey Nets basketball team sent rubber chickens wearing tank tops featuring a special message to season ticket holders who had not yet renewed for the upcoming season. The tank tops read: "You're about to fowl out! However, you can avoid the bench and keep on playing. Just read the attached." Included in the package was a renewal letter. The result of the campaign

was a 93 percent renewal rate, up from an average of around 80% in the years before Spoelstra took over as team president. [7]

5. Digital/electronic sales and marketing
   a. E-mail marketing and other digital strategies can be incredibly productive for a sports or entertainment property
   b. Social media platforms are increasingly providing value for sports and entertainment properties as an additional avenue for generating sales
      i. Last season, the Atlanta Hawks made a limited number of playoff tickets available exclusively on Twitter
      ii. A number of collegiate athletic programs, such as Ohio University, have a Twitter handle dedicated specifically to ticketing (@OhioTicketSales)
         (a) The University of North Carolina actually has a Twitter handle devoted to service *and* another dedicated to sales (@UNCTix and @UNCTicketSales)
      iii. Said Phil Horn, Vice President of ticket sales and service for the Sacramento Kings in an interview with dmnews.com when asked how the sales team interacts with consumers: "*Certainly via a variety of different social and electronic methods. We've tried to respond in every way that they wanted to interact with us, whether that was via video chat to email to text message to Twitter to LinkedIn. We looked at all the variety of methods that were convenient for the customer...to get them the information they needed in a timely manner*."

Lesson 7.2
The Sales Process

A. Sales process
   1. Steps to effective implementation and management of the sales process
      a. Understand the product or service
         i. What inventory (seat locations etc.) is available to be sold?
         ii. How much does the product or service cost?
         iii. What are the features and benefits to your product or service?
      b. Identify prospective customers and develop leads
         i. Leads are the names of individuals and companies who could become future customers
         ii. This step is often referred to as *prospecting*
      c. Qualify and gather information about a prospective customer
         i. Do they have experience with your team, venue, or event?
         ii. What influence do they have over the purchasing decision?
      d. Contact prospective customers (the sales call)
         i. The sales call is the initial form of communication in which the salesperson makes contact with the prospective customer
         ii. Sales calls can take place via telephone, e-mail or in person
         iii. Utilized by both inside sales and outside sales representatives
         iv. Often times salespeople will use a pre-written script to help guide them with a telephone sales call
      e. Establish credibility, rapport and a reason to communicate with the customer
         i. Secure a sale or, more likely, schedule a face-to-face appointment
         ii. The face-to-face appointment provides a valuable opportunity for the sales professional to build rapport and establish a relationship with the customer
      f. Identify and confirm a customer's needs
         i. Sales people often conduct a "needs analysis" to determine where company products and services may be able to assist a prospective customer in meeting their organization's goals and objectives
      g. Presentation and proposal
         i. Increase customer awareness and interest in company products and services
         ii. This communication takes place in some form of a presentation
         iii. This information can be presented in the form of a proposal
         iv. A **proposa**l is a written recommendation of products or services his or her organization may offer to meet those customer needs uncovered in the needs analysis
         v. Each proposal is customized to meet specific customer needs
      h. Ask prospective customers to act on an interest in company products or services
         i. Asking for acceptance of the proposal or for a purchase decision
      i. Handle objections
         i. **Objections** are a prospective customer's concerns or hesitations in making a purchase decision
            (a) Occur when there is lingering doubt or unanswered questions in the mind of the prospect [8]
            (b) The prospective customer may be favorably inclined to make a purchase but needs clarification, more concessions, or approval by another party [8]
         ii. It is the responsibility of the sales professional to uncover and overcome each objection to the customer's satisfaction

iii. Objection examples
(a) "I'm not a sports fan"
(b) "I don't have time to attend games"
(c) "We don't have a budget for a sponsorship…"
(d) "I need to discuss this with my boss…"
(e) "I can get the same results for less money by doing something else…"
(f) "Tickets are too expensive…" (*19.1% of respondents to ESPN's "State of Sports" survey indicated that ticket prices were the "biggest rip-off" in sports*)[9]

j. Close
i. The close is the stage of the sales cycle where the prospective customer and the sale professional come to an agreement on pricing and services, in which the customer typically commits to a purchase of some kind
ii. The close is when the prospective customer becomes an official client
iii. Sales professionals often make the mistake of thinking this is the last step of the sales process

k. Follow up
i. The follow up stage is critical to ensure a satisfied and happy customer
ii. The organization is responsible for ensuring all services agreed upon throughout the sales process are fulfilled
iii. Much new business for any organization comes from existing business

l. Fulfillment and service
i. Fulfillment is the process of following through and delivering on all promised services to the customer
ii. Meeting and exceeding customer expectations is integral to retaining their business in the future
(a) In a Wall Street Journal story, Jay Fishman, Chairman and Chief Executive Officer of Travelers explained why Travelers decided to extend its sponsorship of a PGA Tour event through 2024: "*The tournament has grown tremendously in the last seven years and has exceeded our expectations. With this agreement, we will continue to build on this world-class event for the fans, the players, our employees and our community*."
iii. Renewal is the agreement between the organization and customer to continue the business relationship for a pre-determined, often contractual, period of time
(a) In addition to sponsorship and media rights, renewals also occur between ticket holders and an organization
(i) As season tickets are a key revenue driver for many sports teams, renewing these customers is often a top priority
1. Teams offer incentives to entice season ticket holders to renew seats
a. Incentives typically include benefits available exclusive to season ticket packages
i. Could include such incentives as private autograph sessions, early entry in to games, additional ticket discounts, flexible payment plans, concession and merchandise credits, better seating locations, access to team practices and private events, etc.
ii. In 2017, Columbia University rolled out a unique season ticket benefit with the announcement of "Zip Pass", a private concessions line accessible only to season ticket holders
iii. Some teams, like the NHL's Dallas Stars and Washington Capitals treat season ticket holders to a day at the local six

flags amusement park, while the NBA's LA Clippers spent a day with season ticket holders at Universal Studios

1. After another season in which the Phoenix Suns struggled on the court, the franchise turned to virtual reality for a creative twist on their 2017 season ticket renewal campaign
    a. Current season ticket holders were sent a cardboard box with VR goggles they could activate with their cell phones to watch the team's three-minute renewal pitch
        i. According to *Sports Business Journal*, the VR video featured game and practice footage, and a message from the team's star Devin Booker, urging fans to renew their season-ticket packages

m. Evaluation
    i. Measuring the results of a promotional investment (season tickets, luxury suites, sponsorships, endorsement agreements) help an organization determine its effectiveness
    ii. Evaluations are typically objective (sales fluctuations) but can also be subjective (increased media attention or public awareness)
    iii. It is important for the sales professional to be involved in this step of the process to gain a better understanding of whether or not they are meeting client needs
    iv. Many sports and entertainment organizations set ticket, merchandise and concessions sales objectives with daily, weekly, and monthly targets. The sales data is then compared with information from the same date for the previous year.
        (a) Disneyland might set a daily guest target of 50,000 visitors during the winter months in 2017 based on sales results during that period in previous years, then establish similar goals for weekly merchandise sales and monthly concessions sales
        (b) For example, the addition of "Rule 40" (a new rule that allows individual athletes to partner with non-Olympic sponsors) could potentially hinder the value of McDonald's current deal with the International Olympics Committee
            (i) John Lewicki, who oversees McDonald's global Olympic sponsorship program, says the company will use these games to evaluate whether to continue future Olympic deals
            (ii) Said Lewicki in a recent Reuters story: "*If we find rule 40 impacts the value of our sponsorship, we could always go back and renegotiate for the future.*" [10]

Lesson 7.3
Sales Strategies, Skills and Techniques

A. Personal sales strategies
   1. Collaborative selling
      a. The sales person and client take time to understand one another and develop a relationship according to the sales person's offer and the client's needs
   2. Transactional selling
      a. The sales person and client have limited interaction and the sale is based mostly on price or a specific element
   3. Team selling
      a. A variation of collaborative selling that includes multiple people from the selling or buying organization, or both

B. Sales skills and techniques
   1. Prospecting is the process of consistently researching for and seeking out new customers for an organization's products and services
      a. Prospecting is a very detail-oriented process requiring careful research and analysis
      b. A sales professional might research local businesses online that fit the demographics of a qualified potential customer
      c. Sales professionals may explore several avenues when prospecting to develop quality sales leads
         i. Trade Shows
         ii. Industry Events
         iii. Networking Events
         iv. Consumer Lists
         v. Directories
         vi. Industry Publications
   2. Referrals occur when an existing customer recommends another organization or individual to a sales professional as a potential customer
      a. Referrals are traditionally an extremely effective means for generating new sales
         i. Between 60% and 70% of all fitness industry sales are the direct result of referrals [11]
         ii. To encourage referrals, the Vancouver Whitecaps offered a 12% discount on season ticket packages and a 6% "commission" (credited to their account) for fans who refer friends to purchase season tickets
            (a) Click here for an in-depth look at the Whitecaps' referral program from the National Sports Forum
   3. Networking occurs when a group of like-minded business people gather to help each other to cultivate sales
      a. **Business-to-business** (also known as B2B) **marketing** involves activities one business makes in effort to sell their products and services to another business, rather than to the individual consumer
      b. Sales people often involve themselves in local organizations and functions in an effort to connect with as many new people as possible
      c. Chamber of Commerce meetings provide an exceptional means for meeting other business professionals who could become future customers or offer referrals
      d. For example, ticket sales staff for the Portland Trail Blazers are likely to network at events with business people involved with organizations like Portland Executives Association, Portland Business Alliance, Oregon Executives Association, Portland Area Networking Group, and Women Entrepreneurs of Oregon (to name a few)

4. Cold calling refers to a sales professional's effort to generate new business through outgoing telephone calls without any previous communication with the prospective customer
    a. The cold calling technique is generally a less productive means for generating sales than other techniques (networking and referrals) because the personal relationship element is non-existent

Lesson 7.4
Importance of Customer Service

A. Customer service
   1. **Customer service** is the action taken by the seller to make the relationship between the organization and its customers satisfactory
      a. Many organizations strive to meet and exceed customer expectations, often times integrating service goals with company mission statements
   2. Customer service represents a critical step in the sales process and is ultimately about gaining and retaining the customer base [12]
   3. Customer service's role is to help customers enjoy their relationship with the sports or entertainment organization [13]
   4. The customer service experience begins when the customer arrives at the event and does not conclude until they have left their parking space after the event
   5. Minor league baseball has seen an increase of 50% in its total attendance in the last ten years, thanks in large part to its focus on providing the best customer service possible [14]

B. Who are the customers?
   1. In past team business planning sessions, the National Basketball Association (NBA) has identified customers as "full season ticket purchasers, partial plan holders, individual game purchasers (walk-ups), group purchasers, sponsors, community relations program participants, people who read our publications, people who watch our games on TV, listen on the radio or log onto our site – *in short, anyone with an interest*" [15]

C. The benefits of customer service
   1. There are a number of benefits to an organization that have a direct correlation with providing excellent customer service
      a. Increased levels of customer retention and cost reduction
      b. Decline in negative associations with organization via word-of-mouth advertising
      c. An opportunity to provide a source of differentiation
      d. Amplified levels of profitability
      e. Creation of brand loyalty
      f. New sales opportunities through positive word-of-mouth associations

D. Why is customer service important?
   1. According to Customer Service Institute, it can cost up to as 5 times as much to acquire a new customer than it does to service an existing one
   2. According to the same institution, customers tell twice as many people about a bad experience over a good one
   3. 68% of all customers will eventually switch service providers (entertainment options, advertising outlets etc.) [16]
   4. It takes twelve positive service incidents to make up for one negative incident [17]
   5. Retention (renewal) is crucial to any sports team as season ticket and sponsorship revenue is a vital piece of the organizations' financial viability
      a. After several years of declining sponsorship revenue, NASCAR has hinted that it will be moving to a new model for attracting, and retaining, corporate partners. Plans reportedly call for a new model to be in place for the 2020 racing season. [18]
      b. According to a story published in the National Sports Forum's electronic newsletter, the Milwaukee Brewers believe that the key to retaining new customers and attracting new ones is to provide "over the top" customer service [21]
         i. Said Jim Bathey, Vice President of Consumer Marketing for the team, "*We have been successful at selling tickets over the last couple of years because our*

focus is to provide over the top customer service and because our (sales staff) develops personal relationships with our (customers)." [19]

c. One of the first tasks for the new NHL franchise in Las Vegas was to hire a customer service staff
   i. Team executive Todd Pollock, told the Las Vegas Review-Journal: "*We want to be fair to everybody. We're adding a dozen salespeople to the staff and make sure we have the best customer service*."

E. Turning service into sales
1. For most segments of the sports industry, 70% of consumers are referred by word of mouth from existing customers [20]
   a. Sports and entertainment marketing professionals have a responsibility to retain those customers to grow the fan base
2. Many organizations create marketing strategies that cater to both existing and new customers with an emphasis shifting toward existing customers
3. Positive relationships with an organization's customer base enable them to effectively implement and utilize referral programs
   a. The minor league hockey franchise Corpus Christi Hooks offered a free, personalized team jersey to any ticketholder who referred up to three people to purchase Hooks season tickets [21]
   b. DirecTV, a longtime leader in delivering sports programming to fans, offers its customers $100 in credit toward their cable bill for every new customer they refer while providing a significant "new subscriber" discount [22]
   c. The San Francisco 49ers unveiled their referral program in 2017 that credited existing season ticket holders 5% of the value of the referred purchase
4. "Up selling" opportunities become more frequent with happy customers
   a. **Up selling** is the process of selling additional products to a customer at the time of the order
      i. For example, a theatre fan might call to purchase tickets to an upcoming performance. During the conversation, the sales representative may suggest group tickets to that event or additional tickets to another upcoming play.
      ii. The NHL's Phoenix Coyotes created up selling opportunities when they advertised seats with a partially obstructed view for only eight dollars, then turned those seats into 12 game mini plans, and then sold those same fans seats with better views of the ice (at an additional cost) [23]
5. Empathetic approach to sales and service (listening to fans)
   a. By recognizing the day-to-day challenges facing most consumers (fans) and understanding what consumers want, some organizations take an empathetic approach to sales and service
      i. The Seattle Sounders soccer franchise gives season-ticket holders the opportunity to vote out the team's GM every four years if they are disappointed in team performance, an approach that has helped cultivate one of the most loyal fan bases in American sports
         (a) Per game, the Sounders outdraw the Mariners almost 2 to 1, their attendance of nearly 39,000 would place eighth in the English Premier League, merchandise sales are on a par with the Seahawks, and NBA commissioner David Stern called the Sounders "the most successful expansion team in the history of sports." [24]
      ii. The Review Journal reported when UFC fighter Jon Jones was taken off the main event at UFC 200 for a doping violation, the organization offered fans an opportunity to receive a refund for their tickets
   b. Many sports and entertainment organizations proactively solicit feedback to help

improve anything from customer relations and fan experience to the product itself
   i. Last season, NBA Commissioner Adam Silver encouraged fans to email him directly (Adam@NBA.com) with any ideas they had to improve the quality of the NBA All-Star Game
      (a) Fans were also encouraged to share ideas through Facebook and Twitter
   ii. When Minor League Baseball's Mobile BayBears announced in 2018 that they'd be relocating to Madison (Northern Alabama), they asked fans from its new home city to help determine a new name for the team
      (a) By the end of the summer, they had narrowed the list of potential new franchise names to ten, including "GloWorms", "Space Chimps" and "Trash Pandas"
         (i) Click here for the full list and an explanation behind each potential new team name
   iii. The new look XFL turned to Facebook to crowdsource ideas for ways to improve the live experience of going to a football game, asking fans "If you were the Commissioner, how would you make the live event experience at XFL stadiums more family friendly?"
   iv. To add more perceived value for season ticket holders, the NHL's Ottawa Senators' solicited the opinions of its season ticket customers on a potential change to the team's logo
      (a) Click here to see some of the new logo ideas shared with ticket holders from Chris Creamer's SportsLogos.Net website.

F. According to a "State of the Industry" poll conducted by the *Sports Business Journal* last year, 20% of sports business executives think the sports industry is behind the rest of the business world when it comes to customer service. So how can organizations improve levels of customer service? [25]
   1. Create and maintain an open line of communication with fans
      a. Turnkey Sports & Entertainment published a report (and subsequent infographic) suggesting a season ticket holder's overall satisfaction was negatively impacted by a simple lack of knowing who to contact when they had a concern
         i. Click here to view the infographic
   2. Meet *and exceed* levels of customer expectation
      a. As one recommendation within the two pages of service tips outlined in one version of the NBA Marketing Plan, the league recommended that each team assign a personal Customer Service Representative (CSR) to each season ticket holder or group ticket account [26]
      b. One young football fan from Oklahoma (where no NFL team currently calls home) sent a letter to every NFL team asking why he should root for them…click here to read how the Carolina Panthers (as the only NFL team to respond) probably earned a loyal fan for life
      c. In 2018, the LA Galaxy enlisted the help of its star player, Zlatan Ibrahimovic, to follow up with season ticket holders to thank them for renewing their ticket packages
         i. Click here to see a video of Zlatan in action on the phone on the Galaxy's YouTube page
   3. Provide a comfortable environment for fans
      a. Venues and facilities should be clean, music volume should not be too loud, and temperature should be comfortable (indoor events)
   4. *Listen* and respond to customer feedback (includes suggestions, criticism, compliments and complaints)
      a. The owner of the Washington Capitals, Ted Leonsis, took a proactive approach to encouraging valuable fan feedback. To engage the consumer to maximize the

organization's level of customer service, he turned to the web and used an online message board. He asked, "If you could change one thing about your experience with the Caps, what would it be?" His staff reviewed the fan input and created a response forum called "You Asked for It." The most popular suggestions were listed with the team's response which included the Caps' plans for changes, new developments and ideas for new programs. [27]

b. In its latest "Ultimate Standings" (in which ESPN the Magazine ranks the best franchises in sports) report, ESPN crowned the Nashville Predators as the best team in all of sports, a decision that was heavily influenced by the team's approach to customer service and willingness to give the fans a voice
    i. The formula used to determine the ranking includes factors like fan relations (described as courtesy by players, coaches and front offices toward fans) and honesty from ownership (loyalty to core players and the community). [28]
    ii. Click here to see the entire rankings from espn.com
c. Major League Soccer's expansion Portland Timbers took the league by storm in 2011 from an attendance perspective, selling out every single home game (and every game since then), in large part because the organization worked closely with the team's loyal group of fan supporters (the Timbers Army) in the development of the critical early stages of a marketing campaign [29]
d. The Executive Chef at Miller Park (home of the Milwaukee Brewers) took to the Brewers' blog page to interact with fans and address questions and concerns on the message board relating to concessions items after a review of the stadium food was posted online
e. In 2014, the name of the NBA's franchise in Charlotte changed from the Bobcats to the Hornets (its original name when the league expanded to Charlotte in 1988) as a direct result of an extensive public opinion survey (the polling suggested about 80 percent support for a name change back to the Hornets)
    i. In an interview with *The Charlotte Observer*, Bobcats President Fred Whitfield said, "*We thought it was very important for us to listen to our fans and the overall community. There seemed to be an overwhelming desire to pay homage to the legacy of the Hornets, from their time here before. We listened to our fans, and that's what led us in this direction*."
    ii. *The Charlotte Observer* story also reported that the franchise has seen a rise in season-ticket sales and a bump in renewals in anticipation of the return of the Hornets name
f. According to the *Oregonian*, the Oregon State Beavers basketball program ranked first in overall season ticket holder satisfaction and by polling fans to find out what suggestions they had to improve the overall game experience, they are sure to continue building a loyal fan base and increase ticket sales for next season
    i. According to the news story, the most common suggestions for the program were a better sound system, improved concessions and cheaper parking. As a result, the Beavers contracted a new concessionaire to offer new food items and more concession locations for home games next season.

5. Incorporate the customer service element into the organization's mission statement
    a. For example, the Chicago Bulls place an emphasis on service in their mission statement as part of their organizational philosophy
        i. "The Chicago Bulls organization is a sports entertainment company dedicated to winning NBA Championships, growing new basketball fans, and providing superior entertainment, value and **service**."
            (a) Click here to read the team's mission statement in its entirety
6. Respond quickly to customer complaints

7. Take a proactive approach in making sure the stakeholders (ticket holders, sponsors, donors etc.) know the organization appreciates their support
    a. Many athletic programs, the California Men's Basketball team, make annual phone calls to personally thank ticket holders for their support
    b. When student-athletes representing all 20 of the University of California, Santa Barbara intercollegiate athletics teams called donors to the Gaucho Fund during the annual Thank-a-Thon, raising $2.2 million, the second highest single year of funds since the launch of the Campaign for UC Santa Barbara in 2005.
        i. The University also received a record single gift to athletics of over $2 million for scholarship support for both tennis programs that year [30]
8. Determine appropriate staff size dedicated to customer service
    a. *Sports Business Journal* reports the Philadelphia Union set records in renewal percentage and revenue after beefing up their customer service staff last season
        i. The staff increase meant instead of just 1 service rep available per 1,400 ticketholders, the team would provide 1 rep for every 500 ticketholders
        ii. In large part to the increased attention to service, the team's 86% renewal rate far exceeded the league average of 80%
9. Utilize technology
    a. In 2017, the Atlanta Braves integrated a customer service "bot" into their ballpark app, allowing the team to collect fan feedback and provide answers to basic questions about parking, concessions, ticketing and other stadium-related topics
    b. In 2018, Minor League Baseball signed a deal to create bilingual chatbots that will provide in-venue, real-time customer service for its partner ballclubs
        i. According to Kurt Hunzeker, MiLB vice president of marketing strategy and research, in an interview with the *New York Business Journal*: "*It's all about using technology to help our clubs be more responsive and better serve our fans and allow them to have a more personalized experience at the ballpark*."

Lesson 7.5
Sales Professionals

A. What makes a good salesperson? [31]
   1. Criteria
      a. Belief in the product
      b. Good listener
      c. Sense of humor
      d. Self motivated and self disciplined
      e. Strong work ethic
      f. Personable
      g. Knowledgeable
      h. Someone who asks questions and listens
      i. Self confident (not to be confused with arrogant!)
      j. Ability to build relationships
      k. "Thick skinned" (ability to handle the inevitable frequent rejection)
      l. Effective time management skills

B. Skills
      a. Good salespeople will never lose contact with prospective customers
         i. This technique is often referred to as "knocking on old doors"
      b. Successful salespeople consistently ask everyone to buy
      c. Effective salespeople follow up with customers after the sale with the same dedication they demonstrated before the sale

C. "Game plan"
      a. Good salespeople will devise a sales strategy that best caters to their strengths
      b. A quality game plan includes gaining knowledge not only of company products and services, but of the backgrounds of prospective customers
      c. Effective salespeople devise and implement effective time management plans

D. What characteristics do employers look for in sales professionals?
   1. Rick Campbell, former Vice-President of Premium Seating for Comcast-Spectacor (Philadelphia Flyers and Philadelphia 76ers), offers insight on characteristics that shape an effective sales professional
      a. "*We look for sales people who are self-driven with a desire to learn, along with a sense of self confidence, knowledgeable about the industry, and a likeable personality. Building, maintaining and nurturing relationships are incredibly important to the sales cycle, so we want someone we know can be effective in that area. Finally, we want someone who can display a track record of excellence and can show how a strong work ethic led to those previous successes*." [32]

Lesson 7.6
Promotion

A. Promotion
   1. **Promotion** is any form of communication used to inform, persuade, or remind people about company products or services [33]
   2. Promotion plays a significant role in the creation and maintenance of the levels of commitment and emotional involvement customers have in an organization [34]
   3. Promotions exist as a tool to help generate sales and retain existing customers
   4. Sports and entertainment promotion can be described as creative events providing maximum exposure for an organization, including the creation and implementation of sponsorship and event marketing activities to attract an audience [30]
      a. Critical elements of sports promotion [35]
         i. Athlete representation
         ii. Marketing consulting
         iii. Integrated event management
         iv. Sponsorship fulfillment
   5. The goals of sports and entertainment promotion [36]
      a. Generating sales
      b. Attracting a targeted audience
      c. Helping to create a positive image

B. Promotion mix
   1. The **promotion mix** consists of any combination of advertising, sales promotion, publicity, direct marketing, and personal selling [37]
      a. Could include trade shows and other exhibition events
   2. Key factors that affect decisions regarding the promotions mix [38]
      a. Stage of product life cycle
      b. Distribution channels
      c. Competitor strategies
      d. The product or service being promoted
      e. Organization resources
      f. Accessibility of various promotional methods

C. Forms of promotion [39]
   1. Sales promotions
      a. Sales promotion involves activities or communications that encourage consumers to purchase products or services [40]
      b. Sales promotions are usually short term, encouraging consumers to act quickly
         i. For example, a local health or fitness club may run a sales promotion offering "limited-time" membership opportunities [41]
         ii. Another popular example of sales promotion includes the offer of "limited" or "special" edition products (or "for a limited time only")
            (a) For last year's Boston Marathon, a number of brands offered special edition versions of running shoes (such as Adidas' customizable sneaker that let runners print up to 10 characters — or their personal record post-race — on the side of the shoe) [42]
            (b) Brooks Running Company introduced a limited edition Boston-themed variation of one of its popular running shoes featuring a lobster design while New Balance made a few thousand special edition pairs of running shoes available with the word "Fastah" emblazoned on the sole and the city's skyline printed on the insole

c. Sales promotion activities could include:
   i. Premium item give-aways
      (a) Examples of premium giveaways include free bats to the first 2000 fans through the gate at Yankee Stadium, or "swag bag" giveaways containing cosmetics and other gifts given out to attendees at the Cannes Film Festival
      (b) Promotions range from traditional (like the aforementioned "bat day" promotion) to the whacky and bizarre (such as the 2014 Charleston River Dogs' "Disco Demolition 2: You better belieb it" event where fans were offered $1 tickets for bringing in Miley Cyrus or Justin Bieber music and merchandise to be blown up after the game)
   ii. Contests and sweepstakes
      (a) In keeping with the trend of creating unique fan experiences for consumers, Jack's Links rolled out a Major League Fishing "Ultimate Dream" sweepstakes providing a chance for 30 fans to go fishing with a MLF pro [43]
      (b) Denny's launched a sweepstakes as part of a "Solo: A Star Wars Story" movie tie-in promotion that encouraged Star Wars fans to come to a local restaurant and play a virtual dice game for a chance to win prizes including movie tickets and autographed movie posters
   iii. Sampling
      (a) RockTape, a brand of athletic tape, sponsored the 2017 Reebok CrossFit Games and one of the components of the sponsorship enables the brand to distribute samples at CrossFit events
      (b) As part of their three-year deal with U.S. Ski & Snowboarding, Clif Bar (the energy bar), will not only be available to athletes in abundance, but samples will be provided to fans attending the various USSA events [44]
      (c) Every year during the college football season, Texas Pete Hot Sauce sponsors a tailgate tour, providing tailgating fans at ACC, Big Ten, Big 12 and Pac-10 schools with samples of its products [45]
      (d) As presenting sponsor of the Dew Tour, Mountain Dew provides product samples at all participating event venues [46]
   iv. Point-of-purchase displays (also known as "POP" displays)
      (a) Each year, grocery stores around the country often feature creative POP displays featuring a Super Bowl or March Madness theme
      (b) According to Hollywood Reporter, Mtime (*Warcraft's* exclusive merchandising partner in China) credited their use of POP displays for helping them sell over $10 million in merchandise prior to the *Warcraft* film's release
         (i) In addition to 20 large-scale interactive exhibitions in upscale shopping malls, Mtime created 130 movie specialty stores in Chinese cinemas and then brought in another 150 pop-up stands during the movie's first week
         (ii) Moveigoers were given a 15% discount is they presented a *Warcraft* ticket stub
   v. Discounts and Couponing
      (a) The latest fan engagement study (conducted by Catalyst) revealed that 44% of soccer fans "liked" or "followed" a brand on social media as a result of the brand posting a coupon or discount offer online [47]
      (b) To help cure the team's recent attendance woes, the Baltimore Orioles' launched a promotion that offered free tickets to kids accompanied by ticket buying adults throughout the 2018 MLB season
         (i) The program, called "Kids Cheer Free," provided two children ages 9 and under with free upper-deck seats for every adult upper-deck ticket purchased [48]

vi. Special events
(a) In an effort to boost attendance at a men's basketball game, the New Mexico State Athletics Department staged a "pajama party" which later erupted into a pillow fight. The event generated a lot of excitement among students, ultimately resulting in over 1800 students attending, a 125% increase over the per game average. [49]

2. On-Field promotions
a. Promotions that take place on the playing field occur between game breaks
b. Many sports organizations consider the on-field promotions to be one of their most valuable and profitable pieces of sponsorship inventory
c. Promotions could include
i. Fan engagement promotions
(a) The New York Mets host a "Family Sundays" promotion which allows fans 12 and under to run the bases following the conclusion of the game
(b) Half-court shot promotions
(i) A VCU student once made a half-court shot at half time of a VCU home basketball game to win a free Papa John's pizza for every fan in attendance that night (the retail value of the 7,248 pizzas was around $100,000) [50]
ii. Races
(a) The Milwaukee Brewers feature a wildly popular "Sausage Race" at Miller Park home games. Four people in sausage costumes race around the infield warning track between the sixth and seventh innings at Brewers' games to entertain fans. [51]
(b) After a video of the Atlanta Braves' popular "Beat the Freeze" race promotion went viral in 2017, it quickly became one of the most talked about (and popular) promotions in sports
(i) Click here for an ESPN story describing how the Braves landed the "hottest promotion in sports"
(c) In 2018, the Atlanta Hawks found success with a similar promotion
(i) While it wasn't a "race", the concept was the same when the team challenged a fan pulled from the audience to try to stop local And1 Mixtape streetball legend 'Hot Sauce' from scoring for 24 seconds
(ii) According to the Atlanta Business Journal, the premise was simple: stop Hot Sauce from scoring, and the fan would win a set of tires from team sponsor, Kumho Tire Co. Inc. However, it took nearly the entire season before someone did score, but the team enjoyed tons of publicity locally and nationally from the promotion.
iii. In-Venue promotions
(a) Promotions taking place at areas within a facility not directly associated with the playing field
(b) Example
(i) MasterCard might have a booth set up somewhere on the concourse of an NBA arena offering a free t-shirt bearing the name of the home team for those willing to sign up for a credit card
(ii) The Bridgeport Bluefish minor league baseball team partnered with Citibank on a special ticket promotion where all purchases made at a pre-determined game at the ballpark using a Citi credit or debit card received a $2.00 ticket discount. Fans were also eligible to receive the same discount on advance tickets purchased that day for any remaining home games this season by using their Citi card.[52]

(c) Other promotions could include
(i) Contest giveaways
(ii) Lucky game program or lucky seat
(iii) Giveaways at the door
1. According to Custom Ink, there were 801 giveaway promotions at MLB ballparks scheduled for the 2018 season
2. Like any other promotions, giveaways range from the traditional (such as bobblehead nights) to the bizarre (the San Antonio Missions once gave away a dozen used cars to randomly selected fans including a 1991 Jaguar and a 1990 Cadillac during a "Used Car Night" promotion) [53]
3. From team jerseys and replica championship rings to garden gnomes and bobbleheads, finding the next "hot" giveaway item can have a significant impact on game day attendance.
a. 2012 marked the revival of the bobblehead craze as Major League Baseball teams offered bobblehead giveaways more than any other promotional giveaways for the first time since 2005. [54]
b. The trend continued in 2018 with Major League Baseball teams hosting 140 different bobblehead nights throughout the season (which is close to double the number of bobblehead promotions the MLB offered in 2010), according to Custom Ink's 2018 MLB promotions study
c. Bobblehead promotions have run the gamut on traditional giveaways featuring the likeness of popular players to more unconventional variations like the Lake Elsinore Storm's promotion of an Arnold Schwartzenegger bobble-biceps and Washington National's Jayson Werth bobble beard
i. Click here for an ESPN story, "How the Sharks Reinvented the Hockey Bobblehead" with their creative twist on the popular stadium giveaway promotion in 2018
d. Last season, a garden gnome giveaway that resembled the New York Mets' star pitcher, Noah Syndergaard, helped the team attract the largest crowd in Citi Field history

3. Event promotions
a. Event promotions focus on a single event, as opposed to multiple events
i. Fireworks displays, film sneak previews, entertainment acts and special appearances
b. Event promotions have the potential for an enormous impact on attendance
i. According to a presentation on the Lake County Captains' website, the team's "Fireworks night" game promotions attract the largest crowds of the season, typically resulting in a sellout [55]
(a) Many teams offer extravagant event promotions in celebration of 4th of July weekend, one of the reasons minor league baseball has enjoyed so much success from an attendance perspective over the last few years
(i) 2017 marked the second time in three years that MiLB teams drew more than one million fans over the two day span surrounding July 4th. In 2017, 10% of MiLB teams set franchise records for single-game attendance during the holiday.
1. Click here to read more from ballparkdigest.com.

(ii) In 2018, MiLB teams drew just shy of 1 million fans, with 994,983 baseball fans going to the park, not a bad draw considering the 4th of July fell on a Wednesday
1. Additionally, MiLB teams attracted nearly 2.4 million fans for the week, marking the third-highest attendance total for a single week in the last 11 seasons

ii. MiLB's Akron RubberDucks typically stack their promotional schedule to help attract more fans to their games, including fireworks event dates, pop culture themed bobblehead giveaways (like Shooter McGavin from the film 'Happy Gilmore' or Willie Mays Hayes "bobble-legs" from the film 'Major League'), theme nights for kids (super hero nights and princess nights), a 5K event at the ballpark and national entertainment acts like the popular ZOOperstars and Myron Noodleman
(a) Click here to see their full lineup of promotions for 2017

iii. The Bowie Baysox drew 2,000 fans to the ballpark for their popular Star Wars night promotion last season even through the game was canceled due to rain [56]

iv. According to Custom Ink, there were over 1,800 special event promos across Major League Baseball in 2018, with the San Diego Padres leading the league with 166 different special event promotions
(a) Click here for a graphic illustrating which MLB teams offered the most special event promos during the 2018 season

4. Off-Site promotions
a. Any promotional activities that occur away from an organization's facility, venue or offices
i. Clinics and camps
ii. School functions (assemblies, etc.)
iii. Exhibition games
(a) An exhibition game between global soccer powers Manchester United and Real Madrid in 2014 at the University of Michigan's football stadium sold out in less than a day and set a U.S. soccer attendance record with 109,318 fans, providing exposure for the growing sport of soccer and two global European soccer franchises looking to expand a fan base in new markets [57]
(b) In 2017, the city of Miami played host to "El Clasico", an exhibition match between two of the most popular soccer clubs in the World (Real Madrid vs. FC Barcelona)
(i) The event not only attracted a sell-out crowd at Hard Rock Stadium (with upper level seats selling for over $500 on the secondary market), but also drew thousands of fans in the days leading up to the game just to watch the team's practice
(c) In 2018, a sold-out NBA exhibition game in Africa was broadcast live in the U.S. and in Africa in an effort to build excitement for the league throughout the country (and promoted through a number of social channels like nba.com/africa; Facebook.com/Africa and Twitter @NBA_Africa using the hashtag #NBAAfricaGame)
(d) Recognizing an opportunity to gain out-of-market fans on the heels of one of the most improbable seasons in sports history, the Las Vegas Golden Knights hosted a hockey camp for children in Boise, Idaho in 2018

iv. Off-site promotions help build relationships between properties and sponsors by helping to drive traffic to a sponsor's place of business
(a) When the Minnesota Vikings and sponsor Buffalo Wild Wings teamed for a "Back to Football Week at Buffalo Wings Wings" promotion, they scheduled a

number of player and "street team" appearances at BWW locations throughout the Minneapolis/St. Paul metro area

b. Research indicates off-site promotions enhance fan identification
   i. Fan identification is the emotional attachment an individual fan has toward a particular team or athlete

5. Full season promotions
   a. Unlike event promotions, full season promotions take place at every game, match or event throughout an entire season
   b. Full season promotions are effective because of the increase in the number of impressions and an elevated level of fan/consumer awareness
      i. Higher frequency equates to increased exposure, resulting in an increased likelihood of the message having an impact with fans
      ii. Washington Wizards home games featured a "Fowl Shot" promotion where, if a player on the opposing team misses two free throws in a row, the crowd would win a free sandwich compliments of Chick-fil-A (team sponsor) [58]
   c. One popular sports promotion features a restaurant partnership with a team or league that offers a free food item if its partner team reaches a certain milestone at any point during the season
      i. For example, as part of its "Bloomin' Monday" promotion, NASCAR fans could visit any Outback Steakhouse for a free bloomin' onion appetizer whenever Kevin Harvick finished in the top 10 in a race during the 2018 season
      ii. In 2018, a Taco Bell promised fans a free Doritos Locos tacos as part of their "Steal a Game, Steal a Taco" and "Steal a Base, Steal a Taco" promotions that coincided with the NBA Finals and MLB World Series
         (a) According to QSR Magazine, the World Series promotion helped provide a 12% increase to its restaurants

6. Media promotions
   a. Promotional activities that involve a media sponsor or tie-in
      i. The presence of media promotions allow an organization to maximize attendance and event support throughout the community, ultimately helping the organization meet its goals and objectives
         (a) Portland, Oregon's annual Blues Festival is sponsored by the local newspaper (*Oregonian*), local radio stations (Kink FM and KBOO), local television station (KOIN 6) and a local online news provider (OregonLive.com)
         (b) Every year, Blues Festival attendees donate thousands of pounds of food (translating to more than 2 million meals) while typically raising $1 million or more to benefit the homeless [59]

Case Study

Sales in Sports & Entertainment:

A Unit 7 SEM Case Study

When Nextel inked a 10-year agreement to participate as a NASCAR sponsor. The partnership, believed to be the largest sponsorship deal in the history of sports marketing, provides Nextel with numerous opportunities to market and promote the NASCAR Nextel Cup Series. The total investment for Nextel was a whopping $750 million over the 10-year life of the contract.

Perhaps the most intriguing element to the story pertains to how the deal was ultimately brokered. NASCAR's chief executive officer, George Pyne, called the deal "the sales story of the century".

What makes this so interesting? The dialogue for discussions regarding the sponsorship opportunities was opened with a simple cold call, followed by a brief email to Nextel's director of sports and event marketing, Michael Robichaud that read:

> "Michael,
>
> I hope all is well. I thought I would check in.
>
> The entitlement is heating up big time to replace Winston. I have not been able to keep my feet on the ground with all the travel.
>
> I will be down in DC the week of March 24th. Perhaps we can get together?
>
> Would it be worth the time to present the entitlement and/or NASCAR to you and
>
> perhaps Mark? Regards, BC" [1]

That simple exchange would provide the spark that would ignite the sales cycle in NASCAR's effort to replace Winston as the title sponsor for their cup series of events. Within four months, the cycle would come to a close when Brian Corcoran, director of corporate marketing for NASCAR, received an e-mail stating "the papers are signed". The deal would be announced shortly there-after.

Ultimately, it was NASCAR's superior television ratings and creative inventory that made the partnership a reality. Nextel officials also saw a unique platform for effectively marketing their products and services. Without the cold call that started it all, however, the deal would never have come to fruition.

*** CASE STUDY QUESTIONS ***

1.) Is the NASCAR / Nextel partnership example a testament to the effectiveness of personal selling? Why or why not?

2.) Do you think the title sponsorship for the NASCAR cup would have been sold without a sales process in place? Why or why not?

3.) Do you think Nextel is still a sponsor? Go online and see if you can find out, then discuss why or why not they made the decision they did and how it may have impacted NASCAR.

Unit 7 Discussion Question Review

Think about the last experience you had with a salesperson. What was the interaction like? Was the salesperson helpful? Was it a positive experience or negative experience? Did the salesperson's assistance impact your purchase decision?

Regardless of student response, this question will prompt a discussion that can be an effective introduction to the material presented in Unit 7.

Think about the last experience you had with a customer service representative. What was the inter- action like? Were they accommodating? Was it a positive experience or negative experience? Did the customer service representative's assistance resolve your issue? Do you think that company's customer service should be improved? Why or why not?

More than likely your students will have some interesting stories to share regarding experiences with sales people or customer service. Use this discussion to validate the importance of effective sales and service strategies in the sports and entertainment business.

What role do you think promotions play in sports and entertainment organization's marketing strategies? Can you give an example of a promotion for a sports or entertainment event you have recently attended (movie, game, play etc)?

For those students who have had a recent experience with a minor league sports team, this question will prompt the sharing of some exceptional promotional ideas. Encourage students to think about promotions they might have seen for movies, sporting events, book or music releases. As an example, the highly anticipated release of the most recent Harry Potter book in June of 2007 led to many creative promotions at book stores.

Record all the promotional examples provided by students on the board or projector as they share them.

Unit 7 Key Words Defined

Business-to-business (also known as B2B) marketing: Involves activities one business makes in effort to sell their products and services to another business, rather than to the individual consumer

Customer Service: The action taken by the seller to make the relationship between the organization and its customers satisfactory

Feature-Benefit Selling: Involves matching specific product attributes to a customer's needs and wants

Objections: A prospective customer's concerns or hesitations in making a purchase decision

Personal Selling: Any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions

Promotion: Any form of communication used to inform, persuade, or remind people about company products or services

Promotion Mix: Any combination of advertising, sales promotion, publicity, direct marketing, and personal selling

Proposal: A written recommendation of products or services his or her organization may offer to meet those customer needs uncovered in the needs analysis

Sales: The process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction

Up selling: The process of selling additional products to a customer at the time of the order

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Unit 8: Sponsorship & Endorsement

Overview

Unit eight explores the concept of sports and entertainment sponsorship and celebrity endorsement. Throughout unit eight, students will begin to understand the significance of sponsorship and its impact on the financial viability of sports, entertainment and event properties. Students will also gain an understanding of why companies make the decision to engage in sponsorship as a promotional opportunity for their business, as well as the decisions required to insure their sponsorship program is a sound investment. In addition, unit eight provides a glimpse of several concepts important to the sponsorship field, including cause marketing, ambush marketing and a brief background on endorsements.

Objectives

1) Define and offer examples of sponsorship
2) List three ways a company might implement sponsorship programs
3) Identify three factors that have impacted the growth of sponsorship
4) Define and offer an example of cause marketing
5) Understand why a company would engage in sponsorship
6) Explain what criteria must be met for a sponsorship to be effective
7) Illustrate the concept of ambush marketing
8) Describe sponsorship inventory
9) Define endorsement

Lessons

Lesson 8.1 Sponsorship
Lesson 8.2 Sponsorship Growth
Lesson 8.3 Sponsorship Decisions
Lesson 8.4 Ambush Marketing
Lesson 8.5 Pricing Sponsorships
Lesson 8.6 Endorsements

Key Terms

Ambush Marketing
Cause Related Marketing
Endorsement
Gross Impression
Sponsorship

Lesson 8.1
Sponsorship

A. Sponsorship
   1. **Sponsorship** is a form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits [1]
      a. Sponsorship is not the same as advertising
         i. Advertising is more direct and aims to stimulate a purchase in the short term
         ii. Sponsorship aims to generate a bond between company and customer
      b. Sponsorships provide a partnership between two parties
         i. Sports and entertainment properties need sponsors to provide financial support, products and services
         ii. Sponsors need sports and entertainment properties to provide an effective marketing tool
         iii. For sponsorship to be effective, it must make sense for each party involved
   2. Sponsorship examples
      a. Mercedes-Benz investing in a 10-year naming rights deal to rename the Louisiana Superdome to the Mercedes-Benz Superdome
      b. Major corporations sponsoring NCAA college football bowl games
      c. Mountain Dew sponsoring the Action Sports Tour
      d. Visa spending millions to sponsor the 2016 Summer Olympic Games in Rio

B. Sponsorship packages often include: [2]
   1. Right to use team or event marks, logos, names, or trademarks
   2. Potential for exclusive association
      a. Exclusivity provides a sponsor the unique opportunity to be the only company sponsoring in a particular product category
      b. If Bank of America holds exclusivity rights as part of its package to sponsor a golf event, no other bank will have an opportunity to participate in the event as a sponsor
   3. Opportunity for title or presenting sponsorships
   4. Right to use various designations or phrases
      a. Procter & Gamble's recent sponsorship of the National Football League designates Tide (a P&G brand) as the "Official Laundry Detergent of the NFL"
         i. Additional examples
         ii. "Official broadcaster of…"
         iii. "Official product of…"
         iv. "Official sponsor of…"
         v. "Presented by…"
            (a) For example, the 2018 NBA Finals were presented by YouTube
         vi. "Brought to you by…"
      b. Right to conduct promotional activities
      c. Additional forms of company exposure and media time (billboards, commercials)
      d. Product and merchandise (game tickets, licensed merchandise)

C. Sponsorship package example
   1. In 2013, Moda Health paid $40 million, as part of a 10-year deal, for the naming rights to the Portland Trail Blazer arena as part of its rebranding process to raise levels of brand awareness
      a. According to the *Sports Business Journal*, the package includes naming rights at a venue that hosts over 200 sports and entertainment events per year, TV, radio and digital advertising, and the company also becomes a sponsor of the Seattle

Seahawks and Seattle Sounders (Blazers owner Paul Allen also owns the Seahawks and Sounders)

D. What makes sponsorship an effective promotional opportunity for a company?
   1. Allows companies to reach consumers by appealing to their lifestyle
      a. The marketer's message is communicated more effectively when consumers are participating in something they enjoy, such as attending a sporting event or a movie
         i. Can be particularly effective in sports because of the high levels of brand loyalty
   2. Sponsorships often allow companies to reach segments they normally would not
      a. Audi signed sponsorship agreements with equestrian events, ski races and sailing because research showed that participants and followers of those sports fit the profile of typical Audi buyers [3]
         i. When Lothar Korn, Head of Marketing Communications for Audi was asked how an affiliation with sailing adds to Audi's image, he responded by saying: "*Sailing has a lot in parallel with the image of Audi. It can strengthen some aspects of our brand: if you look at the dynamism, at the elegance and the design of the boats, if you look at the technology… Audi is 'Vorsprung durch Technik' -'Lead through Technology'-, and technology is also very important for the MedCup too, it is a high-tech sports environment. Light weight plays an important role for the boats, they make good use of carbon, and so light weight is also one of Audi's main strengths, so there are a lot of parallel elements*." [4]
   3. In today's digital marketing era, traditional marketing efforts have proven to be less effective while more creative approaches, such as sponsorship, offer a more creative and successful means for connecting with consumers

E. Five common ways businesses implement sponsorship programs [5]
   1. Retail promotions [6]
      a. Includes point of sale promotions
      b. Generally, the goal of a retail promotion is to drive traffic to a sponsor's place of business
         i. Walmart created a "Race Time" platform at stores that provides NASCAR fans the ability to purchase NASCAR tickets, merchandise, snacks and beverages to take to the race, making Walmart a one stop destination to purchase everything they need to enjoy NASCAR events [7]
   2. Media awareness [8]
      a. Refers to the number of people you reach within an audience of a specific segment
      b. Typically, the focus is on impressions
         i. Impressions refer to the number of people exposed to the promotion
         ii. Hankook Tire America Corporation immerses itself in a number of sports marketing programs. The company's rationale is provided on its Website: "*Hankook enjoyed more than four billion impressions through its Sports Marketing Programs in baseball, hockey, basketball and football. This level of impressions has brought the Hankook name to millions of households, both reinforcing the Hankook brand while introducing the Hankook name to countless households nationwide*." [9]
         iii. According to Apex Marketing Group, Jeff Ruby Steak House gained over $1.2 million in brand value at the 2017 Kentucky Derby, in large part because of the large number of impressions, by sponsoring Always Dreaming's jockey (who won the race)
      c. While impressions are still important, no longer are they an exclusive motivation for a sponsor to engage in a relationship with a sports or entertainment property with activation playing a more significant role in a successful sponsorship strategy

i. In an interview published in the *Sports Business Journal*, Michael Kelly, Executive VP of marketing for Phillips-Van Heusen said: "*The days of slapping your logo on a sport and counting the impressions are over… Our partnership with the Izod IndyCar Series is a good example of how to simultaneously activate our brand at Macy's, and re-energize a sport — we are so intertwined that what benefits one will ultimately be good for all three*." [10]

3. Venue/event on-site promotion
   a. Allows a company to connect with the audience of a particular event [11]
      i. Companies are buying fan enthusiasm, access to spectators (crowds), and media benefits associated with the event
   b. Provides opportunities for a company to network with other sponsors
      i. The Portland Trail Blazers teamed up with sponsor Green Sports Alliance to host an Eco Summit event where over 20 of the team's sponsors were invited (as well as all company employees) to participate [12]
         (a) Educational and interactive booths along with panel discussions generated networking opportunities for all in attendance
4. Internal sales and marketing tool
   a. Helps companies to:
      i. Maintain an existing customer base
      ii. Attract new customers
      iii. Enhance employee relations and motivate/reward staff
         (a) According to a Sponsorship Decision-Makers study by IEG, Inc. and Performance Research, 64% consider measuring "employee/internal response" as a valuable metric when evaluating the effectiveness of a sponsorship [13]
5. Product introduction [14]
   a. Sports sponsorships are a great marketing tool for companies to introduce new products because, generally, sports promotions can provide a quantifiable demographic
      i. Ford may sponsor a "test drive" promotion at a NASCAR event, offering an opportunity for fans to drive a new car model. The promotion enables Ford to capture the information of an identifiable number of the program's participants.
         (a) Click here to read a story on how sponsors of the 2014 Winter Games in Sochi used their Olympic sponsorship as a platform to introduce new products to athletes and fans
      ii. Chobani Greek Yogurt sponsored Team USA and used the Rio Olympic Games to launch three limited edition Rio-inspired flavors: Limited Batch Guava, Limited Batch Watermelon and Chobani "Flip" Greek Yogurt Limited Batch Mango Passion Power [15]
      iii. Samsung also used the Rio Olympic Games to unveil their Galaxy S7 Edge Olympic Games Limited Edition phone and Gear IconX cord-free earbuds
         (a) Over 12,5000 phones and earbuds were distributed to the athletes, which came preloaded with software and apps designed to help them navigate the Olympic games and Rio [16]

Lesson 8.2
Sponsorship Growth

A. Sponsorship spending in North America shows consistent growth over the past 20 years
   1. According to IEG's annual report, sponsorship spending is expected to outpace traditional marketing/promotion and advertising spending
   2. Growth of sponsorship in North America (includes sports, entertainment and events) [17]
      a. 1980 - $ 300 million
      b. 1987 - $ 1.75 billion
      c. 1996 - $ 5.4 billion
      d. 2001 - $ 9.3 billion
      e. 2007 - $ 14.91 billion
      f. 2015 - $21.4 billion
      g. 2018 Projections - $24.2 billion [17]
         i. Sports - $17.05 billion
         ii. Entertainment tours and attractions - $2.4 billion
         iii. Causes - $2.14 billion
         iv. Arts - $1.03 million
         v. Festivals, fairs and annual events - $936 million
         vi. Associations and membership organizations - $635 million
   3. IEG projects *global* sponsorship spending will reach $65.8 billion in 2018 [17]
   4. Sponsorship investment levels
      a. Sponsorship is a primary source of promotion for many major corporations
      b. According to the latest report from IEG, companies with the highest levels of investment in U.S. sports sponsorship programs include: [18]
         i. PepsiCo: $370-375 million
         ii. Anheuser-Busch: $360-365 million
         iii. Coca-Cola: $275-280 million
         iv. Nike: $260-265 million
         v. AT&T: $200-205 million

B. Factors influencing growth of sponsorship
   1. Unique promotional opportunity ("outside the box" mentality), providing some separation from traditional media
   2. Technology and increased media interest in sports and entertainment programming [19]
      a. Bolstered by the increased commercialization of radio and television through commercials
      b. Introduction of new media outlets
         i. Pay per view
         ii. Satellite television
         iii. "On Demand" viewing capabilities
         iv. Streaming audio and video online
         v. Broadband cable
         vi. Satellite radio
         vii. Social media platforms
   3. Growing frustration with traditional media
      a. Companies began feeling that it was too challenging to distinguish themselves from the large number of additional companies advertising
      b. The average individual sees 5,000 sales messages daily, making it hard for companies to get consumers to remember their products [20]

4. Increased levels of consumer acceptance
    a. Studies have indicated that public perception of sponsorship is far more positive than traditional forms of advertising
5. Global nature of sports and entertainment [21]
    a. Sponsorship provides a means for crossing the language barrier
    b. The Olympics Games consistently receive multi-national support via sponsorships from an industry-diverse clientele

C. Cause marketing
1. **Cause marketing** refers to marketing efforts that tie an organization with a charitable cause
    a. 79% of respondents to a recent study said they would switch brands (provided price and quality were equal) to one supporting a "good cause" [22]
        i. The Boomer Esiason Foundation Website explains that with cause marketing programs, a corporation receives tangible benefits – such as a marked increase in sales – from tying its marketing strategy to the fundraising needs of a charitable cause [23]
    b. Cause marketing has proven to be extremely effective, and sponsorship provides a valuable platform for cause marketing programs [22]
2. Cause marketing has become one of the most popular trends in sports and entertainment marketing
    a. In 1990, cause marketing sponsorship spending in the U.S. totaled only $120 million, according to the *IEG Sponsorship Report*. By 2018, spending on cause marketing is projected to reach $2.14 billion.
    b. According to a report from Performance Research, 41% of U.S. consumers believe companies can best improve brand perceptions by increasing their cause sponsorships [24]
3. Cause marketing is *not*: [25]
    a. Pure philanthropy or sponsoring an event without expecting a return on the investment
4. How can you tell if it is cause related marketing? [25]
    a. There is a marketing objective associated with the activity
    b. The marketing activity is measured
    c. The program is promoted
5. Cause marketing examples
    a. After watching footage of children playing soccer with a ball of trash in Darfur, Tim Jahnigen launched the "One World Futbol" program which distributes specially made soccer balls that will never go flat. The program received a giant boost when Chevrolet, as part of their sponsorship of Manchester United, agreed to sponsor the distribution of 1.5 million of the balls. [26]
    b. Associated Bank teamed up with the Milwaukee Brewers Community Foundation to launch a program called "Hits for Homes" in which the bank donates $250 for every recorded hit by Brewers players during home games (up to a total of $100,000) with the goal of encouraging fans to open checking accounts and apply for debit cards through the bank at Miller Park
    c. Colgate introduced a "Save Water" commercial during Super Bowl 50, encouraging viewers to turn off the faucet while brushing their teeth while spreading the message through social media with the hashtag #EveryDropCounts
        i. The campaign positioned Colgate to win brand loyalty by encouraging football fans (and all Super Bowl viewers) to choose a brand aligned with a cause-related initiative
        ii. Click here to view the 30 second ad spot

iii. According to eventmarketer.com, the "Save Water" campaign has been a multi-year effort, but for 2018, the brand announced its sponsorship of #RunningDry, an initiative developed by environmentalist and "ultra-runner" Mina Guli, who ran 100 marathons in 100 days across six continents to help shine a spotlight on water struggles around the world. Colgate also teamed up with former Olympic swimmer Michael Phelps, who encouraged his millions of social media followers to turn off their faucets because #EveryDropCounts (consumers can make pledges at EveryDropCounts.Colgate.com).
   (a) Click here to learn more about the campaign

D. Sponsorship as a unique medium [27]
   1. What differentiates it from traditional media?
      a. Allows a company to tap emotional and intimate appeals of customers
      b. Integrates the positive feelings of sports and entertainment events with company products, services and staff
      c. Sponsorships help reach segmented targets that mass media typically proves ineffective
         i. Spotify offers companies an opportunity to sponsor their most popular playlists to align marketers with a particular target audience
            (a) Adweek reported Kia was one of the first companies to sponsor a playlist (New Music Friday), which lead to an ad click through rate for the Kia Sportage that was twice the original expectation
      d. Showcases a company's products and services in an environment representative of a consumer's particular lifestyle

Lesson 8.3
Sponsorship Decisions

A. Why do companies make the decision to engage in sponsorship programs?
   1. Companies make the decision to sponsor based on the desire to achieve a desired result
   2. Companies typically use sponsorship as a vehicle to:
      a. Increase brand loyalty
      b. Create awareness and visibility
      c. Change or reinforce image
      d. Drive retail traffic
      e. Drive sales
      f. Showcase community responsibility
      g. Display brand attributes
      h. Entertain clients and hospitality
      i. Recruit and retain employees
      j. Create merchandising opportunities
      k. Build company awareness
      l. Differentiate products
      m. Associate with particular lifestyles
      n. Business-to-Business marketing
      o. Distinguish from the competition
      p. Introduce a new product or service to a large audience
      q. Enter new markets
B. Deciding what to sponsor
   1. As sponsorship continues to grow, companies continue to be inundated with sponsorship requests
   2. Companies must filter through proposals to find which sponsorship opportunities will present the best opportunities to effectively promote their brands
      a. Software is now available to help filter those requests to determine which proposals meet the needs of a company
         i. Versaic software manages sponsorship proposals for an impressive client list including Kraft Foods, Nintendo, Snapple Beverage Co, Balance Bar, Lexus, US Bank and Verizon Wireless
      b. Vans successfully reaches their target audience (young action sports fans) through a sponsorship with the U.S. Open of Surfing in California. Conversely, it would not make sense for Vans to partner with the PGA for a seniors golf tournament. [28]
      c. Columbia Sportswear makes products for outdoor enthusiasts. As such, promoting those products through endorsements with NBA athletes wouldn't make sense. Instead, Columbia sponsors anglers and golfers.
      d. Coke has successfully branded their products on an international scale. Implementing sponsorships of international events has been a natural fit in helping them achieve their global goals.
         i. Coke's worldwide sponsorship expenditure on the Atlanta games in 1996 nearly reached $650 million [29]
         ii. Coke's sponsorship of the 1998 soccer World Cup in France approached $250 million [30]
         iii. Coke's sponsorship of the Athens games in 2004 came in at $145 million
         iv. Coke's sponsorship of the Beijing games in 2008 was reportedly in the $400 million range

v. IEG estimated that Coke spent roughly $600 million on their sponsorship of the 2010 FIFA World Cup in South Africa [31]
vi. While Coca-Cola did not disclose their overall investment in the London games in 2012, they did roll out Olympics-themed marketing campaigns in 110 different countries
vii. Coca-Cola continued their investment with the Olympics with a sponsorship of the PyeongChang Games in 2018 (key sponsors reportedly pay in excess of $100 million each for rights and spend more than double their rights fees on activation) and hold Olympic rights through the 2020 Summer Games in Tokyo
viii. Because of their investment in global event sponsorship, Coke's corporate logo is recognized by 94% of the world. Comparatively, the Olympic rings are recognized by only 92%.

e. Many companies invest in naming rights deals to maximize the amount of exposure gained through the sponsorship
   (a) In 2016, the Detroit Red Wings secured a 20-year $120 million naming rights deal with Little Caesars, which will put the pizza chain's name on the rooftop and all over the building inside and out
      (i) Not only does Little Ceasars gain exposure to the 20,000 fans in the arena, the building also sits in the middle of The Detroit District, a 50-block development that includes office space, retail, residential, bars and restaurants [32]
   (b) In 2018, the Tampa Bay Rays were evaluating the potential of a naming rights deal as they continued to push for a new stadium, with analysts estimating a deal could generate between $3 and $10 million per year for the franchise [33]
   (c) Also, in 2018, the Milwaukee Bucks managed to find a naming rights partner prior to opening their new $524 million arena
      (i) The team announced a 25-year deal with Fiserv Co. (a financial tech firm) for the recently completed Wisconsin Entertainment and Sports Center in downtown Milwaukee, a month before it opens. The arena will be known as Fiserv Forum and will be home to the Bucks, Marquette University basketball, and host big name performers like Justin Timberlake, Pink, Elton John, Fleetwood Mac and the Foo Fighters in its inaugural year, according to an ESPN story. Financial terms were not disclosed.
   (d) Click here to read a story from thebiglead.com that explores how well companies who have invested in naming rights deals have fared on the stock market

3. Criteria companies consider when deciding what to sponsor [34]
   a. Property and company image compatibility [35]
      i. Does the property offer the imagery the company wants to establish?
         (a) WWE reported that a decision to create on air content suitable for a younger audience (the rating for "Raw" was changed from TV-14 to PG) generated a significant spike in interest from more new sponsors [36]
         (b) In 2018, Yum! Brands was reportedly reconsidering whether to renew the naming rights deal for KFC Yum! Center, because of negative publicity surrounding the arena's main tenant, the University of Louisville men's basketball program
      ii. Is it a lifestyle with which the company wants to be associated?

(a) Brands like Quicksilver, Billabong, O'Neill, Volcom and Hurley sponsor World Surf League events each year because the surfing lifestyle is one for which they strive to be associated with [37]

iii. Are the co-sponsors companies with which the company would want to be associated?

b. Audience the sponsorship reaches
   i. As one of the most popular sports teams in the world (the team has over 150 million followers on social media), Barcelona FC is one of the most desirable franchises among sponsors
      (a) In 2016, Nike extended their sponsorship agreement with the club through 2026 for a reported $173 million per year, making it the most lucrative deal of its kind in the world [38]
      (b) As of 2018, Barcelona make more in a year through sponsorship deals than any other sports franchise in the world, according to a *Forbes* report (the La Liga champions are currently making $247 million per season through sponsorship)

c. Working with retailers
   i. Does the sponsorship include a retail component that can directly impact sales?

d. Media impact

e. Social media presence

f. Exclusivity
   i. Sponsors must consider whether they are the only brand within a specific category (soft drink, bank, insurance provider etc.) sponsoring the event or property
      (a) Categories can be very specific
      (b) For example, the Stance brand announced a partnership with the NBA to become "official on-court sock provider" (note the right to use an "official" designation phrase)
         (i) Click here to see Stance's "NBA Collection" of socks online
   ii. According to a study from SponsorHub, category exclusivity is the number one benefit sponsors hope to receive from a sponsorship
      (a) Click here to see an infographic with more results from the poll offering insight as to what sponsors look for in a partnership
   iii. Without exclusivity, it rarely makes sense for a company to sponsor if a competing brand is sponsoring the same event
      (a) Exclusivity is a sponsorship component that sports teams/properties take very seriously, so much so that Manchester United (sponsored by Pepsi) refused to take the field for a match because the scoreboard was flashing advertisements for Coca-Cola (a stadium sponsor). Eventually game officials were able to strike an agreement that both parties agreed so the game could be played.

g. Potential increase in consumer sales
   i. No sponsorship can *guarantee* an increase in sales
   ii. However, an effective sponsorship can help to increase sales
      (a) According to a Tweet from Alicia Jessop (@RulingSports), Visa said travelers spent $182 million on their cards in Brazil from June 12-26 during the World Cup, a 152% increase over the year
      (b) Marketing Dive reported that sales of adidas-branded products jumped 12%, with soccer-themed merchandise being particularly popular, thanks in part to their sponsorship of the 2018 FIFA World Cup

C. To be effective, sponsorship programs must meet the needs of the sponsoring party. The following criteria are consistent with effective sponsorships:
   1. Frequent impressions
      a. **Gross impression** refers to the frequency in which a company product or service is associated with the event or entertainer [39]
         i. Each time a consumer sees a company logo throughout the course of a sporting event, movie, television broadcast or other event, the brain records that image
         ii. The goal of a sponsorship is for consumers to remember that image the next time they make a purchase
            (a) In 2018, MVP Index (a sports media analytics company) suggested the Boston Red Sox generated more than $2.5 million in value for Coca Cola by featuring Coke's logo in a post-game sponsorship activation
         iii. While impressions are an important ingredient to a successful sponsorship, other criteria must also be met
   2. Leveraging (activating) the sponsorship
      a. The action taken to escalate its impact and to increase the overall value of the sponsorship
      b. The most effective campaigns combine the sponsorship and events that activate them with additional advertising, direct marketing, PR and merchandising [40]
      c. Most companies spend $1-3 per dollar spent on the sponsorship fee itself in leverage/activation [41]
      d. Companies must engage in promotion of the event *prior* to the actual event date
         i. AT&T, one of Team USA's largest sponsors for the past 30 years, activated their sponsorship nearly three months prior to the 2016 Olympic games in Rio
            (a) Fans could sign up to be included in the #ATTfanmate experience where they would connect with and receive special messages from various AT&T athletes as they prepared for the games
      e. Effective sponsorships require careful strategic planning
      f. In a recent poll conducted by Turnkey Sports & Entertainment in conjunction with the *Sports Business Journal*, 24% of the 1,100 senior-level sports industry executives surveyed indicated that the most attractive element for sponsors when negotiating new deals was "more activation options" (making it an even more popular response than "lower fees") [42]
      g. Companies can activate a sponsorship in many ways
         i. To activate its sponsorship of the 2016 Summer Games, Samsung built several pop-up areas across Brazil that allowed guests to play with the brand's latest tech and try out various Olympic sports through virtual reality experiences
            (a) Click here for a breakdown from sponsorship.com of the various ways key Olympic sponsors leveraged the Rio Games
            (b) Click here for an excellent infographic offering some numbers behind sponsorship spending at the 2016 Summer Games in Rio
         ii. According to the *LA Times*, one of the best attractions at Comic Con in San Diego in 2018 wasn't an exhibit or autograph signing; it was a Taco Bell sponsorship activation
            (a) The brand created a futuristic Taco Bell pop-up that featured a neon-lit futuristic replica of the restaurant seen in the 1993 Sylvester Stallone sci-fi pic "Demolition Man," recreated in lavish detail for the film's 25th anniversary,

complete with bright blue cocktails, robot waiters and Crunchwraps from the "future" [43]

iii. After Papa John's abruptly ended their sponsorship with the NFL in 2018, Pizza Hut quickly stepped in to replace the brand as the league's official pizza provider and activated the partnership at the NFL Draft by teaming up with Pittsburgh Steelers' wide receiver Juju Smith-Schuster as ambassador of Pizza Hut's "Doorbell Dance" campaign
   (a) Click here to see the "Doorbell Dance" commercial

iv. Click here for a story describing some creative activations at the 2018 Super Bowl in Minneapolis, including a zipline over the Mississippi river in freezing weather

v. According to IEG (a sponsorship firm) and Performance Research, 88% of companies worldwide used social media as a channel for leveraging sponsorships [44]

vi. In some cases, part of the activation strategy may include the use of a spokesperson (or spokespersons)
   (a) For example, United Airlines' activation of their 2018 Winter Olympics sponsorship (as official airline of Team USA) featured six U.S. Olympic and Paralympic athletes as superheroes in their marketing leading up to and during the PyeongChang Games
      (i) Click here to see the ads
      (ii) Click here for a fun behind-the-scenes video documenting the making of the commercial

2. Company commitment
   a. Sponsorships are typically ineffective without long-term commitment
      i. Successfully creating a link between the sponsor and the event takes time, several years in some cases
      ii. Companies sometimes make the mistake of pulling the sponsorship if they do not see an immediate return on the investment
   b. The sponsorship should be a company-wide effort
   c. Support is essential from the entire organization, including staff
3. Commitment for the right reasons
   a. Organizations cannot afford to make the mistake of committing sponsorship dollars to a property simply because the company president or CEO is a fan of a particular sport, entertainer or event
4. Communication
   a. Communication between the sponsor and sponsee (event provider, entertainer or property) is essential for success
   b. A clear understanding must be in place of what is included and what is not included in any sponsorship agreement to eliminate false expectations
5. Fan (consumer) connection
   a. A connection should take place between the fans (consumers) and the sponsor, without the feeling of products or services being advertised, so the fans feel the sponsors are adding value to the event
      i. Successful sponsorships can effectively communicate the message that the event would not be possible without the sponsor's support
         (a) This is why we frequently hear statements like the one posted on the website for Toronto's *Scream Literary Festival* that reads: "The Literary Festival would not be possible without the kind and generous support of our private and public sponsors, and we thank them all immensely"

(b) Similarly, an advertisement appearing in an issue of the *Sports Business Journal* stated: “Vail Resorts thanks our partners for a tremendously successful ski season.”
(c) Executives of the Kentucky Speedway dedicated a billboard to thank NASCAR's eight-year title sponsor, Sprint
(i) Jon Cox, VP of Corporate Sales and Marketing for the Kentucky Speedway said, "It’s just been a great partnership overall for us. It only makes sense to thank Sprint. We did it just because it’s the right thing to do.” [45]

D. Sponsorship does present certain risks
1. Difficult in measuring your return on investment (ROI)
2. Potential as an impulse purchase internally by an executive as a result of fandom influencing the decision
3. Ineffective results despite forecasting that might suggest otherwise
4. Clutter in the sponsorship space
5. Emergence of social media overshadowing sponsor awareness and fan connection
a. According to Sarah Wood in an interview with bloomberg.com, co-founder of Unruly, which tracks videos online and helps companies get their content watched and shared, producing an ad that goes viral can be worth more than a sponsorship
i. Of the top 11 most-shared soccer ads online during the 2014 World Cup, only six were FIFA sponsors
6. Potential of being “ambushed” by non-sponsoring companies

Lesson 8.4
Ambush Marketing

A. What is ambush marketing?
   1. **Ambush marketing** occurs when one brand pays to become an official sponsor of an event and other competing brands attempt to connect with the same event, without paying direct sponsorship fees [46]
      a. Ambush marketing is a legal tactic
      b. It is often referred to as “guerilla” marketing
      c. It is a strategy that has proven to be very successful
      d. The technique presents many challenges for those hosting the event
      e. Ambush marketing results in the perception that companies are affiliated with an event when they actually are not
      f. Allows for penetration into events in which a competitor may have exclusivity rights
   2. When does ambush marketing occur?
      a. It is a strategy used frequently when the event is on a grand stage
         i. Super Bowl
         ii. Olympic Games
         iii. FIFA World Cup
         iv. Boston Marathon
         v. Tour de France
   3. Notable events in the history of ambush marketing tactics:
      a. 1992 Olympics
         i. Michael Jordan (sponsored by Nike), covered the Reebok logo on his apparel with the American flag during the gold medal ceremonies
      b. 2000 Olympics
         i. Adidas 'thorpedoed' Nike at the 2000 Sydney Olympics. Nike was the official clothing supplier while Adidas sponsored the swimming super-hero, Ian Thorpe. At the medal presentation, Thorpe “accidentally” draped his Adidas towel over the Nike logo on his official team tracksuit. Thus Nike was nowhere in the famous photograph that was seen by millions of people in Australia and all over the world. [47]
      c. 2002 Boston Marathon
         i. As Adidas-sponsored runners crossed the finish line under full coverage of cameras, they were treated to spray painted Nike 'swooshes' honoring the *day* of the event without mentioning the race itself [48]
         ii. More than 300 college students sporting Reebok-branded tattoos on their foreheads were seeded into the crowd along the Marathon route. Reebok-endorsed “office” linebacker Terry Tate (featured in prominent Reebok television spots) led the charge along the running route. The ambush was effective, with Reebok forming a sea of red (via more than 2,500 consumers turned into walking billboards) along the route and creating its own “unofficial” sponsorship of the Marathon, much to the chagrin of Adidas.[49]
      d. 2006 FIFA World Cup [50]
         i. Hundreds of Dutch fans had to watch their team's 2-1 win over the Ivory Coast in their underwear at the 2006 World Cup in Germany after security at entry points to the stadium caught wind of an ambush marketing ploy
         ii. The fans arrived at the game wearing orange lederhosen displaying the name of Dutch brewery Bavaria and were ordered to remove them by stewards before being allowed to stadium.

iii. Anheuser Busch's Budweiser was the official beer for the tournament and FIFA has a reputation for fiercely protecting its sponsors from brands which are not event or organization partners

e. 2008 Olympics
   i. Chinese sportswear maker Li Ning signed an agreement with Olympic Sports Channel, affiliated with State-owned China Central Television (CCTV). Under the deal, journalists, presenters and guests appearing in the studio would wear Ling Ning's clothes with visible logo throughout the Olympic coverage, despite adidas' presence as official sponsor of the Games.

f. 2016 Olympics
   i. Despite not being an official sponsor of the Summer Games in Rio, Under Armour partnered with several athletes to create the "Rule Yourself" campaign that went viral during the games
      (a) The campaign generated a lot of publicity and stole the spotlight from Nike, an actual sponsor of the 2016 Olympics
         (i) The spot with the US Women's Gymnastics team generated over 3 million views in the first week it was released
            1. Click here to view the commercial on YouTube
         (ii) The UA "Rule Yourself" spot starring Michael Phelps generated nearly 6 million views in the first week it was released (nearly 12.5 overall)
            1. Click here to view the commercial on YouTube

B. Ambush marketing tactics
   1. Sponsorship of sub-categories in an event
      a. Some companies, such as Nike, will strategically sponsor individual teams and individual athletes without sponsoring the event
         i. This strategy allows the company to gain exposure at the event without the major investment
      b. The results of this form of sponsorship are often equally as effective as sponsoring the event itself
      c. Must be aggressively marketed to be successful
   2. Purchasing advertisements at a competitor's event
      a. For the 1996 Atlanta Olympics, Nike went to the extreme of purchasing *all* the outdoor poster sites in Atlanta to ambush Adidas, the official sponsor of the 1996 Games [51]
      b. During broadcasts of the 2014 FIFA World Cup matches, Volkswagen aired commercials showing fans dressed in their country colors singing the traditional soccer chant "Olé, Olé, Olé" on their way to a soccer stadium while Hyundai spent millions as the official partner of FIFA World Cup Brazil [52]
      c. While Adidas was the official sponsor of the 2015 Boston Marathon, New Balance launched a major ambush campaign (dubbed "Nobody Runs Like Boston"), canvassing the area around the event at bus shelters and mass transit areas with advertising while buying ad space at the Prudential Center, outside of Fenway Park, and initiating a social media campaign that encouraged fans to post their own #OnlyinBoston references.
         i. Click here to read more about New Balance's "guerilla marketing" strategies from nysportsjournalism.com.
   3. Engage in non-sponsorship promotions that coincide with the event
      a. Competitors use mainstream media advertising and additional promotions to gain exposure for their company during the event
         i. According to adage.com, Coca-Cola stole Pepsi's thunder during the 2014 Oscars when Coke's logos appeared on three pizza boxes delivered to host Ellen

DeGeneres during a skit during the broadcast, despite the fact the Pepsi had just taken over the sponsorship rights as the exclusive soft-drink sponsor of the Academy Awards on ABC [53]

ii. In 2018, PepsiCo Inc. pulled an ad featuring former NCAA and NBA star (and CBS announcer) Grant Hill after it reportedly rankled executives at CBS, Turner, and longtime NCAA sponsor Coca-Cola

(a) The Mountain Dew ad showed Hill, one of the lead March Madness analysts on CBS/Turner, taking shots at the NCAA's trademarks around March Madness and sponsoring a product with no ties to the NCAA Tournament

4. Create visibility without "official" affiliation with an event in non-traditional ways
   a. At the 2018 Super Bowl in Minneapolis, Cargo, a startup that sells snacks and toiletries in ride-share cars, offered free samples of Red Bull to customers as part of its expansion into Minneapolis. The company also said rideshare drivers could earn an additional $500 a month from commissions, referrals and performance bonuses for selling products to riders, drawing attention away from the companies and brands that were actual NFL sponsors for the event.
      i. According to Mobile Marketer: "The Cargo promotion shows how brands are exploring creative tactics for getting in front of Super Bowl fans outside of investing the significant bucks required to snag a Super Bowl sponsorship or commercial"
   b. Geico once paid several lower-ranked men's and women's tennis players up to $5,000 to wear "ambush advertising patches during high-visibility matches" at Wimbledon. Because lower ranked players earn only minimal wages, many were willing to slap the Geico logo on their uniform, in part to help pay travel expenses. [54]
   c. Social media now affords guerilla marketers with another channel for which to deploy ambush tactics, like Hormel's "Sir Can A Lot" video posted on YouTube, tying the Spam brand to the "madness of March" despite the fact that Hormel was in no way financially supporting or sponsoring the event [55]
   d. Click here for a recap of some of the ambush tactics from the 2018 Winter Games in PyeongChang
   e. Click here to see how the LA Galaxy's soccer star Zlatan Ibrahimovic managed to ambush the 2018 World Cup, despite not playing in the tournament

C. Impact of ambush marketing
   1. Is ambush marketing an effective strategy?
      a. When properly executed, ambush marketing can be extremely effective for a company
      b. Despite Coca-Cola's presence as an official sponsor at the 2018 FIFA World Cup, Pepsi's #LoveItLiveIt campaign was ranked No. 1 in terms of likeability and attention for brand campaigns, according to one analysis. Coca-Cola brand Powerade's "Unstoppable" and Coca-Cola's "Get Ready for the #FIFA World Cup" ranked second and third. [56]
      c. At the NFL Scouting Combine (sponsored by Under Armour), adidas announced that they would give a private island (up to $1 million in value) to any draft prospect who broke the 40-yard dash record, provided they were wearing the brand's "adizero 5-Star 40" cleats
         i. This isn't the first time adidas ambushed the NFL combine. The brand has offered incentives for anyone who broke the 40-yard dash record for years.
            (a) Jeremy Darlow, a branding expert and PR specialist for adidas, said in an interview with WARC: ""*We've been the most talked-about brand at the NFL*

Combine for three years in a row – four years in a row, if you count the first year on the shoe deal."

d. The question of whether or not ambush marketing is an ethical practice is an on-going debate among professionals in many industries

2. How does ambush marketing affect the organization responsible for hosting the event?
   a. Ambush marketing threatens the ability to sell event sponsorships for event owners and cuts into the event profitability
   b. The Sydney Organizing Committee for the Olympic Games (SOCOG) had a staff of 60 individuals with legal backgrounds to protect themselves against ambush marketing[57]
3. How do companies and/or governing bodies combat ambush marketing?
   a. Ambush marketing is a very difficult marketing strategy to combat but event organizers do all they can to implement measures that protect sponsors
      i. FIFA fined the Swedish National Soccer team over $70,000 when players wore non-approved socks at the 2018 World Cup and Croatia was fined when a player took a non-sponsor's drink onto the field [58]
      ii. The city of Columbus created a "clean zone" in the city's downtown area for the 2018 NCAA Women's Final Four to help prevent ambush marketing by requiring a special permit to sell licensed or special event-related goods and services during the event [59]
   b. Wimbledon prohibits fans from bringing in certain items that could conflict with the event's sponsors – fans are denied entry or ejected if they do not follow the rules
      i. Click here to see the list of items that were banned from Wimbledon in 2017

Lesson 8.5
Pricing Sponsorships

A. What is inventory?
   1. The first step to the sponsorship sales process is defining inventory
      a. **Inventory** defines exactly what assets an event or property has available to sell
      b. An inventory sheet outlines each specific piece of inventory available for sale
         i. Inventory could include many sponsorship elements, such as advertisements in game programs, on-site signage or broadcast opportunities
   2. In some cases, sponsors seek ways to make signage stand out at venues to maximize exposure for their brand, forcing sports and entertainment organizations to become a little more creative in ways to expand their inventory
      a. TaylorMade Golf Co. designed an 80-foot replica of its new driver (golf club) and attached it to the foul pole at Petco Park to increase visibility at San Diego Padres games. The nine-story tall structure was part of a three-year marketing agreement between the golf gear maker and the ball club where the goal is to drive home the message that the launch of its R11 driver was "larger than life," TaylorMade chief executive Mark King said in a statement.[60]

B. Pricing sponsorships
   1. Pricing
      a. Pricing is complex because of the variety of elements included in a property or event's inventory
      b. After determining what inventory is available, values are then assigned to each piece of inventory
         i. Click here for a brief video discussing which piece of inventory might be most valuable to NBA sponsors
      c. A **rate card** is a printed list of sponsorship fees charged by a sports or entertainment property for association rights [61]
         i. The rate card is essentially an inventory sheet with associated values
      d. Assigning value can be challenging because sponsorship as a medium is generally considered to be intangible
         i. Sponsorship pricing can be dependent upon event attendance and other similar factors (the sponsee's public image etc.), contributing the challenge of determining and maintaining effective price points
      e. The overall sponsorship package can be described as the sum of all benefits attributed to a particular sponsorship, including tickets, hospitality, signage, merchandise, program ads etc.
   2. Considerations when pricing sponsorships
      a. Price should be based on value, not on budgets or needs
      b. Rights and benefits included in the package
      c. Value should be placed only on those elements that can be successfully fulfilled
      d. Cost/benefit ratios

Lesson 8.6
Endorsements

A. What is an endorsement?
   1. An **endorsement** is a partnership between an athlete or entertainer and a company in which the athlete or entertainer receives compensation in return for their support and approval of a company product or service
   2. The celebrity agrees to allow the company to use his or her likeness to promote company goods and services
   3. Endorsement examples
      a. Gatorade featuring current and retired athletes like Usain Bolt, JJ Watt, Karl-Anthony Towns, Paul George, Mia Hamm, Bryce Harper, Derek Jeter and Lionel Messi in various promotional campaigns
         i. Click here to see more "athletes and ambassadors" from Gatorade's website

B. What celebrities appeal to marketers? [62]
   1. Sports and entertainment marketers seek a defined set of characteristics among celebrities to determine which performer provides the best fit for their company. Typically, an organization will evaluate the following:
      a. Success and high levels of performance
         i. After a record-setting, breakout first half of the 2017 Major League Baseball season, many sports business experts suggest the New York Yankees' Aaron Judge has the potential to earn "millions" in endorsement deals
         ii. The breakout star of the 2018 FIFA World Cup was France's Kylian Mbappe, who some experts suggested could be primed to earn in excess of $20 million annually in endorsements after his performance throughout the tournament
      b. Media following (awareness)
         i. Is this individual in the "lime light"?
            (a) A hot topic at the 2018 Major League Baseball All-Star Game surrounded the popularity of the league's best player, Mike Trout
               (i) Critics blame the league for inadequate marketing of its stars, with the *Washington Post* proclaiming in a headline "Baseball's dilemma: Mike Trout is MLB's ultimate all-star, and yet he is not a star"
               (ii) According to the *Washington Post* story, Trout scored a 22 in Q Scores' awareness category (Q Scores measure the marketability of athletes and celebrities), which means just one in five Americans know who he is. By comparison, per Q Scores' research, a comparable NBA player is Brooklyn Nets forward Kenneth Faried, who played only 14 minutes per game last season (the comparison, however, was highly debated among those in the media)
      c. Social media following
         i. How active is the individual with social media? How many followers do they have?
            (a) According to a tweet from MVP Index (a company that measures and evaluates the value of social media), UFC star Daniel Cormier generated over $550,000 in social media value for his sponsor, Monster Energy, in the last year (Cormier has almost 650,000 followers on Twitter alone)
            (b) MVP Index crowned LeBron James the king of social media in 2018 with an estimated social value of $293 million, not only because of his millions of followers across various platforms like Twitter and Instagram, but because of the frequent engagements

(c) The most valuable players selected at the 2018 NBA Draft on social media, according to MVP Index, were:
(i) Trae Young ($4.1M in social value)
(ii) Michael Porter Jr. ($1.2M in social value)
(iii) Marvin Bagley III ($327K in social value)
(iv) DeAndre Ayton ($174K in social value)
(v) Luka Doncic ($147K in social value)
1. Click here for an infographic describing the social value of the 2018 NBA Draft class

d. Work ethic and moral values
i. After featuring the iconic crocodile logo as its ambassador for nearly 85 years, Lacoste appointed tennis star Novak Djokovic as their official brand ambassador in 2017
(a) "*When we choose an ambassador, we first choose values, and Novak has the simplicity, humility and family values we were looking for*," said Lacoste Group CEO Thierry Guibert in an interview

e. Personality traits
i. How articulate is the celebrity?
ii. Does the performer have celebrity "status" (recognizable)?
iii. How popular is the celebrity?
(a) Every year, ESPN releases a report ranking the world's most famous athletes
(i) They begin by evaluating a list containing 600 of the biggest names in sports, drawn from 68 different countries. ESPN's Sports Analytics Group then ranks them based on a proprietary formula that considers three "fame factors": How frequently each athlete is searched online, how much they earn in endorsements, and how many followers they have on social media
(ii) Here are the most famous athletes in the world in 2018, according to ESPN's annual report:
1. Cristiano Ronaldo
2. LeBron James
3. Lionel Messi
4. Neymar
5. Roger Federer
(iii) To see ESPN's complete 2018 ranking of the "100 most famous athletes in the world", click here.

f. Does the celebrity have a positive image?
i. Some athletes are more polarizing than others, meaning some are equally loved and loathed by the public
(a) For example, in Brazil, Neymar is almost universally loved while many fans around the world dislike him for his trend of faking injuries during soccer matches
(i) During the 2018 World Cup, one of the most well-known athletes in the world was consistently scorned on social media for his antics, even prompting a #NeymarChallenge in which fans would post videos of themselves rolling around on the ground in mock agony
1. KFC South Africa even posted a commercial poking fun at the practice of faking injuries during the World Cup (the post quickly went viral, racking up over 1 million views in less than a week)
a. Click here to see the commercial

2. Click here to see a player at Wimbledon's take on the challenge during a 2018 doubles match

ii. When an athlete or celebrity embodies a number of positive characteristics valued by advertisers, they are likely to find endorsement success
(a) Li Na, the first Chinese player to win a Grand Slam event when she won the French Open, became a quick target for corporations around the globe. Mercedes-Benz signed her to a deal worth reportedly $5.8 million over three years while her agent summarized his client's rise in popularity by telling the *Sports Business Journal*, "She has captivated a country. We could do 25 deals." [63]

g. Aligning the appropriate athlete or celebrity with the brand can be very challenging and doesn't come without risks
i. According to Ad Week, marketers these days "have fewer stars in their eyes." Only one in ten ads now features a celebrity, down from a peak of 19 percent in 2004, according to Millward Brown, which has tracked the trend, mostly by way of TV spots, for the last dozen years. [64]
ii. More than 100 current NBA players have been signed to wear Nike shoes, but only three of them -- LeBron James, Kyrie Irving and Kevin Durant – figure prominently in the company's marketing efforts off the court [65]
iii. After it was reported in 2016 that Maria Sharapova had failed a drug test at the Australian Open, several sponsors quickly ended their endorsement deals with the tennis star (including Nike, Porsche and TAG Heuer) [66]

2. Effective endorsement campaigns
a. The most successful campaigns will feature athletes or celebrities who actively promote the product or brand
i. Despite just having won an incredibly emotional match, Roger Federer (who has long endorsed Rolex) paused to put on his Rolex brand watch moments after clinching the Wimbledon crown (and before accepting the championship trophy)
ii. Lebron James showed his loyalty to Nike when he posted a video on Instagram calling out Lonzo Ball for wearing a pair of Nike sneakers instead of his own Big Baller Brand during a 2017 NBA Summer League game, captioning the post with the famous "Just Do It" slogan
(a) LeBron consistently mentions the brands he endorses through his various social media channels, one of the reasons he is a popular choice as a spokesperson for brands
(i) According to MVP Index, James was the top-performing NBA ambassador for an athletic apparel brand, mentioning Nike in 55 social media posts last year, generating $12.3 million in media exposure for the brand

b. Consumers must believe the athlete or celebrity uses the product or service otherwise the campaign's credibility risks being undermined
i. Did consumers believe Tiger Woods drove a Buick (Buick dropped Tiger as a long-time pitchman a few years ago)
(a) Craig Bierley, Buick's director of advertising and promotions, told *Ad Week* in an interview: "*I'm not sure anyone really believed that Tiger Woods drove a Buick. I think you start to push the limits of credibility*." [67]
ii. Alternatively, there is no question what brand of shoes Kobe Bryant, LeBron James or Kevin Durant would actually wear because it is obvious they wear Nike shoes when they play

iii. Many fans might wonder if LeBron James really does drive a Kia after seeing him promoting the brand in a number of television commercials-
(a) According to a news story from espn.com, it was James who initiated the conversation about driving a Kia, not the other way around as many might suspect (especially considering LeBron's personal collection of cars includes Bentleys worth nearly $200,000). A Kia representative in the story is quoted as saying: "*We were not actively seeking another endorser, but LeBron told us, after driving the car around this summer, that he liked it so much, that we decided to partner with him. He brought us instant credibility*."
(i) However, the article also suggests that the deal requires James to show up at Cavaliers games in a Kia, similar to a deal Tiger Woods' had in place with Buick which required that he arrive at events driving the car brand.
(b) In 2016, James and Kia continued their partnership and launched a series of commercials that addressed the skepticism
(i) The brand's goal was to convince skeptical fans that James does indeed drive a Kia
(ii) Click here to see a sample of the commercials
iv. In 2018, adidas terminated their contract with Boston Celtics' guard Terry Rozier after he wore Nikes in a game [68]

c. Companies invest a lot in celebrities to promote their products so aligning with the right athlete or entertainer is paramount
i. Before the 2016 NBA draft, LSU's Ben Simmons was touted as a "can't miss" prospect, resulting in a bidding war between Nike and Adidas for his services
(a) Nike signed Simmons, who went #1 overall in the NBA Draft to the Philadelphia 76ers, to a five-year, guaranteed $20 million contract
(b) Adidas countered by signing five of the top seven NBA draft picks
(i) Said Chris Grancio, GM of Adidas Global Basketball, "*Our playbook is simple — partner with the best players and use their insights to change the game and connect with young athletes.*" [69]
ii. The athletes who earn the most from endorsement deals, according to the London School of Marketing: [70]
(a) Roger Federer (tennis) - $65 million
(b) LeBron James (basketball) - $58 million
(c) Phil Mickelson (golf) - $54 million
(d) Tiger Woods (golf) - $49 million
(i) Over 99% of Tiger's 2017 income came from his endorsement deals
(e) Cristiano Ronaldo (soccer) - $47 million

3. Finalizing the selection process
a. Background checks
b. Discussion with celebrities to determine levels of commitment
c. Development of a contract and having each party carefully review the terms
d. Familiarizing the celebrity with the product or service in which they will endorse
e. Marketers can refer to a prospective endorsers' "q score" to determine the individual celebrity's marketing potential
i. According to the q scores Website, a Q Score "measures the familiarity and appeal of personalities in a variety of categories to determine targeted audience attraction" [71]
ii. Similar to a Q Score, the Nielsen company also provides analytics relating to the popularity and attitudes toward certain athletes and celebrities by offering N Score ratings

(a) For example, despite winning the NFL MVP and appearing in a Super Bowl, the Atlanta Falcons' quarterback Matt Ryan is still relatively unknown to the general public, based on his N-Score [72]
(i) Ryan has an N-Score of 62 and awareness score of 32, right about the average for NFL football players
(b) The New England Patriots' quarterback, Tom Brady, on the other hand is the most well-known current football player with an awareness score of 73, compared with the football average of 30
(i) However, Brady's likability score is just 48, putting him in the bottom 5% of all celebrities for likability

f. Failure to live up to expectations may result in a sponsor parting ways with the athlete or celebrity, particularly in the midst of any negative publicity surrounding the individual
i. After being banned for life from cycling for his part in a long running doping scandal that broke in 2013, Lance Armstrong lost nearly all of his endorsements while industry experts suggest he will likely never sign another endorsement deal for the rest of his life [73]
ii. Last season, Dannon and Gatorade, both brands are endorsed by Cam Newton, were forced to distance themselves from the Panthers' quarterback after he told a female reporter "It's funny to hear a female talk about routes. It's funny."
(a) According to an ESPN report, Dannon suggested they would "no longer work" with Newton following the disrespectful comment while Gatorade issued a statement that said, "Cam's comments were objectionable and disrespectful to all women and they do not reflect the values of our brand. Gatorade fully supports women who compete in, report on, coach for, or play any role in sport -- on or off the field." [74]
iii. Head, one of the world's largest tennis racket providers, parted ways with Bernard Tomic after his incredibly poor showing at the 2017 Wimbledon tournament
(a) Tomic was eliminated in straight sets and during his post-match press conference, claimed he was bored of the sport and even admitted to cheating during his match (he used a medical timeout for non-medical reasons)
iv. In 2018, both Visa and Vancouver's TransLink system reportedly suspended all promotional activity involving Morgan Freeman after the actor was accused of sexual harassment and ABC cancelled a popular sitcom when its star, Roseanne Barr, tweeted racist comments

C. Endorsement effects on branding and sales
1. Studies have shown that celebrity endorsements *can* be extremely effective in helping a company drive sales of its products or services
2. A study by the Harvard Business School revealed that celebrity endorsements generate a 4 percent increase in sales on average for brands while the book Contemporary Ideas and Research in Marketing found that 85 percent of consumers admitted that a celebrity endorsement upped their confidence in a brand, and 15 percent said endorsements affected their purchasing decisions.
3. In a study released by NPD last year, it was revealed that fans of a given celebrity are 50 percent more likely to buy and use the products that celebrity does
a. In 1984, Puma sold only 15,000 tennis racquets a year. In 1985, following Becker's first victory in Wimbledon and his backing of Puma rackets, sales jumped to 150,000 rackets[75]

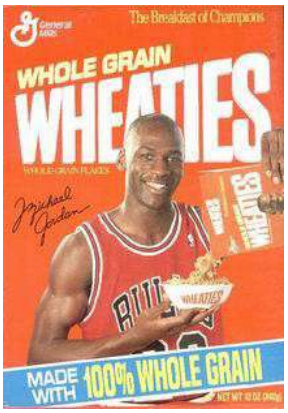
b. In 2000, Nike Golf signed Tiger Woods to play its golf ball. By 2005, Nike Golf enjoyed revenue growth of an astounding 24 percent per year.[76]
   i. Orders doubled for Callaway Fusion drivers after Phil Mickelson won the 2006 Masters with one [77]
c. Given the incredible sales success of his branded grills, George Foreman now sorts through as many as 20 endorsement offers per week [78]
d. According to a story in the NY Post, Rihanna (considered by some as the most marketable celebrity endorser in pop culture) helped Puma see a 40% increase in sales of women's shoes last year's release of her 'Creeper' and 'Eskiva' shoe lines
e. After signing on with Converse, Dwyane Wade's support of the brand made an immediate impact as his likeness contributed to an 82 percent increase in sneaker sales in the first two years of the campaign [79]
   i. In 2009, Wade decided to part ways with Converse and signed a new deal with Jordan Brand (Nike is the parent company to both shoe brands) and in 2013, Wade signed with Chinese footwear brand, Li Ning
f. 1-800-Flowers teamed up with Justin Bieber for what was originally intended to be a small Valentine's Day promotion. It turned into one of the biggest campaigns in the company's history and led to an annual relationship with the teen pop sensation. [80]
g. In 2016, the *New York Times* reported that, upon making tennis star Rafael Nadal global brand ambassador of Tommy Hilfiger underwear, the company saw sales of underwear and men's accessories double in the first month following the announcement [81]
h. According to Forbes, Lebron James' involvement in Blaze Pizza as an investor, franchisee and endorser helped the chain become the fastest growing restaurant franchise *ever* in the U.S.

Case Study

Endorsements:

A Unit 8 SEM Case Study

What began as a sponsorship of a minor league baseball franchise in 1933 has become perhaps the most successful example of the power of celebrity endorsement in developing company image and building a brand.



The 1933 sponsorship with the Minneapolis Millers brought the Wheaties brand of breakfast cereal enough success that they would partner with over 100 additional minor league teams by the end of the decade. The sponsorships provided a platform for athlete testimonials, with many players attesting that the cereal was truly "breakfast of champions." Popular athletes began to appear on the cover of the Wheaties cereal boxes in the 1930s. In addition to featuring athletes, Wheaties effectively built its brand identity by packaging the cereal in an orange box, a tradition that is still carried on today.

The campaign grew wildly in the 1940s, resulting in a boom of athlete testimonials ranging from baseball, football and automobile racing stars to broadcasters, jockeys and circus stars. In 1939, the Major League Baseball All-Star Game showcased 46 players who endorsed the Wheaties brand. The game had a total of 51 players. Shortly after the All-Star game, Wheaties sponsored a telecast of a baseball game between the Cincinnati Reds and the Brooklyn Dodgers, the first ever commercial sports broadcast on television.

Since 1939, when baseball legend Lou Gehrig became the first athlete to grace a Wheaties cereal box, hundreds of professional athletes, Olympic athletes, entire sports teams, and a few entertainers (The Lone Ranger and the Mickey Mouse Club) have been promoted.

Wheaties has also featured several prominent athletes as spokespersons over the years. Only seven individuals have achieved this honor, including Bob Richards, Mary Lou Retton, Walter Payton, Chris Evert, Michael Jordan, and Tiger Woods.

*** CASE STUDY QUESTIONS ***

1.) Do you think the Wheaties sports marketing campaign has been a success? Why or why not?

2.) Why do you think Wheaties moved away from sponsorship and began focusing on athlete endorsements?

3.) Why do you think the brand has fewer athlete endorsements today than it did in the 1930s and 1940s?

** NOTE: Information from this case study obtained online from http://en.wikipedia.org/wiki/Wheaties

Unit 8 Discussion Question Review

What are some examples of sponsorship?

Sponsorship could include:

- Ford Motor Company paying $1 million for the naming rights to Ford Field
- Tostitos, Nokia and FedEx sponsoring NCAA college football bowl games
- Mountain Dew sponsoring the X-Games
- A minor league baseball team exchanging a pair of season tickets and a banner on their outfield wall for cater-
  ing services for team events with Outback Steakhouse
- Bank of America as an official sponsor of the Portland Trail Blazers

Can you think of an example of sponsorship that you have been exposed to in the last year?

Students should be able to share some examples of personal experience with sponsorship exposure, whether it be at a local charity golf tournament or major league sporting event.

Have you participated in any events that have relied on some type of marketing to attract consumer attendance?

Answers could include:

- Any local festivals
- Any local sporting events
- Any local entertainment events
- Beach volleyball tournament
- Independent film festival
- Music festival
- Shakespeare or other theatre festivals

What are some examples of endorsements?

Examples of endorsements could include:

- Gatorade featuring Peyton Manning and Usain Bolt in ad campaigns
- LeBron James acting as a spokesman for Samsung
- Beyonce appearing in television ads for Pepsi

Why do companies pay celebrities and athletes to endorse their products?

Corporations contract celebrities and athletes to endorse their products and services for a number of reasons. Ultimately, the practice of implementing an endorsement campaign is utilized to drive sales of a particular product or service and potentially influence brand awareness and loyalty, as well as corporate image.

Have celebrity endorsements ever influenced your decision to purchase a particular product or service?

Have students raise their hands and try to gauge what percentage of students have been influenced by endorsement when making a purchase decision.

Unit 8 Key Words Defined

Ambush Marketing: Occurs when one brand pays to become an official sponsor of an event and another competing brands attempt to connect itself with the same event, without paying direct sponsorship fees.

Cause Marketing: Refers to marketing efforts that tie an organization with a charitable cause.

Endorsement: A partnership between an athlete or entertainer and a company in which athlete or entertainer receives compensation in return for allowing the company to use his or her likeness to promote company goods and services.

Gross Impression: Refers to the frequency in which a company product or service is associated with the event or entertainer.

Sponsorship: A form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits.

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Unit 9: Ticket Sales & Promotion

Overview

Unit nine begins to explore the roots of sports and entertainment business by providing students with an understanding of the ticketing process. Ticketing, as a function of sports and entertainment marketing, has evolved into a complex process and proves to be one of the most important components of the SEM marketing mix. This unit will cover the way tickets are sold and marketed, and the importance this revenue stream has on an organization's financial viability.

Objectives

1) Understand the importance of ticket sales to the sports and entertainment industry
2) Identify factors that influence a fan's decision to purchase tickets
3) List at least five ticket sales strategies
4) Define ticket package
5) Explain the concept of frequency escalator
6) Describe how ticketing technology has provided innovative alternatives for customers

Lessons

Lesson 9.1 Role of Ticket Sales in Sports & Entertainment Business
Lesson 9.2 Ticket Sales Strategies
Lesson 9.3 The Ticket Sales Cycle
Lesson 9.4 Ticketing Technologies

Key Terms

Data Mining
Frequency Escalator
Group Tickets
Season Tickets
Season Ticket Equivalents
Ticket Package

Lesson 9.1
Role of Ticket Sales in Sports and Entertainment Business

A. How important is the ticket sales function to the sports and entertainment industry?
   1. A fan's participation in a game or event can be as important as the athletes and performers as they create an exciting atmosphere that energizes the performers and enhances the consumer experience
   2. Ticket sales have traditionally served as the financial backbone for almost every sports team within the industry
      a. According to an article published in the *Sports Business Journal*, "ticket sales are the lifeblood of most franchises."
         i. Sales from tickets and club seats can account for more than half of a typical franchise's local revenue in all four major sports leagues, ranging as high as 80 percent for some teams [1]
         ii. Even a modest attendance increase can have a significant impact on a team's bottom line
            (a) In 2018, the Atlanta Braves reported a 2% increase in attendance at Sun Trust Park, helping the franchise's revenue to jump from $4.3 million per game to $4.6 million per game
               (i) The team's owner told the *Atlanta Journal Constitution* the revenue boost was the result of increased ticket sales and higher attendance (which helps boost revenue in other ways like concessions, parking and merchandise sales)
      b. While ticket revenue still provides the primary revenue source for a many sports teams, huge media contracts now provide the bulk of revenue for teams in leagues like the NFL and NBA
         i. According to *Forbes*, the U.S. Open generated $130 million ticket sales revenue and $120 million in broadcast revenue in 2018, suggesting the gap between ticket revenue and broadcast revenue for major sporting events is closing
   3. Within the industry, the ticket sales process is sometimes referred to as
      a. "Meat in Seats"
      b. "Butts in Seats"
      c. "Fannies on Fabric"

B. Ticket sales affect other functions of the sports and entertainment business
   1. Sponsorships increase in value with the increase in ticket sales
      a. For example, sold out games and events maximize exposure for a sponsoring company, thus enhancing the value of their sponsorship investment

C. Ticket sales are affected by other functions of the sports and entertainment business
   1. Ticket sales decline with the presence of negative publicity
      a. For example, communities are less likely to support athletes and entertainers who have developed a negative image or have a poor public persona
         i. The Portland Trail Blazers battled team image problems in the early 2000's and earned the nickname "Jail Blazers" - the team went from selling out every game to last in the NBA in attendance in 2006
            (a) Click here for an graphic highlighting the Blazers' attendance figures and the impact of the "Jail Blazers" negative publicity

D. Many factors influencing ticket sales and attendance
   1. Team performance
      a. Winning teams traditionally draw bigger crowds while losing teams typically see attendance decline

i. After selling out 530 consecutive games, spanning 6 ½ seasons, the San Francisco Giants sellout streak came to an end in 2017
   (a) It was the second longest sellout streak in Major League Baseball history
   (b) Not coincidentally, the team was in last place when the streak ended, after being consistently one of the best teams in baseball the last seven years (including three World Series wins)
ii. Thanks to a successful season that ended with a Sweet 16 appearance in the 2018 NCAA Tournament, the Nevada University men's basketball team surpassed 8,000 season tickets for the first time in a decade (an increase of more than 2,000 season tickets from the previous season) [2]
iii. As the San Diego Padres struggled through their eighth consecutive losing season in 2018, the team introduced a rather unorthodox ticket sales package in which the number of games fans would be able to attend was contingent upon how many games the team won [3]
   (a) Click here to learn more about the Padres' "Five Win Pass" promotion

2. Fan loyalty and fan support
   a. Some markets traditionally attract more fan support and larger crowds by nature
      i. New England with the Red Sox, Bruins, Celtics and Patriots
      ii. Hockey in Canadian markets
      iii. High school basketball in Indiana
      iv. High school football in Texas
      v. College football in the south (Texas, Alabama, Georgia, Florida)
      vi. Soccer in the Pacific Northwest
         (a) Last season, the National Women's Soccer League's Portland Thorns averaged over 16,000 fans per home game (that's more fans per game than 5 Major League Soccer teams, 5 NBA teams and 8 NHL teams)
   b. Meanwhile other markets have a reputation for poor fan support
      i. Because so many residents are transplants (not born and raised in the state), professional sports teams in the state of Florida have a difficult time attracting crowds
         (a) According to a Facebook survey, the most popular MLB teams in Florida are the Atlanta Braves and New York Yankees, not the Miami Marlins or Tampa Bay Rays [4]
         (b) Out of the nine professional Florida teams that compete in the big four leagues (NBA, NFL, MLB, NHL), all but two rank in the bottom half of their league for attendance over the last decade
            (i) Last year, the Tampa Bay Buccaneers ranked 29th out of 32 teams in the NFL, the Miami Marlins were 30th out of 30 and Tampa Bay Rays 29th in MLB, and the Florida Panthers were 28th out of 30 NHL teams
   c. Rivalry games
      i. Rivalry games are often an instant recipe for boosting attendance
      ii. According to a study by comebackcity.us, MLB regional rivalry games (Washington Nationals vs. Baltimore Orioles, LA Dodgers vs. LA Angels etc.) performed 18 to 25 percent better than non-regional games
      iii. The intensity of fan support varies from rivalry to rivalry and market to market
         (a) Click here to see USA Today's ranking of the best NFL rivalries
         (b) Click here to see Bleacher Report's ranking of the 100 best rivalries in the history of sports
      iv. In 2018, MiLB's Pawtucket Red Sox created a promotion to capitalize on the intense Red Sox / Yankees rivalry when they hosted "Evil Empire Night"
   d. The law of supply and demand also applies to ticket sales

i. "Sellouts breed sellouts"

3. Highly visible athletes and entertainers
   i. David Beckham played his last Major League Soccer game in 2012, but his impact on the league was significant
      (a) Since Beckham entered the MLS, the league has expanded from 12 to 22 teams and attendance for nearly every team has increased by 5,000 fans per game – attendance at MLS matches now often exceeds that in the NBA and NHL [5]
   ii. When it was announced that LeBron James would be joining the Los Angeles Lakers, the lowest price of a Lakers season ticket for Staples Center games jumped to $5,750 from $3,499 on StubHub.com, while the high end reached nearly $100,000 [6]
   iii. When former Heisman Trophy winner and NFL quarterback Tim Tebow switched sports to play baseball, Minor League Baseball fans came out in droves to see him [7]
      (a) While playing for the Columbia Fireflies, team attendance increased to 5,154 per game, up from 3,785 the previous season
         (i) When the Fireflies played on the road, opposing teams experienced attendance increases of roughly 78%
         (ii) Some executives estimated that Tebow's presence helped teams generate $50,000 in additional ticket, concession and merchandise revenue each game
   iv. When Michael Porter Jr., one of the most high profile high school basketball recruits in the country, committed to play at Missouri last season, the program received a huge financial lift thanks to a big jump in ticket sales [8]
      (a) According to a report from the *Columbia Tribune*, ticket sales revenue jumped to over $5 million from the previous year's sales of around $3 million, the most ticket revenue the program had generated in five years
   v. After trading for the #1 draft pick in 2017 and selecting Markelle Fultz, the Philadelphia 76ers sold all 14,000 of their season ticket seats, a franchise record and the most in the NBA [9]
      (a) Season ticket sales for the 76ers were at a lowly 3,400 in 2013, but several high draft picks and a "trust the process" branding campaign has resulted in a season ticket base that has more than tripled in four years
   vi. After Dale Earnhardt Jr. won the 2014 Daytona 500, ISC quickly saw a double-digit bump in sales at many of their tracks immediately after the victory (ISC owns 12 tracks — Daytona, Talladega, Auto Club (California), Chicagoland, Darlington, Homestead-Miami, Kansas, Martinsville, Michigan, Phoenix, Richmond and Watkins Glen)
   vii. The NBA faces a lot of criticism when teams rest star players for nationally televised games
      (a) Those decisions anger fans who buy tickets with the expectation of seeing players like Steph Curry, Kevin Durant, LeBron James and James Harden
      (b) NBA commissioner Adam Silver sent a personal memo to team owners stressing protocol about player availability and how important it was to maintain the quality of gameplay for the league
      (c) In the 2017 NBA offseason, the league decided to stretch the regular season schedule by 10 days, allowing more days between games to curb the practice of resting players fans are paying to see play
      (d) Click here for an interesting report that analyzed which NBA stars have the biggest impact on attendance

(i) Click here for a graphic that illustrates LeBron James' influence on attendance over the years
(ii) Click here for a graphic illustrating which players in league history had the biggest influence on attendance

4. Facilities, venues and stadiums
   a. Very few stadiums remain with rich traditions and history, but the lore of each adds to the appeal for fans to attend games
      i. Storied facilities with tradition also have a unique appeal that draws tourists
      ii. Examples
         (a) Fenway Park (Boston Red Sox)
         (b) Wrigley Field (Chicago Cubs)
         (c) Lambeau Field (Green Bay Packers)
         (d) Madison Square Garden (New York Knicks, New York Rangers New York Liberty, St. John's University etc.)
         (e) Wimbledon
   b. New and/or updated stadiums have become the trend as a way to attract new fans and create opportunities to maximize revenues
      i. In 2017, Colorado State University opened a new $220 million football stadium, leading to sales of a record 14,000 season tickets
         (a) Click here for a story suggesting CSU's Canvas Stadium actually managed to outperform revenue expectations in its first year
      ii. New stadiums and venues rely on improved amenities to excite consumers
         (a) The $1.3 billion Yankee Stadium has an in-house museum, party suites, a members-only restaurant and many other luxury amenities. "*We tried to reflect a five-star hotel and put a ballfield in the middle*," said Yankees COO Lonn Trost.[10]
         (b) Several newer stadiums (such as the Dallas Cowboys, San Francisco 49ers and Miami Marlins) include art galleries to help the venue appeal to a broader base of consumer
         (c) The Atlanta Braves announced plans in 2016 to update their home stadium to include one unique amenity in particular – a Zip Line [11]
         (d) As a fan-friendly element of the Minnesota Twins ballpark, the stadium features three-sided shelters where fans can go to warm up on chilly game days [12]
         (e) Standing more than 110 feet tall, Charlotte Motor Speedway's 16,000 square foot HDTV (80-feet tall by 200-feet wide) features instant replays and live lap by lap action on its more than 650,000 pound videoboard during races (the board, for those keeping score, is 30 percent larger than the screen at Cowboys Stadium, which previously held the title of world's largest television screen)[13]
            (i) Click here for an infographic comparing the size of each NFL team's scoreboard
         (f) Many stadiums now feature retractable roofs to ensure the fan experience will not be hampered by inclement weather
            (i) For example, the Minnesota Vikings' stadium features a translucent roof and moveable windows
         (g) In 2018, the Jacksonville Jaguars announced plans to open a dog park at EverBank Field
            (i) The first of its kind among NFL stadiums, the dog park will welcome approximately 250 dogs throughout the 2018 season

(h) The Miami Marlins' stadium features a left-field beach with a swimming pool (fans buying seats in this area will have a view into the home bullpen), a bobble-head "museum", a right-field porch where fans can catch home-run balls and sliding glass panels behind left field to showcase Miami's skyline
(i) According to MLB.com, Marlins attendance was up a stunning 67 percent from the previous year at the 2012 Major League Baseball all-star break
(ii) By 2014, between a drop in the team's on-field productivity and the allure of a new stadium wearing off, Marlins attendance dropped so substantially that they ranked among the lowest in the league
1. Click here to read a story from Sports Illustrated chronicling some of the factors influencing the Marlins' attendance problems

(i) In early 2016, the Indianapolis Motor Speedway completed a $92 million renovation to upgrade their premium seats, suites, big-screen monitors, restrooms, concession stands, elevators and main entryway in hopes of attracting and retaining fans
(j) Lucas Oil Stadium Director, Mike Fox, told the *Indianapolis Business Journal*: "*Sports fans' standards for venue amenities has drastically increased over the last 10 to 15 years. As much as anything, venues are competing with the improved at-home viewing experience*."

iii. Renderings released in 2018 for a proposed Major League Soccer stadium in Austin reveal plans for an on-site music performance space, parking garage, bicycle valet, up to 130 affordable housing units, walkways and trails around the soccer facility, and a possible station for light rail
iv. According to John Oliver in a rant on his popular "Last Week Tonight with John Oliver" show on HBO, nearly 90% of U.S. stadiums have been replaced or received major construction upgrades in the last 20 years [14]
(a) According to the *Sports Business Journal*, nearly $17 billion has been spent either building or renovating MLB ballparks – 296 projects in all – in the last 25 years, including a new stadium for the Texas Rangers opening in 2019
(i) Click here for a graphic illustrating the amount of money invested in stadium projects since 1994 (when Rangers Stadium was built)

5. Promotion and sales
a. Promotional efforts help drive sales
i. In 1952, the legendary Bill Veeck introduced "Bat Day" with the Cleveland Indians, a promotions tradition carried on today by many minor league baseball clubs, including the Indianapolis Indians [15]
ii. Most sports and entertainment organizations offer special ticket promotions and customized "packages"
(a) For the 2018 MLB season, the Detroit Tigers offered several "Special" ticket packages that fans could choose from, such as the "Outdoorsman" ticket package and "Golf lovers" package as well as special incentives to purchase tickets for "themed" promotions like Yoga Day at Comerica Park [16]
(i) The Tigers' special packages included exclusive premium items (like a Tigers branded fishing lure for the "Outdoorsman" package or a yoga mat for Yoga Day) in addition to game tickets
(ii) Many of the team's packages included a charity component and/or offered a pre-game party or "experience"
(b) Concert promoters now offering VIP packages, offering fans opportunities to access the best seats for the show and often times exclusive access to the artist for a premium price. Packages might include a back-stage tour and pre-show dinners.

(i) Through the sale of premium packages, concert promoters and artists can make as much on 10% of their audience as they do on the other 90%. While an average concert ticket may cost $90, the VIP ticket can go for $1750. Broadway shows have also enjoyed a lot of success through the implementation of premium VIP packaging.[17]

b. Most organizations employ a full-time staff to manage promotions and sales
   i. LSU's athletics staff features an entire department devoted to promotions, including a director, two assistant directors and two coordinators [18]
   ii. The NBA's Miami Heat employs a staff of ten to focus *specifically* on group ticket sales [19]

c. The frequency of special promotions and size of sales staffs are dependent upon a team's available ticket inventory
   i. The Green Bay Packers, whose home games have been sold out on a season ticket basis since 1960, do not have any ticket sales personnel on staff and, subsequently, do not typically host any ticket driven promotions at games [20]
   ii. By contrast, the NHL's Carolina Hurricanes beefed up their sales staff from 8 to 32 in 2016 to help battle declining attendance
      (a) The increased staffing resulted in a 40% boost in season ticket sales, 60% increase in ticket revenue and an 18% jump in season ticket renewals [21]
   iii. After the 2010 announcement of the signing of free agents LeBron James, Chris Bosh and Dwyane Wade, the Miami Heat quickly sold out of ticket inventory. Soon after, the team infamously let go a reported 30 ticket sales staff members. Explained team spokesperson Lorrie-Ann Diaz, "Now that the supply for (season tickets) has been exhausted we no longer require a season ticket sales team." [22]

d. Successful promotion and sales strategies are dependent upon an organization's willingness to conscientiously invest company resources in market research
   i. It is important to understand the behavior of ticket buyers
      (a) How do fans feel about the ease of buying tickets?
      (b) What motivates fans to buy tickets?
      (c) What factors impact a fan's decision to attend a particular game?
   ii. It is important for an organization to utilize market research data
      (a) Does the organization review fan demographic information when creating ticket marketing strategies?
   iii. Market research is important in the creation of an effective ticket advertising strategy
      (a) Which newspapers and sections are fans most likely to read?
      (b) Which radio stations best fit fan demographics?
      (c) Which television stations are fan favorites?
   iv. In the past, the Cleveland Indians have analyzed ticket sales data and discovered several interesting statistics regarding factors that influenced attendance at home games
      (a) Fireworks after a game draw an additional 4,000 fans
      (b) Every one-degree temperature drop below 70 Fahrenheit costs 300 seats
      (c) When the New York Yankees come to town, attendance jumps 11,000

6. Ticketing Trends
   a. Like any other industry, business trends play an important role in how sports and entertainment properties market their products and services
      i. With high demand for premium seating, many teams look for ways to maximize space within the venue by creating new premium seating areas to accommodate demand

(a) The New England Patriots and Pittsburgh Steelers transformed the end-zone sections of their respective stadiums into club seating areas (the Minnesota Vikings' new stadium also offers ground level club seating options)[23]
(i) The Patriots' club-style seating area provides "members-only" access and carries a hefty $1,500 annual fee (minimum purchase of two memberships). Those fees are in addition to the cost of season tickets every year. [24]
1. Click here to read more from sportingnews.com.

ii. Another common trend in ticketing is the inclusion of food related promotions as a means for adding value to ticket packages
(a) The Houston Astros reserve 500 seats for each home game as $25 "all-you-can-eat" seats in three mezzanine sections where fans can, through the seventh inning, consume unlimited hot dogs, nachos, popcorn, peanuts, soda and water [25]
(b) The Kansas City Royals partnered with Jack Stack Barbecue that makes the company the exclusive tailgate caterer of Kauffman Stadium, creating a unique opportunity for fans interested in having their tailgate parties catered who now have the ability to choose from a variety of buffet menus [26]
(c) Thanks to the promotion's popularity at the beginning of the 2015-16 season, the Detroit Red Wings added six additional game dates offering the "Meijer Coke Zero Fan Pack" (also a great example of sponsorship) which included two tickets, two slices of pizza or hot dogs and two soft drinks for $67 for select home games
(d) Several teams are now partnering with local food trucks for special game-day promotions
(i) The Oklahoma City Dodgers teamed up with the Oklahoma Independent Food Truck Association to launch a "Food Truck Triple Play" promotion for a game leading up to 4th of July weekend
(ii) The Fresno Grizzlies unveiled a branded food truck dubbed "Wild Things" (a tribute to the team's original mascot) that would serve as a permanent fixture outside the team's stadium for home games

iii. "Social Selling" is a trend gaining momentum throughout the industry as a means for creating an additional sales channel and tool for reaching potential ticket buyers
(a) Many teams utilize Facebook, Twitter, LinkedIn and other social media platforms to communicate various ticket sales promotions to fans
(i) Last season, the Miami Dolphins generated over $4 million in new season ticket sales through leads on Facebook

Lesson 9.2
Ticket Sales Strategies

A. Season tickets
   1. **Season tickets** provide consumers with a ticket to every home game for a particular sport or event for one package price
   2. Playoff (or post-season) tickets are not typically included with the package, however, teams have used the inclusion of playoff tickets as a powerful value-based incentive in the season ticket package
   3. Season tickets typically provide the core revenue stream for most professional sports teams, colleges and universities
   4. Most organizations include additional benefits for consumers purchasing season tickets to add value to their purchase
      a. Texas Rangers full season ticket buyers receive a number of benefits, including:
         i. 20% off concessions
         ii. Bonus tickets for select months
         iii. Complimentary coupons for upgrading seats on select dates
         iv. Personalized season ticket holder name plate on seats
         v. Private season ticket entrances
         vi. Annual season ticket holder picnic with player autographs
         vii. Season Ticket Holder End-of-Season Play Day on the field [27]
      b. The Brooklyn Cyclones make an effort to personalize season ticketholder benefits [28]
         i. Membership to "Cyclones Nation", where ticketholders are issued a username and password providing access to an exclusive STH-only page on the Cyclones website, featuring an interactive blog, chats with the team's General Manager and additional discounts
         ii. An opportunity to come take batting practice at the ballpark
         iii. The chance to stand on the field, side-by-side with the Cyclones team for a group picture that ticketholders can download and print for free
         iv. An exclusive invitation to see the team's first practice of the year
      c. The Tijuana Toros of the Mexican League offer several unique benefits for their season ticket holders, including a seating section for the hearing impaired (complete with a sign language interpreter) and personalized seats with emblazoned names
      d. Milwaukee Bucks season ticket holders were provided with the opportunity to get first look inside the team's new arena
   5. Personal Seat Licenses [29]
      a. A personal seat license (most often referred to as a PSL), gives the holder the right to buy season tickets for a specific seat within a stadium or venue
      b. Teams and venues typically offer PSLs as a means for generating additional revenue to help offset the debt incurred during the construction of the stadium or arena
         i. The Golden State Warriors were the first team in the NBA to require a PSL for every single season ticket
            (a) The strategy helped to finance their $1 billion new arena (slated to open in 2019) [30]
         ii. A myfoxatlanta.com story suggests prices for PSLs range from $1,700 up to $150,000 per seat - Dallas Cowboys fans pay up to $150,000 and on the low end of the scale, the Chicago Bears charge about $1,700 for some seats
            (a) According to athleticbusiness.com, the Atlanta Falcons sold $7.5 million in down payments alone for PSLs for their new stadium less than three months after putting them on sale

(b) In 2016, still a year away from playing in their new stadium, the Falcons had already sold out their $45,000 Founders Club seats as well as their $10,000 Piedmont Club seats according to CNN.

iii. The LA Rams have suggested that when they move in to their new stadium in 2019, *all* seats will be sold with a PSL
(a) Sports business analysts have suggested the franchise will be able to charge more than the Cowboys ($150,000/seat) for their premier inventory
(b) The Rams began taking $100 deposits on their website in 2016 to gauge fan interest and so many logged-on to sign up that the team's website crashed

iv. In 2018, the Las Vegas Review-Journal reported that seat licenses could cost Raiders fans between $20,000 and $75,000 each when the new stadium opens in Las Vegas in 2020

v. While PSLs have provided an excellent solution for generating revenue for many teams over the years, not all organizations have found the concept to be perfect. The Cleveland Browns recently announced that they would no longer require personal seat licenses for new season-ticket buyers while current season ticketholder/PSL owners would still maintain their original PSL benefits. [31]
(a) In 2016, after two disappointing seasons, the San Francisco 49ers saw a substantial decrease in demand for their PSLs
(i) According to Sports Business Daily, at one point there were over 1,800 licenses that were up for sale (representing 4,600 seats in Levi's Stadium), an increase of nearly 800 from the year prior
(b) Other than the Golden State Warriors, the Toronto Raptors are the only other NBA team that uses PSLs, and only for their premium seats
(c) The Milwaukee Bucks considered PSLs for their new arena, but decided it wasn't a workable business model
(i) Click here for a short video clip of Bucks' president Peter Feigin explaining the decision

B. Ticket packages and mini-plans
1. A **ticket package** is a sales approach that involves grouping together a select number of games, often at a discounted price
2. Teams generally offer a special rate and/or an additional benefit for committing to a greater number of games
3. Packages offer flexibility for consumer purchases by requiring smaller financial and time commitments to purchase game or event tickets
4. Examples
a. The Orlando Magic offer half season packages that include a number of customer benefits, including a free subscription to *E-Magic Insider* (e-mail newsletter) [32]
b. The Calgary Flames offer weekend packages that feature only weekend games, creating a special package to make it easier for fans to attend [33]
c. Because Monday night games are difficult days for teams to draw crowds, the Fort Myers Miracle created the "Monday Night Club" where, for $30, "members" would receive a ticket to every Monday night home game through the entire season, free parking and a Monday Night Club t-shirt [34]
d. With hopes of boosting lagging attendance, the Arizona Diamondbacks launched a "Ballpark Summer Pass" ticket package that included every home game in June and July for only $50
e. In an effort to drive attendance at early season games that typically are harder to sell, the Philadelphia Phillies released the "Phillies Spring Pass" ticket package for $50 that included all Monday through Friday games in April (the team quickly sold out of the packages)

f. According to the *Indianapolis Star*, theNFL's Indianapolis Colts announced plans to offer a five-game ticket package for the first time in history after season-ticket renewals declined for a third straight season in 2018

5. Another popular ticket sales packaging strategy is to offer "flex" ticket plans
   b. The "Orlando Flex" ticket package offers buyers access to a number of different parks, including Universal Studios, Sea World, Wet N Wild and Busch Gardens
      i. Flex package purchasers only have to pay for parking once and the package is good for 14 consecutive days
      ii. Flex package buyers can "jump" between parks as many times as they wish during those 14 days
   c. The New York Mets offer flex packages of 5, 11, or 17 games
      i. Fans have the luxury of choosing any games they want

C. Season Ticket Equivalents
1. **Season ticket equivalents** refer to the sum of all of the various ticket packages sold converted to one measurable number
2. Also referred to as FSE (full season equivalent)
3. Examples
   a. If the Washington Capitals sold 400 new quarter season packages, 800 new half season packages and 2,000 new full season packages in the off season, they would have sold 2,500 season ticket equivalents (FSEs)

D. Group tickets
1. Group tickets are a reserved block of tickets for a specific game or event
2. Groups usually require a minimum of ten or more individuals to qualify for group rates
3. Examples
   a. Broadway.com offers group discounts to many Broadway shows and musicals, including "Rent" and "Blue Man Group" for groups of 10 or more [35]
   b. Colorado State University offers discounted ticket prices on all groups of twenty or more and features the group's name on the football video board while providing additional perks for the group leader, including complimentary tickets, merchandise and autographed photos based on the number of fans in the group [36]
   a. Sea World offers group discounts for groups of 20 or more and provides bigger discounts for bigger groups [37]
      i. Groups of 20-49 receive 10% discount
      ii. Groups of 50-99 receive 12.5% discount
      iii. Groups of 100+ receive 15% discount
2. How important are group sales to an organization?
   a. According to espn.com, when LeBron James announced his return to Cleveland, the team capped season ticket sales at slightly more than 12,000 tickets Friday, leaving roughly 8,000 tickets per game to be used for group sales and ticket plans, enabling them to introduce as many fans as possible to the product next season
      i. That strategy will likely pay off, even as LeBron has moved on to Los Angeles, as group outings are typically easier to renew than season tickets
3. In an effort to attract new fans and compete in a more competitive environment, many organizations have turned to unique "fan experience" packages to boost group ticket sales
4. Examples
   a. With a minimum purchase of 75 group tickets, fans can sign up for the Boston Celtics "Halftime High Five Kids Tunnel" where up to 25 members of the participating group have (open to those 14 years and younger) the opportunity to actually get on the court and high-five the Celtics players as they come back onto the court after half-time [38]

   b. The Los Angeles Sparks have offered a "traveling practice" program where, if a group purchases 1,000 or more tickets, the team will hold a full practice at the site of the ticket buying group's choice [39]
   c. Through the team's "Court of Dreams" ticket package, Oklahoma City Thunder fans have the chance to play on the court before the game. The team has hosted students from more than 13 area high schools at the Ford Center who have participated in various basketball "competitions" with winners getting their game night seats upgraded.
      i. Thunder Vice President of Community Relations Dan Mahoney on the program: "*A lot of people would love to play on an NBA court, and through our group sales effort, we are able to provide that to our fans.*" [40]
   d. The Philadelphia Phillies have offered an "Out of Towner" weekend package created specifically for Phillies fans from around the country to visit Philadelphia while taking in a three-game series at Citizens Bank Park

E. Theme nights
   1. A specific ticket package designed exclusively for a particular group
   2. The goal of a theme night is to attract large groups to attend a game or event by customizing the experience to meet the needs of the selected group/organization
   3. Examples
      a. The NBA's Charlotte Hornets host a Teacher Appreciation night, offering special promotional discounts on tickets for teachers [41]
      b. The WNBA's Chicago Sky promote an annual Girl Scout night, providing specially priced tickets for area Girl Scouts, a chance to meet a Sky player, a "fan tunnel" experience on game day and exclusive autograph sessions [42]
      c. Some of the theme nights hosted by the Philadelphia Phillies for the 2017 Major League Baseball season included Autism Awareness, Teacher Appreciation, Philadelphia Science Festival Day and Citizens Bank Weather Education Day
      d. In 2018, the Oakland A's shifted their organizational strategy by hiring a dedicated sales staff to focus on group sales, and hosting theme nights like "Science of Baseball Day" which led to the sale of over 6,000 tickets
         i. Click here to read more about the A's group sales strategy in a story posted on frontofficesports.com.
      e. Thirteen of the fifteen theme night events hosted by the New Jersey Devils during the 2017-18 NHL season reportedly resulted in sellouts

F. Individual game and single game ticket sales (advanced sales)
   1. Many organizations promote the sale of individual game tickets to fans prior to the start of the season, game or event
   2. Advance sales encourage fans to purchase tickets to individual events in advance to eliminate the risk of people changing their minds on the day of the game
   3. Examples
      a. The University of Wisconsin athletics office implements a policy that all reserved single game tickets MUST be purchased in advance and do not offer day-of-game (walk-up) single game sales. All day-of-game sales are general admission tickets only [43]
      b. The Detroit Red Wings encouraged fans to sign up for ticket updates through the team's "Red Wings eAlerts" program, offering "priority access" to single game tickets with no convenience charge before seats go on sale to the general public [44]
      c. The Houston Astros offered a "one day opportunity" to fans subscribed to the team's email service. An offer for special promotional discounted tickets for future weekday games and lasted just one day (from 9:00 to 5:00). The promotion helped the franchise sell nearly 1,000 tickets. [45]

G. Premium seat ticket packages
   1. Premium seats are tickets to a game or event that feature additional benefits or values
   2. Premium seats could include anything from suites, courtside seats, or seats elsewhere that receive preferential or "VIP" treatment
   3. Examples
      a. A company that leases a luxury suite at the Staples Center in Los Angeles receives tickets to each event throughout the year, including the Lakers (NBA), Clippers (NBA), Kings (NHL), Sparks (WNBA) concerts and family shows [46]
      b. "Executive Club Seat Members" at the Georgia Dome in Atlanta receive VIP parking privileges, access to private "lounge" areas in the stadium (described online as "spacious, sun-filled atriums that feature living room style lounges with big screen televisions with specialty grills and buffets in both areas also offer food selections prepared to order") and access to exclusive concessions options [47]
      c. The Saenger Theatre in New Orleans offers the following benefits for their premium seat buyers: The best seating locations available, priority upgrades during renewals, discount beverage coupons, exclusive Premium Seat Holder commemorative season poster and offers to other local events [48]
      d. According to the *Sporting News*, the Miami Dolphins plan to install "Living Room Suites" at Sun Life Stadium, that will feature a transportation service that will pick up and drop fans off from home in a luxury vehicle and will enter and exit the stadium in their own private lane
         i. Click here to read more about the Dolphins' plans for their new premium seating options for ticket buyers next season

H. Walk up ticket sales and promotional sales
   1. "Walk up" tickets refer to those tickets purchased by fans when arriving at the game, event or show
   2. For sports teams, this is also referred to as *day of game* sales
   3. Organizations plan creative promotions and offer special discounts to drive walk up ticket sales
      a. Examples
         i. The Georgia Aquarium encourages walk-up sales by offering a 20% discount to consumers who purchase online and arrive within the first two hours of the aquarium's opening hours [49]
         ii. San Diego Gulls of the ECHL host a Disco night offering fans a discount if they come to the game in their disco outfits [50]
   4. Why are walk-up ticket sales important?
      a. When sales leading up to game or event day don't meet expectations, sometimes walk-up sales can help an organization to meet targeted sales
         i. For example, with smaller crowds than anticipated early on for the 2017 NBC World Series Baseball Tournament in Wichita, organizers relied on walk-up sales to help keep pace with overall projected ticket revenue
            (a) Said NBC World Series Tournament Director Kevin Jenks in an interview with ksn.com: "*Now what we are hoping to see is good weather, good match ups which I know we have in championship week and a lot more walk ups*." [51]

Lesson 9.3
The Ticket Sales Cycle

A. Goal of sports and entertainment marketers
   1. The ultimate goal of sports and entertainment promotion according to Mullin, Hardy and Sutton is to "increase overall consumption of products or services through increased awareness and interest" [52]
      a. Essentially, the goal is to increase overall levels of ticket sales
         i. Tickets sales and television broadcast strategies frequently align – if an event does not sell enough tickets, often times the TV provider will 'blackout' the game, meaning they do not televise the event on local TV
            (a) The idea is to push more consumers to buy tickets to see the event live versus simply watching it at home
            (b) Click here to read how the Indianapolis 500 sold enough tickets to avoid a blackout on local TV for the first time since 1950
      b. Sports and entertainment marketers achieve that goal by progressively gaining consumer commitment
      c. This strategy is called the frequency escalator
      d. Important because research indicates the long term financial implications of an organization are impacted most by existing customers, not by attracting new consumers
      e. On average, U.S. companies lose 50% of their customers in five years [53]

B. Frequency escalator [54]
   1. The **frequency escalator** is a marketing tool that examines the attendance levels of fans[54]
      a. This concept is also referred to as the fan escalator
      b. The basic concept of the escalator is that sports and entertainment marketers focus not on getting new fans to games, but rather encourage those fans already attending to attend with more frequency with an increased level of commitment
   2. Unaware consumer
      a. The unaware consumer does not know a product or service exists and therefore does not attend games or events
      b. The sports and entertainment marketer reaches this group of consumers through:
         i. Advertising
         ii. Publicity
         iii. Promotional items such as pocket schedules, magnet schedules etc.
   3. Indirect user
      a. The indirect user is aware of the product or service, but does not directly participate by attending events, but rather consumes via another source (television, radio etc.)
      b. The sports and entertainment marketer goal with indirect users is to do something to get them to act. This group of consumers can be reached through:
         i. Promotional tickets
         ii. Individual and single game tickets
         iii. Theme nights
         iv. Group nights
      c. The marketer's goal with this group is to move them to the next level of the frequency escalator. In this case, marketers are encouraging consumers to become light users.

4. Light user
    a. Light users attend games and events for promotional giveaways, team performance and social interaction
    b. Light users have no established attendance pattern
    c. The sports and entertainment marketer reaches light users through:
        i. More promotions, give-aways etc.
        ii. Packaging strategies (offer the most popular opponents with a limited edition bobble head doll etc.)
    d. The marketer's goal with this group is to encourage them to become medium users (purchase a mini plan ticket package)
5. Medium user
    a. Medium users attend less than half the times possible
    b. Keys to reaching this group include:
        i. Good service; developing a relationship with the customer
        ii. Appeal to their pride and feeling of prestige for the team affiliation
        iii. Encourage them with additional benefits such as improved seat locations and special discounts
        iv. Show them value of their participation and further reward of advancing to the next stage of the escalator
            (a) For example, an NBA team may encourage advanced participation through an invitation to a pre-game chalk talk or a "meet the team" type of function
6. Heavy user
    a. Heavy users participate or attend more than half the times possible
    b. Heavy users are the most important group to an organization and it is critical to an organization's success that they make an effort to maintain them
    c. Examples of heavy users
        i. Season ticket holders
        ii. Tom Cruise fans that see each of his films in the theater and purchase all of his DVDs
        iii. Fans of the Dave Matthews Band who see the concerts each time they visit the fan's city and purchase all of their CDs
7. Descending the escalator
    a. Descending the escalator occurs when consumers downgrade or eliminate their participation
    b. Caused by consumer over-commitment or over-purchase
    c. Is often a byproduct of fan disconnect or discord with "their" team, event, or favorite performers
8. Frequency escalator example
    a. The University of Colorado's experiment with Groupon to heavily discount game tickets as way to attract new fans to the stadium provides an example of how an organization approaches the frequency escalator concept (the Buffaloes managed to sell nearly 1,200 tickets in less than 24 hours)
        i. CU's marketing director summed up the frequency escalator concept with the following statement in an interview posted on clickz.com: "*While we would have liked to have sold more, we are happy with the results. What it does for us is potentially bring new people that may not otherwise go to a Colorado football game. It's a way to introduce them to our product, get them to a game...and then, who knows? Maybe next year they buy a three-game pack. The idea is to see if they go beyond this year*." [55]

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        ii. In 2016, the Pittsburgh Steelers and Carolina Panthers also turned to Groupon to help pre-season games which typically see lower demand from fans
            (a) Also in 2016, the Cleveland Browns took it a step further by offering three regular season games at discounted prices through Groupon

Lesson 9.4
Ticketing Technologies

A. Distribution
   1. Technology has streamlined the ticket distribution process
      a. The Internet provides many access points for fans wanting to purchase tickets online
         i. TicketMaster.com
         ii. Individual team, league or event websites
         iii. Online ticket brokers
         iv. Fandango.com
         v. Social media
         vi. ESPN's website now shows available tickets and a price range on their NFL schedule page with links to a secondary ticket market website
      b. AT&T Park, home to Major League Baseball's San Francisco Giants, was the first professional sports franchise in the U.S. to implement a barcode system for scanning tickets as fans enter the stadium through electronic turnstiles [56]
         i. This enables the team to avoid common ticketing problems
         ii. Giants officials can quickly deactivate lost or stolen tickets and reissue new ones and the technology virtually eliminates the possibility of erroneously selling the same seat more than once
         iii. The technology, along with many other advances, is now very prevalent in all sports venues, from the professional ranks to college
      c. 2015 marked a major shift in ticket distribution and fan experience for attendees of the NCAA Men's NCAA Basketball Tournament as 67% of the host venues offered paperless and phone entry
         i. Click here to see an excellent breakdown from forbes.com of the various ways in which fans could utilize technology to enter 2015 March Madness host venues
            (a) Click here for an infographic from TiqIQ on the "paperless" NCAA tournament
      d. Several sports teams (MLB's New York Yankees, Colorado Rockies, NFL's Seattle Seahawks, MLS's LAFC and NBA's Miami Heat among them) offer biometric fingerprint readings in lieu of tickets at specific entry points for speed and security [57]
         i. Click here for a story suggesting Major League Baseball could be exploring a future where facial recognition becomes the norm for fan entry at ballparks
      e. This season, Little Caesars Arena announced plans to move to a paperless system for *all* Detroit Pistons and Red Wings season ticketholders, allowing for a better user experience for fans [58]
B. Database and analytic marketing
   1. Database marketing is the process of gathering information about existing and prospective customers, entering that information into a centralized database, and using that database to drive marketing efforts
   2. Database marketing has enjoyed continued growth as the new trend in direct marketing among most sports and entertainment organizations
   3. It enables marketers to capture information directly relating to their fan bases and allows for a more effective direct marketing campaign
      a. Examples
         i. Thanks to an effective database marketing strategy, Minor League Baseball's Indianapolis Indians managed to increase online ticket sales 64% in just one season. The club's focus on building and maintaining an extensive database

resulted in access to the email addresses for 60,000 previous ticket purchasers and fans who had previously signed up to receive emails from the team. [59]

ii. According to *Forbes*, the USTA has successfully used analytics to maximize revenue. For example, they analyze data around the primary and secondary market to determine how their tickets should be priced. Last year they repriced every seat in Arthur Ashe Stadium, and 54% of their seats had reduced prices for the 2018 U.S. Open. [60]
   (a) Despite dropping ticket prices, the event generated $10 million more in ticket sales revenue than the previous year's event [60]

iii. The Golden State Warriors utilize data from Facebook to purchase and create more personalized ads to help promote last minute ticket sales
   (a) According to adweek.com, each ad reached as many as 50,000 of the team's Facebook followers (potential buyers) and have helped the Warriors sell out 175+ straight games over the past few seasons [61]

iv. According to a report in the *Sports Business Journal*, the average NBA franchise has 500,000 names in its database, with some big-market teams having about 1 million names, allowing them to personalize the sales experience

v. Orlando City FC of MLS strategically designed its LionNation app to help the franchise build a database that would give insights to fan behaviors and preferences, along with creating opportunities to engage and interact with fans in ways that would lead to an increase in ticket sales
   (a) Click here to learn more about the team's database marketing strategy

vi. According to chicagobusiness.com, the majority of major league franchises in Chicago are encouraging fans to use digital tickets instead of traditional paper tickets by offering incentives from food discounts and faster entry into venues to credits toward special in-stadium experiences and merchandise
   (a) Click here to read the full story with the headline "Why Chicago sports teams want you to use your phone as a ticket"

vii. Click here for an excellent, in-depth look at how Major League Baseball teams utilize analytics as a powerful ticket sales tool (via wharton.upenn.edu)

4. By segmenting fans based on their buying habits and demographic information, an organization can effectively
   a. Generate new business
   b. Boost renewal and retention rates
   c. Establish sales leads
      i. Most sports and entertainment organizations use database marketing to help qualify leads for their sales staff to make the cold calling process easier
   d. Increase fan loyalty
   e. Strengthen relationships with customers
      i. Segmentation allows for an organization to gain a better understanding of who their customers are and how best to satisfy customer needs and wants
   f. Improve communications with fans
      i. Click here for an interesting case study from the National Sports Forum's eNewsletter illustrating how the University South Carolina utilized the advancement of technologies to help them segment their fan base and boost ticket sales
5. **Data mining** is a term used to describe the process of collecting and analyzing information within a database in an effort to discover information that can help increase an organization's sales
   a. The practice is also referred to as "big data" and advanced consumer profiling

b. Data mining has become a critical tool for many sports and entertainment organizations as it provides the sales staff with information that can help sellers to connect with consumers, particularly when cold calling
    i. For example, thanks to data mining, an inside ticket sales representative for a MLS team might know that the fan they are cold calling has already attended two MLS games, searched ticket websites for other sporting events or concerts and typically only makes a purchase decision when tickets are discounted
    ii. Spain's premier soccer league, LaLiga, partnered with Microsoft to utilize programs like Azure and Power BI to help LaLiga connect with their 1.7 billion fans around the world in a more personalized manner depending on fans' location and preferences
    iii. The Chicago Cubs adopted Bypass, a point-of-sale system, to help them track how well certain merchandise and concessions sell in real time
        (a) Said Justin Piper, general manager of spring training business operations for the Cubs in an interview with AdAge: "*We can track categories—do you like little logos or big logos? What colors? Those are the types of things that we can start looking at*."
    iv. According to thedrum.com, Churchill Downs teamed with Emarsys, a marketing cloud company, to improve the level of insight they have on horse racing fans
        (a) Data captured includes fans' favorite horses, jockeys, trainers as well as how much they bet on races
            (i) This information is used to create more targeted and personalized marketing campaigns, resulting in higher profits
    v. Click here for a fascinating look from the *San Francisco Business Times* on how the San Francisco 49ers (who employ an analytics staff of 11) and Oakland A's are mining data to help segment their fan base to help boost franchise revenues

C. Service
1. Many organizations have implemented online account manager programs for their season ticket holders as a vehicle for improving customer relations
    a. Memphis Grizzlies season ticket holders enjoy many benefits via the team's Website, which allows customers to: [62]
        i. Forward tickets electronically, allowing customers to email tickets to friends, family or clients—even at the last minute
        ii. Manage tickets by tracking ticket usage and managing guest lists online
        iii. Edit personal profiles to keep account info updated
        iv. Make payments, view statements, and renew ticket packages
2. Technology makes communication easier and more effective between teams and consumers

D. Pricing, payment and sales
1. Dynamic ticket pricing [63]
    a. Dynamic ticket pricing (also referred to as "variable" pricing) refers to the process of adjusting ticket prices on the basis of changing variables like weather, opponent, demand, availability or who is scheduled to pitch on a particular day
    b. Many teams already charge different prices for seats based on the opponent or other factors, but the dynamic pricing allows an organization to manage ticket sales efforts by carefully measuring supply and demand and creating price points accordingly
        i. For example, a Field Plaza level ticket at Petco Park in San Diego for a Saturday game against the rival Los Angeles Dodgers was priced at $59.00 on

padres.com. That ticket drops to $35.00 for the same exact seat on the following Tuesday night for the game against the Arizona Diamondbacks. [64]

c. More than 50 percent of professional sports teams have now adopted some form of variable ticket pricing
    i. Even NFL teams are getting into the action as the San Francisco 49ers announced in 2015 that tickets to ALL home games (for single game tickets) would be subject to a dynamic pricing structure
d. In 2018, Disneyland began testing dynamic pricing models with the opening of its Pixar Pier attraction, starting at $299 per ticket
    i. Part of Disney's strategy is to better manage the size of crowds at its parks, helping to create a better experience for park visitors
    ii. Click here to learn more about Disney's strategy from slashfilm.com.

2. Digital Wallet
    a. According to Wikipedia, the term "digital wallet" refers to an electronic device that allows an individual to make electronic commerce transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase something at a store.
        i. Apple Pay and MasterCard teamed up with Major League Baseball to make mobile payments available at Great American Ball Park and the Duke Energy Convention Center for All-Star Game activities Cincinnati [65]
3. Blockchain
    a. In 2018, the NBA's Dallas Mavericks announced that they would accept Bitcoin and other forms of cryptocurrency as payment for tickets, beginning with the 2018-19 NBA season
    b. In her "Ruling Sports" blog, sports industry expert Alicia Jessop asks "Can Blockchain Technology Change Ticket Sales In Sports?"
4. Help fans visualize seating options
    a. The Oakland Raiders website offers an interactive, 3D seat map enabling ticket buyers to preview sightlines before purchasing tickets
    b. Fans interested in purchasing Atlanta Falcons season tickets can preview seat locations online through the team's "Virtual Seat View" application, providing a realistic feel for available seat locations [65]
    c. In 2018, the Atlanta Hawks introduced "The Preview", a high-tech virtual tour highlighting stadium renovation for potential suite and seat buyers
        i. From the team's website: "Full of interactive features and engaging, self-guided activities, the sales center offers a deep dive into how the new arena transcends the role of host for basketball games, concerts and events"
5. Digital marketing and social media applications provide a great example of how technology has advanced the role of ticket sales in sports and entertainment
    a. Technology has a major influence on the effectiveness of database marketing strategies
        i. Social media platforms such as Twitter and Facebook proven to be as much as three times more effective in selling tickets than traditional marketing platforms, according to research from Ticketmaster [66]

E. Drawbacks to advanced technology
1. The selling of tickets by an unauthorized third party, called "ticket scalpers" or online brokers, has become commonplace online
    a. This practice has a negative impact on an organization's bottom line, and ultimately drives ticket prices up for consumers
    b. The state of Florida recently toughened its ticket scalping laws to help consumers when Gov. Charlie Crist signed into law a new ticket resale bill that requires Internet

brokers to offer better guarantees, outlaws the sale or use of "bot" software, and makes it illegal to scalp tickets to charity events [67]

c. In 2018, thousands of Chinese soccer fans fell victim to counterfeiting when they purchased fake World Cup tickets, which they didn't realize until they had already landed in Russia for the tournament [68]
d. Because of a high risk of counterfeit tickets flooding the market during the NHL Playoffs, the St. Louis Blues took a proactive approach in alerting their fans via social media, tweeting: "Fans, please be cautious buying Playoff tickets via 3rd-party sellers outside @ScottradeCenter. There have been many fakes sold."

2. Sports and entertainment properties are now being challenged to adapt to the seismic growth and legalization of the secondary ticket market
   a. Sports and entertainment properties are beginning to partner with secondary ticket sellers to share in the profits
      i. StubHub boasts partnerships with St. John's, USC, Wisconsin and Georgetown Athletics (among many others) as the "official ticket marketplace"
      ii. RazorGator stakes its claim as the "official ticket package partner of the Ultimate Fighting Championship"
      iii. Ticketmaster paid $265 million for ticket reseller TicketsNow to secure a larger piece of the secondary market [69]
      iv. TicketLiquidator launched in 2002 and boasts an inventory that includes more than 4 million tickets for over 83,000 events worldwide [70]
   b. When they relocated back to Winnipeg, the Jets NHL hockey club (understanding the demand for tickets would be extremely high after quickly selling out of 13,000 season tickets) took a proactive approach to ticket resale. The team announced it would launch an extension of their website that would allow season ticket holders to post tickets they want to sell online and allow fans to buy them just like they would any concert or sporting event ticket.[71]

Case Study

Ticket Sales & Promotion:

A Unit 9 SEM Case Study

Sometimes the simplest ideas work the best. Attendance at the McAfee Coliseum has been lagging for some time for Oakland Athletics games for some time. The team regularly trades away its best young players, and, though it has made the American League playoffs several times in the past few years, people have not been as willing to buy tickets as they were in the team's heyday in the late 1980s and early 1990s.

However, people love a sale and sometimes nothing draws a crowd more than deep discounts on tickets and food. The franchise now offers either $2 tickets or $1 hot dogs (all you can eat!) at most of their Wednesday games. The only exceptions are high-demand games, such as those featuring popular opponents like the Yankees, Red Sox, and Giants.

The $2 tickets are outfield and second-deck outfield seats regularly priced at $9 and $16. It's either cheap seats or cheap food. Only one promotion is offered on any given night. These days it seems whichever promotion they choose, the fans will come. For a pair of Wednesday games in April 2008, attendance increased substantially. For the first $2 ticket night with Seattle, attendance was 21,126; it was 10,164 for the following Seattle game. The very next week, average attendance for the Tuesday and Thursday games with Minnesota (like Seattle, normally a weak draw) was 11,430. The Wednesday game with $2 tickets drew 15,242. Fans anticipate these special prices. Advance ticket sales run far ahead of normal rates. For the 2008 season, all $2 tickets for the season had already been purchased by early July.

The Athletics use the ticket and food promotions to promote the team's logo merchandise, sell full- price tickets to other games, and fulfill obligations for minimum attendance guarantees made to sponsors.

*** CASE STUDY QUESTIONS ***

1. Keeping the message simple is one key to successful promotions. Does offering significant ticket discounts or cheap concessions send a message to fans? If so, what is it?

2. Assume that the Athletics run ten "$2 ticket" promotions per month during the six-month regular season and that they would normally sell 1,000 seats in these sections at an average price of $12. For these "$2 ticket" games, they sell an average of 4,000 additional seats at the sale price beyond the number they would normally sell. Based on these figures, what is the total revenue gained (or lost) from the ticket promotion for the season?

3. If you want to encourage casual fans to sample Major League Baseball games, what other promotions might be effective? Why?

4. Why would minimum attendance guarantees be important to sponsors?

Source: Zachary Glare, Advertising & Marketing Manager for the Oakland Athletics
Authored by: Bruce Herbert

Unit 9 Discussion Question Review

Have you ever been approached by a salesperson from a sports or entertainment organization? What were they selling? Did you decide to purchase?

There are no correct or incorrect answers.

What types of promotions have you seen implemented by a sports team? What did you think of the promotion? Did you or someone you know decide to attend as a result of the promotion or special offer?

Almost all sports teams fill their home schedule with special promotions with the goal of increasing at- tendance.

Some examples could include:

- A free premium item give away at the game
- A 2 for 1 ticket sales special offer
- A group discount on tickets to a future game
- Post game concerts or shows
- Pre-game autograph sessions or chalk-talks featuring players/coaches

What types of promotions have you seen implemented by an entertainment organization? What did you think of the promotion? Did you or someone you know decide to attend an event or make a purchase decision based on the promotion or special offer?

Many entertainment marketers offer special promotions as a means of increasing attendance or selling
more products.

Some examples could include:

- A free movie ticket with the purchase of a new release DVD or BluRay
- A special discount on tickets to an upcoming show or concert
- A group discount on tickets to an upcoming show or concert
- Publisher's discounts on new release hardcover books

Unit 9 Key Words Defined

Data mining: A term used to describe the process of collecting and analyzing information within a database in an effort to discover information that can help increase an organization's sales

Frequency Escalator: A marketing tool that examines the attendance levels of fans

Group Tickets: Group tickets are a reserved block of tickets for a specific game or event

Season Tickets: Provides consumers with tickets to every home game for a particular sport or full access to an entire event for a set price

Season Ticket Equivalents: Refers to the sum of all of the various ticket packages sold converted to one measurable number

Ticket Package: A sales approach that involves grouping together a select number of games, often times at a discounted price

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Unit 10: The Spectator ("Fan") Experience

Overview

Unit ten discusses the importance of game operations and game entertainment. The fundamental concept of game operations and entertainment is the way "breaks" in an event or game (half-time, time-outs etc.) are perceived by sports marketer as "opportunities". The game operations process begins before any of the games are played when sports marketers identify the additional entertainment that will be added to the event to keep the audience involved and entertained.

Objectives

1) Describe the concept of the fan/spectator experience
2) Define the term game operations
3) Identify five elements of game entertainment
4) Explain what is meant by "game attractiveness" and how it influences attendance
5) Explain why game operations are important to a sports organization
6) Describe the relationship between game operations and other functions of the organization

Lessons

Lesson 10.1 The Spectator (Fan) Experience
Lesson 10.2 What are Game Operations?
Lesson 10.3 The Role of Game Operations in Sports Marketing

Key Terms

Game Attractiveness **Game Operations**

Lesson 10.1
The Spectator (Fan) Experience

A. The spectator or fan experience as it relates to live events refers to the overall impression made on the sports or entertainment consumer
   1. It can determine whether the spectator or fan has a positive or negative experience at the game or event
   2. Positive or negative associations with the game or event ultimately determine whether the spectator (fan) will become a repeat customer
   3. How important is the spectator/fan experience?
      a. According to sporttechie.com, the Golden State Warriors were more focused on fan experience than dazzling new technologies when designing their new arena (the Golden 1 Center), despite being called the "most technologically advanced and sustainable arena in the world",
         i. Said team President and COO, Rick Welts, "*We're trying to focus 100 percent on the fan experience where technology enables that, great. The mission is to provide the best fan experience that's ever been provided before. We want technology to be additive, but it's not the be-all, end-all by any means*."

B. When does the spectator or fan experience begin?
   1. The fan experience begins the moment when a consumer begins thinking about purchasing a ticket to a game or event while the game or event day experience begins as the consumer travels to and arrives at the event
      a. If a fan has a difficult time navigating a website trying to purchase tickets to a game or event, the experience has already started on a sour note
      b. A negative experience finding parking, paying for parking or dealing with an unfriendly parking lot attendant can sour the consumer on the entire experience, even before setting foot in the stadium or arena
         i. Realizing this, MLB's Atlanta Braves implemented several measures to help alleviate fan frustrations over simply getting to the stadium [1]
            (a) Based on a comprehensive traffic study, the team pushed back the starting time of their 7pm games to 7:30pm, when most of the area traffic has cleared
            (b) The Braves also increased the number of stadium entry points to 14 (vs the previous 2), built 360-degreeparking around the ballpark, added three pedestrian bridges and more overall parking spaces, a bike valet and new ridesharing pick-up and drop-off locations
               (i) Braves President of Development Mike Plant told the Atlanta Business Chronicle: "We recognize that traffic in the Atlanta area is an issue, and certainly has been a key frustration before and after ball games. The combination of tremendous infrastructure improvements, 360-degree access to the ballpark, pre-and post-game activities, and our new start time will make travel to and from SunTrust Park a better experience for our fans."
      c. High levels of traffic congestion arriving or leaving the venue could negate an otherwise entirely positive experience at the event, impacting whether the consumer would choose to attend again
         i. At an inaugural NASCAR event in Kentucky, traffic began backing up on the only main road into the track nine hours before the start of the race, and by late afternoon there were reportedly backups of as many as 10 miles in either direction. After 100 laps, cars still were exiting the interstate when traffic patterns were reversed. It was estimated that at least 15,000 fans didn't reach the event.[2]

ii. In an effort to improve the game day experience for fans, the Atlanta Braves bumped back weekday start times to 7:30, dispersed parking options and encouraged more fans to buy tickets and parking in advance
(a) The team also received investments from the city of Atlanta to improve roads, pedestrian bridges and shuttle services [3]
iii. According to a survey published in the *Sports Business Journal* (conducted by Turnkey Sports), the top three biggest fan complaints about parking at sporting events included: [4]
(a) Time required to exit after the event (50%)
(b) Cost (31%)
(c) Lack of available parking near the stadium/venue (9%)
iv. To pro-actively manage their traffic situation, the Brooklyn Nets worked with a traffic engineering expert to identify potential solutions for minimizing congestion on days when the newly minted Barclays Center would be hosting events
(a) The solution was to discourage driving entirely, by cutting the number of parking spaces at the Barclays Center in half [5]
v. In 2017, the Miami Dolphins partnered with Uber to help ease game day congestion by offering fans a dedicated drop off and pick up spot in the team's parking lot, a private tailgate section (complete with game day supplies), and the ability to book a ride from the team's app
vi. According to the Sports Business Journal, executives at Madison Square Garden prioritize the efficiency of getting fans in and out of the building. To help ease congestion, they opened additional entrances on the backside of the arena last season.

d. With so much competition for the entertainment dollar, much pressure is on a sports or entertainment organization to create positive spectator/fan experience

C. How do organizations manage, control and enhance the fan experience?
1. Technology
a. When it comes to security related issues and combating unruly fans, many teams and organizations offer "text" lines in which fans could report obnoxious behavior by sending a text message to team security
i. At the average NFL game, about 3 people are arrested and 25 more are ejected[6]
(a) Every NFL team now offers some form of a text or cell phone hotline to report disruptive fan behavior
ii. At most major NCAA college football games, fans can use their mobile devices to send a text message to security with a description of their problem and their location. From there, officials can respond and use security cameras to zoom in on the section in question. [7]
iii. In 2018, Safeco Field and CenturyLink Field in Seattle introduced a biometric security system in which fans use their fingerprints to validate their age and purchase alcohol to help monitor purchases and (potentially) manage consumption
iv. Organizers of the Tokyo Olympic Games announced that facial recognition technology will be in place in time for the 2020 Summer Games to help with overall security and the safety of fans braving potentially hot and humid conditions at Olympic venues
v. In 2018, entrepreneur Elon Musk proposed plans to build a high-speed, zero-emissions, underground public transportation system to take fans in Los Angeles to Dodgers stadium from East Hollywood to drastically reduce commute times
(a) Click here for more on the idea from USA Today

b. Apps can help fans get the most out of the spectator experience
   i. When Las Vegas Motor Speedway did research on the fan experience, parking came back as an area that needed improvement. As a result, LVMS worked with a technology company to create a "fan guide" app that takes consumers into the track and to their seats through information delivered to a smartphone.
      (a) At a speedway as large as Las Vegas, which seats 140,000 fans, parking in the wrong lot or entering through the wrong gate can lead to long delays entering the stadium and finding seats so the app helps prevent confusion by providing the easiest route to a parking space and to the fan's seat. [8]
   ii. When it opened its doors to a brand new football stadium, Baylor University introduced an In-Game App, making it the first college athletics application to provide instant replays from multiple views to fans, right at their seats, at McLane Stadium. [9]
   iii. In 2018, the New York Red Bulls integrated Lyft (one of the team's corporate partners) service into the team's new mobile app and integrated maps to help fans driving get to Red Bull Arena more efficiently
      (a) The app has a regular mode and an "arena mode", each mode featuring exclusive content, based on where the fan is using their mobile device
c. Stadium amenities are designed to improve the overall spectator/fan experience
   i. Many sports teams have installed High-Definition jumbo screens at stadiums for the best possible viewing of replays and to allow fans in the upper level seating areas to get closer to the action
      (a) AT&T stadium, which plays host to the NFL's Dallas Cowboys and an array of other events, boasts one of the most impressive jumbotrons in the world. The two sideline displays measure 160 feet wide and 72 feet tall, measuring from one 20-yard to the other 20-yard line.
         (i) It would take almost 5,000 52" flat panel TVs to equal the size, it contains 30 million light bulbs, weighs 1.2 million pounds and cost roughly $40 million.
            1. Click here for other fun stats on the world's largest 1080p video board
      (b) *Sports Business Journal* reports that the Colorado Rockies, in celebration of the team's 25th season as a MLB franchise, installed a new scoreboard that was shaped like a mountain range, 258 percent larger than the previous board and paired with a new sound system
   ii. Venue upgrades and new construction often focus on viewing angles and improving sightlines to insure fans can see the action no matter where they are sitting or standing
      (a) Last year, TPC Sawgrass (a PGA Tour golf course in Florida) underwent a 6-month $50 million renovation with the a goal of improving the fan experience – enhancements included:
         (i) A shaded bleacher area with sight lines to multiple holes
         (ii) Food and dining areas that feature local cuisine
         (iii) An improved grand entrance-way, highlighting the grandiose main clubhouse
         (iv) New mounding around a number of holes giving fans an elevated and less obstructed view of the action
            1. Click here for a brief video from the PGA Tour's website
   iii. Interactive technologies
      (a) Mobile devices are not allowed at the PGA's U.S. Open, but fans onsite can still utilize social media through onsite CourseLink kiosks that enable visitors

to use Twitter, take photos and share personalized messages through Facebook and Foursquare [10]

(b) American Express introduced an innovative feature at a PGA Tour event with a program dubbed the "Course Curator," which enables Amex cardholders to customize their experience at the golf tournament by guiding them through the course and helping them to find their favorite golfers. "This has the potential to really change the golf-day experience for fans," said Barry Hyde, the USGA's chief marketing officer in an interview with the *Sports Business Journal*. [11]

(c) The Minnesota Twins feature a "Tweet Board" at Target Field, which shares tweets from Twins games via a large video board with the crowd during games

(d) The San Francisco Giants opened a sports "social media" café (called the "@Cafe") inside AT&T Park behind the centerfield wall where fans can view their own social media content from Twitter and Instagram on six, 55-inch screens, all while enjoying some coffee, recharging a smartphone and following "worldwide social media chatter about the team, players and all things Giants and Major League Baseball"

(e) In 2018, the Nashville Predators introduced an interactive "social green-screen board", allowing fans to pick different backdrops and take photos with friends with the photo being sent directly to their social media accounts

iv. In-seat technology

(a) Minor league baseball's Round Rock Express offer a service that allows fans to order and pay for food and drinks from their smartphones. When the order is ready, a text message is sent back to the fan. Then, they pick it up at one of four stations at the stadium and skip waiting in line. [12]

(i) Taking it one step further, fans attending New York Yankees and Dallas Cowboys games can now order food and drinks in their seats from a mobile app *and* have it delivered

(b) The San Francisco 49ers launched an app to be used at Levi's Stadium that can steer fans to the bathrooms and concessions with the shortest lines and the fastest routes out of parking lots.

v. Ticketing technology

(a) The Golden State Warriors now give fans the ability to upgrade their seats *during* the game using mobile devices, helping them to improve customer service and generating additional revenue while helping to move unsold ticket inventory [13]

vi. Popular "beacon" technology is being used by a number of sports and entertainment venues to enhance the overall experience for fans attending events

(a) Beacons are essentially a bluetooth wireless technology that provides location-based information and/or services to mobile devices (the most popular interface right now is Apple's iBeacon technology)

(b) The PGA Championship at Whistling Straits in Wisconsin launched a "Binoculars" feature to helps fans see which players were around them and to navigate the course faster [14]

1. Proactively controlling environment

a. Less than 40 of the roughly 120 largest NCAA Division 1 schools allow the sale of alcohol inside their stadiums and many limit sales to luxury suites, lounges or club-seating areas [15]

b. Many teams staff members in place dedicated to monitoring tweets and gauging fan behavior on game days to help prevent issues from arising
c. Because of the increase in complaints about intoxicated patrons disrupting fellow fans' viewing of the game, the Los Angeles Dodgers took the drastic step of placing a ban on tailgating prior to all home games [16]
    i. Organizations can gain a better understanding of fan behavior prior to an event taking place and make adjustments to staffing accordingly. For example, statistically Boston Bruins fans consume 30 percent more alcohol at the Boston Garden than Celtics fans do. As a result, management at the arena may choose to measures to proactively manage a potentially rowdier crowd. [17]
d. Much to the disappointment of fans who enjoyed a slightly different atmosphere at a PGA sanctioned golf event, the Tour imposed a ban at the Waste Management Phoenix Open on players throwing things to fans (previously a tournament tradition) as a means for improving both player and fan safety at the event
e. Managing the experience
    i. Understanding the intense rivalry between fans of the Portland Timbers and Seattle Sounders, management for both respective MLS clubs limited the number of tickets available for sale to the opposing team at its home games (seating all opposing fans in a section inaccessible to home fans) in an effort to curtail any potential confrontations during the game
    ii. It is incumbent upon an organization to consider factors like parking and lines for bathrooms and concessions as part of the overall fan experience while developing strategies for improving those dynamics at events
        (a) For example, Arrowhead Stadium (home to the NFL's Kansas City Chiefs) recently renovated the stadium to expand the concourse to reduce congestion, increase the number of concession stands (and diversify the food offerings), and add more bathrooms, all with the intent of improving the overall fan experience
        (b) Recognizing that long lines at concessions areas have a negative impact on the fan experience (and reduces potential for maximizing sales), food providers are now exploring creative advances in technology for self-serve concessions stations and using research data to support the reconfiguration of food stands in stadiums [18]
            (i) Mercedes-Benz Stadium, home to the NFL Atlanta Falcons, which opened in 2017, features 670 different concessions locations (65% more than what the team had in the Georgia Dome) to help provide easier access for hungry fans
                1. Concessions cost an exact dollar amount, so fans don't have to deal with coins and soda refill stations will be self-serve and separate from ordering lines
                2. Falcons owner Arthur Blank said the aim was to produce a "unique fan experience" that would allow game attendees to focus on the game and not become frustrated with concession inconveniences
            (ii) This season, the Los Angeles Dodgers debuted the services of "Flippy", a burger flipping robot, to help the kitchen staff quickly prepare foods ranging from burgers to tater tots and fried chicken
                1. Click here for a YouTube video of "Flippy" in action
    iii. In 2018, the Baltimore Ravens dropped concessions prices to include $3 hot dogs and $6 burgers, recognizing the influence affordability can have on the overall fan experience

(a) The Baltimore Sun reports that the new "Flock Friendly Fare" initiative lowered prices on 21 of the most popular menu items with an average decrease of 33 percent while favorites like pretzels and fries were reduced by 53 percent. No single item was listed at over $9 as part of the team's new effort to create a more affordable game day experience.

iv. Failure to proactively control the environment and manage the experience can result in a shift in consumer perceptions
(a) After a parking lot shooting following a San Francisco 49ers and Oakland Raiders pre-season game in 2011, USA Today conducted a poll online, asking fans whether stadium violence would impact their decision to attend a game. 35% of participants responded that it would. [19]
(b) After several injuries (including two deaths), Major League Baseball faced a lot of scrutiny for their stadium safety regulations
(i) In 2018 the league responded, announcing all 30 Major League Baseball teams extended the protective netting at ballparks to help protect fans in field level seats from low-flying foul balls and broken bats

f. Communicating expectations for fan behavior
i. NFL commissioner Roger Goodell issued of a "Code of Fan Conduct" policy which prohibits, among other things, "unruly, disruptive, or illegal" behavior; "drunkenness" resulting in "irresponsible" behavior; and "foul or abusive language or obscene gestures." The code also proscribes "verbal or physical" harassment of opposing teams' fans. [20]
(a) The NFL extended the policy even further, requiring any fan who gets kicked out of an NFL stadium for unruly behavior to take a $75 four-hour online class and pass a code-of-conduct test before being allowed to attend another NFL game
ii. NBA arenas, like the Moda Center in Portland, Oregon, have the league's "Fan Code of Conduct" posted in many locations around the building
iii. Most organizations will also post expectations of fan conduct on their websites
(a) Click here to see Major League Soccer's fan code of conduct policy
(b) Click here to see the Denver Bronco's RESPECT: Fan Code of Conduct

2. Game Operations
a. Game operations provide an effective vehicle for an organization to manage, control and enhance the fan experience
i. The Green Bay Packers game-day staff is heralded for creating one of the best atmospheres in all of sports, and their strategic game day plan is detailed down to every minute of the game
(a) Click here to see more about how the Packers plan for game days from the *Green Bay Press-Gazette*

3. Several rankings are published each year with opinions on the best fan and/or stadium experience
a. Click here to see why the Tampa Bay Buccaneers were named the NFL franchise with the best fan experience from a stadium technology perspective last year
b. Click here for the latest ESPN the Magazine's "Ultimate Standings", a ranking of the best franchises in sports based on feedback from the fans (12% of the composite score is influenced by stadium experience)

Lesson 10.2
What are Game Operations?

A. The term **game operations** refers to the planning, organization and execution of game production, presentation, entertainment and promotion
   1. The game operations process begins in the creative minds of sports marketing professionals before any games are played
   2. This process includes the development of a game plan for incorporating all the elements of game entertainment
      a. National Anthem
      b. Pre-game groups
      c. Half-time entertainment
      d. Execution of promotions
      e. Dance team and stunt team integration
      f. Mascot coordination
      g. Managing any additional entertainment such as in-arena blimps
   3. The role of game entertainment in the sports business model is two-fold
      a. Enhance the experience for the fans while keeping them involved throughout the entire event
      b. The show actually starts hours before the game when the events that will take place are scripted out and shared with anyone who will be a part of the process, whether it is a mascot skit, a promotion during a break in the action or pre-game announcements read by the public address announcer
      c. Game entertainment creates opportunities to generate revenue by adding additional valuable inventory to include as part of sponsorship packages
         i. It also helps generate revenue by helping to sell more tickets
   4. Game day staff
      a. To execute and implement each element of the game operations plan, an organization typically has a game day staff in place
      b. The Boston Red Sox staff features a General Manager of in-game entertainment who is responsible for overseeing a crew that includes a DJ to run the music, seven people to edit the replays and type out the graphics that appear on the video scoreboard, two additional people who control an additional video board and four people running video cameras around the park [21]
      c. Software programs like “Sound Director” and Total Sports Entertainment’s “Game Time Pro” make it easier for teams to manage game operations and entertainment

B. Why are game operations important?
   1. Successful game operations can help the organization achieve its goals
      a. Driving ticket sales
      b. Increasing sponsorship sales opportunities
      c. Generating publicity
         i. To generate buzz for a home game, the Minnesota Wild brought in a member of the St. Paul SWAT team to rappel from the ceiling and drop the ceremonial puck
      d. Assisting in customer service
      e. Enhancing the overall event experience, regardless of the game’s outcome
   2. Game operations also provide game attractiveness [22]
      a. **Game attractiveness** refers to the customer’s perception of the event as a whole
      b. Game attractiveness is a situational factor that varies from game to game and week to week

c. Event variables that contribute to game attractiveness
   i. Highly visible star athletes (Bryce Harper, Aaron Rodgers, Skylar Diggins, Michael Phelps etc.)
   ii. Team record / opponent record
   iii. Opening day
   iv. Give-aways
   v. Presence of mascots, dance teams and cheerleaders
      (a) According to a *SportsBusiness Journal survey*, all but 20 of the 122 teams in the NFL, NBA, NHL and MLB have at least one mascot character, collectively they have a total of 166 characters (racing sausages, pierogies and big-headed retired players) while the 106 affiliated Minor League Baseball clubs that responded reported 192 mascot characters [23]
      (b) In 2014, the Cleveland Browns made the decision to introduce a live dog (a bullmastiff) named "Swagger" as a mascot after years of having a costumed mascot at games
   vi. Prominent half time entertainment (Blues Brothers, The Extreme Dunk Team, Quick Change etc.)
   vii. Pre and post-game concerts
   viii. Fireworks and other entertainment
   ix. Quality/variety of concessions items
      (a) Many teams have introduced outlandish concessions items as a way to increase game attractiveness (and generate publicity), including the Washington Nationals (8 pound "Strasburger"), the Charlotte Motor Speedway (deep-fried cupcakes, funnel cakes topped with chocolate sauce and chopped bacon), the Texas Rangers ("The Champion", a $26 hot dog weighing in at 2 pounds) and several minor league teams like the Camden RiverSharks offering "Krispy Kreme" burgers
         (i) The top selling hot dog at Oriole Park at Camden Yards in Baltimore comes topped with crab macaroni and cheese
         (ii) The Nationals' stadium also features a unique concessions stand (called the "Taste of the Majors") which spotlights items from other MLB cities when opponents roll into town
            1. Items include a Chicago Dog, a St. Louis BBQ platter and a San Diego Fish Taco Platter (click here for a complete listing)
         (iii) At the Super Bowl in 2018, US Bank Stadium in Minneapolis combined local flavors (like roast turkey legs and cheese curds) with fare featuring themes from the two cities playing in the game
            1. For the Eagles, the stadium offered a South Philly roast pork sandwich and for the Patriots, they added a New England clam roll to the menu
      (b) Every year, the concessions items get a little crazier
         (i) Among the new items appearing on stadium menus in the last two seasons:
            1. Generating more buzz than any other concessions item at MLB ballparks in 2018 was the Seattle Mariners' introduction of toasted grasshoppers (dusted with a chili-lime seasoning) at Safeco Field
               a. They sold more than 18,000 orders during the *first series* of the season last year
               b. Click here for a visually stunning look at the popular Seattle snack from ESPN

2. MiLB's Eerie Seawolves hosted a theme night called "Sugar Rush Night", putting a cotton candy hot dog on the menu (a hot dog, wrapped in a cotton candy bun, and sprinkled with nerds candy on top)
3. MLB stadiums featured plenty of crazy options in 2018, including such "culinary delights" as the Colorado Rockies' "Apple Pie Nachos", the Yankees' 1,200 calorie "Barnyard Burger" (a beef patty topped with cheddar cheese, a fried chicken cutlet and a hash brown) and the Cleveland Indians' "Killer Kilbane Dog" (a hot dog with relish, peanut butter and sriracha sauce)
    a. Click here for SI's rundown of the best and worst MLB stadium foods in 2018
    b. Click here for some of the crazy concessions items the Texas Rangers will offer when they open their new stadium

(c) In 2018, the Arizona Cardinals turned a concessions item into a promotional opportunity
  (i) The "Gridiron Burger" consists of five 1/3-pound hamburger patties, eight slices of bacon, eight chicken tenders, five all-beef hot dogs and five bratwursts, twenty slices of American cheese, twelve ounces of fries, shredded lettuce, tomatoes, pickles and sauce and cost $75
  (ii) According to ESPN, anyone who finished the seven-pound "burger" in under an hour would win a jersey and his or her photo on the video board inside the stadium

(d) Offering quirky concessions offerings help sports teams at all levels generate publicity for the franchise
  (i) McCormick Field in North Carolina (home of the Asheville Tourists) offered a concessions item featuring fried chicken and french fries in a waffle cone, smothered with a choice of maple syrup or nacho cheese
  (ii) As part of their "Halfway to Halloween" promotion, the Fresno Grizzlies served up the "Frankenslice", a pizza with full hot dogs baked into the crust
  (iii) Minor League Baseball held a "#FoodFight" competition online and on Twitter, allowing fans to vote for their favorite ballpark concessions items
    1. This year's winner was Round Rock Express' "Lava Rock Fire and Ice", a beef tenderloin and shrimp dish cooked on actual lava rock, which edged out the New Hampshire Fisher Cats' "Squealer" sandwich
      a. Click here to see a complete list of the contest entries

(e) Broadway shows have caught on to the concession crave – Sweet Hospitality Group works with theatres to offer patrons unique food and drink depending on the show
  (i) Click here to read how Sweet Hospitality Group has re-invented theatre's concessions sales strategy from inc.com

(f) Click here for an interesting infographic examining the economy of food at sporting events

3. Traditions (seventh inning stretch, throwing out the first pitch etc.)
    a. Detroit Red Wings "octopus toss"
    b. Hockey "hat tricks"
    c. Kissing the bricks at the Brickyard 400
    d. "Lambeau Leap" at Green Bay Packer games

   i. In 2014, the team unveiled a statue at Lambeau Field, commemorating the tradition
e. Chants at soccer matches
   i. Click here for a brief video highlighting some of the chants performed at Portland Timbers' games by their loyal group of supporters, the Timbers Army
f. Wearing outrageous hats at the Kentucky Derby
   i. Click here for a slide show
g. The first pitch at baseball games
   i. PGA Tour stars Jordan Speith and Zach Johnson threw out the first pitches for the Texas Rangers and Chicago Cubs, respectively, in 2015 and made a $5,000 wager on who would throw the best pitch (with the money going to charity). ESPN's SportsCenter was responsible for crowning the champion (Speith).
   ii. Actors Will Ferrell and Zach Galifianakis ate deep dish pizza on the mound after throwing out the first pitch at a Cubs game (in a great example of cross promotion as they were promoting the film "The Campaign") while they also read starting lineups for each team and included some "little-known facts" about the players
   iii. Click here to see an infographic from *Washington Post* analyzing the best and worst first pitches from celebrities over the years
h. "Jump Around" tradition between the third and fourth quarter at Camp Randall Stadium, home of the Wisconsin Badgers football team
i. USA Today's "Fan Index" (voted on by fans) determined the toilet paper rolling at Toomer's Corner in Auburn as the best tradition in college football
   i. Click here to read the rest of the traditions that were ranked in the poll's top ten

Lesson 10.3
Role of Game Operations in Sports Marketing

A. Game operations is an integral activity within the framework of a successful sports marketing organization as it can effectively assist the business in many areas
   1. Ticket sales & attendance
      a. Keeps fans entertained throughout the event, increasing the likelihood that they will return for another game
         i. As technology continues to evolve and the at-home viewing experience improvise, sports teams feel more pressure to create an experience that trumps the experience of enjoying a game from the comfort of a fan's own home
            (a) According to the San Francisco Gate, the 49ers built Levi's Stadium with the game day experience in mind, understanding that they have to compete for the attention of fans who could watch from the comfort of their homes, with kitchens, bathrooms and laptops within easy reach
      b. Provides game "attractiveness" which is a factor that directly influences game attendance
         i. The level of consumer perceived values increase when the game or event features additional entertainment and promotion [23]
      c. Game operations include numerous connections to ticket sales promotions within the event. For example, a team may host a "Hawaiian Night", offering $5 off tickets to any fans wearing tropical shirts to the game. Game operations may choose to implement:
         i. An all staff memo or email, encouraging them to dress in tropical attire if they plan to attend the game
         ii. National anthem performed by a Hawaiian musician or steel drum band
         iii. Hawaiian lei give-away to the first 500 fans through the gate
         iv. A limbo contest at a quarter break
         v. Hawaiian music or bands on the venue concourse
         vi. A hammock free throw shooting contest at half time
         vii. Hawaiian themed food at concessions stands
   2. Sponsorship
      a. Adds value to sponsorship packages
      b. Creates new inventory available to sell
      c. Assists in the fulfillment aspect of a client sponsorship package
         i. For example, a team may sell a sponsorship for their "Hawaiian Night". As part of the sponsorship package, game operations may be responsible for fulfilling several elements which could include:
            (a) PA announcements throughout the game announcing "Hawaiian Night", sponsored by ABC Travel
            (b) A trip to Hawaii giveaway, presented by ABC Travel
            (c) Special on court promotions
            (d) Signage
   3. Publicity
      a. A successful event will also help generate community "buzz" surrounding the team
         i. In addition to talking about the outcome of the game, fans may discuss the entertaining half-time act and the free coupon for a burger they won when the team scored 100 points
      b. Publicity can be used to help promote future events

i. The Vancouver Whitecaps (MLS) enjoyed tremendous success with a "dime dog night" event, and later tweeted "10,866 hot dogs consumed tonight for dime dog night! Next one is July 31. #wcaps" as a way to promote a future game

c. Special game entertainment promotions are communicated to fans through a variety of channels
   i. Minor League Baseball's Charlotte StoneCrabs scheduled an appearance from Santa Claus to visit the ballpark and entertain fans for their "Christmas in August" promotion. The special appearance was communicated via press releases, the team's advertising and through their social media channels. [24]

d. Communications professionals are typically responsible for creating a connection between the team and the media, including the facilitation of access to players and coaches for interviews and providing game notes (statistics, information regarding the opponent etc.) for the media

4. Customer Service
   a. Game operations affords organizations an excellent opportunity to effectively serve customers
   b. Examples
      i. Recognizing long-time season ticket holders on the Jumbotron
      ii. Birthday greetings to season ticket holders over the PA
      iii. Special congratulatory announcements on the scoreboard
   c. Ultimately, customer service is about retention and keeping fans coming back for more
      i. To achieve a high level of retention, game operations and entertainment staff must understand fan tastes and distastes, game situations and the atmosphere of the event as whole in an effort to help fans to enjoy the game or event experience in its entirety
         (a) The Pittsburgh Pirates' producer and director of in-game entertainment explains the music selection being played during at games at PNC Park: "*We always try to have one or two very contemporary songs -- something on the iTunes most-downloaded list, something in the Top 10. Then, one or two good rock songs from the '80s or '90s. One or two classic rock songs -- this is Pittsburgh; everyone loves the classic rock -- and one or two oldies. We try to cover all the bases -- no pun intended*." [25]

Case Study

Game Promotion & Entertainment:

A Unit 10 SEM Case Study

Following the departure of super star Michael Jordan, the NBA's Chicago Bulls suffer dismal season after dismal season. Although the franchise finished last in their division the next four seasons, the team still managed to sell out most United Center home games, often playing to capacity crowds of over 22,000. In fact, the team sold out every home game in 1998-99 and 1999-2000, despite los- ing more than 70% of their games. [1]

How do they do it? The strategy, according to Steve Schanwald, the Bulls' Ex- ecutive Vice President of Business Operations, is to "keep the fans distracted…it's a 48-minute game but the fans are here for two hours." [2] The entertainment is all encompassing and can take on many forms, including more than 1,000 different songs pumping over the speaker system, more than 50 television and movie clips (including John Belushi in "Animal House" and Bart from "The Simpsons"), a dance team (The Luva-Bulls), a break dancing team (The BreakaBulls), a male spirit team (The IncrediBulls) and inflatable mascots (InflataBulls). The game entertainment staff also has a number of on-court promotions to keep fans engaged throughout the contest. One such promotion, the "Dunkin' Donuts Race", is a fan favorite. The race is animated on the score- board and features "Dashing Donut", "Biggie Bagel", and "Cuppy Coffee", and fans holding the cou- pon featuring the winner of the race have the opportunity to redeem the coupon at a local Dunkin' Donuts for a free doughnut.

In addition to the entertainment provided on the court and in the arena, the Bulls strive to keep the entertainment experience alive throughout the stadium. According to Jeff Wohlschlaeger, Bulls Director of Game Operations, the team likes to entertain fans "from the moment they enter the build- ing." To do that, the United Center concourse must maintain a consistent level of excitement. The Bulls feature a theme for each home game (such as Mardi Gras) and live entertainment acts will per- form throughout the concourse.

Information from this case study obtained from:

[1] http://www.nba.com/bulls/history/Chicago_Bulls_History-24393-42.html?nav=ArticleList

[2] Published in the March 1st, 2004 issue of Street & Smith's Sports Business Journal.

Case Study Questions

1.) Do you think the Chicago Bulls overall success in ticket sales is contingent upon wins and losses on the court? Why or why not?

2.) The Bulls have effectively implemented a plan for keeping fans entertained. Do you think other sports teams share the same philosophy on keeping fans involved? Why or why not?

3.) Do you think the game operations efforts create other opportunities to generate revenue outside of ticket sales (sponsorship etc.)? Provide an example.

Unit 10 Discussion Question Review

Have you participated in any events that have relied on some type of marketing to attract consumer attendance?

Answers could include:

- Any local festivals
- Any local sporting events
- Any local entertainment events
- Beach volleyball tournament
- Independent film festival
- Music festival
- Shakespeare or other theatre festivals

Unit 10 Key Words Defined

Game Attractiveness: Game attractiveness refers to the customer's perception of the event as a whole

Game Operations: The planning, organization and execution of game production, presentation, entertainment and promotion

Unit 10 References & Resources:

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Unit 11: SEM Communications

Overview

The topics covered in unit eleven introduce the various components of sports and entertainment communications including publicity, public relations, community relations and media relations. A key concept discussed is the integration of publicity with the sponsorship component of the sports and entertainment business model, as well as aligning publicity plans with promotional and sales efforts. Unit eleven also examines the various methods organizations employ to effectively communicate information about their products and services with customers, media and fans.

Objectives

1) Explain why sports and entertainment communications are important
2) Define publicity
3) Differentiate between publicity, public relations, media relations and community relations
4) Identify the three approaches to media relations
5) Describe the three ways community relations programs are implemented
6) Name the six functions of sports and entertainment communications
7) Explain how publicity impacts other areas of sports and entertainment business
8) Create a press release with all its essential elements
9) Recognize the types of information typically included in press kits
10) Understand some of the social issues that impact the business of sports and entertainment

Lessons

Lesson 11.1 Sports & Entertainment Communications
Lesson 11.2 Publicity
Lesson 11.3 Functions of Sports & Entertainment Communications
Lesson 11.4 Integrating Publicity
Lesson 11.5 The Publicity Plan
Lesson 11.6 Press Releases
Lesson 11.7 Press Kits
Lesson 11.8 Social Issues in Sports and Entertainment

Key Terms

Community Relations
Ethics
Foundation
Goodwill
Media Relations
Press Release
Public Relations
Publicity
Publicity Stunt

Lesson 11.1
Sports & Entertainment Communications

A. Sports and entertainment information
   1. Provides specific news as it pertains to sports teams and organizations, events and all other forms of entertainment
   2. Could include event schedules, player statistics, actor profiles etc.
B. Sources of sports and entertainment information
   1. Any news or media outlet is a potential source of sports and entertainment information
      a. MTV, *Sports Illustrated*, Jim Rome radio show, movies.com, *USA Today*
   2. Almost any type of information an individual could want is accessible through the media
      a. Radio, TV, Print, Online
C. Role of sports and entertainment communications in SEM
   1. The role of a communications staff employed by a sports or entertainment organization is to effectively disseminate information for the benefit of the business
   2. Communications staff plays an integral role in the shaping and management of the organization's image
D. Who is SID?
   1. SID is a sports organization's (most often a college) Sports Information Director
   2. SID can present his/her self in many forms, including PR Director, Communications Director, Media Director or a host of other official titles [1]
   3. SID is responsible for all communications relating to the organization
E. Publicity plays an even more crucial role to a sports and entertainment organization's success in the age of the Internet [2]
   1. The world of public relations has changed drastically, especially for entertainers whose careers are based on gaining and keeping public opinion
   2. How else has technology and the Internet shifted trends in the entertainment business climate? [2]
      a. Musicians can now start a career entirely over the Internet using a web site and a strategic online marketing plan
         i. From weekend warriors to independent bands and Grammy-winning artists, thousands of musicians have embraced social networking sites like Facebook and YouTube to upload material, promote tour dates and albums while interacting with fans in an effort to build and/or grow a fan base
         ii. Internet radio stations like Pandora and YouTube offer music "discovery" services to help aspiring artists launch their careers [3]
         iii. Justin Bieber was originally "discovered" by a talent executive on YouTube when he was searching for new talent online. Pop stars Justin Timberlake and Usher would later engage in a bidding war to sign Bieber (he eventually signed with Usher). [4]
            (a) Since then, other artists like Tori Kelly, Soulja Boy, Lana Del Rey and The Weeknd have launched their careers through YouTube
         iv. Shawn Mendes launched his pop career in six seconds…by posting a clip to Vine, a now defunct video sharing app that only allowed six second videos
      b. Actors, artists and celebrities engage with fans using social media to promote albums and films, create buzz and dispel rumors
         i. Four of the top five celebrities with the most Twitter followers include four pop stars, giving them incredible reach and influence
            (a) Katy Perry – 107 million
            (b) Justin Bieber – 104 million

(c) Barack Obama – 102 million
(d) Rihana – 87 million
(e) Taylor Swift – 85 million

ii. At times, an artists' social media following can be as important as their talent in terms of attracting attention from directors and fans
(a) Said veteran casting director Mike Fenton in an interview with thewrap.com, "*There is no question that today if you have good numbers on social media, you have become a better choice to be cast. It would behoove actors to generate a social media presence*." [5]

iii. In 2016, Ellen DeGeneres used Facebook to promote the movie Finding Dory, a strategy that resulted in the trailer receiving over 20 million views
(a) Click here to see the video

iv. Kanye West's tweet promoting the 2016 release of his 'Life of Pablo' album was liked over 130,000 times and retweeted over 110,000 times
(a) The publicity helped the album debut at number one on the Billboard charts and eventually become the second most streamed album ever

c. Movie studio executives have the ability to place movie trailers online for people to download or stream in an effort to promote upcoming films
i. Consumers can watch trailers for upcoming films like the highly anticipated 2018 release of 'Aquaman'
(a) By August of 2018, the trailer had already been viewed almost 40 million times on YouTube

d. Fans can discuss topics surrounding their favorite entertainers and celebrities on web sites like www.IMDB.com and read movie reviews with apps like Rotten Tomatoes

e. Sports and entertainment organizations have embraced technology and social media as an additional means for communicating information to fans
i. For example, a baseball team might turn to social platforms like Twitter to keep fans updated during rain delays

3. The instant accessibility provided by social media applications like Twitter can pose challenges for sports and entertainment communications professionals
a. Sports and entertainment organizations have less control now over the flow of information between the organization and its fans
i. Legendary Yankees captain Derek Jeter announced that he would be retiring via Facebook [6]
(a) Click here to read the transcript of the official announcement posted on Jeter's Facebook page
(b) Soon after retirement, Jeter launched *The Players Tribune*, a media platform that gives first-person reflections, thoughts and experiences from professional athletes and offers athletes a unique platform for sharing their voices with fans
(c) In 2016, Kevin Durant used *The Players Tribune* to announce his decision to sign with the Golden State Warriors instead of returning to the Oklahoma City Thunder
(i) Click here to read Durant's letter/announcement on theplayerstribune.com
(d) Instead of relying on traditional media channels, social media platforms allow athletes to tell their side of the story on their own terms
(i) Seattle Seahawks safety turned to the Players Tribune to share his perspective on his 2018 holdout with an essay titled, "Here's What's Actually Going On"

b. Athletes and celebrities now enjoy a unique platform to communicate directly with fans, providing a medium for delivering unfiltered opinions and dialogue
    i. For example, Beyonce announced she was pregnant via Instagram in 2017
    ii. LeBron James polled fans on Instagram after announcing the decision to return to Cleveland whether he should wear the number 6 (the same number he wore in Miami) or if he should return to the same number 23 which he originally wore in Cleveland
        (a) No sooner did LeBron change back to 23 did the NBA store sell out of all James' replica Cavs home, away & alternate jerseys, ranging from $65 to $300
c. Social media can also create headaches for both the organization and/or the athlete/celebrity when the individual posts a controversial message
    i. Just before the 2016 NFL Draft began, a picture was tweeted from Laremy Tunsil's own account of the prospect smoking something out of a gas mask while images of text messages asking his assistant athletic director at Ole Miss for money were posted to his Instagram feed (his account was hacked), leading to a tumble down the draft board
        (a) According to *Fortune*, Tunsil's draft day slide cost the NFL rookie between $8 and $13 million based on the lower draft position (he was projected to be selected between picks 3 and 6 but fell to the Miami Dolphins at pick 13)
    ii. After Roseanne Barr sent a racist tweet in 2018, ABC quickly responded by cancelling the sitcom (one of its most popular shows), costing her at least $5.5 million (she was making $250,000 per episode and the show had already been renewed for a second season) and likely much more had the show enjoyed the same success for multiple seasons [7]
    iii. Swimmer Ryan Lochte posted an incriminating photo of himself with an IV infusion with a caption suggesting the activity was helping him to recover after a workout, prompting an investigation that resulted in a 14 month ban from competition

Lesson 11.2
Publicity

A. Publicity
   1. **Publicity** is public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization [8]
      a. When Roger Ebert reviews a movie on his television show, that particular motion picture is gaining publicity
      b. When musicians perform at award shows or other major events, they are generating publicity
         i. Justin Timberlake's music sales and streaming statistics skyrocketed following his 2018 Super Bowl halftime performance [9]
            (a) Collectively, sales of the songs he performed during the halftime show saw a sales increase of 534 percent
            (b) Also, Carrie Underwood's video performance of her new single "The Champion," featuring Ludacris, introduced the TV broadcast of the Super Bowl game itself resulted in a 444 percent sales gain for the track
   2. In the world of sports and entertainment communication, publicity is generated and defined by three primary components
      a. Public relations
      b. Media relations
      c. Community relations
   3. Publicity is essentially a by-product of those three components
   4. Organizations use publicity as a vehicle to increase sales
   5. Disadvantages of publicity
      a. Publicity cannot be controlled by the organization
         i. For example, Roger Ebert may give a particular film a negative review, discouraging consumers from purchasing tickets and going to the theater
      b. Perceived as more credible than advertising

B. Public relations
   1. **Public relations** are activities that promote the image and communications an organization has with its employees, customers and public [9]
   2. Often times referred to as "fan" relations in the sports industry

C. Media relations
   1. **Media relations** refers to the relationship between an organization and the media [10]
   2. The goal of media relations is to develop and maintain a positive relationship with mass media outlets
   3. Media's impact on sports and entertainment publicity efforts
      a. "Magnifying glass effect" of media coverage [11]
         i. This effect refers to the constant media coverage of newsworthy events taking place, as well as the reactions and interpretations of those events by other sources
         ii. Click here to read a story published on awfulannouncing.com's website suggesting the "TMZization of sports is now complete", criticizing news outlets like ESPN for focusing on gossip or celebrity driven stories rather than covering real sports news
      b. Featuring sports and entertainment news related items has proven to be profitable for media organizations
         i. Increases circulation
         ii. Boosts ratings

iii. Amplifies number of readers/listeners

c. A *media blitz* is a term used to reference an intense communications campaign which utilizes various aspects of media to reach as many consumers as possible
   i. Every year, the NBA engages in a daylong media blitz to kick off coverage of the NBA All-Star Game and the celebrity-driven events that surround the game
   ii. Organizations will often strategically launch a media blitz as way to support a sales or marketing effort
      (a) In the lead up to the 2018 Ryder Cup, the PGA Tour launched a media blitz that sent team captain Jim Furyk on a 9,000-mile, 14-city trophy tour beginning at Yankee Stadium (the Team USA captain took the championship trophy from the last Ryder Cup to each stop) [12]
         (i) After throwing out the first pitch at the Yankees game and posing with players for photos, Furyk made an appearance at the Empire State Building and on the Today Show
            1. Click here to see a video of Furyk's appearance on the Today Show
      (b) As the franchise ramped up sales efforts leading up to the opening of a new stadium, the Minnesota Vikings launched an all-out media blitz surrounding their "Vikings Legacy" program right before the NFL Draft.
         (i) Click here for more on the team's strategy and goals from sportstao.com
   iii. Each year to kick off the college football season, the SEC launches a 4-day media blitz, where the media provides extension coverage of all the teams in the conference, discusses trending topics and high profile athletes are discussed at length

4. What effect on an organization can media relations have? How can publicity and the media impact a sports or entertainment brand?
   a. A perception exists that the media has a tendency to seek out and report stories with negative connotations implicating sports and entertainment organizations, celebrities and athletes
   b. Many factors influence this journalistic tendency
      i. Inflated contracts of athletes and entertainers (some which have a tendency to flaunt their riches)
         (a) Detroit Tigers star Miguel Cabrera made almost double the yearly median household income in Detroit with every single at-bat during the 2014 season
         (b) Boxer Floyd "Money" Mayweather, who earned *$300 million* in 2015 and topped Forbes' annual list of the World's wealthiest athletes for the third year in a row, told *USA Today* in a story that his hobby is "collecting money" and lives in a 22,000-foot home with multiple garages for his collection of sports cars and bragged to CNN of an $827,000 gambling win [13]
            (i) Mayweather's huge payday in 2017 after the fight with UFC champion, Connor McGregor, reportedly pushed him over the $1 billion mark in career earnings
               1. The only other athletes to surpass $1 billion in career earnings are Michael Jordan and Tiger Woods
               2. In 2017, Mayweather was also under investigation by the IRS as they claimed he owed over $22 million in back taxes from 2015
         (c) International soccer star, Neymar, dropped $18,000 on sneakers during a shopping spree in 2017, all broadcast online for fans to see in an episode of Complex's *Sneaker Shopping* series
            (i) Click here to watch the episode on YouTube

(d) *Forbes* reported that the world's 100 highest-paid athletes banked a cumulative $3.8 billion in 2017-18, with nearly 25% of those earnings coming from endorsements and appearances [14]
    1. Click here for the complete rankings in 2018
(e) According to *Forbes*, Deandre Ayton, the number one pick in the 2018 NBA Draft, could make more than $41 million on his first NBA contract, $18 million of that guaranteed despite not ever having made a shot in the league
(f) In 2018, according to a *Forbes* report, the wealthiest rappers were:
    (i) Jay-Z ($900 million)
    (ii) Sean 'Diddy' Combs ($825 million)
    (iii) Andre "Dr. Dre" Young ($770 million)
    (iv) Eminem ($100 million)
    (v) Drake ($100 million)

ii. Drugs and alcohol
(a) In 2017, Tiger Woods was arrested for driving under the influence – alcohol was not involved but Woods was using a heavy number of pills while rehabbing his back after surgery [15]
(b) In late 2016, WWE star Chyna was found dead in her home – her cause of death was a result of mixing numerous prescription drugs and alcohol

iii. Gambling
(a) In 2016, a huge scandal rocked the tennis world when two Italian players, Daniele Bracciali and Potito Starace, were accused of criminally conspiring to fix at least two matches for an illegal gambling ring
    (i) The chief prosecutor in the case said in an interview that he suspected the gang of corrupting another 30 international matches at tournaments including Wimbledon and the French Open [16]
(b) The #2 ranked badminton player in the world, Kento Momota, was kicked off the Japanese team and disqualified from the 2016 Rio Olympics after he was found guilty of repeatedly gambling at an illegal casino
(c) Officials say the illegal betting market generates hundreds of billions of dollars every year, and the International Olympic Committee goes to great lengths to prevent events from being "fixed." Sports betting is perfectly legal in the United Kingdom, and is considered a legitimate part of the national economy but, in 2012, the country's gambling establishments partnered with government officials leading up to the London Games to report and prevent any event fixing. The BBC reported that Olympic organizers also set up an intelligence team to monitor suspicious betting patterns and tip the government with any information on individuals that may have attempted to fix Olympic events. [17]
(d) The 2018 legalization of sports gambling in the United States has organizations at all levels debating how concerned they should be about the potential of compromised integrity of their respective sports

iv. Violence
(a) Following several years of highly publicized domestic violence cases, several NFL players were implicated (but not necessarily charged) again in 2018 in assault cases that continued to generate a lot of negative publicity for the league and teams they played for
    1. Last year, the NFL donated $10 million in funding to a coalition of non-profit organizations working to prevent sexual violence

(b) Boxer Floyd Mayweather has a long history of domestic violence issues, some dating back at least five years when they resurfaced prior to his 2015 bout with Manny Pacquio
  (i) Click here to read more from cosmopolitan.com.
(c) NASCAR suspended Sprint Cup driver Kurt Busch just two days before the Daytona 500 (for actions detrimental to stock car racing) after a judge ruled he almost surely choked and beat a former girlfriend
(d) Major League Baseball took a proactive approach to avoid some of the negative publicity that has followed the NFL in the wake of last year's high profile domestic violence issues by implementing a comprehensive new policy that gives the league commissioner (Rob Manfred) ultimate discretion in doling out punishment [18]
  (i) Click here to read the details from foxsports.com
(e) It isn't just professional athletes who become involved in domestic disputes or face assault charges
  (i) After two incidents in which Florida State Seminoles football players were involved in domestic violence cases, the team's coach Jimbo Fisher announced the program would be "stepping up" their process of educating players about domestic violence and other issues that could lead to trouble off the field
(f) Women have also been implicated in domestic violence cases
  (i) The WNBA suspended two of its biggest stars (Brittney Griner and Glory Johnson) for seven games after they were arrested for domestic violence in 2015
  (ii) In 2017, WWE female superstar, Paige, faced domestic violence charges after getting into a physical argument in the Orlando airport
    1. Paige became the first female WWE superstar to be suspended for domestic violence

v. Performance Enhancing Drugs
(a) The use of steroids and performance enhancing drugs has been well chronicled in recent years with prominent athletes having their legacies tainted by alleged drug use
  (i) UFC star Jon Jones had his license to fight revoked last year, fined $205,000 and was facing a potential 4-year ban after a second violation of the league's doping policy
  (i) Several athletes were suspended from participating at the 2018 Winter Games when they tested positive for banned substances in PyeongChang, including a Japanese speed skater and a Slovenian ice hockey player [19]
    1. 32 Russian athletes were not allowed to compete in PyeongChang in response to Russia's alleged state-sponsored doping program that marred the 2014 Winter Olympics in Sochi, Russia
      a. A Russian curler was stripped of his bronze medal after testing positive for a banned substance in PyeongChang
  (ii) Seattle Mariners star Robinson Canoe was suspended 80 games in 2018 after testing positive for PED use [20]
(b) A 2009 Marist College Center for Sports Communication poll suggested that 70% of baseball fans thought players who used steroids should not be admitted to the Hall of Fame, 24% believed they should be given this honor, and 6%, at the time, were unsure [21]

(i) Fast forward to 2013, when Marist conducted a poll asking the same questions just prior to MLB's suspensions of those involved in the Biogenesis case, and 78% now think players who have used steroids or other performance-enhancing drugs should not be eligible for the Hall of Fame, 18% think they should, and just 4% are unsure. [21]

(ii) Two years ago, a poll from Marist suggested 68% of baseball fans nationally think the MLB has taken the right steps to curb the league's PED problem

(c) In 2015, reports of rampant doping by distance runners cast a dark cloud over marathon competitors as a report from the London suggested that 32 medal winners at the world's top six marathons registered suspicious blood tests over a 12-year testing period and of the 5,000 athletes tested, more than 800 of the blood results came back "abnormal" [22]

(d) David Howman, the chief executive of the World Anti-Doping Agency, said in an interview that he believes one out of every ten Olympic athletes are using performance enhancing drugs [23]

ii. Escalating costs for attending events

(a) A whopping 63 percent of respondents to an Associated Press poll suggested that the high price of attending MLB games was "by far the biggest problem in Major League Baseball" [24]

(b) Nearly half (49%) of fans polled in Sacramento about Kings' ticket prices for the new downtown arena suggested that, "Yes, the team plans to cater mostly to high-income customers"

(c) In 2016, Walt Disney Co. raised prices by as much as 20% for fans that want to attend their parks when they are the busiest – during peak times adults now pay $119 per ticket in Anaheim and $124 in Orlando

(d) According to a *Time Magazine* report, it cost a family of four over $600 for tickets to see a Chicago Cubs game, *not* include parking, concessions or any merchandise [25]

(i) Hot dogs at Wrigley Field cost nearly $6 apiece, bottled water is $5.25 and peanuts are $4.75

(ii) Comparatively, according to Minor League Baseball, the average cost for a family of four to enjoy a MiLB game in 2017 was $64.97 – this *includes* two adult tickets, two child tickets, four hot dogs, two sodas and two beers[26]

(e) According to the *Sports Business Journal*, average ticket prices for entertainment include: Broadway show ($88), Disney (adult $85), NFL ($77), NHL ($57), NBA ($48), MLB ($27) [27]

iii. Recruiting violations and other unethical behavior in collegiate sports

(a) The University of Louisville men's basketball team found itself in hot water over allegations that a former operations director arranged for adult entertainment for recruits

(i) Punishments included: four years of probation for the team, a 5-game suspension for head coach Rick Pitino, a $5,000 fine and negating all basketball records from 2010-14 in which ineligible athletes participated

(ii) Despite these allegations, Louisville was able to secure a top-10 recruiting class in 2017, they are ranked sixth nationally in recruiting services and had solidified a top 5 recruiting class for 2018

(b) The University of North Carolina went to court in 2017 to battle allegations of academic fraud than span nearly a decade

(i) The school is accused of keeping athletes eligible by enrolling them in classes that required little work and no attendance

a. Each respective league or governing body/organization has their own guidelines for discipline, however, intense media scrutiny often makes such punishments seem insufficient to the general public, creating further fan disenchantment
b. Athletes and entertainers have a unique platform to involve themselves in a positive manner within the community. It is the responsibility of an athlete or celebrity (or sports/entertainment property) to direct media attention toward these efforts.
c. Many teams, organizations, leagues, athletes and entertainers do an excellent job of using the media to communicate positive contributions
    i. Those organizations who successfully communicate positive messages have an effective community relations strategy

1. Three approaches to media relations [29]
    a. Reactive
        i. Responds to informational and other inquiries from media sources and external entities
        ii. Player interviews, appearances, biographies, profiles etc.
    b. Proactive
        i. The point of initiation is the organization rather than an external entity or media source
        ii. Organizations take the initiative in providing information and creating publicity
        iii. Distribution of press kits, press releases
    c. Interactive
        i. Refers to an organization's effort to create and maintain a strong relationship with the media

B. Community Relations
1. **Community relations** focus on an individual or organization's commitment to bettering their respective community [30]
2. The goal of a community relations effort is to assist in achieving an organization's public relations objectives related to enhancing public understanding, gaining public approval and acceptance, ultimately leading to public support [31]
3. Community relations are typically implemented one of five ways
    a. Player or celebrity initiated
        i. The Michael J. Fox Foundation auctioned off a limited-edition collection of Nike shoes inspired by the actor's Back to the Future character. The high-profile auction raised $9.4 million for the foundation, the largest private funder of Parkinson's disease research in the world. [32]
        ii. Thousands of athletes and celebrities, from Justin Timberlake and Cristiano Ronaldo (in his underwear), participated in one of the most successful viral fundraising campaigns we have ever seen in the Ice Bucket Challenge, a cause tied to generating awareness and raising funds for amyotrophic lateral sclerosis (ALS), commonly known as Lou Gehrig's disease
            (a) As a result, the ALS Association raised $220 million in donations (compared to $1.9 million the previous year), including 453,210 new donors to the Association
        iii. Beyoncé partnered with three charities (United Way Worldwide, Chime for Change and Global Citizen) on her 2016 Formation World Tour
            (a) A VIP ticket contest was offered for fans that made a donation to the United Way in support of the Flint Water Crisis
    b. Team or organization initiated

i. When South Carolina was devastated by floods in 2016, the four MiLB teams in the state (Charleston RiverDogs, Columbia Fireflies, Greenville Drive, Myrtle Beach Pelicans) stepped up to help promote and provide fundraising efforts [33]
   (a) In addition to each team donating $2,500, they created a joint GoFundMe page with a $100,000 goal and promoted the hashtag #PalmettoStrong
ii. The Buffalo Bills teamed up with the United Way and launched the "Character Playbook" educational initiative, a digital course offered in middle schools that focuses on youth character development and building healthy relationships
   (a) Bills alumni director Marlon Kerner said "You have social media, bullying, cyber bullying, teen issues with dating, violence – so we want to teach them how to resolve conflicts in a more positive manner."
iii. The Miami Dolphins Foundation (whose mission is devoted to providing and supporting signature education, health, youth athletic programs and volunteer activities that inspire and engage communities throughout Florida) raised over $600,000 through its annual "FinsWeekend", an event that features former and current players, cheerleaders and staff participating in activities like fishing and golfing [34]
iv. The San Antonio Silver Stars of the WNBA played their annual breast cancer awareness game on a pink court painted by breast cancer survivors in an effort to raise awareness and funding for the initiative
v. In 2017, MiLB's Quad Cities River Bandits added two new amusement park rides to their stadium setup and directed all profits from the attractions to the "Carousel Charitable Trust", a non-profit serving underprivileged children in the Quad Cities

c. League or governing body initiated
   i. The NFL is engaged in an effort to fight childhood obesity with the NFL Play 60 program
      (a) From the NFL website: "*As a brand and leader that believes in the power of sport, the promise of young fans and whose players embody health and fitness; the NFL and its Clubs are committed to reversing the effects of the childhood obesity epidemic. NFL PLAY 60 is a national youth health and fitness campaign focused on increasing the wellness of young fans by encouraging them to be active for at least 60 minutes a day*." [35]
      (b) Click here to read how social media has helped raise awareness of the NBA Cares Campaign, the league's official global community outreach initiative that addresses important social issues such as education, youth and family development, and health and wellness.
d. Community initiated
   i. Often times community or event organizers will call on athletes or celebrities to participate in an event to help raise levels of awareness
      (a) West Virginia was hit hard by floods in 2016 and called on West Virginia University to help with relief efforts
         (i) Dollars for Disaster Donation jars were placed around campus and various WVU athletic teams hosted drop-off sites to collect water and other needed items
e. Brand initiated
   i. Brands will create community relations initiatives to utilize the powerful platform of sports and entertainment to encourage positive action and behavior
      (a) Every year, ESPN raises awareness and money for cancer research through the V Foundation

(b) Last year, Nike distributed $250,000 to 26 Portland area community groups through the Nike Community Impact Fund of The Oregon Community Foundation
  (i) The program aims to provide area you with positive experiences through “sports and physical activity, and advance healthier, supportive and more inclusive communities."
  (ii) According to the *Portland Business Journal*, the Fund has awarded 356 grants, worth $3.75 million-plus, since launching in 2010

4. Foundations
   a. A **foundation** is an association established by an organization, athlete or celebrity to maintain, assist, or finance other institutions or programs that are of an educational, charitable, or social nature [36]
   b. Many athletes and celebrities have used their “celebrity status” to make a positive impact on issues important to them
   c. Celebrity foundations can help individual athletes and entertainers shed negative images
   d. Many high-profile athletes and celebrities have formed foundations or take an active role in supporting or leading foundation-related activities
      i. Derek Jeter formed his foundation during his rookie season with the New York Yankees. The foundation’s mission states aims to 1) create signature programs which will acknowledge and reward youths who avoid drugs and alcohol and those who choose healthy lifestyles 2) fund organizations which help prevent and treat teenage substance abuse and 3) leverage the integrity and popularity of Derek Jeter by hosting special events for today’s youth which serve as a platform for his message [37]
      ii. In 2016, Michael Jordan donated $1 million to the Institute for Community- Police relations and another $1 million to the NAACP Legal Defense Fund amidst widespread tensions surrounding police-related shootings
      iii. In 2017, Chance the Rapper donated $1 million to support budget-strapped Chicago Public Schools and Bruno Mars donated $1 million to aid victims of Flint's water crisis [38]
      iv. Author J.K. Rowling was named president of One Parent Families, a U.K. nonprofit that supports, educates and advocates for single parents. Rowling, once a single parent herself, has been one of the organization's major supporters and ambassadors since 2000. [40]
   e. A study from the Rutgers School of Business found that donors gave 1.4 percent more to charities associated with celebrities—to the tune of $100,000 annually
      i. Click here to see the ten most charitable celebrities in 2015, according to The Sydney Morning Herald

Lesson 11.3
Functions of Sports and Entertainment Communications

A. There are six primary functions of sports and entertainment communications [41]
   1. Inform and communicate
      a. Communicate information with consumers
      b. Gather, present, and distribute information about the organization or product
      c. Involves publishing programs, brochures, updating web sites etc.
   2. Shape and enhance organization image
      a. Work with "cause" programs
      b. Important to all facets of sports and entertainment marketing, including corporations, teams, leagues, and individuals
      c. This function closely resembles marketing function
      d. Generate goodwill
         i. **Goodwill** is a general willingness to work with a person or organization based on a positive reputation or relationship [42]
         ii. Companies can generate goodwill in a number of ways, often times through an affiliation with a particular sport, team, league or event
   3. Recruiting tool
      a. Extremely important to colleges and Universities for recruiting student athletes
         i. In 2017, the University of Texas generated a lot of publicity with the installation of new, cutting edge lockers and other upgrades for their locker room
            (a) Each locker featured a 43-inch flat screen (which reportedly showed each player's highlights on a loop) with glowing locker doors at an estimated cost of $10,500 per locker
            (b) The Longhorns published player response to seeing the new locker room through various social media channels, no doubt taking advantage of their reaction for future leverage on the recruiting trail
      b. Professional teams also must "recruit" potential draft choices and free agents
         i. In today's era, the recruiting effort can sometimes go beyond the front office
            (a) Several NBA stars, including the Philadelphia 76ers Joel Embiid, actively recruited LeBron James in attempt to get him to join their teams when he declared for free agency in 2018 [43]
      c. Communities recruit franchises and events
         i. The city of Los Angeles prepared a $5.3 billion bid and created a branded website to position itself as the United States' candidate to host the 2024 Olympic Games [44]
            (a) Click here to watch the city's "candidate" presentation on YouTube
            (b) Ultimately, the city's recruiting efforts paid off as the International Olympic Committee awarded the 2028 Summer Games to the city of Los Angeles (Paris, France won the rights to host the 2024 Summer Games)
         ii. In 2016, Las Vegas managed to lure a new NHL team to the city (along with a $500 million franchise fee price tag) with its recruiting efforts
            (a) The organization was aggressive and persistent in their efforts to attract a franchise while demonstrating to the NHL that the city could support a hockey team by gathering 14,000 fan deposits for season tickets
            (b) As part of their recruiting effort, the hopeful franchise owners launched a "Vegas Wants Hockey" website to help maintain momentum with fans and to stay on the NHL's radar

(c) In 2018, Seattle ramped up its efforts to attract an NHL expansion franchise, launching a website (nhlseattle.com) and selling deposits to (hopefully) future season ticket buyers
(i) The group responsible for trying to bring a NHL team to Seattle announced they had sold 33,000 season tickets just four hours after putting them on sale, with a waiting list of more than 4,000

iii. The MLS has announced tentative plans to expand to 28 teams by 2021, leaving 12 cities to compete for 4 expansion franchises
(a) How high is the demand for cities hoping to attract a MLS franchise?
(i) According to sbnation.com, Toronto FC paid just $10 million to join the league in 2007 while David Beckham paid an expansion fee of $25 million for the rights to bring a MLS franchise to Miami in 2014
(ii) Today, the league's expansion fees are $150 million per franchise.
(b) Click here for a story from the MLS website describing how the expansion process works

iv. Major League Baseball commissioner Rob Manfred has expressed interest in expanding the league from 30 to 32 teams
(a) The league isn't expected to expand until 2020, but the list of potential cities that have the infrastructure to support teams is already in place (Montreal, Austin, Vancouver, Mexico City, Charlotte and Nashville)
(b) At the 2017 MLB All-Star game, commissioner Manfred identified three specific cities that would be ideal candidates for expansion: Montreal, Mexico City and Charlotte
(c) In 2018, one report suggested that Portland, Oregon was not a dark horse city to land a MLB expansion franchise, but perhaps a favorite
(i) Click here for a Sporting News story on eigt potential markets that make sense for a potential Major League Baseball expansion

2. Introduce new products or innovations
   a. Build new product awareness and interest
   b. Position new product
3. Generate and collect feedback
   a. Determine acceptance and effectiveness of organizational policies
   b. Gather specific consumer data
      i. Attitudes
      ii. Preferences
      iii. Behaviors
4. Crisis management [45]
   a. A coordinated effort to handle the effects of unfavorable publicity or of an unfavorable event
   b. Proactive crisis management strategies
      i. Forecasting potential crises
      ii. Planning how to handle potential crises such as how an organization will react if a player is associated with a situation that is certain to garner negative media attention
   c. Crisis management often includes a strong focus on public relations to recover any damage to public image and assure consumers that recovery is underway
   d. According to Joe Favorito, sports media expert and author of the book *Sports Publicity*, the key to effective crisis management is keeping everyone on track, following the flow of information, working with public authorities and media who may not be familiar with your situation or practices, and having the organization speak with one voice when problems arise [46]

e. Crisis management examples
   i. In 2015, the University of Illinois paid several PR consulting agencies a reported $70,000 to help with crisis management after both program's football and women's basketball coaches were investigated for mistreatment of players [47]
   ii. FIFA fired and banned three high ranking officials in 2016 after it was determined they illegally gave themselves lengthy contract extensions as well as raises and bonuses totaling more than $80 million over five years
      (a) New FIFA president, Gianni Infantino, has pledged reform and a changed culture in hopes of moving past the scandal in an effort to begin repairing the organization's tarnished image

Lesson 11.4
Integrating Publicity

A. Importance of integration
   1. Many corporations (including those outside of the sports and entertainment industry view public relations as one all-encompassing arena that includes:
      a. Promotion
      b. Sponsorship and endorsement
      c. Marketing
      d. Sales
   2. Sports and entertainment organizations follow the same trend and integrate ticket sales to that mix
   3. Effectively integrating publicity within an organization's marketing strategy positions the rest of the organization for success

B. Publicity affects many other critical components of the sports and entertainment business model
   1. Overall revenue
      a. The sports information director's "assignment is to sell fans the illusion that the outcome of a game is so important that they are willing to support their faith with dollars" [48]
   2. Sales
      a. The presence of negative publicity can have an adverse impact on sales
         i. Statistically, consumers have shown a decline in willingness to support organizations who demonstrate an inability to effectively control or manage their image
         ii. A combination of poor on-field performance and consistent negative publicity off the field resulted in an almost 8,000 fans per game drop in attendance for the 2011 Los Angeles Dodgers for the season [49]
            (a) Under new ownership and a resurgence on the field, the Dodgers attendance rebounded in 2012, increasing by nearly 5,000 fans per game by the all-star break and by 2013, the team was leading the league in attendance
            (b) The franchise, who struggled mightily to fill seats just five seasons ago, have now led the league in attendance for the last five seasons in a row
               (i) Click here to view current MLB attendance figures from espn.com.
         iii. According to NPR, all the negative publicity surrounding the host country (recession, political chaos, high crime, Zika virus) hurt ticket sales for the 2016 Summer Games in Rio
            (a) Only a few months prior to the games less than 50% of tickets had been purchased, figures that are significantly lower than previous Olympic games
            (b) With just two weeks prior to the start of the Paralympic Games (hosted in Rio right after the Olympic Games), only 12% of ticket inventory had been sold despite being priced at around $3 each
               (i) Compare that to the Summer Games in 2012 when the London Paralympics attracted a nearly sold-out crowd
         iv. In 2017, Wells Fargo pulled their sponsorship of the Iditarod (the world's most famous sled dog race)
            (a) Event organizers speculated the decision was based on pressure created publicly by animal rights organizations

v. If a newly released film receives poor reviews from the *New York Times* or negative reviews through social platforms like Rotten Tomatoes, movie-goers are less likely to flock to the theatre to see it
   (a) Hoping to follow the formula that made Sony's '21 Jump Street' a box office success, Paramount enlisted Dwayne "The Rock" Johnson and Zac Efron to star in their 2017 adaptation of the popular television series, 'Baywatch' [50]
   (b) Unfortunately for the studio, sometimes negative publicity can trump even the best marketing and promotional efforts. The movie was crushed by critics and the film flopped.
      (i) Hollywood Reporter explains: "The most striking difference between 21 'Jump Street' and 'Baywatch' was the critical reaction. The former, starring Channing Tatum and Jonah Hill, garnered an 85 percent fresh rating on Rotten Tomatoes, compared to a 19 percent rotten rating for 'Baywatch'." [50]
         1. "*The reviews really hurt the film, which scored great in test screenings. We were all surprised*," says Paramount's Megan Colligan, president of worldwide marketing and distribution. "*It is a brand that maybe relied on a positive critical reaction more than we recognized. The cast could not have done more work in aggressively promoting Baywatch. Dwayne gave this 150 percent."*
   (c) The negative publicity associated with 'Blackfish', a documentary drawing attention to SeaWorld's treatment of killer whales, was still eroding the theme park company's revenues four years after the film's release
      (i) Despite a heavy investment in marketing and promotional efforts, the company has been unable to reverse the trend of declining attendance
      (ii) Increases in marketing expenditures also contributed to declining profits

b. On the flip side, positive publicity can result in a significant uptick in sales
   i. Positive reviews from film critics and fans can provide a nice lift at the box office
      (a) Praised by both critics and fans (91% positive audience rating on Rotten Tomatoes through August of 2017), ew.com says 'Wonder Woman' was the best-reviewed superhero film of all time
         (i) As a result, the film raced out to a $103 million opening weekend at the box office, shattering several records along the way, ultimately surpassing $800 million globally in ticket sales
   ii. The buzz generated by performing at the annual Grammy Awards typically provides an increase in music sales for featured artists
      (a) The 2018 Grammys had a major impact on sales for albums and artists, regardless of whether they won an award or not [51]
         (i) According to data from Nielsen, collectively, GRAMMY performers experienced a 328% gain in song sales in the U.S. on the day of the show
         (ii) Bruno Mars' album *24K Magic* won the Grammy for best album, subsequently sales jumped 156%
   iii. The excitement surrounding the possibility of a horse winning the sport's most prestigious title, the Triple Crown, inevitably gives a big boost to brands affiliated with the sport
      (a) In 2018, with Justify in position to capture the Triple Crown, ticket prices at the Belmont Stakes cost an average of 145 percent more than admission to the event the previous year with merchandise sales also getting a huge lift
   iv. Positive publicity can provide fans with a sense of optimism which often leads to increased sales

(a) According to WMCA Action News, The University of Memphis men's basketball team experienced a boost in ticket sales when they hired well-known and highly respected coach Anfernee "Penny" Hardaway in 2018
(i) The Tigers reported a $4.5 million increase in athletic tickets sales and donations after the hire
(ii) When a picture of the team's new coach was posted of him recruiting players at a camp in Dallas wearing a blue, flat-brimmed hat, the school bookstore immediately sold out of the product

v. Historic moments and "anniversary" events create positive publicity that helps to boost sales
(a) In 2016, the 100th running of the Indy 500 drew a record crowd of 350,000 – roughly 100,000 more fans than attended the race in 2015
(b) In 2018, in celebration of the 100th PGA Championship, event organizers expected to sell over $2 million in headwear merchandise at the tournament's merchandise shop alone

vi. While the idea is not always true, in some cases "any publicity *can be* good publicity"
(a) While many were critical of LaVar Ball's approach to generating publicity leading up to the NBA Draft for his son Lonzo Ball, a standout basketball player at UCLA, the buzz surrounding their "Big Baller Brand" helped bring large crowds to the NBA's Summer League in 2017
(i) *Fast Company* reports the first two games of Lonzo's career as a Laker sold out the Thomas and Mack Center in Las Vegas, marking the first time in Summer League history that a game sold every general admission ticket available (priced at $30)

3. Sponsorship and Endorsement
a. Corporations do not want an affiliation with an individual or organization with image problems
i. After fabricating a story about being robbed at gunpoint during the 2016 Summer Games in Rio, many sports business experts suggested that USA swimmer Ryan Lochte would not only lose over $1 million in sponsorships but would be highly unlikely to find other brands to partner with ever again
(a) Click here to see a list of 15 athletes who were dropped by sponsors because of image issues, costing the athletes millions
ii. Conversely, sports and entertainment properties avoid affiliations with brands that are shrouded in negative publicity
(a) In 2018, after Papa John's founder John Schnatter was heard uttering a racial slur, more than 20 sports teams and leagues either distanced themselves by suspending the relationship or cut ties with the brand altogether, even though Papa John's was a paying sponsor
(i) Major League Baseball suspended its "Papa Slam" promotion while the University of Louisville changed the name of the football stadium from Papa John's Cardinal Stadium to Cardinal Stadium [52]

4. Promotions
a. Some promotions can be offensive to some consumers
i. MiLB's Lexington Legends faced significant fan backlash when their 'Millennials Night' promotion offended a segment of their fan base
(a) The team promised that, upon entering the park, fans would receive a participation ribbon, stating in a news release: "We know it's a big feat to leave the safe confines of your home with Netflix beaconing you to stay on

the couch, so the Legends are ready to congratulate fans on their accomplishment, even if they are still in sweatpants." [53]

b. Promotions may become too “gimmicky” and turn fans off to the product or backfire in a way that creates negative publicity
   i. Woody Harrelson participated in one of Reddit's "Ask Me Anything" (AMA) threads, but the actor's answers infuriated the website's users as he attempted to promote his film, "Rampart." After Harrelson grew frustrated with fan questions and left the discussion, users called it "the worst AMA of all time" and an "epic fail by Woody Harrelson's PR machine." [54]

c. Publicity can help generate revenue in other ways through the implementation of creative promotions
   i. The University of Notre Dame offers membership opportunities for kids 14 and younger to join “Clancy’s Kids Club” for an annual fee of $15. Members receive, among other things, free admission to more than 100 Notre Dame athletic events each year, a newsletter, t-shirts, coupons and invitations to special kid’s club events.[54]
   ii. Kid’s clubs are an effective tool by generating additional revenue as well as enhancing the team’s image
   iii. Kid’s clubs also enable the organization to begin building brand loyalty at a grass roots level

5. Game operations
   a. Game entertainment can become a source of negative publicity for a sports franchise
      i. Music can be too loud at games
      ii. Particular entertainment acts may be offensive to some fans
   b. Game entertainment can also be a valuable source of positive word-of-mouth advertising
      i. A child may choose to wear the face paint to school the next day to show off to friends, sparking interest within the schools. Game entertainment examples like face painting are prevalent among minor league baseball franchises and collegiate athletic events.

6. Merchandise
   a. Sales of team, player, or celebrity related merchandise tends to slump in the wake of negative publicity
   b. Positive publicity or associations can help increase merchandise sales
      i. When news broke that the New York Mets’ would sign former Heisman trophy winning ex-NFL QB Tim Tebow to a minor league baseball contract, sales of jerseys bearing his name shot to #1 among Mets players on MLB’s online store and #3 overall in just one day [55]
      ii. When the Loyola University Chicago men’s basketball team advanced to the Final Four in 2018, sales of Ramblers merchandise skyrocketed by 300%
         (a) The star of the tournament was not even a player, it was the Ramblers’ Sister Jean, the 98-year-old nun and team chaplain, who ESPN noted had been mentioned in over 20,000 stories in the media—more than several high profile coaches in the tournament combined
         (b) The publicity generated by the media attention surrounding the program during its March Madness run helped boost sales of everything from t-shirts to keychains (and Sister Jean bobbleheads, which set a sales record)
      iii. With the buzz generated by a rebranding effort and a move to a new $54 million downtown ballpark, the Charlotte Knights Minor League Baseball club saw merchandise sales increase sevenfold [58]

iv. When the Charlotte Bobcats rebranded (back to the franchise's original name) and became the Charlotte Hornets again, merchandise sales for the year jumped by 300% despite a subpar team performance [59]

7. Television Audience/Ratings
   a. Major League Baseball's decision to change the format of its annual home run derby helped generate more buzz surrounding the Gillette Home Run Derby presented by Head & Shoulders, ultimately resulting in a 26% increase in ratings on ESPN [57]
      i. The event got another boost in 2017 when the league saw a resurgence in home runs for the first half of the season including a record-setting performance from Yankees' breakout star, Aaron Judge
         (a) All the hype and excitement building up to the event led to record ratings, with nearly 9 million fans tuning in to ESPN to watch (representing a 55% increase from 2016)
   b. The NCAA's decision to move football playoff games to Dec. 31 last season proved to be incredibly unpopular with fans
      i. The negative publicity surrounding the decision had a major impact on viewership as ratings fell 40% from the previous season
      ii. The ratings disaster prompted the NCAA playoff committee to reverse their decision to air games on New Year's Eve, instead broadcasting them on the Saturday before in hopes of creating higher ratings
         (a) The decision paid off as ratings for the Peach and Fiesta Bowls increased 14% over 2016 (although ratings were still down from two years prior)

C. It is critical that an organization effectively communicate internally as well as communicating messages externally
   1. Employees in every department should be on the same page
   2. The workforce should be not only informed, but also involved
   3. Employees should be aware and contributing
   4. The organization must exercise the mentality that each employee is the face of the organization
   5. The staff must realize that they are representatives of the organization at all times

Lesson 11.5
The Publicity Plan

A. Publicity plan development considerations [58]
   1. The goal of the plan is to monitor and gauge community response to each organizational effort
   2. Community relations efforts
      a. Speaker's bureau
      b. Clinics and player appearances
      c. Mascot, cheerleaders, and band appearances
      d. Correspondance (fan mail, photo requests, etc.)
   3. It is critical to recognize how consumers perceive the organization as a whole
      a. The organization must have a current understanding of consumer perceptions
      b. The organization must also have an accurate understanding of consumer perceptions
      c. The organization must then manage their publicity plan based on that information
B. Key strategies that should be included in any comprehensive publicity plan include:
   1. Identification of any specific information the organization intends to communicate
   2. A "hook" to make information newsworthy and grab the reader's immediate attention
C. Other popular sports and entertainment publicity plan strategies
   1. Sneak previews to the press prior to your product release
      a. Movie makers with "private screenings" for film critics and media
   2. Careful selection of a spokesperson
   3. Launching an organization scheduled media blitz
   4. Distribution of sequential press releases to encourage media publication of new information
   5. Getting creative
      a. For example, an organization may establish a fun and interactive idea centered on an organization's ticket release or upgrade process
   6. Creating a sense of urgency
      a. For example, the Dallas Mavericks may communicate that tickets for their home opener go on sale to the general public at 10:00 a.m. with a limit of only six tickets per customer
D. Common components of a publicity plan
   1. Press (news) releases
   2. Press kits
   3. Interviews
   4. Photographs
   5. Speeches and appearances at seminars, conventions etc.
   6. Online chats and forums
   7. Community involvement
   8. Local, regional and national talk shows or similar programming
   9. Press conferences
      a. Press conferences take place when an organization spokesperson or the athlete/entertainer addresses the media to answer questions or make announcements [59]
      b. Press conferences generally imply that the organization has a newsworthy announcement featuring information of significant importance
E. Utilizing resources
   1. Organizations make an effort to use all the resources they have available to them

a. Email, fax, Internet
b. Telephone follow up calls
c. Guest speaking opportunities for all staff when available
d. Working with coaches, players and management to create a mutually acceptable expectation level for participation

F. Publicity "stunts"
1. **Publicity stunts** refer to specific events or activities that are activated with the sole purpose of achieving a high level of media coverage and public awareness [60]
2. Publicity stunts can serve as an effective vehicle in generating public "buzz" surrounding an organization or athlete/entertainer
   a. The PR agency responsible for marketing the film "Kong: Skull Island", staged a creative stunt when they placed giant ape "footprints" in five separate locations around Los Angeles
      i. To enhance the imagery and make the footprints look even more realistic, fog machines, broken chairs, crushed vehicles and scenic props were added to the sites to create the illusion that Kong had been wreaking havoc around town [61]
   b. To generate publicity for the start of their inaugural season, Ice Cube's "Big 3" basketball league teamed up with the ad agency Wieden+Kennedy (representing Fox Sports, the official broadcaster of the upstart league) to take over an iconic basketball court in NYC and stage a four-point shooting contest [62]
      i. Click here to see a video
   c. Will Ferrell teamed up for a publicity stunt with Major League Baseball by playing for 10 different positions on 10 different teams in one day during Spring Training (in addition to generating tons of attention for the league and raising nearly $1 million for charity) [63]
      i. Click here to see why mediapost.com called the stunt a "Grand Slam" for MLB
   d. In 2018, MiLB's St. Paul Saints sent out a March Madness tweet promising $10,000 for one lucky fan (via retweet) if a No. 16 seed could knock off a No. 1 – a feat that had never been done in the history of the NCAA men's basketball tournament.
      i. After Maryland-Baltimore County, a sixteen seed, made history and defeated number one seed Virginia, the team was on the hook
      ii. The stunt generated more publicity than the team had imagined (the tweet generated more than 15,000 retweets), but cost the franchise $10,000 (they selected one fan via Facebook Live as the lucky winner) [64]
3. When spontaneous, publicity stunts pose a risk and could yield undesired results
   a. From the *USA Today*: *When U.S. luge slider Kate Hansen posted a video online questioning whether there was a wolf walking down her hallway in the Olympic Village (where athletes stay) during the 2014 Sochi Winter Games, it was part of a hoax involving talk show host Jimmy Kimmel. Hansen, who finished competing Feb. 11 and is staying at the Olympic village, tweeted a video Thursday morning with the hashtag #sochiproblems and #sochifail. The #sochiproblems hashtag was commonly used by visitors to Sochi for complaints surrounding the Games. "I'm not sure about repercussions, but I can tell you that our organization is not happy with the incident," USA Luge spokesman Sandy Caligiore said in an email to USA TODAY Sports. "Sochi problems? Sochi fail? That's not USA Luge speaking."*
      i. Click here to see Hansen discuss the incident on the Kimmel Show
   b. Michael Phelps and the Discovery Channel were widely criticized by fans after they promoted a race between Phelps and a great white shark when the "race" turned out to be nothing more than a race simulated by a computer [65]

c. Animal rights organization, PETA, lost credibility, support (and even members) after the organization sent scantily-clad models to Wimbledon to promote veganism by handing out strawberries and vegan cream in bikinis
   i. Outcry on social media included comments like:
      (a) "Exploitation of women's bodies is never a good look. Another sexist campaign. You value animals over women."
      (b) "This is absolutely disgusting – you should be ashamed of yourselves for this utterly sexist and misogynistic objectification of women."

4. In some instances, an event takes place where the public is not sure whether or not the activity was a publicity stunt
   a. NASCAR driver Jeff Gordon released a video that showed him purportedly taking an unsuspecting car salesman for a wild test drive, sparking a wild debate online as to whether the video was fake
      i. In 2014, Jeff Gordon and Pepsi released a second version of the "test drive" viral video to exact revenge on the blogger who originally called Gordon's video out as "fake" the first time around, this time posing as a cab driver (the video reached over a million views in a few hours
   b. Pepsi's "Uncle Drew" videos (starring Kyrie Irving playing pickup basketball as an old man) have generated millions of views over the past several years
      i. When they were first posted, fans were not sure if the videos were staged
      ii. Pepsi described the video on its YouTube page as such: "*Pepsi MAX went to a pick-up game in Bloomfield, NJ pretending to shoot a documentary on a basketball player named Kevin. When his Uncle Drew came into the game, some magical things happened.*"
      iii. Another video, released just after Irving and the Cleveland Cavaliers won the NBA championship, racked up 1.5 million views despite the fact that most fans were aware the games were not real
         (a) Click here to see the videos on Pepsi's YouTube page
      iv. The campaign was so successful that it spawned a box office film, 'Uncle Drew', which was released in the summer of 2018 and beat box office projections
   c. Several sports teams have engaged fans over the years with April Fool's Day pranks to generate publicity
      i. In 2016, the Oregon Ducks went "all in" on an April Fool's prank, tweeting out an announcement that they would be replacing the Autzen Stadium playing surface with an LED field that would change colors and shoot fireworks whenever the Ducks scored
         (a) The Ducks even posted an entire gallery of images featuring the "construction work" on their athletics website
      ii. In 2018, the NHL's Phoenix Coyotes issued a press release suggesting the franchise had just hired NBA legend and TNT analyst Charles Barkley as a "special advisor" with the bottom of the release reading, "Also, Happy April Fool's Day!"
   d. Despite denials from the Mets' organization upon signing Tim Tebow to a minor league contract, the team's GM admitted nearly a year later that the decision was, in fact, partially a PR ploy
      (a) Said Mr. Alderson in an interview, "*Look, we signed him because he is a good guy, partly because of his celebrity, partly because this is an entertainment business. My attitude is 'why not?*'" [66]

Lesson 11.6
Press Releases

A. Press releases
   1. A **press release** is a prewritten story about an organization or athlete/entertainer that is disseminated to various media [67]
   2. Often referred to as news or media releases
   3. Must be clear and to the point
   4. Every press release must address several specific pieces of information
      a. Date
      b. Release statement
         i. Typically states FOR IMMEDIATE RELEASE or TO BE RELEASED ON
      c. Headline
      d. Contact information
      e. The Lead
         i. Lead paragraph must grab reader's attention
      f. Text (body of release)
         i. Should answer the questions who, what, where, when, why and how
      g. Pitch [68]
         i. The release ends with identifying information, including a phone number and email address. This is where you pitch to the audience
         ii. Example: "Call this number to find out more about the new Dallas Stars "Adopt-a-Family" program
      h. End
         i. Press releases typically end with "end" or "#####"
   5. Must be creative and informative or the organization runs the risk of the media not reporting the information
   6. An effective release will feature a catchy title
      a. According to a study from SEO Agency suggests a properly crafted headline can increase web traffic by 500%
   7. Press releases should be kept to one page if possible

B. Three categories of press releases define when information is disseminated [69]
   1. Pre-release
      a. Occurs before the event takes place
      b. If a team wanted to release the signing of a key free agent to the media, an advance story would alert the media to a press conference the following day
   2. Live-release
      a. Occurs during the event
      b. A second story is released at the actual news release when the new player is formally introduced to the media at the press conference
   3. Post-release
      a. Occurs after the event has taken place
      b. The next few days following the press conference, additional releases are sent out referencing details of the player's new contract, plans for success and past statistics

C. Information an organization may distribute via a press release
   1. Announcement of a team's key free agent acquisition
   2. Release of game schedules
   3. Highlights of a new blockbuster film to be released
   4. Announcement of an upcoming promotion
   5. Description of an upcoming community relations event

Lesson 11.7
Press Kits

A. Press kits are important as they provide much information regarding an organization or event to media in a variety of ways
   1. A press kit is a package of information distributed to the media to assist them in reporting [70]
   2. Press kits could include: [71]
      a. Athlete, entertainer, organization or event background
      b. Fact sheets
      c. Biographies
      d. Photographs
      e. Statistical information
      f. Contact information
      g. Current press releases
      h. Related press clippings
      i. Historical chronologies
      j. Organizational newsletters
      k. Testimonials from key personnel
      l. Recommendations for features
   3. Each piece included in the press kit should include contact information, as press kit material often becomes separated
   4. Many organizations now create an electronic version of the media kit
      a. Ease of distribution
      b. Distribution to more outlets
      c. Allows for incorporation of audio, video and multimedia presentation materials
   5. Frequently, organizations will send annually updated press kits to keep media informed

Lesson 11.8
Social Issues in Sports & Entertainment

A. Social Issues
   1. Social issues in sports and entertainment refer to everything from the ethical actions of athletes, entertainers and sport/entertainment organizations to the sports and entertainment industry's efforts to do their part to positively impact society
      a. **Ethics** are the moral standards by which people judge behavior
      b. Words often associated with ethical behavior could include honesty, integrity, respectfulness, confidentiality, non-discriminating, legal and socially responsible
      c. Most sports and entertainment organizations feel they have an obligation to operate their business from an ethical standpoint
         i. Last year, one of the biggest, most widespread scandals in history rocked the industry with revelations of corruption throughout one of the most powerful organizations in the sports world (FIFA)
            (a) Dozens of FIFA officials were arrested on charges of allegedly pocketing well over $150 million in bribes dating back 24 years
         ii. The NBA moved the 2017 NBA All-Star game from Charlotte, North Carolina after the state passed legislation blocking cities and local governments from passing antidiscrimination measures that could protect gay and transgender people.
            (a) The Charlotte Regional Visitors Authority would later report that the city would lose out on a potential $100 million in economic impact for the area
            (b) After the state made a slight amendment to the bill, the NBA promised to bring the All-Star game back to the city in 2019
         iii. The *Washington Post* reported that, in an effort to protect baseball's integrity, MLB partnered with Genius Sports to monitor and report gambling trends

B. Examples of hot button social issues
   1. The "greening" of sports and entertainment
      a. Today's consumer is more aware of how their buying decisions affect society and the environment around them, and are willing to make choices in their product purchases to have an impact on the world around them
         i. A recent market research study concluded that environmentally-friendly packaging plays a vital role in consumer purchase decisions and helps greener companies gain a competitive advantage over non eco-friendly competitors [72]
            (a) Adidas partnered with Parley on an initiative that would take ocean waste and transform it into clothing and sneakers and recently launched a sneaker made entirely of yarns and filaments reclaimed and recycled from ocean waste and illegal deep-sea gillnets [73]
               (i) Parley is described as "A collaboration space where creators, thinkers and leaders from art, film, music, fashion, technology and science partner up with major brands and environmentalists to raise awareness and to collaborate on projects that can end the destruction of the magic blue universe beneath us: Our Oceans.")
               (ii) In 2018, adidas outfitted every Major League Soccer team with uniforms made from recycled ocean waste
            (b) Puma announced plans to launch a greener packaging initiative by phasing out the traditional cardboard shoe box and replacing it with a new package that includes a bag, ultimately using 65% less cardboard [74]

(c) Nike released a free app (called "Making") to help designers make informed decisions about the environmental impacts of the materials they select, powered by data from the Nike Materials Sustainability Index (a database built on more than seven years of materials research and analysis)
(d) The *Sports Business Journal* reported in 2016 that roughly 60% of teams are selling sponsorships that include 'green' assets

ii. Other examples of the "greening" of sports and entertainment include:
(a) Brazil, the world's largest biofuel producer (in order to be considered "biofuel" the product must contain over 80% renewable materials), transported athletes during the 2014 World Cup in bio-diesel buses containing fuel that is made from 20% recycled oil. [75]
(i) Click here and here for two interesting infographics illustrating Brazil's plans for an even "greener" Olympic Games in 2016
(ii) Despite Brazil's claims of efforts to minimize the carbon footprint of hosting the Olympic Games, the host country has been subject to much criticism for high levels of water pollution with the event just one year away
(b) Lincoln Financial Field in Philadelphia (home to the NFL's Eagles) is powered by solar panels and wind turbines and plans are already in play to capture rain that falls from the stadium roof to potentially flush the toilets or even water the field [76]
(c) NASCAR has the largest recycling and environmental sustainability programs among all U.S. sports. NASCAR has the world's largest solar-powered sports facility, a tree planting program capturing 100% of the emissions produced by on-track racing, and the largest recycling program in sports with Coca-Cola Recycling, Coors Light, Safety-Kleen and Creative Recycling. As NASCAR Green enters its fifth year, it continues to educate NASCAR fans and reduce the sport's environmental impact through strategic partnerships with the teams, tracks, and Official Partners while validating green technologies.
(i) NASCAR's program even features its own Twitter handle (@NASCARGreen)
(d) The Baltimore Orioles' website features an entire page dedicated to informing fans about their commitment to sustainability, including the fact that the team recycles 600,000 pounds of materials annually, encourages bicycle transportation to games and recognizing that only green-friendly cleaning products are used to clean Oriole Park
(e) Nike announced its NBA uniforms would be partially made from recycled plastic bottles
(i) Click here to see the uniforms
(f) Nearly 400 sports teams and venues spanning 14 countries, including almost all NFL, NHL and MLB teams, are members of the Green Sports Alliance, an organization whose goal is to leverage "the cultural and market influence of sports to promote healthy, sustainable communities."
(i) Click here to see how the Atlanta Falcons implemented "green" strategies when building their new home (Mercedes-Benz Stadium)
(ii) Click here to see how the Sacramento Kings focused on sustainability when building the Golden 1 Center (a venue the franchise proclaims as the "greenest arena in the U.S."

2. Gender equality in sports and entertainment
a. Title IX is a federal law enacted in the United States in 1972 that mandates equal educational and athletic opportunities for students of both genders

i. According to the Women's Sports Foundation, one in thirty-five high school girls played sports forty years ago; one in three do today. Before Title IX, fewer than 16,000 women participated in college sports; today that number exceeds 200,000.
ii. The summer of 2012 marked the 40th anniversary of Title IX and for the first time in history, American women outnumbered the number of men representing the United States at the Olympic Games
iii. Eight women now hold the title of "General Manager" in minor league baseball, believed to be the most at any time [77]
iv. In 2012, Shannon Eastin became the first woman to officiate an NFL game when she worked the opening game of the pre-season between the Green Bay Packers and San Diego Chargers
    (a) In 2015, the Arizona Cardinals added Jen Welter to the team's coaching staff to work with the team's inside linebackers as a training camp/preseason intern
    (b) In 2018, Katie Sowers became the second full-time female assistant coach in NFL history when she was hired by the San Francisco 49ers, joining Buffalo Bills quality control coach Kathryn Smith, who last year became the league's first female full-time assistant
v. In 2014, Becky Hammon became the first woman to be hired as an assistant coach in the NBA when the San Antonio Spurs announced that she would be joining head coach Greg Popovich's staff
    (a) In 2015, Hammon led the Spurs to a Summer League championship as the team's head coach
vi. Today, according to the Women's Sports Foundation, all four tennis Grand Slam events offer equal prize money to the male and female winners
vii. When the Association of Surfing Professionals was acquired in 2012, now known as the World Surf League, the new ownership made it a policy that the men's and women's Championship Tour events would offer equal prize money

b. Despite the progress that women's sports have made since the law was enacted, disparity remains
    i. For example, in 1972, women coached 90 percent of women's college athletic teams. Today it's only 42.9 percent. [78]
    ii. According to a newsweek.com report, there remains a large gap in compensation between men and women playing for the United States Soccer Federation
        (a) In 2017, women earned $99,000 only if their team won a minimum of 20 matches – men on the other hand earned $263,320 for the same feat, and were guaranteed $100,000 even if their team lost all 20 games
            (i) The women also received no compensation for any matches played beyond 20, whereas the men were paid between $5,000 and $17,625 for each game played beyond 20
    iii. Male and female golfers and basketball players receive drastically different levels of compensation
        (a) In 2015, the LPGA offered $61.6 million in total prize money, compared to the PGA which offered $320 million
            (i) The top purse for an LPGA major was $4.5 million (the winner received $810,000), compared to $10 million for each of the PGA majors (the winner received $1.8 million)

(b) In 2018, High Post Hoops reported that Diana Taurasi, one of the greatest WNBA players of all-time, earned $115,233 last season. To put that into perspective, it would take an NBA rookie earning the NBA's minimum salary for players with zero experience just 7 games to earn that amount.

3. Racial equality in sports and entertainment
   a. Hiring practices in the sports and entertainment industry have historically demonstrated a racial imbalance
      i. In 2003, the National Football League established the Rooney Rule, requiring all NFL teams to interview minority candidates for head coaching and senior football operations positions
      ii. The 2013 release of the "2012 Racial and Gender Report Card: College Sport" by Central Florida's Institute for Diversity and Ethics in Sport states that the current pool of Division I African-American head coaches (18.6 percent through the 2011-12 season) is at its lowest mark since the 1995-96 season, an area of concern for NCAA officials
         (a) The latest version of the report showed that whites made up 84.2 percent, 91.9 percent, and 95.1 percent of basketball, football, and baseball head coaching positions, respectively, in all divisions of college sports combined
      iii. As of 2018, the NBA as the only men's professional sports league to receive a combined "A" for race and gender in an annual report released by the University of Central Florida's Institute for Diversity and Ethics in Sport, while the WNBA also earned an "A" [79]
         (a) The NFL earned an overall "B" grade, with an "A" for racial hiring practices but a "C" for gender hiring practices
         (b) Major League Baseball scored lowest among professional sports leagues, earning an overall "C+/B-" in a report was released in conjunction with the 71st anniversary of Jackie Robinson breaking MLB's color barrier [80]
      iv. Click here for links to more racial and gender reports from the University of Central Florida's Institute for Diversity and Ethics in Sport

4. Sportsmanship
   a. Sportsmanship and the spirit of competition (competing in a moral and ethical manner and not with a "win at all costs" mentality)
      i. A cheating scandal rocked the 2014 Little League World Series when the U.S. champion, Jackie Robinson West out of Chicago, allegedly used ineligible players
      ii. Another scandal disrupted the 2015 Little League Softball World Series when one team allegedly intentionally tried to lose in an effort to force a three-way tie in the U.S. division that would eliminate an Iowa team that the Washington team wanted to avoid playing in the championship game
         (a) Click here to read more about the 2015 scandal from foxsports.com.
      iii. U.S. women's soccer star Hope Solo was criticized for being "unsportsmanlike" with her comments when she called the Swedish team "a bunch of cowards" following the team's loss to Sweden in the 2016 Summer Games in Rio
      iv. In 2017, two of the world's most popular soccer players were hit with suspensions and fines for treatment of league officials
         (a) Lionel Messi received a four-game ban and was fined $10,000 by FIFA for verbally abusing a match official
         (b) Cristiano Ronaldo Cristiano Ronaldo received a five-match suspension for pushing a referee in the back after being sent off with a red card

v. Also in 2017, an operations employee for the St. Louis Cardinals was given a 46-month prison sentence, fined and banned for life from Major League Baseball for hacking into the Houston Astros' computer system and gaining access to the team's classified information

b. Each year it seems like a professional sports team is under fire for allegedly tanking (intentionally losing games) in an effort to gain a higher draft pick
   i. In 2015, it was the NHL's Buffalo Sabres, which led one Buffalo area sports reporter to publish this story online: "At Every Level of Sport, Tanking Raises Moral Questions"
   ii. Last year, it was NBA teams being accused of tanking for the opportunity to draft LSU's Ben Simmons, one of the most heralded basketball prospects to enter the NBA in recent history
   iii. In 2017, Dallas Mavericks owner Mark Cuban came under scrutiny and received a call from league commissioner, Adam Silver, for his comment, "*once we were eliminated from the playoffs, we did everything we could to lose games*."
   iv. The concept of tanking has long been a conversation in the NFL with several teams in recent years all but admitting they were trying to lose games to secure higher draft picks
      (a) Many experts think if the NFL adopted a draft lottery system they could eliminate teams from losing on purpose

c. In addition to athletes being caught using PEDs, teams will sometimes skirt the rules in effort to gain a competitive edge with the result typically being the organization being called out as "cheaters" by the media and fans
   i. In 2015, the NFL punished the Atlanta Falcons for pumping fake crowd noise into the stadium during games to create more noise when the opposition had the football
   ii. While doping has long been a problem in the sport of cycling, former U.S. champion Greg LeMond alleged in 2015 that riders in major races like the Tour de France could be trying to gain an unfair edge by installing tiny motors in their bikes (according to washingtonpost.com)

5. Sexual Assault and Harassment
   a. 2018 saw the launch of the #metoo movement, as sexual assault and harassment allegations became rampant in the sports and entertainment industry, shining a light on how much work the industry has to do to create a safer environment for women
      i. In Hollywood, several successful producers and popular actors were accused of harassment and assault
      ii. Nearly a dozen high profile executives at Nike were exiled from the company based on claims of harassment in the workplace
      iii. Tampa Bay Buccaneers Jameis Winston, already with a history of sexual misconduct allegations, was suspended three games by the NFL after a female uber driver accused the quarterback of groping her
      iv. Ex–USA Gymnastics and Michigan State athletics doctor Larry Nassar was sentenced to up to 175 years in prison for sexually abusing more than 250 women and girls
      v. At least three female reporters at the 2018 World Cup were sexually harassed, *live and on air*, including Colombian reporter Julieth Gonzalez Theran who was groped and kissed as she was reporting on the tournament

Case Study

Communications in Sports & Entertainment:

A Unit 11 SEM Case Study

Cubs Care connects with its community. It couldn't be any other way, considering the bond that exists between the team and the city of Chicago. The team and its players are woven into the fabric of the North Side of "the windy city." The neighborhood surround- ing Wrigley Field is known as "Wrigleyville," owing as much to the mutual affection between team and fans as to the name of the famous ballpark at its center.

Thousands of non-profit organizations in the Greater Chicago area benefit from the funds and merchandise provided by the team, its players, the fans, and outside contributions. Cubs Care provides "financial support for youth sports, children with special needs, victims of domestic violence, and social service agencies in the community." Established in 1991, the charity has distributed over $12 million and has recently averaged more than $1 million a year.

Funds come from a variety of activities. One of the most popular is the Cubs Convention, an off-season oppor- tunity for fans to interact with players, team management, and broadcasters. To participate, fans must pay an admission fee. The three day event provides attendees with a chance to discuss plans for the upcoming season, have photos taken with their favorite players, and get autographs. In-season events include Meet the Team, Have a Ball, where those donating to Cubs Care can meet with players and receive autographed baseballs and Hey Dad, Wanna Have a Catch, which allows youngsters to play catch in the outfield with parents, run the bases, and spend time touring the playing field. Participants also receive baseballs, T-shirts, and can eat lunch in the Friendly Confines Café.

Players' wives also help by participating in food drives, writing and editing books (Wrigley Field, A to Z is one recent publication), and organizing charity events.

Much effort goes into promoting youth baseball in Chicago. Cubs Care grants not only support Little League and other youth programs, but also have been used to rehabilitate and upgrade several fields. The fund has partnered with local agencies to refurbish and build four diamonds, named "Legends Fields" in honor of former Cubs players, at Hamlin Park. A $500,000 donation, made in partnership with the Chicago Park Dis- trict, the City of Chicago, and the Thillens family, also helped revive Thillens Stadium, a historic local field first opened in 1938.

Case Study Questions

1. What role does the team's management of Cubs Care play in its overall marketing strategy?

2. Can you think of other fund raising activities that would be consistent with the team's approach to its participation in Cubs Care?

3. Why are community relations programs important to sports and entertainment organizations? Are they also impor- tant to athletes and celebrities? Why or why not?

4. Would a program similar to Cubs Care work as well in another city or in another sport where the fans are less passion- ate about the team, where the team hasn't been around as long, or where the ties between team and community are not as strong? Why or why not?

Source: Pitching In, Fielding Dreams, Chicago National League Ball Club, L.L.C.

Unit 11 Discussion Question Review

How do you find out when your favorite team is playing its next home game? Where do you go to find out how well your favorite player is performing? How do you know when your favorite actor will be featured in a new movie? What other sources might be available to help you find that information?

In today's information age, this kind of information is readily available in a number of formats. In most cases, information is distributed by the sports or entertainment organization. In other cases (typically the source of negative publicity), a story may be broken by a member of the media.

These could include:

- Internet
- Newspaper
- Television
- Radio
- Magazines

What instances can you think of where an athlete or entertainer has engaged in activities that generated negative publicity for themselves or the organization that employed them? What was the activity? How did you hear about that activity? Did that act have a negative impact on the celebrity or organization? Why or why not?

A hot topic now among sports fans and enthusiasts is the use of illegal performance enhancing drugs (steroids) among Major League baseball players. Other issues that seem prevalent among celebrities and entertainers include drug use/abuse and public behavior not conducive with the public's perception of how "role models" should act.

What instances can you think of where an athlete or entertainer has engaged in activities that generated negative publicity for themselves or the organization that employed them? What was the activity? How did you hear about that activity? Did that act have a negative impact on the celebrity or organization? Why or why not?

Many times celebrities will get involved with events in which the general public is very aware. There is probably no better example of this right now than the negative publicity surrounding several of the major league sports (steroid scandal, Barry Bonds and Major League Baseball…NBA referee allegedly fixing games for gambling purposes…Michael Vick in the NFL).

Think about some of the stories you have read in the news recently and how they apply to the sports and entertainment industry. Can you think of any social issues that impact the business of sports and entertainment?

Social issues in sports and entertainment refer to everything from ethical actions of athletes, entertainers and sports/entertainment organizations to the industry's efforts to do their part to positively impact society.

Unit 11 Key Words Defined

Community Relations: Focus on an individual or organization's commitment to bettering their community

Ethics: The moral standards by which people judge behavior

Foundation: An association established by an organization, athlete or celebrity to maintain, assist, or finance other institutions or programs that are of an educational, charitable, or social nature

Goodwill: A general willingness to work with a person or organization based on a positive reputation or relationship

Media Relations: The relationship between an organization and the media

Press Release: Prewritten story about an organization or athlete/entertainer that is disseminated to various media

Public Relations: Activities that promote the image and communications an organization has with its employees, customers and public

Publicity: Public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization

Publicity Stunt: Specific events or activities that are activated with the sole purpose of achieving a high level of media coverage and public awareness

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Unit 12: Careers in Sports & Entertainment

Overview

Unit twelve focuses on the broad range of career opportunities in the sports and entertainment industry. In this section, it is important to distinguish the difference between potential careers in operations and those careers in business. The incredible growth of the sports and entertainment marketing field provides increased opportunities for business careers within the industry.

Objectives

1) Identify the four primary career segments available in the sports industry
2) Identify career opportunities specific to entertainment
3) Discuss the future of the SEM job market
4) Discuss the preparation required for a career in SEM
5) Explain why a cover letter and resume are important

Lessons

Lesson 12.1 Careers in Sports
Lesson 12.2 Careers in Entertainment
Lesson 12.3 Preparing for Sports and Entertainment Marketing Careers
Lesson 12.4 Cover Letters & Resumes
Lesson 12.5 The Job Market

Key Terms

Career Development
Cover Letter
Resume

Lesson 12.1
Careers in Sports

A. Size and scope
   1. The sports industry accounts for over 3 million jobs in the U.S. alone [1]
      a. There are 12,660 professional US athletes [1]
      b. Florida's golf industry creates nearly 167,000 jobs
      c. Under Armour employs over 5,000 people
      d. ESPN employs more than 6,500 employees
      e. Globally, Nike employs more than 44,000 people
   2. The inevitable incorporation of new growth areas such as e-commerce and new technologies points to a broader field with multiple new career opportunities
   3. According to Melvin Helitzer's book, *The Dream Job*, a new sports publication is launched on nearly a weekly basis

B. Sports operations (management) careers
   1. Sports operations careers are actively involved with what happens on the court or field and less involved with the business aspect of the field
   2. Potential career paths
      a. Scouting
      b. Coaching
      c. Athletic training
      d. Video coordinator
      e. Equipment manager
      f. General manager
      g. Player development
      h. Operations
      i. Strength and conditioning
      j. Travel and accommodations management
      k. Performance Analytics
   3. Sports operations career profile
      a. The Video Coordinator for the Portland Trailblazers is responsible for providing video for basketball staff. The basketball staff uses the film to breakdown games and for scouting purposes. This position is extremely important, as video enables a team to gain an inside edge on competitors as they study opponent strategies and player tendencies. The job becomes increasingly demanding during the season, as the team plays many games and he is required to provide video on short notice. [2]

C. Corporate sports marketing careers
   1. Many major corporations like Pepsi, Coca Cola, Visa, American Express, and Federal Express employ individuals to manage their promotional campaigns, domestic and global sponsorship efforts as well as domestic and international sporting events and entertainment
   2. Potential positions in corporate sports marketing
      a. Sports Media Coordinator
      b. Suite Ticket Manager
      c. VP of Sports and Entertainment Marketing
      d. Director of Event and Sponsorship Marketing
      e. Corporate Communications Manager
         i. Helps develop the organization's brand and marketing activities
      f. Business Analytics
      g. Social Media Manager

3. Corporate sports marketing career profile
    a. The Sports Partnership Marketing Manager for a Fortune 500 company (Coca-Cola for example) might be responsible for overseeing a $200 million sports and entertainment marketing budget. He or she might be responsible for all media planning and advertising purchasing for the company's related brands. He or she might also be the company's representation in sponsorship negotiations and/or supervising any events the company is participating in. [3]

D. Sports business careers
1. Careers in sports business focus on helping the organization achieve its financial goals in some way, shape or form
    a. Major league sports (NBA, MLB, NFL, NHL, PGA, MLS)
        i. Tennis, lacrosse, beach volleyball, bowling
    b. Collegiate sports
    c. Motor sports
    d. Action sports
    e. Minor league sports
    f. Contact sports (Boxing, MMA)
    g. Horse racing
    h. Rodeo
2. Potential sports business career paths
    a. Ticket sales
    b. Sponsorship sales
    c. Marketing
    d. PR & Communications
    e. Legal
    f. Finance and accounting
    g. Information technologies
    h. Graphics design
    i. Box office
    j. Broadcast and journalism
    k. Publications
    l. Customer service
    m. Game operations
3. Sports business career profile
    a. The Vice President Public Relations, Madison Square Garden Sports oversees all of MSG Sports business public relations activity relating to the trade, business, consumer media, internal communications and industry relations. The position works closely with all divisions to ensure integrated activities and communication and also works closely with MSG Sports management to create targeted, impactful public relations plans that meet short and long term business objectives, support critical marketing partnerships, and powerfully deliver key messages to target audiences. [4]

E. Recreation and fitness careers
1. Because of the broad range of industry segments covered, recreation and fitness careers offer many different career opportunities
2. Potential careers
    a. Athletic Director
    b. Parks and Recreation Director/Manager
    c. Exercise Physiologist
    d. Corporate Fitness Director
    e. Fitness Program Coordinator
    f. Personal Trainer

g. Physical Therapist
h. Sports Nutritionist
i. Wellness Coordinator
j. Recreation Center Director
k. Park Planner
l. Marketing and Sales Directors
m. Finance/Accounting
n. Sales Representative

3. Recreation and fitness career profile
   a. The Group Fitness Director for the Hawthorn Farm Athletic Club in Portland, Oregon is responsible for managing over 90 hours of classes per week ranging from cycling to aquatics and pilates and everything in between. He or she might be an ACE and AFFA certified group fitness instructor with additional certifications in BODYPUMP, BODYCOMBAT and Cycling. [5]

F. Additional sports related career fields
   1. Sports agencies and professional services
      a. Specialty services
         i. Sports law
         ii. Advertising
         iii. Accounting
         iv. Sports medicine
         v. Event management and marketing
         vi. Sponsorship
         vii. Collegiate multi-media rights management
            (a) Learfield Sports, ISP Sports, IMG College
      b. Sports agents
         i. Jerry Maguire movie - “Show me the money”
         ii. “Super” agents such as David Falk and Drew Rosenhaus
         iii. Athlete representation agencies such as IMG
      c. Celebrity Speakers Bureau
   2. Facility management
      a. Manage facilities such as stadiums, arenas, golf courses etc.
         i. Comcast-Spectacor and Global Spectrum
      b. Concessionaires
         i. Manage the food and beverage service for stadiums, venues and other sports or entertainment related facilities
            (a) Aramark, Levy Restaurants, Centerplate, Sportservice
   3. Sports associations
      a. International Olympic Committee (IOC)
      b. United States Golf Association (USGA)
      c. United States Youth Soccer Association (USYSA)
   4. Sports corporations
      a. Colorado Springs Sports Corporation
      b. Oregon Sports Authority
      c. Florida Sports Foundation
      d. St. Louis Sports Commission
   5. Sporting goods, footwear and apparel
      a. Manufacturers
         i. Nike, Adidas, Under Armour, Reebok, Puma
         ii. Burton, O’Neill
         iii. Rawlings, Spalding, Wilson

b. Wholesalers
    i. Distribute to retailers from manufacturers
c. Retailers
    i. Champs
    ii. Foot Locker
    iii. Dick's Sporting Goods

Lesson 12.2
Careers in Entertainment

A. Potential career paths within segments of the entertainment industry
   1. Gaming
      a. Video games
      b. Computer games
      c. Board games
   2. Music
      a. Songwriting
      b. Performing
   3. Acting
      a. Television
      b. Film
      c. Screenwriting
      d. Script writing (television)
   4. Comedy
      a. Stand up performer
      b. Writer
   5. Theme Parks
      a. Theme park engineer
      b. Theme park management; event planner; coordinator
   6. Travel
      a. Travel director
      b. Local, domestic, international tours and cruises
   7. Writing
      a. Magazines
      b. Fiction
      c. Non fiction
   8. Arts
      a. Painting
      b. Sculpting
      c. Illustration

B. Entertainment job functions
   1. Specific job functions within the entertainment industry [6]
      a. Sales
      b. Marketing
      c. Financial management
      d. Legal work or consulting
      e. Negotiations
      f. Personnel management
      g. General maintenance
      h. Distribution
   2. Entertainment business career profile
      a. The Senior Vice President of Marketing for Six Flags Amusement Park in St. Louis directs the worldwide strategic marketing initiative for the company. He oversees advertising, public relations, research, sponsorships, promotions and group sales, and works closely with the company's regional vice presidents of marketing, the corporate vice president of public relations and marketing directors at the parks worldwide. [7]

Lesson 12.3
Preparing for Sports and Entertainment Marketing Careers

A. Although securing a job in the competitive field of sports and entertainment marketing is challenging, young professionals can begin preparing themselves now
   1. Personal skills and passion assessment
   2. Matching skills with interests
   3. Self preparation
      a. Researching
      b. Learning about the industry
      c. Becoming an expert in the field
   4. Networking
   5. Gaining experience
   6. Initiating contact and an aggressive job/internship/volunteer search

B. Employment tools
   1. Cover letters
   2. The **resume** provides background information about a prospective employee
   3. Quality professional and personal references
   4. Online profile(s) – LinkedIn, Facebook
   5. Employers often request documentation to be submitted electronically via email or via an online website
   6. Cover letters, job interviews and resumes are all valuable employment tools for both the employer and prospective employee

C. Career development
   1. **Career development** refers to the process of gaining the skills and knowledge necessary for, in the short term, beginning a career in a desired field and, in the long term, creating opportunities for career advancement
   2. Athletes and celebrities aren't the only ones who should be developing a personal brand
      a. From the *Montreal Gazette*: "*Regardless of age, regardless of position, regardless of the business we happen to be in, all of us need to understand the importance of branding. We are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be head marketer for the brand called You. You're every bit as much a brand as Nike, Coke, Pepsi, or the Body Shop*."
      b. The career development process includes building your personal brand in an effort to become more marketable to prospective employers
   3. In addition to creating an effective cover letter and resume, there are a number of ways to build your personal brand
      a. Reading as much about the industry as you can
      b. Talking with industry professionals to learn more about the business
      c. Networking
      d. Volunteering, participating in an internship opportunity
      e. Online presence: LinkedIn, Facebook, etc

D. Interview process
   1. Careful preparation for the interview is essential
      a. Learn as much as possible about the company and the products and/or services they provide prior to the interview
      b. The individual should bring a copy of the resume and references for interviewer
      c. The interviewee must understand what the employer is looking for in prospective employees and tailor their skill sets, cover letter and resume to fit those needs
      d. Interviewee should dress appropriately

   e. Interviewee must offer a firm handshake during the introduction and look the interviewer in the eyes
2. After the interview
   a. The interviewee should send the interviewer a note thanking them for the opportunity and for their time as quickly as possible
   b. The prospective employee should place a follow up call to employer within one week following the interview

Lesson 12.4
Cover Letters & Resumes

A. The **cover letter** (also known as a letter of introduction or letter of application) tells the employer the type of position the individual is seeking and specifically how the applicant is qualified to fill the job opening
   1. An effective cover letter will:
      a. Draw the attention of the reader
      b. Encourage careful review of the resume
      c. Successfully highlight key personal achievements
      d. Explain why the candidate's skill set is an effective match for the position
   2. Cover letters should:
      a. Be addressed to prospective employer
      b. Specifically identify the position being offered
      c. Include a description of skill matches (qualifications)
      d. Highlight specific, applicable achievements
      e. Reaffirm interest in position
      f. State willingness and desire to meet face to face (interview)

B. A quality resume will help the individual reach the interview process, resumes that are not well prepared will likely be discarded
   1. An effective resume will include:
      a. Contact information
         i. Name
         ii. Address
         iii. Telephone number
         iv. E-mail address
      b. Experience and employment history
         i. Description of duties and responsibilities
         ii. Traditionally listed in reverse chronological order
      c. Education
         i. List of schools attended and degrees earned
         ii. Should include dates attended and related coursework
         iii. Include list of certificates, training, and/or licenses obtained
      d. Personal achievements
         i. List of affiliations with personal or professional organizations including volunteer or charitable organizations
         ii. Include personal and professional awards or recognition
      e. Reference list
         i. List of people prospective employers may contact for more information regarding an applicant
         ii. Include the name, title, name and location of business, telephone and fax number, and e-mail address
         iii. Avoid using family members as references
         iv. Portfolio (collection of relevant work) might be requested by some employers

Lesson 12.5
The Job Market

A. Forecast
   1. Although the competition for careers in sports and entertainment business is fierce, the field has experienced and will continue to experience rapid growth
      a. The expansion of major league sports, growth of minor league sports and rapid expansion of sports related ventures by corporate giants like Disney, Warner and Fox indicate continued growth in job opportunities
      b. Introduction of new entertainment and the rise in popularity of existing entertainment opportunities (action sports, rodeos, fishing)
   2. Making oneself more marketable as an individual becomes increasingly important
      a. Gain experience
      b. Become knowledgeable
      c. Have a *desire* to learn (anyone is willing to learn, not everyone truly *wants* to learn)
      d. Strong references
         i. Job seekers in sports and entertainment must perform well when given the opportunity to gain the confidence of employers
            (a) Strong performance will result in positive recommendations for future positions, either within the existing organization or with another company
   3. Importance of networking
      a. It is often said that "it isn't what you know but rather who you know." That couldn't be more accurate when it comes to the business of sports and entertainment and the employment process.
      b. The development of a strong network and ability to impress employers with hard work, dedication and effective job performance are paramount in building a career in the sports and entertainment industry
      c. Use of social media such as LinkedIn and Facebook can influence the employment process, both positively and negatively. While enabling people to connect with potential employers, it has also led to applicants being "shut off" because of "inappropriate" messages or pictures posted to social media accounts. Employers do check these sites!
   4. Expectations
      a. Careers in the sports and entertainment industry are in extremely high demand. Because of that demand, employers are in a position to offer lower salaries than similar positions in other industries.
         i. According to sportscareers.com, there is an overabundance of people seeking work in sports and willing to work for less money
      b. Job seekers must recognize the level of commitment required by professionals in the sports and entertainment industry. Most jobs require long hours on a pretty consistent basis.
      c. A willingness to make sacrifices is paramount
         i. According to sportscareers.com, the average sports worker will change jobs 8 times, and make 3 career changes, contributing to an annual industry turnover rate nearing 65% [8]
         ii. Job seekers should be willing to move because there are only a limited number of potential positions in each respective market
      d. Competition for jobs in sports and entertainment is very high. As such, a positive attitude, strong work ethic and track record of success on-the-job are all essential characteristics for distinguishing candidates from one another

e. In 2017, the general manager of the Atlanta Braves, John Coppolella, gave the following sports industry career advice to young fans: "*Look for internships. Don't worry about the money. Work hard & don't have expectations beyond being part of a team. Assume nothing*."
   i. Click here for more career advice from Mr. Coppolella at cnbc.com.
f. Although sports and entertainment professionals often make less money and work longer hours than a similar position outside of the industry, one thing remains constant: most sports and entertainment industry professionals enjoy going to work every day.

5. Realistic expectations of a sports or entertainment career
   a. Just because someone works for the Dallas Cowboys does not necessarily mean they will be watching games every Sunday from a luxury suite. Working for Warner Brothers Studios does not mean an employee will be hanging out with Cameron Diaz or George Clooney on weekends.
   b. Many times, regardless of degree, job seekers must start with entry level positions just to get a foot in the door

B. Resources
1. Industry books, magazines, periodicals and trade journals
2. Newspapers
3. Guidance counselor
4. School career centers
5. Online resources
   a. Monster.com
   b. http://www.nikebiz.com
   c. http://www.corporate.disney.go.com/careers
   d. http://www.teamworkonline.com
   e. http://www2.ncaa.org/portal/employment
   f. http://www.warnerbroscareers.com
   g. https://www.linkedin.com/
6. Additional sources for job leads [9]
   a. Company personnel offices
   b. Cooperative education experiences
   c. Employment agencies
   d. Family and friends
   e. Former employers
   f. Internships
   g. Job fairs
   h. Newspaper ads
   i. Placement agencies
   j. School personnel, such as career development coordinators, counselors and teachers

C. Forecast
1. Although the competition for careers in sports and entertainment business is fierce, the field has experienced and will continue to experience rapid growth
2. Click here for advice from over 25 industry professionals on working on social media and sports from industry expert Jessica Smith

Case Study

Careers in Sports & Entertainment:

A Unit 12 SEM Case Study

When Ryan Langan was a student at the University of Wisconsin-La Crosse majoring in Sports Management, the Vice President of a local minor league basketball team was featured as a guest speaker in a class. Immediately following class, Mr. Langan approached the speaker and asked about internship opportunities with the team. Soon, he was involved in many aspects of the team's day to day activities.

The following year, the team's Vice President left the franchise to pursue an op- portunity with another organization, but Mr. Langan was promoted to Director of Sales, where he was responsible for overseeing the development of corporate partnerships with local businesses as well as many other aspects of the team's daily business operation.

After several years with the basketball team, Mr. Langan received a call from the recently departed Vice President, asking if he might have some interest in joining the Portland Trail Blazers ticket sales team. After weighing his options, Mr. Langan chose to interview with the Blazers, accepting a position soon after.

While with the Portland Trail Blazers, he went back to school to pursue an MBA at the University of Portland. Upon receiving the degree, Mr. Langan would learn that one of his professors would be leaving the University of Portland to accept the position of Dean of the Business School at the Uni- versity of South Florida in St. Petersburg, Florida. He would later recruit Mr. Langan to join his staff as an Instructor of Sports Marketing. His class featured guest speakers from sports executives across the nation and was one of the first classes on campus to fill up each semester.

Case Study Questions

1.) Do you think networking played an important role in helping Mr. Langan get to where he is today? Why or why not?

2.) Was Mr. Langan proactive in his pursuit of a career in the sports industry? Do you think that helped to advance his career in any way? Why or why not?

3.) Did his internship have any impact on breaking into the field as a sports marketing professional?

Unit 12 Discussion Question Review

Do you think there are many career opportunities in sports and entertainment? Why or why not?

There are a number of career paths in the sports and entertainment industry. Many potential avenues get overlooked by career seekers, such as careers in the health and fitness industry or working for a ma- jor corporation with their sports and entertainment marketing relationships (such as a Sports Marketing Executive position for Pepsi or Ford Motor Company).

Do you think a potential career in this industry is attainable? How competitive do you think careers in this field can be?

As stated previously, there are a number of opportunities and possible paths in the industry. However, competition for available positions can be fierce. The demand for sports and entertainment jobs is incredibly high. The candidates with the best chance of fulfilling an open position are those who have effectively marketed themselves through networking and gaining field experience.

By a show of hands, how many people in the class know what a resume is? How many have actually prepared a resume in the past? Why is a resume important? Can you pursue a professional career in sports and entertainment without one?

The resume is any individual's gateway to obtaining a job in any field. It is one of the most important tools in helping candidates land jobs, as it allows employers to quickly get a snapshot of candidate qualifications, experience and highlights of individual skills and accomplishments. Without a resume, a career in sports and entertainment would be next to impossible to achieve.

How would someone go about finding out about potential job openings? What do you think an individual would need to do to increase their marketability to sports and entertainment industry employers?

Networking and gaining experience through volunteer and internship opportunities are the most effec- tive means for securing future positions within the sports and entertainment industry. Individuals can learn more about job openings through trade journals, industry publications and the Internet.

SCC Events Programs

Each year, SCC hosts a series of sports and entertainment business and marketing education related events, designed to provide students with an exclusive, behind-the-scenes look at the industry. SCC is also dedicated to providing professional development for teachers through event programs that help connect educators with industry.

Previous events have included sports marketing workshops on college campuses for students featuring industry guest speakers, facility tours and campus tours. Our summer sports marketing summit provides educators with a forum to exchange ideas, share best practices, learn from industry professionals and have some fun visiting stadiums and arenas.

Our "academy" series of events is more specialized, focusing on unique areas of the industry and connecting students with professionals who can help them to realize their dreams. Past academy events have included shoe design academies on campus at Nike, broadcast and journalism academies, advertising workshops led by agency executives and digital sports marketing conferences. Email us at scc@sportscareerconsulting.com if you'd like to be alerted of opportunities in your area!

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About Sports Career Consulting

Sports Career Consulting offers the leading resources for sports and entertainment business education as well as events to high school educators around the country. SCC provides many resources, experiences and opportunities to learn about the business of sports and entertainment in and out of the classroom. Through our unique curriculum and events, high school students everywhere have an exceptional opportunity to learn fundamental business and marketing principles and then to apply that knowledge by taking an active role in marketing school sports, entertainment, fundraisers and events.

SCC's core educational programs will appeal to many different teaching styles. For the traditional approach, SCC offers a membership to the Education Resource Center (ERC). When you join the ERC community, you will receive a cd-rom that is packed with instructional material, from unit outlines, student handouts and exams to PowerPoints, classroom games and project ideas. ERC members also gain access to SCC's website where they can participate in our idea exchange forum, download podcasts, peruse newsletter archives and download any updated or new instructional materials throughout the school year.

For teachers who prefer a more project-oriented approach, SCC's Sports Business Program (SBP) offers a perfect solution for your needs. The SBP teacher's guide will take you step-by-step through the process of transforming your classroom into a live, operational sports/entertainment business company where you will quickly find that creating an experiential based learning atmosphere will be a snap! Upon joining the SBP membership community, teachers receive a cd-rom loaded with resources to supplement the teacher's guide, including classroom activities, team marketing samples, marketing advice from industry executives for guidance in running your new business, templates for developing your sales and marketing material and much more!

Of course, for the teacher who wants it all, SCC offers a combo-package membership. The ERC and SBP were created specifically to compliment one another.

ERC and SBP members will also receive a sports and entertainment industry newsletter every Monday morning complete with links to related current events and corresponding questions for classroom discussion, just in time to help with the week's lesson planning. Visit www.sportscareerconsulting.com/learnmore to further explore membership opportunities.

SPORTS CAREER CONSULTING

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Entertainment Business Education and Events

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