

The Business of Sports & Entertainment



Student Workbook

2nd Edition

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UNIT 1

History and Evolution of SEM



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.

Unit 1: History of SEM

Objectives

- 1) Define the acronym SEM
- 2) Identify factors that contributed to the growth of the sports and entertainment industry
- 3) Discuss the impact specific individuals had on the evolution of the industry
- 4) Recognize specific milestones relevant to industry growth
- 5) Define media

Lessons

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

Key Terms

Media
SEM

Discussion Topics

The sports and entertainment industry is a multi-billion dollar field. What factors do you think led to its enormous growth?

Increased media coverage has had a major impact on industry growth. What are some of the different ways you could follow your favorite team or celebrity?

Can you think of any individuals that may have helped sports and entertainment grow to the size it is today?

Lesson 1.1 - Student Notes

Genesis of Sports and Entertainment Marketing

- A. The origins of sports and entertainment marketing
1. Define **SEM**
 - a. SEM is
 2. Sports and entertainment marketing is a relatively new player in a field of multi-billion dollar industries. What specific events have influenced its enormous growth?
 - a. Forms of sports marketing started as early as
 3. How large is the sports industry?
 - a. Comparatively:
 - 1.
 - 2.
 4. Sports industry revenue breakdown (in 2004)
 - a. \$27.4 billion spent on _____
 - b. \$26.2 billion spent on _____
 - c. \$25.6 billion spent on _____
 - d. \$15.3 billion spent on _____
 - e. \$10.5 billion spent on _____
 - f. \$7.0 billion spent on _____
 - g. \$897 million spent on _____
 - h. \$239.1 million spent on _____
 5. Entertainment industry projected consumer spending by 2006
 - a. _____ - \$2 trillion
 - b. _____ - \$332 billion
 - c. _____ - \$251 billion
 - d. _____ - \$228 billion
 - e. _____ - \$103 billion
 - f. _____ - \$89 billion
 - g. _____ - \$49 billion

Lesson 1.2 - Student Notes

Factors Contributing to Industry Growth

A. Factors that led to industry growth

1.

2.

3.

4.

5.

6.

B. Are there signs of continued growth? Give an example of why or why not.

1.

Lesson 1.3 - Student Notes

Media Impact on Industry Growth

- A. Define media
 - 1. **Media**
 - 2. Example of how media has impacted growth
 - a.
- B. The progression of media and its impact on the business of sports has been significantly influenced by several events. Give five examples.
 - 1.
 - 2.
 - 3.
 - 4.
 - 5.
- C. In the early days of team sports, concessions and tickets provided the only real source of revenue for team owners. What outlets are available to sports teams today for driving revenue?
 - 1.
 - 2.
 - 3.
 - 4.
 - 5.
 - 6.
 - 7.
- D. Give two examples of how sports and entertainment business coverage has become widespread and easily accessible
 - 1.
 - 2.

Lesson 1.4 - Student Notes

Industry Pioneers

A. Discuss the legacy of sports industry pioneers and their impact on the industry's evolution. In the space below, identify at least one accomplishment associated with each respective individual.

1. Pierre de Coubertin
2. Bill Veeck
3. Mark McCormack
4. Mildred "Babe" Didrikson Zaharias
5. Roone Arledge
6. Jackie Robinson
7. Mohammed Ali
8. William (Bill) H.G. France Sr.
9. Pete Rozelle
10. Michael Jordan
11. David Stern
12. Jon Spoelstra
13. Phil Knight

Lesson 1.4 - Student Notes

Industry Pioneers

A. Discuss the legacy of entertainment industry pioneers and their impact on the industry's evolution. In the space below, identify at least one accomplishment associated with each respective individual.

1. P.T. Barnum
2. Walt Disney
3. Adolph Zukor
4. Charlie Chaplin
5. Louis Armstrong
6. Lucille Ball
7. Jerry Siegel and Joe Schuster
8. Rodgers & Hammerstein (Richard Rodgers & Oscar Hammerstein)
9. The Beatles
10. Elvis Presley
11. William Hanna and Joseph Barbera
12. Theodor Seuss Geisel ("Dr. Seuss")
13. Hiroshi Yamauchi
14. Steve Allen, Ed Sullivan, Johnny Carson

Lesson 1.4 - Student Notes

Industry Pioneers

- A. Discuss the legacy of entertainment industry pioneers and their impact on the industry's evolution. In the space below, identify at least one accomplishment associated with each respective individual.

15. Mort Sahl

16. Jim Henson

17. Steven Spielberg

18. Steve Jobs

19. Vince McMahon

20. Michael Jackson

21. JK Rowling

22. Ted Turner

23. Sean "Puffy" Combs (Diddy)

24. Shawn Fanning & Sean Parker

Lesson 1.5 - Student Notes

Important Milestones in SEM History

A. Key dates in the history of sports marketing

1. 1869
2. 1923
3. 1928
4. 1949
5. 1951
6. 1979
7. 1980
8. 1984
9. 2003
10. 2006

B. Key dates in the history of entertainment marketing

1. 1550-1700
2. 1919
3. 1920
4. 1931
5. 1951
6. 1955
7. 1961
8. 1980
9. 1981
10. 1981
11. 1983
12. 1985
13. 1991
14. 1996
15. 2003

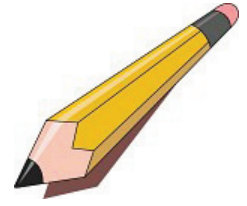
Lesson 1.6 - Student Notes

Where Are We Now?

- A. How big is the sports industry now?
 - 1. According to the *Sports Business Journal*
 - a.
 - b.
 - c.
 - 2. According to ESPN.COM
 - a.
 - 3. According to the *Detroit News*
 - a.
- B. How large has the entertainment industry become?
 - 1. Movies
 - a.
 - b.
 - 2. Music
 - a.
 - b.
 - 3. Books
 - a.
 - i.
 - ii.
 - 4. Computer and video game software
 - a.
 - b.

Unit 1 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit One Activities



Case Study

Industry Pioneers: A Unit 1 SEM Case Study

Many people know the legacy of PT Barnum, particularly the creation of the circus as we know it today. His accomplishments as an entertainment marketer are legendary.

Barnum also enjoyed some success as a politician. He served several terms as a State legislator in Connecticut and is credited with casting the deciding vote for abolishing slavery after the Civil War.

Perhaps the most interesting accomplishment of Barnum's legacy, however, is the impact he had on the English language. It could be argued that he introduced more terms to our language than any other individual in modern history.

For example, Barnum would refer to the actions of prominent people who would sit in the best seats at the circus for the sole purpose of being noticed as "grandstanding."

After a local politician threw his hat into a circus ring at a Barnum show to declare his candidacy, the phrase "throwing your hat in the ring" was born.

When the time came to load all the circus animals on the train for departure for the next city, Barnum would declare that it was "time to get the show on the road."

Because his shows were always under the famous big top canopy, there would always be a performance, regardless of weather conditions. Barnum would proclaim that his shows would go on "rain or shine".

Barnum's proclamation that his show was "the greatest show on earth" is a catch phrase associated with the circus to this day.

Ironically, the phrase he is perhaps most often credited with coining ("a sucker is born every minute") was never uttered by PT Barnum.



**** Case Study Questions ****

- 1.) Do you think PT Barnum's impact as a marketing pioneer has any affect on today's sports and entertainment industry executives? Why or why not?
- 2.) Do you think Barnum's introduction of the phrases identified in this case study are an indication of his ability to effectively market his product? Why or why not?

Unit 1 Student Assignment

Sports & Entertainment Business History

Student Name _____

Class Period _____

Assignment Instructions:

Using a newspaper, magazine, trade journal or the Internet, research an important individual contribution or significant individual event and date in the history of sports and entertainment marketing. Summarize and submit a copy of the article and answer the following questions.

- 1) What type of athlete, celebrity or event did the article focus on?

- 2) Why was this athlete, celebrity, event or date important?

- 3) How did it prompt changes within the industry?

- 4) What might the industry be like today if this athlete, celebrity or event had not performed or taken place?

- 5) Summarize the article:

Unit 1 Internet Activity

Sports & Entertainment Industry Size & Scope

Student Name _____

Class Period _____

Internet Activity Instructions:

Using the Internet, locate the following information pertaining to the overall size of the sports and entertainment industry. Please be sure to make note of what site you visited to get the information (cite your source).

- 1) Which U.S. professional sports franchise has the highest value?

Source:

- 2) Which celebrity endorser earned the most money last year?

Source:

- 3) What Hollywood film had the highest box office gross last year? What was its budget?

Source:

- 4) Which artist sold the most records last year? Which song was the most downloaded?

Source:

- 5) Which industry has a larger economic impact in the U.S.-sports or entertainment?

Source:

UNIT 2

What is Sports and Entertainment Marketing?



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 2: History of SEM

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

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

Key Terms

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

Unit 2: History of SEM

Discussion Topics

Consider what you do with your leisure time. How do you spend your entertainment dollars?

What entertainment options are available to you in your community?

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

Sports and entertainment marketing is represented by more than Shaquille O'Neal and Brett Favre playing games or Tom Cruise playing a movie role for millions of dollars. What other activities represent the activities of sports and entertainment marketers?

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

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

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?

Lesson 2.1 - Student Notes

What is Sports & Entertainment Marketing?

A. Marketing

1. Define **marketing**
2. The term “marketing” has grown to encompass many business activities such as _____ and _____

B. Sports industry

1. Define **sports industry**

C. Entertainment

1. Define **entertainment**

D. Leisure time

1. Define **leisure time**
2. It is the goal of the sports and entertainment marketer to provide a product or service that can satisfy the _____ and _____ of those individuals who choose to be entertained during their leisure time

Lesson 2.2 - Student Notes

The Fusion of Marketing with Sports & Entertainment

- A. Sports marketing
1. Define **sports marketing**
- B. What are the two types of sports and entertainment marketing?
1. Marketing _____ sports and entertainment
 - a. Companies use sports and entertainment as
 - b. Examples
 - i.
 - ii.
 2. Marketing _____ sports and entertainment
 - a.
 - b. Examples
 - i.
 - ii.
- 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
 - b. Although the terms are often used interchangeably, sports management is best described as the _____ while sports and entertainment marketing refers to the _____

Lesson 2.2 - Student Notes

The Fusion of Marketing with Sports & Entertainment

D. Entertainment marketing

1. Define **entertainment marketing**
2. Entertainment presents itself in many forms
 - a. Entertainment examples
 - i.
 - ii.
 - iii.
 - iv.
 - v.
3. In what ways has technology advanced the role of entertainment marketing?
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 2.3 - Student Notes

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 _____
 - 2. Examples
 - a.
 - b.
 - c.
 - 3. There are several key differences between sports and entertainment
 - a.
 - b.
 - c. Differences in customer loyalty
 - i. **Customer loyalty** is
 - 4. Integration of sports with entertainment and entertainment with sports
 - a. Cross promotion is the
 - b. Cross promotion examples
 - i.
 - ii.

Lesson 2.4 - Student Notes

Primary Marketing Functions

What are the primary functions of marketing?

- A. Pricing
 - 1. Pricing involves

- B. Distribution
 - 1. Distribution involves

- C. Promotion
 - 1. Promotion involves

- D. Financing
 - 1. Financing involves

- E. Selling
 - 1. Selling involves

- F. Marketing information-management
 - 1. Marketing information-management involves

- G. Product and service management
 - 1. Product and service management involves

Lesson 2.5 - Student Notes

Understanding the Product

A. Sports products

1. Products

a. Products are tangible, physical goods as well as services and ideas

i. What are **tangible** products?

b. Sports products are the goods and services _____

c. Examples of sports products

i.

ii.

iii.

B. Entertainment products

1. Several segments of the entertainment industry rise to the top as predominant money makers

2. These segments include

a.

b.

c.

d.

e.

f.

g.

Lesson 2.5 - Student Notes

Understanding the Product

- C. The unique nature of sports and entertainment products
1. Sports and entertainment products often share common characteristics of _____
 2. Two primary characteristics of services
 - a. Services are _____
 - b. Services are _____
 3. Many sports and entertainment products are perishable
 - a. Define **perishability**
 - b. Once a game or event has already taken place, they no longer carry a value and can not be sold
 4. They are also often intangible
 - a. Define **intangible product attributes**
 - i. Copyrights, logos, graphics and trademarks are considered to be _____
 - a. Because they appeal to our emotions, even tangible items such as a soccer ball or music CD have less significance than the feeling or emotion that the activity itself reveals
 5. Examples of sports activities that would be considered intangible
 - a. The _____ we get from running our best marathon
 - b. The _____ of winning a competition
 - c. The _____ of scoring well on a challenging golf course
 - d. The _____ we feel when teams we support win

Lesson 2.6 - Student Notes

Competition for the Entertainment Dollar

A. Discretionary Income

1. Define **discretionary income**
2. There is only so much discretionary income available in today's economy
 - i. The role of the sports and entertainment marketer is to _____

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.
 - b.
 - c.
 - d.
 - e.

Lesson 2.7 - Student Notes

Reaching Consumers

A. The Elusive Fan

1. In 2006, a book was published entitled *The Elusive Fan*
2. The book discusses the volatility of the sports/entertainment marketplace and the challenges today's sports business professionals face
 - i. 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."*
 - ii. The primary challenge for today's sports/entertainment business professional is:
 - iii. New and emerging sports and entertainment properties keep the marketplace in a constant state of _____
 1. In 2006, WAKA (World Adult Kickball Association) generated in \$3 million in membership dues alone
 2. In a survey conducted by the National Federation of State High School Associations (NFHS) in 2006, bowling was the sport with the largest increases among participants (boys and girls) at 14 and 13% respectively

B. Examining the Elusive Fan

1. Many factors impact a consumer's decision to participate in sports and entertainment
 - i.
 - ii.
2. _____, _____ and _____ become essential components of marketing plans and strategies

Lesson 2.7 - Student Notes

Reaching Consumers

3. According to the book, an elusive fan is defined by seven major characteristics
 - i. _____
 - a. The sports marketplace is extremely crowded
 - b. 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
 - ii. _____
 - a. Fans demand a higher consumer experience than ever before with more concessions options, newer facilities and advances in broadcast technologies
 - iii. _____
 - a. 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
 - b. For example, Major League Soccer executives face a debate as to whether they should sell the rights to advertise on the front of their jerseys
 - iv. _____
 - a. Never before have consumers had so much information at their fingertips with the proliferation of media channels
 - b. The fan experience is being consistently upgraded as a direct result of new technologies as consumers can absorb the sport experience from almost anywhere
 - v. _____
 - a. Society as a whole has become less focused on group interaction and developed more specialized interests
 - b. Individualism has slowly resulted in the deterioration of the popularity of team sports
 1. From 1990-2000, the largest growing participation sports were the individual sports of in-line skating, snowboarding and skateboarding
 - vi. _____
 - a. Today, more than half of all U.S. families are divorced, single parent or diverse groups of unrelated people
 - b. As a result, the decision making process for sports and entertainment participation becomes more complicated

Lesson 2.7 - Student Notes

Reaching Consumers

vii.

- a. _____
The time demands Americans face today offer fewer hours for the consumption of sport in any capacity, be it as a spectator or participant
- b. It is not simply the activity itself that poses challenges for consumers
 - 1. Consider the plight of a sports fan that purchased tickets to see a Boston Celtics game. Tip-off is at 7:00 p.m. and the fan leaves work at 5:00 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.

Lesson 2.8 - Student Notes

Introduction to Event Marketing and Management

- A. Event marketing
 - 1. Event marketing
 - a. Event marketing refers to
 - b. For sports events, event marketing can involve a number of different areas of marketing
 - i.
 - ii.
 - iii.
 - iv.
 - v.
 - 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 _____

 - 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
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 2.8 - Student Notes

Introduction to Event Marketing and Management

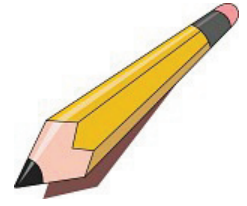
4. Event planning
 - a. Factors sports and entertainment marketers consider when planning an event
 - i.
 - ii.
 - iii.
 - iv.
 - v.

B. The event triangle

1. Define **event triangle**
2. Three key components of the triangle
 - a. _____
 - i. Explain component # 1 of the triangle
 - ii. Examples of component # 1
 - 1.
 - 2.
 - 3.
 - b. _____
 - i. Explain component # 2 of the triangle
 - c. _____
 - i. Explain component # 3 of the triangle

Unit 2 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Two Activities



Case Study

Cross Promotion and the X-Games: A Unit 2 SEM Case Study



With the ultra popular, annual X-Games event, the ESPN network 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 artists 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 Student Assignment

Distribution

Student Name _____

Class Period _____

Assignment Instructions:

Identify a sports or entertainment product and determine that product's distribution system. Create a flow chart that illustrates the distribution system and present your findings to the class. Utilize the following questions as a guide.

- 1) What type of product did you select?

- 2) What do we mean by distribution system?

- 3) Why is distribution important?

- 4) Why will this particular distribution system be effective for the product you selected?

- 5) Create a flow chart depicting the product's distribution system.

Unit 2 Internet Activity

Customer Loyalty

Student Name _____

Class Period _____

Internet Activity Instructions:

Customer loyalty is a customer decision to become a repeat consumer of a particular product or brand. One possible indicator of an individual sports franchise's level of customer loyalty levels is to evaluate merchandise sales statistics. Using the Internet, research a professional sports team's attendance figures. Next, research the sale of licensed merchandise relating to those teams. Using the data uncovered through your research, determine whether a correlation exists between a team's overall attendance and merchandise sales. Explain whether you think either figure provides an accurate reflection of the team's customer loyalty levels.

- 1) List the team you selected and the league in which they are a member.

- 2) List the team's most recent attendance figures.

- 3) List the team's most recent figures for sales of licensed goods.

- 4) What, if any, correlation exists?

- 5) In your opinion, do these figures provide an accurate portrayal of customer loyalty for the team? Explain your answer.

UNIT 3

Introduction to SEM Business Principles



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.

Unit 3: SEM Business Principles

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

Lessons

<i>Lesson 3.1</i>	Industry Segments
<i>Lesson 3.2</i>	The Financial Structure of Sports Business
<i>Lesson 3.3</i>	The Financial Structure of Entertainment Business
<i>Lesson 3.4</i>	Tracking Industry Trends

Key Terms

Ancillary Products

Industry Segment

Product Placement

Revenue Stream

Discussion Topics

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

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

Lesson 3.1 - Student Notes

Industry Segments

A. There are many segments of the sports and entertainment business industry

1. Define **industry segments**

B. Examples of sports business segments

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

C. Examples of entertainment business segments

1.

2.

3.

4.

5.

6.

7.

8.

9.

Lesson 3.2 - Student Notes

The Financial Structure of Sports Business

- A. Team Sports
 - 1. Professional team sports are finding it increasingly difficult to achieve financial success and turn a profit, due in large part to inflated athlete salaries
 - 2. Revenue Streams
 - a. Define **revenue streams**
 - b. Sports teams historically relied on the several specific streams to generate the majority of their revenue
 - i.
 - ii.
 - iii.
 - iv.
 - v.
 - vi.
 - c. Teams operating today have several additional, often very lucrative, revenue streams
 - i.
 - ii.
 - iii.
 - iv.
 - 3. Costs
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.

Lesson 3.2 - Student Notes

The Financial Structure of Sports Business

B. Franchise Valuation

1. Unlike industrial or financial business, which is generally valued on _____ and _____, sport franchises are valued on their _____ for two reasons:
 - a. For the long term, the operating expenses within each league are _____
 - b. Franchise revenues most closely measure the quality of _____ and _____ performance, ultimately the two most critical elements in the evaluation of team's overall value
2. Professional sport team values have risen over the past decade and are expected to _____ for the next few years
 - a. In 2006, Starbucks founder Howard Schultz sold the NBA's _____ and WNBA's _____ to Oklahoma City businessman Clayton Bennett for \$350 million, over \$90 million more than what he and his investment group paid for the teams just five years prior

Lesson 3.3 - Student Notes

The Financial Structure of the Entertainment Business

A. Entertainment business revenue streams

1. Similar to sports products in that both products _____

2. Define **ancillary products**
3. Because there are so many different types of entertainment products, the revenue generated by marketing can be very diverse
 - a. What are some examples of ancillary products that could be generated from a blockbuster Hollywood film?
 - i.
 - ii.
 - iii.
 - iv.
 - 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 _____

4. Define **product placement**
 - a. Commonly referred to as _____ or _____.
 - b. When the featured product does not pay for the exposure, it referred to as a _____.
 - c. Not all product appearances are _____ by the product manufacturer
 - d. Product placement can be present in a number of media outlets
 - i. Examples include:

Lesson 3.3 - Student Notes

The Financial Structure of the Entertainment Business

- d. Product placement is one of the _____ growing advertising mediums in the entertainment industry
 - i. Marketers spent 71% more (\$941 million total) to integrate brands into TV shows in 2005 than they did 2004
 - ii. In-game product placements generated \$77.7 million globally in 2006 and are expected to reach \$971.3 million in worldwide in-game advertising expenditures by 2011
 - iii. Global product placement spending in 2005 was \$2.21 billion in 2005 with double-digit growth expected over the next five years
- e. Product placement is presenting itself in _____
 - i. Pop artist Fergie is set to make \$3.7 million by promoting a US clothing firm in her songs, becoming the first music star to agree to product placement their songs
- f. Is product placement effective?
 - i. 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%.
 - ii. Etch A Sketch, Mr. Potato Head and Slinky were toys in the popular animated movie. Etch A Sketch sales increased 4,500 percent; Mr. Potato Head sales increased 800 percent; Slinky, out of business for 10 years, made a comeback after getting deluged with 20,000 orders.
- g. Reverse product placement
 - i. Reverse product placement occurs when _____

 - ii. If NBC licensed the name "Dunder Mifflin" (from its popular sitcom *The Office*) and "Dunder Mifflin" branded paper products were then sold at Office Max or Staples, they would be implementing a reverse product placement strategy
 - iii. In 2007, 7-Eleven rebranded several of its stores as "Kwik-E-Marts", selling real-life versions of products seen in episodes of the *Simpsons*

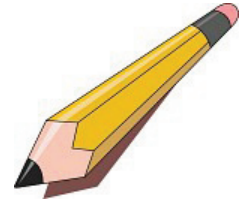
Lesson 3.4 - Student Notes

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.
 - b.
 - c.
 - d.
 - 2. How do sports and entertainment marketers effectively track industry trends?
 - a.
 - b.
 - c.
 - d.
 - e.

Unit 3 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Three Activities



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 collaboration project with the company's digital effects unit, Imageworks. Sony already has two major films in production, with “Open Season” and “Surf's Up” slated for release by 2006.

The computer animation trend does not show signs of slowing down, with Fox Filmed Entertainment's company Blue Sky Studios 2005 release “Robots”. The company anticipated a repeat of the success enjoyed by Blue Sky's previous blockbuster animated film, “Ice Age”, which grossed over \$382 million worldwide. “Robots” grossed over \$36 million on opening weekend and over \$111 million in just the first month of release.

Case Study Questions

- 1.) Why do you think George Lucas and Sony decided to enter the computer animated full-feature films 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?

Unit 3 Internet Activity

Internet Activity

Student Name _____

Class Period _____

Internet Activity Instructions:

Using the Internet, access the Disney company website at <http://disney.go.com/home/today/index.html> and spend at least fifteen minutes navigating the site. Answer the following questions based on the information available online.

- 1) Identify three different revenue streams generated by the Disney Company.

- 2) What types of ancillary products can be purchased on the company website?

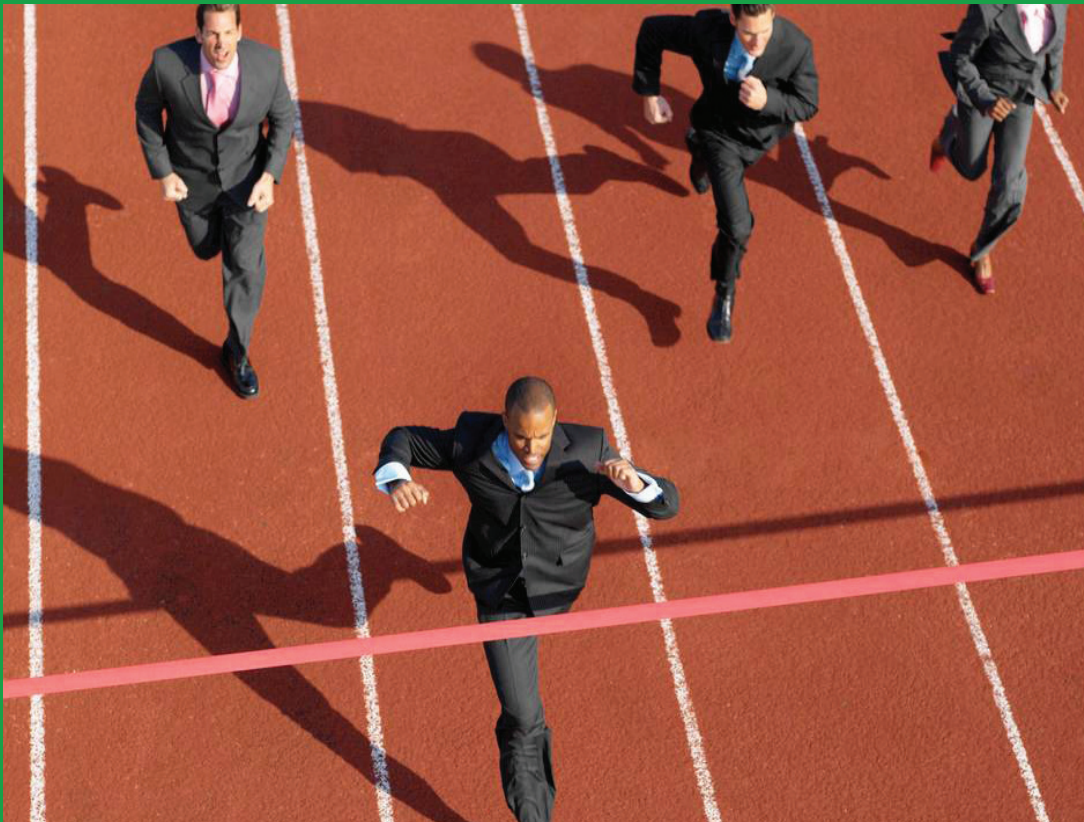
- 3) Does the website give some indication of Disney marketing strategies?

- 4) Do you think the Disney website is a “high traffic” site? Why or why not?
Who do you think visits most frequently?

- 5) Do you think the Disney website is an effective marketing tool? Why or why not?

UNIT 4

Marketing Applications



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.

Unit 4: What is SEM?

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

Lessons

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

Key Terms

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

Unit 4: What is SEM?

Discussion Topics

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

Which concepts are important to sports and entertainment marketers?

Why is marketing a necessary and beneficial function to businesses?

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

Lesson 4.1 - Student Notes

Basic Marketing Concept

A. Marketing concept

1. Define **marketing concept**
2. Why are marketing activities so important to business?
 - a.
 - b.

B. Needs vs. Wants

1. A need is something a consumer _____
2. A want is something a consumer _____

C. Exchange process

1. The exchange process is
2. What are the three requirements of the exchange process?
 - a.
 - b.
 - c.

D. Benefits of marketing

1. How can the marketing process benefit consumers?
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 4.2 - Student Notes

The Marketing Mix

A. The four P's of marketing (marketing mix)

1. Define **marketing mix**

2. What are the 4 P's of marketing?

a. **P**_____

i.

ii.

b. **P**_____

i.

ii.

c. **P**_____

i.

ii.

d. **P**_____

i.

ii.

Lesson 4.3 - Student Notes

The Marketing Mix

A. Before we examine target markets, we must first understand what determines a market

- 1.
- 2.
- 3.

B. Define **target market**

1. Target

a. The target is a specific group _____

b. This market shares one or more similar and _____

2. Considerations when evaluating a target market

a. Sizeable

- i.
- ii.

b. Reachable

- i.
- ii.

c. Measurable and identifiable

- i.

d. Behavioral variation

- i.
- ii.

Lesson 4.3 - Student Notes

The Marketing Mix

3. Target market strategies are influenced by several factors

a.

b.

c.

d.

e.

C. Niche marketing

1. Define **niche marketing**

a. Cable television channels often seek _____ audiences to appeal to specific target groups with a common set of interests

b. Niche marketing often offers _____

i. Niche marketing example #1:

ii. Niche marketing example #2:

Lesson 4.4 - Student Notes

Market Segmentation

A. Market segmentation

1. Define **market segmentation**
2. Segmentation is the _____

3. Segmentation is important because it allows businesses to customize their marketing mix and strategies to meet the needs of the target market

B. Bases for segmentation

1. Demographic
 - a. What is demographic information?
 - b. Demographic information focuses on information that can be _____
 - i. Age
 - ii.
 - iii.
 - iv.

2.

3.

4.

5.

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 _____

Lesson 4.5 - Student Notes

Positioning

A. Positioning

1. Define **positioning**
2. Positioning is about _____
3. Positioning also refers to the place the product occupies in consumers' minds relative to _____ products

B. Positioning strategy

1. Products or services are grouped together on a _____
 - a. Products or services are _____
 - b. Marketers must determine a position that distinguishes their own products and services from competitor products and services
2. Selecting a positioning strategy
 - a.
 - i. Products, services, channels, people or image can be sources of differentiation
 - ii. Organizations often position their products relative to competitor weaknesses
 - b.
 - i. How many differences to promote?
 - ii. Unique selling proposition
 - c.
 - i. Which differences to promote?
3. Product differentiation
 - a. Define product differentiation
4. Re-positioning
 - a. Define re-positioning

Lesson 4.6 - Student Notes

Understanding the Sports & Entertainment Consumer

A. Customer vs. Consumer

1. The customer is the individual who _____ the product or service
2. The consumer is the individual who _____ the product or service
3. The customer can also be the consumer

B. Who is the sports and entertainment business consumer?

1. Marketers sell _____
 - 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 _____

2. Could also include
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 4.6 - Student Notes

Understanding the Sports & Entertainment Consumer

D. Sports consumers participate in the exchange process in two ways

1. Spectators as consumers

a. Benefit by

b. Exchange for

2. Participants as consumers

a. Benefit by

b. Exchange for

Lesson 4.7 - Student Notes

Market Research

A. Market research

1. Market research is the process of
 - a. Market research provides an opportunity for companies to get to know their customers
 - b. Marketing research gathers information pertaining to:
 - i.
 - ii.
 - iii.
 - iv.
2. The information gathered through marketing research is used to
 - a.
 - b.
 - c.
 - d.

B. Steps in the research process

- 1.
2.
 - a. _____ is published data that has been collected for some other purpose

Lesson 4.7 - Student Notes

Market Research

3.

a. _____ is the original research conducted for a specific marketing situation

- i. Surveys
- ii. Direct mail
- iii. Telephone
- iv. Interviews
- v. Focus groups

4. Collect data

a. A _____ is a method used for obtaining statistical information that counts every member of a population

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

5. Report and analyze

a. Qualitative research data

i. Typically involves _____

b. Quantitative research data

i. Generally gathered in the form _____

ii. Another common form of qualitative research is _____

6. Communicate results of research

C. Examples of market research applications

1.

2.

3.

Lesson 4.8 - Student Notes

Advertising

A. Advertising

1. Define **advertising**

a. Advertising is presented in many different formats

i.

ii.

iii.

iv.

2. What role can advertising play in helping marketers achieve their goals?

a.

b.

c.

d.

e.

B. Types of advertising

1. Print media

a. What is print media? _____

2. _____

a. Includes any outdoor signs and billboards

b. Provides 24-hour advertising

3. _____

a. Uses public transportation, such as buses, bus stands, taxicabs, and subways to post advertising messages

Lesson 4.8 - Student Notes

Advertising

4. _____
 - a. Any visual and/or audible form of communication used to inform, persuade, or remind consumers about goods or services offered
 - i. _____ advertising
 1. Advertisers match their target market to a radio station that segments a particular market
 2. Has the ability to reach a wide audience
 - ii. _____ advertising
 1. Includes commercials and infomercials
 2. Is typically the most effective type of broadcast media
 3. Is traditionally the most expensive form of broadcast media
5. _____
 - a. Placement of advertising messages on the Internet
 - i. Banner ads, pop-ups etc.
 - b. Internet advertising is the fastest growing advertising segment in the world
 - i. By 2009, Internet is predicted to surpass spending on newspapers
6. _____
 - a. 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.
 - ii.
 - iii.
 - iv.

Lesson 4.8 - Student Notes

Advertising

D. Advertising mediums in sports and entertainment

1.
 - a. Printed media displayed for promotional purposes in sports, event or entertainment venues
 - b. Includes printed company names and logos on banners, scoreboards, posters or on the playing surface
2.
 - a. Contracting a well-known celebrity who uses his or her fame to help a company sell or enhance the image of the company, products, or brands
3.
 - a. Includes posters, game/event programs, point-of-purchase promotions and direct mail pieces
4.
 - a. Includes radio, television, scoreboards and public address (p.a.) systems
5.
 - a. One of the fastest growing advertising mediums
- 6.
- 7.

E. Advertising agencies

1. What is an advertising agency?
2. Questions organizations address when selecting an agency
 - a.
 - b.
3. Additional considerations for organizations opting to work with an agency
 - a.
 - b.
 - c.

Lesson 4.9 - Student Notes

New Era Marketing

A. The New Marketing Era

1. What is the new era of marketing?

a. Today's consumer is

i. According to Seth Godin (author of *Permission Marketing*) today's consumer receives roughly _____ marketing messages a year on avg.

ii. Overwhelmed consumers are becoming adept at tuning out marketing messages

1.

2.

3.

4.

b. Business and marketing professionals refer to this saturation as _____

2. How does this saturation impact marketers?

a. Marketers today must determine ways to effectively cut through the clutter if the firms they represent are to financially thrive

i. Marketers in the new marketing era must become

b. Sports, entertainment and event marketing provide

B. New Era Marketing Strategies

1. New era marketers turn to technology to help reach target consumers

a. New era strategies

i.

ii.

iii.

iv.

Lesson 4.9 - Student Notes

New Era Marketing

- b. A key goal for new era marketers is to focus on _____ elements, encouraging consumers to actively participate in promotions
 - i. Example #1:
 - ii. Example #2:
- 2. Internet marketing
 - a. The Internet, far more than any other medium, has given consumers
 - b. Consumer-Generated Media (CGM)
 - c. CGM originates from
 - i.
 - ii.
 - iii.
 - iv.
 - v.
 - d. Sports and entertainment properties use the Internet for a host of marketing functions
 - i.
 - ii.
 - iii.
 - iv.
 - v.
 - vi.
 - vii.

Lesson 4.9 - Student Notes

New Era Marketing

2. Mobile marketing
 - a. Mobile marketing refers to two different marketing means: one _____

while the other (more traditional) is meant to _____

 - b. Mobile marketing represents an area of massive potential growth
 - c. Examples
 - i. Traditional mobile marketing
 - 1.
 - ii. Modern mobile marketing
 - 1.
 - 2.
 - 3.
3. Social media (marketing)
 - a. Social media describes
 - b. Social media presents itself in the form of many variable applications
 - i.
 - ii.
 - iii.
 - iv.
 - v.
 - vi.

Lesson 4.9 - Student Notes

New Era Marketing

c. Social media examples

i.

ii.

iii.

4. Viral marketing

a. Viral marketing describes

b. Viral marketing is the new era marketer's version of _____ advertising

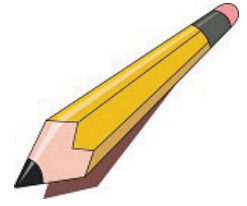
c. Viral marketing example

i.

C. Ultimately, this shift in marketing trends creates new opportunities for the sports and entertainment industry

Unit 4 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Four Activities



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 jerseys 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 organization has positioned itself as a premium product, one which commands a higher ticket price. The simple foundation of the economic 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 opportunities, including a host of sponsor partnerships. The mass worldwide appeal of the franchise provides exceptional marketing opportunities 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, Vodafone (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 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 Class Activity

Basic Marketing Concept

Student Name _____

Class Period _____

Class Activity Instructions:

*In Lesson 4.1 we learned that 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.*

Apply this concept to the business of sports and entertainment. How do sports and entertainment business professionals integrate this concept in their day-to-day activities?

As a class, come up with ten different examples of how the marketing concept is implemented by sports and entertainment companies.

Marketing Concept Applied: Sports & Entertainment Industry Examples

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____
- 8) _____
- 9) _____
- 10) _____

Unit 4 Internet Activity

Internet Activity

Student Name _____

Class Period _____

Internet Activity Instructions:

Find two different sponsorship partnerships online (event, entertainment or sports sponsorships are all acceptable) and learn as much as you can about each agreement. Print a copy of each and attach to this activity, remembering to cite the source on each. Answer the following questions for both selected sponsorships.

- 1) What is the event, team or entertainment avenue being sponsored?

- 2) Who is the sponsor? Why do you think the sponsor chose to participate in a partnership for this event?

- 3) Who do you think the target consumers are for the sponsorship?

- 4) Do think the sponsorship provided the sponsor with an effective means for reaching their target audience?

- 5) Do you think the Internet is an effective tool for reaching that target audience? Why or why not?

UNIT 5

The Marketing Plan



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.

Unit 5: The 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

Lessons

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

Key Terms

Balance Sheet

Budget

Forecast

Income Statement

Marketing Plan

Mission Statement

Situation (SWOT) Analysis

Unit 5: The Marketing Plan

Discussion Topics

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?

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

What kind of information is important to a marketing plan?

Lesson 5.1 - Student Notes

What is the Marketing Plan?

A. Marketing plan

1. Define **marketing plan**

- a. The plan is a critical
- b. Sports and entertainment organizations view this process as the creation of a

B. Why is a marketing plan important?

1. It communicates

C. Marketing plans can vary in complexity and time frame

1. The complexity of the marketing plan is determined by the _____ and _____ of the organization

- a. The plan is also influenced by as 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 propensity 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 _____

2. An organization must research and evaluate many factors within a market

- a.
- b.
- c.
- d.
- e.

Lesson 5.2 - Student Notes

Components of an Effective Marketing Plan

- A. Seven components of an effective marketing plan
 - 1. Mission statement
 - a. Define **mission statement**
 - 2. Executive summary
 - a.
 - b.
 - 3. Situation or SWOT analysis
 - a. Define **situation analysis** (also referred to as SWOT)
 - b. Reviews four key factors pertaining to the company's current market situation
 - i. Strengths
 - ii.
 - iii.
 - iv.
 - 4. Marketing goals and objectives
 - a.
 - b. To be effective, objectives should follow the S.M.A.R.T. criteria
 - i. S
 - ii. M
 - iii. A
 - iv. R
 - v. I

Lesson 5.2 - Student Notes

Components of an Effective Marketing Plan

5. Marketing strategies
 - a.
 - b.
6. Implementation
 - a.
7. Evaluation and control
 - a.
 - b.

Lesson 5.3 - Student Notes

The Mission Statement

A. Mission statement

1. Many organizational marketing strategies are founded on the basis of

2. What questions should a mission statement address?
 - a.
 - b.
 - c.
 - d.
3. To be effective
 - a.
 - b.

B. The Ohio State University Athletics mission statement

1. *"The Ohio State University Department of Athletics supports the University mission by providing student athletes with exceptional educational and athletic opportunities. We commit to national leadership, excellence and the highest ethical standards in intercollegiate athletics. We will sustain a strong financial and community base of support by presenting outstanding intercollegiate athletic teams which provide quality entertainment and a positive public identity for the University."*

Lesson 5.4 - Student Notes

The Situation Analysis (SWOT)

A. Components of the situation or SWOT analysis

1. S

a.

i. Patents

ii.

iii.

2. W

a.

b. The absence of certain strengths may be viewed as a weakness

i. Lack of patent protection

ii.

iii.

3. O

a.

i.

ii.

iii.

4. T

a.

b. Could be internal, such as falling productivity, or external, such as lower priced products offered by competitors

i.

ii.

iii.

Lesson 5.5 - Student Notes

The Situation Analysis (SWOT)

- A. A critical element to an effective marketing plan focuses on finances
 - 1. Forecast
 - a. Define **forecast**
 - 2. Budget
 - a. Define **budget**
 - b. The budget also requires careful review of other financial statements, including the income statement and projected expenses
 - 3. Balance sheet
 - a. Define **balance sheet**
 - b. Shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans)
 - 4. Income statement
 - a. Define **income statement**
 - b. Identifies all revenues received and expenses paid

Lesson 5.6 - Student Notes

Key Information within the Plan

A. In addition to a thorough SWOT analysis, companies must consider numerous other factors when creating their marketing plans

1. _____

a. What event, product, or service will be marketed?

2. _____

a. Who are the company's competitors?

b.

c.

d.

3. _____

a. How will the company's product get to the consumer?

4. _____

a. How much does the product cost the company to produce?

b.

c.

5. _____

a. How will the company integrate an effective promotional mix into the plan?

b.

c.

Lesson 5.6 - Student Notes

Key Information within the Plan

6. _____

- a. What is the projected overall revenue?
- b.
- c.
- d.
- e.

7. _____

- a. What legal liability could the company face?
- b.

8. _____

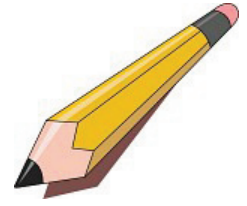
- a. What sales strategy will be employed?

9. _____

- a. Where is the business going?
- b.

Unit 5 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Five

Activities & Handouts



Unit 5 Student Handout

Mission Statements

The Green Bay Packers

"The Green Bay Packers' mission is to be a dominating force in professional football's competitive arenas. On the field, the Packers will continually strive to present their fans with the highest level of performance quality available. In their operating activities and relations with the NFL, the Packers will also continually strive for excellence in the quality of work performed. On-field and operating personnel will, at all times, maintain the highest ethical and moral standards in their actions, recognizing that they are all representatives of the Packers franchise and traditions. Overall, the Packers will commit themselves to doing their part in representing the State of Wisconsin with competitiveness, respect, and dignity."

Ohio State Buckeyes Athletics

"The Ohio State University Department of Athletics supports the University mission by providing student athletes with exceptional educational and athletic opportunities. We commit to national leadership, excellence and the highest ethical standards in intercollegiate athletics. We will sustain a strong financial and community base of support by presenting outstanding intercollegiate athletic teams which provide quality entertainment and a positive public identity for the University."

The Special Olympics

"The mission of Special Olympics is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community."

Case Study

Sports and Entertainment Marketing Plans: 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 identified 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 analysis of competition. In addition to several other division one collegiate athletic programs within a two hour drive of Portland (including Portland State, Oregon State and the University of Oregon), the Pilots must also contend with the growing popularity of high school sports and the professional teams within the market.

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 soccer, with women's soccer ticket sales seeing an overall increase of 59.7% (including a 134.2% increase in student attendance) and men's basketball 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 6

Branding and Licensing



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.

Unit 6: Branding and Licensing

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

<i>Lesson 6.1</i>	Branding
<i>Lesson 6.2</i>	Licensing
<i>Lesson 6.3</i>	The Licensing Process
<i>Lesson 6.4</i>	Merchandising

Key Terms

Brand Extension

Branding

Corporate Brand

Licensee

Licensing

Licensor

Product Brand

Store Brand

Trademark

Unit 6: Branding and Licensing

Discussion Topics

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?

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?

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...

Lesson 6.1 - Student Notes

Branding

A. Branding

1. Define **branding**

- a. Describes a company's or event's efforts to _____

- b. Branding mechanisms
 - i.
 - ii.
 - iii.
 - iv.
- c. When a brand name or trade name is registered, it also becomes a

- d. Define **trademark**

2. Characteristics of a successful brand

- a.
- b.
- c.
- d.
- e.

Lesson 6.1 - Student Notes

Branding

3. Brand building
 - a. What is brand awareness?
 - i.
 - b. What is brand image?
 - i.
 - ii. Example
 - 1.
 - c. What is brand equity?
 - i.
 - d. What is brand loyalty?
 - i.
4. Event branding opportunities
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 6.1 - Student Notes

Branding

5. Forms of branding
 - a. Define **corporate brand**
 - i. Examples of corporate brands
 - 1.
 - 2.
 - b. Define **product brand**
 - i. Examples of product brands
 - 1.
 - 2.
 - 3.
 - c. Define **store brands**
 - i. Example of a store brand
 - 1.
6. 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
 - 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 Reese Witherspoon will pay to watch nearly any movie she stars in and will purchase DVDs, memorabilia and other licensed merchandise
 - c. Define **brand extension**
 - d. Brand extension examples

Lesson 6.1 - Student Notes

Branding

7. Importance of developing a strong brand
 - a. There are a number of benefits associated with the development of a strong brand
 - i.
 - ii.
 - iii.
 - b. Top brands of 2007
 - i. Top brands of 2007
 - 1.
 - 2.
 - 3.
 - ii. Top sports/entertainment industry related brands of 2007
 - 3.
 - 16.
 - 21.
 - iv. In August of 2007, Forbes' ranked the fastest growing sports brands from based on the percentage increases in franchise value over the past three years
 - 1.
 - 2.
 - 3.

Lesson 6.2 - Student Notes

Licensing

A. Licensing

1. Licensing industry continues to enjoy tremendous growth
 - a. Industry has increased from \$160 billion in 2001 to \$180.9 billion in 2005
 - b. 2006 worldwide retail sales leaders of licensed merchandise (rank in parenthesis)
 - i. _____ - \$23 billion (1)
 - ii. _____ - \$6 billion (3)
 - iii. _____ - \$5.3 billion (4)
 - iv. _____ - \$4.8 billion (6)
 - v. _____ - \$4.7 billion (7)
2. Define **licensing**
 - a. Define **licensor**
 - i. Licensor examples
 - 1.
 - 2.
 - 3.
 - b. Define **licensee**
 - i. Licensee examples
 - 1.
 - 2.
 - 3.
 - c. A property must have a strong _____ to create licensing opportunities

Lesson 6.2 - Student Notes

Licensing

2. The 3 P's of licensing

- a. _____
 - i. Determine price points that will establish higher profit margins
- b. _____
 - i. Merchandise does not sell itself
 - ii. Trained sales staff and effective promotion are the keys to higher sales volumes
- c. _____
 - i. It is important to copyright or trademark all names, logos, or slogans associated with the product

B. Licensing and merchandise

- 1. Licensed products and merchandise are not manufactured by leagues, teams, or schools, but rather by independent companies under an agreement with a sport entity
- 2. Licensed products are an extremely lucrative business
 - a. Within the first two hours of announcing the three mascots for the 2002 Salt Lake Olympic Games, \$75,000 in merchandise was sold
 - b. Britney Spears' cumulative concert merchandise sales reached more than \$30 million during the first leg of her 2004 North American Onyx Hotel tour
- 3. Licensed goods are available in _____, _____ stores, _____ and _____
 - a. Licensed merchandise is made available through many channels of distribution
 - b. Special promotional deals create partnerships between the licensor and the licensee to help boost store traffic
 - i. Example _____

 - c. Some licensed products are used as promotional incentives for customers to buy a product

Lesson 6.2 - Student Notes

Licensing

4. Licensing has become a huge part of sports and entertainment business with players, teams, event names, entertainers and logos appearing on a huge selection of products
 - a. NCAA school logos find their way on to everything from pillows and bedding to waste paper baskets, wall clocks and bird houses

C. Collectibles and memorabilia

1. Collectibles and memorabilia have a major impact on the licensing industry
 - a. In 2002, a fan paid \$10,000 for a wad of chewed bubble gum discarded by Arizona Diamondbacks outfielder Luis Gonzalez
 - b. In 2000, an FBI undercover sting (Operation Bullpen) rounded up \$10 million in counterfeit autographs and collectibles
 - c. A poster from the 1932 movie, Mummy, sold for \$453,500
 - d. A piece of music memorabilia is sold every 15 seconds on Ebay
 - e. According to *Collector's Digest*, the sports autograph market is worth \$500 million

Lesson 6.3 - Student Notes

The Licensing Process

- A. Why do organizations engage in the licensing process?
 - 1. Many factors contribute to the mass appeal of licensed products
 - a.
 - b.
 - 2. Licensee advantages
 - a.
 - b.
 - c.
 - d.
 - e.
 - 3. Licensee disadvantages
 - a.
 - b.
 - c.
 - d.
 - e.
 - 4. Licensor advantages
 - a.
 - b.
 - c.
 - d.
 - 5. Licensor disadvantages
 - a.
 - b.

Lesson 6.3 - Student Notes

The Licensing Process

B. How does licensing work?

1. Licensing process

a.

b.

c.

2. Licensors and licensee relationship

a. Licensing provides greater _____, _____ and _____ for the licensor

b. The licensor approves the product and collects the licensing fees and royalties

3. Character vs. corporate licensing

a. What is character licensing?

b. What is corporate licensing?

C. Impact of licensing on consumers

1.

2.

3.

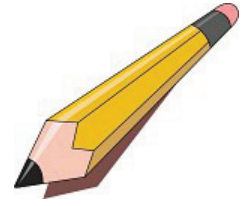
Lesson 6.4 - Student Notes

Merchandising

- A. In-house merchandising
 - 1. When the demand for licensed products is minimal, an organization may choose to handle their merchandising _____
 - a. In-house merchandising refers to:
 - b. The key benefit of in-house merchandising is:
 - 2. Steps in the in-house merchandising process
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
- B. On-site merchandising
 - 1. What is on-site merchandising?
 - 2. Four key considerations for a successful on-site merchandising plan
 - a.
 - b.
 - c.
 - d.
 - 3. Best practices for selling on-site merchandise
 - a.
 - b.
 - c.
 - d.

Unit 6 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Six Activities



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 copies 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 Orlando'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 merchandise 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 cookies, 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, lightning 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 celebrating 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.

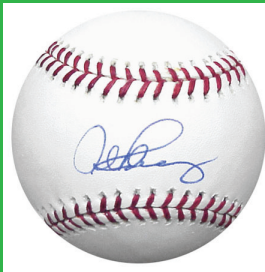
That leads us to the obvious question...what is the Potter brand worth? Some estimate the Potter brand - encompassing books, films, DVDs, video games and other merchandising products - is valued at nearly \$6 billion (www.news.com). The Potter series author, JK Rowling, is a billionaire, and several 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?

Case Study

Memorabilia & Collectibles in Sports and Entertainment: A Unit 6 SEM Case Study



The practice of collecting autographs and other memorabilia is certainly not a new phenomenon, but never before has the industry reached such potential for profitability. By the late 18th century, it is said that Europeans were collectors of letters written by famous individuals. It is also believed that consumers have been collecting sports souvenirs since the inception of spectator sports. By the late 1800s, tobacco companies began the practice of inserting trading cards in packages to encourage purchase of their products. Movie posters would become popular collectibles by the 1960's.

As the popularity of sports and entertainment grew, so too did the appeal of collecting memorabilia. When the demand for authentic sports and entertainment collectibles began to rise, many collectors would see the opportunity to turn a profit by selling their items. Soon, collectors would have the ultimate platform for trading with the introduction of the Internet. According to the half.ebay.com Website, a piece of music memorabilia is sold every 15 seconds on E-bay. According to Collector's Digest, the sports autograph market is worth nearly \$500 million. The industry has become so lucrative that several companies have been founded to insure memorabilia collections.

Now, all types of collectibles are bought, sold and traded over the world wide web. In 2002, a fan paid \$10,000 for a wad of chewed bubble gum discarded by Arizona Diamondbacks baseball player Luis Gonzalez. A poster from the 1932 movie, "Mummy", sold for \$453,500. According to the Guinness Book of World Records, John Lennon's 1965 Phantom V Rolls-Royce was purchased for \$2,229,000 in 1985. In 2005, the contract that sent Babe Ruth from the Boston Red Sox to the New York Yankees will be auctioned off and is expected to fetch more than \$500,000.

Case Study Questions

- 1.) Why do you think pieces of memorabilia have become so valuable?
- 2.) Do you think the buying and selling of collectibles impacts the sale of sports and entertainment licensed products? Why or why not?
- 3.) Do you think the memorabilia market will continue to grow or has it reached its peak? Why or why not?

Unit 6 Student Assignment

Merchandising

Student Name _____

Class Period _____

Assignment Instructions (Role Play Assignment):

Your company has been awarded a contract to be the sole provider of merchandise for the upcoming Super Bowl. However, the contract stipulates that you are allowed only to sell products on-site. Determine a merchandising strategy that will allow your company to maximize event revenue. Address the following concerns in your plan.

- 1) What types of products will you offer?

- 2) Why did you decide on those products?

- 3) What locations will you select to sell your merchandise?

- 4) What will be your sales strategy?

- 5) What will your sales area look like?

- 6) Create a map of the site and detail four places where you plan to sell your merchandise, and explain why you selected each location.

UNIT 7

Introduction to Promotion and Sales



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.

Unit 7: Promotion and Sales

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

<i>Lesson 7.1</i>	Understanding Sales
<i>Lesson 7.2</i>	The Sales Process
<i>Lesson 7.3</i>	Sales Strategies, Skills & Techniques
<i>Lesson 7.4</i>	Importance of Customer Service
<i>Lesson 7.5</i>	Sales Professionals

Key Terms

Customer Service
Feature-Benefit Selling
Objection
Personal Selling
Promotion
Promotion Mix
Proposal
Sales
Up selling

Unit 7: Promotion and Sales

Discussion Topics

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?

Think about the last experience you had with a customer service representative. What was the interaction 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?

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)?

Lesson 7.1 - Student Notes

Understanding Sales

A. Sales

1. Define **sales**
2. What are some examples of sales activities in the sports and entertainment field?
 - a.
 - b.
 - c.
 - d.

B. Why is selling important?

- 1.
- 2.
- 3.

C. Personal selling

1. Define **personal selling**
 - a. The process is a
 - b. Personal selling is the only form of sales that involves
2. Benefits to personal selling
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 7.1 - Student Notes

Understanding Sales

3. Personal selling categories

a. _____ 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 _____ calls to prospective customers or receive incoming orders or phone calls pertaining to company products or services
- iii. Typically utilized for products and services that require minimal investment levels, such as _____
- iv. In most instances, an inside sales staff consists primarily of telemarketers
 - 1. Telemarketers are

b. _____ sales

- i. Sales professionals that primarily communicate with customers in person
- ii. Could include
- iii. Also referred to as " _____ " or " _____ "

c. _____ 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 _____

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

Lesson 7.1 - Student Notes

Understanding Sales

D. Sales methods

1. Feature-benefit selling
 - a. Product attributes (or features) are the
 - i. For example, many professional sports teams sell tickets in club seating levels. The seats often have distinct product attributes that set them apart from general seating, such as wider seats or taller seat backs.
 - b. Customer benefits are the
 - i. Comfort, convenience, and space are benefits of club seating
 - c. Define the **feature-benefit** selling process
2. Full menu marketing
 - a. Full menu marketing is the selling of
 - 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
 - i. A customer who enjoyed the film Monsters, Inc. in the theater may go online and purchase the DVD, character toys, watches, ornaments or other products from www.disney.com
4. Direct mail
 - a. Direct mail is a sales effort conducted
 - b. To be effective, the direct mail approach must be:
 - i.
 - ii.
 - iii.
 - c. Direct mail examples
 - i.
 - ii.

Lesson 7.2 - Student Notes

The Sales Process

A. Sales process

1. Steps to effective implementation and management of the sales process
 - a.
 - 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.
 - i. Leads are the names of
 - ii. This step is often referred to as prospecting
 - c.
 - i. Do they have experience with your team, venue, or event?
 - ii. What influence do they have over the purchasing decision?
 - d.
 - i. The sales call is
 - 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.
 - 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.
 - 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.
 - i. A **proposal** is
 - h.
 - i. Asking for acceptance of the proposal or for a purchase decision

Lesson 7.2 - Student Notes

The Sales Process

- i.
 - i. Define **objections**
 - 1. Occur when there is lingering doubt or unanswered questions in the mind of the prospect
 - 2. The prospective customer may be favorably inclined to make a purchase but needs clarification, more concessions, or approval by another party
 - ii. Objections could include
 - 1.
 - 2.
 - 3.
- j.
 - i. The close is the stage of the sales cycle where
 - 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.
 - i. The follow up stage is critical to ensure
 - 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.
 - i. Fulfillment is the process of
 - ii. Meeting and exceeding customer expectations is integral to retaining their business in the future
 - iii. Renewal is the agreement between sponsor and sponsee to continue with a sponsorship for a pre-determined, usually contractual, period of time
 - iv. Renewals also occur between ticket holders and an organization
- m.
 - i. _____ the results of a promotional investment (season tickets, luxury suites, sponsorships, endorsement agreements) help an organization determine its effectiveness

Lesson 7.3 - Student Notes

Sales Strategies, Skills and Techniques

A. Sales strategies

1. _____ 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. _____ selling
 - a. The sales person and client have limited interaction and the sale is based mostly on price or a specific element
3. _____ selling

B. Sales skills and techniques

1. Prospecting is the process of
 - a. Prospecting is a very detail oriented process requiring careful
 - b. What avenues might a sales professional explore when prospecting to develop quality sales leads?
 - i.
 - ii.
 - iii.
 - iv.
2. Networking occurs when
 - a. Chamber of Commerce meetings provide an exceptional means for meeting other business professionals who could become future customers or offer referrals
3. Cold calling refers to
 - a. The cold calling technique is generally a _____ productive means for generating sales than other techniques (networking and referrals) because the personal relationship element is non-existent

Lesson 7.4 - Student Notes

Importance of Customer Service

A. Customer service

1. Define **customer service**
 - 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 _____
3. Customer service's role is to help customers _____ with the sports or entertainment organization
4. The customer service experience begins when

B. The benefits of customer service

1. What are the benefits to an organization affiliated with providing excellent customer service?
 - a.
 - b.
 - c.
 - d.

C. Why is customer service important?

1. According to Customer Service Institute, it can cost up to as _____ 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.)
4. It takes _____ positive service incidents to make up for one negative incident

Lesson 7.4 - Student Notes

Importance of Customer Service

E. Turning service into sales

1. For most segments of the sports industry, _____ % of consumers are referred by word of mouth from existing customers
 - a. Sports marketing professionals have a responsibility to retain those customers in an effort to grow its fan base
2. Many organizations create marketing strategies that cater to both existing and new customers with an emphasis shifting toward _____ customers
3. Solid relationships with a customer base enable an organization to effectively implement and utilize _____ programs
4. “Up selling” opportunities become more frequent with happy customers
 - a. Define **up selling**
 - i. For example, a theatre fan might call to purchase tickets to an upcoming play. During the conversation, the sales representative may suggest group tickets to that event or additional tickets to another upcoming play

F. How can organizations improve customer service?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Lesson 7.5 - Student Notes

Sales Professionals

A. What makes a good salesperson?

1. Criteria
 - a.
 - b.
 - c.
 - d.
 - e.
2. Skills
 - a. Good salespeople will never lose _____
 - i. This technique is often referred to as “knocking on old doors”
 - b. Successful salespeople consistently ask _____
 - c. Effective salespeople _____ with customers after the sale with the same dedication they demonstrated before the sale
3. “Game plan”
 - a. Good salespeople will devise a _____ 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 _____
 - c. Effective salespeople devise and implement effective _____ plans

C. What characteristics do employers look for in sales professionals?

1. Rick Campbell, 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.”

Lesson 7.6 - Student Notes

Promotion

A. Promotion

1. Define **promotion**
2. Promotion plays a significant role in the creation and maintenance of the levels of commitment and emotional involvement customers have in an organization
3. Promotions exist as
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
 - a. Critical elements of sports promotion
 - i.
 - ii.
 - iii.
 - iv.
5. The goals of sports and entertainment promotion
 - a.
 - b.
 - c.

B. Promotion mix

1. Define **promotion mix**
2. Key factors that affect decisions regarding the promotions mix
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 7.6 - Student Notes

Promotion

C. Forms of promotion

1. _____ promotions

- a. Involves activities or communications that encourage consumers to purchase products or services
- b. Typically 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
- c. Activities could include:
 - i.
 - ii.
 - iii.
- d. Example
 - i. Jose Canseco, former Major League Baseball player, released a book (Juice) alleging many current players use steroids. To promote the book, Canseco and the book’s publisher launched a book signing tour and referred to it as the Juiced Book Tour. Canseco was present at each tour stop to autograph copies of the book.

2. _____ promotions

- a. Promotions that take place on the playing field occur between game breaks
- b. Promotions could include
 - i.
 - ii.
- c. Example
 - i. 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.

3. _____ promotions

- a. 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

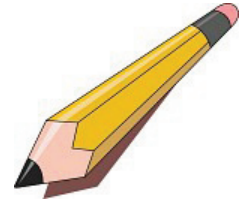
Lesson 7.6 - Student Notes

Promotion

- c. Other promotions could include
 - i.
- 4. _____ promotions
 - a. Focus on a single event, as opposed to multiple events
 - i. Fireworks displays, film sneak previews, entertainment acts and special appearances
 - b. Have the potential for an enormous impact on attendance
 - i. Major League Soccer's Colorado Rapids host an annual 4th of July game that features the city's largest fireworks display following the team's game. The Fourth of July game and fireworks spectacular has seen an increase in attendance each year since its inception in 1996
 - ii. The Boston Bruins hosted the hard rock band Godsmack following a 2004 home game. Thanks to the band's special appearance at the event, the team announced that more than 4,000 additional game tickets were sold.
- 5. _____ promotions
 - a. Examples
 - i.
 - ii.
 - b. Research indicates these promotions can enhance fan identification
 - i. Fan identification is
- 6. _____ promotions
 - a. Take place at every game, match or event throughout an entire season
 - b. Effective because of the increase in the number of impressions
 - i. Higher frequency equates to increased exposure, resulting in an increased likelihood of the message having an impact with fans
- 7. _____ promotions
 - a. Involve a media sponsor or tie-in
 - i. Portland, Oregon's annual Blues Festival is sponsored by the local newspaper (*Oregonian*), a local radio station (Kink FM), and local television stations (KBOO and KOIN TV)

Unit 7 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Seven Activities



Case Study

Sales in Sports and Entertainment: A Unit 7 SEM Case Study

In 2004, 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 thereafter.

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 pleased with the results of their sponsorship? Why is that important?*

¹ Information from this case study obtained from the June 23-19, 2003 issue of *Street & Smith's Sports Business Journal*.

Unit 7 Internet Activity

Sales Promotion

Student Name _____

Class Period _____

Internet Activity Instructions:

Using the Internet, research some of the various sales promotions sports and entertainment companies are using to sell their products and services. Select two different promotions and detail them in a report. You must select a sales promotion from both the sports and entertainment industries. Also, it is important that you categorize each promotion (premium item give-aways, contests and sweepstakes, sampling, point-of-purchase displays, special events and couponing). When reporting your findings, you must also address the following questions:

- 1) What sports and entertainment products and services are being promoted?
- 2) What type of sales promotion has the company selected?
- 3) Why do you think they chose that particular promotion?
- 4) Where are consumers encouraged to purchase the product?
- 5) Do you think the sales promotion will have an impact on sales? Why or why not?
- 6) What alternative forms of sales promotion might have been effective in selling this particular product or service?

UNIT 8

Sponsorship and Endorsement



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.

Unit 8: Sponsorship & Endorsement

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

<i>Lesson 8.1</i>	Sponsorship
<i>Lesson 8.2</i>	Sponsorship Growth
<i>Lesson 8.3</i>	Sponsorship Decisions
<i>Lesson 8.4</i>	Ambush Marketing
<i>Lesson 8.5</i>	Pricing Sponsorships

Key Terms

Ambush Marketing
Cause Related Marketing
Endorsement
Gross Impression
Sponsorship

Unit 8: Sponsorship & Endorsement

Discussion Topics

What are some examples of sponsorship?

Can you think of an example of sponsorship that you have been exposed to in the last year?

What are some examples of endorsements?

Why do companies pay celebrities and athletes to endorse their products?

Have celebrity endorsements ever influenced your decision to purchase a particular product or service?

Have you participated in any events that have relied on some type of marketing to attract consumer attendance?

Lesson 8.1 - Student Notes

Sponsorship

A. Sponsorship

1. Define **sponsorship**

a. How is sponsorship different from advertising?

i.

ii.

2. Sponsorships provide a _____ between two parties

a. Sports and entertainment properties need sponsors to provide _____ ,
_____ and _____

b. Sponsors need sports and entertainment properties to provide an effective marketing tool

c. For sponsorship to be effective, it must _____

3. Sponsorship examples

a.

b.

c.

B. Sponsorship packages often include

1.

2.

a. Exclusivity provides

3.

4.

a. SunTrust's sponsorship with NASCAR designates the company as "the official bank of NASCAR"

b. Additional examples

i.

ii.

Lesson 8.1 - Student Notes

Sponsorship

- 5.
 - 6.
 - 7.
- C. 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 _____

 - i. Can be particularly effective in sports because of the high levels of _____
 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
- D. Five common ways businesses implement sponsorship programs
1.
 - a.
 2.
 - a.
 3.
 - a.
 4. Internal sales and marketing tool
 - a. Helps companies to
 - i.
 - ii.
 5.
 - a.

Lesson 8.2 - Student Notes

Sponsorship Growth

- A. Sponsorship spending in North America shows consistent growth over the past _____ years
1. Growth of Sponsorship in North America (includes sports, entertainment and events)
 - a. 1980 - \$ 300 million
 - b. 1987 - \$ 1.75 billion
 - c. 1996 - \$ 5.4 billion
 - d. 2001 - \$ 9.3 billion
 - e. 2007 - \$ 14.93 billion (projected)
 2. Growth of sports industry sponsorship
 - a. 1990 - \$1.70 billion
 - b. 1995 - \$3.05 billion
 - c. 2000 - \$5.90 billion
 - d. 2007 - \$13.4 billion (projected)
 3. Projected global sponsorship spending by 2010 according to PriceWaterhouseCoopers will reach \$61.6 billion
 4. Sponsorship investment levels
 - a. Sponsorship is a primary source of promotion for many major corporations
 - b. Companies with the highest levels of investment in sports sponsorship programs (in 2006) include
 - i. Chevrolet Motors \$ 270.8 million
 - ii. Anheuser-Busch \$ 252.5 million
 - iii. AT&T \$ 145.1 million
 - iv. Ford Motor Co. \$ 142.5 million
 - v. Sprint Nextel \$ 142.4 million
- B. Factors influencing growth of sponsorship
- 1.
 - 2.
 - 3.
 - 4.
 - 5.

Lesson 8.2 - Student Notes

Sponsorship Growth

C. Cause marketing

1. Define **cause marketing**

- a. Research has indicated that consumers have a propensity to change brands if _____

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

- b. Cause marketing has proven to be extremely effective, and _____ provides a valuable platform for cause marketing programs

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 2006, spending on cause marketing hit \$1.34 billion.

3. Cause marketing is not

- a. _____

4. How can you tell if it's cause related marketing?

- a.
b.
c.

D. Sponsorship as a unique medium

1. What differentiates it from traditional media?

- a.
b.
c.
d.

Lesson 8.3 - Student Notes

Sponsorship Decisions

- A. Why do companies make the decision to engage in sponsorship programs?
- 1.
 2. Companies typically use sponsorship as a vehicle to
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.
 - h.
 - i.
 - j.
- 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. _____ is now available to help filter those requests to determine which proposals meet the needs of a company
 - i. Sponsorwise 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. Mountain Dew successfully reaches their target audience (young males) through a sponsorship with the X-Games. On the contrary, it would not make sense for Mountain Dew to partner with the PGA for a seniors golf tournament.
 - c. 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.

Lesson 8.3 - Student Notes

Sponsorship Decisions

3. Criteria companies consider when deciding what to sponsor

a.

b.

c.

d.

e.

C. The following criteria are consistent with effective sponsorships

1. Frequent impressions

a. Define **gross impression**

2. Leveraging the sponsorship

a. Leveraging the sponsorship is the

b. The most effective campaigns combine the sponsorship and events that activate them with additional _____

c. Effective sponsorships require

3. Company commitment

a. Sponsorships are typically ineffective without _____

b. The sponsorship should be a _____

4. 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

Lesson 8.3 - Student Notes

Sponsorship Decisions

5. Communication

- a. Communication between the _____ and _____ (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 to eliminate any false expectations

6. Fan (consumer) connection

- a. A connection should take place between the fans (consumers) and the sponsor, without the feeling of _____

- i. Successful sponsorships can effectively communicate the message that the event would not be possible without the sponsor's support
- ii. This is why we frequently hear statements like the one posted on the Website for Toronto's Scream Literary Festival
 - 1. "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"

Lesson 8.4 - Student Notes

Ambush Marketing

- A. What is ambush marketing?
1. Define **ambush marketing**
 2. When does ambush marketing occur?
 - a. It is a strategy used frequently when the event is on a grand stage
 - i.
 - ii.
 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 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.
 - 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
 - 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.
 - d. 2006 FIFA World Cup
 - 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

Lesson 8.4 - Student Notes

Ambush Marketing

B. Ambush marketing tactics

1.

- 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 _____

- b. The results of this form of sponsorship are often _____ as effective as sponsoring the event itself
- c. Must be aggressively marketed to be successful

2.

- a. Effective because

3.

- a. For the 1996 Atlanta Olympics, Nike went to the extreme of purchasing all the outdoor poster sites in Atlanta in an effort to ambush Adidas, the official sponsor of the 1996 Games

4.

- a. Competitors use _____ and additional promotions to gain exposure for their company during the course of the event
- b. Pizza chain Papa John's broke ambushed rival Domino's Pizza's product placement campaign in an episode of popular television show *The Apprentice*. In the episode, Apprentice teams were tasked with creating a new flavored pizza. Concurrently, Domino's launched spots for its new American Classic Cheeseburger Pizza during the show. A new pizza flavor was created by the marketer itself, not by any of the teams on *The Apprentice*.
- c. Papa John's then one-upped Domino's by purchasing local ad time during "*The Apprentice*" touting a meatball pizza, which "coincidentally" was the flavor pizza made by both *Apprentice* teams. The spot showed Papa John's Founder John Schnatter in a boardroom encouraging people to tell the competition "they're fired" and asking "why get a pizza made by the apprentice when you can get a pizza made by the pros at Papa John's."

Lesson 8.4 - Student Notes

Ambush Marketing

C. Impact of ambush marketing

1. Is ambush marketing an effective strategy?
 - a.
 - b. American Express' ambush of the 1996 Atlanta Olympics saved the company \$40 million (the fee for an official sponsorship) but yielded tremendous results. A study conducted following the games asked consumers to name six companies associated with the event. 54% of the respondents named American Express while 72% named Visa. Visa was the event's official sponsor.
2. How does ambush marketing affect the organization responsible for hosting the event?
 - a. Ambush marketing threatens _____

 - b. The Sydney Organizing Committee for the Olympic Games (SOCOG) had a staff of 60 individuals with legal backgrounds to protect against ambush marketing
3. How do companies combat ambush marketing?
 - i. Ambush marketing is a _____ marketing strategy to combat
 - ii. Reebok attempts to protect their investment by specifically stating in their advertisements that they are the exclusive supplier of athletic gear for all athletes within their respective league associations (NBA, NFL). To promote this message, they include taglines like "The NBA Wears Reebok: Are You Authentic?" and "Peyton Manning wears Reebok. The Only Brand In Every NFL Locker."

Lesson 8.5 - Student Notes

Pricing Sponsorships

A. What is inventory?

1. The first step to the sponsorship sales process is _____
 - a. Inventory defines
 - b. An inventory sheet outlines
 - i. Inventory could include many sponsorship elements, such as _____, _____, or _____

B. Pricing sponsorships

1. Pricing
 - a. Pricing is complex because
 - b. After determining what inventory is available,
 - b. Define rate card
 - i. The rate card is essentially an inventory sheet with associated values
 - c. Assigning value can be challenging because sponsorship as a medium is generally considered to be intangible
 - i. Sponsorship pricing can be dependant upon event attendance and other similar factors (the sponsee's public image etc.), contributing the challenge of determining and maintaining effective price points
 - d. The overall sponsorship package which is ultimately assigned a price 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.
 - b.
 - c.
 - d.

Lesson 8.6 - Student Notes

Endorsements

A. What is an endorsement?

1. Define **endorsement**

a. The celebrity agrees to _____

2. Endorsement examples

a.

b.

B. What celebrities appeal to marketers?

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.

b.

c.

d.

2. Finalizing the selection process

a.

b.

c.

d.

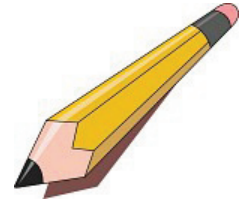
e. Marketers can refer to a prospective endorsers _____ to determine the individual celebrity's marketing potential

C. Endorsement effects on sales

1. Studies have shown that _____

Unit 8 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Eight Activities



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, Bruce Jenner, Mary Lou Retton, Walter Payton, Chris Evert, Michael Jordan, and most recently, 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 Class Activity

Endorsement

Student Name _____

Class Period _____

Class (Group) Activity Instructions:

As a class, identify products that are endorsed by celebrities. Be sure to select products from different categories, i.e., do not choose all shoe brands or all sports drinks. Try to include as much variation as possible between your products. After you have identified the products, list the celebrity that endorses each of them and discuss why you think the company chose each celebrity to be affiliated with their products.

Product

Celebrity Endorser

UNIT 9

Ticket Promotion and Sales



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.

Unit 9: Ticket Promotion & Sales

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

<i>Lesson 9.1</i>	Role of Ticket Sales in Sports & Entertainment Business
<i>Lesson 9.2</i>	Ticket Sales Strategies
<i>Lesson 9.3</i>	The Ticket Sales Cycle
<i>Lesson 9.4</i>	Ticketing Technologies

Key Terms

Frequency Escalator

Group Tickets

Season Tickets

Season Ticket Equivalents

Ticket Package

Unit 9: Ticket Promotion & Sales

Discussion Topics

Have you ever been approached by a salesperson from a sports or entertainment organization? What were they selling? Did you decide to purchase?

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?

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?

Lesson 9.1 - Student Notes

The Role of Ticket Sales in Sports and Entertainment Business

- A. How important is the ticket sales function to the sports and entertainment industry?
1. Ticket sales provide the _____ for any organization within the industry
 2. Within the industry, the ticket sales process is often referred to as
 - a. _____
 - b. _____
 - c. _____
- B. Ticket sales are affected by other functions of the sports and entertainment business
1. Ticket sales decline with the presence of _____
- C. Many factors influencing ticket sales and attendance
1. _____
 2. _____
 3. _____
 4. _____
 5. _____
- D. Ticketing Trends
1. Like any other industry, business trends play an important role in how sports and entertainment properties _____

 - b. A current industry trend is the development of _____ ticket packages
 - i. Examples _____
 - ii. _____

Lesson 9.2 - Student Notes

Ticket Sales Strategies

A. Season tickets

1. Define **season tickets**
2. _____ tickets are a powerful value-based incentive in the season ticket package
3. Why do most organizations include additional benefits for season ticket holders?

B. Ticket packages and mini-plans

1. Define **ticket package**
2. Packages offer _____ for consumer purchases by requiring smaller financial and time commitments to purchase game or event tickets

C. Season ticket equivalents

1. Define **season ticket equivalents**

D. Group tickets

1. Group tickets are
2. Groups usually require _____ to qualify for group rates

E. Theme night packages

1. The goal of a theme night is to

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 _____

Lesson 9.2 - Student Notes

Ticket Sales Strategies

G. Premium seat ticket packages

1. Premium seats are
2. Premium seats could include

H. Walk up and promotional ticket sales

1. “Walk up” tickets refer to
2. Organizations plan creative promotions to _____

Lesson 9.3 - Student Notes

The Ticket Sales Cycle

A. Goal of sports and entertainment marketers

1. The ultimate goal, according to Mullin, Hardy and Sutton, of sports and entertainment promotion, is to increase overall consumption of products or services through increased awareness and interest
 - a. Essentially, the goal is to increase overall levels of _____
 - b. Research indicates the long term financial implications of an organization are impacted most by _____ customers, not by attracting _____ consumers
 - c. On average, U.S. companies lose _____ % of their customers in five years

B. Frequency escalator

1. Define **frequency escalator**
 - a. This concept is also referred to as the _____ escalator
 - b. The basic concept of the escalator is that sports and entertainment marketers focus not on getting new fans to games, but to _____

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. _____ user
 - a. The indirect user is
 - b. This group of consumers can be reached through:
 - i.
 - ii.
 - iii.
 - c. The marketer's goal with this group is to

Lesson 9.3 - Student Notes

The Ticket Sales Cycle

4. _____ user
 - a. Light users attend
 - b. Light users have no established
 - c. The sports and entertainment marketer reaches light users through:
 - i.
 - ii.
 - d. The marketer's goal with this group is to
5. _____ user
 - a. Medium users attend less than
 - b. Keys to reaching this group include:
 - i.
 - ii.
 - iii.
 - iv.
 1. 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. _____ user
 - a. Heavy users participate or attend
 - b. Heavy users are
 - c. Examples of heavy users
 - i.
 - ii.
 - iii.
7. Descending the escalator
 - a. Descending the escalator occurs when
 - b. Caused by consumer _____ or _____

Lesson 9.4 - Student Notes

Ticketing Technologies

A. Distribution

1. Technology has streamlined the distribution of tickets
 - a. The world wide web provides
 - b. Consumers purchasing tickets online many times have the option of
 - c. Pacific Bell Park, home to Major League Baseball's San Francisco Giants, has a _____ in place for scanning tickets as fans enter the stadium through electronic turnstiles (this practice has quickly been adopted by many teams)
 - 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

B. Database marketing

1. Database marketing is the process of
2. Database marketing has enjoyed continued growth as the new trend in direct marketing among many sports and entertainment organizations
3. It enables marketers to capture
 - a. Example
 - i. In an effort to build their database and expose new fans to their product, the NBA's Portland Trail Blazers launched an email campaign encouraging fans to register online. Fans who registered online received a pair of complimentary tickets to a pre-season game.
4. By segmenting fans based on their buying habits and demographic information, an organization can effectively
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.

Lesson 9.4 - Student Notes

Ticketing Technologies

C. Service

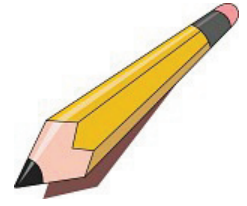
1. Many organizations have implemented _____ programs for their season ticket holders as a vehicle for improving customer relations
 - a. Memphis Grizzlies season ticket holders enjoy many benefits via the team's Website, which allows customers to:
 - i.
 - ii.
 - iii.
 - iv.
2. Technology makes communication easier and more effective between teams and consumers

D. Drawbacks

1. The selling of tickets by an unauthorized third party, called _____ or online brokers, has become commonplace online
 - a. This practice has a _____ impact on an organization's bottom line, and ultimately drives ticket prices up for consumers
 - b. In 2004, the state of Missouri sued an online broker of St. Louis Cardinals playoff tickets
 - i. The suit stated that an undercover agent bought two bleacher tickets for a first-round Cardinals playoff game at Busch Stadium for \$70 each when the face value of the tickets was only \$19 each
 - ii. The ticket broker's website advertised an available inventory of over 2,800 tickets
 - iii. To resolve the issue, the broker was required to offer full refunds to those customers who purchased tickets, repay the Attorney General's office \$3,000 in legal fees and donate nearly 100 tickets to a charitable organization. The company was also ordered to cease re-selling tickets to Missouri sporting events in excess of the printed price on the ticket.
2. Sports and entertainment properties are now being challenged to adapt to _____ of the secondary ticket market
 - a. Sports and entertainment properties are beginning to partner with secondary ticket sellers to share in the profits
 - i. Example #1
 - ii. Example #2

Unit 9 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Nine Activities



Case Study

Ticket Promotion and Sales: A Unit 9 SEM Case Study

The Milwaukee Wave, members of the National Professional Soccer League (NPSL), had averaged 7,903 fans per game in 1997. In just one year, the franchise was able to boost their 1998 average to almost 8,500 fans, or 11,000 more fans over the course of the season than the previous year.



That attendance increase was due, in large part, to a single promotion aimed at driving paid attendance. The promotion did not come without a cost. The Wave marketing team opted to hire Green Bay Packers quarterback Brett Favre to appear during halftime of a Wave home game. Favre collected \$75,000 -- more than the annual salary of all but one Wave player, for his brief Bradley Center appearance.

The promotion, however, generated a league record attendance of 18,197 (the mark remains the largest single-game crowd in league history). Fans paid between \$12 and \$16 per ticket.

Assuming fans paid an average of \$14 per ticket, the team successfully generated nearly \$255,000 in ticket sales revenue. In addition, the promotion surely amplified merchandise, concessions and parking revenues. The promotion also put the team in the spot light, helping it attract new sponsors. The Wave has since been in the league's top three in paid attendance every season.

Case Study Questions

- 1.) *Do you think the Milwaukee Wave's promotion was effective? Why or why not?*
- 2.) *Aside from the direct results associated with the promotion, how do you think Brett Favre's appearance impacted future ticket sales? How and why?*

Unit 9 Internet Activity

Ticket Promotion and Sales

Student Name _____

Class Period _____

Internet Activity Instructions:

Perform an internet search to find a sports or entertainment property's website link to their ticket sales and promotion page. Carefully review the packaging strategy the organization has implemented and answer the questions below.

- 1) What organization did you research?

- 2) Is it a sports or entertainment property?

- 3) Do you think a difference in strategy exists between sports properties and entertainment properties? Why or why not?

- 4) What types of packages are being offered?

- 5) Does the organization offer any noticeable price adjustments for different packages? Why do you think this is or isn't the case? Explain your answer in detail.

- 6) What do we mean by the term "season ticket equivalents"?

- 7) Do you think any sports or entertainment properties choose NOT to offer ticket packages outside of full season plans? Find an example online.

UNIT 10

Game Operations and Entertainment



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.

Unit 10: Game Entertainment

Objectives

- 1) Define the term game operations
- 2) Identify five elements of game entertainment
- 3) Explain what is meant by “game attractiveness” and how it influences attendance
- 4) Explain why game operations are important to a sports organization
- 5) Describe the relationship between game operations and other functions of the organization

Lessons

Lesson 10.1 What are Game Operations?

Lesson 10.2 The Role of Game Operations in Sports Marketing

Key Terms

Game Attractiveness

Game Operations

Discussion Topics

When you attend a professional sporting event, is the actual game the only form of entertainment present? What other forms of entertainment are typically present?

Why do you think teams invest the time, energy and finances to implement game operations?

Lesson 10.1 - Student Notes

What are Game Operations?

A. Define **game operations**

1. When does the game operations process begin?
2. What are some of the elements of game entertainment?
 - a.
 - b.
 - c.
 - d.
 - e.
3. The role of game entertainment in the sports business model is two-fold
 - a.
 - b.

B. Why are game operations important?

1. Successful game operations can help the organization achieve its goals by
 - a.
 - b.
 - c.
 - d.
 - e.
2. Game attractiveness
 - a. Define **game attractiveness**
 - b. What are some event variables that contribute to game attractiveness?
 - i.
 - ii.
 - iii.
 - iv.
 - v.

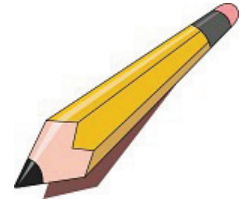
Lesson 10.2 - Student Notes

Role of Game Operations in Sports Marketing

- A. What other areas of a sports organization can be helped by an effective game operations strategy?
1. Ticket sales
 - a. How?
 - b.
 - c.
 2.
 - a. How?
 - b.
 - c.
 3.
 - a. How?
 - b.
 - c.
 4.
 - a. How?
 - b.

Unit 10 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Ten Activities



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 losing more than 70% of their games.¹

How do they do it? The strategy, according to Steve Schanwald, the Bulls' Executive 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 scoreboard and features "Dashing Donut", "Biggie Bagel", and "Cuppy Coffee", and fans holding the coupon 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 building." 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 perform 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 11

SEM *Communications*



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 a growing industry trend; 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.

Unit 11: SEM Communications

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

Lessons

<i>Lesson 11.1</i>	Sports & Entertainment Communications
<i>Lesson 11.2</i>	Publicity
<i>Lesson 11.3</i>	Functions of Sports & Entertainment Communications
<i>Lesson 11.4</i>	Integrating Publicity
<i>Lesson 11.5</i>	The Publicity Plan
<i>Lesson 11.6</i>	Press Releases
<i>Lesson 11.7</i>	Press Kits

Key Terms

Community Relations

Foundation

Goodwill

Media Relations

Press Release

Public Relations

Publicity

Publicity Stunt

Unit 11: SEM Communications

Objectives

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?

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?

Can you think of a current event involving athletes or entertainers? What was the event? Why do you think they became involved? How did you become aware of their involvement?

Lesson 11.1 - Student Notes

Sports & Entertainment Communications

- A. Sports and entertainment information
 - 1. What does it provide?
 - 2. Could include
- B. Sources of sports and entertainment information
 - 1. Where do consumers turn for sports and entertainment information?
 - 2. What type of information is accessible through the media?
- 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
 - 2. Communications staff plays an integral role in
- D. Who is SID?
 - 1.
 - 2. SID can present his/her self in many forms, including
 - 3. SID is responsible for
- E. Publicity plays an even more crucial role to a sports and entertainment organization's success in the age of the Internet
 - 1. Why?
 - 2. How else has technology and the Internet shifted trends in the entertainment business climate?
 - 3. Examples
 - a.
 - b.
 - c.

Lesson 11.2 - Student Notes

Publicity

- A. Publicity
 - 1. Define **publicity**
 - 2. In sports and entertainment communications, publicity is generated and defined by three primary components...what are they?
 - a.
 - b.
 - c.
 - 3. Disadvantages of publicity
 - a.
 - b.
- B. Public relations
 - 1. Define **public relations**
 - 2. Also referred to as
- C. Media relations
 - 1. Define **media relations**
 - 2. The goal of media relations is
 - 3. Media's impact on sports and entertainment publicity efforts
 - a. "Magnifying glass effect" of media coverage
 - i.
 - b. How does featuring sports and entertainment news related items increase the probability of profitability for media organizations?
 - i.
 - ii.
 - 4. What effect on an organization can media relations have?
 - a. A perception exists that the media has a tendency to seek out and report stories with _____ implicating sports and entertainment organizations, celebrities and athletes
 - b. What factors influence the frequency of this journalistic trend?
 - i.
 - ii.

Lesson 11.2 - Student Notes

Publicity

iii.

iv.

v.

5. Three approaches to media relations

a. Reactive

i. Define

ii. Example

b. Proactive

i. Define

ii. Example

c. Interactive

i. Define

D. Community Relations

1. Define **community relations**

2. The goal of a community relations effort is

3. Community relations are typically implemented one of three ways

a.

b.

c.

4. Foundations

a. Define **foundation**

b. Celebrity foundations can help individual athletes and entertainers by

Lesson 11.3 - Student Notes

Functions of Sports and Entertainment Communications

A. What are the six primary functions of sports and entertainment communications?

1.

a.

2.

a.

b. Define **goodwill**

3.

a.

4.

a.

5.

a.

6.

a.

Lesson 11.4 - Student Notes

Integrating Publicity

- A. Importance of integration
1. Many corporations (including those outside of the sports and entertainment industry) are beginning to view public relations as one all-encompassing arena that includes
 - a.
 - b.
 - c.
 - d.
 2. Sports and entertainment organizations follow the same trend and integrate _____ to that mix
- B. Publicity affects many other critical components of the sports and entertainment business model
- 1.
 - 2.
 - 3.
 - 4.
 - 5.
 - 6.
- C. It is critical that an organization communicate _____ as well as communicating messages _____
- 1.

Lesson 11.5 - Student Notes

The Publicity Plan

A. Publicity plan development

1. The goal of the plan is to
2. Community relations efforts
 - a.
 - b.
 - c.
 - d.
3. It is critical to recognize how consumers perceive _____

B. Key strategies that should be included in any comprehensive publicity plan include

- 1.
- 2.

C. Popular sports and entertainment publicity plan strategies

- 1.
- 2.
- 3.
- 4.

D. Common components of a publicity plan

- 1.
- 2.
- 3.
- 4.
5. Press conferences
 - a. Press conferences take place when

Lesson 11.5 - Student Notes

The Publicity Plan

D. Utilizing resources

1. Organizations make an effort to use all the resources they have available to them
 - a.
 - b.
 - c.
 - d.

E. Publicity stunts

1. Define **publicity stunts**
2. Examples
 - a.
 - b.

Lesson 11.6 - Student Notes

Press Releases

- A. Press releases
 - 1. Define **press release**
 - 2. Every press release must address several specific pieces of information
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.
 - h.
- B. Three categories of press releases define when information is disseminated
 - 1. Pre
 - a. Occurs when?
 - 2.
 - a. Occurs when?
 - 3.
 - a. Occurs when?
- C. What is an example of information an organization may distribute via a press release?
 - 1.

Lesson 11.7 - Student Notes

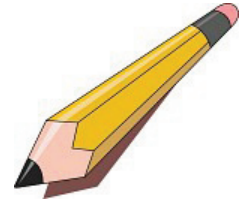
Press Kits

A. Press kits

1. Define **press kit**
2. What would an organization include in a press kit?
 - a.
 - b.
 - c.
 - d.
 - e.
3. Each piece included in the press kit should include _____,
as press kit material often becomes separated
4. Many organizations now create an electronic version of the media kit?
 - a.
 - b.
 - c.

Unit 11 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Eleven Activities



Case Study

Community Relations in Sports & Entertainment: A Unit 11 SEM Case Study

Tracy McGrady, Kobe Bryant, Jermaine O'Neal, Bob Sura, Jalen Rose, Pau Gasol and Mike Miller donated \$1,000 for every point they scored in a game in the week following the tsunami disaster to contribute to relief efforts. The donations were made to NBA partner charity UNICEF. Sports agent Arn Tellem, whose sports marketing firm SFX represents each of the participating NBA players, matched the highest donation of \$55,000. The program, called "Shoot-a-Thon," had set a goal of raising \$250,000, but exceeded that amount by raising over \$300,000. Player donations (Gasol: \$20,000; Miller: \$16,000; McGrady his donation up from \$26,000: \$30,000; Sura: \$20,000; Bryant: \$27,000; O'Neal: \$55,000; and Rose: \$44,000). Jermaine O'Neal originally planned on donating based on his performance on January 6 when he scored 32 points. Instead he chose to donate based on his points the previous game (55 points) Jalen Rose scored 21 points, but decided to donate based on his career high of 44 points. Overall individual player contributions totaled \$212,000.



Stephon Marbury, Allan Houston, Moochie Norris, Vin Baker and Nazr Mohammed of the New York Knicks, donated \$1,000 to UNICEF for each point that they individually scored on January 8. Marbury donated \$7,000, Houston \$9,000, Norris \$2,000, Baker \$2,000 and Mohammed \$12,000.

In addition to individual player efforts, the Washington Wizards sold "Tsunami Relief" wristbands for a minimum donation of \$2 at one of their home games, with all proceeds going to UNICEF. Wizards players and coaches wore the bands during their game against the New Jersey Nets. That promotion generated nearly \$50,000.

The Portland Trail Blazers have collected donations at home games for Mercy Corps, and players also made private donations. Paul G. Allen, the owner of the Trail Blazers, has also donated \$500,000 each to Northwest Medical Teams, Mercy Corps and World Vision to aid the tsunami victims, totaling \$1.5 million, on behalf of his foundation. Theo Ratliff and his wife also donated an additional \$100,000 to UNICEF.

Nearly every NBA team participated in relief efforts, with individual franchises and players making over \$1.1 million in additional charitable contributions to UNICEF, United Way and the American Red Cross.

The NBA did their part as well. The NBA and its player's association (NBPA) teamed up to donate \$1,000,000 to the U.S. Fund for UNICEF's tsunami relief efforts. The NBPA donated \$500,000 to UNICEF's tsunami relief efforts in Southeast Asia and the NBA matched the gift for a total of \$1,000,000 to UNICEF. In addition, the NBA partnered with Adidas to auction off 25 autographed pairs of Kevin Garnett shoes with proceeds to benefit tsunami relief efforts. Each pair sold for \$505, totaling over \$12,000.

Case Study Questions

- 1.) *What do you think prompted the NBA and its players generous contributions to this cause?*
- 2.) *How do you think the NBA and its players communicated information about the relief efforts?*
- 3.) *How do you think the NBA's response to the tsunami disaster will be received by the public?*

Unit 11 Class Activity

Understanding Media

Student Name _____

Class Period _____

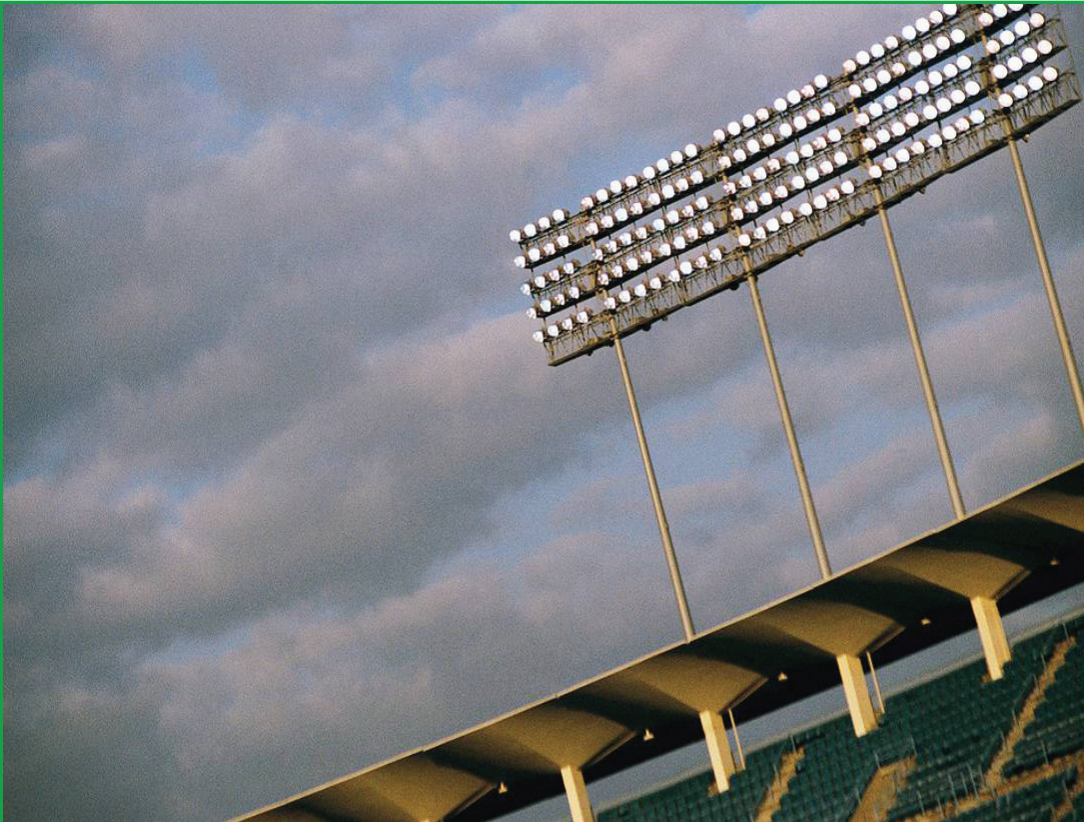
Group Activity Instructions:

Create a list of five different print (magazines, newspapers, etc.), web-based and broadcast (television and radio) media available in your local area. Using the list you created, research those mediums and answer the questions below for each organization. (For the next class period, submit an example of an advertisement from each.)

- 1) How frequently does the organization publish or broadcast information?
- 2) Who is the target audience for the medium?
- 3) What type of sport/event/entertainment could effectively utilize the medium?
- 4) How many competitors does the organization have within the local market?
- 5) How does this organization rank among its competitors? Why or why wouldn't that appeal to a sports, event, or entertainment company?

UNIT 12

Careers in SEM



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.

Unit 12: Careers in SEM

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

<i>Lesson 12.1</i>	Careers in Sports
<i>Lesson 12.2</i>	Careers in Entertainment
<i>Lesson 12.3</i>	Preparing for Sports and Entertainment Marketing Careers
<i>Lesson 12.4</i>	Cover Letters & Resumes
<i>Lesson 12.5</i>	The Job Market

Key Terms

Cover Letter
Resume

Unit 12: Careers in SEM

Discussion Topics

Do you think there are many career opportunities in sports and entertainment? Why or why not?

Do you think a potential career in this industry is attainable? How competitive do you think careers in this field can be?

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?

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?

Lesson 12.1 - Student Notes

Careers in Sports

A. Sports operations (management) careers

1. Sports operations careers involve

2. Potential career paths

- a.

- b.

- c.

- d.

- e.

B. Corporate sports marketing careers

1. Many major corporations like Pepsi, Coca Cola, Visa, American Express, and Federal Express employ individuals to

2. Potential positions in corporate sports marketing

- a.

- b.

- c.

- d.

C. Sports business careers

1. Careers in sports business focus on

2. Potential sports business career paths

- a.

- b.

- c.

Lesson 12.1 - Student Notes

Careers in Sports

- D. Recreation and fitness sports business careers
 - 1. Because of the broad range of industry segments covered, recreation and fitness careers offer many different career opportunities
 - 2. Potential careers
 - a.
 - b.
 - c.
- F. Additional sports related career fields
 - 1. Sports agencies and professional services
 - a. Specialty services
 - i.
 - ii.
 - iii.
 - b. Sports agents
 - i.
 - ii.
 - c. Celebrity Speakers Bureau
 - 2. Facility management
 - a.
 - 3. Sports associations
 - a.
 - b.
 - 4. Sporting goods
 - a. Manufacturers
 - i.
 - ii.
 - b. Wholesalers
 - i.
 - c. Retailers
 - i.
 - ii.

Lesson 12.2 - Student Notes

Careers in Entertainment

- A. Potential career paths within segments of the entertainment industry
 - 1. Gaming
 - a.
 - b.
 - 2. Music
 - a.
 - b.
 - 3. Acting
 - a.
 - b.
 - c.
 - 4. Comedy
 - a.
 - b.
 - 5. Theme Park
 - a.
 - 6. Travel
 - a.
 - b.
 - 7. Writing
 - a.
 - b.
 - c.
 - 8. Arts
 - a.
 - b.
 - c.

Lesson 12.2 - Student Notes

Careers in Entertainment

- B. Entertainment job functions
 - 1. Specific job functions within the entertainment industry
 - a.
 - b.
 - c.
 - d.
 - e.

Lesson 12.3 - Student Notes

Preparing for Sports/Entertainment Business 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.
 - 2.
 - 3. Self preparation
 - a.
 - b.
 - c.
 - 4.
 - 5.
 - 6.
- B. Employment tools
 - 1.
 - 2. Define resume
 - 3.
- C. Interview process
 - 1. How do you prepare for the interview?
 - a.
 - b.
 - c.
 - 2. After the interview
 - a.
 - b.

Lesson 12.4 - Student Notes

Cover Letters & Resumes

A. Define **cover letter**

1. An effective cover letter will
 - a.
 - b.
 - c.
2. Cover letters should
 - a.
 - b.
 - c.

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.
 - b.
 - c.
 - d.
 - e.

Lesson 12.5 - Student Notes

The Job Market

A. Forecast

1. Does it look like this is a growing field?
 - a.
 - b. Example or statistical evidence that supports your answer
2. How can you make yourself marketable?
 - a.
 - b.
 - c.
 - d.
3. Importance of networking
 - a.
 - b.
4. Expectations
 - a.
 - b.
 - c.

Lesson 12.5 - Student Notes

The Job Market

B. Resources

1.

2.

3.

4. Online resources

a. Sports Career Consulting's Online Career Center (*www.sportscareerconsulting.com*)

b.

c.

5. Additional sources for job leads

a.

b.

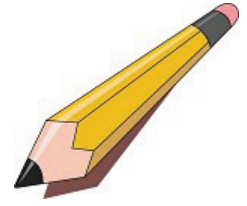
c.

d.

e.

Unit 12 - Student Notes

Additional Notes



The Business of Sports and Entertainment

Unit Twelve Activities



Case Study

Community Relations in Sports & Entertainment: A Unit 11 SEM Case Study

In 1997, Ryan Langan was a student at the University of Wisconsin-La Crosse majoring in Sports Management, when 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 opportunity 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 University 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.

Currently, Mr. Langan is the MBA Director at the University of South Florida, coordinating the recruiting efforts of the University's MBA Program.

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 Student Assignment

Cover Letter and Resume

Student Name _____

Class Period _____

Assignment Instructions:

An internship has just been posted on the local baseball team's website for the position of Assistant Sponsorship Coordinator. The position with the Bay City Road Runners is paid and could provide an opportunity for full-time employment upon successful completion of the summer internship. Prepare a cover letter and resume assisting you in the application and employment process. The internship posting is provided below.

Bay City Road Runners: Minor League Baseball Club

Internship Posting

Title: Assistant Sponsorship Coordinator

Job Description: This position provides sales and service support for the sponsorship department

Job Responsibilities:

1. Prepare sponsorship proposals and additional correspondence to assist in the sales process.
2. Develop banner advertisement themes for Road Runners website
3. Assist in on-field sponsorship promotions
4. Assist with the organization and development annual sponsorship appreciation outing
5. Coordinate department's printing needs
6. Create additional sales opportunities for sponsorship department
7. Manage Road Runners Kid's Club
8. Support and service ticketing needs of Road Runners sponsors

Qualifications: Education: *Successful completion of a high school or higher sports and entertainment marketing course.*

Computer Skills: *Must have above average computer skills, including proficiency in Microsoft Word, Excel and PowerPoint.*

Communication Skills: *Requires exceptional customer service skills and have strong written and verbal communication skills.*

Miscellaneous: *Must be a problem solver who is able to work in a team environment.*

Supervised By: Sponsorship Coordinator

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