

THE BUSINESS OF SPORTS



AND ENTERTAINMENT

2nd edition



The Business of Sports and Entertainment

Second Edition



This publication is produced with the intent of free distribution to any educator in pursuit of a new and exciting means for connecting with today's students and enhancing the classroom experience. Hard copies of this publication and the accompanying student workbook are available for purchase online. Visit www.sportscareerconsulting.com to learn more.

Copyright © 2008 by Sports Career Consulting, LLC. All rights reserved. Reproduction or use of any portion of this publication by any mechanical, electronic, or other means is prohibited without written permission of Sports Career Consulting, LLC.

For more free resources for your class, visit www.sportscareerconsulting.com/blog.

CONTENTS

Unit 1: History and Evolution of SEM	Page	12
Lesson 1.1		
Genesis of Sports & Entertainment Marketing		15
Lesson 1.2		
Factors Contributing to Industry Growth		16
Lesson 1.3		
Media Impact on Industry Growth		18
Lesson 1.4		
Industry Pioneers		19
Lesson 1.5		
Important Milestones in SEM History		26
Lesson 1.6		
Where Are We Now?		27
 Unit 2: What is SEM?	 Page	 32
Lesson 2.1		
Sports & Entertainment Marketing (SEM) Defined		36
Lesson 2.2		
The Fusion of Marketing with Sports & Entertainment		37

Lesson 2.3		
Sports ARE Entertainment		40
Lesson 2.4		
Primary Marketing Functions		41
Lesson 2.5		
Understanding the Sports & Entertainment Product		43
Lesson 2.6		
Competition for the Entertainment Dollar		44
Lesson 2.7		
Reaching Consumers		46
Lesson 2.8		
Introduction to Event Marketing & Management		48

Unit 3: Introduction to Business Principles	Page	56
--	-------------	-----------

Lesson 3.1		
Industry Segments		59
Lesson 3.2		
The Financial Structure of Sports Business		60
Lesson 3.3		
The Financial Structure of Entertainment Business		62
Lesson 3.4		
Tracking Industry Trends		64

Unit 4: What is SEM?

Page 69

Lesson 4.1	
The Basic Marketing Concept	73
Lesson 4.2	
The Marketing Mix	74
Lesson 4.3	
Target Markets	75
Lesson 4.4	
Market Segmentation	77
Lesson 4.5	
Positioning	78
Lesson 4.6	
Understanding the Sports & Entertainment Consumer	80
Lesson 4.7	
Market Research	81
Lesson 4.8	
Advertising	83
Lesson 4.9	
The New Marketing Era	85

Unit 5: The Marketing Plan	Page	94
Lesson 5.1		
What is the Marketing Plan?		98
Lesson 5.2		
Components of an Effective Marketing Plan		99
Lesson 5.3		
The Mission Statement		100
Lesson 5.4		
The Situation Analysis (SWOT)		101
Lesson 5.5		
Financing		102
Lesson 5.6		
Key Information in the Marketing Plan		103

Unit 6: Branding and Licensing	Page	110
Lesson 6.1		
Branding		114
Lesson 6.2		
Licensing		121
Lesson 6.3		
The Licensing Process		123
Lesson 6.4		
Merchandising		125

Unit 7: Promotion and Sales

Page 131

Lesson 7.1

Understanding Sales

135

Lesson 7.2

The Sales Process

138

Lesson 7.3

Sales Strategies, Skills & Techniques

140

Lesson 7.4

Importance of Customer Service

141

Lesson 7.5

Sales Professionals

143

Lesson 7.6

Promotion

144

Unit 8: Sponsorship and Endorsement

Page 153

Lesson 8.1

Sponsorship

157

Lesson 8.2

Sponsorship Growth

160

Lesson 8.3

Sponsorship Decisions

162

Lesson 8.4

Ambush Marketing

165

Lesson 8.5

Pricing Sponsorships

169

Lesson 8.6

Endorsements

170

Unit 9: Ticket Promotion and Sales	Page	178
Lesson 9.1		
Role of Ticket Sales in Sports & Entertainment Business		181
Lesson 9.2		
Ticket Sales Strategies		184
Lesson 9.3		
The Ticket Sales Cycle		187
Lesson 9.4		
Ticketing Technologies		189
 Unit 10: Game Operations and Entertainment	 Page	 196
Lesson 10.1		
What are Game Operations?		200
Lesson 10.2		
The Role of Game Operations in Sports Marketing		201
 Unit 11: SEM Communications	 Page	 207
Lesson 11.1		
Sports & Entertainment Communications		211
Lesson 11.2		
Publicity		212
Lesson 11.3		
Functions of SEM Communications		216
Lesson 11.4		
Integrating Publicity		218

Lesson 11.5		
The Publicity Plan		221
Lesson 11.6		
Press Releases		223
Lesson 11.7		
Press Kits		225

Unit 12: Sports and Entertainment Careers	Page	232
--	-------------	------------

Lesson 12.1		
Careers in Sports		236
Lesson 12.2		
Careers in Entertainment		239
Lesson 12.3		
SEM Career Prep		240
Lesson 12.4		
Cover Letters & Resumes		241
Lesson 12.5		
The Job Market		242

Preface

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

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

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

One hallmark of SCC’s educational programs is our ability to adapt, providing flexible alternatives for teachers looking to maximize the resources available to them. Initially, SCC’s content was predominately provided in digital format, broken down chapter by chapter. Because many educators still prefer a traditional textbook as a primary means for introducing subject matter, this book was developed as an additional resource. While this publication is not intended to replace a traditional textbook, it does take a step closer to bridging the gap between the non-traditional approach of most of our material and the traditional means of classroom instruction. In fact, for those teachers who want a traditional hard cover or paperback text book, this publication and the accompanying student workbook are available for purchase online in the format of your choice. Visit www.sportscareerconsulting.com to learn more.

For those instructors comfortable with a more progressive teaching style, SCC’s membership programs offer the flexibility of adapting resources to meet the rigorous needs of your lesson planning. In addition to some key supplemental material (PowerPoint slides, subscription to weekly current events e-newsletter, access to sports business podcasts, archived versions of the newsletter, projects and classroom games), members can edit all resources to serve as the perfect supplement to whatever other resources you utilize in class. SCC members also have the unique opportunity to share information with teachers around the country through our idea exchange forum message board community online.

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

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

Enjoy!

Acknowledgements

There are so many people I'd like to thank for their constant support and encouragement. It would take another lengthy publication altogether to mention everyone who deserves credit in one form or another.

To all of the industry professionals who have offered guidance, contributions and continued support, hopefully the progression of this class will continue to help shape an exceptional next generation of sports and entertainment business leaders. Without your efforts, providing top notch education programs for America's high schools would not be possible. Thanks, in particular, to the following individuals for sharing their wisdom, insight, advice, time and support:

Adrian Staiti from Front Row Marketing Services, Amy Zuckerman from the Portland Trail Blazers, Anna Jesse from the Portland Trail Blazers, Beau Bradle from the US Cellular Coliseum, Bob Wood from Nike Golf, Brad Ebben from Fox Sports Detroit, Brady Kellogg from the Denver Broncos, Brian Berger from Sports Business Radio, Brian Facchini from Nike, Inc., Brian Sandy from the Tri-City Americans, Carin Anderson from the Minnesota Wild, Chad Estis from the Dallas Cowboys, Chris Goodell from the LaCrosse Loggers, Chris Rothwell from the Milwaukee Brewers, Corbin Hunt from the University of Virginia, Dan Litzinger from the Rochester Honkers, Dave Fendrick from the Round Rock Express, Dennis Nelson from the Philadelphia 76ers, Drew Cloud from the Phoenix Suns, Eric Blankenship from the Philadelphia 76ers, Eric Sebastian from the Denver Nuggets, Heather Lawrence, PhD, Ohio University Center for Sports Administration, Jason Herbers from Utah State University, Jay Gladden, PhD, Isenberg School of Management at the University of Massachusetts, Jeff Hibicke from the Milwaukee Brewers, Jennifer Ark from the Green Bay Packers, Jere Hanks from Ramp Marketing & Media, Jessica Miller from Pinnacle Sports Management, John Jackson from SportsMyx, John Keyser from Nike, Inc., Kari Lockhart from the Portland Trail Blazers, Keri Stoller from the Memphis Grizzlies, Konni Hibicke from the Milwaukee Bucks, Kyle Draper from the Tampa Lightning and St. Pete Times Forum, Lee Dicklitch from the University of Wisconsin, Melissa Jurcan from the University of Phoenix Stadium, Mike Dammen from the Dallas Cowboys, Mike Egan from the Pittsburgh Pirates, Morgan Shaw from the Kansas City Chiefs, Patrick Walker from Pat Walker Productions, LLC, Peter Moris from the Kansas City Chiefs, Ryan Eklund from UCLA, Ryan Langan from the University of South Florida, Ryan Tanke from the Minnesota Timberwolves, Ryan Williams from the Seattle Sonics and Storm, Ryan Woodcock from Communication Links, Sean McLaughlin from the Albuquerque Thunderbirds, Shannon Tipton from the Boston Celtics, Shawn Kison from the Wisconsin Center District, Shelley Binigar from Northern Illinois University, Steve Klegon from the Green Bay Packers, Suzanne Davies from Nike, Inc., Tim Kelly from FedEx Football, Todd Bosma from the Portland Trail Blazers, Todd Miles from Boise State University, Traci Reandean from the Portland Trail Blazers, Travis Grindle from the University of Lethbridge and Tricia Miller from the University of Portland. Thanks for making the sports and entertainment industry a great place to work and play!

I would also like to thank all of our existing members from around the country...thanks for helping us grow!

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

My many friends and wonderful family, you know who you are.

Tom Garrity, for opening the door.

Dan Thompson, for showing the way.

Especially my wife Kim, for her trust and continued belief in me, and my two princesses for all the inspiration a father could ever ask for.

“Sport has become a major social institution in American Society, and indeed, the modern world.”

- Center for Research on Sport in Society, University of Miami

Unit 1



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.

** MEMBER’S NOTE **

Lesson 1.4 of this unit reviews a number of industry pioneers. Use this as an opportunity to engage your students in discussion. It is a great way to encourage participation and get them excited about the class! For some added classroom fun, play the PowerPoint “Name That Pioneer Challenge” game located on the CD-Rom included with your membership package.

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

Genesis of Sports and Entertainment Marketing

- A. The origins of sports and entertainment marketing (SEM)
 - 1. What is SEM?
 - a. **SEM** is the acronym for sports and entertainment marketing
 - 2. Sports and entertainment marketing is a relatively new player in a field of multi-billion dollar industries. Many events have influenced its enormous growth.
 - a. Forms of sports marketing started as early as 1858 (first known athletic event to charge admission took place at a baseball game)
 - b. Evolved as fan support grew with willingness to spend discretionary income on sports
 - c. Emergence of radio and television increase exposure
 - d. Corporations began to see the benefit with sports affiliations, resulting in a sponsorship boom
 - e. Celebrity endorsements and naming rights deals became common industry practice
 - 3. Size and scope of the sports industry
 - a. The sports business industry is one of the largest and fastest growing industries in the United States
 - b. The Sports Business Journal estimates that the total US domestic sports consumption and investment in 2006 amounted to a whopping \$213 billion ¹
 - c. Comparatively:
 - 1. More than twice the size of the auto repair services and parking industries ¹
 - 2. Larger than such industries as insurance carriers and legal services ²
 - 4. Sports industry revenue breakdown (in 2004) ³
 - a. \$27.4 billion spent on advertising (14.1% of overall industry expenditure)
 - 1. Arena signage, magazines, radio, TV, etc.
 - b. \$26.2 billion spent on spectator spending (13.4% of overall industry expenditure)
 - 1. Ticket sales, concessions, premium seats licenses
 - c. \$25.6 billion spent on sporting goods (13.2% of overall industry expenditure)
 - 1. Equipment, footwear etc.
 - d. \$15.3 billion spent on professional services (7.8% of overall industry expenditure)
 - 1. Marketing and consulting, athlete representation, event management and marketing etc.
 - e. \$10.5 billion spent on licensed goods (5.4% of overall industry expenditure)
 - 1. Merchandise officially licensed by leagues, teams and other properties
 - f. \$7.0 billion spent on media broadcast rights (3.6% of overall industry expenditure)
 - g. \$897 million spent on athlete endorsements (.5% of overall industry expenditure)
 - h. \$239.1 million spent on Internet (.1% of overall industry expenditure)
 - 1. Ad spending and subscriber fees
 - 5. Entertainment industry projected advertising expenditures by 2011 ⁴
 - a. TOTAL Global entertainment & media (E&M) industry - \$2 trillion
 - b. Global Internet advertising and access spending - \$332 billion
 - c. Global television distribution - \$251 billion
 - d. Global television advertising - \$228 billion
 - e. Filmed entertainment - \$103 billion
 - f. Radio and "out-of-home" advertising - \$89 billion
 - g. Wireless gaming - \$49 billion

Lesson 1.2

Factors Contributing to Industry Growth

- A. Many factors in sports and entertainment business led to its enormous growth
1. Increase in numbers of those participating in sports and entertainment
 - a. The U.S. Youth Soccer Association reports that there were 100,000 registered players in 1974. Today the organization has grown to 3.2 million registered players and over 800,000 coaches and volunteers ⁵
 - b. In 1970, records show 11.2 million people played golf. ⁶ In 2005, estimates show that number may have jumped to nearly 65 million people. ⁷
 2. Increase in numbers of those following sports and entertainment
 - a. U.S. television broadcast 800 hours of sports in 1971 ⁸
 - b. In 2006, more than 5,100 live and/or original hours of sports programming were presented to American audiences on ESPN alone ⁹
 3. Increase in sports/entertainment offerings
 - a. In 2005, ESPN's coverage features more than 65 sports including MLB, NBA, NFL's Monday Night Football, NASCAR, MLS, FIFA World Cup, WNBA, college football, men's and women's college basketball, golf, Little League World Series, fishing, spelling, billiards, poker, arena football, eating championships, and the X Games ⁹
 4. Attendance increases had an enormous influence on the size and scope of the sports and entertainment business industry
 - a. For the 2006-07 season, NBA attendance was 21,841,480, breaking the mark of 21,595,804 set during the 2005-06 season ¹⁰
 - i. To put the league's growth into perspective, the NBA's attendance for the 1980-81 season was just 9,449,340 ¹¹
 - b. The highest grossing movie of all time is Titanic, in 1997, which has generated over \$1.8 billion in world wide revenue. The highest grossing film in the 70s was Star Wars, at just under \$800 million and in the 80s was E.T., at just \$750 million ¹²



* TEACHER'S NOTE *



This is a good time to gauge your student's familiarity with the concept of inflation (great way to tie in a quick economic lesson)! Ask students if they think twice as many ticket buying patrons attended Titanic as they did Star Wars. Introduce the concept of adjusted box office gross (reflecting inflation). See the discussion topic presented in the PowerPoint slides for more details and an example illustrating this valuable lesson.

5. Media coverage of sports and entertainment has grown significantly in the past half-century, placing athletes and entertainers in the public eye with incredible frequency
 - a. Television and radio provide alternative news sources to newspapers
 - b. Profit potential for media centers encourage increased competition for top stories
 - c. Introduction of Internet makes information available "on demand" and with increased frequency



Lesson 1.2

Factors Contributing to Industry Growth

6. The international marketplace continues to provide a platform for driving sales of sports and entertainment products and services
 - a. J.K. Rowling's (UK) Harry Potter series
 - b. Athletes like the NBA's Yao Ming (China), MLB's David Beckham (England), the NHL's Peter Forsberg (Sweden), the LPGA Tour's Lorena Ochoa (Mexico), the PGA Tour's Ernie Els (South Africa) and MLB's Ichiro Suzuki (Japan) help their respective entertainment genres, sports and leagues draw fans from all over the world
 - c. European bands like the Rolling Stones and Coldplay, Columbian artist Shakira and Barbados-born Rihanna sell millions of records (and downloads) to consumers all over the globe
 - d. Actors and actresses such as Salma Hayek, Emma Watson and Keira Knightley help boost International box office sales for the films in which they have a prominent role
- B. Signs of continued growth
 1. Indications point toward heavy increases in consumption of sports and entertainment
 - a. U.S. sales of video game hardware and software rose 31 percent from June of 2006 to June of 2007 ¹³
 - b. Record companies' digital music sales are estimated to have nearly doubled in value in 2006, reaching a trade value of approximately \$2 billion ¹⁴
 - c. By 2005, in just its second year of operation, Apple's online music store (iTunes) revealed that they had sold more than 350 million songs. In June of 2007, Apple announced that they have surpassed the 3 billion songs sold milestone. ¹⁵
 - d. In 2007, the NBA offered balloting for its annual All-Star game in 20 different languages ¹⁶
 - e. The value of major league sport franchises continues to grow at a furious pace. In 1999, Daniel Snyder bought the NFL's Washington Redskins for \$750 million. The franchise was valued in 2004 at \$1.1 billion, making it the first U.S. sports franchise to surpass \$1 billion. ¹⁷
 - i. In 2006, Forbes reported that the Redskins franchise value increased to \$1.4 billion, joined in the billion dollar club by four other NFL franchises (the New England Patriots, Dallas Cowboys, Houston Texans and Philadelphia Eagles)
 - ii. In 2006, Forbes also reported that the average NFL team is worth \$898 million, 211 percent more than when Forbes began calculating team values eight years ago ¹⁸

Lesson 1.3

Media Impact on Industry Growth

- A. What is media?
 - 1. **Media** refers to a means of communicating a message to large numbers of people ¹⁹
 - 2. In the earliest days of sports, fans would have to wait to read the paper to “see” the game
 - a. It was not until the 1936 Olympics (broadcast by ABC radio) that Americans were truly exposed to the amazing talents of Jesse Owens, one of America’s greatest athletes of all time ²⁰
 - b. Now, fans can follow athlete performances live through television, radio, Internet as well getting information through national papers, local papers, magazines, and industry specific journals
- B. The progression of media and its impact on the business of sports has been significantly influenced by several specific events ²¹
 - 1. 1921 – First baseball game on radio (Philadelphia Phillies at Pittsburgh Pirates)
 - 2. 1935 – First full season broadcast (Chicago Cubs)
 - 3. 1946 – First major sports event on television (Joe Louis boxing match)
 - 4. 1954 – First sports exclusive magazine hits the stands, Sports Illustrated is introduced
 - 5. 1970 – Monday Night Football kicks off
 - 6. 1973 – Tennis match between Billie Jean King and Bobby Riggs (billed as the “Battle of the Sexes”) watched by 48 million in the US and 90 million worldwide
 - 7. 1995 – DirecTV and the NFL join forces to offer the NFL Sunday Ticket, a subscriber based cable program enabling customers to watch any games of their choice ²²
 - 8. 1999 – Major League Baseball broadcasts World Series on the Internet ²³
 - 9. 2002 – The pay-per-view boxing match between Mike Tyson and Lennox Lewis generates a record \$103 million in sales ²⁴
- C. In the early days of team sports, concessions and tickets provided the only real source of revenue for team owners. Today, because of the platform media provides, teams have numerous outlets available to them to drive revenue.
 - 1. National television contracts
 - 2. Local television contracts
 - 3. Cable television contracts
 - 4. Sale of radio rights
 - 5. Streaming Internet audio
 - 6. Online revenue
 - 7. Team specific publications
- D. Sports and entertainment business coverage has become widespread and easily accessible
 - 1. ESPN and CNN / MONEY feature daily sports business columns on their Websites
 - 2. In 2004, a Portland, Oregon radio station launched a weekly, hour-long sports business talk show (Sports Business Radio)
 - a. In 2005, the same show became a nationally syndicated program being broadcast on satellite radio (Sirius)

Lesson 1.4

Industry Pioneers

- A. Discuss the legacy of sports industry pioneers and their impact on the industry's evolution
1. Pierre de Coubertin ²⁵
 - a. Responsible for the re-introduction of the Olympic Games in the 18th century after Emperor Theodosius I had abolished the games existence in 393 A.D.
 - i. Fourteen countries and 245 athletes competed in the Games
 2. Bill Veeck
 - a. One of the most imaginative sports entrepreneurs of the past century and the most creative marketer in baseball history
 - i. Sent 3'7" Eddie Gaedel to the plate in an official game in one of the most outrageous promotions seen in professional sports
 - ii. Introduced "Bat Day" – the first of many giveaway days featuring premium items which have become commonplace in sports today
 3. Mark McCormack
 - a. Became the first sports agent with an agreement to represent Arnold Palmer
 - i. Founded International Management Group (IMG), the largest sport marketing agency in the world
 - ii. Is credited with developing the concept that customers would all like to identify with athletes
 4. Mildred "Babe" Didrikson Zaharias ²⁶
 - a. Widely regarded as the greatest female athlete of all time
 - i. Won Female Athlete of the Year award six times
 - ii. Entered team track event and won the entire meet
 - iii. First female athlete to sign an endorsement contract, signing with Wilson Sporting Goods in 1948
 - iv. Co-founder of the Ladies Professional Golf Association (LPGA) in 1950
 5. Roone Arledge
 - a. Recognized as the visionary for "Monday Night Football"
 - i. Responsible for the integration of slow motion and the replay into broadcasts
 6. Jackie Robinson
 - a. Broke segregation barrier in pro sports when offered a contract to play for Major League Baseball's Brooklyn Dodgers
 - i. Went on to win a batting title and Most Valuable Player award
 7. Mohammed Ali
 - a. Transcended every barrier (from racial to political) to bring the sport of boxing to a global level of recognition
 - i. Uncanny ability to generate publicity, arguably unmatched by any other athlete in history
 - ii. Became a celebrity on an international scale
 8. William (Bill) H.G. France Sr.
 - a. Founded the National Association of Stock Car Auto Racing (NASCAR)
 - i. Founded the International Speedway Corporation (ISC), which owns and/or operates such venues as Daytona International Speedway, Phoenix International Raceway, North Carolina Speedway and the Michigan International Speedway

Lesson 1.4

Industry Pioneers

9. Pete Rozelle
 - a. As commissioner of the National Football League (NFL), guided the league from relative instability to arguably what has become the model for professional sports leagues today
 - i. In 1960, Rozelle, in his first year as commissioner, the value of the Dallas Cowboys was \$1 million. The storied franchise is now valued at nearly \$1.5 billion.
10. Michael Jordan
 - a. Responsible for the emergence of athlete/shoe company partnerships because of successful marketing and sales of Nike sneakers
 - i. Marketed as “Air Jordan”
 - ii. Helped the National Basketball Association (NBA) gain recognition as a global product because of his worldwide appeal and the marketing efforts of the league
 - iii. In 1998, Fortune Magazine estimated that Jordan alone generated \$9.9 billion for the economy
 - iv. Endorses many products even after retirement from the NBA including Nike shoes, Gatorade, Hanes brand clothing, Rayovac batteries, Ball Park hot dogs and Chevrolet
11. David Stern²⁷
 - a. Credited for the NBA’s economic turnaround after becoming commissioner. Since he took over in 1984, the NBA’s revenue has increased by 500%
 - i. Responsible for positioning the NBA as a global brand
 1. Opened international NBA offices in Barcelona, Hong Kong, London, Melbourne, Mexico City, Miami, Paris, Singapore, Taiwan, Tokyo, and Toronto
 - ii. Responsible for the creation of the WNBA and the minor league basketball system (NBDL) directly affiliated with the NBA
12. Jon Spoelstra
 - a. Widely regarded as one of the most innovative and successful sports marketers
 - i. During his tenure as president of the New Jersey Nets, the team set its all-time attendance record and sellouts at Meadowlands Arena increased from zero to 25 and local sponsorship sales went up from \$400,000 to \$7,000,000
 - ii. In his 11 years with the Portland Trail Blazers as Senior VP/General Manager, there was never a game that wasn’t sold out and he was integral in making the Blazer front office a model for all team sports
13. Phil Knight
 - a. Founder of Nike, Inc.
 - i. Named the “Most Powerful Man in Sports” by The Sporting News in 1992
 - ii. Started by selling running shoes from the trunk of his car
 - iii. Grew Nike to a multi-billion dollar company with effective marketing strategies, primarily by luring top athletes (such as Michael Jordan and Tiger Woods) to endorse Nike products

Lesson 1.4

Industry Pioneers

- B. Discuss the legacy of entertainment industry pioneers and their impact on the industry's evolution
1. P.T. Barnum
 - a. Credited as the creator of the circus
 - i. Branded his shows "The Greatest Show on Earth"
 - ii. His museum grossed over \$100,000 in its first three years and he would later become the second richest man in the United States ²⁸
 - iii. Had a New York newspaper print his obituary before his death as a publicity stunt, only to pass away two weeks later ²⁹
 2. Walt Disney
 - a. Developed the first fully synchronized sound cartoon when Mickey Mouse was featured in Steamboat Willie
 - i. Went to Hollywood with only \$40 in his pocket, drawing materials and an animated film
 - ii. Produced the first full-length cartoon feature film, Snow White in 1937
 - iii. Invested \$17 million into Disneyland in 1955. By 2003, more than 400 million people will have visited the California attraction ³⁰
 - iv. Opened Magic Kingdom in Walt Disney World in 1971. Since then, three subsequent parks have opened in Paris, Hong Kong and Tokyo
 - v. Disney Corporation valued at \$78 billion in 2004 ³¹
 3. Adolph Zukor
 - a. Founded Paramount Pictures
 - i. In 1912, made entertainment history when he daringly offered the American public its first feature-length film, "Queen Elizabeth," with Sarah Bernhardt ³²
 - ii. Became one of the first producers to generate significant crowds at his theaters, creating the first real opportunities to generate substantial revenue through ticket sales
 - iii. In 1919, bought 135 theaters in the Southern states, making him the first individual owner of a theater chain
 - iv. Built the Paramount Theater in New York City
 4. Charlie Chaplin ³³
 - a. Introduced "slap-stick" comedy
 - i. In a 1995 worldwide survey of film critics, Chaplin was voted the greatest actor in movie history
 - ii. He was the first, and to date the last, person to control every aspect of the film making process — founding his own studio, producing, casting, directing, writing, scoring and editing the movies he starred in
 - iii. In 1916, his third year in films, his salary of \$10,000 a week made him the highest-paid actor — possibly the highest paid person — in the world
 5. Louis Armstrong
 - a. Revolutionized the musical genre of Jazz, raising its level of popularity to where it is today
 - i. His death on July 6, 1971, was front-page news around the world, and more than 25,000 mourners filed past his coffin as he lay in state at the New York National Guard Armory ³⁴
 - ii. In 2001, New Orleans International Airport was re-named Louis Armstrong International to honor his legacy and as a tribute to his impact on the city ³⁵

Lesson 1.4

Industry Pioneers

6. Lucille Ball
 - a. Known for her talents as an actor, musician, comedian, model and producer
 - i. She was TV's first leading lady
 - ii. For four out of its six seasons, *I Love Lucy* was the No. 1-rated show on television; at its peak, in 1952-53, it averaged an incredible 67.3 rating, meaning that on a typical Monday night, more than two-thirds of all homes with TV sets were tuned to Lucy ³⁶
7. Jerry Siegel and Joe Schuster
 - a. Creators of "Superman" comic strip, introduced in 1939
 - i. "Superman" was considered to be the first comic book superhero to gain international fame
 - ii. "Superman" is later adapted in Hollywood in the form of four movies that would gross \$328 million at the box office, making it one of the top 20 highest grossing film series of all-time ³⁷
 - iii. Paved the way for the future of comic book superheroes, many of which would later become blockbuster Hollywood movies (Batman, Spiderman, X-Men, Wonder Woman, Daredevil and the Incredible Hulk)
8. Rodgers and Hammerstein (Richard Rodgers and Oscar Hammerstein) ³⁸
 - a. Rodgers, a composer, and Hammerstein a librettist, collaborated on nine musicals
 - i. Of the nine, five are considered classics; *Oklahoma!*, *Carousel*, *South Pacific*, *The King and I* and *The Sound of Music*
 - ii. The pair also contributed much of the creative work in Walt Disney Studio's *Cinderella*
9. The Beatles
 - a. Created the first concept album (songs unified by a common theme)
 - i. The Rock and Roll Hall of Fame proclaims The Beatles "revolutionized the music industry" ³⁹
 - ii. Set a music industry record (that will unlikely be broken) when they occupied all five of the top positions on Billboard's Top Pop Singles chart ⁴⁰
10. Elvis Presley
 - a. Sold over 1 billion albums worldwide, far more than any other artist in history
 - i. Revolutionized television performances with his controversial dancing style
 - ii. Dubbed as "Undisputed King of Rock and Roll" by the Rock and Roll Hall of Fame ⁴¹
 - iii. Proved pop music icons can also star on the big screen by becoming an accomplished actor, starring in *Blue Hawaii*, *Jailhouse Rock* and *King Creole*
 - iv. His home (Graceland) ranks as one of the top tourist attractions in the city of Memphis and is ranked by CitySearch Online as the 7th best tourist attraction in the country ⁴²
11. William Hanna and Joseph Barbera ⁴³
 - a. Founded Hanna-Barbera studios
 - i. One of the first animators to bring live characters to television (*Flintstones*, *Yogi Bear*, *The Jetsons*, *Scooby Doo* and *The Smurfs*)
 - ii. Helped drive the popularity of Saturday morning cartoons as we see today
 - iii. Many of their characters have become cultural icons by crossing the boundaries into film, books, toys and many additional forms of media

Lesson 1.4

Industry Pioneers

12. Theodor Seuss Geisel (“Dr. Seuss”)
 - a. Generally regarded as the greatest author of children’s books of all time
 - i. His 46 children’s books, which he both illustrated and wrote, have sold more than 220 million copies and have been translated into twenty languages as well as Braille ⁴⁴
 - ii. His books have seen adaptations in animation film format, Broadway musicals and success in Hollywood (The Grinch and The Cat in the Hat) ⁴⁵
13. Hiroshi Yamauchi ⁴⁶
 - a. Took over a small company founded by his great-grandfather in 1949 called Nintendo
 - i. He transformed Nintendo from a small card making company in Japan to the multi-billion dollar video game company it is today
 - ii. Leaders in the home video game industry throughout the 80s and early 90s, selling its Nintendo Entertainment System, Super Nintendo, Nintendo 64, Wii and games like Super Mario Brothers and Tecmo Bowl to millions of customers worldwide
 - iii. Nintendo’s incredible success in the video game industry led to other entries into market such as Sony (Playstation systems) and Microsoft (X-box systems). Nintendo’s primary console, the GameCube, is still in the top three in overall market share to this day
14. Steve Allen, Ed Sullivan, Johnny Carson
 - a. Steve Allen created The Tonight Show, the first of its kind to interview guests and introduce musical and comedy acts ⁴⁷
 - b. Ed Sullivan hosted an immensely successful television show from 1948 to 1971 that featured everything from dancing dogs and jugglers to the Beatles
 - c. Johnny Carson took The Tonight Show to a new level of popularity, essentially putting the concept of late night television on the map
15. Mort Sahl ⁴⁸
 - a. Revolutionized the format of stand up comedy by becoming the first comedian to break away from covering the traditional light and un-offensive material and drawing on his own personal experiences as an opportunity to relate to the audience
 - i. He was the first comedian to openly adopt political material
 - ii. The first comedian to record a comedy album
 - iii. First stand-up comedian to appear on the cover of Time magazine
 - iv. His style eventually paved the way for a future generation of comedians such as Lenny Bruce, Woody Allen, George Carlin, Dennis Leary and Chris Rock
16. Jim Henson
 - a. Created the Muppets and Kermit the Frog
 - i. Had arguably the most profound influence on children of any entertainer of his time
 - ii. Created the characters for Sesame Street (Bert and Ernie, Big Bird, Grover and the crew)
 - iii. His characters have entertained hundreds of millions of children worldwide ⁴⁹

Lesson 1.4

Industry Pioneers

17. Steven Spielberg
 - a. One of the world's most proficient film producers
 - i. Produced many of today's highest grossing films (Jurassic Park, E.T., Jaws, Men in Black, Shrek, Indiana Jones and Schindler's List)
 - ii. Successfully integrated a commercial tie-in with a major motion picture with the use of Reeses Pieces in the blockbuster film E.T., The Extra Terrestrial
18. Steve Jobs
 - a. Co-founded Apple Computers in 1972 from his garage with Steve Wozniak
 - i. Co-founded Pixar, the Academy-Award-winning animation studios in 1986
 - ii. Pixar's five films have earned more than \$2.0 billion at the worldwide box office to date, including Toy Story, Toy Story 2, Monsters, Inc., Finding Nemo and A Bug's Life
 - iii. A leader in the online music distribution revolution by offering the first pay-per-song service to music fans worldwide with Apple's iTunes music store, introduced in 2003
 - iv. Still serves as chairman for Apple at a salary of \$1 per year ⁵⁰
19. Vince McMahon ⁵¹
 - a. In June 1982, McMahon purchased the World Wrestling Federation from his father, who decided to retire from the wrestling business
 - i. Strategically took the WWF national, eventually leading to Wrestlemania in March 1985 where celebrities such as Mohammed Ali, Liberace, and baseball's Billy Martin turned the extravaganza into a media spectacle
 - ii. The crowning of the WWF as a national powerhouse came in March 1987 at Wrestlemania III. Over 78,000 fans jammed Detroit's Pontiac Silverdome to witness the legendary Hulk Hogan defeat Andre the Giant
 - iii. Admitted professional wrestling was not a sport, but became the first person to refer to his product as "sports entertainment"
 - iv. Battled with World Wildlife Fund to keep the acronym WWF. Courts ruled the World Wildlife Fund had the name first and owned the rights to the WWF acronym. The World Wrestling Federation is now known as World Wrestling Entertainment (WWE)
20. Michael Jackson ⁵²
 - a. Known internationally as the "King of Pop"
 - i. 1982 blockbuster album, Thriller, became the biggest-selling album of all time
 - ii. First African American artist to find stardom on MTV, breaking down innumerable boundaries both for his race and for music video as an art form
 - iii. Won a record eight Grammys in one night
 - iv. Earned the largest endorsement deal ever (\$5 million) when he became Pepsi's spokesperson in 1983

Lesson 1.4

Industry Pioneers

21. JK Rowling⁵³
 - a. Author of the Harry Potter series of books
 - i. In a generation where the youth demographic statistically prefers television, film and video games, all five Harry Potter books have landed in the top 20 best-selling children's books of all-time
 - ii. Harry Potter and the Goblet of Fire became a major celebration, with bookstore events occurring at midnight nationwide. The book sold an unprecedented three million copies in the first 48 hours of release and according to Publishers Weekly is "the fastest-selling book in history"
 - iii. Over a quarter of a billion books have been sold and have translated into 61 languages and distributed in more than 200 countries
22. Ted Turner
 - a. Popularized cable television by creating "super stations" with a basic programming menu of sports, news and old movies
 - i. In 1996, Turner sold his company to Time Warner for \$9 billion
 - ii. He won the prestigious America's Cup sailing race in 1977 with his yacht *Courageous*
 - iii. Sold the NHL Atlanta Thrashers and NBA Atlanta Hawks for \$250 million⁵⁴
23. Sean "Puffy" Combs (aka Diddy)
 - a. Founded Bad Boy Entertainment in 1991
 - i. Considered to be one of the first to bring the rap and hip hop genre "main stream"
 - ii. Accomplishments include ownership of a clothing label, restaurants, a successful recording career, producer and actor⁵⁵
24. Shawn Fanning and Sean Parker⁵⁶
 - a. Co-founders of Napster, an online file-sharing portal that many consider to be the most innovative Internet program of all time
 - i. Napster, at its peak, had over 80 million registered users
 - ii. Program opened the door to the digital music revolution, paving the way for successful commercial online music companies such as Apple's iTunes, Rhapsody, Sony Connect, Wal-Mart Music Downloads, MP3.Com, MyCokeMusic (a subsidiary of Coca-Cola) and the re-introduction of a subscription based "new" Napster

Lesson 1.5

Important Milestones in Sports and Entertainment Marketing History

A. Key dates in the history of sports marketing

1. 1869 Cincinnati Red Stockings become the first sports team in history to have each member of the team on salary
2. 1923 First known individual player endorsement deal between golfer Gene Sarazen and Wilson Sporting Goods
3. 1928 Coke teams up with the Olympics as an “official sponsor” of an athletic event
4. 1949 The first major female endorsement deal takes place with Wilson Sporting Goods agreeing to sponsor the Ladies Professional Golf Association (LPGA)
5. 1951 Eccentric owner of the Chicago White Sox, Bill Veeck, sends 3’7” Eddie Gaedel to the plate in an official game as a publicity ploy as one of the most outrageous promotions seen in professional sports
6. 1979 An all sports television network makes its debut on cable television as the world gets its first glimpse of ESPN
7. 1980 Evidence of the power of an alliance between corporations and sports is taken to a new level as Syracuse University becomes the first college to offer naming rights to a facility as they introduce the “Carrier Dome”
8. 1984 The Olympics become commercialized, and made profitable for the first time under the leadership of Peter Ueberoth
9. 2003 The lucrative possibilities of naming rights reaches new heights as the Chicago Bears become the first professional franchise to sell the naming rights of their team as Bank One becomes the “presenting” sponsor and in all media the team is mentioned as “The Chicago Bears presented by Bank One”
10. 2006 An estimated 1.2 billion people across the globe watch the World Cup Final, accounting for 17% of the World’s population

B. Key dates in the history of entertainment marketing

1. 1550-1700 Outdoor entertainment and recreational games are introduced, such as bowling, music and dancing
2. 1919 Recording and sound on motion picture film is developed
3. 1920 The first radio stations begin airing regularly scheduled programming
4. 1931 RCA establishes the National Broadcasting Company (NBC)
5. 1951 The first color television sets are offered to consumers
6. 1955 Disneyland opens in Anaheim, California
7. 1961 The first regional theme park, Six Flags, opens in Texas
8. 1980 Turner Cable Network launches the first all news television network, CNN
9. 1981 IBM makes the first personal computers available for consumers
10. 1981 Music Television (MTV) is launched
11. 1983 The first compact disc is released
12. 1985 Nintendo introduces its home entertainment system for video games
13. 1991 Sean “Puffy” Combs launches Bad Boy Entertainment
14. 1996 German inventor Fraunhofer Gesellschaft receives a patent for MP3 technology
15. 2003 Apple introduces iTunes, the first commercial online music service
16. 2006 Talladega Nights movie sets new records for product placement while becoming the first feature film to incorporate a full 30 second corporate advertisement (Applebee’s)

Lesson 1.6

Where Are We Now?

- A. How big is the sports industry now?
 - 1. According to the Sports Business Journal ⁵⁷
 - a. 200 million Americans, or 7 of every 8 adults, consider themselves sports fans
 - b. 2.7 billion hours were spent at sports-related Web sites in January of 2005
 - 2. According to ESPN.COM ⁵⁸
 - a. Reports have indicated that as many as 30 million American adults are playing some form of fantasy sports
 - 3. According to the Detroit News ⁵⁹
 - a. The NCAA men's basketball tournament costs U.S. businesses anywhere from \$400 million to \$1.5 billion in worker productivity
- B. How large has the entertainment industry become?
 - 1. Movies
 - a. 28 of the top 30 highest grossing movies on opening weekends at the box office were movies released in 2001 or later ⁶⁰
 - b. A throng of Hollywood actors are earning more than \$20 million per film, including Tom Cruise, Julia Roberts, Jim Carey, Cameron Diaz, Mike Meyers, Tom Hanks, Mel Gibson, Adam Sandler and Will Smith ⁶¹
 - 2. Music ⁶²
 - a. The U.S. counted 47 million "digital music households" in 2006, consisting of at least one member who downloaded, ripped, burned, played or uploaded a song. Nearly 13 million of them paid for a download, with the total number of paid downloads exceeding 500 million — a 56% jump from 2005.
 - b. In 2006, Warner Music Group, the fourth-biggest company, said overall recorded-music sales for its full fiscal year rose almost 3 percent to \$3 billion, and that digital revenue had more than offset the drop in CDs ⁶³
 - 3. Books ⁶⁴
 - a. Harry Potter and the Deathly Hallows, released in July of 2007, sold 8.3 million copies in the United States in its first 24 hours, smashing the previous record opening day book sales record of 6.9 million copies (Harry Potter and the Half-Blood Prince)
 - i. The book sold at a rate of more than 5,000 copies per minute copies
 - ii. Over 12 million copies of the book are already in print
 - 4. Computer and video game software ⁶⁵
 - a. The industry reached \$7.3 billion in total sales in 2004, a new record
 - b. Also in 2004, it was estimated that video games sold as quickly as 8 titles per second per day

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?

Review

Unit 1 Review

Unit 1 Overview:

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

Unit 1 Key Terms Defined:

Media: A means of communicating a message to large numbers of people

SEM: Acronym for Sports and Entertainment Marketing

Unit 1 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

Note to SCC Members:



Lesson 1.4 of this unit reviews a number of industry pioneers. Use this as an opportunity to engage your students in discussion. It is a great way to encourage participation and get them excited about the class! For some added classroom fun, play the PowerPoint “Name That Pioneer Challenge” game. You can find it in the “Who’s On First-Industry Pioneers Challenge™” folder in the Lesson 1.4 folder on the cd-rom or under the general “Games & Classroom Fun” folder (also located on the cd-rom).

Unit 1 Review

Unit 1 Discussion Questions:

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

Several factors have predominately influenced industry growth:

- Consumer (fan) willingness to spend disposable income on sports
- Introduction of radio and TV
- Corporations spending sponsorship dollars
- Endorsements and naming rights gain popularity
- Increase in numbers of those participating in sports
- Increase in numbers of those following sports
- Attendance increases at events
- Increased Media coverage
- Global nature of sports and entertainment

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?

The media has made sports and entertainment news readily available and easily accessible:

- Radio
- Television
- Newspaper
- Internet
- Magazines
- Satellite radio
- Satellite television / Pay-Per-View
- Industry Specific Journals

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

The Unit 1 outline lists a number of important industry pioneers who have contributed to industry growth in Lesson 1.4.

Unit 1 References & Resources

- 1) <http://www.sportsbusinessjournal.com/index.cfm?fuseaction=page.feature&featureId=1492>
- 2) *Sport Marketing Quarterly*, 6, 4
- 3) <http://www.sportsbusinessjournal.com/index.cfm?fuseaction=page.feature&featureId=43>
- 4) http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=63400
- 5) http://www.usyouthsoccer.org/about/30thanniversary/index_E.html
- 6) <http://www.ngf.org/cgi/whofaqgrowth.asp>
- 7) <http://www.symphonycourses.com/Learn-to-Play-Golf.html>
- 8) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 74
- 9) http://www.hearst.com/entertainment/property/ent_espn.html
- 10) http://www.nba.com/news/attendance_070419.html
- 11) <http://faculty1.coloradocollege.edu/~afenn/web/DD%20for%20Sports%2004/Data%20Tables/nba%20attendace.xls>
- 12) <http://www.worldwideboxoffice.com>
- 13) http://news.com.com/2100-1043_3-6198386.html
- 14) <http://www.ifpi.org/content/library/digital-music-report-2007.pdf>
- 15) http://news.yahoo.com/s/ap/20070731/ap_on_hi_te/itunes_sales
- 16) http://www.nba.com/rockets/news/NBA_releases_ballot_for_2007_A-195342-34.html
- 17) http://www.forbes.com/free_forbes/2003/0915/nfl.html
Oregonian, NFL Roundup, Sports E10, 9/4/04
- 18) <http://sports.espn.go.com/nfl/news/story?id=2572739>
- 19) <http://www.wordreference.com/definition/media.htm>
- 20) <http://abc.net.au/olympics/2004/coverage.htm>
- 21) *Sports, Inc.*, Phil Schaaf, p. 20-26
- 22) <http://www.sportslawnews.com/archive/Articles%202001/NFLProgramsettlement.htm>
- 23) <http://www.highbeam.com/library/doc3.asp?DOCID=1G1:56697538&num=5&ctrlInfo=Round5b%3AProd%3ASR%3AResult&ao>
- 24) <http://espn.go.com/boxing/news/2002/0611/1393636.html>
- 25) *The Oregonian*, "A Quick Guide to the Games", Sports E9, 8/9/04
- 26) http://www.childrengolf.com/th_tigergolf.html
- 27) http://www.askmen.com/men/business_politics/50c_david_stern.html
- 28) *P.T. Barnum: The Greatest Showman on Earth*, Andrew E. Norman
- 29) *NC Education Center*, Objective 1.03
- 30) <http://www.seeing-stars.com/Landmarks/Disneyland.shtml>
- 31) http://philadelphia.about.com/cs/arts/a/comcast_disney.htm
- 32) <http://www.nytimes.com/learning/general/onthisday/bday/0107.html>
- 33) <http://www.time.com/time/time100/artists/profile/chaplin.html>
- 34) <http://www.npg.si.edu/exh/armstrong/>
- 35) http://www.mtv.com/news/articles/1445138/20010713/armstrong_louis.jhtml
- 36) <http://www.time.com/time/time100/artists/profile/lucy.html>
- 37) <http://boxoffice.freesevers.com/series.htm>
- 38) <http://www.time.com/time/time100/artists/profile/hammerstein.html>
- 39) <http://www.rockhall.com/hof/inductee.asp?id=228>
- 40) <http://www.rockhall.com/hof/inductee.asp?id=228>
- 41) <http://www.rockhall.com/hof/inductee.asp?id=171>
- 42) http://best.citysearch.com/cities/2002/7715/?cslink=cs_boc_next
- 43) <http://www.museum.tv/archives/etv/H/htmlH/hannawillia/hannawillia.htm>
- 44) <http://www.infoplease.com/spot/seuss1.html>
- 45) <http://www.seussville.com/>
- 46) http://www.nintendoland.com/home2.htm?profiles/h_yamahi.htm
- 47) <http://www.museum.tv/archives/etv/S/htmlS/steveallens/steveallens.htm>
- 48) <http://www.observer.com/pages/story.asp?ID=7225>
- 49) <http://www.time.com/time/time100/artists/profile/henson2.html>
- 50) http://en.wikipedia.org/wiki/Steve_Jobs
- 51) <http://www.gerweck.net/vincemcmahon.htm>
- 52) http://www.mtv.com/bands/az/jackson_michael/bio.jhtml
- 53) <http://www.infoplease.com/ipea/A0203049.html>
- 54) http://www.hoovers.com/turner-sports/-ID_107207/-free-co-factsheet.xhtml
- 55) <http://www.cnn.com/SPECIALS/2002/black.history/stories/22.combs/>
- 56) <http://www.wired.com/news/mp3/0%2C1285%2C52540%2C00.html>
- 57) http://www.sportsbusinessjournal.com/index.cfm?fuseaction=search.show_article&articleId=44030&keyword=Big,%20challenges,%20payoffs,%20selling,%2024,%20fan
- 58) <http://games.espn.go.com/cgi/flb/edge/story?id=2027613>
- 59) <http://www.detnews.com/2004/business/0403/14/a01-91166.htm>
- 60) <http://www.boxofficemojo.com/alltime/weekends/>
- 61) <http://www.nydailynews.com/entertainment/story/175280p-152629c.html>
- 62) <http://cyberextazy.wordpress.com/2007/03/15/legal-download-sales-up-47/>
- 63) <http://www.ihf.com/articles/2006/12/10/yourmoney/music.php>
- 64) <http://www.cnn.com/2007/SHOWBIZ/books/07/23/harry.potter.ap/index.html>
- 65) http://www.theesa.com/archives/2005/02/computer_and_vi.php

“I’m tired of hearing about money, money, money, money, money, money. I just want to play the game, drink Pepsi, wear Reebok.”

- Shaquille O’Neil

Unit 2



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: What is 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: What is 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

Sports & Entertainment Marketing Defined

- A. Marketing
 - 1. **Marketing** is the process of developing, promoting, and distributing products, or goods and services, to satisfy customers' needs and wants ¹
 - 2. The term "marketing" has grown to encompass many business activities such as selling, promotion and publicity
- B. Sports
 - 1. Webster's dictionary defines sports as "a source of diversion or physical activity engaged in for pleasure"
 - 2. When we examine sport defined in terms relating to the sports and entertainment industry, we see a slight variation in definitions. Consider the following definition: "Sport, as used in contemporary sport management and in relation to the sport business industry, denoted all people, activities, businesses, and organizations involved in producing, facilitating, promoting, or organizing any sport business, activity, or experience focused on or related to fitness, recreation, sports, sports tourism, or leisure" ²
 - a. This definition incorporates a business-oriented, broader description of the term, helping us to understand the unique nature of sports and entertainment as an industry
- C. Sports Industry
 - 1. The sports industry is the market in which the businesses and products offered to its buyers are sport related and may be goods, services, people, places or ideas ³
- D. Entertainment
 - 1. Webster's offers the following definition: "To entertain is to amuse or to offer hospitality"
 - 2. **Entertainment** is whatever people are willing to spend their money and spare time viewing rather than participating ⁴
- E. Leisure time
 - 1. Leisure time is the time available to people when they are not working or assuming responsibilities, often times referred to as "free time"
 - 2. It is the goal of the sports and entertainment marketer to provide a product or service that can satisfy the needs and wants of those individuals who choose to be entertained during their leisure time

Lesson 2.2

The Fusion of Marketing with Sports & Entertainment

- A. After examining the definitions of sports and of marketing, how do we integrate the two to paint an accurate portrayal of the sports and entertainment marketing function?
 - 1. In the book *Sports Marketing: A Strategic Perspective*, Matthew Shank defines sports marketing as “the specific application of marketing principles and processes to sport products and to the marketing of non-sports products through association with sport.”⁵
 - 2. We define **sports marketing** as the act of using sports as a platform to market products or services and increase sales *or* the process of marketing and selling the sports property itself
- B. There are two types of sports and entertainment marketing, 1) Marketing *through* sports and entertainment and 2) Marketing *of* sports and entertainment
 - 1. Marketing *through* sports and entertainment
 - a. Companies use sports and entertainment as a vehicle to gain exposure for their products
 - i. McDonald’s sponsoring the Olympics as a tool to brand their product globally on the international stage
 - ii. Gatorade affiliating its product with elite athletes such as Peyton Manning, Derek Jeter, Michael Jordan, Maria Sharapova, Sidney Crosby, Jimmie Johnson and Mia Hamm
 - b. Product placement (also called product integration) to promote a specific product
 - i. Actor Will Ferrell driving a Wonder Bread sponsored car in the film *Talladega Nights*
 - ii. Judges on the hit show *American Idol* drinking Coke products throughout episodes
 - 2. Marketing *of* sports and entertainment
 - a. The marketing of the sports and entertainment products themselves
 - i. The Chicago Bulls selling special “Holiday” ticket packages to fans
 - ii. Branding the WNBA with the slogan “Have you seen her?”
 - iii. Universal Pictures spending \$75 million marketing the film *Evan Almighty*
 - iv. A country club offering a special rate to increase its membership
- C. Sports marketing
 - 1. The field of study known as sports marketing is often confused with sports management, but how do we differentiate between the two?
 - a. Sport management is the study and practice of all people, activities, businesses or organizations involved in producing, facilitating, promoting or organizing any sport-related business or product⁶
 - b. Although the terms are often used interchangeably, sports management is best described as the application of management concepts and principles to the sports industry while sports and entertainment marketing refers to the marketing concepts and principles to both the sports and entertainment industries
 - c. Theoretically, sports marketing is considered a function of the broader field of study, sports management

Lesson 2.2

The Fusion of Marketing with Sports & Entertainment

2. Sports marketing activities could also include:
 - a. Tostitos sponsoring the Fiesta Bowl
 - b. A NHL team offering payment plan options for season ticket buyers
 - c. NBC paying \$900 Million for the rights to air the 2008 Olympic Games
 - d. A corporation's purchase of a courtside tickets in a NBA Arena
 - e. A sign or banner displaying a company's logo on dashboards at a hockey rink
 - f. Coca-Cola paying for "pour rights" at an event or facility
 - g. A local restaurant sponsoring the local high school soccer team
 - h. The Goodyear Blimp flying over sporting events
 - i. Fans receiving free bobble head dolls at a baseball game



* TEACHER'S NOTE *



The key concept that should be the focus in Unit 2 is marketing through sports and entertainment and act of marketing the sports and entertainment products themselves. Students should be able to differentiate between the two and offer examples of each. SCC Members: Ask students to differentiate between the two in slides 19-20 in the corresponding Unit 2 PowerPoint presentation.

D. Entertainment marketing

1. **Entertainment marketing** is the process of developing, promoting, and distributing products, or goods and services, to satisfy customer's needs and wants through entertainment, or any diversion, amusement, or method of occupying time ⁷
2. Entertainment presents itself in many forms
 - a. Examples of entertainment
 - i. Riding the "Superman: Ultimate Flight" ride at Six Flags Great America
 - ii. Attending a Washington Nationals baseball game
 - iii. Reading the last Harry Potter book, *The Deathly Hallows*
 - iv. Visiting the Philadelphia zoo or SeaWorld
 - v. Going to a Justin Timberlake or Jack Johnson concert
 - vi. Listening to the newest Fergie song on your mp3 player
 - vii. Watching the Broadway musical "Rent"
3. Technology has advanced the role of entertainment marketing in many ways
 - a. MP3 technology
 - i. A *podcast* is a digital media file, or a series of such files, that is distributed over the Internet using syndication feeds for playback on portable media players and personal computers ⁸
 1. Minor League Baseball's Lakewood BlueClaws provides game recaps and highlights via "ClawCasts" on ClawCasts.com
 2. Independent music distributor CD Baby uses podcasts as a means for helping independent artists to get noticed

Lesson 2.2

The Fusion of Marketing with Sports & Entertainment

- b. Web Marketing (sticky marketing, online promotions etc.)
 - i. *Sticky marketing* is the practice of creating online content that encourages consumers to visit a specific Website frequently with the goal of getting the visitor to explore the site in greater detail
 - 1. *Sports Illustrated's* Peter King is widely credited with the development of one of the first true “sticky” web marketing applications. His column, “Monday Morning QB” gets more than three million page views per week.⁹
- c. Online video rentals (Netflix, Blockbuster etc.)
- d. Streaming audio and video capabilities
 - i. Online sports talk “radio”
 - ii. Internet radio stations
 - iii. Websites offering short films, video clips and movie trailers
 - iv. Sirius and XM satellite radio
- e. Consumer's ability to purchase entertainment on the Internet
 - i. Compact discs, DVDs and other forms of music and video
 - ii. Individual songs in mp3 format
 - iii. Subscriptions to listen to Major League Baseball games live
 - iv. Tickets to events
 - v. Online video games



Lesson 2.3

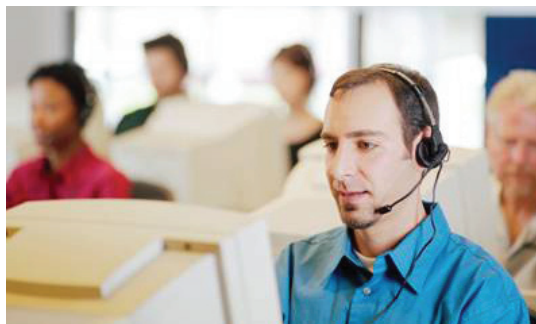
Sports ARE Entertainment

- A. Comparing and contrasting sports and entertainment
 - 1. There are many similarities between sports and other forms of entertainment as each activity is one that entertains or occupies our time
 - a. Watching a Broadway show
 - b. Listening to music on an mp3 player
 - c. Watching a movie
 - d. Watching a football game
 - e. Playing a game of soccer
 - 2. There are several key differences between sports and entertainment
 - a. Unscripted
 - i. Consumers of sports do not know the outcome of the event in which they are participating
 - b. Emotional attachment
 - i. Traditionally, consumers of sports products have an emotional investment or interest in the outcome of the event (winning vs. losing, close games vs. “blow outs”)
 - c. Differences in customer loyalty
 - i. **Customer loyalty** is a customer decision to become a repeat consumer of a particular product or brand
 - ii. Entertainment consumers lack the desire to be team or brand loyal, but rather want only to satisfy their own entertainment needs
 - iii. If a company’s movie, book, sitcom, amusement ride, video game, magazine, CD, DVD or video does not deliver the expected level of entertainment, it is likely that the consumer will turn to a competitor’s product
 - 3. Integration of sports with entertainment and entertainment with sports
 - a. Cross promotion is the convergence of two entertainment properties working together to market products or services
 - i. Super Bowl halftime shows
 - ii. *Baseball Tonight’s* cross promotion with the summer 2007 *Fantastic Four* film
 - iii. ESPN’s ESPY awards
 - b. Not all cross promotions are successful
 - i. One component of the MLB and *Spider-Man 2* cross promotion was scrapped after baseball fans voiced discontent with a plan to put Spider-Man logos on the bases

Lesson 2.4

Primary Marketing Functions

- A. Pricing
 - 1. Assigning a value to products and services on the basis of supply and demand
 - a. Tickets to the Super Bowl are very expensive because demand is high while tickets to see two marginal teams compete during the pre-season will be less expensive, particularly if the game is not sold out, because demand is lower
- B. Distribution
 - 1. Determining how best to get products and services to consumers
 - a. EA Sports sells their video games in Circuit City and Best Buy stores, because they know their target consumers shop at those stores for video games and entertainment
- C. Promotion
 - 1. Communicating information about products and services to consumers
 - 2. Typically involves ongoing advertising and publicity and sales
 - a. Through a special promotion with Taco Bell, fans at Portland Trail Blazers' NBA basketball games will receive a free "chalupa" at participating restaurants when the home team scores 100 points or more in a given game
- D. Financing
 - 1. Creating a budget for a company's marketing plan
 - 2. Analyzing the cost effectiveness of existing or past marketing efforts
 - 3. Providing customers with flexibility in purchasing company products or services
 - a. Like many professional sports franchises, the NHL's Carolina Hurricanes offer payment plans for their customers purchasing ticket packages ¹⁰
- E. Selling
 - 1. Communicating with consumers to assess and fill their needs, as well as anticipating future needs
 - 2. Involves the following activities, cultivating prospective buyers (or leads) in a market segment; conveying the features, advantages and benefits of a product or service to the lead; and closing the sale (or coming to agreement on pricing and services)¹¹
 - 3. Many professional sports teams utilize a call center to revenue generated by ticket sales
 - a. A call center is a physical location where calls are placed, or received, in high volume for the purpose of sales, marketing, customer service; typically through the use of telemarketers
 - b. Call centers employ a staff to perform telemarketing activity with the goal of selling ticket packages over the telephone



Lesson 2.4

Primary Marketing Functions

- F. Marketing information-management
 - 1. Gathering and using information about customers to improve business decision making ¹¹
 - a. Professional sports teams began offering smaller ticket packages (half-season, quarter-season, five-game packages) after determining through customer research that full season ticket plans were often too costly and/or time consuming for many fans to purchase
- G. Product and service management
 - 1. Designing, developing, maintaining, improving, and acquiring products or services so they meet customer needs ¹²
 - a. One of Nike's product management efforts includes the "Nike Kids Field Tester Program" in which selected applicants will wear Nike shoes for typically 4-8 weeks. Testers keep a daily written account of information relating to the product. Additionally, testers are required log the number of hours the shoes were worn each day, the surfaces shoes were worn on, observations regarding the shoe's fit, performance and durability. ¹³

Lesson 2.5

Understanding the Sports & Entertainment Product

- A. Sports products
 - 1. Products
 - a. **Products** are tangible, physical goods as well as services and ideas ¹⁴
 - i. **Tangible** products are capable of being physically touched ¹⁵
 - b. Sports products are the goods and services designed to provide benefits to a sports spectator, participant or sponsor ¹⁵
 - c. Examples
 - i. Licensed merchandise
 - ii. Participation
 - iii. Equipment and apparel
 - iv. Promotional items
 - v. Sports facilities
 - vi. Marketing research
 - vii. Management services
- B. Entertainment products
 - 1. Several segments of the entertainment industry rise to the top as predominant money makers
 - 2. These segments include:
 - a. Film and cinema
 - b. Television
 - c. Music (includes recorded music and concerts/shows)
 - d. Radio
 - e. Video games
 - f. Theme parks
 - g. Publications (newspaper, magazine, book)
- C. The unique nature of sports and entertainment products
 - 1. Sports and entertainment products often share common characteristics of services
 - 2. Two primary characteristics of services
 - a. Services are perishable
 - b. Services are intangible
 - 3. Many sports and entertainment products are perishable
 - a. **Perishability** is the ability or need to store or inventory a product
 - b. Once a game or event has already taken place, they no longer carry a value and cannot be sold
 - i. “No marketer can sell a seat to yesterday’s game, yesterday’s concert or yesterday’s ski-lift ticket” ¹⁶
 - 4. They are also often intangible
 - a. **Intangible product attributes** are the unobservable characteristics which a physical good possesses, such as style, quality, strength, or beauty ¹⁷
 - i. Copyrights, logos, graphics and trademarks would also be considered intangibles
 - b. Even tangible items such as a soccer ball or music CDs have less significance than the feeling or emotion that the activity itself reveals
 - 5. Examples of sports activities that would be considered intangible ¹⁸
 - a. The high we get from running our best marathon
 - b. The thrill of winning a competition
 - c. The satisfaction of scoring well on a challenging golf course
 - d. The pride we feel when teams we support win

Lesson 2.6

Competition for the Entertainment Dollar

- A. Discretionary Income
 - 1. **Discretionary income** is money left to spend after necessary expenses are paid
 - 2. There is only so much discretionary income available in today's economy
 - a. The role of the sports and entertainment marketer is to find ways for consumers to spend those dollars with their organization
 - 3. Competition for the entertainment dollar is always on the rise with new, innovative ways to entertain constantly being introduced to the market
 - 4. What types of entertainment are offered in your area?
 - a. Sporting events
 - b. Music
 - c. Video games
 - d. Theatre
 - e. Festivals and events
 - f. Movie rentals
 - g. Theme parks
 - h. Movie theaters
- B. Consider the many entertainment options available to residents in the Denver Metro Area
 - 1. Sports (professional and major colleges)
 - a. Denver Broncos (NFL)
 - b. Denver Nuggets (NBA)
 - c. Colorado Avalanche (NHL)
 - d. Colorado Rockies (MLB)
 - e. Colorado Crush (Arena Football League)
 - f. Colorado Rapids (Major League Soccer)
 - g. Colorado Springs SkySox (Minor League Baseball)
 - h. Colorado Mammoth (National Lacrosse League)
 - i. University of Colorado Buffaloes (NCAA)
 - j. Colorado State University Rams (NCAA)
 - k. University of Denver Pioneers (NCAA)
 - l. Air Force Falcons (NCAA)
 - m. The International Golf Tournament (PGA Tour)
 - n. Bandimere Speedway (National Hot Rod Association Championship Drag Racing)
 - o. Grand Prix of Denver (Auto racing)
 - p. Dew Action Sport Tour (Action sports)
 - 2. Entertainment
 - a. Theme and entertainment parks
 - i. Six Flags
 - ii. Water World
 - iii. Lakeside Amusement Park
 - b. Movies
 - i. Movie theaters
 - ii. Blockbuster video
 - iii. Drive in

Lesson 2.6

Competition for the Entertainment Dollar

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

Lesson 2.7

Reaching Consumers

- A. The Elusive Fan
1. 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
 - a. Excerpt from the book: *"It's an October Saturday in Chicago. On television are two MLB playoff games, two preseason NBA games, fourteen college football games, five golf tournaments, an AHL game, an international horse race, two NASCAR races, and eight soccer matches. The University of Illinois and Northern Illinois University football teams and the AHL's Chicago Wolves have home games. Hawthorne Race Course has a full card and there's harness racing at Balmoral Park. There are twenty-nine high school football games and the final round of the boys and girls Illinois high school state championship golf tournaments. Youth and recreational league games are also being played in every community of the Chicago area. What about the Chicago Bulls, Bears, Blackhawks and Northwestern Wildcats? The Bulls played at home last night, the Bears play at home tomorrow, the Blackhawks are away and the Wildcats had their midseason bye. Of course this does not include the hundreds of satellite television channels broadcasting soccer, rugby or cricket games all over the world; the millions of sports Web sites with fantasy games, insider information and gamecasts; and a wide variety of increasingly realistic sports video games."*²⁰
 - b. The primary challenge for today's sports/entertainment business professional is capturing consumer interest and building loyalty once that connection has been made
 - c. New and emerging sports and entertainment properties keep the marketplace in a constant state of competition and evolution
 - i. In 2006, WAKA (World Adult Kickball Association) generated in \$3 million in membership dues alone²¹
 - ii. 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% respectively²²
- B. Examining the Elusive Fan
1. Many factors impact a consumer's decision to participate in sports and entertainment
 - a. Primary influencers are money and time
 - b. Other factors can include personal issues like spending time with family, camaraderie among friends and relaxation
 2. Innovation, enhancement of the overall fan (consumer) experience and careful market research become essential components of marketing plans and strategies
 3. According to the book, an elusive fan is defined by seven major characteristics:²⁰
 - a. Pressurized competitive environment
 - i. The sports marketplace is extremely crowded
 - ii. Paintball, while not a direct competitor of the NHL, poses an indirect threat as the sport gains popularity and has the potential to attract new sports fans
 - b. Higher fan expectations
 - i. Fans demand a higher consumer experience than ever before with more concessions options, newer facilities and advances in broadcast technologies

Lesson 2.7

Reaching Consumers

- c. Paradox of commercialism
 - i. A conflict between business and game exists as the business of sports grows while fans still crave the spirit of competition and integrity of the game
 - ii. 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
- d. New technology
 - i. Never before have consumers had so much information at their fingertips with the proliferation of media channels
 - ii. The fan experience is being consistently upgraded as a direct result of new technologies as consumers can absorb the sport experience from almost anywhere
- e. Individualism
 - i. Society as a whole has become less focused on group interaction and developed more specialized interests
 - ii. Individualism has slowly resulted in the deterioration of the popularity of team sports
 - 1. From 1990-2000, the largest growing participation sports were the individual sports of in-line skating, snowboarding and skateboarding²³
- f. Change in family structure/behavior
 - i. Today, more than half of all U.S. families are divorced, single parent or diverse groups of unrelated people ²³
 - ii. As a result, the decision making process for sports and entertainment participation becomes more complicated
- g. Time pressure
 - i. The time demands Americans face today offer fewer hours for the consumption of sport in any capacity, be it as a spectator or participant
 - ii. It is not simply the activity itself that poses challenges for consumers
 - 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

Introduction to Event Marketing & Management

- A. Event marketing
 - 1. Event marketing ²⁴
 - a. *Event marketing* refers to the actual marketing and management of an event by its organizers
 - b. Event marketing has become a profitable segment of the sports/entertainment industry
 - i. The International Rugby World Cup earned \$90 million in 2003 ²⁴
 - ii. The X-Games turned a \$15 million profit on \$70 million in revenues ²⁴
 - c. For sports events, event marketing can involve a number of different marketing activities
 - i. Marketing the event to athletes to recruit and secure their participation
 - ii. Create a publicity strategy incorporating a plan to utilize the media to increase coverage of the event
 - iii. Promote the event to the general public to increase attendance or follow the event through the media
 - iv. Market the event to corporations to urge sponsorship and general event support
 - v. Work with government officials to provide public support
 - vi. Market to private vendors that can provide services for the event
 - 2. Corporate support of events
 - a. The role of corporate support in event marketing has increased dramatically in the past few decades. Without sponsorships and corporate support, many events would not be profitable.
 - 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 ²⁵
 - a. Participation
 - i. Involves getting consumers to attend the event and interact with the company, whether visually, verbally or interactively
 - b. Product/brand experience
 - i. Refers to the activity of distributing samples or having the consumer try on or try out your product at the event
 - c. Promotion
 - i. Focuses on the generation of media exposure by creating stories within the event and further increasing corporate awareness through promotions that might include event-related coupons and sweepstakes
 - d. Probe
 - i. Conduct research before, during and after the event to make sure that you are effectively reaching and penetrating your target audience
 - e. Prospect
 - i. Implies that companies should approach event marketing as a long-term commitment
 - ii. Involvement with an event can require several years to establish before a company will reap the reward on their investment

Lesson 2.8

Introduction to Event Marketing & Management

4. Event planning
 - a. Factors sports and entertainment marketers consider when planning an event
 - i. Working with vendors
 - ii. Facility selection
 - iii. Staffing and volunteers
 - iv. Traffic and parking
 - v. Transportation
 - vi. Security
 - vii. Concessions
 - viii. Ticketing and admissions
 - ix. Sponsorship
 - x. Awards (including award ceremonies)
 - xi. Special accommodations
 - xii. Weather
 - xiii. Hotels and lodging
- B. The event triangle ²⁶
 1. The **event triangle** is the model for studying the exchanges developed in sports marketing
 - a. It places emphasis on the relationships between producers and consumers
 2. Three key components of the triangle
 - a. Event
 - i. A function that will draw participants, spectators and sponsors
 - ii. Could be amateur or professional
 - iii. Typically offers entertainment for spectators
 - iv. Provides exposure for sponsors
 - v. Event examples
 1. Super bowl
 2. The Olympic Games
 3. High school state tournaments
 4. Local charity golf tournament
 5. Local blues or other music festivals
 - b. Sponsor
 - i. Opportunities for companies to utilize events as a means for communicating a message to consumers, often times to large groups of consumers
 - ii. Utilize the event to market its products or services
 - iii. Leverage its relationship to advance future business opportunities
 - c. Spectators
 - i. Those attending the event as a source of entertainment
 - ii. Typically must pay to attend the event
 - iii. Exposed to promotions for the event and event sponsors

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?

Review

Unit 2 Review

Unit 2 Overview:

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

Students will also begin to familiarize themselves with general marketing principles that are integrated within the framework of sports and entertainment business. They will be introduced to marketing philosophies such as defining the primary marketing functions and understanding what industry marketers are trying to achieve.

Unit 2 Key Terms Defined:

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

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

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

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

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

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

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

Perishability: The ability to store or inventory a product

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

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

Tangible: Products that are capable of being physically touched

Unit 2 Review

Unit 2 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

Unit 2 Review

Unit 2 Discussion Questions:

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

Sports products could include:

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

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

Entertainment products could include:

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

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

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

Unit 2 Review

Unit 2 Discussion Questions:

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

Sports and entertainment marketing influences:

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

Sports and entertainment marketing is represented by more than 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 marketing activities could involve:

- Gatorade using athletes to endorse products
- Spalding manufacturing equipment used by athletes of any skill level world-wide
- The Chicago Cubs staff responsible for servicing their ticket holders
- Individual arenas and facilities where events take place
- The NBA levying fines to players involved in fights
- The Dan Patrick Show on ESPN Radio and their online broadcasts
- All consumers who purchase game tickets, equipment, shoes, t-shirts or watch and listen to the games on television, radio and the internet

What entertainment options are available to you in your community?

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

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

Unit 2 References & Resources

1. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 6
2. *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation
3. *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation
4. *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 15
5. *Sports Marketing: A Strategic Perspective*, M. Shank, p. 2
6. *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation
7. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 218
8. <http://en.wikipedia.org/wiki/Podcast>
9. <http://www.sportsbusinessjournal.com/index.cfm?fuseaction=page.feature&featureId=2132>
10. <http://www.caneshockey.com/custom/rad3B85C.asp>
11. http://www.mapnp.org/library/ad_prmot/defntion.htm
12. *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 6
13. http://niketown.nike.com/niketown/info/pdf/product_testing/kids_overview.pdf
14. <http://www.netmba.com/marketing/mix/>
15. http://www.brandchannel.com/education_glossary.asp#T
16. *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 14
17. http://glossary.reference-guides.com/Marketing/Intangible_Product_Attributes/
18. *Issues in Sport Management*, PowerPoint Presentation, University of New Orleans
19. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 28
20. *The Elusive Fan: Reinventing Sports in a Crowded Marketplace*, Rein, Kotler, Shields, McGraw Hill, p. 6
21. <http://www.cbsnews.com/stories/2006/07/04/earlyshow/main1774308.shtml>
22. <http://kidpowerx.blogspot.com/2006/09/bowling-and-snowboarding-through-high.html>
23. *The Elusive Fan: Reinventing Sports in a Crowded Marketplace*, Rein, Kotler, Shields, McGraw Hill, p. 19
24. *The Elusive Fan: Reinventing Sports in a Crowded Marketplace*, Rein, Kotler, Shields, McGraw Hill, p. 5
25. <http://www.sportstravelmagazine.com/InsidersClub/9908BIZ.html>
26. <http://www.usoe.k12.ut.us/ate/Marketing/Curriculum/sports/StandardOne.ppt>

**“It’s alright to be Goliath, but always
act like David.”**

- Phil Knight, Nike Founder

Unit 3



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

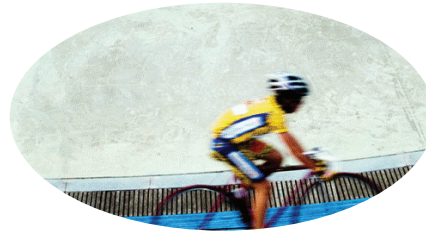
What are industry segments? What are some examples of sports and entertainment industry segments?

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

Lesson 3.1

Industry Segments

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



Lesson 3.2

The Financial Structure of Sports Business

A. Team Sports

1. 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. **Revenue streams** are the means for an organization's cash inflow, typically as a result of the sale of company products or services
 - b. As a result of increasing revenue streams, inflated media rights fees and new means for generating revenues in professional sports, overall franchise values have risen exponentially in the past decade, a trend that is expected to continue
 - c. Sports teams historically relied on the several specific streams to generate the majority of their revenue
 - i. Ticket sales
 - ii. Sponsorship
 - iii. Licensing and merchandise
 - iv. Concessions
 - v. Parking
 - vi. Fan clubs, kid's clubs and special events
 - d. Teams operating today have several additional, often very lucrative, revenue streams
 - i. Luxury suite sales
 - ii. Premium and club seating sales
 1. Often times the lack of suites or premium seating options within a venue or facility will prompt a sports franchise to lobby for a new stadium



**** CLASS DISCUSSION ****



This is a good point to stop and ask the class if they can think of an instance where a pro sports team has threatened to move the franchise to a new city if it didn't receive funding for a new stadium or arena. Discuss with your class the motives behind that strategy. SCC Members: The Unit 3 PowerPoint slides use a recent example with the NBA's Seattle Sonics to illustrate this point.

- iii. Television contracts
 1. TV contracts provide big money for franchises in the game of sports business, now accounting for a major portion of a team's overall annual revenue
 2. In 1973, the NBA signed a contract with CBS, yielding \$27 million in revenue over 3 years ¹
 3. In 2002, the NBA inked a deal with ABC/ESPN worth \$2.4 billion through 2008 ¹
- iv. Additional media contracts and rights fees (satellite, radio, Internet)
 1. In 2006, Major League Baseball Advanced Media generated \$400 million in revenue and some say may revolutionize the economics of the sport ²
 2. In 2007 CBS generated about \$9 million in ad revenue with its March Madness on Demand package, up from \$4 million in 2006 ³
 3. Many teams operate their own sports channels and sell broadcast rights to networks. In 2006, the NY Yankees generated \$67 million in rights fees from their partnership with the YES network.⁴

Lesson 3.2

The Financial Structure of Sports Business

3. Costs
 - a. Facility rental
 - b. Staff and player salaries (payroll)
 - c. Marketing
 - d. Investment in the customer
 - e. General operating expense
 - f. Stadium/venue/facility financing
 - g. Information management/research
- B. A sports franchise's basic financial model
 1. To gain a better understanding of the financial structure of sports business, let's review the NFL's Washington Redskins' financials (keep in mind this is a rare example of a pro sports franchise with extremely high profit margins)
 2. Revenue
 - a. NFL's Washington Redskins' total revenue in 2006: \$303 million ⁵
 - b. Primary revenue streams ⁶
 - i. Premium seating revenue: \$71 million (23% of overall revenue)
 - ii. Sponsorship revenue: \$48 million (16% of overall revenue)
 - iii. Stadium concessions revenue: approximately \$10.8 million (4% of overall revenue)
 3. Costs
 - a. Washington Redskins total costs in 2006: \$200 million ⁵
 - b. Primary expense (cost)
 - i. Player payroll cost: \$92 million ⁵
 4. Profit
 - a. Washington Redskins profit in 2006: \$103 million
- C. Franchise Valuation
 1. Unlike industrial or financial business, which is generally valued on cash flow and assets, sport franchises are valued on their revenues for two reasons: ⁷
 - a. For the long term, the operating expenses within each league are about the same for every team ⁷
 - b. Franchise revenues most closely measure the quality of a team's venue and track athletic performance, ultimately the two most critical elements in the evaluation of team's overall value ⁷
 2. Professional sport team values have risen over the past decade and are expected to rise to unpredictable levels for the next few years
 - a. In 2006, Starbucks founder Howard Schultz sold the NBA's Seattle Sonics and WNBA's Seattle Storm 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 ⁸



Lesson 3.3

The Financial Structure of the Entertainment Business

- A. Entertainment business revenue streams
1. Similar to sports products in that both products can be developed into merchandise, used for promotion, and create profit through sales of ancillary products, licensing, and royalties ¹⁰
 - a. **Ancillary products** are products related to or created from the core product ¹¹
 2. Because there are so many different types of entertainment products, the revenue generated by marketing can be very diverse
 - a. A single blockbuster Hollywood film can generate a number of ancillary products
 - i. Videos
 - ii. DVDs
 - iii. Rights can be sold to cable television
 - iv. Rights can be sold to pay-per-view television
 - v. Film can be the basis for a video game, TV series, book, or clothing line
 - vi. Rights can be sold for licensed merchandise
 - b. The sale of those ancillary products makes a profit for the film creators in the form of sales, royalties and licensing fees
 - i. Royalties are payments made to the owner of copyrighted work for use of their material ¹⁰
 3. Product placement
 - a. **Product placement** is an advertising approach in which commercial products and services are used within the context of certain media where the presence of a particular brand is the result of an economic exchange
 - i. Commonly referred to as product “tie-ins” or product integration
 - ii. When the featured product does not pay for the exposure, it is referred to as a *product plug*
 - iii. Not all product appearances are endorsed by the product manufacturer
 1. One example of this can be found in the surprising use of a can of RAID -- an ant killer made by the SC Johnson company -- in an episode of the popular HBO series “*The Sopranos*.” The poisonous prop was used in a particularly violent fight scene in the show. According to an article in USA Today, Therese Van Ryne, a spokeswoman for SC Johnson, said the company was not approached about the use of their product and they would not have approved product’s use within the scene. ¹¹
 - iv. Product placement can be present in a number of media outlets
 1. Theatre, film, television, music, video games and books
 - b. Product placement is one of the fastest 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 ¹²
 - ii. In-game product placements generated \$77.7 million globally in 2006 and are expected to reach \$971.3 million in worldwide in-game (video game) advertising expenditures by 2011 ¹³
 - iii. Global product placement spending in 2005 was \$2.21 billion in 2005 with double-digit growth expected over the next five years ¹⁴

Lesson 3.3

The Financial Structure of the Entertainment Business

- c. Product placement is presenting itself in new, more aggressive forms
 - 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 songs¹⁵
- d. 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%.¹⁶
 - ii. Etch A Sketch, Mr. Potato Head and Slinky were toys in the blockbuster Disney movie *Toy Story*. Subsequently, Etch A Sketch sales increased 4,500 percent; Mr. Potato Head sales increased 800 percent; Slinky, out of business for 10 years, made a furious comeback after getting over 20,000 orders.¹⁶
 - iii. Crest's new vanilla toothpaste was featured on an episode of the *Apprentice*. Within two hours of the show's airing, Crest's Web site received 4.7 million hits from customers requesting samples of the new flavor.¹⁶
- e. Reverse product placement
 - i. *Reverse product placement* occurs when real life products are developed that match products featured in a fictional context
 - 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

Tracking Industry Trends

- A. Trends are constantly shifting within the sports and entertainment industry, making it critical for marketers to effectively track them
 - 1. Shifts in industry trends
 - a. Customer buying patterns
 - b. Effective marketing techniques (product placement for example)
 - c. Product and/or service modifications
 - d. New technology
 - 2. How do sports and entertainment marketers adjust accordingly?
 - a. Before adjusting, marketers must be aware of changes within the industry
 - b. How do sports and entertainment marketers effectively track industry trends?
 - i. Monitor sports and entertainment news online
 - ii. Read trade or business magazines, journals or newsletters
 - iii. Consider the marketing efforts involved when attending competitor events
 - iv. Attend sports/entertainment business conventions, exhibitions and events
 - v. Obtain research from sports/entertainment marketing firms
 - vi. Read local or national news publication
 - c. Marketers evaluate trends that fit their respective marketing plans and implement changes accordingly
 - i. Netflix, a pioneer in the “subscription” movie rental service business, announced in 2007 that they would begin streaming video live from its site in an effort to maintain competitive advantage over rival Blockbuster and keep pace with Apple and Amazon who also announced streaming video capabilities. Many industry analysts suggested Netflix had to adopt the new streaming trend if they were to survive the intensifying competition.¹⁷

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?

Review

Unit 3 Review

Unit 3 Overview:

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

Unit 3 Key Terms Defined:

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

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

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

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

Unit 3 Objectives:

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

Unit 3 Review

Unit 3 Discussion Questions:

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

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

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

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

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

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

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

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

Unit 3 References & Resources

- 1) <http://www.insidehoops.com/nba-tv-contracts.shtml>
- 2) <http://www.msnbc.msn.com/id/19196667/site/newsweek/>
- 3) http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=56670
- 4) http://www.forbes.com/2007/04/19/baseball-team-valuations-07mlb-cz_kb_0419baseballintro.html
- 5) http://www.forbes.com/lists/2006/30/06nfl_Washington-Redskins_300925.html
- 6) <http://sportsillustrated.cnn.com/2006/scorecard/08/23/book.review/index.html>
- 7) <http://www.thesportjournal.org/2002Journal/Vol5-No3/econimic-values.asp>
- 8) http://seattletimes.nwsourc.com/html/sonics/2003145882_sonicsdeal23.html
- 9) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 32
- 10) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 33
- 11) <http://money.howstuffworks.com/product-placement2.htm>
- 12) http://www.usatoday.com/money/advertising/2006-10-10-ad-nauseum-usat_x.htm
- 13) <http://www.marketingvox.com/archives/2007/07/23/in-game-advertising-revenue-to-reach-971mm-by-2011/>
- 14) http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticleHomePage&art_aid=47170
- 15) <http://www.azcentral.com/ent/celeb/articles/0702fergie-CR.html>
- 16) http://www.ocreger.com/ocr/sections/business/article_627432.php
- 17) <http://articles.moneycentral.msn.com/Investing/Extra/NetflixOffersMoviesOnTheWeb.aspx?GT1=8995>

“The man who complains about the way the ball bounces is likely the one who dropped it.”

- Lou Holtz, Legendary Notre Dame Football Coach

Unit 4



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

Basic Marketing Concept

- A. Marketing concept
 - 1. The **marketing concept** is the view that an organization's ability to sell its products and services depends upon the effective identification of consumer needs and wants and a successful determination of how best to satisfy them
 - 2. Why are marketing activities so important to business? ¹
 - a. Financial success is a direct result of an organization's ability to effectively market its products and services
 - b. A business achieves profitability when they offer the goods and services that customers need and want at the right price
 - c. Marketers strive to identify and understand all factors that influence consumer buying decisions
- B. Needs vs. Wants
 - 1. A *need* is something a consumer must have and cannot live without
 - a. Without food, we cannot survive
 - 2. A *want* is something a consumer would like to have
 - b. You might want a Xbox 360 or tickets to an upcoming game, but you can survive without them
- C. Exchange process ²
 - 1. The **exchange process** is a marketing transaction in which the buyer provides something of value to the seller in return for goods and services that meet that buyer's needs or wants
 - 2. The exchange process has three requirements
 - a. There must be at least two parties involved
 - b. Some means of communication must be present between all parties, and typically a desire must be present to engage in a partnership with the other party or parties
 - c. Each party must be free to accept or decline
- D. Benefits of marketing ³
 - 1. The marketing process serves many purposes and provides numerous benefits for the consumer
 - a. The ability to add perceived value to goods and services
 - b. Making the buying process easy and convenient for consumers
 - c. Creating and maintaining reasonable prices
 - d. Offering a variety of goods and services
 - e. Increasing production

Lesson 4.2

The Marketing Mix

- A. The four P's of marketing (marketing mix) ⁴
 - 1. The **marketing mix** consists of variables controlled by marketing professionals in an effort to satisfy the target market
 - a. Product
 - i. Goods, services, or ideas used to satisfy consumer needs
 - ii. Designed and produced on the basis of consumer needs and wants
 - b. Price
 - i. Determined by what customers are willing to pay and production costs
 - c. Place
 - i. The process of making the product available to the customer
 - ii. Marketers must identify where consumers shop to make these decisions
 - iii. Careful consideration is given to determining the distribution channels that will offer the best opportunity to maximize sales
 - d. Promotion
 - i. Information related to products or services are communicated to the consumer
 - ii. Marketers determine which promotional methods will be most effective
- B. Applying the marketing mix
 - 1. Consider how Wilson Sporting Goods might implement the marketing mix in an effort to maximize sales of its tennis racquets
 - a. Product
 - i. Wilson manufactures racquets to meet the needs of tennis players with varying skill levels
 - ii. Beginner racquets are made with cheaper material, while racquets designed for advanced players feature Wilson's "nCode molecular technology frame construction"
 - b. Price
 - i. Price levels for Wilson's racquets vary depending on quality and target consumer
 - ii. Beginner racquets sell for as little as \$20 while some of Wilson's upper end racquets command a price of nearly \$300
 - c. Place
 - i. Wilson has a number of distribution channels, making its tennis racquet product line widely available and easily accessible to consumers
 - 1. Sporting goods stores (Dick's Sporting Goods, Big 5 Sporting Goods etc.)
 - 2. Discount stores (Target, Wal-Mart, Fred Meyer etc.)
 - 3. Specialty stores & fitness clubs (West Hills Racquet Club etc.)
 - 4. Internet (amazon.com, fogdog.com, tennis-warehouse.com etc.)
 - d. Promotion
 - i. Wilson's promotes its upper end racquets as a higher quality product than the racquets sold by competitors
 - ii. Company ads may feature the tagline "nCode racquets are designed to be stronger, more stable and more powerful than ordinary racquets"

Lesson 4.3

Target Markets

- A. Before we examine target markets, we must first understand what determines a market
 - 1. The group of potential consumers who share common needs and wants
 - 2. That consumer group must have the ability and willingness to buy the product
 - 3. Businesses strive to meet the needs and wants of those consumers
- B. A **target market** refers to people with a defining set of characteristics that set them apart as a group
 - 1. Target
 - a. The target is a specific group of consumers with a defining set of characteristics
 - b. This market shares one or more similar and identifiable needs or wants
 - 2. Considerations when evaluating a target market ⁵
 - a. Sizeable
 - i. The size of the market
 - ii. Market can have too many or too few consumers
 - b. Reachable
 - i. Ability for marketers to reach consumers
 - ii. Marketer must have a means for communicating with target group of consumers
 - c. Measurable and identifiable
 - i. Refers to the ability to measure size, accessibility and overall purchasing power of the target market
 - d. Behavioral variation
 - i. Marketers seek to find similar behaviors within each respective target market
 - ii. For example, motivation of buying for the corporate season ticket holder is different than for the individual season ticket holder
 - 3. Target market strategies are influenced by several factors
 - a. Diversity of consumer needs and wants
 - b. Organization size
 - c. Attributes of company products and/or services
 - d. Size and strength of competitors
 - e. Sales volume required for profitability



Lesson 4.3

Target Markets

C. Niche marketing

1. **Niche marketing** is the process of carving out a relatively tiny part of a market that has a special need not currently being filled ⁶
 - a. Cable television channels often seek niche audiences to appeal to specific target groups with a common set of interests, such as ESPN designing programming to appeal to sports fans ⁷
 - b. Niche marketing often offers a unique opportunity to consumers or one that has not been offered in the past
 - i. Lululemon Athletica is a Canadian retailer that distributes product in Canada and the U.S. The company targets its branded yoga and fitness apparel to a niche consumer of female athletes
 - ii. Under Armour Performance Apparel's products have fast become a top choice of athletes around the world to wear under uniforms or during workouts. The moisture-wicking fabric that helps keep athletes dry has exploited an incredibly popular niche market, with athletes of nearly every sport (including NASCAR, MLB, NFL, NBA, NCAA, NHL and Olympians) buying Under Armour gear in mass quantities.



**** CLASS DISCUSSION ****



Use lesson 4.3 as an enzyme for sparking a lively classroom discussion on niche markets. Challenge your students to explain why this is an important business and marketing concept.

Niche marketing example:

Magazines seek niche audiences to appeal to a specific target group that has a common set of interests, such as Sports Illustrated launching a sports-specific magazine to appeal to sports fans.

When a business sees a competitor enjoying success with a particular niche, often times the market can become flooded with other companies exploiting the same niche or another similar niche.

Classroom questions:

How has that affected *Sports Illustrated* since it first launched the magazine in 1954? Why?

Has the niche audience of sports fans spawned additional niche opportunities for *Sports Illustrated*? Offer specific examples to support your answers.

Lesson 4.4

Market Segmentation

- A. Market segmentation
 - 1. **Market segmentation** is the process of identifying groups of consumers based on their common needs ⁸
 - 2. Segmentation is the first step toward understanding consumer groups as it assists in determining target markets, the marketing mix and developing positioning strategies ⁹
 - 3. Segmentation is important because it allows businesses to customize their marketing mix and strategies to meet the needs of the target market ¹⁰
- B. Bases for segmentation
 - 1. Demographic
 - a. **Demographic** information provides descriptive classifications of consumers
 - b. Focuses on information that can be measured ¹¹
 - i. Age
 - ii. Income
 - iii. Size of household
 - iv. Occupation
 - c. If a target market is a group of people with a defining set of characteristics that set them apart as a group, then marketers want to learn as much about that group as possible to assist in the development of an effective and successful marketing strategy
 - i. Triple A baseball posts its demographic information online for prospective sponsors to review ¹²
 - 1. 40% of the fan base earns \$46-75k per year in salary
 - 2. 42% of the fan base has an Undergraduate Degree
 - 3. 91% of the fan base has a major credit card
 - 4. 69% of the fan base owns their own home
 - 2. Product usage ¹³
 - a. Reflects what products consumers use, how often they use them, and why
 - i. Sports individual game ticket buyers vs. season ticket buyers
 - 3. Psychographic
 - a. Grouping consumers based on personality traits and lifestyle ¹⁴
 - i. Sports fans, music lovers, individuals who enjoy attending events
 - 4. Benefits ¹⁵
 - a. Refers to a perceived value consumers receive from the product or service ¹⁶
 - i. Season ticket holders typically enjoy additional “perks” such as exclusive invitations to pre-game chats with the team coaches and/or staff
 - 5. Geographic
 - a. Dividing of markets into physical locations
 - i. North, South, East and West regions of the United States
 - ii. Urban and rural areas of a particular state
 - b. Sports consumers are characteristically loyal to particular regions when making purchase decisions
- C. Selecting multiple segments
 - 1. Because many segments may be valid in helping marketers make decisions, marketers often choose to use several segments
 - 2. Ultimately, a decision is made based on what best fits the organization’s target market

Lesson 4.5

Positioning

- A. Positioning
 - 1. *Positioning* is the fixing of a sports or entertainment entity in the minds of consumers in the target market ¹⁷
 - 2. Positioning is important to all sports and entertainment products
 - a. Sports leagues (NFL vs. Arena Football League)
 - b. Sports teams (The Los Angeles Lakers in the 1980's as "Showtime")
 - c. Sporting goods (Under Armour as comfortable performance apparel)
 - d. Sports drinks (Gatorade as a performance beverage)
 - e. Movie studios (Pixar as a leader in animated films)
 - f. Entertainers (Jet Li and Jackie Chan as action film stars)
 - 3. Positioning is about perception
 - a. Nintendo effectively positioned Wii as more user-friendly and interactive than its competitors (Xbox, Playstation 3) and has been perceived as the "in" product by consumers. By July of 2007, Nintendo's Wii was outselling its rival gaming systems monthly. ¹⁸
 - 4. Positioning also refers to the place the product occupies in consumers' minds relative to competing products ¹⁹
 - 5. Described by marketing experts Jack Trout and Al Ries, "positioning is what you do to get into the mind of the (consumer)" ²⁰
- B. Positioning strategy
 - 1. Products or services are grouped together on a positioning map
 - a. Products or services are compared and contrasted in relation to one another
 - b. Marketers must determine a position that distinguishes their own products and services from competitor products and services ²¹
 - 2. Selecting a positioning strategy ²²
 - a. Identify all possible competitive advantages
 - i. Products, services, channels, people or image can be sources of differentiation
 - ii. Organizations often position their products relative to competitor weaknesses
 - b. Choose the right competitive advantage
 - i. How many differences to promote?
 - ii. Unique selling proposition
 - c. Positioning errors to avoid
 - i. Which differences to promote?
 - 3. Product differentiation
 - a. Product differentiation refers to a positioning strategy that some firms use to distinguish their products from those of competitors ²³
 - b. Consider Power Bar's initial differentiation strategy
 - i. Power Bar has enjoyed success because it has clearly differentiated its product from traditional candy bars
 - ii. It has positioned itself in the minds of consumers as a nutritional supplement that enhances athletic performance and as an energy booster
 - iii. At the time of Power Bar's introduction to the market, carbo-loading meals were common and popular practice among athletes

Lesson 4.5

Positioning

4. Re-positioning
 - a. Re-positioning is a marketer's plan for changing consumers' perceptions of a brand in comparison to competing brands
 - b. A private golf course may be suffering slumping membership sales. As a result, the course management may choose to open up the course to the public, which will ultimately require a well planned re-positioning strategy.
 - i. Re-positioning involves identifying who the new target market is and a strategy for creating awareness and demand within that market
 - ii. Part of the re-positioning effort in this case would require sending a message to the target market that the club is affordable by public standards
 - iii. Slogan might be "Enjoy the benefits of a private club at public course rates!"



Lesson 4.6

Understanding the Sports & Entertainment Consumer

- A. Customer vs. Consumer
 - 1. The customer is the individual who buys the product or service
 - 2. The consumer is the individual who uses the product or service
 - a. Let's say Frito Lay invests in four club seats at Jacobs Field in Cleveland for their customer service and sales staff to entertain clients and prospective clients at Major League Baseball games. Frito Lay is the customer while their staff members and their clients are the consumers.
 - 3. The customer can also be the consumer
 - a. John Smith buys four tickets to take his family to see the Yankees play the Red Sox. Because he bought the tickets, he is considered a customer. Because he used the tickets with his family, he is also the consumer.
- B. Who is the sports and entertainment business consumer?
 - 1. Marketers sell sports and entertainment participation
 - a. It could be participation by event attendance or physical participation in the event itself
 - 2. Marketers target those consumers with free time, discretionary income, and a desire to be entertained
- C. Who are the sports consumers?
 - 1. Sports consumers are people who may play, officiate, watch, or listen to sports, or read, use, purchase, and/or collect items related to sports ²⁴
 - 2. Could also include: ²⁵
 - a. Manufacturers
 - b. Resellers
 - c. Sports governing bodies
 - d. Institutions
 - e. Media sports enterprises
- D. Sports consumers participate in the exchange process in two ways ²⁶
 - 1. Spectators as consumers
 - a. Benefit by watching the event or game
 - b. Exchange for tickets and entertainment
 - 2. Participants as consumers
 - a. Benefit by playing, competing, or participating in the event
 - b. Exchange for equipment and/or participation

Lesson 4.7

Market Research

- A. Market research
 - 1. Market research is the process of systematically collecting, recording, analyzing, and presenting data related to marketing goods and services ²⁷
 - a. Market research provides opportunities for companies to get to know their customers ²⁸
 - b. Marketing research gathers information pertaining to: ²⁹
 - i. Consumers
 - ii. Competition
 - iii. Company
 - iv. Culture/climate
 - 2. The information gathered through marketing research is used to: ³⁰
 - a. Form links between consumers and companies
 - b. Identify and define marketing opportunities and potential challenges
 - c. Generate, refine, evaluate and monitor marketing activities
 - d. Analyze and understand the company, its industry and its competition
- B. Steps in the research process
 - 1. Identify the problem, concern or additional desired information to be gathered
 - 2. Select and design research
 - a. Primary research is the original research conducted for a specific marketing situation
 - i. Surveys
 - ii. Direct mail
 - iii. Telephone
 - iv. Interviews
 - v. Focus groups
 - b. Conduct secondary research
 - i. Secondary research is published data that has been collected for some other purpose (collect data)
 - 1. Census reports
 - 2. Demographic analyses
 - 3. Trade associations
 - 4. State agencies
 - 5. Commercial research firms
 - c. Collecting data
 - i. A census is a method used for obtaining statistical information that counts every member of a population
 - ii. A sample is a method for accumulating statistical information that is only obtained from a subset of a population
 - 3. Report and analyze
 - a. Qualitative research data ³¹
 - i. Typically involves large numbers of respondents, typically 100 or more, and yields results that are representative of the total population
 - b. Quantitative research data ³¹
 - i. Generally gathered in the form of focus groups (groups of six to ten respondents who carry on a group discussion which is led by a trained moderator)
 - ii. Another common form of qualitative research is in-depth one-on-one or two-on-one interviews
 - 4. Communicate results of research

Lesson 4.7

Market Research

C. Examples of market research applications

1. Emerging industry trends
 - a. Netflix made a huge splash in the movie rental business with its wildly popular online rental program. Blockbuster was forced to respond to competition to regain market share. The company invested heavily in marketing research to determine the most effective way to compete for customers. A year after beginning the research process, Blockbuster unveiled its “No Late Fees” campaign and unrolled a monthly service program of their own.
 - b. A Blockbuster press release stated that ““For the past year, the company has been testing a variety of rental options in markets across the U.S. In no-late-fees test markets, the increased rental transactions and retail sales offset the lower level of revenues resulting from eliminating late fees.”³²
2. Additional market research applications explore many additional topics in sports and entertainment
 - a. Sport participation
 - b. Violence in sports
 - c. Advertising
 - d. Media outlets
 - e. Viewer and listener ratings
 - f. Financing

Lesson 4.8

Advertising

- A. Advertising
 - 1. **Advertising** is any paid, non-personal form of communication by an identified company promoting goods and services
 - a. Advertising is presented in many different formats
 - i. TV commercials
 - ii. Print advertisements
 - iii. Direct mail
 - iv. Internet
 - 2. What role can advertising play in helping marketers achieve their goals? ³³
 - a. Effective communication
 - b. Create awareness
 - c. Create or change image
 - d. Associate a brand with feelings and emotion
 - e. Precipitate behavior
 - f. Establish and maintain positive public perceptions
 - g. Assist in the increase in sales
- B. Types of advertising ³⁴
 - 1. Print media
 - a. Any written form of communication used to inform, persuade, or remind consumers about products or services offered
 - 2. Outdoor advertising
 - a. Includes any outdoor signs and billboards
 - b. Provides 24-hour advertising
 - 3. Mass transit advertising
 - a. Uses public transportation, such as buses, bus stands, taxicabs, and subways to post advertising messages
 - 4. Broadcast media
 - a. Any visual and/or audible form of communication used to inform, persuade, or remind consumers about goods or services offered
 - i. Radio advertising
 - 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. Television 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. Online media
 - 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 ³⁵

Lesson 4.8

Advertising

6. Specialty media
 - a. Known more commonly as promotional products
 - b. Includes “everyday” items displaying a company name or logo
 - i. Calendars
 - ii. Pens
 - iii. Magnets
 - iv. Coffee mugs
 7. Additional forms of media
 - a. Marketers often use many other creative ways of communicating advertising messages to consumers
 - i. Blimps (Goodyear blimp is a classic example)
 - ii. Supermarket carts
 - iii. Hot air balloons
 - iv. In-theater advertisements
- D. Advertising mediums in sports and entertainment ³⁶
1. Signage
 - 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. Endorsements
 - 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
 - i. Michael Jordan wearing and endorsing “Air Jordan” brand shoes
 3. Print media
 - a. Includes posters, game/event programs, point-of-purchase promotions and direct mail pieces
 4. Broadcast media
 - a. Includes radio, television, scoreboards and public address (p.a.) systems
 5. Internet
 - a. One of the fastest growing advertising mediums
 6. Sponsorship
 7. Product placement
- E. Advertising agencies
1. An advertising agency is an organization that decides on and implements an advertising strategy for a customer ³⁷
 - a. Nike has contracted agencies like Wieden & Kennedy to manage and oversee many of their advertising campaigns
 2. Questions organizations address when selecting an agency ³⁸
 - a. Does the agency have a solid, comprehensive marketing plan in place?
 - b. Does the agency have comprehensive marketing skills?
 - c. Can the agency effectively determine the target market and find a means to reach them efficiently?
 3. Additional considerations for organizations opting to work with an agency ³⁹
 - a. Comfort level with the representative that will be handling the account
 - b. Making sure all written copy is customer centered
 - c. Selection of an agency that views itself as a partner of the organization

Lesson 4.9

The New Marketing Era

- A. The New Marketing Era
 - 1. What is the new era of marketing?
 - a. Today's consumer is more cognizant of the marketing messages all around them, leaving them more likely to tune out advertisements or other forms of marketing communication
 - i. In the "golden age" of television, an ad on one of the big three networks could reach 70 percent of the viewing audience ⁴⁰
 - ii. According to Seth Godin (author of *Permission Marketing*) today's consumer receives roughly one million marketing messages a year on average
 - iii. Overwhelmed consumers are becoming adept at tuning out marketing messages
 - 1. E-mail filters to block spam
 - 2. Digital video recorders to skip commercials
 - 3. Caller ID to screen telemarketers
 - 4. Recycling direct mail pieces without opening them
 - b. Business and marketing professionals refer to this saturation as "clutter"
 - i. Clutter is a major problem for today's marketer
 - ii. The cost of selling has almost tripled over the past decade ⁴¹
 - iii. Consumer trust with traditional marketing means is eroding (broadcast media, print media etc.)
 - 2. How does clutter impact marketers?
 - a. Marketers today must determine ways to effectively cut through the clutter if the firms they represent are to financially thrive
 - i. Marketers in the new marketing era must become more creative and free thinking in their approach to promoting company products and services
 - b. Sports, entertainment and event marketing provide an effective means for cutting through today's marketing clutter
- B. New Era Marketing Strategies
 - 1. New era marketers turn to technology to help reach target consumers
 - a. New era marketing strategies
 - i. Internet marketing
 - ii. Mobile marketing
 - iii. Social marketing
 - iv. Viral marketing
 - b. A key goal for new era marketers is to focus on interactive elements, encouraging consumers to actively participate in promotions
 - i. In conjunction with the movie *Pirates of the Caribbean: Dead Man's Chest*, Volvo developed a "treasure hunt" promotion in which consumers were encouraged to participate in a scavenger hunt where solving puzzles led to a sunken Volvo XC90 filled with \$50k worth of gold. To participate, consumers needed to visit a Volvo dealer (for a treasure map) and register on Volvo's site (registered players receive emails with clues and information Volvo automobiles). ⁴²

Lesson 4.9

The New Marketing Era

- ii. Capitalizing on the hype of two star college players leading up to the 2007 NBA Draft, the Portland Trail Blazers (who held the number one pick) unveiled a special “micro” website solely dedicated to the Greg Oden or Kevin Durant debate. Said Dan Harbison, Trail Blazers Internet Marketing Manager, “Our vision with this site is to create a one-stop shop on the World Wide Web for all things Oden and Durant.” ⁴³
- 2. Internet marketing
 - a. The Internet, far more than any other medium, has given consumers a voice, a publishing platform and a forum where their collective voices can be heard, shared and researched, creating a more powerful and educated audience than ever before ⁴⁴
 - b. Consumer-Generated Media (CGM) encompasses the millions of consumer-generated comments, opinions and personal experiences posted in publicly available online sources on a wide range of issues, topics, products and brands. CGM is also referred to as Online Consumer Word-of-Mouth or Online Consumer Buzz. CGM originates from: ⁴⁵
 - i. Blogs
 - ii. Message boards and forums
 - iii. Public discussions (Usenet newsgroups)
 - iv. Discussions and forums on large email portals (Yahoo!, AOL, MSN)
 - v. Online opinion/review sites and services/ feedback/complaint sites
 - c. Sports and entertainment properties use the Internet for a host of marketing functions
 - i. Ticket sales
 - ii. Sponsorship sales
 - iii. Merchandise sales
 - iv. Additional revenue streams (advertising on the team’s site)
 - v. Community relations
 - vi. Player/staff fan connection (blogs, chats etc.)
 - vii. Additional promotion
- 3. Mobile marketing
 - a. Mobile marketing refers to two different marketing means: one, a recent trend, refers to marketing on or with a mobile device, such as a mobile phone while the other (more traditional) is meant to describe marketing in a moving fashion
 - b. Mobile marketing represents an area of massive potential growth
 - i. By 2008, industry analysts predict that 89% of ‘major brands’ will be using text and multimedia messaging to reach their audience ⁴⁶
 - ii. Analysts also estimate that mobile advertising (a subset activity of mobile marketing) will generate in excess of \$10 billion in annual revenues by 2010, up from \$1 billion in 2006 ⁴⁶
 - c. Examples
 - i. Traditional mobile marketing
 - 1. The NBA’s Jam Van tour is an interactive basketball program that travels from the United States to China. The Jam Van is a 67-foot 18-wheeler that transforms into 8,000 square feet of basketball and interactive “off-court” activities ⁴⁷
 - ii. Modern mobile marketing ⁴⁸
 - 1. On Gwen Stefani’s 2007 tour, as many as 20 percent of the audience at some shows agreed to pay 99 cents for text messages and the chance to win better seats
 - 2. At festivals like Lollapalooza, thousands of fans sign up to receive continuous updates from concert organizers about promotions and special events

Lesson 4.9

The New Marketing Era

3. Prince recently invited fans at a Minneapolis show to send text messages to his Website so that everyone else could read about what they were missing
 3. Social media (marketing)
 - a. Social media describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact ⁴⁹
 - b. Social media presents itself in the form of many variable applications
 - i. MySpace, Facebook, Gather.com (social networking)
 - ii. Flickr (photo sharing)
 - iii. YouTube (video sharing)
 - iv. Digg (news sharing)
 - v. Miniclip (game sharing)
 - vi. Blogger (blog network)
 - c. Social media examples
 - i. In 2007, the NBA's Dallas Mavericks created a MySpace page for their superstar player Dirk Nowitzki (www.myspace.com/official_dirk4mvp) in an effort to garner more support for him to win the league's coveted MVP (Most Valuable Player) award
 - ii. In 2006, 20th Century Fox promoted the film *Borat* using various forms of social marketing, including MySpace, where they offered selected clips of the film and free tickets to the movie premier, and YouTube where they released the first four minutes of the movie one week before its release ⁵⁰
 - iii. NBC teamed with social networking site Bebo.com to promote "*Friday Night Lights*," its fall high-school football drama. A microsite for the show enabled high-school students to upload video, photos and blogs about their own football experiences. ⁵¹
 4. Viral marketing
 - a. Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence ⁵²
 - b. Viral marketing is the new era marketer's version of "word-of-mouth" advertising
 - c. Viral marketing example
 - i. Reebok's "Terry Tate: Office Linebacker" viral campaign had tremendous global success. To date, roughly 14 million "Terry Tate" films have been downloaded from Reebok's website. ⁵³
- C. Ultimately, this shift in marketing trends creates new opportunities for the sports and entertainment industry
 1. John Meindl, President of SportsBrandedMedia says on their website: "Sports, TV, movies and music each offer successful marketing models. But when sports and branded entertainment work in unison, the result can cut through the clutter of advertising messages and enable (advertisers) to reach (their) target audience in a unique and effective way." ⁵⁴

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, Vodaphone (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?

Review

Unit 4 Review

Unit 4 Overview:

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

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

Unit 4 Key Terms Defined:

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

Demographics: Information that provides descriptive classifications of consumers

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

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

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

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

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

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

Unit 4 Review

Unit 4 Objectives:

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

Unit 4 Review

Unit 4 Discussion Questions:

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

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

Which concepts are important to sports and entertainment marketers?

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

Why is marketing a necessary and beneficial function to businesses?

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

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

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

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

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

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

Unit 4 References & Resources

- 1) NC Education Center, Objective 2.01
- 2) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
- 3) *Sports & Entertainment Marketing Applied*, State of Utah Curriculum, Standard One
- 4) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 10-11
- 5) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 217-219
- 6) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #77
- 7) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 77
- 8) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 198
- 9) *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation, Slide # 63
- 10) NC Education Center, Objective 2.02
- 11) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 33
- 12) <http://www.triple-abaseball.com/Demographics.jsp?sessionId=55CF89B53BD2DBC6319AFD691B5DFBC8>
- 13) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 33
- 14) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 210
- 15) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 214
- 16) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 33
- 17) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
- 18) http://money.cnn.com/2007/07/25/news/international/nintendo_earnings.reut/index.htm
- 19) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 37
- 20) <http://www.ontargetresearch.com/product-positioning.htm>
- 21) http://www.marketingteacher.com/Lessons/lesson_positioning.htm
- 22) *Sport Marketing*, Presentation Notes, Ryan Langan, University of South Florida
- 23) *Sport Marketing*, Presentation Notes, Ryan Langan, University of South Florida
- 24) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 76
- 25) *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation, Slide # 68
- 26) *Sports & Entertainment Marketing Applied*, State of Utah Curriculum, Standard One
- 27) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., PowerPoint Slides
- 28) Adapted from *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., PowerPoint Slides
- 29) *Fundamentals of Sport Marketing*, Auxiliary Materials, PowerPoint Presentation, Slide # 48
- 30) *Issues in Sport Management*, University of New Orleans PowerPoint Presentation, Slide #16
- 31) http://www.macroinc.com/html/art/s_qua.html
- 32) http://money.cnn.com/2004/12/14/news/midcaps/blockbuster_latefees
- 33) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #131
- 34) NC Education Center, Objective 5.02
- 35) <http://www.admworks.org/news.php?pageId=127>
- 36) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 191-196
- 37) http://higherred.mcgrawhill.com/sites/0072492260/student_view0/glossary.html
- 38) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #133
- 39) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #134
- 40) <http://www.phoenixadclub.com/templates/story-view.php?id=421>
- 41) <http://www.evancarmichael.com/Marketing/3/Marketing-Clutter-Is-Making-Every-Business-Owners-Life-Much-Tougher.html>
- 42) <http://www.imediaconnection.com/content/15133.asp>
- 43) <http://www.maurybrown.com/?p=422>
- 44) <http://www.nielsenbuzzmetrics.com/cgm>
- 45) <http://www.nielsenbuzzmetrics.com/cgm>
- 46) http://www.iloopmobile.com/news/mb_research_090806.html
- 47) <http://www.nba.com/jamvan/>
- 48) <http://www.nytimes.com/2007/08/15/arts/music/15conc.html?ex=1344830400&en=72b66706de55f76e&ei=5090&partner=rssuserland&emc=rss>
- 49) http://publications.mediapost.com/index.cfm?fuseaction=Articles.showEdition&art_send_date=2007-06-05&art_type=4
- 50) <http://www.imediaconnection.com/news/11268.ASP>
- 51) http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=47390
- 52) <http://www.wilsonweb.com/wmt5/viral-principles.htm>
- 53) <http://www.reebok.com/useng/ir/press/2003/AIN'T+NO+OFF-SEASON+FOR+TRIPLE+T!.htm>
- 54) <http://www.sportsbrandedmedia.com/news-main.htm>

“There is no victory at bargain basement prices.”

- Dwight D. Eisenhower, 34th President of the United States

Unit 5



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

What is the Marketing Plan?

- A. Marketing plan
 - 1. The **marketing plan** is a written document that provides direction for the marketing activities for a specific period of time ¹
 - a. The plan is a critical planning tool for any business, regardless of industry, as it provides direction for the organization by defining goals and strategies
 - b. Sports and entertainment organizations view this process as the creation of a business “game plan”
- B. Why is a marketing plan important?
 - 1. It communicates the goals, objectives, and strategies of a company to its employees
 - 2. Some marketing plans are prepared to be included as part of a complete business plan with the goal of obtaining financing from outside investors or bank for a new venture
- C. Marketing plans can vary in complexity and time frame
 - 1. The complexity of the marketing plan is determined by the size and type of the organization
 - a. The plan is also influenced by the organization’s goals and objectives
 - 2. The time period covered by the plan also varies with organization size and type
 - a. A new minor league baseball franchise may only plan for two years given the 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 understand their market
 - 2. An organization must research and evaluate many factors within a market
 - a. The product
 - b. The consumer
 - c. The economy
 - d. Target markets
 - e. Existing market distribution channels
 - f. Buying trends
 - g. Competitor performance

Lesson 5.2

Components of an Effective Marketing Plan

- A. Seven components of an effective marketing plan ²
1. Mission statement
 - a. A **mission statement** is a written statement that captures an organization's purpose, customer orientation and business philosophy ³
 2. Executive summary
 - a. Provides an overview of complete plan
 - b. Highlights key information within the document
 3. Situation or SWOT analysis
 - a. The **situation analysis** (also referred to as SWOT) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates
 - b. Reviews four key factors pertaining to the company's current market situation
 - i. Strengths
 - ii. Weaknesses
 - iii. Opportunities
 - iv. Threats
 4. Marketing goals and objectives
 - a. Identifies what the company hopes to achieve with the marketing plan
 - b. To be effective, objectives should follow the S.M.A.R.T. criteria
 - i. Specific
 - ii. Measurable
 - iii. Action-oriented
 - iv. Realistic
 - v. Time bound
 5. Marketing strategies
 - a. Defining a specific marketing approach intending to create segmentation and positioning objectives with the goal of influencing consumer purchase decisions
 - b. Developing a strategy includes the process of designing an initial marketing strategy for a new product based on the product concept ⁴
 6. Implementation
 - a. Refers to the process of putting the marketing plan into action
 7. Evaluation and control
 - a. The phase in which determinations are made whether the plan achieved the desired results
 - b. The control process is on-going and allows for adjustments and changes to the plan as needed to attain desired results

Lesson 5.3

The Mission Statement

- A. Mission statement
 - 1. Many organizational marketing strategies are founded on the basis of the mission statement content
 - 2. A mission statement should address the following questions ⁵
 - a. What business are we currently in?
 - b. Who are our current customers?
 - c. What is the scope of our market?
 - d. How do we currently meet the needs of our customers?
 - 3. To be effective
 - a. Mission statement should be shared and supported by employees
 - b. Should explain why your organization exists and what it hopes to achieve
- B. Mission statement examples ⁶
 - 1. ““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.”
 - 2. “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.”
 - 3. “The Georgia Sports Hall of Fame serves to collect, preserve, and interpret the history of sports in Georgia. We honor those who, by their outstanding achievement or service have made lasting contributions to the cause of sports in Georgia, the nation, and the world. Further, the Georgia Sports Hall of Fame seeks to maintain the high ideals and traditions of sports as a positive influence on the youth of our state, emphasizing sportsmanship, physical fitness, and leadership that sports teach.” ⁷

Lesson 5.4

The Situation Analysis (SWOT)

- A. Components of the situation or SWOT analysis ⁸
1. Strengths
 - a. Resources and capabilities that can be used as a basis for developing a competitive advantage
 - i. Patents
 - ii. Strong brand names
 - iii. Positive reputation among customers
 2. Weaknesses
 - a. Qualities that give a business a competitive disadvantage
 - b. The absence of certain strengths may be viewed as a weakness
 - i. Lack of patent protection
 - ii. Weak, unrecognized or ineffective brand name
 - iii. Poor reputation among customers
 - iv. Lack of resources
 - v. Inadequate distribution channels
 3. Opportunities
 - a. Events that could facilitate company profit and growth
 - i. An unfulfilled customer need
 - ii. Arrival of new technologies
 - iii. A particular market niche that has not yet been exploited
 - iv. Mergers
 - v. Entry into new markets
 4. Threats
 - a. Events that could have a negative impact on the company
 - b. Could be internal, such as falling productivity, or external, such as lower priced products offered by competitors
 - i. Shifts in consumer tastes away from company products
 - ii. Emergence of new substitute products
 - iii. Government regulation

Lesson 5.5

Financing

- A. A critical element to an effective marketing plan focuses on finances ⁹
1. Forecast
 - a. The **forecast** predicts the costs and expenses as well as anticipated revenue
 2. Budget
 - a. A **budget** details the financial impact of each part of the marketing plan
 - b. The budget also requires careful review of other financial statements, including the income statement and projected expenses
 3. Balance sheet
 - a. The **balance sheet** indicates the current value of the company
 - b. Shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans)
 4. Income statement
 - a. An **income statement** is a record of profit and loss
 - b. Identifies all revenues received and expenses paid



Lesson 5.6

Key Information in the Plan

- A. In addition to a thorough SWOT analysis, companies must consider numerous other factors when creating their marketing plans ¹⁰
1. Product planning
 - a. What event, product, or service will be marketed?
 2. Marketing-information management
 - a. Who are the company's competitors?
 - b. Who are potential customers?
 - c. What characteristics define the target market?
 - d. What motivates consumers to buy?
 - e. How do we insure repeat purchases?
 3. Distribution strategy
 - a. How will the company's product get to the consumer?
 4. Pricing
 - a. How much does the product cost the company to produce?
 - b. What is the optimal price for the product?
 - c. What is the estimated demand?
 5. Promotional strategies
 - a. How will the company integrate an effective promotional mix into the plan?
 - b. What forms of advertising will they use?
 - c. Will those decisions be cost-effective?
 6. Financing
 - a. What is the projected overall revenue?
 - b. What costs are involved?
 - c. What economic conditions will influence marketing efforts?
 - d. What other factors should be integrated within the budget?
 - e. What is the time frame that should be considered?
 7. Risk management
 - a. What legal liability could the company face?
 - b. What laws could affect marketing strategies?
 8. Sales
 - a. What sales strategy will be employed?
 9. The future
 - a. Where is the business going?
 - b. What is the future for company competitors?

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."



**SEPTEMBER 14-16
NIKE INVITATIONAL**
CLIVE CHARLES SOCCER COMPLEX

Friday September 14
Women vs. Kansas @7:00pm

Sunday September 16
Women vs. Yale @1:00pm
>> Free Sack Packs to the first 250
kids, Courtesy of Tursi's Soccer

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?

Review

Unit 5 Review

Unit 5 Overview:

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

Unit 5 Key Terms Defined:

Balance Sheet: Indicates the current value of the company

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

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

Income Statement: A record of profit and loss

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

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

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

Unit 5 Review

Unit 5 Objectives:

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

Unit 5 Review

Unit 5 Discussion Questions

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

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

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

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

Some examples could include:

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

Unit 5 References & Resources

- 1) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 190
- 2) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 190-195
- 3) http://bplans.com/g/print_glossary.cfm?full=yes
- 4) http://www.prenhall.com/divisions/bp/app/armstrong/cw/glossary_6.html#m
- 5) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #12
- 6) <http://www.osu.edu/ncaa/>
- 7) <http://www.hofmag.com/content/category/17/170/264/>
- 8) <http://www.quickmba.com/strategy/swot/>
- 9) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 26
- 10) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 258, 259

“What I did on the floor drove the marketing, not the other way around. The Jordan Brand was driven by what I did every night playing the game.”

- Michael Jordan on the Jordan Brand in his book “Driven From Within”

UNIT 6



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 & 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 & 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

Branding

A. Branding

1. **Branding** is the use of a name, design, symbol, or a combination of those elements that a sports or entertainment organization uses to help differentiate its products from the competition ¹
 - a. Describes a company's or event's efforts to develop a personality and make its products or services different from the competition ²
 - b. Branding mechanisms
 - i. Brand mark
 - ii. Logo
 - iii. Trademark
 - iv. Graphics
 - c. When a brand name or trade name is registered, it also becomes a trademark ³
 - i. A **trademark** is a device that legally identifies ownership of a registered brand or trade name ³
2. Guidelines for a successful brand ⁴
 - a. Positive, distinctive and generates positive feelings and association
 - b. Easy to remember and pronounce
 - c. Logo is easily recognizable
 - d. Implies the benefits the sports or entertainment product delivers
 - e. Consistent with the image of the rest of the product lines and company/organization and/or city
 - f. Legally and ethically permissible
3. Brand building ⁵
 - a. Brand awareness
 - i. The process of working toward maximizing recognition of a particular brand
 - b. Brand image
 - i. Consumer perceptions linked to a particular brand (health, excitement, fun, family etc.)
 - ii. Example
 1. The Disney brand is associated with family fun and entertainment
 - c. Brand equity
 - i. The value placed on a brand by consumers
 - ii. Nike has strong brand equity because consumers have long associated the brand with top level athletes and quality products
 - d. Brand loyalty
 - i. Consumer preference for a particular brand as compared to competitor products or services



Note to SCC Members:

At this point in the unit you should locate the student handout marked "Unit 6 - Lesson 6.1 - Student Handout - Jeld Wen" in the Lesson 6.1 folder and distribute it to the class. You can use the document as either a handout, PowerPoint presentation or both. If you have a local event that may provide a better connection for your students, you may want to consider adjusting the handout accordingly.

Lesson 6.1

Branding

4. Event branding opportunities ⁶
 - a. Naming rights
 - i. JELD-WEN, a company that manufactures windows and doors, has a naming rights deal in place for a PGA Champions Tour event hosted annually in the resort community of Sunriver, Oregon. The event is called the JELD-WEN Tradition.
 - b. Promotions and co-promotions
 - i. McCormick and Schmick's Seafood Restaurant partners with the JELD-WEN Tradition to offer the "70 for 70 promotion." The promotion provides \$70 in restaurant dining certificates when a \$70 weekly pass to the JELD-WEN Tradition is purchased. ⁷
 - c. Sponsorship opportunities and presenting rights
 - i. Umpqua Bank has presenting rights for the Portland golf tournament. Officially, the event is known as the JELD-WEN Tradition presented by Umpqua Bank. ⁷
 - d. Merchandising opportunities
 - i. Licensing opportunities are often available which would include the authorized use of a brand, brand name, brand mark, trademark, or logo ⁸
 - ii. Nike is a major sponsor of the JELD-WEN Tradition. A portion of their sponsorship provides exclusive merchandising opportunities in that all of the shoes and apparel products sold at the event are Nike.
 - e. Hospitality
 - i. Companies may have the opportunity to entertain clients, prospective customers and employees with tickets to the event
 - ii. Most events offer hospitality packages, which typically include access to VIP areas and include food and beverages
 - iii. "Silver level" sponsors (\$5,000 investment) of the JELD-WEN Tradition receive a number of hospitality opportunities, including: ⁹
 1. 25 "Good-Any-Day" Tickets to the Tournament
 2. 4 VIP parking passes
 3. 24 admission passes into a hospitality tent overlooking the 16th green
 4. Continental Breakfast, Lunch, Afternoon Snacks and Beverages
 5. Souvenir programs
 6. 2 tickets to a concert
 7. Cable television
5. Forms of branding ¹⁰
 - a. A **corporate brand** represents an entire company or organization
 - i. Pepsi-Cola
 - ii. McDonalds
 - iii. Frito-Lay
 - b. A **product brand** represents a particular product of a company or organization
 - i. Diet Pepsi
 - ii. Chicken McNuggets
 - iii. Fritos

Lesson 6.1

Branding

- c. **Store brands** (also called private labels) are the products retailers sell as their own brands
 - i. Gander Mountain, an outdoor sports store, carries brand name merchandise from Columbia Sportswear and Wrangler, but also offers many products under the label of Gander Mountain
- 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 ¹¹
 - 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. **Brand extension** refers to the use of a successful brand name to launch a new or modified product or service in a new market ¹²
 - i. Celebrities and athletes in today's marketing age are becoming managers of their own brands
 - 1. Musicians Sean "P. Diddy" Combs and Eminem have used brand extension strategies to develop their own clothing lines (Sean John Clothing and Shady Clothing)
 - 2. Michael Jordan introduced his own brand of cologne (Michael Jordan cologne)
 - 3. World soccer player sensation David Beckham has become a dominant global brand, founding a soccer academy in native London, launching a male fragrance (Intimately Beckham), an American movie bearing his name (Bend it Like Beckham) and a line of Beckham branded adidas apparel featuring his own logo
 - 4. Celebrities use their star power to launch product brands, such as Paris Hilton (Paris Hilton Boutique jewelry), Supermodel Kathy Ireland (Kathy Ireland Brand clothing and house wares), Rock star Scott Stapp of Creed (Screamline Activewear) and Actress Sarah Jessica Parker apparel line (Bitten) and Beauty/Fragrance products



*** TEACHER'S NOTE ***



Now is a good time to prompt a class discussion to see if students can identify any additional examples of brand extension!

Lesson 6.1

Branding

7. Importance of developing a strong brand ¹³
 - a. There are a number of benefits associated with the development of a strong brand
 - i. Strong brands have the power to create business value and impact more than just corporate revenues and profit margins
 - ii. Strong brands also create competitive advantage, command price premiums and decrease cost of entry into new markets and/or categories
 - iii. Strong brands reduce business risk and attract and retain talented staff
 - b. Top brands of 2007 ¹⁴
 - i. A brand analyst and strategy company (Millward Brown Optimor) annually ranks the world's most powerful brands measured by their dollar value
 - ii. Top brands of 2007
 1. Google--\$66.4 billion
 2. General Electric--\$61.9 billion
 3. Microsoft--\$55 billion
 4. Coca-Cola--\$44.1 billion
 5. China Mobile--\$41.2 billion
 7. Wal-Mart--\$36.9 billion
 8. Citigroup--\$33.7 billion
 9. IBM--\$33.6 billion
 10. Toyota Motor--\$33.4 billion
 - iii. Top sports/entertainment industry related brands of 2007 (overall rank listed in parenthesis) ¹⁵
 1. Microsoft--\$55 billion (3)
 2. Apple--\$24.7 billion (16)
 3. Disney--\$22.5 billion (21)
 4. Sony--\$11.3 billion (55)
 5. Nike--\$10.3 billion (63)
 - 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 ¹⁶
 1. Toronto Blue Jays (MLB) - 127%
 2. Philadelphia Eagles (NFL) - 113%
 3. L.A. Angels of Anaheim (MLB) - 96%
 4. Cleveland Cavaliers (NBA) - 89%
 5. Baltimore Ravens (NFL) - 79%
 6. Detroit Pistons (NBA) - 70%
 7. Buffalo Sabres (NHL) - 53%
 8. Tampa Bay Lightning (NHL) - 42%

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?

* This case study was extracted from SCC's blog site (*The Sports and Entertainment Business Blitz*). The blog is another *free* resource for your class and is accessible online. Posts typically feature several questions for class discussion. Visit the blog at: www.sportscareerconsulting.com/blog.

Lesson 6.2

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 ¹⁷
 - b. 2006 worldwide retail sales leaders of licensed merchandise (rank in parenthesis) ¹⁸
 - i. Disney Consumer Products - \$23 billion (1)
 - ii. Warner Bros. Consumer Products - \$6 billion (3)
 - iii. Nickelodeon & Viacom Consumer Products - \$5.3 billion (4)
 - iv. Marvel Entertainment, Inc. - \$4.8 billion (6)
 - v. Major League Baseball - \$4.7 billion (7)
2. **Licensing** refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee ¹⁹
 - a. The **licensor** is the company or individual granting the license
 - i. Licensor examples
 1. Cartoon Network
 2. National Football League
 3. NASCAR
 4. Walt Disney Company
 5. HIT Entertainment (home of Bob the Builder and Barney)
 - b. The **licensee** is the company or individual paying for the rights to use the licensor's name or property
 - i. Licensee examples
 1. Mars, Inc. (Shrek Snickers bar with green filling)
 2. Mattel, Inc. (Harry Potter toys and consumer products)
 3. Reebok (NFL apparel)
 4. Hasbro (Marvel toys)
 5. EA Sports (rights to put NFL players, stadiums and teams in its games)
 - c. A property must have a strong brand to create licensing opportunities
3. The 3 P's of licensing ²⁰
 - a. Profit
 - i. Determine price points that will establish higher profit margins
 - b. Promotion
 - i. Merchandise does not sell itself
 - ii. Trained sales staff and effective promotion are the keys to higher sales volumes
 - c. Protection
 - i. It is important to copyright or trademark all names, logos, or slogans associated with the product

Lesson 6.2

Licensing

- B. Licensing and merchandise ²¹
1. Licensed products and merchandise are not manufactured by leagues, teams, or schools, but rather by independent companies under an agreement with a sports entity ²²
 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 ²³
 - b. In 2006, U2 made an estimated \$150,000 per night in merchandise sales during their 'Vertigo' tour ²⁴
 - c. The 1997 Super Bowl between the Green Bay Packers and New England Patriots generated a record \$120 million in merchandise sales (a record that was still in place after the 2007 Super Bowl) ²⁵
 3. Licensed goods are available in retail department stores, chain stores, league-sponsored retail outlets and on the Internet
 - 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. Sweepstakes and contests are run by the sponsor, with the prize being tickets to the sporting event
 - c. Some licensed products are used as promotional incentives for customers to buy a product
 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
 - b. In 2002, the National Football League Players Association reportedly generated \$12 million in video game licensing fees ²⁶
 - c. In 2007, Major League's Soccer's L.A. Galaxy licensed merchandise sales jumped 700% for the season after announcing the signing of David Beckham
- 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 ²⁷
 - b. In 2000, an FBI undercover sting (Operation Bullpen) rounded up \$10 million in counterfeit autographs and collectibles ²⁸
 - c. A poster from the 1932 movie, *Mummy*, sold for \$453,500 ²⁹
 - d. A piece of music memorabilia is sold every 15 seconds on eBay ³⁰
 - e. According to *Collector's Digest*, the sports autograph market is worth \$500 million ³¹

Lesson 6.3

The Licensing Process

- A. Why do organizations engage in the licensing process? ³²
1. Many factors contribute to the mass appeal of licensed products
 - a. Intangibility of sports
 - b. Consumer affinity for particular teams and/or brands
 - c. Brand awareness
 2. Licensee advantages
 - a. Positive association with the sports entity
 - b. Greater levels of brand awareness
 - c. Help to build brand equity
 - d. Receive initial distribution with retailers
 - e. Expanded and improved shelf space
 - f. May be able to charge higher prices
 - g. Potential to lower advertising and promotional costs
 - h. Increased possibility of success and profitability
 - i. Connection with an athlete, sports team, entertainer, or corporation
 3. Licensee disadvantages
 - a. Athlete, league, celebrity, organization or sport may fall into disfavor
 - b. Success depends on athlete/celebrity performance
 - c. Styles change quickly
 - d. Royalties and licensing fees can be expensive
 - e. Manufacturing costs and risks
 - f. Competition can drive up costs associated with licensing fees
 - g. Competition can have a negative impact on market share
 4. Licensors advantages
 - a. Expansion into new markets
 - b. Increase its brand equity
 - c. Minimized risk
 - d. Enhanced company image and publicity
 - e. Increased profit from fees and royalties
 - f. Increased brand awareness or recognition
 5. Licensors disadvantages
 - a. May lose some control over the elements of the marketing mix when an outside party sells products connected to licensor's brand
 - b. Potential for licensee's manufactured products to be of poor quality, potentially creating a negative perception of the licensor's brand

Lesson 6.3

The Licensing Process

- B. How does licensing work?
 - 1. Licensing process
 - a. Licensees pay an initial, one-time licensing fee
 - i. In 2004, EA Sports inked an exclusive licensing agreement with the NFL and the NFL Players Association to develop and publish video games featuring NFL teams, players, stadiums and footage. Specific terms of the deal were not announced, the terms of the deal, but estimates put the price tag somewhere near \$300 million.³³
 - b. Licensees pay for the use of specific logos, slogans or other trademarked images for use in the creation of company products
 - c. Licensees take on production issues and assume the risk by manufacturing product
 - 2. Licensor and licensee relationship³⁴
 - a. Licensing provides greater profit, promotion, and legal protection for the licensor
 - b. The licensor approves the product and collects the licensing fees and royalties
 - i. Warner Brothers granting permission, for a hefty fee, to Electronic Arts to use the Harry Potter character for the development of a new video game
 - 3. Character vs. corporate licensing³⁴
 - a. A sports or entertainment entity permits a licensee to use specific characters for a fee
 - i. LucasArts licenses a manufacturer to use the images of the characters from *Star Wars Episode III - Revenge of the Sith*
 - b. A corporation permits a licensee to use the corporate image of name for a fee
 - i. Major League Baseball licenses a manufacturer to use their corporate logo on a baseball cap
- C. Impact of licensing on consumers³⁵
 - 1. Increased opportunity to associate with an athlete, sports team, entertainer, or corporation
 - 2. Increased supply of available products
 - 3. Competition can result in lower prices, new products and better quality

Lesson 6.4

Merchandising

- A. In-house merchandising ³⁶
 - 1. When the demand for licensed products is minimal, an organization may choose to handle their merchandising in-house
 - a. In-house merchandising refers to managing the merchandising process within the organization itself, rather than outsourcing or acquiring licenses
 - b. The key benefit of in-house merchandising is the probability of increased profits
 - 2. Steps in the in-house merchandising process
 - a. Design the logo and slogan or tagline (if it is not already available)
 - b. Determine merchandise type, quality and quantity
 - c. Interview local merchants (vendors) and select the company that can best fit the organization's needs (on the basis of quality, type, quantity, pricing etc.)
 - d. Determine distribution outlets
 - e. Train sales staff
 - f. Prepare on-site merchandising strategies
- B. On-site merchandising ³⁷
 - 1. Refers to the process of selling merchandise at the physical location of the event
 - 2. The primary purpose is to maximize income for a sports or entertainment event
 - a. Organizations maximize income through the sales of concessions and merchandise
 - 3. Four key considerations for a successful on-site merchandising plan
 - a. The location of where the merchandise is being sold
 - b. The physical layout and appeal of where the merchandise is being sold
 - c. How well the sales operation is performed
 - d. The appeal of the merchandise or product itself
 - 4. Best practices for selling on-site merchandise
 - a. The heaviest traffic for merchandising is upon arrival and departure
 - b. Test marketing is important to ensure the effectiveness of a good or service
 - c. Training of sales personnel varies with the event

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?

Review

Unit 6 Review

Unit 6 Overview:

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

Unit 6 Key Terms Defined:

Brand Extension: The use of a successful brand name to launch a new or modified product or service in a new market

Branding: The use of a name, design, symbol, or a combination of those elements that a sports organization uses to help differentiate its products from the competition

Corporate Brand: Represents an entire company or organization

Licensee: A company or individual paying for the rights to use the licensor's name or property

Licensing: Refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee

Licensor: A company or individual granting the license

Product Brand: Represents a particular product of a company or organization

Store Brand: Products retailers sell as their own brands

Trademark: A device that legally identifies ownership of a registered brand or trade name

Unit 6 Review

Unit 6 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

Unit 6 Review

Unit 6 Discussion Questions

Has anyone seen a Farrelly Brothers or Quentin Tarantino film in the past? Why did you choose to see that particular movie? Did you have an idea of what the movie film would be like?

Branding is extremely important to sports and entertainment organizations. Directors of popular Hollywood films often have a unique brand of movies (such as the Farrelly's or Tarantino's) which provides consumers with a very good idea as to whether or not a particular film will appeal to their tastes.

Branding, by definition, is the use of a name, design, symbol, or a combination of those elements that a sports or entertainment organization uses to help differentiate its products from the competition. Brand examples could include:

- New York Yankees
- National Hockey League (NHL)
- Walt Disney
- Bad Boy Records
- Michael Jordan

With the rise in popularity of “retro” or “throwback” sports jerseys and apparel, overall sales of merchandise are booming. What might deter anyone in our class from opening up a shop and selling these vintage clothes themselves?

Aside from the general issues of having enough start up capital to finance the venture, we need to be cognizant of the licensing process. We should develop a fundamental understanding of how licensing works, and who benefits from the licensing process.

- Licensing refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee
- You would be required to pay a licensing fee (typically millions of dollars) just for the right to use team names, colors, logos and player names
- Once you have purchased that right through a licensing fee, you now have the opportunity to manufacture and sell licensed products

When you see a favorite celebrity (entertainer or athlete) in an advertisement for a particular product, do you remember the product name (brand)? Why do you think that is? Discuss as a class.

Regardless of student response, this question will prompt a discussion that can be an effective introduction to the material presented in Unit 6.

Unit 6 References & Resources

1. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
2. *Sports & Entertainment Marketing Applied*, State of Utah Curriculum, Standard One
3. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 144
4. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
5. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
6. *Sports & Entertainment Marketing Applied*, State of Utah Curriculum, Standard One
7. <http://www.pjp.com/pr.05.11.05.htm>
8. *Sports & Entertainment Marketing Applied*, State of Utah Curriculum, Standard Four
9. http://www.jeldwentradition.com/_assets/pdf/Silver.pdf
10. NC Education Center, Objective 6.01
11. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 144
12. http://www.tutor2u.net/business/marketing/brands_introduction.asp
13. <http://www.millwardbrown.com/Sites/optimor/Content/KnowledgeCenter/BrandzRanking2007.aspx>
14. <http://www.millwardbrown.com/Sites/optimor/Media/Pdfs/en/BrandZ/BrandZ-2007-RankingReport.pdf>
15. <http://www.millwardbrown.com/Sites/optimor/Media/Pdfs/en/BrandZ/BrandZ-2007-RankingReport.pdf>
16. http://www.forbes.com/2007/07/31/sports-marketing-branding-biz-cz_ps_0801sportsbrands.html
17. 2006 *License Mag* Industry Annual Report p. 19
18. <http://www.licensemag.com/licensemag/data/articlestandard//licensemag/142007/416989/article.pdf>
19. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 151
20. *The Ultimate Guide to Sports Marketing*, S. Graham, p. 199
21. *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 152
22. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
23. *The Ultimate Guide to Sports Marketing*, S. Graham, p. 200
24. http://www.rollingstone.com/news/story/9447993/the_richest_rock_stars_of_2006/print
25. <http://www.southcoasttoday.com/daily/01-00/01-30-00/d01sp092.htm>
26. <http://espn.go.com/nfl/news/2002/1121/1464315.html>
27. <http://www.115sports.com/041902.htm>
28. <http://sports.espn.go.com/tvlistings/show36transcript.html>
29. <http://www.efilmposters.com/topten.htm>
30. http://half.ebay.com/help/sell_music.cfm
31. http://www.collectors.com/articles/article_view.shtml?artid=3604
32. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
27. http://money.cnn.com/2004/12/14/commentary/game_over/column_gaming/
34. NC Education Center, Objective 6.02
35. *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
36. *The Ultimate Guide to Sports Marketing*, S. Graham, p. 204
37. NC Education Center, Objective 7.02

“Don’t compromise yourself. You are all you’ve got.”

- Janis Joplin, Member of the Rock and Roll Hall of Fame

Unit 7



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 & 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 & 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

Understanding Sales

- A. Sales
 - 1. **Sales** can be defined as the process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction
 - 2. Sales activities in the sports and entertainment field could include
 - a. Selling group tickets to a play
 - b. Negotiating an event contract with a facility or venue
 - c. Soliciting donations from alumni to fund scholarship opportunities
 - d. Selling an event sponsorship package
- B. Why is selling important?
 - 1. Selling is the revenue-producing element of the marketing process
 - 2. Sales is the only revenue-producing function for an organization
 - 3. Selling helps customers make informed buying decisions
 - a. Results in customer satisfaction and repeat business
- C. Personal selling
 - 1. **Personal selling** entails any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions
 - a. The process is a two-way communication between a representative of the company and the customer ¹
 - b. Personal selling is the only form of sales that involves direct contact between the sales professional and potential customer
 - 2. Benefits to personal selling ²
 - a. The salesperson can immediately tailor the message he or she is communicating based on the prospective customer's response, feedback and buying signals
 - b. It allows for the communication of more information specifically relating the customer needs than any other form of promotion
 - c. Potentially confusing or complex information can be explained and the salesperson can be assured that the prospective customer has a complete understanding of the information being conveyed
 - d. The likelihood of the customer paying attention to the information being shared is greatly increased because the communication is face-to-face
 - e. Personal selling provides the best opportunity to establish solid working relationships, enhancing the probability of developing long term relationships with consumers
 - 3. Personal selling categories
 - a. Inside sales
 - i. Sales professionals that sell company products and services over the phone, Internet, or other means of communication from inside the company's office
 - ii. They either make outgoing calls to prospective customers or receive incoming orders or phone calls pertaining to company products or services
 - iii. Typically utilized for products and services that require minimal investment levels, such as smaller ticket packages
 - iv. In most instances, an inside sales staff consists primarily of telemarketers
 - 1. Telemarketers are sales professionals that make outbound telephone calls to prospective customers in order to sell company products and services

Lesson 7.1

Understanding Sales

- b. Outside sales
 - i. Sales professionals that primarily communicate with customers in person
 - ii. Could include a ticket sales or sponsorship sales position
 - iii. Also referred to as “field sales” or “external sales”
 - c. Box office sales
 - i. Sales professionals located on site at a venue or facility who sell to customers in person at the event or to future events
 - ii. Movie theaters sell most of their tickets through box office sales
 - d. A general rule of thumb among sports and entertainment companies is that everyone employed by the organization represents a salesperson on some level
 - i. If someone who works in accounting knows a friend interested in purchasing tickets, they would be expected to refer that friend to someone on the sales staff who can help them with their purchase
- D. Sales methods
- 1. Feature-benefit selling ³
 - a. Product attributes (or features) are the basic, physical, and extended characteristics of an item
 - i. For example, many professional sports teams sell tickets in club seating levels. The seats often have distinct product attributes that set them apart from general seating, such as wider seats, taller seat backs or video screens on the seats in front of them
 - b. Customer benefits are the advantages or personal satisfaction a customer will get from a good or service
 - i. Comfort, convenience, and space are benefits of club seating
 - c. The **feature-benefit** selling process involves matching specific product attributes to a customer’s needs and wants
 - i. A company may have purchased club seats to entertain clients and would want to reward them for their business by allowing them to sit in the most comfortable seats possible at the game or event
 - 2. Full menu marketing
 - a. The selling of a variety of products or services that meet virtually any customer needs and/or wants
 - i. A sales professional working for a minor league sports team may meet with a company and have the ability to offer a small sponsorship, a major sponsorship featuring exclusivity benefits, season tickets, group tickets, VIP tickets, parking or a combination of those options
 - 3. E-Commerce
 - a. The buying and selling of goods and services on the Internet
 - i. Any consumer who is a fan of Disney may go online and purchase DVDs, plush toys, action figures, watches, ornaments or many other products

Lesson 7.1

Understanding Sales



Note to SCC Members:

At this point in the unit you should locate the student handout marked “Unit 6 - Lesson 6.1 - Student Handout - Jeld Wen” in the Lesson 6.1 folder and distribute it to the class. You can use the document as either a handout, PowerPoint presentation or both. If you have a local event that may provide a better connection for your students, you may want to consider adjusting the handout accordingly.

4. Direct mail
 - a. Direct mail is a sales effort conducted exclusively by mail
 - b. Characteristically sent to large numbers of prospective customers soliciting orders for company products and services
 - c. To be effective, the direct mail approach must be:
 - i. Targeted
 - ii. Personal
 - iii. Measurable
 - iv. Testable
 - v. Flexible
 - d. Direct mail examples
 - i. Ticket brochures
 - ii. Pocket schedules and team posters
 - iii. Solicitation (sales) letters
 - iv. Other
 1. Under the guidance of sports marketing guru Jon Spoelstra, the New Jersey Nets basketball team sent rubber chickens wearing tank tops featuring a special message to season ticket holders who had not yet renewed for the upcoming season. The tank tops read: “You’re about to fowl out! However, you can avoid the bench and keep on playing. Just read the attached.” Included in the package was a renewal letter. The result of the campaign was a 93 percent renewal rate, up from an average of around 80% in the years before Spoelstra took over as team president.⁴

Lesson 7.2

The Sales Process

- A. Sales process
1. Steps to effective implementation and management of the sales process
 - a. Understand the product or service
 - i. What inventory (seat locations etc.) is available to be sold?
 - ii. How much does the product or service cost?
 - iii. What are the features and benefits to your product or service?
 - b. Identify prospective customers and develop leads
 - i. Leads are the names of individuals and companies who could become future customers
 - ii. This step is often referred to as *prospecting*
 - c. Qualify and gather information about a prospective customer
 - i. Do they have experience with your team, venue, or event?
 - ii. What influence do they have over the purchasing decision?
 - d. Contact prospective customers (the sales call)
 - i. The sales call is the initial form of communication in which the salesperson makes contact with the prospective customer
 - ii. Sales calls can take place via telephone, e-mail or in person
 - iii. Utilized by both inside sales and outside sales representatives
 - iv. Often times salespeople will use a pre-written script to help guide them with a telephone sales call
 - e. Establish credibility, rapport and a reason to communicate with the customer
 - i. Secure a sale or, more likely, schedule a face-to-face appointment
 - ii. The face-to-face appointment provides a valuable opportunity for the sales professional to build rapport and establish a relationship with the customer
 - f. Develop and confirm a customer's needs
 - i. Sales people often conduct a "needs analysis" to determine where company products and services may be able to assist a prospective customer in meeting their organization's goals and objectives
 - g. Presentation and proposal
 - i. Increase customer awareness and interest in company products and services
 - ii. This communication takes place in some form of a presentation
 - iii. This information can be presented in the form of a proposal
 - iv. A **proposal** is a written recommendation of products or services his or her organization may offer to meet those customer needs uncovered in the needs analysis
 - v. Each proposal is customized to meet specific customer needs



Note to SCC Members:

At this point in the unit you should locate the student handout marked "Unit 6 - Lesson 6.1 - Student Handout - Jeld Wen" in the Lesson 6.1 folder and distribute it to the class. You can use the document as either a handout, PowerPoint presentation or both. If you have a local event that may provide a better connection for your students, you may want to consider adjusting the handout accordingly.

Lesson 7.2

The Sales Process

- h. Ask prospective customers to act on an interest in company products or services
 - i. Asking for acceptance of the proposal or for a purchase decision
- i. Handle objections
 - i. **Objections** are a prospective customer's concerns or hesitations in making a purchase decision
 - 1. Occur when there is lingering doubt or unanswered questions in the mind of the prospect ⁵
 - 2. The prospective customer may be favorably inclined to make a purchase but needs clarification, more concessions, or approval by another party ⁵
 - ii. It is the responsibility of the sales professional to uncover and overcome each objection to the customer's satisfaction
 - iii. Potential objections
 - 1. "I'm not interested..."
 - 2. "I'm too busy right now..."
 - 3. "That isn't in the budget..."
 - 4. "I need to discuss this with my boss..."
 - 5. "I can get the same results for less money by doing something else..."
- j. Close
 - i. The close is the stage of the sales cycle where the prospective customer and the sales professional come to an agreement on pricing and services, in which the customer typically commits to a purchase of some kind
 - ii. The close is when the prospective customer becomes an official client
 - iii. Sales professionals often make the mistake of thinking this is the last step of the sales process
- k. Follow up
 - i. The follow up stage is critical to ensure a satisfied and happy customer
 - ii. The organization is responsible for ensuring all services agreed upon throughout the sales process are fulfilled
 - iii. Much new business for any organization comes from existing business
- l. Fulfillment and service
 - i. Fulfillment is the process of following through and delivering on all promised services to the customer
 - ii. Meeting and exceeding customer expectations is integral to retaining their business in the future
 - iii. Renewal is the agreement between the organization and customer to continue the business relationship for a pre-determined, often times contractual, period of time
 - iv. Renewals also occur between ticket holders and an organization
- m. Evaluation
 - i. Measuring the results of a promotional investment (season tickets, luxury suites, sponsorships, endorsement agreements) help an organization determine its effectiveness
 - ii. Evaluations are typically objective (sales fluctuations) but can also be subjective (increased media attention or public awareness) ⁵
 - iii. It is important for the sales professional to be involved in this step of the process to gain a better understanding of whether or not they are meeting client needs

Lesson 7.3

Sales Strategies, Skills and Techniques

- A. Sales strategies
 - 1. Collaborative selling
 - a. The sales person and client take time to understand one another and develop a relationship according to the sales person's offer and the client's needs
 - 2. Transactional selling
 - a. The sales person and client have limited interaction and the sale is based mostly on price or a specific element
 - 3. Team selling
 - a. A variation of collaborative selling that includes multiple people from the selling or buying organization, or both
 - i. After Nextel had indicated interest in potentially pursuing a naming rights deal, NASCAR officials implemented a team selling strategy when a group of executives presented several partnership possibilities to Nextel executives. The presentation led to a \$750 million sponsorship and the Nextel Cup was born. ⁶
- B. Sales skills and techniques
 - 1. Prospecting is the process of consistently researching for and seeking out new customers for an organization's products and services
 - a. Prospecting is a very detail oriented process requiring careful research and analysis
 - b. A sales professional might research local businesses online that fit the demographics of a qualified potential customer
 - c. Sales professionals may explore a number of avenues when prospecting to develop quality sales leads
 - i. Trade Shows
 - ii. Industry Events
 - iii. Networking Events
 - iv. Consumer Lists
 - v. Directories
 - vi. Industry Publications
 - 2. Referrals occur when an existing customer recommends another organization or individual to a sales professional as a potential customer
 - a. Referrals are traditionally an extremely effective means for generating new sales
 - 3. Networking occurs when a group of like minded business people gather to help each other to cultivate sales
 - a. Sales people often involve themselves in local organizations and functions in an effort to connect with as many new people as possible
 - b. Chamber of Commerce meetings provide an exceptional means for meeting other business professionals who could become future customers or offer referrals
 - 4. Cold calling refers to a sales professional's effort to generate new business through outgoing telephone calls without any previous communication with the prospective customer
 - a. The cold calling technique is generally a less productive means for generating sales than other techniques (networking and referrals) because the personal relationship element is non-existent

Lesson 7.4

Importance of Customer Service

- A. Customer service
 - 1. **Customer service** is the action taken by the seller to make the relationship between the organization and its customers satisfactory
 - a. Many organizations strive to meet and exceed customer expectations, often times integrating service goals with company mission statements
 - 2. Customer service represents a critical step in the sales process and is ultimately about gaining and retaining the customer base ⁷
 - 3. Customer service's role is to help customers enjoy their relationship with the sports or entertainment organization ⁸
 - 4. The customer service experience begins when the customer arrives at the event and does not conclude until they have left their parking space after the event
 - 5. Minor league baseball has seen an increase of 50% in its total attendance in the last ten years, thanks in large part to its focus on providing the best customer service possible ⁹
 - a. The Cape Fear Crocs minor league baseball franchise ran a promotion in which a fan would win an \$8,000 gift certificate toward a Harley-Davidson motorcycle if a Crocs player hit for the cycle (a single, a double, a triple and home run in the same game) at any game during the season. One night a player came to bat in the last inning having already fulfilled three of the four requirements, needing only a single for the fan to win. The player bunted on the play but the third baseman bobbled the ball so the player safely reached first base. Rogers, the GM, made sure the official scorer credited the player with a hit so the fan could win the prize. ¹⁰
- B. Who are the customers?
 - 1. In their team business planning sessions, the National Basketball Association (NBA) identified customers as "full season ticket purchasers, partial plan holders, individual game purchasers (walk-ups), group purchasers, sponsors, community relations program participants, people who read our publications, people who watch our games on TV, listen on the radio or log onto our site – in short, anyone with an interest" ¹¹
- C. The benefits of customer service
 - 1. There are a number of benefits to an organization that have a direct correlation with providing excellent customer service ¹¹
 - a. Increased levels of customer retention and cost reduction
 - b. Decline in negative associations with organization via word-of-mouth advertising
 - c. An opportunity to provide a source of differentiation
 - d. Amplified levels of profitability
- D. Why is customer service important?
 - 1. According to Customer Service Institute, it can cost up to as 5 times as much to acquire a new customer than it does to service an existing one
 - 2. According to the same institution, customers tell twice as many people about a bad experience over a good one
 - 3. 68% of all customers will eventually switch service providers (entertainment options, advertising outlets etc.) ¹²
 - 4. It takes twelve positive service incidents to make up for one negative incident ¹³

Lesson 7.4

Importance of Customer Service

- E. Turning service into sales
1. For most segments of the sports industry, 70% of consumers are referred by word of mouth from existing customers ¹⁴
 - 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 existing customers
 3. Solid relationships with a customer base enable an organization to effectively implement and utilize referral programs
 4. “Up selling” opportunities become more frequent with happy customers
 - a. **Up selling** is the process of selling additional products to a customer at the time of the order
 - i. For example, a theatre fan might call to purchase tickets to an upcoming 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? ¹⁵
1. Meet and exceed levels of customer expectation
 2. Provide a comfortable environment for fans
 - a. Venues and facilities should be clean, music volume should not be too loud, and temperature should be comfortable (indoor events)
 3. Listen and empathize with customer complaints
 4. Incorporate the customer service element into the organization’s mission statement
 5. Respond quickly to customer complaints
 6. As one recommendation within the two pages of service tips outlined in the 2001-02 NBA Marketing Plan, the league recommended that each team assign a personal Customer Service Representative (CSR) to each season ticket holder or group ticket account ¹⁶



Lesson 7.5

Sales Professionals

A. What makes a good salesperson? ¹⁷

1. Some criteria
 - a. Belief in the product
 - b. Good listener
 - c. Sense of humor (in the right context)
 - d. Self motivated and self disciplined
 - e. Strong work ethic
 - f. Personable
 - g. Knowledgeable
 - h. Someone who asks questions and listens
 - i. Self confident (not to be confused with arrogant!)
 - j. Ability to build relationships
 - k. "Thick skinned" (ability to handle the inevitable frequent rejection)
 - l. Effective time management skills
2. Skills
 - a. Good salespeople will never lose contact with prospective customers
 - i. This technique is often referred to as "knocking on old doors"
 - b. Successful salespeople consistently ask everyone to buy
 - c. Effective salespeople follow up with customers after the sale with the same aggressiveness they demonstrated before the sale
3. "Game plan"
 - a. Good salespeople will devise a sales strategy that best caters to their strengths
 - b. A quality game plan includes gaining knowledge not only of company products and services, but of the backgrounds of prospective customers
 - c. Effective salespeople devise and implement effective time management plans

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

1. Rick Campbell, Former Vice-President of Premium Seating for Comcast-Spectacor (Philadelphia Flyers and Philadelphia 76ers), offers insight on characteristics that shape an effective sales professional
 - a. "We look for sales people who are self driven with a desire to learn, along with a sense of self confidence, knowledgeable about the industry, and a likeable personality. Building, maintaining and nurturing relationships are incredibly important to the sales cycle, so we want someone we know can be effective in that area. Finally, we want someone who can display a track record of excellence and can show how a strong work ethic led to those previous successes." ¹⁸

Lesson 7.6

Promotion

A. Promotion

1. **Promotion** is any form of communication used to inform, persuade, or remind people about company products or services ¹⁹
2. Promotion plays a significant role in the creation and maintenance of the levels of commitment and emotional involvement customers have in an organization ²⁰
3. Promotions exist as a tool to help generate sales and retain existing customers
4. Sports and entertainment promotion can be described as creative events providing maximum exposure for an organization, including the creation and implementation of sponsorship and event marketing activities to attract an audience ²¹
 - a. Critical elements of sports promotion ²¹
 - i. Athlete representation
 - ii. Marketing consulting
 - iii. Integrated event management
 - iv. Sponsorship fulfillment
5. The goals of sports and entertainment promotion ²²
 - a. Generating sales
 - b. Attracting a targeted audience
 - c. Helping to create a positive image

B. Promotion mix

1. The **promotion mix** consists of any combination of advertising, sales promotion, publicity, direct marketing, and personal selling ²³
 - a. Could include trade shows and other exhibition events
2. Key factors that affect decisions regarding the promotions mix ²⁴
 - a. Stage of product life cycle
 - b. Distribution channels
 - c. Competitor strategies
 - d. The product or service being promoted
 - e. Organization resources
 - f. Accessibility of various promotional methods

C. Forms of promotion ²⁵

1. Sales promotions
 - a. Sales promotion involves activities or communications that encourage consumers to purchase products or services ²⁶
 - b. Sales promotions are usually short term, encouraging consumers to act quickly
 - i. For example, a local health or fitness club may run a sales promotion offering “limited-time” membership opportunities ²⁷
 - c. Sales promotion activities could include:
 - i. Premium item give-aways
 - ii. Contests and sweepstakes
 - iii. Sampling
 - iv. Point-of-purchase displays
 - v. Special events
 - vi. Couponing

Lesson 7.6

Promotion

- d. Sales promotion example
 - i. Jose Canseco, former Major League Baseball player, released a book (*Juiced*) 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.²⁸
- 2. On-Field promotions
 - a. Promotions that take place on the playing field occur between game breaks
 - b. Many sports organizations consider the on-field promotions to be their most valuable and profitable sponsorship inventory
 - c. Promotions could include
 - i. Half court shot
 - ii. Races
 - 1. 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.²⁹
- 3. In-Venue promotions
 - a. Promotions taking place at areas within a facility not directly associated with the playing field
 - b. Example
 - i. MasterCard might have a booth set up somewhere on the concourse of an NBA arena offering a free t-shirt bearing the name of the home team for those willing to sign up for a credit card
 - c. Other promotions could include
 - i. Contest giveaways
 - ii. Lucky game program or lucky seat
 - iii. Giveaways at the door (first 1,000 fans receive a free bobblehead doll)
- 4. Event promotions
 - a. Event promotions focus on a single event, as opposed to multiple events
 - i. Fireworks displays, film sneak previews, entertainment acts and special appearances
 - b. Event promotions have the potential for an enormous impact on attendance
 - i. 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 1996³⁰
 - 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.³¹

Lesson 7.6

Promotion

5. Off-Site promotions
 - a. Any promotional activities that occur away from an organization's facility, venue or offices
 - i. Clinics and camps
 - ii. School functions (assemblies, etc.)
 - iii. Exhibition games
 - b. Research indicates off-site promotions enhance fan identification
 - i. Fan identification is the emotional attachment an individual fan has toward a particular team or athlete
6. Full season promotions
 - a. Unlike event promotions, full season promotions take place at every game, match or event throughout an entire season
 - b. Full season promotions are effective because of the increase in the number of impressions
 - i. Higher frequency equates to increased exposure, resulting in an increased likelihood of the message having an impact with fans
7. Media promotions
 - a. Promotional activities that involve a media sponsor or tie-in
 - i. Portland, Oregon's annual Blues Festival is sponsored by the local newspaper (Oregonian), local radio stations (Kink FM and KBOO), and a local television station (KOIN TV)

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*.

Review

Unit 7 Review

Unit 7 Overview:

Unit seven provides a basic introduction to sales and emphasizes its importance to sports and entertainment business. A basis for a fundamental understanding of promotion is also explored. Students will be able to identify steps within the sales process, recognize the role of customer service and identify various forms of promotion. Students are encouraged to work through related class activities, particularly role plays or simulation exercises, to gain a clear comprehension of the sales process.

Unit 7 Key Terms Defined:

Customer Service: The action taken by the seller to make the relationship between the organization and its customers satisfactory

Feature-Benefit Selling: Involves matching specific product attributes to a customer's needs and wants

Objections: A prospective customer's concerns or hesitations in making a purchase decision

Personal Selling: Any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions

Promotion: Any form of communication used to inform, persuade, or remind people about company products or services

Promotion Mix: Any combination of advertising, sales promotion, publicity, direct marketing, and personal selling

Proposal: A written recommendation of products or services his or her organization may offer to meet those customer needs uncovered in the needs analysis

Sales: The process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction

Up selling: The process of selling additional products to a customer at the time of the order

Unit 7 Review

Unit 7 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

Unit 7 Review

Unit 7 Discussion Questions

Think about the last experience you had with a salesperson. What was the interaction like? Was the salesperson helpful? Was it a positive experience or negative experience? Did the salesperson's assistance impact your purchase decision?

Regardless of student response, this question will prompt a discussion that can be an effective introduction to the material presented in Unit 7.

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

More than likely your students will have some interesting stories to share regarding experiences with sales people or customer service. Use this discussion to validate the importance of effective sales and service strategies in the sports and entertainment business.

What role do you think promotions play in sports and entertainment organization's marketing strategies? Can you give an example of a promotion for a sports or entertainment event you have recently attended (movie, game, play etc)?

For those students who have had a recent experience with a minor league sports team, this question will prompt the sharing of some exceptional promotional ideas. Encourage students to think about promotions they might have seen for movies, sporting events, book or music releases. As an example, the highly anticipated release of the most recent Harry Potter book in June of 2007 led to many creative promotions at book stores.

Record all the promotional examples provided by students on the board or projector as they share them.

Unit 7 References & Resources

- 1) NC Education Center, Sports & Entertainment Marketing I, ME 6670, Objective 4.01
- 2) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 249
- 3) NC Education Center, Sports & Entertainment Marketing I, ME 6670, Objective 4.01
- 4) *Marketing Outrageously: How To Market A Product Nobody Wants*, Spoelstra, p. 214-217
- 5) http://www.gmarketing.com/articles/read/43/Overcoming_Sales_Objections.html
- 6) http://www.sportsbusinessjournal.com/index.cfm?fuseaction=search.show_article&articleId=31409&keyword=cold,%20call,%20launched,%20750
- 7) www.abc.net.au/eighdays/glossary/default.htm
- 8) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p. 152
- 9) *On The Ball: What You Can Learn about Business from America's Sports Leaders*, Carter, Rovell, p. 59
- 10) *On The Ball: What You Can Learn about Business from America's Sports Leaders*, Carter, Rovell, p. 66
- 11) *Portland Trail Blazers Business Planning Session Notes*, Presented by NBA Marketing & Team Business Operations, Jan. 23
- 12) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p. 143
- 13) *How to Win Customers and Keep Them for Life*, LeBoeuf, M., (preface) p. xv
- 14) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p.94
- 15) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p. 145-49
- 16) *The 2001-02 NBA Marketing Plan*, distributed by the NBA league office to each NBA franchise
- 17) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
- 18) Campbell, R. (2005) Telephone interview. Jan. 6
- 19) *Marketing Essentials*, Glencoe-McGraw Hill, 2nd ed., p. 5
- 20) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p.93
- 21) <http://www.onpoint-marketing.com/sports-promotions.htm>
- 22) Adapted from *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., PowerPoint Slides, Chapter 8, Slide #7
- 23) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 167
- 24) *Fundamentals of Sport Marketing*, Pitts, Stotlar, Auxiliary Materials, PowerPoint Presentation, Slide #123
- 25) *Sales Success in Sports Marketing*, Miller, Shaad, Burch, Turner, p.98-105
- 26) NC Education Center, Sports & Entertainment Marketing I, ME 6670, Objective 5.01
- 27) *Sports & Entertainment Marketing*, 2nd Edition, South-Western Educational Publishing, p. 101
- 28) <http://www.josecanseco.com/tour.aspx>
- 29) <http://www.thebaseballpage.com/features/2002/wiener.htm>
- 30) <http://www.intermark.com/rapids/rp030630b.asp>
- 31) *Vertical Alliance Sports Marketing Newsletter*, April 29, 2004 - Volume 3, Issue 14

“What about your mind, does it shine?”

- Singer Jack Johnson in the song “Gone”

UNIT 8



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

Sponsorship

A. Sponsorship

1. **Sponsorship** is a form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits ¹
 - a. Sponsorship is *not* the same as advertising
 - i. Advertising is more direct and aims to stimulate a purchase in the short term
 - ii. Sponsorship aims to generate a bond between company and customer
2. Sponsorships provide a partnership between two parties
 - a. Sports and entertainment properties need sponsors to provide financial support, products and services
 - b. Sponsors need sports and entertainment properties to provide an effective marketing tool
 - c. For sponsorship to be effective, it must make sense for each party involved
3. Sponsorship examples
 - a. Ford Motor Company paying \$1 million for the naming rights to Ford Field in Detroit
 - b. Major corporations sponsoring NCAA college football bowl games
 - c. Mountain Dew sponsoring the Action Sports Tour

B. Sponsorship packages often include: ²

1. Right to use team or event marks, logos, names, or trademarks
2. Potential for exclusive association
 - i. *Exclusivity* provides a sponsor the unique opportunity to be the only company sponsoring in a particular product category
 - ii. If Bank of America holds exclusivity rights as part of its package to sponsor a golf event, no other bank will have an opportunity to participate in the event as a sponsor
3. Opportunity for title or presenting sponsorships
4. Right to use various designations or phrases
 - i. SunTrust's sponsorship with NASCAR designates the company as "the official bank of NASCAR"
 - ii. Additional examples
 1. "Official broadcaster of..."
 2. "Official product of..."
 3. "Official sponsor of..."
 4. "Presented by..."
5. Right to conduct promotional activities
6. Additional forms of company exposure and media time (billboards, commercials)
7. Product and merchandise (game tickets, licensed merchandise)



Note to SCC Members:

Please refer to your Teacher's Guide for a link to a Web listing of all NASCAR sponsors. It provides a wonderful example of partnership possibilities available to corporations via sponsorships.

Lesson 8.1

Sponsorship

- 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 consumers are participating in something they enjoy, such as attending a sporting event or a movie
 - i. Can be particularly effective in sports because of the high levels of brand loyalty
 2. Sponsorships often allow companies to reach segments they normally would not
 - a. Audi signed sponsorship agreements with equestrian events, ski races and sailing because research showed that participants and followers of those sports fit the profile of typical Audi buyers ³
 3. In today's new marketing era, traditional marketing efforts have proven to be less effective while more creative approaches, such as sponsorship, offer a more creative and successful means for connecting with consumers
- D. Five common ways businesses implement sponsorship programs ⁴
1. Retail promotions ⁵
 - a. Includes point of sale promotions
 - b. Generally the goal of a retail promotion is to drive traffic to a sponsor's place of business
 - i. Sunoco gas stations made about 400,000 remote control cars available for sale as premiums in its first retail promotion of its sponsorship deal as the official fuel of NASCAR. The cars were offered at Sunoco's 4,500 locations throughout the summer. ⁶
 2. Media awareness ⁷
 - a. Refers to the number of people you reach within an audience of a specific segment
 - b. Typically the focus is on impressions
 - i. Impressions refer to the number of people exposed to the promotion
 - ii. Hankook Tire America Corporation immerses itself in a number of sports marketing programs. The company's rationale is provided on its Website:
 1. "Hankook enjoyed more than four billion impressions through its Sports Marketing Programs in baseball, hockey, basketball and football. This level of impressions has brought the Hankook name to millions of households, both reinforcing the Hankook brand while introducing the Hankook name to countless households nationwide." ⁸
 3. Venue/event on-site promotion
 - a. Allows a company to connect with the audience of a particular event ⁹
 - b. Provides opportunities for a company to network with other sponsors
 - c. Companies are buying fan enthusiasm, access to spectators (crowds), and media benefits associated with the event
 4. Internal sales and marketing tool ¹⁰
 - a. Helps companies to
 - i. Maintain an existing customer base
 - ii. Attract new customers
 - iii. Enhance employee relations

Lesson 8.1

Sponsorship

- 5. Product introduction ¹¹
 - a. Sports sponsorships are a great marketing tool for companies to introduce new products because, generally, sports promotions can provide a quantifiable demographic
 - i. Ford may sponsor a “test drive” promotion at a NASCAR event, offering an opportunity for fans to drive a new car model. The promotion enables Ford to capture the information of an identifiable number of the program’s participants.



Lesson 8.2

Sponsorship Growth

- A. Sponsorship spending in North America shows consistent growth over the past 15 years
1. Growth of Sponsorship in North America (includes sports, entertainment and events) ¹²
 - 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 ¹³
 - b. 1995 - \$3.05 billion ¹³
 - c. 2000 - \$5.90 billion ¹⁴
 - d. 2007 - \$13.4 billion (projected) ¹⁵
 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: ¹⁶

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. Unique promotional opportunity (“outside the box” mentality), providing some separation from traditional media
 2. Technology and increased media interest in sports and entertainment programming ¹⁷
 - a. Bolstered by the increased commercialization of radio and television through commercials
 - b. Introduction of new media outlets
 - i. Pay per view
 - ii. DirecTV
 - iii. “On Demand” viewing capabilities
 - iv. Streaming audio and video online
 - v. Broadband cable
 - vi. Satellite radio
 3. Growing frustration with traditional media
 - a. Companies began feeling that it was too challenging to distinguish themselves from the large number of additional companies advertising
 - b. The average individual sees 5,000 sales messages daily, making it hard for companies to get consumers to remember their products ¹⁸
 4. Increased levels of consumer acceptance
 - a. Studies have indicated that public perception of sponsorship is far more positive than traditional forms of advertising

Lesson 8.2

Sponsorship Growth

5. Global nature of sports and entertainment ¹⁹
 - a. Sponsorship provides a means for crossing the language barrier
 - b. A great example would be The Olympics. The games consistently receive multi-national support via sponsorships from an industry-diverse clientele
- C. Cause marketing
 1. **Cause marketing** refers to marketing efforts that tie an organization with a charitable cause
 - a. Research has indicated that consumers have a propensity to change brands if a particular product supports a cause they support ²⁰
 - 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 ²¹
 - b. Cause marketing has proven to be extremely effective, and sponsorship provides a valuable platform for cause marketing programs ²⁰
 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. ²²
 3. Cause marketing is not: ²³
 - a. Pure philanthropy or sponsoring an event without expecting a return on the investment
 4. How can you tell if it's cause related marketing? ²³
 - a. There is a marketing objective associated with the activity
 - b. The marketing activity is measured
 - c. The program is promoted
 5. Cause marketing example
 - a. The UPS Store partnered with NASCAR to support "Toys for Tots". The campaign featured a limited-edition, commemorative 1:43 scale die-cast replica of the special #88 car. The UPS Store/Toys for Tots car was sold at participating The UPS Store locations across the country during the holiday season, with a portion of the proceeds going directly to Toys for Tots. Participating The UPS Store locations also offered customers the opportunity to purchase a Toys for Tots pledge card for only \$1, with all proceeds going to support local Toys for Tots activities.
- D. Sponsorship as a *unique medium* ²⁴
 1. What differentiates it from traditional media?
 - a. Allows a company to tap emotional and intimate appeals of customers
 - b. Integrates the positive feelings of sports and entertainment events with company products, services and staff
 - c. Sponsorships help reach segmented targets that mass media typically proves ineffective
 - d. Showcases a company's products and services in an environment representative of a consumer's particular lifestyle

Lesson 8.3

Sponsorship Decisions

- A. Why do companies make the decision to engage in sponsorship programs?
1. Companies make the decision to sponsor based on the desire to achieve a desired result
 2. Companies typically use sponsorship as a vehicle to: ²⁵
 - a. Increase brand loyalty
 - b. Create awareness and visibility
 - c. Change or reinforce image
 - d. Drive retail traffic
 - e. Drive sales
 - f. Showcase community responsibility
 - g. Display brand attributes
 - h. Entertain clients and hospitality
 - i. Recruit and retain employees
 - j. Create merchandising opportunities
 - k. Build company awareness
 - l. Differentiate products
 - m. Associate with particular lifestyles ²⁶
 - n. Business-to-Business marketing
 - o. Distinguish from the competition ²⁶
 - p. Introduce a new product or service to a large audience ²⁷
 - q. Enter new markets ²⁷
- B. Deciding what to sponsor
1. As sponsorship continues to grow, companies continue to be inundated with sponsorship requests
 2. Companies must filter through proposals to find which sponsorship opportunities will present the best opportunities to effectively promote their brands
 - a. Software is now available to help filter those requests to determine which proposals meet the needs of a company
 - i. 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. Conversely, it would not make sense for Mountain Dew to partner with the PGA for a seniors golf tournament. ²⁸
 - 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.
 - i. Coke's worldwide sponsorship expenditure on the Atlanta games in 1996 nearly reached \$650 million ²⁹
 - ii. Coke's sponsorship of the 1998 soccer World Cup in France approached \$250 million ³⁰
 - iii. Coke's sponsorship of the Athens games in 2004 came in at \$145 million
 - iv. As a result, Coke's corporate logo is recognized by 94% of the world while the Olympic rings are recognized by only 92%

Lesson 8.3

Sponsorship Decisions

3. Criteria companies consider when deciding what to sponsor ³¹
 - a. Property and company image compatibility ³²
 - i. Does the property offer the imagery the company wants to establish?
 - ii. Is it a lifestyle with which the company wants to be associated?
 - iii. Are the co-sponsors companies with which the company would want to be associated?
 - b. Audience the sponsorship reaches
 - c. Working with retailers
 - i. Does the sponsorship include a retail component that can directly impact sales?
 - d. Media impact
 - e. Exclusivity
 - i. Sponsors must consider whether or not they are the only brand within a specific category (soft drink, bank, insurance provider etc.) sponsoring the event
 - ii. Without exclusivity, it rarely makes sense for a company to sponsor if a competing brand is sponsoring the same event
 - f. Potential increase in consumer sales
 - i. No sponsorship can guarantee an increase in sales
- C. To be effective, sponsorship programs must meet the needs of the sponsoring party. The following criteria are consistent with effective sponsorships:
 1. Frequent impressions
 - a. **Gross impression** refers to the frequency in which a company product or service is associated with the event or entertainer ³³
 - i. Each time a consumer sees a company logo throughout the course of a sporting event, movie, television broadcast or other event, the brain records that image
 - ii. The goal of a sponsorship is for consumers to remember that image the next time they make a purchase
 2. Leveraging the sponsorship
 - a. The action taken to escalate its impact and to increase the overall value of the sponsorship
 - b. The most effective campaigns combine the sponsorship and events that activate them with additional advertising, direct marketing, PR and merchandising ³⁴
 - c. As a general rule of thumb, most companies spend \$1-3 per dollar spent on the sponsorship package itself in leverage ³⁵
 - d. Companies must engage in promotion of the event prior to the actual event date
 - e. Effective sponsorships require careful strategic planning
 3. Company commitment
 - a. Sponsorships are typically ineffective without long-term commitment
 - i. Successfully creating a link between the sponsor and the event takes time, several years in some cases
 - ii. Companies sometimes make the mistake of pulling the sponsorship if they do not see an immediate return on the investment
 - b. The sponsorship should be a company-wide effort
 - c. Support is essential from the entire organization, including staff

Lesson 8.3

Sponsorship Decisions

4. Commitment for the right reasons
 - a. Organizations cannot afford to make the mistake of committing sponsorship dollars to an event simply because the company president or CEO is a fan of a particular sport, entertainer or event
5. Communication
 - a. Communication between the sponsor and sponsee (event provider, entertainer or property) is essential for success
 - b. A clear understanding must be in place of what is included and what is not included in any sponsorship agreement to eliminate false expectations
6. Fan (consumer) connection
 - a. A connection should take place between the fans (consumers) and the sponsor, without the feeling of products or services being advertised, so the fans feel the sponsors are adding value to the event
 - i. Successful sponsorships can effectively communicate the message that the event would not be possible without the sponsor's support
 - 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" ³⁶



Lesson 8.4

Ambush Marketing

- A. What is ambush marketing?
1. **Ambush marketing** occurs when one brand pays to become an official sponsor of an event and other competing brands attempt to connect with the same event, without paying direct sponsorship fees ³⁷
 - a. Ambush marketing is a legal tactic
 - b. It is often referred to as “guerilla” marketing
 - c. It is a strategy that has proven to be very successful
 - d. The technique presents many challenges for those hosting the event
 - e. Ambush marketing results in the perception that companies are affiliated with an event when they actually are not
 - f. Allows for penetration into events in which a competitor may have exclusivity rights
 2. When does ambush marketing occur?
 - a. It is a strategy used frequently when the event is on a grand stage
 - i. Super Bowl
 - ii. Olympics
 - iii. Soccer World Cup
 - iv. Boston Marathon
 - v. Tour de France
 3. Notable events in the history of ambush marketing tactics:
 - a. 1992 Olympics
 - i. Michael Jordan (sponsored by Nike), covered the Reebok logo on his apparel with the American flag during the gold medal ceremonies
 - b. 2000 Olympics
 - i. Adidas ‘thorpedoed’ Nike at the 2000 Sydney Olympics. Nike was the official clothing supplier while Adidas sponsored the swimming super-hero, Ian Thorpe. At the medal presentation, Thorpe “accidentally” draped his Adidas towel over the Nike logo on his official team tracksuit. Thus Nike was nowhere in the famous photograph that was seen by millions of people in Australia and all over the world. ³⁸
 - 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 ³⁹
 - ii. More than 300 college students sporting Reebok-branded tattoos on their foreheads were seeded into the crowd along the Marathon route. Reebok endorsed “office” linebacker Terry Tate (featured in prominent Reebok television spots) led the charge along the running route. The ambush was effective, with Reebok forming a sea of red (via more than 2,500 consumers turned into walking billboards) along the route and creating its own “unofficial” sponsorship of the Marathon, much to the chagrin of Adidas. ⁴⁰

Lesson 8.4

Ambush Marketing

- d. 2006 FIFA World Cup ⁴¹
 - 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
- B. Ambush marketing tactics
 - 1. Sponsorship of sub-categories in an event
 - a. Some companies, such as Nike, will strategically sponsor individual teams and individual athletes without sponsoring the event
 - i. This strategy allows the company to gain exposure at the event without the major investment
 - b. The results of this form of sponsorship are often equally as effective as sponsoring the event itself
 - c. Must be aggressively marketed to be successful
 - d. Examples of ambush tactics
 - i. Many World Cup Soccer teams are outfitted and sponsored by Nike, such as Brazil, Portugal and Italy, but the 2002 World Cup event was sponsored by Adidas
 - ii. In 2002, Pepsi paid more than \$200 million for the title of "official soft drink of the NFL." Coca-Cola, however, remains the official sponsor of 22 of the 30 NFL teams.
 - iii. Brand Jordan, a subsidiary of Nike, added NFL football players Ahman Green, Marvin Harrison, Terrell Owens and Jason Taylor to represent the Jordan brand of footwear and apparel. The official footwear and apparel of NFL is Reebok.
 - iv. Jerry Jones, owner of the Dallas Cowboys, implemented an ambush marketing strategy in 1995 when he made Pepsi the official soda of Texas Stadium even though Coke is the official soda of the NFL
 - 2. Sponsorship of the broadcast of the event ³⁹
 - a. Effective because the media audience is larger than the on-site audience
 - i. In the 1984 Olympic Games, Kodak sponsored the TV broadcast of the Games (as the USA track team's sponsor) despite Fuji being the official Olympic sponsor
 - 3. Purchasing advertisements at a competitor's event ³⁹
 - 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 ⁴³

Lesson 8.4

Ambush Marketing

4. Engage in non-sponsorship promotions that coincide with the event ³⁹
 - a. Competitors use mainstream media advertising and additional promotions to gain exposure for their company during the course of the event ⁴³
 - b. Pizza chain Papa John's 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*. ⁴⁵
 - 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." ⁴⁵
- C. Impact of ambush marketing
 1. Is ambush marketing an effective strategy?
 - a. When properly executed, ambush marketing can be extremely effective for a company
 - b. 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. ⁴⁶
 - c. Ambush marketing has proven to be particularly successful in the shoe and apparel market. The official footwear and apparel of the NBA is also Reebok. However, many Reebok competitors have individual NBA stars contracted to promote their respective brands (it should be noted that Reebok has several individual players under contract as well, such as Allen Iverson and Kenyon Martin)
 - i. Nike with LeBron James
 - ii. Adidas with Tracy McGrady
 - iii. And 1 with Stephon Marbury
 - iv. Brand Jordan with Carmelo Anthony
 - v. Converse with Dwyane Wade
 - vi. L.A. Gear with Ron Artest
 - d. The question of whether or not ambush marketing is an ethical practice is an on-going debate among professionals in many industries

Lesson 8.4

Ambush Marketing

2. How does ambush marketing affect the organization responsible for hosting the event?
 - a. Ambush marketing threatens the ability to sell event sponsorships for event owners and cuts into the event profitability
 - b. The Sydney Organizing Committee for the Olympic Games (SOCOG) had a staff of 60 individuals with legal backgrounds to protect themselves against ambush marketing ⁴⁷
3. How do companies combat ambush marketing?
 - i. Ambush marketing is a very difficult 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

Pricing Sponsorships

- A. What is inventory?
 - 1. The first step to the sponsorship sales process is defining inventory
 - a. Inventory defines exactly what assets an event or property has available to sell
 - b. An inventory sheet outlines each specific piece of inventory available for sale
 - i. Inventory could include many sponsorship elements, such as advertisements in game programs, on-site signage or broadcast opportunities
- B. Pricing sponsorships
 - 1. Pricing
 - a. Pricing is complex because of the variety of elements included in a property or event's inventory
 - b. After determining what inventory is available, values are then assigned to each piece of inventory
 - c. A rate card is a published price list for purchasing advertising time or space ⁴⁸
 - i. The rate card is essentially an inventory sheet with associated values
 - d. Assigning value can be challenging because sponsorship as a medium is generally considered to be intangible
 - i. Sponsorship pricing can be dependant upon event attendance and other similar factors (the sponsee's public image etc.), contributing the challenge of determining and maintaining effective price points
 - e. The overall sponsorship package 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. Price should be based on value, not on budgets or needs
 - b. Rights and benefits included in the package
 - c. Value should be placed only on those elements that can be successfully fulfilled
 - d. Cost/benefit ratios

Lesson 8.6

Endorsements

- A. What is an endorsement?
 - 1. An **endorsement** is a partnership between an athlete or entertainer and a company in which the athlete or entertainer receives compensation in return for their support and approval of a company product or service
 - a. The celebrity agrees to allow the company to use his or her likeness to promote company goods and services
 - 2. Endorsement examples
 - a. Gatorade featuring Mia Hamm, Michael Jordan and Peyton Manning in ad campaigns
 - b. David Beckham serving as a spokesman for Pepsi and Motorola
 - c. Jennifer Aniston promoting SmartWater
- B. What celebrities appeal to marketers? ⁴⁹
 - 1. Sports and entertainment marketers seek a defined set of characteristics among celebrities to determine which performer provides the best fit for their company. Typically, an organization will evaluate the following:
 - a. Success and high levels of performance
 - b. Media following
 - i. Is this individual in the “lime light”?
 - c. Work ethic and moral values
 - d. Personality traits
 - i. How articulate is the celebrity?
 - ii. Does the performer have celebrity “status” (recognizable)?
 - iii. How popular is the celebrity?
 - iv. Does the celebrity have a positive image?
 - 2. Finalizing the selection process
 - a. Background checks
 - b. Discussion with celebrities to determine levels of commitment
 - c. Development of a contract and having each party carefully review the terms
 - d. Familiarizing the celebrity with the product or service in which they will endorse
 - e. Marketers can refer to a prospective endorsers “q score” to determine the individual celebrity’s marketing potential
 - i. According to the q scores Website, a q score “measures the familiarity and appeal of personalities in a variety of categories to determine targeted audience attraction” ⁵⁰
 - ii. Atlanta Falcons QB Michael Vick ran into some off-field incidents (prior to the dog fighting issues), clearly eroding his marketability. Henry Schafer, executive vice president of Marketing Evaluations (the company that computes q scores), said the number of sports fans who have only a “fair” or “poor” opinion of Vick increased 30 percent between 2006 and 2007 ⁵¹
- C. Endorsement effects on sales
 - 1. Studies have shown that celebrity endorsements can be extremely effective in helping a company drive sales of its products or services
 - a. In 1984, Puma sold only 15,000 tennis racquets a year. In 1985, following Becker’s first Wimbledon victory and his backing of Puma rackets, sales jumped to 150,000 rackets ⁵²
 - b. In 2000, Nike Golf signed Tiger Woods to play its golf ball. By 2005, Nike Golf enjoyed revenue growth of an astounding 24 percent per year ⁵³
 - c. Given the incredible sales success of his branded grills, George Foreman now sorts through as many as 20 endorsement offers per week ⁵⁴

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>

Review

Unit 8 Review

Unit 8 Overview:

Unit eight explores the concept of sports and entertainment sponsorship and celebrity endorsement. Throughout unit eight, students will begin to understand the significance of sponsorship and its impact on the financial viability of sports, entertainment and event properties. Students will also gain an understanding of why companies make the decision to engage in sponsorship as a promotional opportunity for their business, as well as the decisions required to insure their sponsorship program is a sound investment. In addition, unit eight provides a glimpse of several concepts important to the sponsorship field, including cause marketing, ambush marketing and a brief background on endorsements.

Unit 8 Key Terms Defined:

Ambush Marketing: Occurs when one brand pays to become an official sponsor of an event and another competing brands attempt to connect itself with the same event, without paying direct sponsorship fees.

Cause Marketing: Refers to marketing efforts that tie an organization with a charitable cause.

Endorsement: A partnership between an athlete or entertainer and a company in which athlete or entertainer receives compensation in return for allowing the company to use his or her likeness to promote company goods and services.

Gross Impression: Refers to the frequency in which a company product or service is associated with the event or entertainer.

Sponsorship: A form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits.

Unit 8 Review

Unit 8 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

Unit 8 Review

Unit 8 Discussion Questions

What are some examples of sponsorship?

Sponsorship could include:

- *Ford Motor Company paying \$1 million for the naming rights to Ford Field*
- *Tostitos, Nokia and FedEx sponsoring NCAA college football bowl games*
- *Mountain Dew sponsoring the X-Games*
- *A minor league baseball team exchanging a pair of season tickets and a banner on their outfield wall for catering services for team events with Outback Steakhouse*
- *Bank of America as an official sponsor of the Portland Trail Blazers*

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

Students should be able to share some examples of personal experience with sponsorship exposure, whether it be at a local charity golf tournament or major league sporting event.

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

Answers could include:

- *Any local festivals*
- *Any local sporting events*
- *Any local entertainment events*
- *Beach volleyball tournament*
- *Independent film festival*
- *Music festival*
- *Shakespeare or other theatre festivals*

What are some examples of endorsements?

Examples of endorsements could include:

- *Gatorade featuring Mia Hamm, Vince Carter and Peyton Manning in ad campaigns*
- *Michael Jordan acting as a spokesman for Rayovac batteries*
- *Sony featuring hit musical artists Franz Ferdinand in television commercials for the new Playstation game console*
- *P. Diddy appearing in television ads for Pepsi*

Unit 8 Review

Unit 8 Discussion Questions

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

Corporations contract celebrities and athletes to endorse their products and services for a number of reasons. Ultimately, the practice of implementing an endorsement campaign is utilized to drive sales of a particular product or service and potentially influence brand awareness and loyalty, as well as corporate image.

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

There is no right or wrong answer here.

Unit 8 References & Resources

- 1) *The NASCAR Way*, Hagstrom, p. 49
- 2) *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner
- 3) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 261
- 4) *It's Not Just a Game Anymore*, Schaaf, p. 110
- 5) *It's Not Just a Game Anymore*, Schaaf, p. 111
- 6) <http://www.jayski.com/teams/fuel-sponsor.htm>
- 7) *It's Not Just a Game Anymore*, Schaaf, p. 110-114
- 8) http://www.hankooktireusa.com/press_view.asp?ID=24
- 9) *It's Not Just a Game Anymore*, Schaaf, p. 115
- 10) *It's Not Just a Game Anymore*, Schaaf, p. 117
- 11) *It's Not Just a Game Anymore*, Schaaf, p. 118
- 12) http://www.atkearney.com/shared_res/pdf/Corporate_Logos_for_Sale_S.pdf
- 13) *Keeping Score: An Inside Look at Sports Marketing*, Carter, p. 256
- 14) http://promomagazine.com/mag/marketing_sponsorships_getting_action/
- 15) http://promomagazine.com/research/other/ieg_causesponsorship_062206/
- 16) <http://blogs.jsonline.com/businessofsports/archive/2007/03/21/Miller-Brewing-is-spending-less-on-sports-.aspx>
- 17) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 259
- 18) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 257
- 19) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 260, 261
- 20) *Sports...More Than Just the Score*, McCauley, p. 13
- 21) <http://www.esiason.org/donateCause.html>
- 22) <http://www.causemarketingforum.com/page.asp?ID=188>
- 23) <http://www.cavill.com.au/CRM/CRM/NotCRM.html>
- 24) *Sports Marketing: Competitive Business Strategies for Sports*, Brooks, p. 167
- 25) *IEG Sponsorship Training Manual for LPGA Tournament Sponsors Association*, p. 1-4
- 26) *Sports...More Than Just the Score*, McCauley, p. 15-19
- 27) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 79
- 28) *Sports...More Than Just the Score*, McCauley, p. 21
- 29) <http://www.hotpolitics.com/olympic2.html>
- 30) <http://www3.interscience.wiley.com/cgi-bin/fulltext/76508507/PDFSTART>
- 31) *Sports...More Than Just the Score*, McCauley, p. 21-25
- 32) <http://www.stonecreekllc.com/creative/sponsorship-plan-consultants.html>
- 33) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 11
- 34) http://www.jackmorton.com/360/industry_insight/may04_industryin.asp
- 35) *Sports...More Than Just the Score*, McCauley, p. 33
- 36) <http://www.thescream.ca/sponsors/>
- 37) http://www.brandchannel.com/features_effect.asp?pf_id=98
- 38) http://www.oeronline.com/php/2002_november/main4.php
- 39) http://www.murdoch.edu.au/elaw/issues/v8n2/kendall82_text.html#Ambush%20Marketing:%20What%20Is%20It%20Why%20Does%20it%20Matter_T
- 40) http://www.eventmarketermag.com/BEST_P_R_EVENT.925.0.html
- 41) <http://soccernet.espn.go.com/news/story?id=371466&cc=5901>
- 42) http://www.murdoch.edu.au/elaw/issues/v8n2/kendall82_text.html#The%20Law%20Prior%20to%20the%20Sydney%202000%20Act_T
- 43) <http://www.aar.com.au/pubspta/ip/ipit7.htm>
- 44) <http://www.ausport.gov.au/fulltext/1997/cjsm/v1n3/doust.htm>
- 45) http://www.cocojambo.com/branded_entertainment/weblog/2005/04/product-displacement-rivals-ad.html
- 46) http://www.murdoch.edu.au/elaw/issues/v8n2/kendall82_text.html
- 47) *Sports...More Than Just the Score*, McCauley, p. 41
- 48) *Sports...More Than Just the Score*, McCauley, p. 48
- 49) *Sports Marketing: The Money Side of Sports*, Pemberton, p. 137-142
- 50) <http://www.qscores.com/performer.asp>
- 51) <http://sports.espn.go.com/nfl/news/story?id=2941489>
- 52) <http://www.ausport.gov.au/fulltext/2000/cjsm/v4n2-3/hoecke43.htm>
- 53) <http://www.pga.com/news/industry/businessinsider/bizinsider070605.cfm>
- 54) http://www.businessweek.com/magazine/content/04_51/b3913093.htm

“Learning is a treasure that will follow its owner everywhere.”

- Chinese Proverb

Unit 9



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

Role of Ticket Sales in Sports and Entertainment Business

- A. How important is the ticket sales function to the sports and entertainment industry?
 - 1. A fan's participation in a game or event can be as important as the athletes and performers as they create an exciting atmosphere that energizes the performers and enhances the consumer experience
 - 2. Ticket sales provide the financial backbone for any organization within the industry
 - a. Consumers are spending 30.3 percent more on tickets – purchasing \$15 billion worth for sporting events, \$11 billion for amusement parks, \$9 billion for movies, and \$790 million for Broadway plays in 2006 ¹
 - b. Ticket sales typically generate between 50 – 66% of a Major League Soccer franchise's annual revenue ²
 - 3. Within the industry, the ticket sales process is often referred to as
 - a. "Meat in Seats"
 - b. "Butts in Seats"
 - c. "Fannies on Fabric"
- B. Ticket sales affect other functions of the sports and entertainment business
 - 1. Sponsorships increase in value with the increase in ticket sales
 - a. For example, sold out games and events maximize exposure for a sponsoring company, thus enhancing the value of their sponsorship investment
- C. Ticket sales are affected by other functions of the sports and entertainment business
 - 1. Ticket sales decline with the presence of negative publicity
 - a. For example, communities are less likely to support athletes and entertainers who have developed a negative image or have a poor public persona
- D. Many factors influencing ticket sales and attendance
 - 1. Team performance
 - a. Winning teams traditionally draw bigger crowds
 - 2. Fan loyalty and fan support
 - a. Some markets traditionally attract more fan support and larger crowds by nature
 - i. New England with the Red Sox, Bruins, Celtics and Patriots
 - ii. Chicago with the Cubs, Bears, Blackhawks and Bulls
 - iii. High school basketball in Indiana
 - iv. High school football in Texas
 - v. College football in the south (Texas, Alabama, Georgia, Florida)
 - b. The law of supply and demand also applies to ticket sales
 - i. "Sellouts breed sellouts"
 - 3. Highly visible athletes and entertainers
 - a. The Miami Heat, known for having sparse crowds, were forced to cut off season ticket sales just a few short months after trading for Shaquille O'Neal ³
 - b. The Heat also increased capacity in their arena by 3,100 (to 19,600) by making seats available in their upper level seating sections ³
 - c. The Los Angeles Lakers sold out their game vs. the Miami Heat and Shaq's return to Los Angeles in less than five minutes after they went on sale ⁴

Lesson 9.1

Role of Ticket Sales in Sports and Entertainment Business

4. Facilities, venues and stadiums
 - a. Very few stadiums remain with rich traditions and history, but the lore of each adds to the appeal for fans to attend games
 - i. Storied facilities with tradition also have a unique appeal that draws tourists
 - ii. Examples
 1. Fenway Park (Boston Red Sox)
 2. Wrigley Field (Chicago Cubs)
 3. Lambeau Field (Green Bay Packers)
 4. Madison Square Garden (New York Knicks, New York Rangers New York Liberty, St. John's University etc.)
 - b. New stadiums have become the trend as a way to attract new fans and create opportunities to maximize revenues
 - i. New stadiums and venues rely on improved amenities to excite consumers
 - ii. Examples
 1. Conseco Fieldhouse, home to the Indiana Pacers and Indiana Fever, features a Starbucks coffee store
 2. Bank One Ballpark in Phoenix, home of the Arizona Diamondbacks, and Miller Park, home of the Milwaukee Brewers, both feature a TGI Friday's in the stadium, allowing fans to enjoy baseball games in a restaurant setting
5. Promotion and sales
 - a. Promotional efforts help drive sales
 - i. In 1952, the legendary Bill Veeck introduced "Bat Day" with the Cleveland Indians, a promotions tradition carried on today by many minor league baseball clubs, including the Indianapolis Indians ⁵
 - ii. Most organizations offer special promotions at nearly every home game
 - b. Most organizations employ a full-time staff to manage promotions and sales
 - i. The University of Georgia Bulldog's athletic department staffs an entire department devoted to promotions, including a director, two assistant directors and an administrative secretary ⁶
 - ii. The NBA's Golden State Warriors employ a staff of five to focus specifically on group ticket sales ⁷
 - c. The frequency of special promotions and size of sales staffs are dependant upon a team's available ticket inventory
 - i. The Green Bay Packers, whose home games have been sold out on a season ticket basis since 1960, do not have any ticket sales personnel on staff and, subsequently, do not host any ticket driven promotions at games ⁸
 - ii. By contrast, the New Orleans Hornets have a staff of nearly 30 sales representatives with a ticket sales focus ⁹

Lesson 9.1

Role of Ticket Sales in Sports and Entertainment Business

- d. Successful promotion and sales strategies are dependent upon an organization's willingness to conscientiously invest company resources in market research
 - i. It is important to understand the behavior of ticket buyers
 - 1. How do fans feel about the ease of buying tickets?
 - 2. What motivates fans to buy tickets?
 - 3. What factors impact a fan's decision to attend a particular game?
 - ii. It is important for an organization to utilize market research data
 - 1. Does the organization review fan demographic information when creating ticket marketing strategies?
 - iii. Market research is important in the creation of an effective ticket advertising strategy
 - 1. Which newspapers and sections are fans most likely to read?
 - 2. Which radio stations best fit fan demographics?
 - 3. Which television stations are fan favorites?
- 5. Ticketing Trends
 - a. Like any other industry, business trends play an important role in how sports and entertainment properties market their products and services
 - b. A current industry trend is the development of "flex" ticket packages
 - i. The "Orlando Flex" ticket package offers buyers access a number of different parks, including Universal Studios, Sea World, Wet N Wild and Busch Gardens ¹⁰
 - 1. Flex package purchasers only have to pay for parking once and the package is good for 14 consecutive days
 - 2. Flex package buyers can "jump" between parks as many times as as they wish during those 14 days
 - ii. Minor league hockey's Erie Otters offers flex packages of 6, 10, or 17 games or all Saturday home games ¹¹
 - 1. Fans have the luxury of choosing any games they want

Lesson 9.2

Ticket Sales Strategies

- A. Season tickets
 - 1. **Season tickets** provide consumers with a ticket to every home game for a particular sport or event for one package price
 - 2. Playoff (or post-season) tickets are not typically included with the package, however, teams have used the inclusion of playoff tickets as a powerful value-based incentive in the season ticket package
 - 3. Season tickets typically provide the core revenue stream for most professional sports teams, colleges and universities
 - 4. Most organizations include additional benefits for consumers purchasing season tickets to add value to their purchase
 - a. The Houston Astros offer season ticket customers priority on purchasing their same seats for postseason games if the team advances to the playoffs ¹²
 - b. The Miami Dolphins provide season ticket holders a 10% discount at the Miami Dolphins Pro Shop, a complimentary Dolphins newsletter, exclusive season ticket holder e-mails and an opportunity to win special prizes like autographed merchandise and other promotional items ¹³
- B. Ticket packages and mini-plans
 - 1. A **ticket package** is a sales approach that involves grouping together a select number of games, often times at a discounted price
 - 2. Teams generally offer a special rate and/or an additional benefit for committing to a greater number of games
 - 3. Packages offer flexibility for consumer purchases by requiring smaller financial and time commitments to purchase game or event tickets
 - 4. Examples
 - a. The Orlando Magic offer half season packages that include a number of customer benefits, including a free subscription to E-Magic Insider (e-mail newsletter)¹⁴
 - b. The Calgary Flames offer weekend packages that feature only weekend games, creating a special package to make it easier for fans to attend ¹⁵
- C. Season Ticket Equivalents
 - 1. **Season ticket equivalents** refer to the sum of all of the various ticket packages sold converted to one measurable number
 - 2. Also referred to as FSE (*full season equivalent*)
 - 3. Examples
 - a. If the Kansas City Royals sold 400 new quarter season packages, 800 new half season packages and 2,000 new full season packages in the off season, they would have sold 2,500 season ticket equivalents (FSEs).

Lesson 9.2

Ticket Sales Strategies

- D. Group tickets
 - 1. Group tickets are a reserved block of tickets for a specific game or event
 - 2. Groups usually require a minimum of ten or more individuals to qualify for group rates
 - 3. Examples
 - a. Broadway.com offers group discounts to many Broadway plays and musicals, including “Rent” and “Blue Man Group” for groups of 10 or more ¹⁶
 - b. DC United, a Major League Soccer team, offer a discounted price on all groups of ten or more, feature the group name on the RFK Stadium message boards and provide two free tickets for the group leader ¹⁷
 - c. Sea World offers group discounts for groups of 20 or more and provides bigger discounts for bigger groups ¹⁸
 - i. Groups of 20-49 receive 10% discount
 - ii. Groups of 50-99 receive 12.5% discount
 - iii. Groups of 100+ receive 15% discount
- E. Theme night packages
 - 1. A specific ticket package designed exclusively for a particular group
 - 2. The goal of a theme night is to attract large groups to attend a game or event by customizing the experience to meet the needs of the selected group/organization
 - 3. Examples
 - a. The NBA’s Charlotte Bobcats host a Teacher Appreciation night, offering special promotional discounts on tickets for teachers ¹⁹
 - b. The WNBA’s Houston Comets promote an annual Girl Scout night, providing specially priced tickets for area Girl Scouts, a chance to meet a Comets player, a group photo with the team mascot, tours of the Toyota Center and basketball games on the court ²⁰
- F. Individual game and single game ticket sales (advanced sales)
 - 1. Many organizations promote the sale of individual game tickets to fans prior to the start of the season, game or event
 - 2. Advance sales encourage fans to purchase tickets to individual events in advance to eliminate the risk of people changing their minds on the day of the game
 - 3. Examples
 - a. The University of Wisconsin athletics office implements a policy that all reserved single game tickets MUST be purchased in advance and do not offer day-of-game (walk-up) single game sales. All day-of-game sales are general admission tickets only. ²¹
 - b. The NBA’s Cleveland Cavalier’s have effectively marketed the release date of individual game tickets. The campaign has been so effective that they now must utilize a wristband lottery priority system for fans planning to purchase tickets. ²²

Lesson 9.2

Ticket Sales Strategies

- G. Premium seat ticket packages
1. Premium seats are tickets to a game or event that feature additional benefits or values
 2. Premium seats could include anything from suites, courtside seats, or seats elsewhere that receive preferential or “VIP” treatment
 3. Examples
 - a. A company that leases a luxury suite at the Staples Center in Los Angeles receives tickets to each event throughout the year, including the Lakers (NBA), Clippers (NBA), Kings (NHL), Avengers (Arena Football), Sparks (WNBA) concerts and family shows ²³
 - b. The Tampa Bay Lightning offer numerous benefits for their club seat holders (“XO” club members), including VIP parking, private autograph sessions with players, locker room tours, private practice viewing, access to arena meeting rooms, pre-game chalk talks with coaches and 30% discounts on team merchandise ²⁴
 - c. The Saenger Theatre in New Orleans offers the following benefits for their premium seat buyers: The best seating locations available, priority upgrades during renewals, discount beverage coupons, exclusive Premium Seat Holder commemorative season poster and offers to other local events ²⁵
- H. Walk up and promotional ticket sales
1. “Walk up” tickets refer to those tickets purchased by fans when arriving at the game, event or show
 2. For sports teams, this is also referred to as day of game sales
 3. Organizations plan creative promotions to drive walk up ticket sales
 4. Examples
 - a. The Portland Trail Blazers promoted “Elvis Night”, encouraging fans attend the game dressed like Elvis. The game also featured Elvis singing during pre-game, Elvis singing the national anthem, an Elvis karaoke contest, an Elvis costume contest, an appearance by the Dunking Elvises and the opportunity for a fan to win a trip to Graceland ²⁶
 - b. San Diego Gulls of the ECHL host a Disco night offering fans a discount if they come to the game in their disco outfits ²⁷



Lesson 9.3

The Ticket Sales Cycle

- A. Goal of sports and entertainment marketers
 - 1. The ultimate goal of sports and entertainment promotion according to Mullin, Hardy and Sutton is to “increase overall consumption of products or services through increased awareness and interest”²⁸
 - a. Essentially, the goal is to increase overall levels of ticket sales
 - b. Sports and entertainment marketers achieve that goal by progressively gaining consumer commitment
 - c. This strategy is called the frequency escalator
 - d. Important because research indicates the long term financial implications of an organization are impacted most by existing customers, not by attracting new consumers
 - e. On average, U.S. companies lose 50% of their customers in five years²⁹
- B. Frequency escalator³⁰
 - 1. The frequency escalator is a marketing tool that examines the attendance levels of fans³⁰
 - a. This concept is also referred to as the fan escalator
 - b. The basic concept of the escalator is that sports and entertainment marketers focus not on getting new fans to games, but rather encourage those fans already attending to attend with more frequency with an increased level of commitment
 - 2. Unaware consumer
 - a. The unaware consumer does not know a product or service exists and therefore does not attend games or events
 - b. The sports and entertainment marketer reaches this group of consumers through:
 - i. Advertising
 - ii. Publicity
 - iii. Promotional items such as pocket schedules, magnet schedules etc.
 - 3. Indirect user
 - a. The indirect user is aware of the product or service, but does not directly participate by attending events, but rather consumes via another source (television, radio etc.)
 - b. The sports and entertainment marketer goal with indirect users is to do something to get them to act. This group of consumers can be reached through:
 - i. Promotional tickets
 - ii. Individual and single game tickets
 - iii. Theme nights
 - iv. Group nights
 - c. The marketer’s goal with this group is to move them to the next level of the frequency escalator. In this case, marketers are encouraging consumers to become light users.
 - 4. Light user
 - a. Light users attend games and events for promotional giveaways, team performance and social interaction
 - b. Light users have no established attendance pattern
 - c. The sports and entertainment marketer reaches light users through:
 - i. More promotions, give-aways etc.
 - ii. Packaging strategies (offer the most popular opponents with a limited edition bobble head doll etc.)
 - d. The marketer’s goal with this group is to encourage them to become medium users (purchase a mini plan ticket package)

Lesson 9.3

The Ticket Sales Cycle

5. Medium user
 - a. Medium users attend less than half the times possible
 - b. Keys to reaching this group include:
 - i. Good service; developing a relationship with the customer
 - ii. Appeal to their pride and feeling of prestige for the team affiliation
 - iii. Encourage them with additional benefits such as improved seat locations and special discounts
 - iv. Show them value of their participation and further reward of advancing to the next stage of the escalator
 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. Heavy user
 - a. Heavy users participate or attend more than half the times possible
 - b. Heavy users are the most important group to an organization and it is critical to an organization’s success that they make an effort to maintain them
 - c. Examples of heavy users
 - i. Season ticket holders
 - ii. Tom Cruise fans that see each of his films in the theater and purchase all of his DVDs
 - iii. Fans of the Dave Matthews Band who see the concerts each time they visit the fan’s city and purchase all of their CDs
7. Descending the escalator
 - a. Descending the escalator occurs when consumers downgrade or eliminate their participation
 - b. Caused by consumer over commitment or over-purchase
 - c. Is often a byproduct of fan disconnect or discord with “their” team

Lesson 9.4

Ticketing Technologies

A. Distribution

1. Technology has streamlined the distribution of tickets
 - a. The world wide web provides many access points for fans wanting to purchase tickets online
 - i. TicketMaster.com
 - ii. Individual team, league or event websites
 - iii. Online ticket brokers
 - iv. Fandango.com
 - b. Each year, 75 million tickets are sold to Major League Baseball games, one third of which are bought online ³¹
 - c. Online ticket seller StubHub reportedly sells 300,000 tickets per month ³²
 - d. Consumers purchasing tickets online many times have the option of printing their own tickets
 - e. Pacific Bell Park, home to Major League Baseball's San Francisco Giants, has a barcode system in place for scanning tickets as fans enter the stadium through electronic turnstiles (in yet another example of industry trends, this practice has quickly been adopted by many teams) ³³
 - 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 gathering information about existing and prospective customers, entering that information into a centralized database, and using that database to drive marketing efforts
2. Database marketing has enjoyed continued growth as the new trend in direct marketing among many sports and entertainment organizations
3. It enables marketers to capture information directly relating to their fan bases and allows for a more effective direct marketing campaign
 - a. 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. ³⁴
4. By segmenting fans based on their buying habits and demographic information, an organization can effectively:
 - a. Generate new business
 - b. Boost renewal and retention rates
 - c. Establish sales leads
 - d. Increase fan loyalty
 - e. Strengthen relationships with customers
 - i. Segmentation allows for an organization to gain a better understanding of who their customers are and how best to satisfy customer needs and wants
 - f. Improve communications with fans

Lesson 9.4

Ticketing Technologies

C. Service

1. Many organizations have implemented online account manager programs for their season ticket holders as a vehicle for improving customer relations
 - a. Memphis Grizzlies season ticket holders enjoy many benefits via the team's Website, which allows customers to:³⁵
 - i. Forward tickets electronically, allowing customers to email tickets to friends, family or clients—even at the last minute
 - ii. Manage tickets by tracking ticket usage and managing guest lists online
 - iii. Edit personal profiles to keep account info updated
 - iv. Make payments, view statements, and renew ticket packages
2. Technology makes communication easier and more effective between teams and consumers

D. Drawbacks

1. The selling of tickets by an unauthorized third party, called “ticket scalpers” or online brokers, has become commonplace online
 - a. This practice has a negative impact on an organization's bottom line, and ultimately drives ticket prices up for consumers
 - b. 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 tickets³⁶
 - 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.³⁷
2. Sports and entertainment properties are now being challenged to adapt to the seismic growth and legalization of the secondary ticket market
 - a. Sports and entertainment properties are beginning to partner with secondary ticket sellers to share in the profits
 - i. StubHub boasts partnerships with St. John's and Georgetown Athletics (among many others) as the “official ticket marketplace”
 - ii. RazorGator lists its official Major League partners as the New England Patriots, Philadelphia Eagles, San Francisco 49ers, and Seattle Seahawks

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?*

Review

Unit 9 Review

Unit 9 Overview:

Unit nine begins to explore the roots of sports and entertainment business by providing students with an understanding of the ticketing process. Ticketing, as a function of sports and entertainment marketing, has evolved into a complex process and proves to be one of the most important components of the SEM marketing mix. This unit will cover the way tickets are sold and marketed, and the importance this revenue stream has on an organization's financial viability.

Unit 9 Key Terms Defined:

Frequency Escalator: A marketing tool that examines the attendance levels of fans

Group Tickets: Group tickets are a reserved block of tickets for a specific game or event

Season Tickets: Provides consumers with tickets to every home game for a particular sport or full access to an entire event for a set price

Season Ticket Equivalents: Refers to the sum of all of the various ticket packages sold converted to one measurable number

Ticket Package: A sales approach that involves grouping together a select number of games, often times at a discounted price

Unit 9 Review

Unit 9 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

Unit 9 Review

Unit 9 Discussion Questions

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

There are no correct or incorrect answers.

What types of promotions have you seen implemented by a sports team? What did you think of the promotion? Did you or someone you know decide to attend as a result of the promotion or special offer?

Almost all sports teams fill their home schedule with special promotions with the goal of increasing attendance.

Some examples could include:

- *A free premium item give away at the game*
- *A 2 for 1 ticket sales special offer*
- *A group discount on tickets to a future game*
- *Post game concerts or shows*
- *Pre-game autograph sessions or chalk-talks featuring players/coaches*

What types of promotions have you seen implemented by an entertainment organization? What did you think of the promotion? Did you or someone you know decide to attend an event or make a purchase decision based on the promotion or special offer?

Many entertainment marketers offer special promotions as a means of increasing attendance or selling more products.

Some examples could include:

- *A free movie ticket to American Wedding with the purchase of the American Pie 2 DVD*
- *A special discount on tickets to an upcoming show or concert*
- *A group discount on tickets to an upcoming show or concert*
- *A free "bonus" DVD with the purchase of a newly released music CD*
- *Publisher's discounts on new release hardcover books*

Unit 9 References & Resources

- 1) <http://www.sportsline.com/general/story/9552307>
- 2) *Sales Success in Sports Marketing*, Miller, Shaad, Burch & Turner; p. 59
- 3) <http://www.detnews.com/2004/pistons/0410/28/p05-317674.htm>
- 4) <http://www.nbc4.tv/sports/3782563/detail.html5>
- 5) http://www.indyindians.com/press_box/articles/may_2104.html
- 6) <http://georgiadogs.collegesports.com/administration/index.shtml>
- 7) http://www.nba.com/warriors/tickets/group_sales_staff_0405.html
- 8) <http://www.packers.com/team/staff/9> (MLB team example)
- 9) http://www.nba.com/hornets/news/staff_directory.html
- 10) <http://www.sportsline.com/general/story/9552307>
- 11) <http://www.ottershockey.com/tickets/mini-ticket-packages/>
- 12) http://houston.astros.mlb.com/NASApp/mlb/hou/ticketing/season_ticketpackages.jsp
- 13) http://www.miamidolphins.com/tickets/cust_service/benefits.asp
- 14) http://www.nba.com/magic/tickets/tickets_half_010620.html
- 15) http://www.calgaryflames.com/tickets/special_programs.html
- 16) http://www.broadway.com/groups/groups_home.asp
- 17) <https://tickets.dcunited.com/>
- 18) <http://www.seaworld.com.au/tickets/tickets.cfm>
- 19) http://www.nba.com/bobcats/tickets/group_theme_nights.html
- 20) http://www.wnba.com/comets/news/2004_Girl_Scout_Night_With_The-107559-222.html
- 21) http://www.uwbaders.com/sport_news/wbb/headlines/full_story.aspx?story_id=2004_09_16_13_04_31_wbb
- 22) <http://www.cleveland.com/sports/plaindealer/index.ssf?/base/sports/1096018493266600.xml>
- 23) <http://www.staplescenter.com/content/default.sps?itype=6767&icustompageid=10009>
- 24) <http://www.tampabaylightning.com/content.cfm?category=5&menu=1&pageid=797>
- 25) <http://www.broadwayacrossamerica.com/promotions/minisites/neworleans/>
- 26) http://www.nba.com/blazers/contests/Elvis_Night_Trip_Give_Away_Off-100469-41.html
- 27) <http://www.sandiegogulls.com/promotions/index.php?id=47>
- 28) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 214
- 29) http://www.milepoint.biz/files/639,9,Why_Miles?_Why_Now?
- 30) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 216
- 31) <http://money.cnn.com/2007/08/02/news/funny/bc.baseball.tickets.stubhub.reut/index.htm>
- 32) <http://www.inc.com/articles/2006/10/tickets.html>
- 33) <http://sanfrancisco.bizjournals.com/sanfrancisco/stories/2000/04/03/focus1.html>
- 34) <http://contest.blazers.com/TicketNet/>
- 35) http://www.nba.com/grizzlies/tickets/ticketmaster_mvp_demo.html
- 36) <http://www.stltoday.com/stltoday/news/stories.nsf/stlouiscitycounty/story/0DCDB25BCE9889AB86256F200014E711?OpenDocument&Headline=State+sues+online+broker+of+Cards+playoff+tickets+&tetl=1>
- 37) <http://www.ago.mo.gov/newsreleases/2004/100104.htm>

“The dictionary is the only place that success comes before work.”

- Vince Lombardi, Legendary Packers Head Coach

Unit 10



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



Unit 10: Game Entertainment

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

What are Game Operations?

- A. The term **game operations** refers to the planning, organization and execution of game production, presentation, entertainment and promotion ¹
 - 1. The game operations process begins in the creative minds of sports marketing professionals before any games are played
 - 2. This process includes the development of a game plan for incorporating all the elements of game entertainment
 - a. National Anthem
 - b. Pre-game groups
 - c. Half-time entertainment
 - d. Execution of promotions
 - e. Dance team and stunt team integration
 - f. Mascot coordination
 - g. Managing any additional entertainment such as in-arena blimps
 - 3. The role of game entertainment in the sports business model is two-fold
 - a. Enhance the experience for the fans while keeping them involved throughout the entire event
 - b. Game entertainment creates opportunities to generate revenue by adding additional valuable inventory to include as part of sponsorship packages
 - i. It also helps generate revenue by helping to sell more tickets
- B. Why are game operations important?
 - 1. Successful game operations can help the organization achieve its goals
 - a. Driving ticket sales
 - b. Increasing sponsorship sales opportunities
 - c. Generating publicity
 - d. Assisting in customer service
 - e. Enhancing the overall event experience, regardless of the game's outcome
 - 2. Game operations also provide game attractiveness ²
 - a. **Game attractiveness** refers to the customer's perception of the event as a whole
 - b. Game attractiveness is a situational factor that varies from game to game and week to week
 - c. Event variables that contribute to game attractiveness
 - i. Highly visible star athletes (Shaquille O'Neal)
 - ii. Team record / opponent record
 - iii. Opening day
 - iv. Give-aways
 - v. Presence of mascots, dance teams and cheerleaders
 - vi. Prominent half time entertainment (Blues Brothers, The Extreme Dunk Team, Quick Change etc.)
 - vii. Post-game concerts
 - viii. Fireworks and other entertainment

Lesson 10.2

Role of Game Operations in Sports Marketing

- A. Game operations is an integral activity within the framework of a successful sports marketing organization as it can effectively assist the business in many areas
1. Ticket Sales
 - a. Keeps fans entertained throughout the event, increasing the likelihood that they will return for another game
 - b. Provides game “attractiveness” which is a factor that directly influences game attendance
 - i. The level of consumer perceived values increase when the game or event features additional entertainment and promotion ²
 - c. Game operations include numerous connections to ticket sales promotions within the event. For example, a team may host a “Hawaiian Night”, offering \$5 off tickets to any fans wearing tropical shirts to the game. Game operations may choose to implement:
 - i. An all staff memo or email, encouraging them to dress in tropical attire if they plan to attend the game
 - ii. National anthem performed by a Hawaiian musician or steel drum band
 - iii. Hawaiian lei give-away to the first 500 fans through the gate
 - iv. A limbo contest at a quarter break
 - v. Hawaiian music or bands on the venue concourse
 - vi. A hammock free throw shooting contest at half time
 - vii. Hawaiian themed food at concessions stands
 2. Sponsorship
 - a. Adds value to sponsorship packages
 - b. Creates new inventory available to sell
 - c. Assists in the fulfillment aspect of a client sponsorship package
 - i. For example, a team may sell a sponsorship for their “Hawaiian Night”. As part of the sponsorship package, game operations may be responsible for fulfilling several elements which could include:
 1. PA announcements throughout the game announcing “Hawaiian Night”, sponsored by ABC Travel
 2. A trip to Hawaii giveaway, presented by ABC Travel
 3. Special on court promotions
 4. Signage
 3. Publicity
 - a. A successful event will also help generate community “buzz” surrounding the team
 - i. In addition to talking about the outcome of the game, fans may discuss the entertaining half-time act and the free coupon for a burger they won when the team scored 100 points
 - b. Publicity can be used to help promote future events
 - c. Special game entertainment promotions can be communicated to fans
 - i. The Rockford Lightning brought in the Milwaukee Bucks Dance Team to perform at half time and communicated the special entertainment act via press releases and advertising ³
 - d. Communications professionals are typically responsible for creating a connection between the team and the media, including the facilitation of access to players and coaches for interviews and providing game notes (statistics, information regarding the opponent etc.) for the media

Lesson 10.2

Role of Game Operations in Sports Marketing

3. Publicity
 - a. A successful event will also help generate community “buzz” surrounding the team
 - i. In addition to talking about the outcome of the game, fans may discuss the entertaining half-time act and the free coupon for a burger they won when the team scored 100 points
 - b. Publicity can be used to help promote future events
 - c. Special game entertainment promotions can be communicated to fans
 - i. The Rockford Lightning brought in the Milwaukee Bucks Dance Team to perform at half time and communicated the special entertainment act via press releases and advertising³
 - d. Communications professionals are typically responsible for creating a connection between the team and the media, including the facilitation of access to players and coaches for interviews and providing game notes (statistics, information regarding the opponent etc.) for the media
4. Customer Service
 - a. Game operations affords organizations an excellent opportunity to effectively serve customers
 - b. Examples
 - i. Recognizing long-time season ticket holders on the Jumbotron
 - ii. Birthday greetings to season ticket holders over the PA
 - iii. Special congratulatory announcements on the scoreboard



*** TEACHER'S NOTE ***



** The use of the word “jumbotron” provides an excellent branding example... Jumbotrons are actually manufactured by Sony, although the term is synonymous among sports fans as a scoreboard type apparatus within stadiums and other facilities.*



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.*

Review

Unit 10 Review

Unit 10 Overview:

Unit ten discusses the importance of game operations and game entertainment. The fundamental concept of game operations and entertainment is the way “breaks” in an event or game (half-time, time-outs etc.) are perceived by sports marketer as “opportunities”. The game operations process begins before any of the games are played when sports marketers identify the additional entertainment that will be added to the event to keep the audience involved and entertained.

Unit 10 Key Terms Defined:

Game Attractiveness: Game attractiveness refers to the customer’s perception of the event as a whole

Game Operations: The planning, organization and execution of game production, presentation, entertainment and promotion

Unit 10 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

Unit 10 Review

Unit 10 Discussion Questions

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?

There are many forms game promotions may take as a part of the game operations process.

Game promotions could include:

- *Team mascots*
- *Cheerleaders or dance teams*
- *Concessions vendors roaming the stands*
- *Light shows*
- *Entertainment acts*
- *On-field, interactive promotions featuring fans (tricycle races etc)*

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

Almost all professional sports teams add some element of game promotion for their home crowds.

Advanced game operations can strategically assist in:

- *Enhancing the overall fan experience*
- *Increasing ticket sales*
- *Boosting sponsorships*
- *Positive sports communications efforts*

Unit 10 References & Resources

- 1) *The Sports Business Program: Marketing Your High School Athletics*, Lindauer p. 22
- 2) *Sports Marketing: A Strategic Perspective*, M. Shank, p. 178
- 3) <http://www.rockfordlightning.com/>

*“It is our choices...that show what we truly are,
far more than our abilities.”*

- Albus Dumbledore (from the “Harry Potter” series)

Unit 11



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

Discussion Topics

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

Sports & Entertainment Communications

- A. Sports and entertainment information
 - 1. Provides specific news as it pertains to sports teams and organizations, events and all other forms of entertainment
 - 2. Could include event schedules, player statistics, actor profiles etc.
- B. Sources of sports and entertainment information
 - 1. Any news or media outlet is a potential source of sports and entertainment information
 - a. MTV, *Sports Illustrated*, Jim Rome radio show, movies.com, *USA Today*
 - 2. Almost any type of information an individual could want is accessible through the media
 - a. Radio, TV, Print, Online
- C. Role of sports and entertainment communications in SEM
 - 1. The role of a communications staff employed by a sports or entertainment organization is to effectively disseminate information for the benefit of the business
 - 2. Communications staff plays an integral role in the shaping and management of the organization's image
- D. Who is SID?
 - 1. SID is a sports organization's (most often a college) Sports Information Director
 - 2. SID can present his/her self in many forms, including PR Director, Communications Director, Media Director or a host of other official titles ¹
 - 3. SID is responsible for all communications relating to the organization
- E. Publicity plays an even more crucial role to a sports and entertainment organization's success in the age of the Internet ²
 - 1. The world of public relations has changed drastically, especially for entertainers whose careers are based on gaining and keeping public opinion
 - 2. How has technology and the Internet shifted trends in the entertainment business climate? ²
 - a. Musicians can now start a career entirely over the Internet using a web site and a strategic online marketing plan
 - i. From weekend warriors to independent bands and Grammy-winning artists, thousands of musicians have embraced social networking sites like MySpace to upload material, promote tour dates and albums while interacting with fans in an effort to build and/or grow a fan base
 - ii. In 2007, MySpace announced plans to launch its first Nationwide concert tour, featuring primarily bands who made names for themselves on MySpace.com
 - b. Actors have discussions with fans in Internet forums, taking questions from people across the country
 - i. Numerous Websites reported actor Bruce Willis entering chat rooms to discuss, among other things, the 2007 release of the *Die Hard 4* film
 - c. Movie studio executives have the ability to place movie trailers online for people to download on their home computers
 - i. On Apple's Website, consumers can download the trailer for the 2007 summer hit movie *Superbad* right to their iPod
 - d. Fans can discuss topics surrounding their favorite entertainers and celebrities on web sites like www.IMDB.com

Lesson 11.2

Publicity

- A. Publicity
 - 1. **Publicity** is public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization ³
 - a. When Roger Ebert reviews a movie on his television show, that particular motion picture is gaining publicity
 - 2. In sports and entertainment communications, publicity is generated and defined by three primary components
 - a. Public relations
 - b. Media relations
 - c. Community relations
 - 3. Publicity is essentially a by-product of those three components
 - 4. Organizations use publicity as a vehicle to increase sales
 - 5. Disadvantages of publicity
 - a. Publicity cannot be controlled by the organization
 - i. For example, Roger Ebert may give a particular film a negative review, discouraging consumers from purchasing tickets and going to the theater
 - b. Perceived as more credible than advertising
- B. Public relations
 - 1. **Public relations** are activities that promote the image and communications an organization has with its employees, customers and public ⁴
 - 2. Often times referred to as “fan” relations in the sports industry
- C. Media relations
 - 1. **Media relations** refers to the relationship between an organization and the media ⁵
 - 2. The goal of media relations is to develop and maintain a positive relationship with mass media outlets
 - 3. Media’s impact on sports and entertainment publicity efforts
 - a. “Magnifying glass effect” of media coverage ⁶
 - i. This effect refers to the constant media coverage of newsworthy events taking place, as well as the reactions and interpretations of those events by other sources
 - b. Featuring sports and entertainment news related items has proven to be profitable for media organizations
 - i. Increases circulation
 - ii. Boosts ratings
 - iii. Amplifies number of listeners
 - 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 negative connotations implicating sports and entertainment organizations, celebrities and athletes
 - b. Many factors influence the frequency of this journalistic trend
 - i. Inflated contracts (and egos) of athletes and entertainers
 - 1. Golfer Tiger Woods was the highest paid athlete in 2006 at \$87 million ⁷ and Hollywood producer Steven Spielberg topped the list of highest paid entertainers at \$332 million ⁸

Lesson 11.2

Publicity

- ii. Drugs
 - 1. Actor Robert Downey Jr., who was arrested on drug charges three times in 1996 and again in 2000, still managed to win a Golden Globe for his role on the popular television show “Ally McBeal” ⁹
- iii. Gambling
 - 1. Pete Rose, Major League Baseball’s all-time hits leader, saw his eligibility for the baseball’s Hall of Fame expire in 2006 when his name did not appear on the ballot, largely because of his admission that he bet on baseball while managing the Cincinnati Reds ¹⁰
- iv. Violence
 - 1. A brawl in an NBA game between the Detroit Pistons and Indiana Pacers that spilled into the stands garnered world wide media coverage and resulted in 9 player suspensions for a combined 143 games, over \$12 million in fines¹¹ and 7 fans being charged with crimes by Detroit police ¹²
- v. Steroids
 - 1. Major League Baseball players and owners have recently modified the steroid-testing policy in the wake of a serious steroids scandal, implementing more frequent tests, off-season testing, and stiffer penalties for players who test positive in an effort to restore its tainted public image ¹³
- b. Each respective league or governing body/organization has their own guidelines for discipline, however, intense media scrutiny often makes such punishments seem insufficient to the general public, creating further fan disenchantment
- c. Athletes and entertainers have a unique platform to involve themselves in a positive manner within the community. It is the responsibility of an athlete or celebrity (or sports/entertainment property) to direct media attention toward these efforts.
- d. Many teams, organizations, leagues, athletes and entertainers do an excellent job of using the media to communicate positive contributions
 - i. Those organizations who successfully communicate positive messages have an effective community relations strategy

Lesson 11.2

Publicity

5. Three approaches to media relations ¹⁴
 - a. Reactive
 - i. Responds to informational and other inquiries from media sources and external entities
 - ii. Player interviews, appearances, biographies, profiles etc.
 - b. Proactive
 - i. The point of initiation is the organization rather than an external entity or media source
 - ii. Organizations take the initiative in providing information and creating publicity
 - iii. Distribution of press kits, press releases
 - c. Interactive
 - i. Refers to an organization's effort to create and maintain a strong relationship with the media

D. Community Relations

1. **Community relations** focus on an individual or organization's commitment to bettering their respective community ¹⁵
2. The goal of a community relations effort is to assist in achieving an organization's public relations objectives related to enhancing public understanding, gaining public approval and acceptance, ultimately leading to public support ¹⁶
3. Community relations are typically implemented one of three ways
 - a. Player or celebrity initiated
 - i. Warrick Dunn, running back for the NFL's Atlanta Falcons, hosts the "Homes for the Holidays" program in which his foundation assists single mother families in owning their first home by providing down payment assistance and then filling the home with everything a first-time homeowner would need including: furniture, food, linens, lawn mower, gardening supplies, washer, dryer, dishes, pots and pans, etc. ¹⁷
 - b. Team or organization initiated
 - i. Each year during the holidays, the NHL's Dallas Stars participate in an "Adopt-a-Family" program. The player's wives adopt needy families and fill their wish lists by providing them with items such as clothes, shoes, kitchenware and toys for the kids ¹⁸
 - c. League or governing body initiated
 - i. The NFL has partnered with United Way for 30 years
 1. The NFL immerses itself in United Way's programs in many ways, from building playgrounds for toddlers to hosting discussion forums for kids to bowling with seniors ¹⁹

Lesson 11.2

Publicity

4. Foundations
 - a. A **foundation** is an association established by an organization, athlete or celebrity to maintain, assist, or finance other institutions or programs that are of an educational, charitable, or social nature ²⁰
 - b. Many athletes and celebrities have used their “celebrity status” to make a positive impact on issues important to them
 - c. Celebrity foundations can help individual athletes and entertainers shed negative images
 - d. Many high profile athletes and celebrities have formed foundations
 - i. Mia Hamm formed a foundation focused on providing support for two causes important to her: raising funds and awareness for bone marrow transplant patients and continuing the growth in opportunities for young women in sports ²¹
 1. Both bone marrow awareness and women in sports are issues she feels passionate about and creating the Mia Hamm Foundation helps further their cause
 - iii. Derek Jeter formed his foundation during his rookie season with the New York Yankees. The foundation’s mission states aims to 1) create signature programs which will acknowledge and reward youths who avoid drugs and alcohol and those who choose healthy lifestyles 2) fund organizations which help prevent and treat teenage substance abuse and 3) leverage the integrity and popularity of Derek Jeter by hosting special events for today’s youth which serve as a platform for his message ²²

Lesson 11.3

Functions of Sports and Entertainment Communications

- A. There are six primary functions of sports and entertainment communications ²³
1. Inform and communicate
 - a. Communicate information with consumers
 - b. Gather, present, and distribute information about the organization or product
 - c. Involves publishing programs, brochures, updating web sites etc.
 2. Shape and enhance organization image
 - a. Work with “cause” programs
 - b. Important to all facets of sports and entertainment marketing, including corporations, teams, leagues, and individuals
 - c. This function closely resembles marketing function
 - d. Generate goodwill
 - i. **Goodwill** is a general willingness to work with a person or organization based on a positive reputation or relationship ²⁴
 - ii. Companies can generate goodwill in a number of ways, often times through an affiliation with a particular sport, team, league or event
 3. Recruiting tool
 - a. Extremely important to colleges and Universities for recruiting student athletes
 - b. Professional teams also must “recruit” potential draft choices and free agents
 - c. Communities recruit franchises and events
 - i. Upon announcing the Major League Baseball Montreal Expos intention of relocating, six cities immediately submitted bids to become the team’s new home, including Las Vegas, NV; Monterrey, Mexico; Norfolk, VA; Portland, OR; Washington D.C.; and San Juan, Puerto Rico ²⁵
 4. Introduce new products or innovations
 - a. Build new product awareness and interest
 - b. Position new product
 5. Generate and collect feedback
 - a. Determine acceptance and effectiveness of organizational policies
 - b. Gather specific consumer data
 - i. Attitudes
 - ii. Preferences
 - iii. Behaviors

Lesson 11.3

Functions of Sports and Entertainment Communications

6. Crisis management ²⁶
 - a. A coordinated effort to handle the effects of unfavorable publicity or of an unfavorable event
 - b. Proactive crisis management strategies
 - i. Forecasting potential crises
 - ii. Planning how to handle potential crises such as how an organization will react if a player is associated with a situation that is certain to garner negative media attention
 - c. Crisis management often includes a strong focus on public relations to recover any damage to public image and assure consumers that recovery is underway
 - d. Example of how a sports or entertainment property may implement a plan for crisis control or management
 - i. First response should be “no comment”
 - ii. Convene an immediate meeting of the crisis team
 - iii. Formulate a statement that can be distributed to the media
 - iv. Develop talking points and send them to allies who will be speaking to the media



Lesson 11.4

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. Promotion
 - b. Sponsorship
 - c. Marketing
 - d. Sales
 - 2. Sports and entertainment organizations follow the same trend and integrate ticket sales to that mix
 - 3. Effectively integrating publicity within an organization's marketing strategy positions the rest of the organization for success
- B. Publicity affects many other critical components of the sports and entertainment business model
 - 1. Overall revenue
 - a. The sports information director's "assignment is to sell fans the illusion that the outcome of a game is so important that they are willing to support their faith with dollars" ²⁷
 - 2. Ticket sales
 - a. The presence of negative publicity historically results in slumping sales
 - b. Statistically, consumers have shown a decline in willingness to support organizations who demonstrate an inability to effectively control or manage their image
 - c. The NBA's Portland Trail Blazers franchise, plagued by many well publicized issues with player off-court troubles, saw a dramatic 33% decline in overall ticket sales in a 5 year period ²⁸
 - d. Positive publicity, on the other hand, can go a long way in restoring fan allegiances and driving ticket sales
 - i. The Trail Blazers, after seeing its fan base erode over a period of several years, began to turn the corner when one of their key players was named the NBA's 2006 Rookie of the Year (Brandon Roy). Just a few weeks later, they would win the NBA's draft lottery and the rights to select Greg Oden, one of the most highly touted collegiate players in years. In addition, the franchise worked diligently to eradicate "trouble" players from the roster through several trades and roster cuts. Subsequently, the positive publicity helped propel a 61% ²⁸ increase in ticket sales from the previous year.
 - e. If the *New York Times* offers a poor review of a newly released film, movie-goers are less likely to flock to the theatre to see it
 - 3. Sponsorship
 - a. Corporations do not want an affiliation with an organization with image problems
 - b. Existing sponsors become unhappy customers and difficult to effectively service when they are disenfranchised with the organization they are sponsoring

Lesson 11.4

Integrating Publicity

4. Promotions
 - a. Some promotions can be offensive to some consumers
 - b. Promotions may become too “gimmicky” and turn fans off to the product
 - i. In an effort to win back season ticket holders who had discontinued their season tickets during their troubled era, the Portland Trail Blazers had flowers delivered with a greeting card that read “Roses are red and some are white, too/ Trail Blazer games aren’t the same without you” ²⁹
 - ii. One former season ticket holder who found one of the flower arrangements on her doorstep told local media how she felt about the effort by saying “This is pathetic” ²⁹
 - iii. Oregonlive.com, an affiliate of Portland newspaper, The Oregonian, ran a poll the next day asking readers to comment on the flower delivery promotion, with 51.4% of the poll participants responding that the flower gimmick was “pathetic” ³⁰
 - c. Publicity can help generate revenue in other ways through the implementation of creative promotions
 - i. The University of Notre Dame offers membership opportunities for kids 14 and younger to join “Clancy’s Kids Club” for an annual fee of \$15. Members receive, among other things, free admission to more than 100 Notre Dame athletic events each year, a newsletter, t-shirts, coupons and invitations to special kid’s club events ³¹
 - ii. Kid’s clubs are an effective tool by generating additional revenue as well as enhancing the team’s image
 - iii. Kid’s clubs also enable the organization to begin building brand loyalty at a grass roots level
5. Game operations
 - a. Game entertainment can become a source of negative publicity for a sports franchise
 - i. Music can be too loud at games
 - ii. Particular entertainment acts may be offensive to some fans
 - b. Game entertainment can also be a valuable source of positive word-of-mouth advertising
 - i. A child may choose to wear the face paint to school the next day to show off to friends, sparking interest within the schools. Game entertainment examples like face painting are prevalent among minor league baseball franchises and collegiate athletic events

Lesson 11.4

Integrating Publicity

6. Merchandise
 - a. Sales of team, player, or celebrity related merchandise tends to slump in the wake of negative publicity
 - i. Sales of Kobe Bryant jerseys, perennially a top seller world-wide, dropped out of the top 50 in the wake of his off-court troubles (it should be noted that Bryant's jersey is again back in the top ten most popular) ³²
- C. It is critical that an organization effectively communicate internally as well as communicating messages externally
 1. Employees in every department should be on the same page
 2. The workforce should be not only informed, but also involved
 3. Employees should be aware and contributing
 4. The organization must exercise the mentality that each employee is the face of the organization
 5. The staff must realize that they are representatives of the organization at all times

Lesson 11.5

The Publicity Plan

- A. Publicity plan development considerations ³³
 - 1. The goal of the plan is to monitor and gauge community response to each organizational effort
 - 2. Community relations efforts
 - a. Speaker's bureau
 - b. Clinics and player appearances
 - c. Mascot, cheerleaders, and band appearances
 - d. Correspondence (fan mail, photo requests etc.)
 - 3. It is critical to recognize how consumers perceive the organization as a whole
 - a. The organization must have a current understanding of consumer perceptions
 - b. The organization must also have an accurate understanding of consumer perceptions
 - c. The organization must then manage their publicity plan based on that information
- B. Key strategies that should be included in any comprehensive publicity plan include:
 - 1. Identification of any specific information the organization intends to communicate
 - 2. A "hook" to make information newsworthy and grab the reader's immediate attention
- C. Other popular sports and entertainment publicity plan strategies
 - 1. Sneak previews to the press prior to your product release
 - a. Movie makers with "private screenings" for film critics and media
 - 2. Careful selection of a spokesperson
 - 3. Launching an organization scheduled media blitz
 - 4. Distribution of sequential press releases to encourage media publication of new information
 - 5. Getting creative
 - a. For example, an organization may establish a fun and interactive idea centered on an organization's ticket release or upgrade process
 - 6. Creating a sense of urgency
 - a. For example, the L.A. Lakers may communicate that tickets for their home opener go on sale to the general public at 10:00 a.m. with a limit of only six tickets per customer
- D. Common components of a publicity plan
 - 1. Press (news) releases
 - 2. Press kits
 - 3. Interviews
 - 4. Photographs
 - 5. Speeches and appearances at seminars, conventions etc.
 - 6. Online chats and forums
 - 7. Community involvement
 - 8. Local, regional and national talk shows or similar programming
 - 9. Press conferences
 - a. Press conferences take place when an organization spokesperson or the athlete or entertainer addresses the media to answer questions or make announcements ³⁴
 - b. Press conferences generally imply that the organization has a newsworthy announcement featuring information of significant importance

Lesson 11.5

The Publicity Plan

- E. Utilizing resources
 - 1. Organizations make an effort to use all the resources they have available to them
 - a. Email, fax, Internet
 - b. Telephone follow up calls
 - c. Guest speaking opportunities for all staff when available
 - d. Working with coaches, players and management to create a mutually acceptable expectation level for participation
- F. Publicity “stunts”
 - 1. **Publicity stunts** refer to specific events or activities that are activated with the sole purpose of achieving a high level of media coverage and public awareness ³⁵
 - 2. Publicity stunts can serve as an effective vehicle in generating public “buzz” surrounding an organization or athlete/entertainer
 - a. British homeless charity Shelter took advantage of soccer’s immense popularity in England and launched Strip4Shelter day, encouraging the public to pay money to wear a soccer shirt to work or school. The campaign attracted the support of high profile soccer players David Beckham and Sir Alex Ferguson, ensuring great publicity for the campaign ³⁶
 - 3. When spontaneous, publicity stunts can yield undesired results
 - a. Super Bowl XXXIV will likely be remembered more for its half time show than the game itself, thanks to a revealing performance by pop stars Justin Timberlake and Janet Jackson in which Timberlake ripped off a piece of Jackson’s clothing and exposed her chest to the millions of people watching the show
 - b. Widely believed to have been a publicity stunt, the act generated much free publicity for both artists. The perception of the act, however, has generated mostly negative publicity, potentially tarnishing the image of both stars and the television network airing the game (CBS).
 - c. Many viewers quickly phoned CBS immediately after the spectacle to voice their displeasure. The network said it had fielded “several” irate calls after the halftime spectacular. ³⁷
 - d. The network quickly issued statements to maintain some damage control, saying “the moment did not conform to CBS’ broadcast standards and we would like to apologize to anyone who was offended” and that ““CBS deeply regrets the incident” ³⁷
 - 4. In some instances, an event takes place where the public is not sure whether or not the activity was a publicity stunt
 - a. In 2001, heavyweight boxing champ Lennox Lewis and opponent Hasim Rahman squared off in a brawl during a press conference, leading many to question whether or not the fight was real or simply a publicity stunt ³⁸

Lesson 11.6

Press Releases

- A. Press releases
 - 1. A **press release** is a prewritten story about an organization or athlete/entertainer that is disseminated to various media ³⁹
 - 2. Often referred to as news or media releases
 - 3. Must be clear and to the point
 - 4. Every press release must address several specific pieces of information
 - a. Date
 - b. Release statement
 - i. Typically states FOR IMMEDIATE RELEASE or TO BE RELEASED ON
 - c. Headline
 - d. Contact information
 - e. The Lead
 - i. Lead paragraph must grab reader's attention
 - f. Text (body of release)
 - i. Should answer the questions who, what, where, when, why and how
 - g. Pitch ⁴⁰
 - i. The release ends with identifying information, including a phone number and email address. This is where you pitch to the audience.
 - ii. Example: "Call this number to find out more about the new Dallas Stars "Adopt-a-Family" program
 - h. End
 - i. Press releases typically end with "end" or "#####"
 - 5. Must be creative and informative or the organization runs the risk of the media not reporting the information
 - 6. An effective release will feature a catchy title
 - 7. Press releases should be kept to one page if possible
- B. Three categories of press releases define when information is disseminated ⁴¹
 - 1. Pre-release
 - a. Occurs before the event takes place
 - b. If a team wanted to release the signing of a key free agent to the media, an advance story would alert the media to a press conference the following day
 - 2. Live-release
 - a. Occurs during the event
 - b. A second story is released at the actual news release when the new player is formally introduced to the media at the press conference
 - 3. Post-release
 - a. Occurs after the event has taken place
 - b. The next few days following the press conference, additional releases are sent out referencing details of the player's new contract, plans for success and past statistics

Lesson 11.6

Press Releases

- C. Information an organization may distribute via a press release
1. Announcement of a team's key free agent acquisition
 2. Release of game schedules
 3. Highlights of a new blockbuster film to be released
 4. Announcement of an upcoming promotion
 5. Description of an upcoming community relations event



Note to SCC Members:

Locate the student handout marked "Unit 11 - Lesson 11.6 - Student Handout – Press Release" in the Lesson 11.6 folder and distribute it to the class. Use the discussion questions presented on slides 81 and 82 in the Unit 11 PowerPoint presentation.

Lesson 11.7

Press Kits

- A. Press kits are important as they provide much information regarding an organization or event to media in a variety of ways
 - 1. A *press kit* is a package of information distributed to the media to assist them in reporting ⁴²
 - 2. Press kits could include: ⁴³
 - a. Athlete, entertainer, organization or event background
 - b. Fact sheets
 - c. Biographies
 - d. Photographs
 - e. Statistical information
 - f. Contact information
 - g. Current press releases
 - h. Related press clippings
 - i. Historical chronologies
 - j. Organizational newsletters
 - k. Testimonials from key personnel
 - l. Recommendations for features
 - 3. Each piece included in the press kit should include contact information, as press kit material often becomes separated
 - 4. Many organizations now create an electronic version of the media kit
 - a. Ease of distribution
 - b. Distribution to more outlets
 - c. Allows for incorporation of audio, video and multimedia presentation materials
 - 5. Frequently, organizations will send annually updated press kits to keep media informed

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?*

Review

Unit 11 Review

Unit 11 Overview:

The topics covered in unit eleven introduce the various components of sports and entertainment communications including publicity, public relations, community relations and media relations. A key concept discussed is 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 Key Terms Defined:

Community Relations: Focus on an individual or organization's commitment to bettering their community

Foundation: An association established by an organization, athlete or celebrity to maintain, assist, or finance other institutions or programs that are of an educational, charitable, or social nature

Goodwill: A general willingness to work with a person or organization based on a positive reputation or relationship

Media Relations: The relationship between an organization and the media

Press Release: Prewritten story about an organization or athlete/entertainer that is disseminated to various media

Public Relations: Activities that promote the image and communications an organization has with its employees, customers and public

Publicity: Public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization

Publicity Stunt: Specific events or activities that are activated with the sole purpose of achieving a high level of media coverage and public awareness

Unit 11 Review

Unit 11 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

Unit 11 Review

Unit 11 Discussion Questions

How do you find out when your favorite team is playing its next home game? Where do you go to find out how well your favorite player is performing? How do you know when your favorite actor will be featured in a new movie? What other sources might be available to help you find that information?

In today's information age, this kind of information is readily available in a number of formats. In most cases, information is distributed by the sports or entertainment organization. In other cases (typically the source of negative publicity), a story may be broken by a member of the media.

These could include:

- *Internet*
- *Newspaper*
- *Television*
- *Radio*
- *Magazines*

What instances can you think of where an athlete or entertainer has engaged in activities that generated negative publicity for themselves or the organization that employed them? What was the activity? How did you hear about that activity? Did that act have a negative impact on the celebrity or organization? Why or why not?

A hot topic now among sports fans and enthusiasts is the use of illegal performance enhancing drugs (steroids) among Major League baseball players. Other issues that seem prevalent among celebrities and entertainers include drug use/abuse and public behavior not conducive with the public's perception of how "role models" should act.

What instances can you think of where an athlete or entertainer has engaged in activities that generated negative publicity for themselves or the organization that employed them? What was the activity? How did you hear about that activity? Did that act have a negative impact on the celebrity or organization? Why or why not?

Many times celebrities will get involved with events in which the general public is very aware. There is probably no better example of this right now than the negative publicity surrounding several of the major league sports (steroid scandal, Barry Bonds and Major League Baseball...NBA referee allegedly fixing games for gambling purposes...Michael Vick in the NFL).

Unit 11 References & Resources

- 1) *The Dream Job: Sports Publicity, Promotion & Marketing*, Helitzer, p. 59
- 2) <http://iml.jou.ufl.edu/projects/Fall02/Kaufman/page2.htm>
- 3) *Sport Marketing, Presentation Notes*, Slide 10 of the Promotion/Sponsorship Lecture Ryan Langan, University of South Florida
- 4) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 177
- 5) *The Sports Business Program: Marketing Your High School Athletics*, Lindauer, p. 20
- 6) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 334
- 7) <http://www.msnbc.msn.com/id/11961246/>
- 8) http://www.forbes.com/lists/2006/53/Compen_Salary.html
- 9) <http://archives.cnn.com/2000/LAW/11/26/robert.downey.arrest/>
- 10) <http://sportsillustrated.cnn.com/2004/baseball/mlb/12/25/hall.ballot.ap/>
- 11) <http://www.detnews.com/2004/pistons/0411/23/f01-12377.htm>
- 12) <http://www.msnbc.msn.com/id/6567643/>
- 13) http://www.bullz-eye.com/sports/blogs/steroids_in_baseball.htm
- 14) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 318-320
- 15) *The Sports Business Program: Marketing Your High School Athletics*, Lindauer, p. 20
- 16) *Framework for Strategic Sports Marketing, Presentation Notes*, Dr. Brian Turner, Slide #168
- 17) <http://www.warrickdunnfoundation.org/programs.asp>
- 18) <http://www.dallasstars.com/community/outreachDetail.jsp?id=391>
- 19) http://www.nfl.com/news/2001/huddle_092501.html
- 20) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 124
- 21) <http://www.miafoundation.org/mission.html>
- 22) <http://www.turn2foundation.org/intro/mission.asp>
- 23) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 324-333
- 24) *Sports & Entertainment Marketing*, South-Western Educational Publishing, p. 102
- 25) <http://www.washingtonpost.com/wp-dyn/articles/A19121-2004Jun30.html>
- 26) *Sport Marketing, Presentation Notes*, Slide 17 of the Chapter 15 Lecture, Ryan Langan, University of South Florida
- 27) *The Dream Job: Sports Publicity, Promotion & Marketing*, Helitzer, p. 59
- 28) http://www.oregonlive.com/news/oregonian/index.ssf?/base/front_page/1119866336243850.xml&coll=7
- 29) <http://www.katu.com/sports/story.asp?ID=71354>
- 30) Cosgrove, K. (2004) E-mail correspondence, OregonLive. Nov. 10.
- 31) <http://und.collegesports.com/genrel/nd-kidsclub.html>
- 32) <http://nmsn.foxsports.com/story/3302204>
- 33) *Sport Marketing*, Mullin, Hardy, Sutton, 2nd ed., p. 336-337
- 34) *The Dream Job: Sports Publicity, Promotion & Marketing*, Helitzer, p. 179
- 35) Adapted from *Sports...More Than Just the Score*, McCauley, p. 120
- 36) <http://www.justdosomething.net/xsp/xsc.asp?uri=/home/skills/media-skills/media/top-ten-publicity-stunts>
- 37) <http://www.eonline.com/News/Items/0,1,13400,00.html>
- 38) http://news.bbc.co.uk/sport1/hi/sports_talk/1518417.stm
- 39) *Marketing Essentials*, Glencoe-McGraw Hill, 2nd ed., p. 301
- 40) <http://www.ais.msstate.edu/AEE/Tutorial/3203presselements.html>
- 41) *The Dream Job: Sports Publicity, Promotion & Marketing*, Helitzer, p. 95
- 42) *Marketing Essentials*, Glencoe-McGraw Hill, 2nd ed., p. 303
- 43) http://pr.e-agency.com/pdf/sports_division.pdf

“You know you are on the road to success if you would do your job, and not be paid for it.”

- Oprah Winfrey

UNIT 12



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

Careers in Sports

- A. Size and scope
 - 1. The sports industry accounts for over 4.5 million jobs ¹
 - 2. The inevitable incorporation of new growth areas such as e-commerce and new technologies points to a broader field with multiple new career opportunities
 - 3. According to Melvin Helitzer's book, *The Dream Job*, a new sports publication is launched on nearly a weekly basis
- B. Sports operations (management) careers
 - 1. Sports operations careers are actively involved with what happens on the court or field and less involved with the business aspect of the field
 - 2. Potential career paths
 - a. Scouting
 - b. Coaching
 - c. Athletic training
 - d. Video coordinator
 - e. Equipment manager
 - f. General manager
 - g. Player development
 - h. Operations
 - i. Strength and conditioning
 - j. Travel and accommodations management
 - 3. Sports operations career profile
 - a. The Video Coordinator for the Portland Trailblazers is responsible for providing video for basketball staff. The basketball staff uses the film to breakdown games and for scouting purposes. This position is extremely important, as video enables a team to gain an inside edge on competitors as they study opponent strategies and player tendencies. The job becomes increasingly demanding during the season, as the team plays many games and he is required to provide video on short notice. ²
- C. Corporate sports marketing careers
 - 1. Many major corporations like Pepsi, Coca Cola, Visa, American Express, and Federal Express employ individuals to manage their promotional campaigns, domestic and global sponsorship efforts as well as domestic and international sporting events and entertainment
 - 2. Potential positions in corporate sports marketing
 - a. Sports Media Coordinator
 - b. Suite Ticket Manager
 - c. VP of Sports and Entertainment Marketing
 - d. Director of Event and Sponsorship Marketing
 - 3. Corporate sports marketing career profile
 - a. The V.P. of global media and sports marketing for Anheuser-Busch Inc. oversees a \$511 million marketing budget. He is in charge of media planning and advertising purchasing for all of A-B's beer brands. He also negotiates A-B's sponsorship contracts and supervises production of Busch Media Group's televised events, such as the St. Louis Cardinals baseball games. ³

Lesson 12.1

Careers in Sports

- D. Sports business careers
 - 1. Careers in sports business focus on helping the organization achieve its financial goals in some way, shape or form
 - 2. Potential sports business career paths
 - a. Ticket sales
 - b. Sponsorship sales
 - c. Marketing
 - d. Communications
 - e. Legal
 - f. Finance and accounting
 - g. Information technologies
 - h. Graphic design
 - i. Box office
 - j. Broadcast and journalism
 - k. Publications
 - l. Customer service
 - m. Game operations
 - 3. Sports business career profile
 - a. The Sales and Marketing Coordinator for minor league baseball's Frisco RoughRiders has numerous responsibilities in coordinating the team sales and marketing efforts. Duties include (but are not limited to) sales reporting, season ticket holder communication via email and mail, website updates concerning ticket sales and marketing, and supervising the Sales/Marketing Internship Program. ⁴
- E. Recreation and fitness careers
 - 1. Because of the broad range of industry segments covered, recreation and fitness careers offer many different career opportunities
 - 2. Potential careers
 - a. Athletic Director
 - b. Parks and Recreation Director/Manager
 - c. Exercise Physiologist
 - d. Corporate Fitness Director
 - e. Fitness Program Coordinator
 - f. Personal Trainer
 - g. Physical Therapist
 - h. Sports Nutritionist
 - i. Wellness Coordinator
 - f. Recreation Center Director
 - g. Park Planner
 - h. Marketing and Sales Directors
 - i. Finance/Accounting
 - j. Sales Representative

Lesson 12.1

Careers in Sports

3. Recreation and fitness career profile
 - a. The Group Fitness Director for the Hawthorn Farm Athletic Club in Portland, Oregon is responsible for managing over 90 hours of classes per week ranging from cycling to aquatics and pilates and everything in between. She is an ACE and AFFA certified group fitness instructor with additional certifications in BODYPUMP, BODYCOMBAT and Cycling. ⁵
- F. Additional sports related career fields
 1. Sports agencies and professional services
 - a. Specialty services
 - i. Sports law
 - ii. Advertising
 - iii. Accounting
 - iv. Sports medicine
 - v. Event management and marketing
 - vi. Sponsorship
 - b. Sports agents
 - i. Jerry Maguire movie - "Show me the money"
 - ii. "Super" agents such as David Falk and Drew Rosenhaus
 - iii. Athlete representation agencies such as IMG
 - c. Celebrity Speakers Bureau
 2. Facility management
 - a. Manage facilities such as stadiums, arenas, golf courses etc.
 3. Sports associations
 - a. International Olympic Committee (IOC)
 - b. United States Golf Association (USGA)
 - c. United States Youth Soccer Association (USYSA)
 4. Sporting goods
 - a. Manufacturers
 - i. Nike, Adidas, Reebok
 - ii. Burton, O'Neill
 - iii. Rawlings, Spalding, Wilson
 - b. Wholesalers
 - i. Distribute to retailers from manufacturers
 - c. Retailers
 - i. Champs
 - ii. Foot Locker
 - iii. Dick's Sporting Goods

Lesson 12.2

Careers in Entertainment

- A. Potential career paths within segments of the entertainment industry
 - 1. Gaming
 - a. Video games
 - b. Computer games
 - c. Board games
 - 2. Music
 - a. Songwriting
 - b. Performing
 - 3. Acting
 - a. Television
 - b. Film
 - c. Screenwriting
 - d. Script writing (television)
 - 4. Comedy
 - a. Stand up performer
 - b. Writer
 - 5. Theme Parks
 - a. Theme park engineer
 - 6. Travel
 - a. Travel director
 - b. Local, domestic, international tours and cruises
 - 7. Writing
 - a. Magazines
 - b. Fiction
 - c. Non fiction
 - 8. Arts
 - a. Painting
 - b. Sculpting
 - c. Illustration
- B. Entertainment job functions
 - 1. Specific job functions within the entertainment industry ⁶
 - a. Sales
 - b. Marketing
 - c. Financial management
 - d. Legal work or consulting
 - e. Negotiations
 - f. Personnel management
 - g. General maintenance
 - h. Distribution
 - 2. Entertainment business career profile
 - a. The Senior Vice President of Marketing for Six Flags Amusement Park in St. Louis directs the worldwide strategic marketing initiative for the company. He oversees advertising, public relations, research, sponsorships, promotions and group sales, and works closely with the company's regional vice presidents of marketing, the corporate vice president of public relations and marketing directors at the parks worldwide ⁷

Lesson 12.3

Preparing for Sports and Entertainment 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. Personal skills assessment
 2. Matching skills with interests
 3. Self preparation
 - a. Researching
 - b. Learning about the industry
 - c. Becoming an expert in the field
 4. Networking
 5. Gaining experience
 6. Initiating contact and an aggressive job/internship/volunteer search
- B. Employment tools
 1. Cover letters
 2. The **resume** provides background information about a prospective employee
 3. Quality professional and personal references
 4. Employers often request documentation to be submitted electronically via email or via an online website
 5. Cover letters, job interviews and resumes are all valuable employment tools for both the employer and prospective employee
- C. Interview process
 1. Careful preparation for the interview is essential
 - a. Learn as much as possible about the company and the products and/or services they provide prior to the interview
 - b. The individual should bring a copy of the resume and references for interviewer
 - c. The interviewee must understand what the employer is looking for in prospective employees and tailor their skill sets to fit those needs
 2. After the interview
 - a. The interviewee should send the interviewer a note thanking them for the opportunity and for their time as quickly as possible
 - b. The prospective employee should place a follow up call to employer within one week following the interview



Note to SCC Members:

At this point in the unit you should locate the student handout marked "Unit 12 - Lesson 12.3 - Student Handout – Career Prep" in the Lesson 12.3 folder and distribute it to the class. You can use the document as either a handout, PowerPoint presentation or both. Discuss the importance of preparing for a career and the influence effective employment aids (resume etc.) can have throughout the hiring process...

Lesson 12.4

Cover Letters and Resumes

- A. The **cover letter** (also known as a letter of introduction or letter of application) tells the employer the type of position the individual is seeking and specifically how the applicant is qualified to fill the job opening
1. An effective cover letter will:
 - a. Draw the attention of the reader
 - b. Encourage careful review of the resume
 - c. Successfully highlight key personal achievements
 - d. Explain why the candidate's skill set is an effective match for the position
 2. Cover letters should:
 - a. Be addressed to prospective employer
 - b. Specifically identify the position being offered
 - c. Include a description of skill matches (qualifications)
 - d. Highlight specific, applicable achievements
 - e. Reaffirm interest in position
 - f. State willingness and desire to meet face to face (interview)
- B. A quality resume will help the individual reach the interview process, resumes that are not well prepared will likely be discarded
1. An effective resume will include:
 - a. Contact information
 - i. Name
 - ii. Address
 - iii. Telephone number
 - iv. E-mail address
 - b. Experience and employment history
 - i. Description of duties and responsibilities
 - ii. Traditionally listed in reverse chronological order
 - c. Education
 - i. List of schools attended and degrees earned
 - ii. Should include dates attended and related coursework
 - iii. Include list of certificates, training, and/or licenses obtained
 - d. Personal achievements
 - i. List of affiliations with personal or professional organizations including volunteer or charitable organizations
 - ii. Include personal and professional awards or recognition
 - e. Reference list
 - i. List of people prospective employers may contact for more information regarding an applicant
 - ii. Include the name, title, name and location of business, telephone and fax number, and e-mail address
 - iii. Avoid using family members as references
 - iv. Portfolio (collection of relevant work) might be requested by some employers

Lesson 12.5

The Job Market

- A. Forecast
1. Although the competition for careers in sports and entertainment business is fierce, the field has experienced and will continue to experience rapid growth
 - a. The expansion of major league sports, growth of minor league sports and rapid expansion of sports related ventures by corporate giants like Blockbuster, Disney, Warner and Fox indicate continued growth in job opportunities
 - b. Introduction of new entertainment and the rise in popularity of existing entertainment opportunities (action sports, rodeos, fishing)
 2. Making oneself more marketable as an individual becomes increasingly important
 - a. Gain experience
 - b. Become knowledgeable
 - c. Have a desire to learn (anyone is willing to learn, not everyone truly wants to learn)
 - d. Strong references
 - i. Job seekers in sports and entertainment must perform well when given the opportunity to gain the confidence of employers
 - ii. Strong performance will result in positive recommendations for future positions, either within the existing organization or with another company
 3. Importance of networking
 - a. It is often said that “it isn’t what you know but rather who you know.” That couldn’t be more accurate when it comes to the business of sports and entertainment and the employment process.
 - b. The development of a strong network and ability to impress employers with hard work, dedication and effective job performance are paramount in building a career in the sports and entertainment industry
 4. Expectations
 - a. Careers in the sports and entertainment industry are in extremely high demand. Because of that demand, employers are in a position to offer lower salaries than similar positions in other industries.
 - b. Job seekers must recognize the level of commitment required by professionals in the sports and entertainment industry. Most jobs require long hours on a pretty consistent basis.
 - c. Although sports and entertainment professionals often make less money and work longer hours than a similar position outside of the industry, one thing remains constant: most sports and entertainment industry professionals enjoy going to work everyday.

Lesson 12.5

The Job Market

B. Resources

1. Industry books, magazines, periodicals and trade journals
2. Newspapers
3. Guidance counselor
4. School career centers
5. Online resources
 - a. Monster.com
 - b. <http://www.nikebiz.com>
 - c. <http://www.entertainmentcareers.net>
 - d. <http://www.corporate.disney.go.com/careers/>
 - e. <http://www.teamworkonline.com>
 - f. <http://www2.ncaa.org/portal/employment/>
6. Additional sources for job leads ⁸
 - a. Company personnel offices
 - b. Cooperative education experiences
 - c. Employment agencies
 - d. Family and friends
 - e. Former employers
 - f. Internships
 - g. Job fairs
 - h. Newspaper ads
 - i. Placement agencies
 - j. School personnel, such as career development coordinators, counselors and teachers



Case Study

Sports & Entertainment Careers: A Unit 12 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?

Review

Unit 12 Review

Unit 12 Overview:

The topics covered in unit eleven introduce the various components of sports and entertainment communications including publicity, public relations, community relations and media relations. A key concept discussed is 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 12 Key Terms Defined:

Cover Letter: Tells the employer the type of position you're seeking and specifically how the applicant is qualified to fill the job opening

Resume: Provides background information about a prospective employee

Unit 12 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

Unit 12 Review

Unit 12 Discussion Questions

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

There are a number of career paths in the sports and entertainment industry. Many potential avenues get overlooked by career seekers, such as careers in the health and fitness industry or working for a major corporation with their sports and entertainment marketing relationships (such as a Sports Marketing Executive position for Pepsi or Ford Motor Company).

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

As stated previously, there are a number of opportunities and possible paths in the industry. However, competition for available positions can be fierce. The demand for sports and entertainment jobs is incredibly high. The candidates with the best chance of fulfilling an open position are those who have effectively marketed themselves through networking and gaining field experience.

By a show of hands, how many people in the class know what a resume is? How many have actually prepared a resume in the past? Why is a resume important? Can you pursue a professional career in sports and entertainment without one?

The resume is any individual's gateway to obtaining a job in any field. It is one of the most important tools in helping candidates land jobs, as it allows employers to quickly get a snapshot of candidate qualifications, experience and highlights of individual skills and accomplishments. Without a resume, a career in sports and entertainment would be next to impossible to achieve.

How would someone go about finding out about potential job openings? What do you think an individual would need to do to increase their marketability to sports and entertainment industry employers?

Networking and gaining experience through volunteer and internship opportunities are the most effective means for securing future positions within the sports and entertainment industry. Individuals can learn more about job openings through trade journals, industry publications and the Internet.

Unit 12 References & Resources

- 1) <http://www.sportsemploymentnews.com>
- 2) http://www.nba.com/blazers/community/Learn_More_About_Raman_Sposato-100949-41.html
- 3) <http://www.onlinesports.com/sportstrust/sports10.html>
- 4) <http://www.ridersbaseball.com/staff/?id=49>
- 5) <http://www.hfac.com/programs/fitstaff.htm>
- 6) http://www.entertainmentcareers.cc/encar/business_careers/business_careers_index.htm
- 7) http://www.sixflags.com/investor_exe_bios.asp
- 8) *NC Education Center, Objective 9.02*

Credits

Production Credits

Front cover design: Rebecca Garcia

Back cover design: Rebecca Garcia, Christopher Lindauer

Interior design: Rebecca Garcia

Cover images (stadium and surfer): © <http://www.office.microsoft.com/clipart>.

Back cover image (business professionals/football field): © <http://www.office.microsoft.com/clipart>.

Photo and Image Credits

Unless otherwise noted, all photos and images are © <http://office.microsoft.com/clipart>.

Page 39, © <http://www.istockphotos.com>.

Page 57, © <http://www.istockphotos.com>.

Page 95, © <http://www.freedigitalphotos.net>.

Page 104, UP soccer print ad, reprinted with the permission of University of Portland Pilot Athletics.

Designed by John Jendritza, Glow Creative.

Page 111, © <http://www.istockphotos.com>.

Page 126, © <http://www.istockphotos.com>.

Page 132, © <http://www.istockphotos.com>.

Page 154, © <http://creativecommons.org/licenses/by/3.0>.

Page 197, © <http://creativecommons.org/licenses/by/3.0>.

Page 202, © <http://www.istockphotos.com>.

Page 208, © <http://www.istockphotos.com>.

Page 217, © <http://www.istockphotos.com>.

Page 250, courtesy of Dan Thompson and the Sabin-Schellenberg sports marketing class students.

Copyright © 2008 by Sports Career Consulting, LLC. All rights reserved. Reproduction or use of any portion of this publication by any mechanical, electronic, or other means is prohibited without written permission of Sports Career Consulting, LLC.

Please visit us anytime online at www.sportscareerconsulting.com.

About Sports Career Consulting, LLC

Sports Career Consulting offers the leading resources for sports and entertainment business education as well as events to high school educators around the country. SCC provides many resources, experiences and opportunities to learn about the business of sports and entertainment in and out of the classroom. Through our unique curriculum and events, high school students everywhere have an exceptional opportunity to learn fundamental business and marketing principles and then to apply that knowledge by taking an active role in marketing school sports, entertainment, fundraisers and events.

SCC's core educational programs will appeal to many different teaching styles. For the traditional approach, SCC offers a membership to the Education Resource Center (ERC). When you join the ERC community, you will receive a cd-rom that is packed with instructional material, from unit outlines, student handouts and exams to PowerPoints, classroom games and project ideas. ERC members also gain access to SCC's website where they can participate in our idea exchange forum, download podcasts, peruse newsletter archives and download any updated or new instructional materials throughout the school year.

For teachers who prefer a more project-oriented approach, SCC's Sports Business Program (SBP) offers a perfect solution for your needs. The SBP teacher's guide will take you step-by-step through the process of transforming your classroom into a live, operational sports/entertainment business company where you will quickly find that creating an experiential based learning atmosphere will be a snap! Upon joining the SBP membership community, teachers receive a cd-rom loaded with resources to supplement the teacher's guide, including classroom activities, team marketing samples, marketing advice from industry executives for guidance in running your new business, templates for developing your sales and marketing material and much more!

Of course, for the teacher who wants it all, SCC offers a combo-package membership. The ERC and SBP were created specifically to compliment one another.

ERC and SBP members will also receive a sports and entertainment industry newsletter every Monday morning complete with links to related current events and corresponding questions for classroom discussion, just in time to help with the week's lesson planning. Visit www.sportscareerconsulting.com/learnmore to further explore membership opportunities.

Here's what they are saying about SCC:

"I just started unpacking the curriculum, WOW, I was expecting to spend 5-6 weeks on SEM---but will spend a good 9-12 weeks with all the material you have. Just amazing! You have made my job a lot easier."

- Patrick Joyce, Marketing Teacher at Madison Memorial High School in Wisconsin

"The research and prep that you do for us is just awesome. Thank you!"

- Mike Gump, Marketing Teacher/DECA Advisor at Lake Oswego High School in Oregon

"Our Sports and Entertainment Marketing class was a great improvement over the Retail Marketing course I previously taught - the subject matter and curriculum was much more exciting for our students and very engaging. Between sports and entertainment topics, news and current events, there was always something to discuss and interest every student. I had less prep time and plenty of resources to last the whole year. We integrated both of SCC's programs to help us manage some great experiential learning opportunities for our students, such as working gates at games, designing flyers and programs for plays and tournaments, and selling t-shirts for football. The best part is the flexibility the programs provide - you can pick and choose how much of the curriculum you want to use."

- Carrie Johnson, Marketing Teacher at Mojave High School in California



*Your #1 Resource for Sports and
Entertainment Business Education and Events*



To learn more about the amazing
education opportunities SCC can
provide you and your class, please
visit us on the web at:
www.sportscareerconsulting.com.

Sports Career Consulting, LLC
236 NW Evensong Place
Portland, Oregon 97229
email | info@sportscareerconsulting.com
web | www.sportscareerconsulting.com
blog | www.sportscareerconsulting.com/blog
phone | 503.330.1895
fax | 503.627.0851