

1

Introduction to Sports Marketing

Learning Objectives

- Be able to differentiate between the two broad sports marketing dimensions.
- Learn how the COVID-19 pandemic impacted sports marketing.
- Learn how the sports marketing discipline has evolved.
- Better understand the economic impact of the industry.
- Identify the career opportunities available to aspiring sports marketers.

The field of sports (or sport) marketing has emerged as a key area in business over the past 40 years. Despite this acknowledged growth, there is still a lack of consensus as to what activities comprise the realm of the sports marketing industry. Most outside observers recognize the role of marketing in the task of creating demand for spectator sports, participation sports, and sports equipment. However, these same observers often fail to acknowledge the role that sports can play in the marketing of conventional everyday goods and services such as fast food and automobiles. Anyone working in the field of sports marketing must recognize the breadth of the industry and understand both dimensions.

The key objective of this book is to provide aspiring sports marketers with insight into both domains. The book is divided into two major sections. After an introduction to the world of sports marketing, it will first address the task of marketing non-sports products using sports as a primary platform. We refer to this as *marketing through sports*. Then, the focus shifts to the strategic initiatives used in the *marketing of sports* products including a broad array of goods and services. You will learn that it is not just about getting fans to attend games and special events or, as it is often so ineloquently stated, “putting butts in the seats.”

MARKETING THROUGH SPORTS

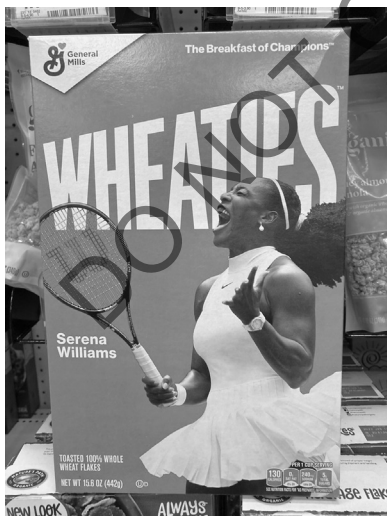
Astute marketers have long recognized the role that sports can play in the marketing of their nonsports products. Marketers of Wheaties cereal first incorporated athletes and sports themes in the product's packaging as early as 1933. Figure 1-1 shows a Wheaties box featuring tennis star, Serena Williams. Prior to that, the manufacturer of Jockey underwear capitalized on the endorsement of the most famous athlete in Major League Baseball (MLB) in an effort to influence the consumers' purchase behavior. The endorsement contract with Babe Ruth was implemented in 1921. Other early efforts to market through sports include Gillette's decision to become involved with televised boxing matches in the 1940s with its sponsorship of "Friday Night at the Fights." In an unusual strategy, football's Joe Namath was shown in a TV commercial wearing L'eggs pantyhose in the 1960s. Miller Brewing began its strategy of using retired athletes to sell its Lite Beer in the 1970s, and the Los Angeles Olympics was recognized for the opportunities that the event provided for a large number of sponsors to reach their own target markets in 1984. Another historic 1984 initiative was Apple's decision to broadcast a 60-second commercial during the Super Bowl. The ad, based on George Orwell's famous book, *1984*, introduced the McIntosh computer. You can check it out on YouTube. Marketing through sports had indeed become a force with which to be reckoned. Its role in that aspect of the sports marketing industry continues to grow.

Marketing through sports flourished in the 1990s and continues to represent a key strategic domain for marketers today. Within this domain, there are two types of strategies: traditional and sports-based sponsorship. *Traditional strategies* represent efforts to incorporate sports into the firm's marketing efforts through the implementation of effective target marketing decisions used in conjunction with appropriate tactics regarding the organization's price, product, distribution, and promotional strategies. For example, one recent Sony advertisement featured the assertion that consumers can enjoy watching sports on TV even more if they watch them on a Sony high-definition TV. Similarly, M&Ms implemented a sports platform by airing an advertisement during the broadcast of the 2021 Super Bowl as a way of reaching almost 100 million members of its target market in the United States alone. *Sports-based sponsorship strategies* feature a greater level of integration of sports within the marketing strategy. Most readers of this book are very familiar with traditional sponsorship; however, there are also three special forms of sponsorship that are routinely incorporated within many marketers' repertoire of strategic initiatives. Thus, there are four strategies that represent specific applications of sponsorship principles. They are the aforementioned traditional sponsorship and the three special forms of sponsorship: venue naming rights, licensing, and endorsements. This chapter will begin with a brief introduction to the various sponsorship-based initiatives, each of which will be explored in more detail in Chapter 2 as we begin a more intensive examination of the four domains of the sports marketing industry.

Traditional sponsorship involves the creation of an official relationship between a marketer and some noteworthy sports property. For example, Coca-Cola and Toyota are official sponsors of the upcoming 2024 Olympic Games in Paris. *Venue naming rights* are based upon the marketer's ability to have its name attached to a physical facility. A recent example is SoFi Stadium. In this case, the National Football League stadium in Inglewood, CA (outside of Los Angeles), is designated by the name

FIGURE 1-1

Wheaties box featuring Serena Williams



Box 1-1

Strategies for Marketing through Sports

- Traditional strategies
- Sponsorship strategies
 - Traditional sponsorship
 - Venue naming rights
 - Licensing
 - Endorsements

of a major marketer of consumer financing products such as home loans in the United States. The third strategy, *licensing*, is a contractual agreement that allows a marketer to use valuable trademarks and brand names of a sports property. Inexpensive shirts substantially increase in value as soon as a popular event's or sports team's logos are printed on them. Canterbury Clothing of New Zealand has long sold polo shirts bearing the trademark of the World Cup of Rugby. Finally, marketers can use *endorsement strategies*. Popular athletes such as Rory McIlroy, Aaron Rodgers, and Cristiano Ronaldo are often used to gain attention and influence selective demand for a variety of products. Chapters 4 and 5 take a comprehensive look at each of these four sponsorship-based strategies.

In addition to sponsorship strategies, nonsports products are marketed through sports using a variety of traditional approaches. For example, advertising can incorporate a sports theme, packaging can feature sports activities, and products can be sold at or near a sports venue. These traditional strategies capitalize on opportunities provided by the sports environment by carefully considering target market decisions and by establishing the product, promotion, pricing, and distribution strategies that can be used to influence demand within the firm's selected target markets. These strategies will be discussed in detail in Chapter 3.

The various strategies for *marketing through sports* that were introduced in this chapter are listed in Box 1-1. The key component of these strategies is that each involves the use of a sports platform in the marketing of nonsports products.

MARKETING OF SPORTS

The more commonly acknowledged aspect of sports marketing involves the proactive efforts that are designed to influence consumer preferences for a variety of sports goods and services. Thus, we speak of the *marketing of sports products*. But even this domain is often not fully understood. There is a question of exactly what falls into the category of sports goods and services. From the most basic perspective, this category is often presumed to be comprised of three subcategories. They are as follows:

- access to spectator sports events,
- the provision of venues for participation sports, and
- sporting goods and apparel.

However, this list is incomplete. While we look at this abbreviated list to start our discussion, it will be substantially expanded later in this chapter and in Chapter 2.

Access to Spectator Sports Events

For the first time in the team's history, the Boston Red Sox sold out of tickets for each of their 81 home games during the 2004 season. Conversely, the Montreal Expos played some of their scheduled home games in San Juan, Puerto Rico, and then moved their franchise to Washington, DC, to begin the 2005 season. While the Red Sox experienced overfull demand, the Expos' problem was that they simply could not sell enough tickets to remain economically viable. Many sports marketing efforts focus on initiatives that are designed to be effective when attempting to sell tickets to members of the team's or the event's target markets. To do that, teams historically used promotions such as ladies' day and the businessman's special to attract spectators. More recently, teams have recognized that giveaway promotions such as bobblehead dolls, replica jerseys, and inflatable *thunder sticks* are effective in their quest to sell tickets and fill some of their empty seats. Teams have created family pricing in an effort to make their games more affordable. To be more family-friendly, some teams have established family seating areas where the consumption of alcoholic beverages is prohibited. Some teams have even resorted to selling tickets that feature an *all-you-can-eat* component. Clearly, there is a wide array of strategies and tactics that can be used to sell tickets. The key for the sports marketer is an understanding of the target markets and the implementation of strategies that resonate with those target markets.

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Ticket sales are critically important to the financial success of any team or event. And with the increased number of media options available today, yet another focus is the delivery of sports broadcasts to the media-based audience. Sports marketers are involved with a broad range of events. One recent attempt to categorize these events referred to the *sports event pyramid*.¹ This pyramid consists of five distinct levels with each successively higher level incorporating a broader

FIGURE 1-2
The sports event pyramid



geographic scope—and a corresponding greater reliance on marketing. Higher categories on the pyramid also provide greater potential to attract marketers of nonsports products seeking to benefit via an association with such events. Figure 1-2 depicts the hierarchy represented by the sports event pyramid.

At the lowest level, *local events* are dominated by the ability to attract spectators from a relatively small geographic area. For such events, the narrow reach will typically consist of the local community. Minor league hockey games, high school sports, and local amateur competitions such as a city golf tournament often find it difficult to generate much interest from even the most avid sports fans outside of the local area. Because of their small budgets, marketing efforts tend to be quite modest.

If marketing strategy can be used to broaden the level of interest in a local event, it might climb to the second level of the pyramid. *Regional events* comprise that second level. While these events do not generate significant interest at a national or international level, they can be extremely popular within a broader geographic area of a single country. The Boston Marathon historically had a significant following throughout the northeastern region of the United States. Regional events may attract spectators and TV viewers from areas beyond the local area where the event is staged. There is often a meaningful role for sports marketing as the event organizers attempt to attract spectators and seek to move the event to the next level of the pyramid. Most would argue that the Boston Marathon has in fact used effective marketing to achieve a move to a higher level on the pyramid.

The third level is characterized by *national events*. These events are important to a large portion of the population of one or perhaps two countries. The Stanley Cup hockey playoffs appeal primarily to Canadians and Americans. A cricket or netball test match between Australia and New Zealand is closely watched by citizens of those two countries. In the United States, the National Collegiate Athletic Association (NCAA) Final Four produces such fan fervor that it is the culmination of a period commonly referred to as *March Madness*. The championship games for professional sports leagues in many countries attract both a large live audience and a large media-based audience from across the country. Sports marketing plays a significant role in this type of sports environment.

Events that generate interest in a number of countries fall into the *international events* category. The competition itself may be limited to a single geographic area, but its appeal transcends national borders. The Wimbledon Tennis Tournament is played in England, but it attracts fans and viewers in many countries, especially Switzerland, Russia, Belgium, Spain, Australia, and the United States. The same may be said for the Tour de France cycling race. In fact, the Tour de France itself now includes race segments outside of France. Multicountry competitions such as the Davis Cup tennis tournament, the Commonwealth Games, the Ryder Cup golf tournament, America's Cup Yachting Regatta, and Super Rugby matches include participants and fans from several countries.

Events that were once best classified as national events may move to this international category with the help of effective marketing. The National Football League's (NFL) Super Bowl was best described as a national event at its inception in 1967. But today, it is broadcast across the world. The 2021 game was broadcast in over 200 countries and territories in over 30 languages by a total of some 60 international broadcast organizations—not to mention Internet streaming. It has been estimated that a Super Bowl broadcast may well be viewed by

1 billion people.² Clearly, the NFL has used aggressive marketing to move the Super Bowl higher in the event pyramid. In fact, it could easily be argued that the Super Bowl has actually achieved a status that places it in the top category, that of global events.

The top level of the pyramid comprises *global events*. There are relatively few events that have been able to attain this lofty designation. Events in this category are not only broadcast to a global audience, but fans throughout the world are captivated by the competition. National pride and patriotism can be impacted by the results. The two preeminent events in this category are the Olympic Games and the World Cup of Soccer. In addition to full stadiums and other venues, these events will draw billions of TV viewers from all over the world. Events such as these are expensive to stage, so marketing has become a crucial element for their financial success.

As an event moves up the pyramid, it is likely to be perceived as a more viable opportunity for a company to market its nonsports products through the sports event.

As noted earlier, another key point is that as an event moves up the pyramid, it is likely to be perceived as a more viable opportunity for a company to market its nonsports products through the sports event. Larger live and media-based audiences mean that marketers can reach more consumers. This allows organizers to sell broadcast rights for sizable sums of money because the broadcasters can command higher rates for the advertising time during the broadcast of the event. For example, the average cost for 30 seconds of advertising time during the 2021 Super Bowl broadcast was approximately US\$5.4 million. These types of events also appeal to companies seeking to align themselves with the event via an official sponsorship. The fees charged to sponsors of premier global events can easily reach US\$100 million. For instance, the fees charged to the 14 companies that were part of the Olympic Partnership program (TOP Worldwide Sponsorship Programme) for the Olympic cycle that included the 2018 Winter Games in Korea and the delayed 2020 Summer Olympics in Japan were reportedly over US\$125 million.

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The Provision of a Venue for Participation Sports

Consumers today enjoy more leisure time than did any previous generation.³ This increase has been important to sports marketers as they compete to occupy a larger share of the consumers' discretionary time. Sports must compete with the arts and other providers of entertainment, including other sports marketers. While the organizers of a local golf tournament may compete with the local basketball team for spectators, they must also compete with television, theaters, and museums for the consumers' time and money. Also important, consumers today are more inclined to participate in sports activities such as running, biking, and working out at the local gym. Any participation of this type must be viewed as direct competition with the marketer of spectator sports.

Favored sports activities vary from one country to another. As with every marketing endeavor, marketers in each country must be attuned to the preferences within their own markets. Another key consideration is that many of these participation sports can be undertaken by consumers who neither own nor maintain the facilities in which the participation takes place. For instance, surfing participants generally use public beaches as the site for engaging in their sport. Runners often use local roads as their venue of choice. Hunters generally use public lands as their hunting destination.

Some members of these groups use privately owned venues that are maintained to meet their recreational needs. Participation sports such as golf and downhill skiing generally require the resources of an outside service provider. Runners and others who participate in fitness sports often rely on the resources of fitness club operators. Instead of running on a public street, many find the cushioned tracks at the climate-controlled, traffic-free facilities of Planet Fitness or Virgin Active centers to be superior alternatives. Even hunters and those who enjoy fishing may find that privately controlled hunting reserves and lakes provide a less crowded environment as well as a greater likelihood of success. Inline skaters and skateboarders are seeking safer options that not only meet their needs but also meet with less public resistance from citizens who fear the potential danger that these activities present when participants choose to use public streets, walkways, and parking areas.

Other activities generally require facilities that are operated by an outside provider. In some cases, these facilities are maintained by local government agencies. Examples include swimming pools, tennis courts, and skating rinks. But in many, if not most cases, privately owned facilities offer a superior option to publicly owned and operated facilities. While some tennis players might opt to play at a public park, others prefer to play at a private racquet club.

For some participation sports, the most viable option for the typical consumer is the use of privately owned and operated facilities. The expense of building and maintaining a golf course makes individual ownership unfeasible for all but the wealthiest consumers. As a consequence, golfers generally play on courses owned by someone else. Most commonly, these golf courses may be owned and operated by a government entity or a private corporation. Privately owned courses may be open to the public, or they may require a membership in order for the golfer to gain access to the course. Other participation sports that generally require special facilities include racket sports such as squash and racquetball, skiing and snowboarding, and 10-pin bowling. The 40 most popular participation sports and leisure activities in the United States in 2020 are shown in Table 1-1. The list illustrates the wide variety of activities and the array of opportunities that exist for today's sports marketers.

While examining Table 1-1, several issues are important. The number of participants reflects anyone who indicated that they participated in a specific activity at least once a year. The report from the Sports and Fitness Industry Association actually differentiates between casual and core participants. Their research examines 120 different forms of sports and leisure activities. A look at the changes from the 2019 study clearly indicates that COVID-19 impacted a number of leisure activities. For example, because many 10-pin bowling facilities were closed for much of 2020, the number of participants fell by 11.5 percent. Conversely, with more free time and people looking for ways to engage in leisure activities, bicycling on paved surfaces increased by 12.9 percent—even more among casual participants. So, while COVID-19 created obstacles for marketers of some leisure activities, it created opportunities for others.

TABLE 1-1
Forty Most Popular Sports
and Leisure Activities in the
United States 2020

Activity	Number of Participants	Growth from 2019 (Percent)	Five-Year Annual Rate (Percent)
Walking for fitness	114,044,000	+2.3	+0.8
Hiking	57,808,000	+16.3	+9.3
Free weights (hand weights)	53,256,000	+3.5	-0.5
Running/jogging	50,652,000	-1.2	+0.9
Treadmill	49,832,000	-12.3	0.0
Bicycling (road/paved surface)	44,471,000	+12.9	+3.2
Freshwater fishing	42,556,000	+8.6	+2.5
Bowling	40,143,000	-11.5	-2.5
Camping (w/in .25 miles of vehicle/home)	36,082,000	+28.0	+6.0
Yoga	32,808,000	+7.7	+5.4
Stationary cycling (recumbent/upright)	31,287,000	-15.6	-2.3
Weight/resistance machines	30,651,000	-15.3	-2.6
Free weights (barbells)	28,790,000	+1.4	+2.6
Elliptical motion trainer	27,920,000	-15.5	-2.6
Basketball	27,753,000	-11.4	+3.6
Target shooting	26,981,000	-2.9	-1.7
Hunting	26,626,000	-0.7	0.0
Swimming for fitness	25,666,000	-9.0	-0.4
Dance, step, and other (to music)	25,160,000	+5.0	+3.2
Golf (on course)	24,804,000	+2.2	+0.6
Bodyweight exercise	22,845,000	-2.8	+0.8
High-impact/intensity training	22,487,000	+2.0	+1.9
Tennis	21,642,000	+22.4	+4.2
Wildlife viewing (away from home)	21,038,000	+5.0	+0.3
Table tennis	16,854,000	+13.1	+0.5
Camping (recreational vehicle)	17,825,000	+15.5	+4.2
Baseball	15,731,000	-0.5	+2.8
Bird-watching (away from home)	15,228,000	+18.8	+3.5
Fishing (saltwater)	14,527,000	+10.1	+4.0
Alpine skiing	14,347,000	-3.6	-1.2
Kettlebells	13,576,000	+5.6	+5.5
Soccer (outdoor)	12,444,000	+4.5	-0.2
Stair climbing machine	11,261,000	-26.7	-2.2
Rowing machine	11,694,000	-8.7	+3.2
Trail running	11,854,000	+7.8	+7.8
Aquatic exercise	10,954,000	-2.1	+3.7
Backpacking (overnight from home)	10,746,000	+0.8	+1.3
Ice skating	9,857,000	+4.2	-1.2
Pilates	9,905,000	+7.2	+2.9
Canoeing	9,595,000	+6.7	-1.2

SOURCE: Information provided in courtesy of the "2021 Sports and Fitness Industry Association Topline Participation Report."

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A look at the changes from 2019 clearly indicates that COVID-19 impacted a number of leisure activities. COVID-19 created obstacles for marketers of some leisure activities, and it created opportunities for others.

Sports marketers must stay abreast of changes in the supply and demand for facilities dedicated to each of the participation sports that are popular within their markets. The popularity of golf has been on an upswing; thus, we have seen new courses opening each year. Conversely, bowling has seen a steady decline in its number of participants in the United States. These declining numbers have led to the closure of existing bowling facilities, and only limited resources are now being devoted to the construction of new bowling establishments. What is evident from the table is that the most dramatic growth has involved hiking, trail running, and light cardiovascular exercise such as walking and running. This could explain the explosive growth in the marketing of health clubs such as LA Fitness and resistance equipment such as that offered by NordicTrack.

Marketers involved in participation sports seek to develop strategies to retain current participants and to attract new ones. Still other sports marketers understand that participation often requires special equipment. This recognition leads us to the third category in the marketing of sports products, one that is anchored by sporting goods and apparel. However, that combination needs to be augmented by other products in order to truly complete the final category of sports products.

Sporting Goods, Apparel, Athletic Shoes, and Sports-Related Products (SASS)

This third category for the marketing of sports generally encompasses two types of products: those used in participation sports and those that represent keepsakes, replicas, venue-related purchases, and souvenirs from spectator sports events. Consumers might purchase a basketball in order to play games at their local playground, or they might purchase a replica ball that includes the team and league logos as well as replica signatures of the players on that team. But these are not the only products that reside in the SASS category.

Many sports such as golf, skiing, and tennis generally require participants to personally own their equipment. Some, such as bowling, provide basic equipment for free or for a nominal rental fee. Regardless, the marketers seek to influence demand for their *sporting goods*. New players and participants take up a sport and purchase new equipment. Current players often seek to upgrade their own equipment in order to take advantage of technological advances. The player's objective is often simply that of improving their own proficiency at their chosen sport. A new golf club that hits the ball farther, a new tennis racket with a larger sweet spot, and a bowling ball with stronger hooking characteristics can provide the incentive for participants to abandon their existing equipment in an effort to improve their play.

New players, novices, and experts have different expectations regarding new products. A young bowler who plays primarily for social reasons may want a bowling ball that glows under the ultraviolet lights used during "cosmic bowling." An expert may own several bowling balls that react differently when thrown on varying lane conditions. These experts are far more likely to spend a large sum of money on a ball that possesses the newest technological advances. And

while the social bowler may purchase the equipment at a general merchandise store, the expert is far more likely to be a patron of a pro shop that specializes in bowling equipment. Effective marketing is directed by an understanding of who is participating in a given sport, why they are participating, and what benefits they are seeking from their participation. This knowledge allows sports marketers to capitalize on many of the opportunities that exist within the marketplace. Likewise, the market for sports-oriented *apparel* and *athletic shoes* has grown at an incredible pace. The nature of these products qualifies them to be included within the category of sports products.

Effective marketing is directed by an understanding of who is participating in a given sport, why they are participating, and what benefits they are seeking from their participation.

Many fans of spectator sports will purchase one or more souvenirs that can be used as a remembrance of attendance at a particular event or as a visual means of demonstrating support for a team, event, or player. Some of these *sports-related products* may serve a purpose beyond simply being a souvenir. A ball may bear a team's logo, but it can still be used for recreational purposes by the fan. A team shirt may reflect the fan's support for that team, but it can also be worn as part of the fan's daily attire.

New merchandising strategies extend beyond the event venue. Retailers have begun to appear at regional shopping malls, and many retail sites have emerged on the Internet. Sports marketers need to understand the appeal that these types of products have and develop a marketing strategy that capitalizes on that demand. The product component of marketing strategy will be addressed in considerably more detail in Chapter 2 as we seek to gain a clearer understanding of the various strategic domains within the sports marketing industry. It is further examined in Chapter 7 as we begin to focus on the strategies specific to the marketing of sports products.

The Impact of COVID-19 on the Sports Marketing Industry

The years 2020 and 2021 have seen a plethora of upheavals in the way sports marketers perform their daily tasks. COVID-19 was responsible for the cessation of seasons midstream. It caused the cancellation of numerous events. We all learned the difference between cancellation and postponement. Competitions were held in empty arenas or arenas with "limited capacities." College and high school sports in many regions of the world were delayed until they could be safely resumed. Athletes lobbied to allow them to play. Revenue streams were impacted as the number of spectators at the venues typically ranged from 0 to 25 percent of capacity. The 2021 Super Bowl was capped at around 22,000 spectators in a stadium that is capable of holding some 75,000 fans. Sponsors were worried about the return on their sponsorship investment in light of the smaller live audiences. Broadcasts and streaming became even more important in the quest to make sports products available. The move from paper tickets to e-tickets was sped up as another way to avoid interpersonal contact. Purchases made at venues became cashless. Travel restrictions meant that international events were more difficult if not impossible to stage. Some teams, such as MLB's Toronto Blue Jays, were forced to play their home games in the United States. Some leagues such as the Ontario Hockey League simply closed their doors. Participation sports

were likewise impacted. Golf courses were closed. Some that were open required players to take power carts alone rather than with a playing partner. Bowling alleys were closed up tight. Recreational sports and kids' sports were often put on hold. Retail facilities that remained open often did so at limited capacity. So, those consumers who wanted to buy a new team jersey or new golf clubs often resorted to virtual retailers like Amazon. More sporting goods were purchased for home use as participants who could not go to the gym bought treadmills, ellipticals and other exercise devices. Many of these devices allowed participants to use the Internet to become part of the *connected fitness* trend through providers such as iFit.

Marketing has always been a dynamic environment with changes to our strategic initiatives evolving with the times. At no time have we witnessed the turmoil that we saw with COVID-19. But despite the negative consequences, there were some positives as we learned how to better deal with environmental changes over which marketers have no control. We also learned how important sports are to consumers across the globe. And there is no doubt that some of the changes will be a part of the "new normal." We can only hope that as things continue their turn back toward the "old normal," we will never see such a dramatic intervention to the way we engage in sports marketing in the future.

THE NEED FOR A SPORTS MARKETING CURRICULUM

"Within the span of a single generation, sports marketing has evolved from a two-bit enterprise into a big business bonanza."⁴ The sheer scope of sports marketing highlights the need to develop educational programs that teach the fundamental aspects of the discipline. It is a global phenomenon with enormous economic consequences. A generation ago, there was little formal training on the tasks involved in the marketing of sports. And beyond learning how to use advertising during the broadcast of sports events, students historically received little training as to how a sports platform could be created in the task of implementing effective strategies for the marketing of non-sports products.

Business curricula have been slow to incorporate sports marketing as part of a degree program. This is changing, however, as we are witnessing significant growth in the number of courses and programs that feature sports marketing. Temple University in the United States initiated a Master of Science in sport business program. Some programs, such as the sports marketing program in the Business School at Ecole Supérieure des Sciences Economiques et Commerciale (ESSEC) in Paris, have even begun to secure corporate sponsors. With sound marketing principles being incorporated within the sports marketing curriculum, future practitioners will be better prepared to implement strategies that capitalize on the opportunities presented by the sports environment.

EVOLUTION OF SPORTS MARKETING AS AN EDUCATIONAL DISCIPLINE

Just as the practice of sports marketing has evolved over the years, so has the curriculum that is used to train aspiring sports marketing practitioners. The forbearers to today's educational programs generally emphasized the

consideration of the marketing of sports including an array of leisure activities with virtually no attention being paid to the strategic initiatives used to market everyday products through sports. Marketing curricula sometimes incorporated a limited number of sports examples within the principles of marketing class or treated it as one area that could be used to illustrate the concept of services marketing.

The most comprehensive coverage was initially provided in sports management courses that were taught in programs featuring leisure studies, health, physical education, recreation, sports administration, and kinesiology. The programs initially featured a single sports marketing course that focused primarily on the marketing of sports. They may have incorporated travel and tourism as they began to give additional consideration to the role that sports played in the consumers' planning of their vacations. Consumers traveled to watch their favorite teams play games away from home; they took golf vacations. The economic impact began to be noticed. Still, sports marketing primarily emphasized the methods for putting more fans in stadium seats and increasing participation levels in sports such as golf and tennis.

Television was limited to a small number of stations in each media market, and viewers received a limited amount of sports programming each week. But TV and radio broadcasts began to be recognized for their potential to reach a firm's target markets. As a result, the idea of marketing through sports became more important. It could be argued that the explosion in media options created by cable and satellite TV as well as today's streaming opportunities was a turning point in the evolution of sports marketing. As the market for spectator sports grew more fragmented, new opportunities for niche sports and events began to emerge. It was only logical that the discipline would begin to incorporate a more pronounced business orientation.

Despite this newfound business orientation in the practice of sports marketing, this focus was slow to be incorporated within the curriculum of most business and management schools. Its integration was typically limited to a single elective course that was part of the undergraduate marketing program. More attention began to be paid to activities such as sponsorship and advertising during sports broadcasts. Marketing through sports was emerging as a key aspect of the sports marketing environment.

Finally, comprehensive sports marketing and sports management programs began to emerge. The early development again was concentrated in the programs that featured leisure studies or health, physical education, and recreation. Graduate programs that granted advanced degrees in sport management were developed. For these graduate degrees, complementary courses needed to be developed. These new courses often included facilities management, sports law, research methods, finance, ethics, and the media. Business-oriented programs that have developed sports marketing concentrations have begun to include courses such as sports economics, sponsorship, the marketing of sports, and marketing through sports. Because of the interdisciplinary nature of the sports environment, university programs often involve courses from two or more curriculum areas. A common alliance is that of physical education and marketing. Finally, as the educational community has begun to more fully embrace the concept of online teaching, a few courses have begun to be offered by universities featuring the World Wide Web as the primary mode of information dissemination and student feedback. These courses may be part of a degree program, or they may be stand-alone courses aimed at professional development.

Today's curriculum represents an amalgamation of strategies that emphasize both the marketing of sports and the marketing of nonsports products through sports.

The primary point of the preceding discussion is that the early focus was on the marketing of sports but that today's curriculum represents an amalgamation of strategies that emphasize both the marketing of sports and the marketing of nonsports products through sports. In addition to this evolution, we have witnessed a growth in the number of universities offering degrees with a major that features the business component of the sports environment. More graduate programs have also emerged. These developments represent global phenomena with programs being introduced in universities in many countries across the world. Beyond higher education institutions, organizations such as the International Events Group in the United States and SportBusiness International in the United Kingdom have offered traditional seminars and webinars aimed at enhancing the skills of those involved or aspiring to become involved in the multifaceted world of sports marketing. The bottom line is that educational opportunities are becoming more commonplace and are focused more and more on the various business aspects of sports.

ECONOMIC IMPACT

Sports and the related industries that serve the sports industry can have a tremendous impact on local, national, and global economies. Because of the recognition of this benefit, there have been a number of efforts that emphasized the calculation of estimates for the financial impact of some sport or a specific sports event. Similar estimates have also been developed in an effort to assess the impact of art exhibits, local festivals, and a variety of other nonsports events.

Municipal governments use the economic contributions to offset sometimes controversial financial incentives that are granted and the costs that are incurred as a result of playing host to a team or an event. These estimates are also used to help government agencies determine how resources should be allocated when promoting these sports products to the public.

Economic estimates range from those involved with a single, one-day event such as a boxing match to an event that stretches over an extended period of time such as the Olympic Games. There have been estimates of the broader impact of golf on the economy of a state. Finally, from a macro perspective, there have been efforts to gauge the aggregate impact of the sports industry on the national economy. These types of studies are summarized in Table 1-2.

TABLE 1-2
Types and Examples of
Economic Impact Studies

Category	Example
One-day event	Boston Marathon
Multiday event	Masters Golf Tournament
Participation/recreation activity	Golf in the State of South Carolina
Professional team or arena	Tampa Bay Buccaneers (NFL)
Aggregate	American gross domestic sports product

NOTE: NFL = National Football League.

COMPONENTS OF ECONOMIC IMPACT ESTIMATES

These estimates generally incorporate one or two key components. First is the level of direct spending by consumers involved in the engagement of the various sports activities. For a spectator sports event, this component will include revenues from the sale of tickets and related merchandise at the event venue. It will also incorporate other related expenditures that result from the event, including public transportation, local accommodations, restaurant meals, gasoline, and other entertainment expenditures. Some estimates include compensation paid to participants and other local employees when that money is expected to remain in the local economy for which the measurement is being developed. For a participation sport or recreation activity, many of these same economic considerations are incorporated. For instance, snowboarders not only purchase lift tickets, but they may rent a car in the resort city, stay in local accommodations, and patronize local restaurants and bars.

A second component is an adjustment that reflects the fact that the initial expenditures support subsequent economic activity. For instance, the money paid by a golfer for greens fees does not simply lie dormant. Employees, service providers, and taxes are paid before the profits can be counted. Individuals who are paid by the golf course operators may spend their money in the local community as well. In a manner of speaking, each dollar is actually spent more than once. The adjustment tool used to revise the estimate is called the multiplier. The *multiplier* represents the number of times that each dollar will be spent before it “leaks out” of the economy under scrutiny.⁵ Clearly, the value of the multiplier depends upon how quickly the money exits the economy. Money that tends to stay longer will produce a higher value, whereas money that is quickly removed will result in a lower value.

To apply the multiplier, the initial estimate for the direct expenditures is increased by the percentage that is reflected in the multiplier. If the initial estimate of economic activity related to a professional golf tournament was US\$80,000,000 and the multiplier was 1.8, then the revised estimate is US\$144,000,000. Box 1-2 illustrates this type of adjustment.

The typical multiplier reportedly ranges between 1.3 and 3.0. Multipliers make sense for local estimates because the events and activities tend to bring new money into the economy, money that might not otherwise be available to local workers and merchants. Conversely, it may be argued that multipliers should not

Box 1-2

Application of the Multiplier

Initial estimate of direct economic impact of event	US\$80,000,000
The appropriate multiplier (number of times)	1.8
Equals the adjusted estimate	US\$144,000,000

be used for national events because the resultant revenues may simply represent a reallocation of the consumers' expenditures. If a person chooses to play golf instead of attending a play, it isn't new money to the national economy. However, for events that attract international fans and participants, multipliers represent an appropriate adjustment procedure. For instance, when British soccer fans spend their money at the upcoming World Cup of Soccer to be staged in Qatar, there will be a new infusion of economic activity in Qatar that otherwise would not have existed.

One-Day Events

From a relatively narrow perspective, efforts to estimate the economic impact of events that last a short period of time are often undertaken. In many cases, these events are not staged in the same location each time. For example, the Super Bowl is played in a different city each year. Not only is economic activity generated on the day of the event, but the local economy will also benefit from the short-term run-up in activity. Participants, fans, and the media use local hotels and restaurants. They rent cars and purchase souvenirs. They visit and place wagers at local casinos. They create the need for temporary jobs. Revenues from both income taxes and sales-based taxes will increase. After virtually every major event, there are media reports that indicate the estimated economic impact of the event. Event organizers and area politicians tout these estimates as justification for incurring the expenses associated with staging the event.

A recent Super Bowl in Atlanta was estimated to have brought 94,000 visitors and produced a US\$215 million economic bonanza.

Some estimates specify the number of visitors to an area as well as the economic infusion resulting from an event. A recent Super Bowl in Atlanta was estimated to have brought 94,000 visitors and produced a US\$215 million economic bonanza.⁶ In Australia, the Queensland state government looked to the Indy 300 race as a tool to help rescue a struggling economy. Prerace estimates speculated about producing 700 new jobs, 175,000 visitor nights in local accommodations, and an AUD40 million contribution to the state's economy.⁷

Multiday Events

Many major events extend for a period of several days or longer. A typical Professional Golfers' Association golf tournament takes place over one entire week, with qualifying rounds, practice rounds, pro-am competitions, and the actual tournament competition. The Summer Olympic Games extend over 17 days. The World Cup of Soccer extends over several weeks, and America's Cup Regatta may take several months from start to finish. Beyond the world of sports, a rock concert may last only one night, but an art exhibit may take place over several weeks or months.

Prior to the 2004 Olympic Games in Athens, economists were forecasting a net impact that would result in a 1 percent increase in the Greek gross domestic product (GDP). While much of this increase was directly related

to attendance at the various events, it was also believed that Greece would host an additional 1 million tourists because of its status and the favorable publicity received as an Olympic destination.⁸ For the 2000 Olympic Games in Sydney, the estimated one-month infusion to the Australian economy was AUD\$1.4 billion. The first balance-of-trade surplus for Australia in several years was attributed to the Games, and the postevent estimates placed the economic impact closer to AUD\$9 billion. That same year, America's Cup Yachting Regatta was staged in New Zealand. An estimated NZD\$187 million was pumped into the New Zealand economy based on spending from international visitors, governmental bodies, competing yachting syndicates, and the media.⁹

The growth trend associated with this type of event has been difficult for organizers and governments to ignore. For example, consider the estimate that indicated that a recent Ryder Cup competition directly created a US\$150 million injection into the local area where the event was staged.¹⁰ This figure was almost double the estimate for the Ryder Cup that was held two years earlier in Warwickshire, England. While noting an economic impact of US\$78 million, the director of economic development for the Warwickshire area indicated that the event was "a tremendous boost to the local economy. It's not just spending on hotels and entertainment, but many of the spectators will bring partners who will go shopping or visit the sights."¹¹

It's not just spending on hotels and entertainment, but many of the spectators will bring partners who will go shopping or visit the sights.

Similar estimates are often developed for nonsports events. For example, it was estimated that an exhibit of Vincent Van Gogh's paintings at the Detroit Institute of Arts pumped some US\$93 million into the metropolitan Detroit economy.¹² Table 1-3 provides a brief look at several estimates of economic impact for a variety of sports events.

Participation Sport or Recreational Activity

Recently, there have been several notable efforts to estimate the economic activity that can be attributed to a particular sport or recreational activity. In many regards, this process is similar to that of estimating the impact of events such as a one-day race. Fans attending the event not only spend money on tickets, but they also purchase lodging at temporary accommodations, meals at local restaurants, gasoline, and a variety of other goods and services. And though it is a one-day event, the duration of activity associated with it is often extended over a period of time. Using similar measurement techniques, the state of Michigan develops estimates of the economic impact of its two-week deer-hunting season, and South Carolina and Michigan scrutinize the impact of golf on those states' economies over the course of the calendar year. One recent estimate for Michigan indicated that golf created a yearly infusion of almost a billion dollars to the state's economy.¹³

One recent estimate for Michigan indicated that golf created a yearly infusion of almost a billion dollars to the state's economy.

Special Event	Geographic Scope	Estimated/Projected Economic Impact (US\$)
2000 Sydney Summer Olympics	Australia	1.4 billion
2002 Ryder Cup Competition	Warwickshire, England	78 million
2005–2006 Volvo Ocean Race	Galicia, Spain	90 million
2007 World Cup of Cricket	West Indies Islands	240 million
2007 America’s Cup Yacht Races	Valencia, Spain	10 billion
2010 NFL Super Bowl	Miami	153 million
2010 Vancouver Winter Olympics	Canada	10 billion
2011 Rugby World Cup	New Zealand	654 million
2012 London Summer Olympics	United Kingdom	6 billion
2016 Summer Olympics	Rio de Janeiro	21.66 billion
2017 Three Sports Venues	Detroit	900 million (per year)
2018 Ryder Cup	France	284 million (€235.7 million)
2018 Bundesliga	Germany	1.6 billion (£1.3 billion)
2019 MLB World Series	Houston, Texas	9 million per game
2019 MLB in London	London, England	48.7 million (£37 million)
2019 Cricket T20 World Cup	United Kingdom	447 million
2020 NCAA Football Title Game	New Orleans, Louisiana	300 million
2020 Super Bowl	South Florida	572 million
2020 NCAA Final Four	Atlanta	106 million
2021 UEFA Football (Euro 2021) ^a	Europe	2.5 billion
2022 FIFA World Cup ^a	Qatar	5 billion
2023 Rugby World Cup ^a	France	3.8 billion
2024 Summer Olympics ^a	Paris	12.9 billion (€10.7 billion)

TABLE 1-3
Economic Impact of Select Spectator Sports Events

NOTE: NCAA = National Collegiate Athletic Association; UEFA = Union of European Football Associations; NFL = National Football League; MLB = Major League Baseball; FIFA = Fédération Internationale de Football Association.

^a Projections for events for which a bid to host was either being considered or had been submitted or designated.

PROFESSIONAL TEAM OR ARENA

Local government officials often use estimates of economic impact as a justification for spending tax money and other resources to support a bid to acquire a new sports franchise or to retain an existing team. One prevailing belief is that construction jobs will be created by virtue of the need to build a new stadium or arena. For example, 12 stadiums were either built from scratch or significantly renovated for the 2014 World Cup of Soccer in Brazil. More recently, new arenas were constructed to lure an NFL team and a National Hockey League team to Las Vegas. A variety of other jobs will also be created; these range from lower-paid seasonal jobs at the venues to highly paid executives and athletes. Each of these individuals will earn income and pay taxes. They will also spend money on local housing and at local retailers. In addition to this economic infusion, spectators will spend money at the sports venue. The visiting team may also have a large following of its supporters. These visiting fans also spend money on local goods and services.

While it is apparent that a sports team can drive economic activity, the exact economic impact is difficult, if not impossible, to measure. Estimates may involve a monetary amount, or they may be based upon forecasts of measures of increases in local employment. The projections may focus on a single year, or they may represent forecasts that encompass a number of years over an extended period of time.

The Virginia Baseball Stadium Authority was formed in a successful effort to convince MLB to move the Montreal team to the Northern Virginia–Washington, DC, area. The group also had to convince local residents and government officials that the team would make a meaningful contribution to the local economy. They cited estimates for the construction of a new baseball park and annual inflows that would result from operations. As a result, the team was moved to Washington, DC.

The construction of the stadium was projected to last two years. The project was estimated to create 3,384 jobs that would generate almost US\$9 million in tax revenues. Following its completion, the stadium was projected to create 3,938 full-time jobs that would result in some US\$20.8 million per year in tax revenues for the state and local governments. Overall, for the first 30 years, the estimated impact for the affected government entities was some US\$266.4 million.¹⁴ It is important to note that these estimates simply looked at tax collections, and they did not consider the significant impact that the team might have on local businesses.

Another comprehensive study was undertaken by the city of Arlington, Texas, in its effort to determine the contributions of the local MLB team. The assessment took four categories into account. The economic impact was deemed to have been derived from franchise operations, visiting team personnel spending, patron spending, and out-of-stadium miscellaneous activities. It also considered two types of economic output: direct and induced. The net result was that the stadium activities were projected to contribute approximately US\$155 million to the city's economy on a yearly basis. The categories and the corresponding estimates are summarized in Table 1-4.

Aggregate Economic Impact

There have been broad-based estimates that were designed to provide a measure of the overall economic impact of the sports industry on a large economy such as a state or an entire country. The biggest dilemma faced by those seeking to implement this type of measurement process is that of reaching an agreement on exactly what constitutes the sports industry domain. In other words, what should be measured? While measurement may be comparatively simple when the focus is a single event such as the Super Bowl, it becomes more complex when the focus shifts to estimates for events such as the Olympics that take place over an extended period of time. When the objective becomes one of determining the aggregate economic impact of sports, the task becomes increasingly difficult. Perhaps the most problematic issue is the failure to accurately define the sports industry.¹⁵ To fully assess the economic impact, there is a need to consider three primary sectors. According to one source, these three sectors are as follows:

- sports entertainment,
- sports products, and
- sports support organizations.¹⁶

Categories	Spending (US\$)	Total Economic Impact (US\$)
Franchise operations		
Tickets	81,521,000	
Parking revenue	10,166,000	
Concessions/souvenirs	33,419,000	
Category total		125,106,000
Visiting team personnel spending		
Hotel	208,000	
Restaurant	132,000	
Category total		340,000
Patron spending		
Hotel/lodging	5,224,000	
Restaurants/bars	8,055,000	
Grocery stores	4,181,000	
Car rentals/gasoline stations	3,118,000	
Convenience stores	2,339,000	
Other retail	1,559,000	
Category total		24,476,000
Out-of-stadium miscellaneous activities		
Category total	5,130,000	5,130,000
Total economic impact		155,052,000

TABLE 1-4
Economic Impact Study—
Arlington, TX

SOURCE: W. Schaffer, "The Sports Industry: Definitions and Reappraisals" (unpublished paper, April 1997), Southern Regional Science Association.

When activities in these sectors are measured, the aggregate economic impact can be calculated. Much the way a nation's total economic output constitutes its GDP, a comparable measure can be tailored to the sports industry. This measure has been defined as the *gross domestic sports product (GDSP)*.¹⁷ A good starting point is an understanding of exactly what components make up each of these three sectors. They are summarized in Table 1-5. The lists shown are designed to provide an understanding of each sector. While each list is a representation of its domain, they are far from complete. This difficulty in identifying the components of sports marketing makes the measurement of GDSP even more difficult.

There have been limited efforts to compute the GDSP over the years. One somewhat dated estimate for the United States is from 1995. The figure of US\$151.9 billion made sports the 11th largest industry in the United States and comprised slightly more than 2 percent of the overall GDP.¹⁸ Thus, if we take the GDP from government statistics that are published each year, we can develop a rough estimate of the GDSP by multiplying the GDP figure by 2 percent. For example, the estimate for the American GDP in 2020 was US\$20.93 trillion.¹⁹ Thus, 2 percent of that value, or US\$418.63 billion, would represent the portion that is estimated to have been devoted to the sports industry in the United States in 2020. Of note here is the COVID-19 pandemic. Not only was the 2020 GDP lower for the United States than it was in 2019, but the 2 percent figure is likely overstated. Events were canceled or played with a limited number of fans in the venue. Participation venues such as gyms were closed or operated with limited capacities.

TABLE 1-5
The Components of the
GDSP

Sports Entertainment	Sports Products	Sports Support Organizations
Spectator sports tickets	Sporting goods	Consulting firms
Pro and amateur	Sports-related goods	Advertising agencies
Participation sports fees	Apparel	Sports law services
Spectator sports concessions	Footwear	Agents
Spectator sports souvenirs	Videos	League offices
Pari-mutuel betting receipts	Magazines	Sports organizations
Sports museum/display receipts	Licensed products	NCAA
Related tourism	Sports investment	USOC
	Construction	
	Stadiums	
	Golf courses	
	Ski resorts	
	Swimming pools	
	Net sports export	

NOTE: GDSP = gross domestic sports product; NCAA = National Collegiate Athletic Association; USOC = United States Olympic and Paralympic Committee.

So, revenue was down. People spent less money on a number of sports products. Spending was down. If we instead look at 2019, with a GDP of US\$21.43 trillion, the estimated GDSP for the United States in 2019 was a more feasible US\$428.6 billion. Hopefully, we are witnessing an exit from the COVID-19 pandemic and a rebound of sports-related expenditures that impact the GDSP.

One concern related to the 2 percent benchmark is that expenditures on sports goods and services are likely to be growing faster than the overall economy. Thus, it is likely that the 2 percent figure is low, thereby resulting in a conservative estimate for the American GDSP. Care should also be taken not to assume that the 2 percent figure is applicable in the task of estimating the GDSP for countries other than the United States. Still, by any measure, it is evident that sports are a major force in a nation’s economy. It is this force that has led to the growth of jobs for those seeking employment in the sports marketing industry.

CAREER OPPORTUNITIES IN THE FIELD OF SPORTS MARKETING

As evidenced by the increased emphasis on economic considerations, it is obvious that, for many, the sports industry has evolved into a form of business where the focus is on the bottom line. This focus has resulted in an increased need for individuals who are trained in marketing. In many cases, this training takes the form of a traditional marketing curriculum. But the growth of the industry has created an increased demand for employees with both education and experience specific to the field of sports marketing. This growth is a global phenomenon.

The growth of the industry has created an increased demand for employees with education and experience specific to the field of sports marketing. Figure 1-3 provides an example of a typical organizational chart for a professional sports team. A quick perusal of the chart identifies a vast array of opportunities for those seeking to

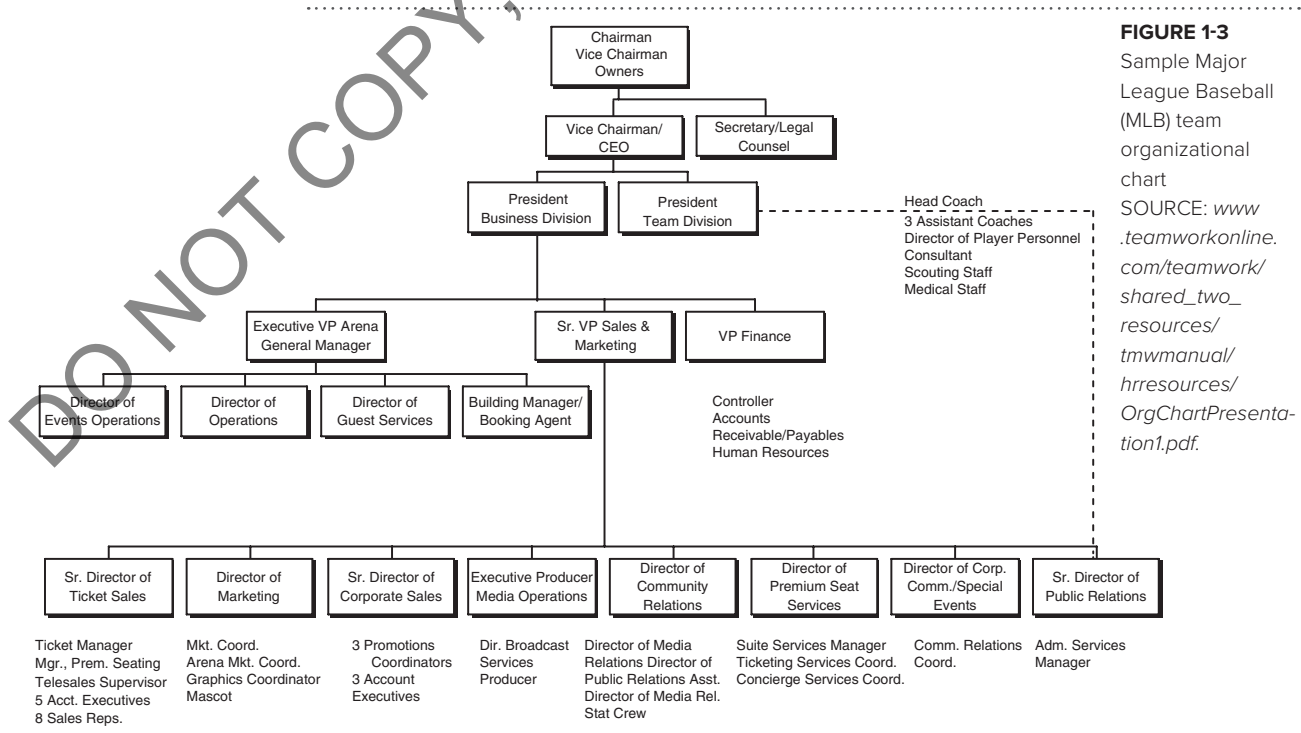
become part of the most visible aspect of the sports marketing industry, namely the marketing of spectator sports. Note the bottom two tiers that reflect the entry-level positions available to today's graduates. Employees with skill sets in the areas of ticket sales, marketing, corporate sales, media operations, community relations, premium seat services, community/special events, operations, public relations, event operations, operations (facilities management), guest services, and event booking are all in demand. Since that chart was made available, likely additions for entry-level positions involve social media, analytics, and customer relationship management (CRM; fan engagement). The dilemma lies in the fact that there is an even greater supply of candidates seeking employment in the field of sports marketing.

The career opportunities include jobs within both broad domains of sports marketing. Specifically, there is a need for employees with the requisite skills for the effective marketing of myriad sports products as well as for individuals who are adept at using the sports environment to facilitate the marketing of a vast array of nonsports products.

How can we sell more tickets to a golf tournament? How can we get more fans to watch a golf tournament on TV? How can we recruit new participants to play the game of golf? What techniques can be used to get more golfers to play a particular course? Can a marketing strategy be designed so as to create a preference for a particular brand of golf ball? And how can golf be used as part of a strategic initiative designed to support the marketing of a luxury automobile? Clearly, there are many opportunities to work within the field of sports marketing. The following discussion is meant to highlight some of these career opportunities.

Internships

First and foremost, students who are interested in working in the sports marketing industry should seek to be placed in an internship program prior to graduation. This is especially true for anyone seeking to be involved in the marketing of spectator sports. Most professional teams seek interns in a variety of career paths.



While these encompass many dimensions of marketing such as sponsorship sales, ticket sales, and corporate promotions, they also include other business functions such as accounting, hospitality, and human resources.

Students who are interested in working in the sports marketing industry should seek to be placed in an internship program prior to graduation.

The upside of these internships is the networking that allows students to develop relationships with practitioners in the sports industry. They also allow one to gain experience in the field, and this experience is often a key asset upon graduation. Interns are likely to discover that while it is the sports industry, it is still a job that is quite demanding of their time. The downside is that most internships are unpaid. It is the simple law of supply and demand. There are few positions, and many students are seeking them; thus, the cost of hiring an intern is quite low. The reality is that they are often unpaid. Students need to look at the short-term sacrifice as a means of gaining long-term satisfaction with a career in the exciting world of sports marketing.

Many professional teams, organizations, and facilities post internships on their websites. Some even allow potential applicants to receive email notifications when new openings are posted. Students should invest the time to explore the websites of targeted employers and seek all available information. Consider some of the following internship and career opportunities.

Sales

As with many industries, the field of sports marketing has a need for professional salespeople. In the marketing of spectator sports, these employees may be referred to as customer service representatives. A primary task for these individuals is to sustain relationships with season ticket holders. These representatives are points of contact with consumers and organizations that have purchased season tickets in the past. Another area is that of group sales; these professionals work with both consumers and organizations that are interested in purchasing a large number of tickets for a limited number of events.

In the task of marketing through sports, a key sales area is that of selling sponsorship opportunities. Representatives of events, teams, and facilities interact with businesses that might benefit from such an association. Sponsors seldom seek ways to spend their money; rather, sports organizations approach them with sponsorship proposals. Salespeople may also be used to solicit potential advertisers who seek to reach their target markets during radio and TV broadcasts, in printed event programs, and with an array of venue alternatives such as stadium signage. Other sales positions involve premium seating (i.e., luxury boxes and ultraexpensive seats) sales. The field of sales presents an array of entry-level and senior-level opportunities for those individuals who are interested in a career in the sports marketing industry.

Advertising

Although many sports organizations depend upon advertising agencies, some will maintain an in-house staff for certain advertising tasks. This may involve copywriting, graphics design, and the purchase of media space and time. Those working in this area may be creating advertising or managing a promotional

campaign for their own sports organization. Alternatively, they may be providing similar services for clients who are seeking to use sports as a platform for marketing their own products. Advertising is an essential element for the marketers of sports as well as those involved in marketing through sports.

Website Manager

Given the omnipresence of the Internet, virtually, every sports marketer maintains its own website. The manager's tasks may well include the actual development of the website. So, not only must this person possess marketing skills, but an understanding of hypertext markup language may well be essential. Database management skills could also be required for the person working in the capacity of a website manager. Hardware and software knowledge are key assets for the management of the site. Routine communications and viral marketing campaigns are often implemented by the website manager. Thus, it is only natural that communications and general journalism skills are beneficial. Finally, since much of any organization's information technology may be outsourced, the ability to work with independent contractors would be viewed as an important component of the employee's skill set.

Social Media Coordinator

The advent and growth of social media have not gone unnoticed by sports organizations. Decisions need to be made regarding the distribution of content on outlets such as YouTube, Facebook, and Instagram. A Twitter account may be monitored with timely responses being tweeted even during the course of a game. New platforms continue to emerge, and sports marketers must be attuned to the current trends. As such, social media have become an integral part of most teams' routine interaction with their fans, so teams at all levels have sought individuals with the specific skill set required to manage this form of communication.

Marketing Research/Analytics

Every industry today has the opportunity to operate more effectively when they have enhanced their knowledge of the marketplace. Sports marketers have begun to aggressively seek information about fans, participants, and the competition. Professional teams are engaging in customer satisfaction surveys, much of which is now done online. Sports entities stay abreast of who is reaching out to them via the World Wide Web. *Web analytics* is the collection, reporting, and analysis of data available on the Internet about those individuals. The goal is to identify metrics based on your organizational goals and using the website data to determine the success or failure of those goals and to drive strategy designed to improve the user's experience.

Web analytics is the collection, reporting, and analysis of data available on the Internet.

Economic impact studies often involve surveys designed to solicit feedback on consumer behavior. The recognized value of and the need for this type of information have created the demand for employees (and independent consultants) with research skills. Knowing how to construct an effective questionnaire, how to analyze the resultant data, and how to convert those data into information that will lead to better marketing decisions is imperative.

Hospitality

Many businesses use sports as a tool for entertaining clients, employees, and business associates. This may involve facilities such as a luxury suite at a major venue or a private facility such as a tent at a local event. Salespeople are used to sell a broad array of hospitality alternatives. A key aspect of hospitality is the management of food and beverage services.

Facilities Management/Venue Operations

Sports and special event venues represent significant investments for governmental, university, and sports entities. Many venues seek a variety of entertainment alternatives. While a stadium may host 81 MLB games in a season, management often seeks an array of events to create an additional revenue stream and to better utilize the available resources. Stadiums and arenas may feature concerts, circuses, alternative sports events, and other exhibitions. The facilities manager must schedule events while avoiding conflicts. Food and beverages must be ordered. A manageable workforce must be maintained. This job involves skills in marketing, sales, human resources, planning, and hospitality.

Public Relations

Most teams, leagues, events, and associations seek positive public relations regarding their operations and role within the community. Public relations professionals write press releases and interact with the local media. These releases are also commonly sent to anyone on the organization's email distribution list. Generally speaking, the objective is to gain favorable publicity that enhances the image of the sports entity in the eyes of the public. Written and oral communication skills are extremely important for those seeking employment in this facet of the sports marketing industry.

Retailing

The sale of sports equipment, athletic shoes, and apparel is often achieved via the use of channels of distribution that feature sports specialty stores. While one might readily envision the salesperson's role in this environment, many other career opportunities exist. Store management and purchasing are two key areas for employment. Even in large, diverse retail operations, there may be a need for purchasing agents who specialize in sports-related products. Also important are those who manage storage and distribution centers in an effort to coordinate a market's supply and demand. Virtual storefronts have also emerged as a key to reaching target markets comprised of customers who are comfortable with Internet-based purchases and the desire to own products that reflect their fandom for a particular sports entity such as a team or event.

Brand Activation

This job classification only recently began to appear on the job posting boards that are used to solicit applicants. Generally speaking, an employee working within this realm of the sports marketing environment is a liaison with the organization's sponsors. These employees often assist the sponsor in its efforts to reinforce the relationship, such as the one between the NCAA and Coca-Cola, in the minds of the sponsors' target markets. By helping the sponsors to be successful, it increases the likelihood that the sponsorship will be renewed at the end of the current contract. Another of the primary tasks involves the completion of fulfillment reports

which verify that the sponsors received all of the benefits to which they were contractually entitled. An employee may monitor the media and record key occurrences such as the mention of the sponsor during a broadcast. They may schedule appearances on the part of players and other personnel, and they may be responsible for scheduling any contracted use of the venue by the sponsors. Effective communication and the resolution of problems are the key considerations in these individuals' efforts to assure that sponsors renew their contracts upon the expiration of their current deals. In essence, it is customer relationship management (CRM) but with the sponsors rather than the fans.

Sponsorship Purchasing

While the job of selling sponsorships was discussed earlier, there is a need for sponsorship experts on the buyer's side as well. Organizations such as Visa International and McDonald's are inundated with sponsorship proposals. There is a need to evaluate the proposals and invest only in those that represent the proper fit for the prospective sponsor. Thus, the task is one of eliminating sponsorship proposals that are not likely to generate an acceptable return on the sponsor's investment. While this is important for all organizations, jobs of this type are likely to exist only within large corporations that invest in a number of different types of promotional efforts.

Sponsorship Evaluation

Many consulting firms that address this task have emerged in recent years. Among those important to the sports industry are those that seek to evaluate the impact of a sponsorship over the course of an event or season. A. C. Nielsen is best known for its TV ratings; however, it has a service that is designed to provide sponsors with an estimate of the economic value of their sponsorships. Other companies employ people to develop similar measures and to sell their services to sponsors. Whether these individuals work for the sponsor or the sports organization, or if they are independent contractors, their job is one of providing a measure of value resulting from a sponsorship so that an objective estimate of the sponsor's return on investment can be calculated. Today, we often see the term *return on sponsorship investment (ROSI)* used to represent this metric. It is often this ROSI metric that dictates the sponsor's decision to renew or to terminate a relationship with a sports entity.

Participation Center Management

A key component of the sports industry is the participation market. Consumers play golf; they ski, bowl, and engage in fitness activities at local gyms. More often than not, these types of activities take place away from the participant's home. Golf course operators and fitness centers must market their services in an increasingly competitive environment. The operators of a ski resort want you to choose skiing over a golf vacation. Furthermore, they want you to select their resort over that of a neighboring competitor. Customer acquisition and customer retention are based upon the marketing efforts used by the staff of the center.

Sports Agents

Many individuals pose the question as to how they can become a sports agent. This most often involves the representation of an athlete, but it can also involve the licensing of registered trademarks. Since this job is based on contract law as well as intellectual property rights, the aspiring agent should have a good grasp of the legal environment as well as fundamental business principles. Some player

agents work as independent contractors while others are employed by major representation firms such as the International Management Group. While a law degree is not a prerequisite for an agent, it is certainly a benefit.

CAREER TRENDS

There continues to be substantial growth in the demand for employees who are trained to work in the business side of the sports industry. Major growth continues in Australia, Asia, Europe, and North America. The skills sought by employers tend to emphasize sales and marketing. Other critical areas are the media and the Internet. Recognizing this trend, colleges and universities have begun to incorporate more sports marketing and sponsorship courses into their curricula. Since prospective employers are known to cherish candidates with a sound educational background coupled with a meaningful experience, students seeking employment in the sports marketing industry should take advantage of these newer course offerings. They should also consider seeking an internship prior to graduation. The experience gained and the networking opportunities can be critical points of differentiation among students seeking to get their foot in the door of the sports marketing arena. Sports continue to gain stature as a marketing platform. This reality will help sustain the growth in the demand for sports marketing practitioners. As the field has grown, a number of entities have begun to offer assistance in an effort to match the needs of employers to the skill sets of prospective employees. Students are encouraged to visit the website of TeamWork Online (www.teamworkonline.com) to gain a better understanding of the job opportunities that exist at this very moment. International students can also find similar information at the SportBusiness International website (www.sportbusiness.com).

Sports continue to gain stature as a marketing platform; this reality will help sustain the growth in the demand for sports marketing practitioners.

CLOSING CAPSULE

There are two primary dimensions in the sports marketing environment: the marketing of sports and marketing through sports. Companies have long used sports as a platform for selling their nonsports products. Athletes are featured on packaging and endorsements for products ranging from breakfast cereals to laser eye surgery. Venue naming rights have emerged as a popular and effective means of getting a marketer's name in front of the public. The sale of officially licensed merchandise that features the logo of a popular sports entity continues to grow at a rapid pace. But perhaps the most dramatic use of sports as a marketing tool involves the use of traditional sponsorship. From large, expensive events such as the Olympics to small local grassroots events such as a charity golf tournament, sponsorship continues to represent a popular way of cutting through advertising clutter and reaching potential customers.

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Marketing of sports includes tasks such as getting more people to attend a spectator sports event, watch it on TV, or experience it via one of the alternative media available for the dissemination of the spectator sports product. In addition to the obvious focus on spectator sports, other strategies that involve efforts to influence demand for sporting goods, apparel, shoes, and a variety of other sports-related products fall within the realm of sports marketing. Finally, we must also include efforts to encourage participation in a multitude of activities as well as the provision of appropriate facilities for the participants in sports such as golf, skiing, and aerobics. Spectator sports events range from small local competitions to those with enormous global implications. Regardless of the geographic scope of the event, marketing can play an instrumental role in its financial success. Participation sports vary significantly from one country to another; in fact, there are regional differences within many ethnically and geographically diverse countries such as the United States. Marketers must recognize these differences and not treat the market as a homogeneous collection of individuals who can be reached with a single universal strategy.

The marketing of sporting goods, apparel, and athletic shoes has changed significantly in recent years. Efforts have been made to widen interest in sports such as baseball, rugby, and cricket. The Internet has made it easier to reach a global market, and retailers such as Walmart, Carrefour, and H&M have more of an international presence than ever before. Retailing has changed as large superstores have come to dominate the retail environment, and distribution channels have gotten shorter. But these retailers cannot ignore both the competition that creates obstacles and the opportunities that virtual retailing presents. Marketers have had to adapt to these dramatic changes in order to effectively reach those consumers who are predisposed to purchase a vast assortment of SASS products.

Colleges and universities have recognized the economic power of the sports industry as well as the need to develop skills among their students seeking a career in the business of sports. As a result, new programs have been developed. These range from the introduction of a single sports marketing course to doctoral programs in sports administration. These curricula continue to evolve, and today, they have a stronger business focus than ever before. Clearly, the task of marketing through sports has gained importance in today's marketing curriculum.

The acknowledgment of the power of the sports industry is based, in part, on the recent emphasis on measuring the economic impact of sporting events and activities. From one-day events such as a boxing match to overall estimates of a country's GDSP, there has been an increased effort to quantify the impact that sports have on local, regional, national, and global economies.

There are numerous opportunities for careers in sports marketing. While an interest in sports helps make the job more enjoyable, it alone will not be sufficient for the aspiring sports marketer. The prospective employer does not want to hear that you want a job in football because you are a football fan. Rather, they want to know what you can contribute to their efforts to achieve their business goals. Students are encouraged to seek internships with professional teams and sports organizations. In this capacity, they will develop skills and build a network of references for full-time jobs upon graduation. Marketing and communications skills are crucial for those seeking permanent employment in the sports industry. But aspiring sports marketers should not confuse it with playing a game. It is a job, one that demands time, energy, commitment, and knowledge.

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This initial closing capsule will conclude with some key advice offered by Rick Burton when he was the commissioner of the National Basketball League in Australia. According to Burton, the fundamental skills required to succeed in the sports sector differ little from those required in other industries. They are appearance, confidence, interpersonal skills, educational pedigree, familiarity with the industry, and track record. Team players who show initiative, work hard, speak well, write well, and think on their feet are the ones most likely to succeed.²⁰

REVIEW QUESTIONS

1. Briefly explain the two broad dimensions of sports marketing.
2. Why do you think that the marketing of products through sports has gained so much attention over the past 30 years?
3. What are the four types of sponsorship that were introduced in this chapter? Identify an example of each within your home country.
4. Explain the sports event pyramid. Select an event (not discussed in the text) that you think has managed to use effective marketing to move higher on the pyramid.
5. Why are sports marketing curricula at universities increasing their emphasis on business principles today?
6. Go to the TeamWork Online website and find a job posting that you find appealing. How will the completion of the course in which you are using this book help you prepare for that job?
7. Why has there been an increased emphasis on economic impact studies?
8. Briefly explain the GDSP.
9. Explain why multipliers are often used to adjust estimates of economic impact.
10. Why are internships considered so important for students who anticipate seeking employment in the sports marketing industry?

NOTES

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