

The Foundation of Sports Marketing

Part One presents an overview of the foundation of the sports marketing environment. It begins by providing an introduction to the two broad dimensions that have historically been deemed to make up the sports marketing industry. As such, this initial part of the text will introduce students to the strategic initiatives associated with the marketing of nonsports products via a sports platform as well as the initiatives used by marketers in their efforts to sell an array of sports products. Historically, these initiatives have simply been characterized as *marketing through sports* and the *marketing of sports*. By further classifying the marketers' actions based upon the type of products being sold and the type of strategy being employed, the industry is refined so as to provide greater clarity to the types of actions undertaken by sports marketers. The result of this process is the delineation of four distinct domains. Each of the four domains will be introduced as a precursor to a more detailed examination of the various strategic initiatives germane to the broad field of sports marketing. Part One also provides an overview of the economic impact of marketing efforts typically associated with the industry. Given the increased focus on economic considerations associated with the industry, it is appropriate that we examine the evolution of educational programs devoted to the training of aspiring sports marketing professionals. And, of course, one of the key concerns of students is addressed with a comprehensive examination of an array of career opportunities for students interested in sports marketing.

Introduction to Sports Marketing

Learning Objectives

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

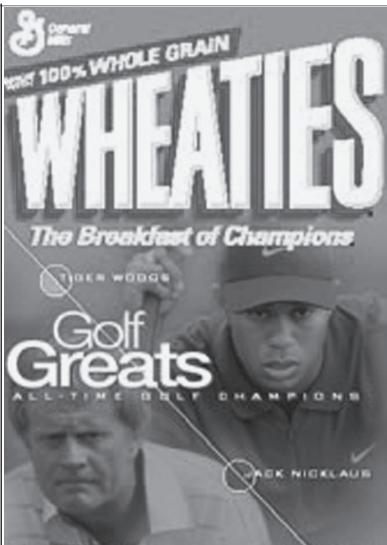
There is little doubt that the field of sports marketing has emerged as a key area in business over the past 35 years. Despite this acknowledged growth, there is still considerable confusion as to what types of activities comprise the domain of sports marketing. Most outside observers recognize the role 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 cellular telephone service. Those 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. First, it will address the task of marketing nonsports 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 both goods and services.

Marketing Through Sports

Astute marketers have long recognized the role that sports can play in the marketing of their 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 recent Wheaties box featuring golf legends Tiger Woods and Jack Nicklaus. Prior to that, the manufacturer of Jockey underwear capitalized on the endorsement of the most famous athlete in Major League Baseball 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.

FIGURE 1.1
Replica of Wheaties Box Featuring Golf Legends



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, Pepsi-Cola implemented a sports platform by airing an advertisement during the broadcast of the Super Bowl as a way of reaching almost 100 million members of its target market in America. *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 various 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 is an official sponsor of the upcoming 2012 Olympic Games in London. *Venue naming rights* are based upon the marketer's ability to have its name attached to a physical facility. A recent example is AT&T Park. In this case, the Major League Baseball stadium in San Francisco is designated by the name of a major provider of communications services 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 T-shirts increase in value by a substantial amount as soon as a sports team's logos are printed on them. Finally, marketers can use *endorsement strategies*. Popular athletes such as Tiger Woods and David Beckham often are used to gain attention and influence selective demand for a variety of products. Chapters 4 through 12 take a comprehensive look at each of these four sponsorship-based strategies.

In addition to sponsorship strategies, products are marketed through sports using a variety of traditional approaches. Advertising can incorporate a sports theme; packaging can feature sports activities; products can be sold at sports venues. These traditional strategies involve the exploitation of opportunities provided by the sports environment by carefully considering target market decisions and by establishing product, promotion, pricing, and distribution strategies that can be used to influence demand within the firm's selected target markets.

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. These strategies will be the focus of Chapters 3 through 12.

STRATEGIES FOR MARKETING THROUGH SPORTS

1.1

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

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 products and services. But even this domain is often not fully understood. There is a question of exactly what falls into the category of sports products and services. From the most basic perspective, this category is often presumed to be comprised of three subcategories. They are:

- Access to spectator sports events.
- The provision of venues for participation sports.
- Sporting goods and apparel.

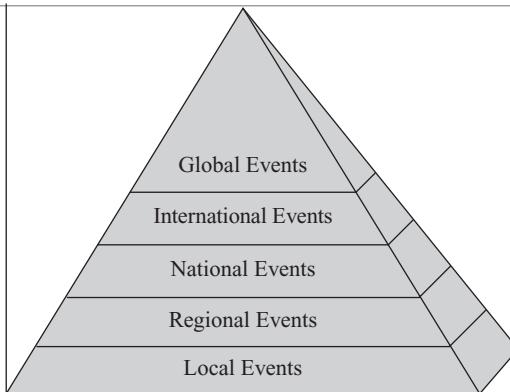
Access to Spectator Sports Events

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 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 affordable. Some have even resorted to selling tickets that feature an "all-you-can-eat" component. To be more family-friendly, some teams have established family seating areas where the consumption of alcoholic beverages is prohibited. Clearly, there are 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 are consistent 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 wide

FIGURE 1.2
The Sports Event Pyramid



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 geographic scope. 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 find it difficult to generate much interest from even the most avid sports fan 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 the 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 has 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. Many 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 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 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, 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, the America's Cup Yachting Regatta, and Super 14 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 NFL's Super Bowl was best described as a national event at its inception in 1967. But today it is broadcast across the world. The 2008 game was broadcast in 223 countries and territories in 30 languages by a total of 60 international broadcast organizations. It is estimated that the broadcast was viewed by one billion people.² Clearly, the Super Bowl has used aggressive marketing to move itself 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 is comprised of *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. These events will draw millions 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.

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 2008 Super Bowl broadcast was approximately \$2.7 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 \$50 million. For instance, the fees charged to the 12 companies that were part of the Olympic Partnership program (TOP Worldwide Sponsorship Programme) for the Olympic cycle that included the 2006 Winter Olympics in Italy and the 2008 Summer Games in China were reported to reach \$80 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 now 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 also must compete with television, theaters, and museums for the consumers' time and money. Also important, consumers today are more inclined to participate in sports activities, and this participation is viewed by many to be in 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 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 Gold's Gym to be a superior alternative. 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 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. A golf course 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 ten-pin bowling. The 40 most popular participation sports and activities in the United States are shown in Table 1.1. The list illustrates the variety of activities and the array of opportunities that are available to sports marketers.

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. Ironically, both of these trends seem to have changed direction within the last few years. The golf market fell slightly in 2006 while the bowling market benefited from significant growth. What is evident from the table is that the most dramatic growth has involved cardiovascular exercise and weight training. This would explain the explosive growth in the marketing of health clubs such as Curves and resistance equipment such as that offered by Bowflex.

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

TABLE 1.1
Most Popular Sports and Leisure Activities in the United States in 2006

Source: Anonymous, "SGMA 2007 Sports & Fitness Participation Report," September 5, 2007, www.SGMA.com (accessed April 11, 2008). Reprinted with permission of SGMA.

Activity	Number of Participants	Growth from 2005
Free weights (combined)	106,565,000	14.1
Walking (fitness)	100,239,000	10.8
Bowling	54,305,000	5.4
Camping	53,322,000	0.9
Treadmill exercise	49,798,000	19.0
Bicycling (recreational)	46,376,000	6.9
Billiards/pool	46,990,000	10.3
Freshwater fishing	44,597,000	3.1
Stationary cycling	43,267,000	14.1
Resistance machines	41,385,000	18.0
Weight resistance machines	41,385,000	18.0
Aerobics (combined categories)	40,516,000	6.7
Running	37,922,000	9.4
Stretching	32,570,000	15.0
Hiking	29,406,000	NA
Golf	28,743,000	(2.0)
Hunting	26,643,000	(3.0)
Home gym exercise	25,654,000	22.1
Basketball	24,665,000	6.1
Elliptical motion training	22,751,000	23.3
Abdominal machine/device	22,539,000	22.0
Target shooting	21,684,000	5.9
(Other) Exercise to music	21,552,000	15.8
Darts	22,195,000	10.1
Football	20,990,000	6.7
Soccer	19,476,000	(4.1)
Swimming (fitness)	18,694,000	9.0
Baseball	16,114,000	(2.3)
Table tennis	15,107,000	16.0
Tennis	14,665,000	1.8
Yoga/Tai Chi	14,152,000	19.1
Stair climbing machines	13,940,000	16.4
Volleyball	13,405,000	(10.0)
In-line skating	13,069,000	(1.1)
Fishing (salt water)	12,684,000	(4.7)
Horseback riding	11,576,000	(12.8)
Skateboarding	11,083,000	5.2
Pilates training	10,642,000	17.9
Ice skating	10,578,000	(2.1)
Softball	10,537,000	(4.1)

the marketing of sports, 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

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.

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 equipment. 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 one's proficiency at his or her 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 advance. And while the social bowler may purchase 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.

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 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 also can 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 14 as we begin to focus on the strategies specific to the marketing of sports products.

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 virtually no training as to how a sports platform could be created in the task of implementing effective strategies for the marketing of nonsports products.

Business curricula have been slow to incorporate sports marketing as part of a degree program. This is changing, however, as we are witnessing a significant growth in the

number of courses and programs that feature sports marketing. Some programs such as the sports marketing program in the Business school at ESSEC in France 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 forebearers 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 to increase 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 TV 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 in both theory and practice.

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 also have 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 (IEG) in the United States and SportBusiness International in the UK have offered traditional and Web-based seminars 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 recent efforts that emphasized the calculation of estimates for the financial impact of some sport or a specific sports event. Similar estimates also have 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 financial incentives that are granted and costs that are incurred as a result of playing host to a team or an event. These estimates also are 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	America's Cup Yachting Regatta
Participation/recreation activity	Golf in the state of Arizona
Professional team or arena	New York Yankees
Aggregate	American Gross Domestic Sports Product (GDSP)

APPLICATION OF THE MULTIPLIER

1.2

Initial estimate of direct economic impact	\$7,000,000
(times) the appropriate multiplier	1.7
Adjusted estimate	\$11,900,000

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 an event, this component will include revenues from the sale of tickets and related merchandise at the event venue. It also will 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, downhill skiers not only purchase lift tickets, but they may take a plane to 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 was \$7,000,000 and the multiplier was 1.7, then the revised estimate is \$11,900,000. 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 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 Brazilian soccer fans spend their money at the upcoming World Cup of Soccer to be staged in the Republic of South Africa, there will be a new infusion of economic activity 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 economy also will 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 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 \$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 \$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 a \$40 million (U.S.) contribution to the state's economy.⁷

Multiday Events

Many major events extend for a period of several days or longer. A typical PGA golf tournament takes place over one entire week, with qualifying, 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 the America's Cup Regatta takes 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 also was believed that Greece would host an additional one 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 \$1.4 billion. The first balance-of-trade surplus for Australia in several years was attributed to the Games. That same year, the America's Cup Yachting Regatta was staged in New Zealand. An estimated \$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 the 2004 Ryder Cup competition directly created a \$150 million injection into the southeastern Michigan region where the event was staged.¹⁰ This figure was almost double the estimate for the 2002 Ryder Cup that was held in Warwickshire, England. While noting an economic impact of \$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

TABLE 1.3
Economic Impact of Select Sports Events

Special Event	Geographic Reach	Estimated Economic Impact (US\$)
2000 Sydney Summer Olympics	Australia	\$5 billion
2000 America's Cup Yachting Regatta	New Zealand	\$187 million
2002 Ryder Cup golf competition	Warwickshire, England	\$78 million
2004 Ryder Cup golf competition	Southeast Michigan	\$150 million
2005–06 Volvo Ocean Race	Galicia, Spain	\$90 million
2006 Ryder Cup golf competition	Ireland	\$215 million
2007 West Indies World Cup of Cricket	West Indies Islands	\$240 million
2007 America's Cup Yachting Regatta	Valencia, Spain	\$10 billion
2008 UEFA Football (EURO 2008)	Europe	\$2.2 billion
2010 Vancouver Winter Olympics	Canada	\$10 billion
2012 London Summer Olympics	United Kingdom	\$6 billion

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 contributed some \$93 million to 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 where the fans in attendance not only spend money on tickets; they also purchase lodging at temporary accommodations, restaurant food, gasoline, and a variety of other goods and services. Participants often spend money on these same goods and services. 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 \$950 million to the state's economy.¹³

One recent estimate for Michigan indicated that golf created a yearly infusion of \$950 million to the state's economy.

Professional Team or Arena

Local governmental 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 one. One prevailing belief is that construction jobs will be created by virtue of the need to build a new stadium or arena. A variety of other jobs also will 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 also will 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 also may 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 recently formed in a successful effort to convince Major League Baseball to move the existing 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.

The construction of the stadium was projected to last two years. The project would create 3,384 jobs that would generate almost \$9 million in tax revenues. Following its completion, the stadium was projected to create 3,938 full-time jobs that would result in some \$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 \$266.4 million.¹⁴ It is important to note that these estimates simply looked at tax collections and 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 Major League Baseball 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 \$155 million to the city's economy. The categories and the corresponding estimates are summarized in Table 1.4.

TABLE 1.4
Economic Impact
Study—Arlington, TX

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

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

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 agreement on exactly what constitutes the sports industry domain. In other words, what should be measured? While measurement may be relatively 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 more 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

- Sports entertainment.
- Sports products.
- Sports support organizations.¹⁶

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 gross domestic product (GDP), a comparable measure can be tailored to the sports industry. This measure has been specified 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 \$151.9 billion made sports the eleventh 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 2007 was

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	
	Stadia	
	Golf courses	
	Ski resorts	
	Swimming pools	
	Net sports exports	

\$13.84 trillion.¹⁹ Thus 2 percent of that value, or \$277 billion, would represent the portion that is estimated to be devoted to the sports industry in 2007.

A major concern is that expenditures on sports products 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 also should 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.

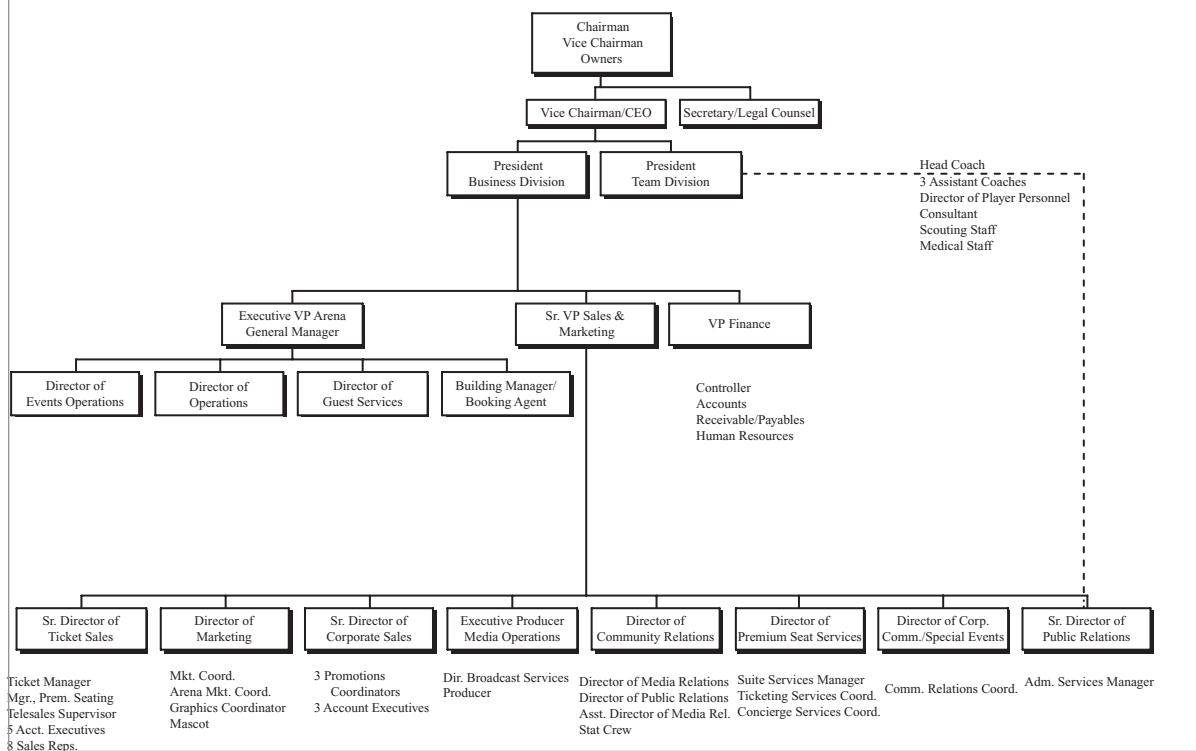
Career Opportunities in the Field of Sports Marketing

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 education and experience specific to the field of sports marketing. This growth is a global phenomenon with the most significant increases occurring in Australia, China, Europe, and North America.

FIGURE 1.3 Sample Major League Team Organizational Chart

Source: www.teamworkonline.com/teamwork/shared_two_resources/tmwmanual/hrresources/OrgChartPresentation1.pdf.

SAMPLE MAJOR LEAGUE TEAM ORGANIZATIONAL CHART



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, which 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. 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 key domains of sports marketing. Specifically, there is a need for employees with skills required for the effective marketing of a myriad of sports products as well as for individuals who are adept at using the sports environment to facilitate the marketing of nonsports products.

How can we sell more tickets to a golf tournament? 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 may even 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 seeking them; thus, the cost of hiring an intern is quite low. 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 Web sites. Some even allow potential applicants to receive e-mail notifications when new openings are posted. Students should invest the time to explore the Web sites 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 (CSR). The 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. 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 also may 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 ultra-expensive 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

While 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.

Marketing Research

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. 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 demand for employees (and independent consultants) with research skills.

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 tent at a local event. Salespeople are used to market a broad array of hospitality alternatives. A key aspect of hospitality is the management of food and beverage services.

Facilities Management/Stadium 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 Major League Baseball 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, political gatherings, 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.

Brand Activation

This job classification has only recently begun to appear on the job posting boards 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. One of the primary tasks involves the completion of fulfillment reports that verify that the sponsors received all of the benefits to which they were entitled. They 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 key considerations in these individuals' efforts to assure that sponsors renew their contracts upon the expiration of their current deals. In essence, it is relationship marketing, but with the sponsors rather than the spectators.

Web Site Manager

Given the incredible growth of the Internet, many sports marketers maintain their own Web sites. The manager's tasks may well include the actual development of the Web site. So not only must this person possess marketing skills, but an understanding of hypertext markup language (HTML) may well be essential. Database management skills also could be required for the person working in the capacity as a Web site 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 Web site manager. Thus, it is only natural that communications and general journalism skills are beneficial. Finally, since much of any organization's information technology is outsourced, the ability to work with independent contractors would be viewed as an important component of the employee's skill set.

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 e-mail 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 communications skills are extremely important for those seeking employment in this facet of the sports marketing industry.

Retailing

The sale of sports equipment 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.

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 these 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 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 recently introduced a new 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 for 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 ROI can be calculated. It is often this ROI measure that dictates the sponsor's decision to renew or terminate a relationship with a sports property.

Participation Center Management

A key dimension in the sports industry is the participation market. Consumers play golf, ski, bowl, and engage in fitness activities. 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.

Agents

Many individuals pose the question of how they can become an agent. This most often involves the representation of an athlete, but it also can 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 (IMG).

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, China, 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 meaningful experience, students

	<p>seeking employment in the sports marketing industry should take advantage of these newer course offerings. They also should 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 will continue to gain stature as a marketing platform. This 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 Web site of Teamwork Online (www.teamworkonline.com) to gain a better understanding of the job opportunities that exist at this very moment. International students also can find similar information at the SportBusiness International Web site (www.sportbusiness.com).</p> <p style="text-align: center;">Sports will continue to gain stature as a marketing platform; this will help sustain the growth in the demand for sports marketing practitioners.</p>
Closing Capsule	<p>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 products. Athletes are featured on packaging and in 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 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.</p> <p style="text-align: center;">Sponsorship continues to represent a popular way of cutting through advertising clutter and reaching potential customers.</p> <p>The marketing of sports includes tasks such as getting more people to attend an 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 domain of sports marketing. Finally, we also must 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 ethnic 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.</p> <p>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 basketball,</p>

rugby, and cricket. The Internet has made it easier to reach a global market and retailers such as Wal-Mart, Carrefours, and Kmart 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. Marketers have had to adapt to these dramatic changes in order to effectively reach those consumers who are predisposed to purchase a vast array of sporting goods.

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 gross domestic sports product, there has been an increased effort to quantify the impact that sports have on local, national, and global economies.

Aspiring sports marketers should not confuse it with playing a game. It is a job, one that demands time, energy, commitment, and knowledge.

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. 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.

This initial closing capsule will close 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 nonsports products through sports has gained so much attention over the past 20 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?

	<p>6. Go to the Teamwork Online Web site 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?</p> <p>7. Why has there been an increased emphasis on economic impact studies?</p> <p>8. Briefly explain the GDSP.</p> <p>9. Explain why multipliers are often used to adjust estimates of economic impact.</p> <p>Why are internships considered so important for students who anticipate seeking employment in the sports marketing industry?</p>
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