

FIFTH EDITION

# SPORTS MARKETING

A STRATEGIC PERSPECTIVE

MATTHEW D. SHANK  
& MARK R. LYBERGER



# Sports Marketing

## 5th edition

Now in a fully revised and updated 5th edition, *Sports Marketing: A Strategic Perspective* is the most authoritative, comprehensive and engaging introduction to sports marketing currently available. It is the only introductory textbook to adopt a strategic approach, explaining clearly how every element of the marketing process should be designed and managed, from goal-setting and planning to implementation and control.

Covering all the key topics in the sports marketing curriculum, including consumer behavior, market research, promotions, products, pricing, sponsorship, business ethics, technology and e-marketing, the book introduces core theory and concepts, explains best practice, and surveys the rapidly-changing, international sports business environment. Every chapter contains extensive real-world case studies and biographies of key industry figures and challenging review exercises which encourage the reader to reflect critically on their own knowledge and professional practice. The book's companion website offers additional resources for instructors and students, including an instructors' guide, test bank, presentation slides and useful weblinks.

*Sports Marketing: A Strategic Perspective* is an essential foundation for any sports marketing or sports business course, and an invaluable reference for any sports marketing practitioner looking to improve their professional practice.

Ancillary materials are available online at [www.routledge.com/cw/shank](http://www.routledge.com/cw/shank).

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# **Sports Marketing**

## **A Strategic Perspective**

### **5th edition**

Matthew D. Shank and Mark R. Lyberger

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*Shank: To Robert Ilseman and Donald Welling, for their dedication to youth sports*

*Lyberger: To all those who have supported my sporting endeavors, foremost, my  
father, wife, son and daughter*

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# Preface

## Overview

One of the greatest challenges for sports marketers is trying to keep pace with the ever-changing, fast-paced environment of the sports world. For example, since the first edition of this text was published in 1999, amazing changes have taken place and challenges to sports marketers emerge daily. First, costs and valuations have been rising quickly. For example, Merrill Lynch estimated Qatar will spend over \$65 billion to prepare for the 2022 world soccer competition while Brazil's projected budget for hosting the World Cup is \$13.3 billion and \$18 billion for the Olympics, not counting projected public and private expenditures needed before the competitions. Furthermore, valuations of sport franchises have skyrocketed, Steve Ballmer's recent \$2 billion offer for the Los Angeles Clippers, a bid nearly four times that of the last record sale, underscores the logical tendency and nonchalance in which sports brands are valued.

Athletes' salaries continue to escalate; for example, even though the Philadelphia Phillies have accumulated player salaries that encompass three of the top ten highest paid players in MLB, \$25 million for Ryan Howard and Cliff Lee and \$23.5 million for Cole Hamels, they rank third behind the N.Y. Yankees and L.A. Dodgers in total team expenditures. For the first time since 1998, the Yankees no longer can claim baseball's spending crown, that honor goes to the Dodgers in a runaway – with an estimated payroll of more than \$235 million while the Yankees estimated payroll was just shy of \$204 million.

To offset these costs leagues and teams alike are procuring lucrative television and media contracts and continue to expand and amend facilities. For example, the NFL recently secured extension deals with ESPN, CBS and FOX. ESPN recently agreed to expend \$1.9 billion per year for the rights to broadcast Monday Night Football. CBS, which has aired NFL broadcast since 1956, recently agreed to pay \$1 billion per year for the rights to broadcast the AFC Conference games while Fox Sports agreed to a \$1.1 billion per year expenditure for NFC Conference broadcast starting in 2014. These expenditures top the SkySport's agreement, which amounted to €760 million (\$1.22 billion) per year for broadcasting the Premier League.

To remain attuned to market demand sport teams are constantly on the lookout for ways to improve the sporting landscape, often through the use of public subsidies. Stadium new builds and/or retrofits continue to occur at a rapid pace with escalated costs. The Sochi Winter Olympics recently became the most expensive Olympics in history, with an estimated expenditure of \$51 billion. The newest US pro stadiums have cost estimates of \$975 million (Minnesota Viking Stadium), \$1.15 billion (Cowboys Stadium) and \$1.6 billion (Metlife Stadium). Furthermore, on the collegiate landscape, college sports organizations continue to build bigger, nicer, state of the art

## Preface

facilities to compete in the “competitive” arms race. Industry experts estimate that more than \$17 billion have been spent on stadium upgrades in the last decade.

Each ticketholder will also pay more to attend the games in these plush new facilities. Ticket prices continue to increase and to drive the common fan out of the sport arena. For instance, the average seat price at an NBA game more than doubled from \$22.52 in 1991 to \$51 in 2014. But this may not be the largest problem in sports, as scandals emerge daily. For example, Donald Sterling’s racial transgressions, the Penn State child sexual abuse scandal, Tiger Woods and his marital woes, Rick Pitino’s extortion trial, the Ohio State football team tattoos-for-memorabilia, and the list goes on and on.

The one constant in this sea of change is the incredible appetite of consumers for sports. We get sports information on the Webwatch, sports in high definition on network and cable TV, read about sports in the newspaper and sports magazines, talk to friends about sports, purchase sports merchandise, participate in sports (both fantasy and real), and attend sporting events in record numbers. The sports industry has experienced tremendous growth and is estimated by AT Kearney to be a \$480-\$620 billion industry worldwide. Moreover, the sports industry is flourishing around the globe. The expansion of the sports industry has triggered a number of important outcomes: more sports-related jobs being created, and more students interested in careers in the sports industry. As student interest grows, demand for programs in sports administration and classes in sports marketing have also heightened.

In this book, we will discover the complex and diverse nature of sports marketing. Moreover, a framework will be presented to help explain and organize the strategic sports marketing process. Even if you are not a sports enthusiast, you should become excited about the unique application of marketing principles and processes that pertain to the sports industry.

### **Why this book?**

Programs and courses in sports marketing have emerged at many universities across the country. Surprisingly, few sports marketing textbooks exist and not one is written from a strategic marketing perspective. In the first edition of this book, Dr. Shank sought to fill this void. The second edition represented an effort to improve the first edition and capitalize on its strengths. The third edition attempted to continuously improve the content and focus on the current relevant issues in sports marketing. The fourth edition provided more focus on the important issues in sports marketing theory and practice. Our goals for the fifth edition are to provide:

- ▶ *A framework or conceptual model of the strategic marketing process that can be applied to the sports industry.* The contingency framework is presented as a tool for organizing the many elements that influence the strategic sports marketing process and recognizes the unpredictable nature of the sports industry. In addition, the contingency framework allows us to explore complex relationships between the elements of sports marketing.
- ▶ *A more concise and focused approach describing the internet and social media and their relationship to understanding strategic sports marketing.* Advances in internet and social networking platforms, though constantly changing and often considered evolutionary, continue to have an impact on organizational strategy. They have had a dramatic impact on the delivery and use of market strategies. The continued emergence of social media as a viable platform has generated new and innovative ways to create dialog and receive feedback, as well as further enhance methods of engaging the consumer.

- ▶ *An appreciation for the growing emphasis on the globalization of sport.* As such, international sport topics are integrated throughout the text, and are also highlighted in chapters in the “Spotlight on International Sports Marketing.”
- ▶ *An examination of current research in the area of sports marketing.* The study of sports marketing is still in its relative infancy and academic research of interest to sports marketers (e.g., sports sponsorships, using athletes as endorsers, and segmenting the sports market) has grown exponentially since the first edition of this text. It is important that students learn how academic research is applied to the “real world” of sports marketing.
- ▶ *An awareness of the many job opportunities available in the sports industry.* The one common denominator for all sports business students is the desire to secure their first job after graduation and start their careers. In this edition, we focus on several successful sports marketers who provide perspective about how and why they got started in the industry. Also, this edition retains an appendix devoted to careers in sports marketing.
- ▶ *A balanced treatment of all aspects of sports marketing at all levels.* This book attempts to capture the diverse and rich nature of sports marketing by covering the marketing of athletes, teams, leagues, and special events. Although it is tempting to discuss only “major league” sports because of their intense media coverage, the book explores different sports (e.g., cricket and women’s football) and various levels of competition (e.g., collegiate and recreational). Moreover, the book discusses the activities involved in marketing to participants of sports – another area of interest to sports marketers.
- ▶ *An introduction of the concepts and theories unique to sports marketing and a review of the basic principles of marketing in the context of sports.* Even though many of the terms and core concepts are repetitive, they often take on different meanings in the context of sports marketing. Consider the term *sports involvement*. Although you probably recognize the term *product involvement* from your principles of marketing and/or consumer behavior class, what is sports involvement? Is involvement with sports based on participation or watching sports? Is involvement with sports deeper and more enduring than it is for other products that we consume? How can sports marketers apply sports involvement to develop a strategic marketing plan? As you can see, the core marketing concept of involvement in the context of sports presents a whole new set of interesting questions and a more comprehensive understanding of sports marketing.
- ▶ *Comprehensive coverage of the functions of sports marketing.* While some texts focus on specialized activities in sports marketing, such as sports media, this book seeks to cover all the relevant issues in designing an integrated marketing strategy. Extensive treatment is given to understanding consumers as spectators and participants. In addition to planning the sports marketing mix (product, price, promotion, and place), we will examine the execution and evaluation of the planning process.

## Ground rules

This text is organized into four distinct but interrelated parts. Each part represents an important component in the strategic sports marketing process.

### **Part I: Contingency Framework for Strategic Sports Marketing**

In [Chapter 1](#), we introduce sports marketing and illustrate the breadth of the field. In addition, we will take a look at the unique nature of sports products and the sports marketing mix. [Chapter 2](#) presents the contingency framework for strategic sports marketing. This chapter also highlights the impact of the internal and external contingencies on the strategic sports marketing process. Internal contingencies such as the sports organization's mission and organizational culture are considered, as are external contingencies like competition, the economy, and technology.

### **Part II: Planning for Market Selection Decisions**

[Chapter 3](#) presents an overview of the tools used to understand sports consumers – both participants and spectators. Each step in the marketing research process is discussed, illustrating how information can be gathered to aid in strategic decision-making. In [Chapters 4](#) and [5](#), respectively, participants and consumers of sport are studied. [Chapter 4](#) examines the psychological and sociological factors that influence our participation in sport, while [Chapter 5](#) looks at spectator issues such as fan motivation. In addition, we will discuss the relationship between the participant and spectator markets. [Chapter 6](#) explores the market selection decisions of segmentation, targeting, and positioning in the context of sport.

### **Part III: Planning the Sports Marketing Mix**

[Chapters 7](#) through [12](#) explain the sports marketing mix, the core of the strategic marketing process. [Chapters 7](#) and [8](#) cover sports product issues such as brand loyalty, licensing, and the new product development process. [Chapter 9](#) introduces the basic promotion concepts, and [Chapter 10](#) gives a detailed description of the promotion mix elements of advertising, public relations, personal selling, and sales promotions. [Chapter 11](#), the final chapter on promotion, is devoted to designing a sports sponsorship program. [Chapter 12](#) tackles the basic concepts of pricing.

### **Part IV: Implementing and Controlling the Strategic Sports Marketing Process**

While the previous sections have focused on the planning efforts of the strategic marketing process, [Part IV](#) focuses on the implementation and control phases of the strategic marketing process. [Chapter 13](#) begins with a discussion of how sports organizations implement their marketing plans. In this chapter, we see how factors such as communication, motivation, and budgeting all play a role in executing the strategic plan. We also examine how sports marketers monitor and evaluate the strategic plans after they have been implemented. Specifically, three forms of control (process, planning assumption, and contingency) are considered.

### **Pedagogical advantages of sports marketing**

To help students learn about sports marketing and make this book more enjoyable to read, the following features have been retained from previous editions of *Sports Marketing: A Strategic Perspective*.

- ▶ Text organized and written around the contingency framework for strategic sports marketing
- ▶ Chapters incorporating global issues in sport and how they affect sports marketing
- ▶ Sports Marketing Hall of Fame boxes featuring pioneers in the field integrated throughout the text
- ▶ Text incorporating up-to-date research in the field of sports marketing
- ▶ Internet exercises at the end of each chapter
- ▶ Experiential exercises at the end of each chapter that ask you to apply the basic sports marketing concepts and perform mini-research projects
- ▶ Vignettes throughout the text to illustrate core concepts and make the material come to life
- ▶ Detailed glossary of sports marketing terms
- ▶ Use of ads, internet screen captures, and photos to illustrate core concepts of sports marketing
- ▶ Appendix describing careers in sports marketing
- ▶ Appendix presenting Internet addresses of interest to sports marketers

## Enhancements to the fifth edition

While we have attempted to retain the strengths of the previous editions of *Sports Marketing: A Strategic Perspective*, we also hoped to improve the fifth edition based on the comments of reviewers, faculty who adopted the text, and most importantly, students who have used the book. This edition includes the following features:

- ▶ Up-to-date examples illustrate the core sports marketing concepts in the text. As mentioned previously, the sports industry is rapidly changing and nearly 80 percent of the examples introduced in the previous editions are now obsolete. It was our goal to find new, relevant examples to illustrate key points in every chapter of the text. These new examples are meant to keep the book fresh and keep students engaged.
- ▶ New advertisements, web captures and illustrations have been incorporated into each chapter to highlight key sports marketing concepts and make the material more relevant for students. These ads and photos are examples of sports marketing principles that have been put into practice and bring the material in the text “to life.”
- ▶ New spotlights on careers in sports marketing introduce students to successful sports marketers and their jobs.
- ▶ The spotlights on international sports marketing have been revised and updated for the fifth edition to highlight this key area of growth in the sports industry.
- ▶ New screen captures of relevant web sites illustrate key concepts. Because social media is now playing such a large role in sports marketing, screen captures from various web sites have been incorporated throughout the text to bring the material to life for students. In addition, social media/internet exercises appear at the end of each chapter, and discussions of these items as an emerging tool for sports marketers appear throughout.
- ▶ New exercises have been created that afford instructors the opportunity to further integrate real life up-to-date information utilizing auxiliary materials such as *Sport Business Journal*, *Sport Business Daily*, *Sport Business* and *Bleacher Report*.
- ▶ New spotlights on ethical issues are integrated throughout the text. Hopefully, this

## Preface

will generate lively discussion in the classroom and make students more aware of the ethical issues that they will confront in the workplace.

### **Instructional support**

Various teaching supplements are available to accompany this textbook. They consist of an Instructor's Manual, Test Item File, and PowerPoint presentation. These items may be found online only at [www.routledge.com/cw/shank](http://www.routledge.com/cw/shank).

### **Acknowledgments**

The new edition of any textbook is a challenge. In fact, much more of a challenge than people think. Typically colleagues joke that a new edition just means changing dates and examples. Nothing could be farther from the truth, and the fifth edition posed significant professional hurdles and opportunities. On the professional side, the fifth edition of *Sports Marketing: A Strategic Perspective* is the most significant revision of the text since its inception. Most importantly, I have added a co-author, Dr. Mark Lyberger, who adds a wealth of expertise and brings a fresh new perspective to the text. We also welcome our new publisher, Routledge. In addition, during the fifth edition, I moved from my position as Dean of the Business School at the University of Dayton to President of Marymount University. Obviously, a significant professional commitment. Before going any further, I have to thank my wife Lynne for her patience and support. The project could never have been completed without the expertise and encouragement of many others. Although there are countless people to thank, I was greatly assisted by the thoughtful reviews that undoubtedly improved all the editions of this text. These reviewers include:

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We would also like to thank Alison Jones for without her meticulous reading, due diligence, and expedient editing this edition would not have become a reality. We are grateful for her helpful suggestions, advice and constructive comments which ultimately enhanced the final presentation of materials within the fifth edition. Finally, we are indebted to the entire Routledge team for their encouragement and making the fifth edition a reality. Special thanks go to William Bailey, and Hannah Champney. Last, but certainly not least, thank you to Simon Whitmore for his superb project management.

# Acronyms

## **Sports-related acronym list for *Sports Marketing***

ABA	American Basketball Association
ACC	Atlantic Coast Conference
ATP	Association of Tennis Professionals
BCS	Bowl Championship Series
CAPS	Coalition to Advance the Protection of Sports Logos
CSTV	College Sports TV
FBS	Football Bowl Subdivision
FCI	Fan Cost Index
FIFA	Fédération Internationale de Football Association
IBF	International Boxing Federation
IOC	International Olympic Committee
IPO	Initial Player Offerings
LPGA	Ladies Professional Golf Association
MAC	Mid-American Conference
MLB	Major Baseball League
MLBAM	MLB Advanced Media
MLS	Major League Soccer
MWC	Mountain West Conference
NAIA	National Association of Intercollegiate Athletics
NASCAR	National Association for Stock Car Auto Racing
NBA	National Basketball Association
NBDL	National Basketball Development League
NCAA	National Collegiate Athletic Association
NFL	National Football League
NFLP	NFL Properties
NFLPA	National Football League Players Association
NHL	National Hockey League
NHL-ICE	NHL-Interactive Cyber Enterprises
NJCAA	National Junior Collegiate Athletic Association
NLL	National Lacrosse League
NSGA	National Sporting Goods Association
PCT	Psychological Commitment to the Team
PGA	Professional Golf Association
PRCA	Pro Rodeo Cowboys Association
PSL	Personal Seat Licenses
SEC	South Eastern Conference
SFIA	Sports & Fitness Industry Association
SGMA	Sporting Goods Manufacturers Association

SMRI	Sports Marketing Research Institute
UFC	Ultimate Fighting Championship
USBA	U.S. Bungee Association
USOC	United States Olympic Committee
WAC	Western Athletic Conference
WBA	World Boxing Association
WBC	World Boxing Council
WBO	World Boxing Organization
WHA	World Hockey Association
WNBA	Women's National Basketball Association
WWE	World Wrestling Entertainment
YFF	Youth Football Fund

### **General acronym list**

AARP	American Association of Retired People
AIO	Activities, Interests, and Opinions
BIRGing	Basking In Reflected Glory
BLS	Bureau of Labor Statistics
CIM	Chartered Institute of Marketing
CORFing	Cutting Off Reflective Failure
CORSing	Cutting Off Reflected Success
FIU	Florida International University
FSI	Free Standing Insert
GNP	Gross National Product
IMG	International Management Group
IPR	Institute for Public Relations
JND	Just Noticeable Difference
PLC	Product Life Cycle
POP	Point of Purchase
PPV	Pay-Per-View
PRIZM	Geodemographic segment set for the USA (62 segments)
PRIZM NE	New Evolution – updated version of PRIZM (66 segments)
ROI	Return on Investment
SMART	Specific, Measurable, Attainable, Reachable, Timely
SMSA	Standard Metropolitan Statistical Area
SMU	Southern Methodist University
STP	Segmenting, Targeting, Positioning
SRS	Sponsorship Research and Strategy
SWOT	Strengths, Weaknesses, Opportunities, Threats
TQM	Total Quality Marketing
UAB	University of Alabama at Birmingham
UCF	University of California – Florida
UTEP	University of Texas at El Paso
UTSA	University of Texas at San Antonio
VALS	Values and Lifestyles

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# **PART 1**

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# **Contingency Framework for Strategic Sports Marketing**

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## Emergence of sports marketing

### **After completing this chapter, you should be able to:**

- Define sports marketing and discuss how the sports industry is related to the entertainment industry.
- Describe a marketing orientation and how the sports industry can use a marketing orientation.
- Examine the growth of the sports industry.
- Discuss the simplified model of the consumer–supplier relationship in the sports industry.
- Explain the different types of sports consumers.
- Identify historical trends and significant impacts of sport marketing practices.
- Define sports products and discuss the various types of sports products.
- Understand the different producers and intermediaries in the simplified model of the consumer–supplier relationship in the sports industry.
- Discuss the elements in the sports marketing mix.
- Explain the exchange process and why it is important to sports marketers.
- Outline the elements of the strategic sports marketing process.

## 1 Emergence of sports marketing

Mary is a typical "soccer mom." At the moment, she is trying to determine how to persuade the local dry cleaner to provide uniforms for her daughter's Catholic Youth Organization soccer team.

George is the president of the local Chamber of Commerce. The 10-year plan for the metropolitan area calls for developing four new sporting events that will draw local support while providing national visibility for this growing metropolitan area.

Sam is an events coordinator for the local 10k road race, which is an annual fund raiser for fighting lung disease. He is faced with the difficult task of trying to determine how much to charge for the event to maximize participation and proceeds for charity.

Ramiz is the Athletic Director for State University. In recent years, the men's basketball team has done well in postseason play; therefore, ESPN has offered to broadcast several games this season. Unfortunately, three of the games will have to be played at 10 P.M. local time to accommodate the broadcaster's schedule. Ramiz is concerned about the effect this will have on season ticket holders because two of the games are on weeknights. He knows that the last athletic director was fired because the local fans and boosters believed that he was not sensitive to their concerns.



**"My fan focus groups indicate  
that I should show more of my legs."**

**Ad 1.1** Concept of sports marketing

Source: Reprinted with permission. [www.cartoonstock.com](http://www.cartoonstock.com)

Susie works for a sports marketing agency that is representing a professional sport franchise. The franchise is planning to expand its international market presence. She is challenged with establishing relationships in a foreign environment which hosts a unique set of cultural values and customs.

## What is sports marketing?

The American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.<sup>1</sup> Sport and entertainment have been defined in a variety of ways, nonetheless, most definitions inclusively included terms such as: indulgence, divergence, and/or engagement; for valued outcomes of enjoyment, pleasure or amusement. Although sport may often consist of a more competitive nature, both are inclusive of retaining diverse exchange platforms. These diverse platforms provide a variety of engagement opportunities and yet, uniquely, are comprised of an array of outcomes that are distinctly similar.

**Sports marketing** is “the specific application of marketing principles and processes to sport products and to the marketing of non-sports products through association with sport.” The sports industry is experiencing tremendous growth and sports marketing plays an important role in this dynamic industry. Many people mistakenly think of sports marketing as promotions or sports agents saying, “Show me the money.” As the previous examples illustrate, sports marketing is more complex and dynamic. The study and practice of sports marketing is complex, yet interesting because of the unique nature of the sports industry.

Mary, the soccer mom, is trying to secure a sponsorship; that is, she needs to convince the local dry cleaner that they will enjoy a benefit by associating their service (dry cleaning) with a kids’ soccer team.

As president of the Chamber of Commerce, George needs to determine which sports products will best satisfy his local customers’ needs for sports entertainment while marketing the city to a larger and remote audience.

In marketing terms, Sam is trying to decide on the best pricing strategy for his sporting event; Ramiz is faced with the challenge of balancing the needs of two market segments for his team’s products; and Susie, the sport marketer, is seeking to persuade international populations of the relevance of diversifying their sport culture. As you can see, each marketing challenge is complex and requires careful planning.

To succeed in sports marketing one needs to understand both the sports industry and the specific application of marketing principles and processes to sports contexts. In the next section, we introduce you to the sports industry. Throughout this book, we continue to elaborate on ways in which the unique characteristics of this industry complicate strategic marketing decisions. After discussing the sports industry, we review basic marketing principles and processes with an emphasis on how these principles and processes must be adapted to the sports context.

# 1 Emergence of sports marketing

## **Understanding the sports industry**

### **Historical development of sports marketing in (North) America**

The evolution of sports marketing strategies to meet the needs and wants of the consumer continues to be a priority of practitioners worldwide. Today's realm of sports marketing and sponsorship, though a more dramatically effective and a much more diverse platform, is vaguely similar to what many identify as its origin, 776 BC, when the Olympic Games began. Marketers for the Ancient Olympic Games were no amateurs; these perceptive businessmen realized early on that an affiliation with a popular athlete could produce a potentially lucrative relationship.<sup>2</sup> Throughout its history, sport in some form has existed and, though the common-day term of sports marketing had not yet emerged, the process of utilizing marketing and promotion strategies to enhance delivery and production has been evident.

The roots of sports marketing in North America can be traced back to the 1850s and 1860s when many businesses, recognizing the popularity of sport, attempted to create linkages to enhance commercial opportunities by marketing through sport. Two events of this era in particular, one collegiate and one professional, illustrate the use of marketing through sport and helped lay a foundation for utilization of sport as a service medium in North America.

In 1852, a railroad official together with a group of local businessmen believed that they could garner enough interest in the marketing and staging of the event to produce economic and commercial profits. The end result was the first inter-collegiate match between Harvard University and Yale University – a two-mile rowing contest. This event took place at a quiet summer resort called Center Harbor on Lake Winnepesaukee, New Hampshire. The result demonstrated that the entrepreneurs were able to create a positive economic impact on the region, enhancing rail traffic, hotels occupancy, and revenue for the host city.

The second event is tied to the late 1850s and early 1860s and the commercialization of the new sport of baseball. Tobacco companies partnered with professional baseball leagues and began using photographs of the teams to help sell their products and services. These companies made baseball cards with pictures of the teams and players and then inserted them in cigarette packets to boost and enhance brand loyalties. Though the strategies of distribution have been altered over the years – that is, transition from the use of cigarettes, to bubblegum, to today's independent packages – these strategies laid the foundation for a new industry; the memorabilia and card collecting/trading market that exists today.

North American sport experienced a variety of popularity struggles in the late 1800s and early 1900s. A demand for reform arose and threatened sport at a variety of levels. In 1906, with the assistance of President Theodore Roosevelt, efforts were made to transform the image of sport. Strategies and regulations were implemented to enhance the safety and appeal of the game. Rules, regulations, and the control of lurking controversies, such as the controversy distinguishing the amateur and professional status of athletes, became a primary emphasis of sport organizations.

Although the early 1920s were a period of relative calm in American society, the country was intrigued by the newest technology of the day, the radio. Marketers, sports administrators, and broadcasters alike sought to integrate sports utilizing this medium; a medium at the time that many believed symbolized a coming age of

enlightenment. For, as Beville noted, no other medium has changed the everyday lives of Americans as quickly and irrevocably as radio.<sup>3</sup> In 1921, the first American baseball broadcast occurred from Forbes Field. Though this broadcast was deemed a success, marketers of the era struggled to transcend executive opinions for some believed that the broadcast would have a negative impact upon attendance and demand.

In the 1930s and 1940s sports organizations utilized radio to enhance team revenue streams. Innovative marketers began relying on the radio to get their message across to the common man. In 1936, this same forum was used as a marketing and public relations campaign to pronounce the success of Jessie Owens and his Olympic debut. Radio provided the impetus to solidify the era of patronage; however, the invention that soon followed remains to this day the most significant communication medium that has influenced and aided the development of sports. Who knew what sportscaster Bill Stern questioned and introduced in 1939 would enhance the growth and development of sports marketing practices for decades? The display platform, the television, though airing two mediocre baseball teams battling for fourth place, provided an incredibly formidable and profitable union between sport and the American public. The television provided a means for sports organizations to expand their market presence and a unique opportunity for marketers to engage their publics. The notion of a “picture being worth a thousand words” became a reality with the invention and its intervention and presentation of sports.

In 1946, radio and television broadcasting revenues together contributed only 3.0 percent of MLB revenues, but that rose to 16.8 percent by 1956. Executives such as Bill Veeck became innovators of sports marketing, utilizing radio and in-game promotional strategies to further market their teams. Owners, players, broadcasters, and fans recognized the variety of impacts television would have on the presentation of sports. In fact, television giant CBS dropped its Sunday afternoon public service emphasis to provide for a 12-week professional football broadcast.

An American consumer in the 1950s loved and demanded sports. Participation trends and fan demand steadily increased. Sports became a symbol of changing times in the United States. In 1957, Jackie Robinson broke the color barrier in baseball. The importance of this event in helping the Civil Rights Movement in the United States is evident, but it also proved the social power of sports in American culture and the impact that could be made utilizing sports as a communication medium. By including minorities in sports, the market grew. Cultural acceptance, along with media presence, provided the American public with a means to link personalities and audiences.

This prominence led to the identity era of the 1960s. Chuck Taylor/Converse, Muhammad Ali/Adidas/Champion, Jim Brown/NFL, Mickey Mantle/Major League Baseball, Arnold Palmer/PGA and Arnie’s Army, to name a few, all became marketable entities. Marketers began to utilize sport to establish linkages with consumer publics. Endorsements and sponsorships evolved. Representation through agents became the norm for those who had prominence. For example, sport marketing giant International Management Group (IMG) founder Mark McCormack and golf great Arnold Palmer instituted a legendary handshake deal which lasted more than 40 years.

The 1970s included several evolutionary events in sports marketing. Consumer demand for sport continued to rise, while existing and emerging commercial entities such as Nike, Adidas, Puma, and others fought to snatch up endorsement opportunities. Sponsorships of products by athletes continued to emerge as a trend of the decade. In fact, the first corporate sponsorship of a stadium venue occurred

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in Buffalo in 1973 – Rich Stadium. Buffalo-based Rich Products agreed to pay \$37.5 million, \$1.5 million per year over 25 years.<sup>4</sup>

In the 1970s athletes too began to make a presence. Athletes such as Joe Namath became sex symbols while advertisers began to realize that athletes could add a unique element to any product in the context of an endorsement campaign; e.g., Jack Nicolas, Muhammad Ali, Mario Andretti to name a few. This was further demonstrated at the end of the decade when Coke utilized Pittsburgh Steelers tackle, “Mean Joe Green,” to star in one of the most acclaimed Coke advertisements ever.

Throughout the 1970s mergers, acquisitions, and governmental ramifications were prominent. Title IX entitled rights for women to have further access to participate in sports. Advertising laws, that forced the tobacco industry off the TV airways, freed funding for alternative marketing and advertising strategies. These tobacco companies could avert the law by developing sponsorship arrangements, thus affording the growth of events such as Virginia Slims Tennis and NASCAR Winston Cup.

Television markets were further expanded due to cable offerings and afforded network growth. Television began bringing teams from across the country into the spotlight. A health craze swept the nation further complementing commercial and consumer ties to sport. Entrepreneurs like Ted Turner, in 1976, were afforded an opportunity to develop and market a superstation, while ESPN’s founder Bill Rasmussen, in 1979, was able to introduce the first true 24-hour sports broadcasting network.

In the 1980s salaries skyrocketed and leagues saw a need to remain competitive. Increased competition created a variety of economic and financial issues. Emphasis on television revenues became a priority. The money from media contracts became important to the team’s bottom line and its ability to recruit and pay top players. Miracle workers such as NFL Commissioner, Pete Rozelle, and Olympics marketing and television guru, Richard Pound, continued to develop and enhance sponsorship and media contracts as they related to sport. Professionals such as Rozelle of the NFL, Peter Ueberroth of NBC, and Pound of the IOC had a significant impact on the explosion of so-called strategic alliances as a result of external competitive pressures such as globalism of economies and constantly advancing technologies.<sup>5</sup>

The 1980s represented the “me” decade in sports. Sporting goods were tailored to be aligned with specific sports. With the likes of Larry Bird, Magic Johnson, Joe Montana, and the introduction to Michael Jordan, fans continued through the turnstiles, disregarding the negative influences and impacts of the sky rocketing salaries, agents, greed among teams and players, drug use by athletes, and free agency. Despite or because of the greed, sports grew in popularity and became a more desirable marketing platform.

Sport sponsorship began to see double-digit growth. Sponsor dollars were abundant and even mediocre athletes began signing contracts to endorse or wear their products.<sup>6</sup> The expansion of sponsorship as a communication medium was greatly influenced by the emergence of sports leagues and corporate involvement during the 1970s and 1980s. However, this growth did not come without resistance. Resistance by broadcasters, event managers, and consumers alike focused on the intrusion of corporate America into this restricted arena.

Many corporate CEOs became involved with sponsorship for unsubstantiated reasons; i.e., they favored a sports activity or they chose to intermingle with famous sports celebrities. Exposure through affiliation was achieved, but without justification of the

return on investment. Marketing strategies varied considerably due to the limited channels of exposure, but objectives were to align corporate endorsers to enhance the linkages and exposure of the events. This growth created a corporate reliance that would create many future marketing implications.

During the Michael Jordan era of the 1990s, television had become the driving force behind almost every league, including the NFL, NBA, NHL, MLB, NCAA, and NASCAR. In fact, the majority of teams and sport organizations became reliant upon these television revenues. Increased revenue streams offered opportunities for expansion. Organizations, such as the NHL, expanded to regions of the south while others such as the NBA began to focus beyond the Americas. Sponsorship continued to enhance the dollar pool and rose at a double-digit pace. Salaries continued to skyrocket, and leagues expanded to take advantage of untapped markets. Most fans wanted to be loyal; however, struggles such as the 1993 baseball strike had a severe impact on its popularity and adversely impacted consumer loyalty. Strategies became more focused and began to emphasize the transfer of unique connotations inherent in the property and brand image.

Although the modern world of mega-million dollar sponsorships had begun, marketers questioned the cluttered environment. The driving force behind the game and its growth had become clouded. Prior to the 1990s, management's use of sponsorship was often criticized for the cavalier and often frivolous approaches undertaken.<sup>7</sup> During this era sponsorship became entrenched as a legitimate corporate marketing tool. It saw an unprecedented double-digit growth and that had a significant impact on image, value, recognition, and method of delivery.

In recent years, sport marketing has continued to grow, but at a more moderate pace and not without restriction or limitations. In this era of social media, listening, networking, and enhancing relationships has become a priority, whereas selling is secondary. The continued advent of technology has created a much more audience-centered universe, thus, creating a paradigm that continues to evolve and innately requires sport marketers to develop a more audience-dictated framework to overcome a host of cybermarketing issues.

Demand through technology has created an international platform, a platform encompassing numerous cultural variances. Today's athletes are a global commodity. In today's sports marketing environment much more is at stake than free agency and escalated player salaries. Today, organizations seek to provision resources directly to an individual, authority, or body to enable the latter to pursue some activity in return for benefits contemplated in terms of the sports market strategy, and which can be expressed in terms of corporate, marketing, or media objectives.<sup>8</sup>

Organizations such as NFL, MLB, NASCAR, and the NBA have expanded scheduled exhibitions and displays. However, the unprecedented growth of these organizations and their popularity at the international level is not without increased marketing challenges. Technology has had a significant impact on the delivery of the product. The versatility and opportunities surrounding the use of technology enables organizations the opportunity to exploit a variety of platform delivery mediums to fulfill many of the basic functions of the marketing communications mix. In this era, the demand and usage of second screen platforms prevail. Therefore, interactive positioning of a product is a key to its marketing success.

For every Winston Cup or Jordan success there are at least as many ineffective sports marketing campaigns. Many athletes today capitalize on their image more than their athletic prowess. From athletes in their primes to athletes who have made lasting