

# What is Sports and Entertainment Marketing?



## CHAPTER 1

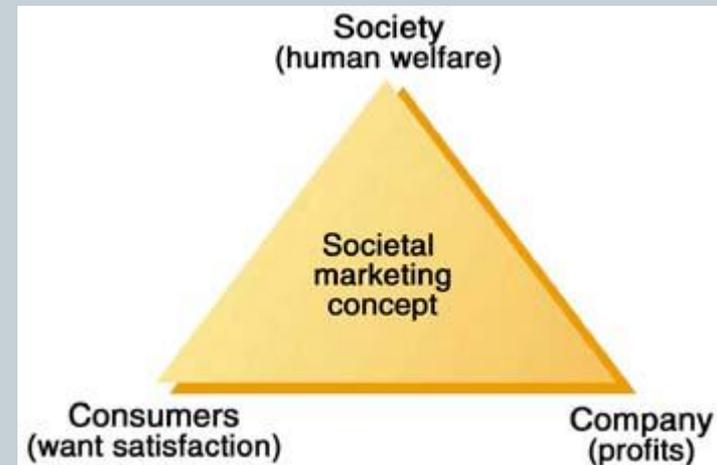
# Section 1-1: Marketing Basics



- **Activity:** in groups of 2 or 3, identify 4 advertising campaigns that feature athletes and/or celebrities.
  - How have the campaigns influenced your thoughts about the product?
  - Would you buy celebrity/athlete-endorsed products? Explain.
  - Have you purchased a product specifically because it was endorsed by a favorite celebrity/athlete? Explain.
  - <https://www.youtube.com/watch?v=NseKug63naM>

# Section 1-1: Marketing Basics

- Define marketing in your own words
- AMA definition: activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large
- Basic definition: creation and maintenance of satisfying exchange of relationships



# Section 1-1: Marketing Basics



- **Creation:**

- Product development
- What do you think goes into product development in terms of sports/entertainment?

- **Maintenance:**

- Must continue as business operates
- How would this happen?

- **Satisfaction:**

- Must meet needs of businesses and customers
- How would this happen in these industries?

- **Exchange relationships:**

- When both the business and customer give and receive something of value
- Such as?

# Section 1-1: Marketing Basics

- Sports/entertainment are top industries
- Must assess demand
- Assess competition
- Financial value of what they offer
- Must consider all aspects of marketing in order to deliver



# Section 1-1: Marketing Basics



- **Marketing mix:**
  - AKA: 4 P's
  - Product: good or service being sold to customers
  - Distribution (Place): where product will be sold and how it will get there (mode of transportation, route)
  - Price: how much will be charged, payment options available
  - Promotion: communicating product to the market

# Section 1-1: Marketing Basics



- List different ways society chooses to entertain themselves
  - Football
  - Baseball
  - Soccer
  - Concerts
  - Fairs
  - NASCAR
  - Video games
  - Movies/Television
  - Theatre
- Discretionary income: money left over after an individual has paid all necessities in life (house, car, utilities, etc.)
- Think: how do you spend your discretionary funds?
- Has that changed throughout your life? Explain.

# Section 1-1: Marketing Basics



- Must create the right number of products to offer:
  - Too little: lose sales
  - Too many: markdowns
- Price influences purchasing decisions
  - Must cover costs
  - Must make profit
  - Must be appealing to customer base
- Activity (pgs. 6-8)



# Section 1-1: Marketing Basics



- **Core standards of marketing:**
  - Channel Management
  - Pricing
  - Marketing Information Management (MIM)
  - Product/Service Management
  - Promotion
  - Selling
  - Marketing Planning
  - Financing:

# Section 1-1: Marketing Basics



- **Channel Management:**
  - Best way to get products to customers
  - Ex:
    - ✦ Retail/Wholesale
    - ✦ Online
    - ✦ Right location for event
- **Pricing:**
  - Establish/communicate the value of product
  - Directly related to demand in these industries
  - Pricing policies: cover costs, make a profit
- **MIM:**
  - Market research
  - Helps to boost demand for product
  - Helps to predict demand, develop products, estimate quantities
- **Product/Service Mgmt:**
  - Design, develop, maintain, improve, and acquire products to meet customer needs/wants
  - Occur during production/idea generation
  - Ex: helmets/concussion

# Section 1-1: Marketing Basics



- **Promotion:**

- Advertising
- Communication
- Ex: coupons

- **Selling:**

- Direct/personal communication
- Assess needs
- Determine future needs

- **Market Planning:**

- Analyzing the market and determining how to compete
- Ex: team moving to a new city or combining teams

- **Financing:**

- Budgeting
- Acquiring funding
  - ✦ Investors
  - ✦ Loans
  - ✦ Personal savings



End of Section 1-1

# Section 1-2: Sports Marketing



- Sports spectators consume a wide-range of products beyond the competitive event
- Share demographics:
  - Gender
  - Marital status
  - Ethnicity
  - Income
  - Age
  - Education level

- Sports marketing:
  - Planning a product/service around a group of spectators' interests
  - Using sports to market products



# Section 1-2: Sports Marketing



- **History:**
  - Any idea on when the first athletic event that required admission was held, what event it was, and how much it cost to enter?
    - ✦ 1858
    - ✦ Baseball (Long Island, NY)
    - ✦ 50 cents
  - Endorsement/sponsorship deals:
    - ✦ 1923-1999: Gene Sarazen (male), golf, Wilson Sporting Goods, \$6,000 + travel/expenses, renewed every 2 years (longest running endorsement in history)
    - ✦ 1949: Babe Didrikson Zaharias (female), golf/basketball/track and field, Wilson Sporting Goods, \$100,000 a year (first significant female endorsement)
    - ✦ 1928-today: Coca-Cola partnered with Summer Olympics

# Section 1-2: Sports Marketing



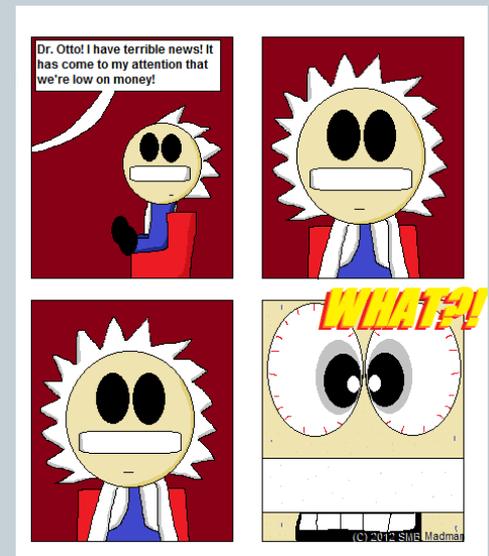
- History, continued:
  - 1975: first Pay-Per-View event, boxing, “Thrilla in Manila,” Muhammed Ali and Joe Frazier
  - 1979: ESPN debuts
  - Discussion: Centre Daily article



# Section 1-2: Sports Marketing

- Goal: meet right mix of making a profit and meeting needs/demands of market
- Factors affecting price:
  - Demand
  - Importance of event
  - Popularity of athletes
  - Rivalry
    - ✦ Think: what teams do you love to see compete? Why?

- The right marketing mix to attract customers:
  - New sports, new opportunities
  - Gross impressions
  - Timing



# Section 1-2: Sports Marketing



- **New sports, new opportunities:**
  - Must constantly find ways to keep customers interested
    - ✦ Ex: extreme sports, arena football
  - Invent new sports to maintain fan excitement
    - ✦ Ex: skijoring—combination of dog sledding and cross-country skiing, ostrich racing, underwater golf
  - Opens doors for cable networks, sponsors, and advertisers
- **Gross impression:**
  - Number of times per ad, game, or show that a product or services is associated with an athlete, team, or entertainer
    - ✦ Ex: brands being highlighted/shown in movies, TV, and sporting events-- <https://www.youtube.com/watch?v=KjB6r-HDDIo>
  - Goal: see top team/elite athlete with product, encourage you to purchase in order to be associate with that team/athlete

# Section 1-2: Sports Marketing



- **Timing:**
  - Based on who is popular and which teams are winning at the time
  - Losing streak = loss of support from fans
  - Fans want to be identified with a winner
  - Must have individuals constantly monitoring the industry
  - Increases in competition between franchises will occur in order to stay in the customer's mind

# Section 1-2: Sports Marketing



- **Multibillion-dollar industry**
- **Impacts global economy**
- **Impacts family budgets:**
  - Vacations around tournaments
  - Travel to Super Bowl/College Bowl games
- **What other industries would be effected?**
  - Car
  - Travel
  - Restaurants
  - Gas stations
- **Job opportunities:**
  - Parking garage attendants
  - Marketing executives
  - Construction
  - Maintenance
  - Building managers
  - Lawn care
  - Security
  - Trainers
  - Agents

# Section 1-2: Sports Marketing



- **So many channels:**

- Must be creative to compete
- Reality shows have taken over
- Must find the right blend to reach all audiences
- Networks pay top-dollar to acquire broadcasting rights to major events
- Advertising can cost millions (i.e. Super Bowl ads)
- [Nielsen Company](#)

- **Emotional:**

- Emotional ties to teams/athletes
- Direct relation to fans willingness to purchase items





**End of Section 1-2**

# Section 1-3: Entertainment Marketing



- **Entertainment:**
  - Performance that people are willing to spend their money and spare time watching
  - Can be sports and arts
    - Sports: games of traditional athletic skill
    - Entertainment (arts): movies, theatre, concerts, etc.

How would you classify  
WWE?



# Section 1-3: Entertainment Marketing



- Entertainment marketing: encouraging consumers to spend time and money on entertainment
- History:
  - Early twentieth century: mainly made up of performing arts
    - ✦ Ex: live theatre, ballet, opera, concerts
    - ✦ Marketing: posters, word of mouth, newspapers, magazines
    - ✦ Locations: arenas, theatre, concert halls
    - ✦ Performers received instant feedback: applause, boo, tomatoes
  - Moving pictures integrated technology; moved to movies then television
    - ✦ Ex: [silent films](#)
  - Internet caused a media explosion with distribution and feedback

# Section 1-3: Entertainment Marketing



- Louis Le Prince made first moving pictures in 1888
  - Ex: [moving picture](#)
- Lumiere brothers were first to present projected movie in 1895
- Construction of movie houses/theatres quickly followed
- First movie with sound:
  - *The Jazz Singer*
  - 1927
- When do you think Mickey Mouse debuted? In what?
  - 1928
  - [Steamboat Willie](#)
- First full-length animated film? When?
  - *Snow White and the Seven Dwarfs*
  - 1938

# Section 1-3: Entertainment Marketing



- **TV/Marketing: Early Years**
  - End of WWII: less than 7,000 TV sets and 9 stations
  - 1945:
    - ✦ 25,000 people attend TV demo at Gimbel's in Philadelphia
    - ✦ Am. Assoc. of Adv. Agencies encourage TV ads (changed face of marketing)
  - 1946:
    - ✦ First televised sports event—heavyweight boxing match between Joe Louis and Billy Conn
    - ✦ Estimated 150,000 watched on 5,000 TV sets, avg: 30 people per set

# Section 1-3: Entertainment Marketing



- TV completely changed marketing opportunities
- Ratings determined the price of TV ad space
- Between 1945-1949: station offerings went from 9 to 98
- Examples of shows with a major following:
  - [The Ed Sullivan Show](#)
  - *Squawk Box*



# Section 1-3: Entertainment Marketing



- Improvements and evolution in technology has revolutionized sports and entertainment industries
- The Internet has provided viewing and marketing opportunities, thereby expanding the market
- Think:
  - How often do you use online options to watch shows and sports?
  - What apps have you downloaded to make it more accessible to information and shows?

# Section 1-3: Entertainment Marketing

- Development of technology provides instant feedback
- Use technology for marketing research
- Increase in reality shows has created a unique marketing mix in entertainment; allows for audience participation





End of Section 1-3