CHAPTER

What Is Sports and Entertainment Marketing?

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Michelle Kwan was one of the world’s dominant ice skaters during the late 1990s and early 2000s. Kwan is a seven-time U.S. national champion and four-time world champion.

Michelle was born in Torrance, California, to parents who immigrated to the United States from Hong Kong and China. Michelle’s interest in ice skating was sparked while watching her older brother play ice hockey. When Michelle and her sister Karen became serious about ice skating, their father offered them $50 for every day they did not skate because the financial commitment to skating was so huge. The girls eventually earned fellowships at the highly regarded Ice Castle International Training Center in Lake Arrowhead, California. The Kwan family moved to Lake Arrowhead, and Michelle’s father commuted two hours each way to his job.


Think Critically
1. Explain the relationship between persistence and success as indicated in this article.
2. An entrepreneur is someone who takes risks to start a new business. How is Michelle Kwan’s father an entrepreneur?
Lesson 1.1

Marketing Basics

- Describe the basic concepts of marketing.
- Explain the marketing mix.
- Define the six core standards of marketing.

Terms
- marketing
- marketing mix
- product
- distribution
- price
- promotion
- discretionary income

Goals

Opening Act

Athletes and entertainers play a prominent role in marketing by endorsing products and services. Professional football player Brett Favre endorses Snapper riding lawnmowers, and comedian David Spade is associated with Capital One’s “What’s in your wallet?” campaign. People like to be identified with celebrities and sports stars. Product endorsements by famous people are good marketing strategies.

Work with a group. Identify four advertising campaigns that feature celebrities or athletes. Discuss how the campaigns have affected your thinking about the products. If you were in the market for the products, would you buy the celebrity-endorsed brands? Why or why not?

WHAT IS MARKETING?

According to the American Marketing Association, marketing is “planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.” Marketing is a highly visible business activity. Many individuals think of marketing as advertising. However, producing, distributing, pricing, and promoting are also essential marketing elements.

A simpler definition of marketing is the creation and maintenance of satisfying exchange relationships. This definition describes pieces of the entire marketing concept.

4 Chapter 1 WHAT IS SPORTS AND ENTERTAINMENT MARKETING?
Creation suggests that marketing involves product development. Maintenance indicates that marketing must continue as long as a business operates. Satisfaction implies that marketing must meet the needs of both businesses and customers when exchanging products or services. Finally, an exchange relationship occurs when the parties involved (business and customer) both give and receive something of value.

Satisfying Customer Needs
Customer needs should be the primary focus of marketing. This concept is not as easy as it might sound. To satisfy customers’ needs, you need to perform three activities. First, you must identify your customer and the needs of that customer. Second, you need to develop products that customers consider better than other choices. And finally, you must operate your business profitably (revenues must exceed the costs of doing business). If you can do all of these items well, you will be able to market your products or services successfully.

Sports and Entertainment Marketing
Sports and entertainment marketing is a huge industry offering numerous products and services. Busy individuals and families must carefully choose which sports and entertainment activities and events they will enjoy with their limited time and financial resources. Marketers of sports and entertainment products and services must assess consumer demand, the competition, and the financial valuation of the goods and services they offer. When developing marketing plans for sports and entertainment products, marketers must consider the marketing mix and the core standards of marketing.

What is marketing?
THE MARKETING MIX

To perform the tasks associated with marketing, marketers rely on a marketing mix. The marketing mix describes how a business blends the four marketing elements of product, distribution, price, and promotion.

A product is what a business offers customers to satisfy needs. Products include goods, such as athletic shoes, and services, such as video rentals. Providing entertainment can also be considered providing a service. Distribution involves the locations and methods used to make products available to customers. Price is the amount that customers pay for products. Promotion describes ways to make customers aware of products and encourage them to buy.

Marketing Mix Considerations

Marketers must carefully consider the many factors that affect the marketing mix elements. Product offerings for sports and entertainment must be constantly evaluated and updated. Individuals have many entertainment options for their limited discretionary income. Discretionary income is the amount of money individuals have available to spend after paying for the necessities of life and other fixed expenses, such as housing and car payments. Entertainment options that are popular today may lose popularity next year. Choosing the right products to meet the needs and wants of the market is essential to the marketing mix. In addition, marketers must consider the quantities of the product to produce. Too much of a product could result in price markdowns. Too few of a product could result in lost sales.

Price influences the purchasing decisions made by consumers. A business must offer its customers products and services they need and want at prices they are able and willing to pay, while at the same time covering the costs of the business and making a profit. Prices charged for sports and entertainment events must be sensitive to consumer demand and the state of the economy. Championship teams will increase consumer demand and ticket prices. However, when the economy becomes questionable, consumers are likely to spend less money on sports and entertainment events.

Distribution involves transporting or delivering goods to final customers. Athletic uniforms arriving by UPS and turf for a football field arriving by semitruck are both examples of the distribution function of marketing.

Think Critically

Think Critically
Work with a partner. Visit the home pages of at least three movies that have related merchandise for sale. Determine what information is collected from customers. Discuss how the marketing information gathered could be used in the future to promote and sell other products.
Distribution of an event involves planning the location where the event will take place. A popular three-day outdoor concert event for country or rock music must be held at a location near the customer base and where nearby businesses, such as hotels and restaurants, can accommodate the needs of the fans.

Promotion is essential to inform prospective customers about sports and entertainment events and products. Forms of promotion can range from television commercials and newspaper advertisements to in-stadium advertising through special offers on the back of ticket stubs and on giant video screens. Promotion requires creativity to keep the attention of prospective customers. Promotion costs large sums of money, making it important to select effective promotion plans that reach the largest audiences at the most reasonable price.

**A Marketing Mix Example in the Sports Industry**
The Super Bowl is the sports event of the year. This billion-dollar event results in large sums of money from sponsorships and ticket sales. The *product* offered by the Super Bowl is the game matching the best teams in the American Football Conference (AFC) and National Football Conference (NFC). The Super Bowl is usually sold out before the professional football season begins. Actual ticket *prices* range from $400 to $600, but individuals may spend thousands of dollars more in travel and hotel costs to attend the game. Major cities compete to host the Super Bowl due to the great financial benefits for the local economy as fans utilize the area’s hotels, restaurants, shopping malls, service stations, and the hosting stadium.

*Distribution* involves selecting a host city that is easily accessible by the fans. It must be near an airport and major highway and have sufficient nearby accommodations to meet the needs of the thousands of fans who will pour into the city for the game. Distribution for the Super Bowl also involves
ticket sales. Distribution methods for tickets include direct sales by NFL ticket offices, ticket outlets such as Ticketmaster, and the Internet. Other distribution outlets for the Super Bowl include television and radio. Many Super Bowl parties are held in homes and sports bars throughout the United States. 

Promotion for the Super Bowl includes television commercials, newspapers, sports magazines, and related-product contests. For example, companies such as Coca-Cola and Doritos may conduct special Super Bowl promotional sweepstakes. Super Bowl sponsors spend large sums of money to air commercials during the big game. One 30-second commercial during the Super Bowl can cost nearly $3 million.

**A Marketing Mix Example in the Entertainment Industry**

State fairs are finding it increasingly difficult to compete with other sports and entertainment events. The product offered by a state fair must appeal to both rural and urban residents. State fairs offer livestock shows, domestic and commercial exhibits, carnivals, and a wide array of musical and other entertainment. State fair planners want to offer a product that draws the maximum attendance and profit.

Since state fairs are family entertainment events, admission price is an important factor to consider. State fairs must charge enough admission to remain financially sound while still attracting good attendance. The admission price must be sensitive to consumer demand. Many state fairs offer special admission prices to attract more attendance on weekdays. Frequently, price breaks are offered for advance purchases.

The success of entertainment events depends on promotion or communication to prospective customers. Advertisements on radio stations and in newspapers throughout the state are aimed at increasing state fair attendance. Television commercials are another option for promotion, but the cost in relation to the increased revenue they may generate may be too high to justify.

Distribution involves location of the fair and the outlets where individuals can purchase admission tickets. State fairgrounds are usually located in a central location within a short drive for most state citizens. Tickets can be purchased at the admission gate during the state fair or purchased in advance from the state fair business office or other ticket outlets.

The goal of the state fair’s planners is to offer appealing entertainment at the right price to attract the maximum attendance. State fair boards must develop a marketing mix that will meet this goal.

**Intermission**

Describe the elements of the marketing mix.
CORE STANDARDS OF MARKETING

The core standards of marketing are the basis of all marketing activities. There are six core standards associated with marketing. They are product/service management, distribution, selling, marketing-information management, pricing, and promotion. Every marketing activity involves at least one core standard.

Distribution
Determining the best way to get a company’s products or services to customers is part of the distribution function. Television makers like Sony sell their products through electronics retailers like Circuit City. Sony knows that shoppers go to Circuit City to buy electronic goods and appliances. In sports and entertainment, distribution involves selecting the right location for an event and making tickets available through ticket sales outlets. For sporting goods, distribution involves getting equipment to stores where customers can buy it.

Marketing-Information Management
Gathering and using information about customers to improve business decision making involves marketing-information management. When Domino’s first considered expanding operations into Japan, it used its marketing research findings to adapt its traditional pizza to Japanese tastes. Domino’s offered nontraditional toppings such as corn and tuna because of local preferences. For sporting goods, successful marketing involves using marketing information to predict consumer demand and to estimate the right quantities of merchandise to produce.

Pricing
The process of establishing and communicating to customers the value or cost of goods and services is called pricing. Prices assigned to sports and entertainment events and goods are directly related to consumer demand. Prices may be set high if the seller knows people will buy at the high price. Super
Bowl ticket prices go through the ceiling since there are a limited number of tickets and there is an enormous demand for them. Prices may be set lower if the seller knows a large volume of a product can be sold. Pricing policies are also based upon the cost of producing goods and sports and entertainment events. If costs of production are not covered, the business will not succeed.

**Product/Service Management** Designing, developing, maintaining, improving, and acquiring products or services for the purpose of meeting customer needs and wants are all part of *product/service management*. Fisher Price tests new toy ideas with children and parents to make sure kids will enjoy playing with the toys. Success in sports and entertainment marketing depends upon evaluating events and goods to determine how well they meet customer needs and how events and goods can be improved to maintain and increase sales.

**Promotion** Using advertising and other forms of communication to distribute information about products, services, images, and ideas to achieve a desired outcome is *promotion*. For example, sports fans often find coupons on the back of ticket stubs after they attend a ball game. The coupons are used to promote products or services and to entice fans into trying them at a discounted price.

**Selling** Any direct and personal communication with customers to assess and satisfy their needs and wants is considered *selling*. Selling involves not only satisfying customers but also anticipating their future needs. Selling in today’s world includes purchases made through the Internet with no face-to-face communication whatsoever.

**Financing** Although financing is not one of the six core standards of marketing, it is closely related. *Financing* requires a company to budget for its own marketing activities and to provide customers with assistance in paying for the company’s products or services. A company or organization can obtain financing from sponsors and investors. Sponsors spend large sums of money to be visible during sports and entertainment events. Sponsorships can range from millions of dollars for sponsoring college bowl games to only hundreds of dollars for sponsoring the local little league baseball team. Customers may receive financing in the form of different payment options, such as cash, credit, and installment payments. Customers are more likely to make purchases when they have more than one payment option.

**Intermission**

List and provide an example of each core standard of marketing.
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. Which of the following core standards of marketing involves collecting and using data to make future business decisions?
   a. selling
   b. marketing-information management
   c. financing
   d. product/service management

2. Which of the following is not part of the marketing mix?
   a. selling
   b. distribution
   c. price
   d. product

Think Critically
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Think of one of your recent purchases. List and describe how the six core standards of marketing were involved with the purchase.

4. Communication Design a newspaper advertisement for an upcoming concert. Incorporate all of the marketing mix elements, including product, distribution, price, and promotion.
Lesson 1.2

Sports Marketing

- Define sports marketing.
- Explain the value of sports marketing to the economy.

Terms
- demographics
- sports marketing
- gross impression

Opening Act

Sports are big business at many universities throughout the country. Basketball has become a big money maker for many colleges. For the 2004–2005 school year, the University of Arizona Wildcats men’s basketball program generated revenue of $16.6 million and a profit of $12.5 million. The Arizona Wildcats have had sell-out games for almost 20 years. Courtside seats have been reported to bring as much as $30,000 a pair for the season. By playing in the National Collegiate Athletic Association (NCAA) tournaments, the Wildcats secured money for their school from CBS, which televised the tournaments and distributed more than $400 million to the NCAA conferences.

Big business can mean big salaries for college coaches. Much attention has been given to the high salaries paid to successful college basketball coaches. Tom Crean earned $1.65 million in 2005 for his seventh season as men’s basketball coach at Marquette University, placing him among the highest-paid coaches in the Big East Conference and in the country. Crean has been rewarded for coaching the Golden Eagles to three NCAA tournament appearances, including a final four appearance in 2002–2003.

Form two teams. Debate whether successful college coaches should earn more than $1 million a year.

Why Sports Marketing?

Spectators of sporting events are the potential consumers of a wide array of products ranging from apparel and athletic equipment to food items and automobiles. Sports spectators sometimes have more in common than just a sport. Common characteristics of a group, such as age range, marital status, gender, ethnic background, income level, and education level are known as demographics. Finding out a group of spectators’ interests and planning a product or service that the spectators will buy is a function of sports marketing. Sports marketing is using sports to market products.

Sports marketing capitalizes on the popularity of sports. Marketers research the demographics and spending habits of fans in order to maximize
profits on the items fans purchase in association with sporting events. The price fans are willing to pay for a ticket depends upon the interests of the market, the national importance of the event, the popularity of the participating athletes, and the rivalry associated with the contest. Fans are usually willing to pay for team- or celebrity-identified clothing or equipment and for the expenses of food and travel to and from a game. The goal of sports marketing is to use the right marketing mix to meet customer needs while generating a profit. To do this successfully, marketers must consider three factors—new opportunities, gross impression, and timing.

**New Sports, New Opportunities**

Sports marketers must continually search for new ways to appeal to customers. New sports markets offer new opportunities for endorsement and marketing. Extreme sports, such as skateboarding and snowboarding, have captured a whole new audience. Arena football, founded in 1987, is one of the fastest-growing sports in the country, and for good reason. Tickets sell for an affordable price ($17.50), players meet fans and sign autographs after every game, the action is continuous because the clock doesn’t stop, and the scores are high—all elements that add excitement and build interest.

The Arena Football League (AFL) and NBC Sports announced an innovative agreement that began in February 2003 and was renewed in 2005 to help grow the league. The AFL also recently signed cable deals with FSN (Fox Sports Net) and OLN (Outdoor Life Network). The AFL’s attendance is growing dramatically. An average of 12,400 fans attended each game in 2005. Due to its success, the AFL expanded its regular season from 14 games to 16 games. The league continues to look for ways to raise its profile, such as holding the ArenaBowl championship game in Las Vegas and working with video game creators to release video games based on the AFL.

**Gross Impression**

Gross impression is a commonly used marketing tactic in sports marketing. **Gross impression** is the number of times per advertisement, game, or show that a product or service is associated with an athlete, team, or entertainer. Often, the message is a subtle one. Brands shown in movies, television shows, and televised sporting events all represent gross impressions. Every time you see a product or company logo on the back of a pair of shoes, in a scene in a movie, or on the license-plate holder on a car, your brain records that image. Advertisers hope you will remember it when you are ready to buy such a product.

Many college and professional teams now have company or product logos on their uniforms. Marketers hope the spectators will see them, will want to be associated with the elite team or athlete, and will buy the sponsor’s products. Every time the media mentions a player or team in association with a sponsor’s product, there is one more gross impression made on a potential customer.
Marketers are aware that the popularity of teams and sports figures is based on sustaining a winning record. A team or celebrity on a losing streak can lose more than just points in a game. Timing is extremely important when marketing sporting goods. Fans want products and services that identify them with a winner. Winning trends for athletes and teams must be monitored to determine when marketing strategies need to change. Similarly, marketers must be aware that success leads to increased competition. If one major athletic company has a successful marketing campaign, competitors are likely to increase their marketing efforts. Competition must be monitored so that a company’s marketing can remain unique.

Why are gross impression and timing important in sports marketing?

Timing
Marketers are aware that the popularity of teams and sports figures is based on sustaining a winning record. A team or celebrity on a losing streak can lose more than just points in a game. Timing is extremely important when marketing sporting goods. Fans want products and services that identify them with a winner. Winning trends for athletes and teams must be monitored to determine when marketing strategies need to change. Similarly, marketers must be aware that success leads to increased competition. If one major athletic company has a successful marketing campaign, competitors are likely to increase their marketing efforts. Competition must be monitored so that a company’s marketing can remain unique.
THE VALUE OF SPORTS MARKETING

Sports marketing is a multi-billion-dollar global industry that has a definite impact on the economy. The popularity of sporting events impacts individual and family budgets. Whether it’s the family vacation centered around a soccer tournament for the kids or the Orange Bowl for a national football championship, large sums of money are spent on sporting events and related products. The sports industry has far-reaching effects on the automobile industry as supportive parents transport families to soccer, baseball, basketball, and numerous other sporting activities and events. Think of the restaurants, hotels, and service stations that count on the business generated as a result of these events. Sports marketing has created job opportunities, ranging from a parking lot attendant to a marketing executive for a professional sports team. Stadiums and other entertainment venues must be built and maintained. Venues require building managers, horticulturalists, security personnel, and maintenance crews. Athletes require trainers, handlers, and personal attendants. They also hire agents to maintain publicity, book engagements, and negotiate contracts for them.

Emotional Value
Sports fans have emotional ties to their favorite high school, college, and professional teams. Many sports enthusiasts live for the weekend to see their favorite teams in action. Emotions such as affection and passion often compel fans to buy tickets and other sports-related merchandise. Individuals will freely spend discretionary income on sporting events that capture their hearts, so marketers try to appeal to the emotions of fans.

So Many Channels
Marketers for the hundreds of television networks now available through cable and satellite systems must consider marketing strategies to capture the highest possible percentage of the viewing audience for the least amount of money. Sitcoms, popular from 1960 to 2000, have taken a backseat to reality shows starring average people and costing little to produce. The networks must find the right mix of programming to reach audiences, attract sponsors, and maximize profits. Sports programming has proven to be valuable. Sporting events such as the Super Bowl, BCS (Bowl Championship Series) games, and March Madness attract the attention of large sports-minded audiences, which, in turn, attract high-paying promoters. Television networks pay top dollars to obtain exclusive broadcasting rights for high-profile sporting events in hopes of reaping financial benefits.

Name three ways that sporting events help boost the local economy and/or national economy.
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. Researching the demographics of a fan base for a particular sport would be most closely associated with which core standard of marketing?
   a. distribution
   b. pricing
   c. marketing-information management
   d. financing

2. Gross impression can
   a. include company logos on sports apparel
   b. take place on a television show
   c. involve the number of times a product is associated with an athlete
   d. all of the above

Think Critically
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Give an example of how timing is essential to selling related merchandise for a popular sporting event.

4. Research Watch a college or professional sporting event on television. Select a sports brand represented in association with the event, and keep track of how many gross impressions are made during the telecast.
Lesson 1.3

Entertainment Marketing

Goals
- Define entertainment.
- Describe the impacts of advances in entertainment technology on entertainment marketing.

Terms
- entertainment marketing
- entertainment
- ratings

Opening Act

Television networks are desperate to attract male viewers between the ages of 12 and 34 because of their strong buying power and their intense interest in sports. Age and gender are demographics used by television researchers who determine the number and makeup of a viewing audience. The rate that can be charged for advertising during the show is calculated based on this information. The larger and wider a television audience, the more demand for advertising slots and the more that can be charged for those slots. The X-Games is a program that is specifically targeted to males between the ages of 12 and 34.

Work with a group. Identify three additional TV shows aimed at these sought-after male viewers. Make a list of products that might be advertised on these shows. Discuss why the products’ advertisers would be interested in sponsoring these programs.

Entertainment for Sale

Because of commitments to work, school, home, family, and other activities, people have a limited amount of leisure time and money. Influencing how people choose to spend their time and money on entertainment is the purpose of entertainment marketing.

Entertainment marketing will be discussed in two ways. First, entertainment will be looked at as a product to be marketed. Second, marketing will be examined in light of how it uses entertainment to attract attention to other products. Marketing entertainment as the product means pursuing the free time of people who can pay for entertainment. An example of using entertainment to market a product or service would be an author appearing on a talk show to discuss a new book.
What Exactly Is Entertainment?

Entertainment is whatever people are willing to spend their money and spare time viewing rather than participating in. Entertainment can include sports or the arts and can be viewed in person or in broadcast or recorded form. A distinction is often made between sports and entertainment. The term sports is generally applied to games of athletic skill. Watching sports can also be entertaining, but the term entertainment is generally applied to movies, theater, music concerts, the circus, and so forth.

Sometimes what qualifies as sports and what qualifies as entertainment is a matter of opinion. For example, professional wrestling has little resemblance to the National Collegiate Athletic Association’s (NCAA’s) sanctioned sport of wrestling. Professional wrestling is an exaggeration of a real sport, but is it really a sport or staged entertainment?

Whether an event is a sport or entertainment, sponsors of the event want to gather as much marketing information as possible about the audience. The collected information enables sponsors to design product promotions specifically for that audience. The sponsoring companies must understand the wants and needs of their customers and maintain accurate information about their customers in order to succeed in marketing to them.
EVOLUTION OF ENTERTAINMENT AND ENTERTAINMENT MARKETING

At the beginning of the twentieth century, the performing arts represented a major form of entertainment. Performing arts include live theater, ballet, opera, and concerts. Marketing was limited to posters, newspapers, magazines, and word of mouth. In order to enjoy any professional entertainment, people had to travel to the theater, concert hall, or arena where community entertainment was showcased. The shows were live, and the entertainers received instant feedback from the audience in the form of applause, boos, and even ripe tomatoes tossed at the performers.

Moving pictures initiated the merger of technology and entertainment and added new dimension and depth to entertainment marketing. Technology distanced entertainers from their audience, first with movies and then with television. The Internet has renewed instant response to marketing information and furthered the possibilities of distribution of entertainment to the masses.

The Beginning of Change
Louis Le Prince made the first moving pictures in Britain in 1888. The Lumière brothers were the first to present a projected movie to a paying audience in a café in Paris in 1895. Promotion of films quickly followed with the construction of theaters for movies.

The first movie with sound, The Jazz Singer, opened in the United States in 1927 in the few movie theaters that were equipped at that time to handle audio. Mickey Mouse arrived in 1928 in Walt Disney’s Steamboat Willie. Ten years later, Snow White and the Seven Dwarfs became the first full-length animated film. In a masterful marketing move, Disneyland opened in Anaheim, California, in July 1955. A totally new approach to the marketing mix of entertainment was born with the theme park. The live arts and recorded arts were joined by an ever-evolving, technology-driven series of new media.

Judgment Call

Mills Corporation was selected by the New Jersey Sports and Exposition Authority (NJSEA) to redevelop the 104 acres that housed Continental Airlines Arena. The arena was the former home of pro basketball’s Nets and pro hockey’s Devils. The NJSEA required a “public purpose” for the redevelopment and was criticized for selecting Mills Corporation, a retail mall developer, to meet that purpose. Mills proposed Meadowlands Xanadu—a daring combination of sports, recreation, education, entertainment, hotels, offices, and retail stores—to replace the arena. Opponents of the Mills proposal questioned whether a Bass Pro Shop (an anchor of Meadowlands Xanadu) could really be considered an entertainment or sports facility.

Think Critically
Is there a difference between sports, entertainment, and shopping? Has the line between the three been blurred? Explain.
When television began to arrive in great numbers of American homes, sports and entertainment marketers found a wide-open highway into the billfolds of consumers. The market grew quickly and continues to advance throughout much of the world.

**The Early Days of Television and Marketing**

Nine television stations and fewer than 7,000 working TV sets existed in the United States at the end of World War II. In October 1945, more than 25,000 people came to Gimbel’s Department Store in Philadelphia to watch the first demonstration of TV. That same year, the American Association of Advertising Agencies encouraged the start of television advertising. TV changed the marketing of entertainment in a profound way. Far more than newspapers and magazines had ever been able to do, the audiovisual “life” of TV advertising hooked the imagination of the viewer.

In 1946, NBC and the Gillette Company staged the first televised sports spectacular—a heavyweight boxing match. The program was a viewing success with an estimated audience of 150,000 watching on 5,000 TV sets. This was an average of 30 people watching the fight on each set.

**Television’s Increasing Influence**

Even in its early days, television took promotion and advertising to a new level. Major national corporations lined up to buy time and produce advertisements. The pricing of commercial time slots was quickly tied to the ratings, or the number of viewers the programming attracted. Television stations invited advertisers to use their expertise to create commercials. The nine TV stations of 1945 grew to 98 stations by 1949.

On September 9, 1956, 82 percent of all television sets in the United States were tuned to *The Ed Sullivan Show*, a weekly Sunday-evening variety show.
show. The big attraction was the highly promoted appearance of the future “king” of rock and roll, Elvis Presley. Later, in 1964, more than 60 percent of all U.S. viewers watched the television debut of The Beatles on *The Ed Sullivan Show*. Ed Sullivan set the standard for marketing talent in front of an audience of millions by using technology for distribution of the product. The show shattered ratings records by appealing to a mass audience rather than focusing on a single demographic group. Advertising fees charged for the show reflected the high audience ratings.

**Change Accelerated**

Improvements in technology have dramatically changed the marketing of sports and entertainment by making distribution to the masses easier. What had been available to the few is now available to the many. The evolution of moving pictures, radio, TV, video recorders, CDs, DVDs, and the Internet has made sports and entertainment products available to the world.

The Internet continues to evolve as a medium. Marketers are learning to use it for distribution as ownership of technology products catches up with the endless uses of the Internet. Television is considered a more mature distribution medium. However, it is taking on new twists, such as high-definition digital capabilities, that add to the viewer’s pleasure and the marketer’s opportunities.

**Technology and Customer Feedback**

The use of television, telephones, the Internet, and other technology by entertainment marketers to receive instant feedback from customers has evolved over time. Two-way communication allows the entertainment company to gather information from the customer and use the information to refine and improve the product—the entertainment. If dissatisfied
with the product, customers can “let the ripe tomatoes fly” through instant messages, e-mail, or phone calls.

Reality TV shows allow viewers to create their own endings and select their new favorite entertainers. The marketing mix of reality shows is unique because the product is selected by the viewers using technology to communicate with the production company. Television shows such as American Idol allow audience members to vote for their favorite participants. The final winners produce musical recordings that require little additional promotion to achieve record-breaking sales. The marketing mix has been fine-tuned based on customer input.

**Intermission**

Name a few benefits of television to marketers and advertisers.

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**Take a Bow**

Tom Osborne

Tom Osborne was a legendary football coach at the University of Nebraska from 1973 to 1997, winning three national championships. During his coaching profession, Coach Osborne was well known for having the right perspective on sports. He was truly concerned about the well-being of individuals and families.

After retiring from coaching college football, Osborne was elected to the U.S. Congress for three terms. Tom Osborne decided to take on the new challenge of running for the governor of Nebraska. Early polls indicated that Osborne’s name recognition would likely result in a win. Polls do not always predict results. Tom Osborne lost the primary race to incumbent governor Dave Heineman.

Tom Osborne is not the only athlete, coach, or celebrity who has successfully entered the world of politics. Former star football players J. C. Watts and Steve Largent served as Congressmen from the state of Oklahoma. Former football player Lynn Swann made an unsuccessful run for governor of Pennsylvania in 2006. Arnold Swarzenegger (The Terminator) was elected governor of California in 2003 and 2006.

**Think Critically**

Use the Internet to find additional examples of athletes, coaches, and celebrities who are now politicians. Do you believe successful athletes and celebrities are good candidates for political offices? Explain why or why not.
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. Which of the following can be considered entertainment?
   a. performing arts, such as theater, ballet, and symphony concerts
   b. participation in sports competitions
   c. whatever people are willing to spend their time and money watching
   d. both a and c

2. Which of the following statements is not true?
   a. Television is considered a mature distribution medium.
   b. The first televised sports spectacular was a baseball game.
   c. The Internet enables marketers to receive instant customer feedback.
   d. All of the above are true.

Think Critically
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Compare the audience interaction of live theater to a reality TV show with an Internet site for messaging and voting.

4. Technology How has the Internet affected entertainment marketing? Predict how the Internet will change entertainment marketing in the future.
Review Marketing Concepts
Write the letter of the term that matches each definition. Some terms will not be used.

1. Involves the locations and methods used to make products available to customers
   - a. demographics
   - b. discretionary income
   - c. distribution
   - d. entertainment
   - e. entertainment marketing
   - f. gross impression
   - g. marketing
   - h. marketing mix
   - i. price
   - j. product
   - k. promotion
   - l. ratings
   - m. sports marketing

2. The number of times per advertisement, game, or show that a product or service is associated with an athlete, team, or entertainer

3. Common characteristics of a group, such as age range, marital status, gender, and income level

4. Ways to make customers aware of products and encourage them to buy

5. The creation and maintenance of satisfying exchange relationships

6. Whatever people are willing to spend their money and spare time viewing rather than participating in

7. What a business offers customers to satisfy needs

8. The number of viewers a program attracts

9. Describes how a business blends the four marketing elements of product, distribution, price, and promotion

10. Amount of money individuals have available to spend after paying for the necessities of life and other fixed expenses

Circle the best answer.

11. Designing, developing, maintaining, improving, and acquiring products or services so they meet customer needs and wants is
   a. distribution
   - b. selling
   - c. financing
   - d. product/service management

12. All of the following factors are important to the success of sports marketing except
   a. celebrities
   - b. new opportunities
   - c. timing
   - d. gross impressions
Think Critically

13. Spend five minutes discussing with another student how entertainment marketing changed after television became popular. Make a list of at least five changes since 1945. Share the list with the class.

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14. You are the manufacturer of a new sports clothing line. Choose a professional athlete to represent your company. Who did you choose? Why?

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15. Using the Internet or sports magazines in your library, find and briefly describe three popular new extreme sports. To whom and how are these sports being marketed?

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16. Under Armour is a manufacturer of football cleats. It wants to increase its share of the market. What could Under Armour give participants at sports camps across the country to increase brand awareness and sales?

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Make Connections

17. **Marketing Math** You are a famous athlete whose image is on t-shirts produced by L&A Sports Products. You will receive 8 percent of the sales of any items featuring your image. The t-shirts sell for $25 at a major department store. Last quarter, 6,000 shirts were sold. Calculate your share of last quarter’s sales.

18. **History** You are an entertainment marketer in 1950 America. Your job is to promote a new automobile from that time period. Research the types of television programs that were broadcast at that time. Write a one-page paper describing how you would use television to advertise your product.

19. **Technology** Use the Internet to look up the fan club of a favorite singer or group. What merchandise related to this singer or group is sold on the web site? What are the prices for the merchandise? How do you think these prices were decided?

20. **Communication** Use the Internet to research drive-in movie theaters. Your community has just opened a new, nostalgic drive-in movie theater. Prepare a sample billboard that advertises this new entertainment venue. Describe a special promotion to increase attendance at the drive-in movie theater.
21. Geography The American Football League (AFL) has become increasingly popular for cities with populations of 100,000 to 400,000. Average attendance at the AFL games has been around 10,000 people. Choose a college city where football is popular. Provide ten good reasons for an AFL team to locate in this city. How would you promote the AFL team to fill an 80,000-seat stadium?

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PROJECT EXTRA INNINGS

You have been hired by the NFL to develop a marketing campaign to increase the interest of males ages 12–18. The NFL wants to capture this market to assure attendance at games in the future. You have been asked to choose NFL players who will be good spokespersons to promote the NFL to young males. You must decide upon a major national retailer to distribute the NFL sports gear to young males. The NFL has asked you to plan activities for males ages 12–18 to get them more involved with the NFL. The NFL will hold sports camps in major cities throughout the United States, and professional football players will make guest appearances at the camps. You must organize the campaign that allows 500 young males to attend each NFL game throughout the nation during the next football season.

Work with a group and complete the following activities.

1. Which NFL football players will you use for your spokespersons for the campaign aimed at young males? Why?

2. Create a brochure that advertises a summer NFL sports camp in a major city for males ages 12–18. Make sure to include all of the details.

3. Each participant at the sports camp hosted by the NFL will receive a sports bag with NFL merchandise. What merchandise will you include in the sports bag? Who are the sponsors of this merchandise? Why?

4. Outline the guidelines for the distribution of 500 tickets to males ages 12–18 for every NFL game during the next season. Be specific about who receives the tickets and why.

5. Design an advertisement and contest that will encourage males ages 12–18 to get more involved with the NFL.
NEW BALLPARKS REVIVE OLD NEIGHBORHOODS

New stadiums result in economic booms for surrounding neighborhoods in major cities. Sports venues are built in the heart of major cities to create new economic opportunities for hotels, restaurants, retailers, and neighborhoods.

Ballpark Village is a $300 million mixed-use retail/entertainment and residential district that will be built in the shadow of Busch Stadium in St. Louis. Developers of Ballpark Village will draw on elements within the community to increase investment in the project.

Reviving Downtown

Ballpark Village will cover six city blocks that connect directly to the new Busch Stadium. Left field is completely open to the city and will provide great views of the game when the new buildings are constructed.

Ballpark Village will be comparable to Wrigley Field in Chicago and Camden Yards in Baltimore. Rooftops were built on top of buildings beyond the bleachers of Wrigley Field to catch the action of baseball games. Beyond right field in Camden Yards, a warehouse has great views of the game. While none of these buildings were specifically built to watch the game, Ballpark Village in St. Louis is designing buildings with rooftops and balconies for that exact purpose.

With careful planning, new ballpark developers can build a renewed spirit and revitalize downtowns that were once on the decline.

Think Critically

1. What are the economic advantages to a city that has a new ballpark or stadium within the heart of the city?
2. What are the disadvantages of having buildings with balconies that have a view of the game?
3. Can new sports venues actually contribute to the cleanup of cities? Explain your answer.
4. List ten good stores or retailers that would be successful in a new ballpark village.
ADVERTISING CAMPAIGN EVENT

The Advertising Campaign Event challenges participants to prepare an advertising campaign of any length for a real product, service, company, or business and present the campaign to a prospective client/advertiser. The participants will also indicate an appropriate budget and select media for their proposed campaign.

A major U.S. city with a reputation for crime has built a new ballpark, stadium, and basketball arena in its downtown. New restaurants, hotels, retail stores, high-rise condominiums, light rail, and increased police patrol are all part of the extreme makeover of a downtown that previously had little activity after 5 p.m. on weekdays and no activity on weekends.

Many consumers are not aware of the new life that the sporting venues have brought to the downtown. They are still afraid of the crime rate. The mayor and city manager have asked you to develop an advertising campaign to attract more people downtown for sporting events, shopping, dining, and other activities.

You will be preparing the written entry for this DECA event. This project can be completed by one to three individuals. The body of the written entry must be limited to ten numbered pages, not including the title page and table of contents. The written plan should consist of an executive summary, a description of the product or service and the client, objectives of the campaign, identification of the target market, a list of advertising media, the advertising budget, schedules of all advertising planned, schedules of all sales promotion activities planned, and a statement of benefits to the client.

Performance Indicators Evaluated

- Communicate an appropriate advertising campaign through writing and speaking.
- Analyze relevant data to make recommendations for an appropriate plan of action.
- Demonstrate critical thinking and problem-solving skills when creating the advertising campaign.
- Demonstrate teamwork to complete a group project.
- Demonstrate advertising budgeting skills.

Go to the DECA web site for more detailed information.

Think Critically

1. Why is an advertising campaign necessary to overcome the city’s previous reputation?
2. Give several examples of activities other than sporting events to attract customers downtown.
3. What is the advantage of having new condominiums in the downtown area?
4. Does the light rail system present an advantage for your advertising campaign? Explain your answer.

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