CHAPTER 12
Selling Sports and Entertainment

12.1 The Sales Process
12.2 Ticket Sales
12.3 Group and Corporate Sales

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Country Stampede—Financial Boost for Manhattan, Kansas

Country music is popular throughout the world. Concerts held in the great outdoors in the heartland of the country provide a popular setting for country music fans. The four-day, star-studded Country Stampede held in the Little Apple (Manhattan, Kansas) is a major outdoor country music event that attracts the greatest country music stars and thousands of fans throughout the United States.

Event planners are responsible for working out the logistics of the event, including parking, security, food, and restroom facilities. Because this is an outdoor concert, event planners must also have a plan for providing shelter in case of bad weather. It is also important to sign on corporations or organizations to sponsor the event. Affiliated Foods Midwest sponsors the Country Stampede. As an added attraction, other events, such as craft shows, may be held in conjunction with the concerts.

A wide range of ticket prices is available to meet the needs of all fans who want to attend the Country Stampede. General admission for one day of entertainment at the event is $60. A four-day pass costs $100. VIP seating costs $475, and reserved seating costs $200. A four-day parking pass at Country Stampede costs $30. In addition, nearly 2,400 campsites are available to guests for $142 each.

An elaborate web site helps promote the four-day event. Fans can join the i-Squad, an online promotion that helps them actively spread the word about the event and the performing stars while earning points toward online rewards.

Country Stampede is a classic example of how a small community can host a huge entertainment event with the help of a major sponsor, top performers, and the right mix of promotions.

Think Critically
1. What type of pricing strategy is used by Country Stampede to maximize attendance at the four-day event?
2. How might Affiliated Foods Midwest benefit from sponsoring Country Stampede?
Lesson 12.1

The Sales Process

Goals
- List the steps involved in the sales process.
- Discuss the management skills and knowledge necessary for successful salespeople.

Terms
- preapproach
- suggestion selling
- cold calling
- leads
- customer management

Opening Act

Every evening around the country, the telephone rings with someone trying to sell insurance, credit offers, or time-share vacation properties. Telemarketing is often used by nonprofit organizations to solicit pledges for a wide array of charities. Many Americans have grown weary of the increasing number of sales pitches over the telephone. Caller ID and call blocking are two strategies used by consumers to eliminate the frustration associated with unwanted telephone calls that interrupt limited personal and family time. While telemarketing is annoying to many individuals, the success rate for this form of selling gives companies and nonprofit organizations the incentive to continue the practice.

Work with a group. Identify types of telemarketing that have given this form of selling a bad reputation. Why have consumers become extremely cautious when dealing with telemarketers?

SELLING SPORTS AND ENTERTAINMENT

Selling is the direct, personal communication with prospective customers in order to assess and satisfy their needs with appropriate products and services. Sports and entertainment industries depend upon salespeople who can effectively communicate product and service information to consumers. The salesperson becomes the link between the customer and the business, with many customers seeing the salesperson as the business. Personal selling is one of the five elements of promotion. The sales process creates awareness and the desire to purchase on the part of the consumer.

The Sales Process
People who have strong sales skills are in high demand and well paid for their abilities. Whether or not a sale is made often comes down to the salesperson. Effective selling can be organized into six steps.
1. The Preapproach  During the preapproach, salespeople learn everything possible about the products and services offered, the target market, and the competition. Salespeople must be knowledgeable about what they are selling and understand the wants and needs of target customers.

2. The Approach  This step is the first contact with the customer to gain the customer’s attention and interest. The salesperson should have a plan for what to say when speaking with a customer, but it should be a flexible one. It is very important that the salesperson listen carefully to the customer to determine the customer’s needs and wants. The salesperson should strive to create a favorable first impression on which to establish and build an ongoing business–customer relationship.

3. Demonstration  During the demonstration, the salesperson enthusiastically presents the product in a way that addresses the needs of the customer. The product’s features and benefits should be highlighted. If all is going well, the salesperson may even ask the customer to buy at this point.

4. Answering Questions  At this step, a customer may voice objections to the product or service or have questions and concerns. These customer responses generally mean the customer is considering the purchase. Providing additional information to counter the objections may resolve the customer’s concerns.

5. Closing the Sale  During this stage, customers make the decision to buy. Helping the customer reach this final decision may include offering a discount or an incentive gift for buying today. This is also the time to suggest additional items to increase customer satisfaction and the amount of the sale. Suggestion selling occurs when salespeople ask customers if they want to purchase related products. Consider the last time you were at a fast-food restaurant or an amusement park. The fast-food associate probably suggested that you upsize your meal or add the new dessert item being offered. The amusement park associate probably suggested a multi-day pass or a VIP ticket for added benefits and value.

6. Follow-up  The continued success of salespeople (and the business) is based upon establishing long-term relationships with customers that are enhanced with follow-up from the salesperson. Follow-up occurs when the salesperson contacts customers to ensure they are satisfied with their recent purchases and to determine additional needs. Valuable feedback can be obtained, resulting in improved services for future customers.

When Is Personal Selling Appropriate?
The advantage of personal selling is that the seller has the opportunity to address any concerns that may be causing hesitation on the part of the consumer. A knowledgeable seller can offer information, demonstrate the product, make comparisons with similar products, tell stories about personal experiences...
with the product, and answer any questions that may arise. Often, human interaction is needed to make the sale. Salespeople involved with personal selling benefit from the feedback received from customers, enabling sellers to improve future sales strategies. Feedback may include the level of satisfaction and suggestions to make the sales process better for the buyer. Disadvantages of personal selling to a business include the high cost and time commitment per person and the required skill and training.

Personal selling is effective for expensive, complex products; markets with a few large customers; unfamiliar, unique products; customers in a limited area; complicated, long decision-making processes; and customers who expect personal attention and help with the decision-making process.

**Intermission**

Explain why personal selling is necessary when selling expensive items like luxury suites at a professional football stadium.

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**MANAGEMENT SKILLS AND KNOWLEDGE FOR SUCCESS**

Salespeople must effectively manage themselves, customers, and information. They must be motivated individuals who use time effectively. Emotional and physical stability are important attributes for those dealing with the public. Continuing education and personal development help salespeople keep up to date in their profession.

There are three things that successful salespeople must understand—the product/service they are selling, their customers, and the competition.

**Know the Product**

Salespeople must have thorough knowledge of the product or service they sell. Successful salespeople are familiar with all parts of the marketing mix—product, price, distribution, and promotion. Sources of product information for salespeople include information sheets and product manuals. Special training is provided to salespeople to help them learn about new products and new sales strategies. Salespeople must effectively communicate product information, including benefits and unique features, to customers.

**Know the Customer**

Salespeople must know their customers. They must carefully determine customer needs in order to present the most appropriate products to meet those needs. **Cold calling** involves contacting potential customers at random without researching customers’ needs first. Marketing-oriented businesses normally do not depend on cold calling. They gather **leads** about prospective customers who have shown interest in the product or service and/or meet the definition of the target market. Research is conducted to determine who needs...
the products, what resources they have available to purchase the product, and what authority they have to make the purchase.

**Understand Customer Decisions**  Most customers use a five-step decision-making process for purchases. First, they recognize a need for a product or service. Second, they search for information about the alternative products and services available. Third, they evaluate all of their options to see which one best fits their needs. Fourth, customers reach a decision and buy the product or service. As the final step, customers evaluate their decision to determine if they are satisfied with their purchase. Salespeople can assist customers through this process by helping them define their need, showing them alternative products or services, explaining the features and benefits, making the sale, and following up to ensure satisfaction.

**Manage Customer Information**  Building a customer base and carefully scheduling time spent with customers is called **customer management**. Spending too much time with one customer may result in lost opportunities and lost sales with other customers. Time is money in the sales process. Salespeople must collect and manage information about customers. Once a customer base is established, salespeople are challenged to develop an effective record-keeping system that enables them to maintain customer information and gain a better understanding of their customers.

**Know the Competition**
Successful sales depend upon understanding the competition and the products and services they sell. Consumers want to buy the most satisfying products for the best price. Salespeople must be able to explain the differences between their products and competitors’ products and offer solid evidence why their products are the better choice to meet customer needs.

List three things successful salespeople must understand.
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. At which stage of the sales process might suggestion selling be used?
   a. the approach
   b. demonstration
   c. closing the sale
   d. follow-up

2. Personal selling is appropriate for
   a. expensive items
   b. complex products that need explanation
   c. products with small markets
   d. customers who expect personal attention and help with the decision-making process
   e. all of the above

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

3. Why is it important that successful salespeople know the competition?

4. Communication Many successful salespeople at clothing stores maintain personal information records on their customers. The information collected includes sizes, style preferences, spending habits, and birthday of the customer. Consider how you would use this information to communicate with customers and increase sales for a sports or entertainment business. Write an example of what you might communicate to a customer.
Lesson 12.2

Ticket Sales

Goals
- Explain the difference between ticket brokers and ticket scalpers.
- Describe the ticket economy and strategies for getting highly sought tickets.

Terms
- ticket brokers
- ticket scalpers

Opening Act

Your favorite college team has made it to the Rose Bowl. You and your friend are dedicated students who attend all home games. You would like to attend the Rose Bowl. You can stay with relatives who live in Pasadena, and your frequent flyer miles will pay for the flight to California. The only problem is that you do not have tickets.

When your team was announced as one of the participants in the championship game, there were 2,000 student tickets available through a lottery. Unfortunately, your numbers were not drawn, but you are determined to go to the game. You plan to arrive early at the Rose Bowl in hopes that someone will be selling tickets outside of the stadium. You are willing to pay a premium price for the tickets. Your parents suggest you look into California laws regarding scalping. Your friends suggest you look for tickets on auction sites such as eBay.

Work with a partner. Why should you research California laws regarding ticket scalpers? Why might you check the Internet for tickets? How can you protect yourself if you purchase tickets online?

HIGH PRICES FOR THE MOST DEMANDED ENTERTAINMENT

The prices charged for tickets to a popular football game, such as Nebraska vs. USC in Los Angeles, can range from $205 to $1,575. Yankees fans can expect to pay from $30 to $410 per seat to see their team in action. Popular music concerts also have a big price tag. Ticket prices to hear country singer Tim McGraw in concert range from $90 to $145. Broadway tickets for popular shows like Hairspray start at $180.

Ticket Brokers

Ticket brokers are registered businesses that legally buy and sell tickets to a variety of entertainment events and guarantee ticket authenticity. Many of the ticket transactions occur online, making it essential for consumers to research the ticket brokers before sharing their credit card information to make the purchase. Reputable ticket brokers should be members of the

Ticket brokers operate businesses that depend on contacts with people and venues. The Super Bowl held in Tampa had tickets with a face value of $325, but average fans could not obtain tickets for that price. TicketCity.com resold the lowest-priced tickets for $1,900 after obtaining them for $1,500 each. Those who sold tickets to the Internet business included NFL players and coaches who had received a certain number of tickets free. Season ticket holders unable to attend the game and sponsors with surplus tickets also resell them. TicketCity’s top price for a midfield seat at the Super Bowl was $4,750 which it had obtained at a cost of $4,000.

Some brokers have contracts to obtain the best tickets before they are put up for sale. These transactions are unethical and unfair, and in some cases, illegal. Unscrupulous ticket brokers often try to monopolize the ticket market by paying substantial bribes to people who have control over the supply of tickets. People who may be bribed include box-office employees, managers of concert venues, promoters, and ticket agents.

Ticketmaster is trying a new strategy to help fans fight back against the unscrupulous brokers. Ticketmaster put Elton John and Billy Joel tickets on sale on a Monday morning instead of the usual Saturday. This strategy allowed Baby Boomer fans to use high-speed Internet connections at work to order tickets. Ticketmaster is also experimenting by making sales to fan club members a priority. Backstreet Boys’ fan club members have a special password that gives them a chance to buy premium seats two weeks before tickets are available to the general public.

**Ticket Scalpers**

Ticket scalpers sell tickets to major sporting events, often outside the venue on the day of the event, at inflated prices. Receiving $200 for a ticket that cost $40 provides a high rate of return, but it comes with the risk of being arrested for an illegal transaction. Ticket scalping is illegal in many states. Undercover police often arrest ticket scalpers selling tickets at inflated prices outside a stadium.

Scalpers get tickets the same way ordinary fans do, but they know how to “work the system” to get the best seats, which they resell for up to ten times

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**Cyber Marketing**

Apple, Red Hot Chili Peppers, and Ticketmaster have put together a deal to sell concert tickets for the band’s U.S. tour. Fan-club members can pre-order a copy of the band’s new album for $19.90. Those who pre-order will also receive a download of the group’s latest single, an exclusive audio interview with the band, a video chronicling the making of “Dani California,” a full-color digital booklet, and an e-mail from Ticketmaster.com allowing them to purchase concert tickets before they go on sale to the general public.

**Think Critically**

Why are fan clubs a good way for marketers to sell tickets to concerts? Why should members of fan clubs be given the first chance to purchase tickets?
their face value. Complaints by Yankee fans led to scalper investigations, resulting in 16 people facing felony charges, including fraud and bribery. The scalpers had connections with advance-sale ticket agents. Ordinary fans were not given the chance to obtain the best tickets at fair prices since corrupt ticket agents were diverting them to scalpers.

**Ticket Frenzy**

Sports and concert fans often get caught up in the heat of the moment and rationalize that what may be a “once-in-a-lifetime” event is worth a big price tag. Concerts for top performers sell out in a few hours. Hundreds of fans form lines the night before tickets actually go on sale. Successful college football programs like the Nebraska Cornhuskers have experienced consecutive sold-out home games for more than 40 years. There are long waiting lists of people wanting to purchase Nebraska tickets. Having season tickets to powerhouse teams is a status symbol for some people. The fans own the Greenbay Packers’ team. When season ticket holders pass away, family members anxiously await the reading of the will to see who inherits the highly desired tickets. The Super Bowl, NCAA College Football Championship Games, and BCS Bowls are sold out even before the regular seasons for these sports begin.

Explain why scalping is illegal in some states.

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**THE TICKET ECONOMY**

Buying tickets to nonblockbuster events has become very easy. Ticketmaster controls the sale of tickets for most venues in the country. The telephone or computer provides consumers with the tools to purchase tickets the second they go on sale. The tickets can be acquired within minutes when consumer demand is not great.

Ticketmaster sells seats through more than 1,000 telephone operators, its web site, and ticket outlets located in department stores, music stores, and box offices. Half of its tickets are sold at its outlets, more than one fourth are sold over the Internet, and the balance is sold over the telephone.

Concert tickets usually go on sale at 9 or 10 a.m. on Saturdays. The greatest volume of online sales happens in that first hour on Saturday mornings. Ticket sales through the Internet are expected to grow to 30 percent of total concert sales.
When fans try to buy tickets online for popular concerts, they are competing against ticket scalpers who have no intention of attending the event. In addition, the corporate sponsors of major events claim a large number of tickets, making even fewer tickets available to average consumers through normal outlets.

**Work the System**
Ticketmaster suggests the following strategies to obtain highly sought-after tickets to entertainment events:

1. **Buy over the Internet.** Your odds of getting good seats are much better over the Internet than if you’re twentieth in line at an outlet. Look for notices of special presales at online fan clubs.
2. **To save time, register your credit card and mailing address on the web site before the on-sale date so you are ready to go.**
3. **Log on to the site a few minutes early, preferably with a high-speed Internet connection.** The screen will say “tickets not yet on sale,” but hit your reload button every few seconds so you are connected the instant the sales lines become open. Having a friend work the phones at the same time doubles your chances of obtaining tickets.
4. **If the concert sells out, check back with the web site for a few days.** Additional dates may be added to the tour.
5. **Try again on the day before the show, or even the afternoon of the show.** Sometimes artists and sponsors give back tickets that they had reserved. Sometimes those extras are available only at the venue’s box office, so it is worth stopping by there on the day of the show as well.

**Landing Super Bowl Tickets**
Most football fans dream of attending the biggest game of the season—the Super Bowl. Attending the big game may be only a dream if you are not a celebrity, wealthy, or lucky. The National Football League conducts a ticket lottery every year. To participate in the lottery, you must submit by certified
mail an index card with your name, address, and telephone number to the NFL Super Bowl ticket lottery office. Only 500 names are selected from some 50,000 entries. Winners receive the option to purchase tickets at face value (about $600). The 500 pairs of tickets made available through the lottery represent less than one percent of the 70,000 tickets distributed.

Other options for obtaining Super Bowl tickets include overpriced hotel packages from an NFL-approved tour operator or any travel agent willing to put together and advertise packages. Ticket brokers are a third option for obtaining Super Bowl tickets.

The National Association of Ticket Brokers has established a code of standards and ethics for all member brokers to follow. It requires that members support Super Bowl ticket orders with a 200 percent guarantee. If for any reason a broker fails to deliver promised tickets, a refund equivalent to 200 percent of the purchase price is due.

Beware of Scams
The FBI receives reports of fraudulent ticket sales for the Super Bowl. A common scam involves tickets advertised at well-known online auction and classified ad web sites. Interested buyers are instructed to use a wire transfer payment service to send money quickly in order to secure the tickets. In some cases, the buyers are instructed to wire the money overseas under the pretense that the seller is out of the United States for work reasons or vacation and therefore cannot use the tickets. Once the payment is received, the seller ceases contact, and the tickets never materialize. Consumers should never send cash payments or use wire transfer services to pay for tickets, especially to recipients outside the United States.

Movie Theaters Aim for 3D Sports
During the Boston Red Sox run for the World Series in 2004, National Amusements began selling tickets for high-definition broadcasts of Red Sox games in its New England Showcase Cinemas on weekday nights. The cinemas hired vendors to stroll the aisles with hot dogs, peanuts, and beer. Team gear was sold in the lobbies, and fans were encouraged to loosen up, yell, and cheer as they would in a ball park. The movie theaters were trying to replicate the environment of Fenway Park.

Movie theater operators plan to screen live sports events in 3D by 2007 in an attempt to lure sports fans away from their homes and sports bars on weeknights. Ticket sales at theater chains dropped nine percent in 2005 due to a combination of lackluster films, competition from other forms of entertainment, and the increased number of in-home, high-definition theater systems. Even though worldwide tickets sales are forecast to grow 12 percent over the next five years, marketers want to use new digital projection technology to change the way consumers think about movie theaters.

How has the Internet changed the way that tickets are sold for sports and entertainment events?
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. Ticket brokers
   a. work in an illegal profession
   b. are the same as ticket scalpers
   c. obtain the best tickets to sporting events
   d. only sell tickets through the Internet

2. Ticket scalpers
   a. sell tickets to major entertainment events
   b. sell tickets for more than their face value
   c. may be arrested for illegal activity in many states
   d. all of the above

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

3. Explain how movie theaters can connect with fans of major sports and entertainment events to increase theater attendance.

4. List four ways to effectively “work the system” to obtain tickets to big sports and entertainment events.
Lesson 12.3

Group and Corporate Sales

Goals
- Explain sales strategies for attracting groups to sports and entertainment venues.
- Describe how corporations use sports and entertainment to motivate employees and impress clients.

Terms
- group packages
- luxury boxes
- club seats

Opening Act
Department stores and other retailers have effectively used incentives, such as coupons worth 25 to 50 percent off of future purchases, to increase future visits of customers. Sports and entertainment businesses also use special promotions and incentives to increase attendance at events. At some events, free or discounted admission has been offered to fans that bring canned goods for the local food bank. This promotion not only increases attendance but also gives the event a favorable impression in the community. Corporate and local business sponsors may host a free cookout for attendees at a sports or entertainment event. A season-long raffle for a new car may be an incentive that keeps fans returning game after game.

Work with a group. Think of two promotional strategies to attract more people to sports events at your school.

FILLING THE STANDS
Sports and entertainment events must compete for consumers’ discretionary dollars. Marketers for sports and entertainment are constantly searching for ways to attract more people to events.

Appealing to Groups
Major League Baseball teams have many home games during the long baseball season. Baseball games that are scheduled during weekdays are less likely to sell out of tickets than games on weekends. Special group and corporate promotions are used to fill the stands. Special promotions are offered to church groups, senior citizens, schools, Boy Scouts, Girl Scouts, Little League baseball teams, and student organizations to sell tickets during slow periods. Group packages offer special ticket prices to members of a group when tickets are purchased in large quantities, such as 15 or more. Free transportation may even be offered to senior citizens to motivate them to...
Attend. Frequently, the groups are recognized during the game over the public announcement system or on the big video screen.

Special group rates not only fill stadiums, ballparks, and arenas, but they also solidify current and future customer bases. Sometimes additional entertainment, such as live music and a fireworks display, is added during breaks and immediately after an event to appeal to special groups.

Special Privileges
Major universities entertain wealthy alumni and other individuals who may contribute money to athletic departments and scholarship funds. Being a substantial contributor to an athletic department has special perks. Perks may include special seating at sports events. It is often very difficult for other alumni to buy game tickets for successful college programs. Access to tickets is often easier for contributors. Large contributions may be rewarded with season tickets and maybe even suites. The largest contributors may even have a suite or practice field named in their honor.

Have you tried to buy tickets to see your favorite band only to find out that the tickets are sold out? Does this mean you’re out of luck? Not necessarily. If you really want to see that show—and you have enough money—you might still be able to go. Access thomsonedu.com/school/sports and click on the link for Chapter 12. For what kinds of events is Ticketbroker.com currently selling tickets? What range of prices is being charged for a performer you like? Does Ticketbroker.com seem like a reputable site? Why or why not?
Explain how group packages can help fill entertainment venues.

**CORPORATE PERKS**

Corporations understand the importance of teamwork and bonding of employees. Having social outings can strengthen the cohesiveness of company teams. Corporate groups may have a picnic followed by an evening at a professional sporting event. Corporations can take advantage of group packages offered by sports and entertainment venues. These events allow employees to interact socially outside of the office setting.

Corporate employees are often rewarded for meeting sales quotas or reaching other corporate goals. Many times the reward for high performance is travel to exotic places like Hawaii or tickets to highly sought-after sporting events. Corporate executives often entertain clients and visiting colleagues at sports and entertainment events, and they want to impress them with the best seats available.

**Special Seating**

Special seating has become a lucrative revenue source for professional sports teams. Luxury boxes (or luxury suites) are fancy rooms inside stadiums and arenas that allow corporate executives and some wealthy private individuals to entertain clients and friends while watching the events. The suites are high in the stands, near the press-box level, and usually equipped with close-circuit television for close-ups of the action. Luxury boxes continue to increase in demand, contributing to an unprecedented growth in sports venue construction. Every facility built within the last 20 years has luxury

**Time Out**

A luxury suite can generate from $29,000 to $85,000 per year. The Dallas Cowboys earn $23 million per year from 360 luxury suites. Currently 8,090 luxury suites and 151,451 club seats available in professional sporting venues can earn up to $955.7 million per year.
suites, and most of the older stadiums have been remodeled to add them. Even popular college stadiums have become taller with the addition of suites. Sales of luxury boxes have become a good way to earn additional revenue. Skyboxes at Wrigley Field in Chicago, for example, accommodate 12 to 15 people and rent for $45,000 to $65,000 per year.

Club seats are premium stadium seats that provide another source of high revenue for the owners. Club seats can vary by venue but are usually cushioned and roomy, provide a good view of the action, and are located outdoors one level below the luxury boxes. Club-level seating often comes with added benefits, such as special access to indoor areas of the arena. These areas are air-conditioned and allow access to special restaurants, merchandise stands, and lounge areas of the stadium not available to regular ticket holders.

Intermission

How do corporations outside of the sports and entertainment industries use sports and entertainment events for business purposes?

Take a Bow

Robert Saladino

The Houston Texans football team began its first year with hopes of broadening its fan base by crossing ethnic lines. Robert Saladino was selected to fill the team’s newly created position of Hispanic Outreach Coordinator. Saladino is responsible for helping the Texans build a communication platform that connects with Hispanic fans. He works on Hispanic outreach programs and builds grassroots relationships with the community. Saladino also acts as the Spanish spokesperson for the club on local Spanish radio and television stations.

Robert Saladino is a Houston native of Mexican ancestry. His grandmother taught him Spanish and inspired him to receive his bachelor’s degree in Spanish from the University of St. Thomas in Houston. While at St. Thomas, Saladino spent some time in Mar del Plata, Argentina, to improve his Spanish-language skills and to learn more about the culture. He returned to St. Thomas to earn his master’s degree in international studies with an emphasis on international business, global marketing, and Latin-American culture. He also worked with former Houston Mayor Pro Tem Gordon Quan to gain valuable experience with Houston’s Asian community. Saladino wrote a letter to the Houston Texans General Manager to apply for a position as a team scout. The general manager was impressed with Saladino’s credentials and offered him the newly created position.

Think Critically

Why is the team making special efforts to reach out to the Hispanic population? What qualifications made Robert Saladino the perfect candidate for Hispanic Outreach Coordinator?
Understand Marketing Concepts
Circle the best answer for each of the following questions.

1. Sports and entertainment marketers try to appeal to groups by offering
   a. special ticket prices on large quantities of tickets
   b. live entertainment or fireworks after the event
   c. free transportation to the event
   d. all of the above

2. Club seats
   a. are located in fancy rooms inside stadiums and arenas
   b. are located at the press-box level of an arena
   c. often come with added benefits, such as access to exclusive restaurants, merchandise stands, and lounge areas
   d. are available only to members of corporate clubs

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

3. **Communication** You are the alumni director for a major university that has a successful football program. Write a letter to a wealthy former student, inviting the alumnus to be your guest at the upcoming homecoming game. You are hoping your guest will be inspired by the visit to make a sizable donation to the athletic department.

4. Explain why social outings can strengthen the cohesiveness of company teams. If you were the Human Resources Director for a major corporation, what types of activities outside of work would you recommend to team leaders and why?
Review Marketing Concepts

Write the letter of the term that matches each definition.

1. The sales process step in which the salesperson learns everything possible about the products and services offered, the target market, and the competition
   1. a. club seats
      b. cold calling
      c. customer management
      d. group packages
      e. leads
      f. luxury boxes
      g. preapproach
      h. suggestion selling
      i. ticket brokers
      j. ticket scalpers

2. Those who legally buy and sell tickets to a variety of entertainment events and guarantee ticket authenticity

3. Building a customer base and carefully scheduling time spent with customers

4. Special ticket prices offered to members of a group when tickets are purchased in large quantities

5. Premium stadium seats located outside that are usually cushioned and roomy and provide a good view of the action

6. Contacting potential customers at random without researching customers’ needs first

7. Information gathered on prospective customers who have shown interest in the product or service and/or meet the definition of the target market

8. Those who sell tickets to major sporting events at inflated prices

9. Fancy rooms inside stadiums and arenas that allow corporate executives and some wealthy private individuals to entertain clients and friends while watching sports and entertainment events

10. Asking customers if they want to purchase related products

Circle the best answer.

11. For most purchases, most consumers go through a decision-making process that includes all of the following steps except
   a. reach a decision and buy the product
   b. recognize a need for a product
   c. gather a lead on the product
   d. evaluate the alternative products

12. Customer management includes
   a. carefully scheduling time spent with customers
   b. developing an effective record-keeping system of customer data
   c. using aggressive tactics to push customers into a decision to buy
   d. both a and b
Think Critically
13. You are the president of a celebrity’s fan club. What kind of customer management strategies could you use to stay in touch with fans?

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____________________________________________________________________________________

14. You have been given permission to set up a booth to sell merchandise at the Country Stampede in Manhattan, Kansas. Use the Internet to research this entertainment event. What will you sell at your booth? Why?

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15. A customer in your sporting goods store has shown interest in purchasing a pair of running shoes. Describe how you will use the sales process to try to make the sale.

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16. A major amusement park wants to increase the sale of two-day passes, seasonal passes, and family ticket packs. Who are the target markets for each category of ticket sales? How can suggestion selling be used to increase ticket sales?

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____________________________________________________________________________________

17. A major university wants to sell more tickets to men’s basketball games. The beautiful new basketball arena on campus holds 14,000 people. A new coach, outstanding recruits, and early wins this season are sparking student and alumni enthusiasm. What types of promotions and sales strategies would you suggest to increase ticket sales?

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____________________________________________________________________________________
18. **Marketing Math** The face value of a ticket to the Final Four championship game is $65. You purchase a ticket from a scalper for $150. What percentage of profit has the ticket scalper earned from this transaction?

19. **Ethics** You work for the MLB stadium in your community. Sparked by fan complaints, you would like to discourage ticket scalping. What strategies would you suggest to ensure fans have a fair chance of buying tickets at their face value? How could you work with the police department to prevent ticket scalping?

20. **Research** Use the Internet to research group packages for youth organizations for sports and entertainment events. What kind of groups qualify for these packages? What is offered in these packages?

21. **Communication** Successful retailers have taught sales associates to avoid the “no thanks, just looking” response from customers by creating conversations that spark customer interest. The bookstore at a major university campus has an excellent sporting goods department, but sales have not been satisfactory. Outline an approach for sales associates to follow in order to spark customers’ interest in sporting goods.
22. Problem Solving  You have been hired as a marketer for a friend’s hotel located in rural America where farming is the major industry. The busiest season for the hotel is the fall when guests enjoy hayrides, campfires, and harvesting pumpkins to decorate as jack-o-lanterns. The kids enjoy the Halloween haunted house. Your goal is to increase sales during other times of the year. The closest nearby community has many antique shops, a farmers’ market, and three outstanding restaurants. The location has an average snowfall of 50 inches during the winter. Your friend also has a Christmas tree field that will be ready for harvesting next year. During the summer, the nearby lake offers great fishing. Outline a strategy to increase group or corporate sales for the hotel during the spring, winter, and summer.

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PROJECT EXTRA INNINGS

You are in charge of the post-prom party (12:00 a.m. to 5 a.m.) to keep students entertained and out of trouble. The key to success for the post-prom party is to acquire sponsorships from local businesses and parents. You must sell the party to juniors and seniors.

Work with a group and complete the following activities.

1. What will you do to get a better idea of customer entertainment needs (for example, consumer surveys of juniors and seniors at your school)?
2. What activities will you include during the 5-hour event to keep students entertained?
3. What is your sales strategy for getting business and parent sponsors for the event?
4. Create an advertisement and promotional incentives to increase attendance of juniors and seniors at the post-prom party.
5. Why is this event beneficial to the community and school?
6. Why is it a good idea to get parents involved with the event?
7. What businesses would make good local sponsors for this event?
SELLING THE BENEFITS OF A CITY AND ITS VENUE

College and professional sports are economy boosters for their host cities. The stream of revenue to the local economy generated by excited fans comes from the sale of tickets, hotel room rentals, car rentals, restaurant meals served, gasoline sales, parking fees, and vendor sales. The sales become even greater when a team is winning.

Cities such as Lincoln, Nebraska; Columbus, Ohio; Tallahassee, Florida; and Baton Rouge, Louisiana count on the revenue generated by sell-out crowds during the college football season. Stadiums that hold from 80,000 to 102,000 fans provide an economic windfall for the college communities where they are located.

Some professional sports fans, such as fans of the Chicago Cubs and Green Bay Packers, are loyal no matter how well their team is performing and provide a steady flow of revenue to the sports program and surrounding community.

College World Series Wars?

Cities that host major sporting events like the baseball College World Series understand the financial benefits. Omaha appreciates the millions of dollars poured into the city during the annual College World Series. Zesto’s, a popular fast-food restaurant, has truckloads of food rolling in each day to meet the demands of customers from all over the United States.

The event has been voted the Best Annual Local Event and ranks as the third most important state tourist attraction, according to a survey conducted by Omaha Magazine.

The revenue from this two-week event has attracted the attention of other cities, like Oklahoma City, that would like the opportunity to host the event in the future. Economic experts estimate that the College World Series generates between $35 and $40 million for the Omaha economy. It is no wonder that other cities want to steal the event away. Omaha has spent large sums of money on Rosenblatt Stadium in order to continue hosting the big college baseball event. Omaha must continue to demonstrate top-notch hospitality so that the event’s planners will continue to choose Omaha as its host city.

Think Critically

1. Why is it important for Omaha to continue hosting the College World Series?
2. What are the greatest sources of revenue for cities that are home to popular college and professional sports teams?
3. How can hosting a major event like the College World Series help a city develop a national image? Explain your answer.
4. List food items and souvenirs for vendors to sell at the College World Series and Major League Baseball games.
HOSPITALITY MANAGEMENT TEAM DECISION-MAKING EVENT

The University Hotel is located in a college city that is crazy about football. The 100,000-seat stadium sells out for Saturday home games. The football team is nationally ranked in the Top Ten. All hotels are sold out on football Saturdays, and surrounding communities get some of the overflow hotel business.

Two new large hotel chains have decided to build budget hotels in your growing college community. These properties will add 380 additional hotel rooms to the area. The University Hotel is concerned about losing business.

The University Hotel has hired your team to develop a promotional strategy that will fill the hotel on football weekends. The hotel has 100 rooms and rates that range from $69 to $179 per night on football weekends. The restaurant in the University Hotel is noted for outstanding food, an excellent breakfast buffet, and reasonable prices. The hotel provides free secured parking. The stadium is conveniently located three miles from your hotel. There is limited parking near the stadium. Your management team must develop a complete promotional package that will fill the hotel on football Saturdays. The hotel has 100 rooms and rates that range from $69 to $179 per night on football weekends. The restaurant in the University Hotel is noted for outstanding food, an excellent breakfast buffet, and reasonable prices. The hotel provides free secured parking. The stadium is conveniently located three miles from your hotel. There is limited parking near the stadium. Your management team must develop a complete promotional package that will fill the hotel on football Saturdays.

The University Hotel has hired your team to develop a promotional strategy that will fill the hotel near the stadium. Your management team must develop a complete promotional package that will fill the hotel on football Saturdays. The hotel has 100 rooms and rates that range from $69 to $179 per night on football weekends. The restaurant in the University Hotel is noted for outstanding food, an excellent breakfast buffet, and reasonable prices. The hotel provides free secured parking. The stadium is conveniently located three miles from your hotel. There is limited parking near the stadium. Your management team must develop a complete promotional package that will fill the hotel near the stadium.

You will have 30 minutes to study the situation and organize your solution using the management decision-making format. You may use a laptop computer and notes for your presentation. No note cards are allowed when presenting to the hotel owner/manager(s) (judges). You will have ten minutes to present your strategy and five additional minutes to answer questions. All team members must participate in the presentation.

Performance Indicators Evaluated
- Demonstrate critical-thinking and problem-solving skills.
- Describe a promotional strategy to keep the hotel at capacity on football weekends.
- Analyze the wants and needs of football fans, and demonstrate how your plan will satisfy them.
- Differentiate The University Hotel and its services.
- Demonstrate teamwork to complete a group project.

Go to the DECA web site for more detailed information.

Think Critically
1. What is the new challenge faced by the hotel?
2. List two promotions the hotel could offer to football fans.
3. List two publications in which to advertise the hotel’s promotions.
4. What factors must be considered when determining what prices to charge per night?

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