

## **Sports & Entertainment Marketing**

### **Student Note Taking Guide, 2020-21 School Year**

## **Unit 3 Student Notes Guide:**

### **Introduction to Sports & Entertainment Business Principles**

#### **OVERVIEW**

*Unit three offers an introduction to the basic principles that create the foundation for the business of sports and entertainment. Students will explore the many segments that make up the industry and gain an understanding of how sports and entertainment organizations generate revenues in an effort to achieve profitability.*

---

#### **OBJECTIVES**

- 1) Define and provide examples of sports and entertainment industry segments
  - 2) Explain the concept of revenue streams and why they are important to an organization
  - 3) Understand the general financial structure of a sports franchise
  - 4) Recognize how entertainment companies generate revenue
  - 5) Define ancillary products
  - 6) Define and understand the importance of product placement
  - 7) Describe industry trends
  - 8) Provide an example of how an organization may track shifts in industry trends
  - 9) Understand the concept of economic impact
- 

#### **LESSONS**

- Lesson 3.1** Industry Segments  
**Lesson 3.2** The Financial Structure of Sports Business  
**Lesson 3.3** The Financial Structure of Entertainment Business  
**Lesson 3.4** Tracking Industry Trends  
**Lesson 3.5** Economic Impact
- 

#### **KEY TERMS**

**Ancillary Products**  
**Product Placement**

**Economic Impact**  
**Revenue Stream**

**Industry Segment**  
**Royalties**

## Lesson 3.1

### Industry Segments

There are many segments of the sports and entertainment business industry

Define **industry segments**

List ten examples of sports business segments:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

List ten examples of entertainment business segments:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

## Lesson 3.2

### The Financial Structure of Sports Business

Professional team sports are finding it \_\_\_\_\_ to achieve financial success and turn a profit.

Define **revenue streams**

Overall franchise values have \_\_\_\_\_ exponentially in the past decade.

Sports organizations historically relied on several specific streams to generate the majority of their revenue. What are some examples?

- 1.
- 2.
- 3.
- 4.
- 5.

Sports organizations operating today have several additional, often very lucrative, revenue streams. What are some examples?

- 1.
- 2.
- 3.
- 4.
- 5.

List five examples of possible costs/expenses for a professional sports organization:

- 1.
- 2.
- 3.
- 4.
- 5.

## Franchise Valuation

Unlike industrial or financial business, which is generally valued on \_\_\_\_\_ and \_\_\_\_\_, sport franchises are valued on their \_\_\_\_\_ for two reasons:

1. For the long term, the operating expenses within each league are:
2. Franchise revenues most closely measure the quality of \_\_\_\_\_ and \_\_\_\_\_ performance, ultimately the two most critical elements in the evaluation of team's overall value

Professional sport team values have risen over the past decade and are expected to \_\_\_\_\_ for the next few years.

## Lesson 3.3

### The Financial Structure of the Entertainment Business

Entertainment business revenue streams

Similar to sports products in that both products \_\_\_\_\_

---

Define **ancillary products**

What are some examples of ancillary products that could be generated from a blockbuster Hollywood film?

- 1.
- 2.
- 3.
- 4.

The sale of those ancillary products makes a profit for the film creators in the form of sales, royalties and licensing fees

Define **royalties**

Define **product placement**

Product placement can be present in a number of media formats, including:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Not all product appearances are \_\_\_\_\_

Product placement is one of the \_\_\_\_\_ growing advertising mediums in the entertainment industry

For examples:

Product placement is presenting itself in \_\_\_\_\_

A \_\_\_\_\_ refers to any marketing or promotional activity that connects one brand or product with another (usually more well-known or publicized) product or event

When the featured product does not pay for the exposure, it is referred to as a \_\_\_\_\_.

Reverse product placement occurs when \_\_\_\_\_  
\_\_\_\_\_

## Lesson 3.4

### Tracking Industry Trends

What are **industry trends**?

What are three examples of a trend that could shift within the sports/entertainment industry?

1.

2.

3.

How do sports and entertainment marketers track industry trends? Provide five examples below.

1.

2.

3.

4.

5.

What are some current trends in the sports and entertainment industry? Provide three examples.

1.

2.

3.

## Lesson 3.5

### Economic Impact

Sports, entertainment and events inevitably make an impact on the host city's economy

**Economic impact** can be defined as:

*Direct effects* are:

*Indirect effects* are:

To measure economic impact, an \_\_\_\_\_ is often conducted

These studies attempt to determine:

A study may be conducted \_\_\_\_\_ to a city placing a bid to host an event (or building a new facility) as a vehicle for persuading local officials or the community at-large that bringing the event to the area will be a positive thing for the local economy

Studies can also be conducted \_\_\_\_\_ the event takes place to measure the overall impact the event had on the local economy

Sports corporations typically operate as \_\_\_\_\_ organizations

A sports corporation's (also referred to as "sports authority", "sports foundation" or "sports commission") primary objective is to attract events to the communities they represent



## ADDITIONAL NOTES

---

