

Sports & Entertainment Marketing

Unit Five Outline, 2020-21 Edition

Unit 5: The Marketing Plan

OVERVIEW

Unit five prepares students with the basic fundamentals required to develop an effective marketing plan. The situation or SWOT analysis is an important tool for any organization in determining key characteristics of their business and is integral to the planning process. Students will also learn the importance of creating a solid mission statement and the role finance plays in the development of the marketing plan. Unit five also examines additional components critical to the creation of a successful marketing plan.

OBJECTIVES

- 1) Understand what the marketing plan is and why it is an important tool for sports and entertainment marketers
 - 2) Identify the key components of the marketing plan
 - 3) Successfully compose a mission statement
 - 4) Explain the purpose of a situation or SWOT analysis
 - 5) Identify the four elements of a situation analysis
 - 6) Recognize the importance of understanding the financials within the marketing plan
 - 7) Determine which information is important to address within the marketing plan
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LESSONS

- Lesson 5.1** What is the Marketing Plan?
Lesson 5.2 Components of an Effective Marketing Plan
Lesson 5.3 The Mission Statement
Lesson 5.4 The Situation Analysis (SWOT)
Lesson 5.5 Financing
Lesson 5.6 Key Information in the Marketing Plan
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KEY TERMS

Balance Sheet
Forecast
Market Share

Budget
Income Statement
Mission Statement

Competition
Marketing Plan
Situation (SWOT) Analysis

Lesson 5.1

What is the Marketing Plan?

- A. Marketing plan
 - 1. The **marketing plan** is a written document that provides direction for the marketing activities for a specific period of time ¹
 - a. The plan is a critical planning tool for any business, regardless of industry, as it provides direction for the organization by defining goals and strategies
- B. Why is a marketing plan important?
 - 1. It communicates the goals, objectives, and strategies of a company to its employees
 - 2. Some marketing plans are prepared to be included as part of a complete business plan
 - a. with the goal of obtaining financing from outside investors or bank for a new venture
- C. Marketing plans can vary in complexity and time frame
 - 1. The complexity of the marketing plan is determined by the size and type of the organization
 - a. The plan is also influenced by the organization's goals and objectives
 - 2. The time period covered by the plan also varies with organization size and type
 - a. A new minor league baseball franchise may only plan for two years given the risk for minor league organizations to be short-lived
 - b. A major league baseball team may create a five to ten year plan to implement complex and long-term marketing strategies
- D. Understanding the market
 - 1. Before completing the marketing plan, organizations must understand their market
 - 2. An organization must research and evaluate many factors within a market
 - a. The product
 - b. The consumer
 - c. The economy
 - d. Target markets
 - e. Existing market distribution channels
 - f. Buying trends
 - g. Competitor performance
- E. Understanding competition
 - 1. **Competition** refers to a rivalry between two or more businesses selling products or services to the same customers or markets
 - 2. When two or more businesses sell the same goods or service, they are competing for the same consumers. Competition impacts price points, product features and marketing strategies because businesses are fighting for an edge that will persuade consumers to choose their products or services over those of competitors.
 - a. PS4 (Playstation), Xbox One (Microsoft) and Wii U (Nintendo) compete for consumer dollars in the video game market
 - b. The Dallas Stars, Dallas Cowboys, Dallas Mavericks, Texas Rangers and FC Dallas compete for consumer dollars in the Dallas-Fort Worth area
 - c. Netflix, Amazon, Hulu and YouTube compete for consumer dollars in the streaming video business
 - i. Last year, there were nearly 500 scripted television shows available in the United States, with Netflix spending at least \$12 billion on new content (a number that analysts expect will swell to \$15 billion this year, according to [Variety](#))
 - ii. Apple announced plans to enter the competition to capture the attention of streaming consumers with original "Apple TV Plus" programming in 2019
 - (a) Recognizing the challenges they will face entering a crowded marketplace, Apple investing heavily to attract consumer attention

- (i) The company is investing \$15 million per episode in the production of 'See', a sci-fi series the company is banking on to help them make a splash when the service launches
 - (ii) To put that in perspective, the [Verge](#) reported that Game of Thrones — likely the most expensive TV show made — took eight seasons to work its way up to a \$15 million-per-episode budget
 - iii. Similarly, Disney is [reportedly](#) investing \$10-15 million per episode producing 'The Mandalorian' in the build-up for the launch of its new streaming service
 - d. **Market share** is a key indicator of how well one company is performing against competitors within the marketplace
 - i. For example, Gatorade dominates market share among brands competing for consumer attention in the sports drink market ²
 - (a) Gatorade (72%)
 - (b) Powerade (16.1%)
 - (c) BodyArmor (10.3%)
 - (i) In 2016, BodyArmor held just 1% of market share, 2% in 2017, 8.6% in 2018 and up to 10.3% last year
 - (ii) In 2019, BodyArmor [launched](#) a March Madness campaign to help capture more market share as it took over as the official sports drink of the NCAA Tournament (replacing Powerade)
 - 1. Click [here](#) to see a recent commercial from the brand featuring NBA stars Donovan Mitchell and James Harden filling out their NCAA brackets
 - (iii) According to a story from [CNBC](#), the brand has bold and ambitious plans to overtake Gatorade as the number one sports drink by 2025
 - 1. Click [here](#) to read the full story from cnbc.com
2. A monopoly occurs when there is no competition in the marketplace
 - a. The Federal Trade Commission blocked the merger between daily fantasy contest companies FanDuel and DraftKings with concerns about the effect the merger would have on consumers. The merger would have given DraftKings and FanDuel over 90% of the market. ³
 - b. In 1984, the U.S. Supreme Court ushered in the modern era of escalating media rights fees when it declared the NCAA's control of football television rights to be an illegal monopoly. Today, schools that 30 years ago received less than \$1 million a year from television can generate \$20 million or more a year in revenue from the sale of television rights. ⁴
 - c. A lawsuit alleged that EA Sports had "engaged in unlawful and anti-competitive agreements that nearly doubled the price of its popular game, Madden NFL, drove competition out of the market and prevented new competitors from entering." The company settled for \$27 million but only with respect to their NCAA and Arena football licensing agreements, not its Madden franchise. ⁵
 - d. In 2018, the Department of Justice approved Disney's purchase of Fox on the condition that it did not include its regional sports networks
 - i. Disney owns ESPN so there were monopolistic concerns if they were to gain Fox's sports network assets as well
 - ii. For the agreement to be finalized, the DOJ required Disney to sell off Fox's 22 regional networks to a "reasonable" buyer (i.e. - a buyer that wouldn't give them control of the networks)
 - e. The U.S. [Supreme Court](#) will soon decide whether it will hear a case that alleges the NFL's Sunday Ticket package violates federal antitrust statutes. As it stands right now, if you're a Cleveland Browns fan living in Seattle, for example, you'll have to buy NFL SUNDAY TICKET through DirecTV at a cost of nearly \$300 to see your favorite team play every week.

3. Types of competition
 - a. *Direct competition* occurs between sellers of similar products and services
 - i. Li Ning, an upstart Chinese footwear and apparel brand is a direct competitor of Nike, Adidas, Puma and Under Armour, had displaced Adidas as the number two brand in China based on sales of footwear, apparel and accessories by 2012. Today, the company is still trying to positioning itself to surpass Nike as the top footwear and apparel brand in China. Li Ning's goal was to be number one by 2013. ⁶
 - (a) Unfortunately for the brand, it has struggled to reach its goal. As of last year, Nike still was still the largest sportswear company in China with a 17.5 percent market share, Adidas a close second with 16 percent share, while Anta Sports Products Ltd. (another Chinese brand) controlled nearly 10.5 percent and Li Ning just 5.5 percent.
 - (b) However, Li-Ning showed signs of life last year, with sales up 39% over the previous year
 - (i) Click [here](#) to read a story from Bloomberg on the growth potential of both Li Ning and Anta in the Chinese market
 - ii. Puma is trying to reconnect with its basketball roots
 - (a) In 2019, the brand entered a marketing agreement with the NBA, months after signing endorsement deal with a number of high-profile rookies after the draft with high hopes of re-claiming market share in a crowded basketball sneaker market
 - (b) Click [here](#) to read "The forgotten history of Puma basketball" from the Undefeated.
 - iii. New Balance is also investing in marketing efforts to compete for consumers in the basketball market
 - (a) Last year, the brand landed one of the biggest names in the basketball by signing Kawhi Leonard as a brand ambassador and also [signed](#) a multi-year deal as an official marketing partner of the NBA
 - b. *Indirect competition* occurs between sellers that compete for the same share of consumers' discretionary income (competition for the entertainment dollar)
 - c. It is possible for some products and services to compete directly at times and indirectly at others
 - i. Georgia Tech, Atlanta Falcons and NASCAR in the Atlanta market
 - d. *Substitute products* are products (or services) that consumers may choose to use rather than a particular company's product
 - i. Watching games in HD on television rather than attending the game in person

*** ACTIVITY IDEA ***



As part of SCC's annual SportsBiz Madness Case Study Tournament, last year we featured a case study asking students to develop an advertising campaign for New Balance as part of their push to gain market share in the basketball category. Consider using that case study as an assignment or class/group activity, making sure students can distinguish between direct competition and indirect competition. The case study is available in the Unit 5 folder online.

Visit SCC's blog for a recap of last year's case study tournament to see the feedback from our industry judges for the New Balance ad campaign case study.

Lesson 5.2

Components of an Effective Marketing Plan

- A. Components of an effective marketing plan ⁷
 - 1. Mission statement
 - a. A **mission statement** is a written statement that captures an organization's purpose, customer orientation and business philosophy ⁸
 - 2. Executive summary
 - a. Provides an overview of complete plan
 - b. Highlights key information within the document
 - 3. Situation or SWOT analysis
 - a. The **situation analysis** (also referred to as SWOT) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates
 - b. Reviews four key factors pertaining to the company's current market situation
 - i. Strengths
 - ii. Weaknesses
 - iii. Opportunities
 - iv. Threats
 - 4. Marketing goals and objectives
 - a. Identifies what the company hopes to achieve with the marketing plan and a timeline for which the plan is to be carried out
 - b. To be effective, objectives should follow the S.M.A.R.T. criteria
 - i. Specific
 - ii. Measurable
 - iii. Action-oriented
 - iv. Realistic
 - v. Time bound
 - 5. Market research / Marketing strategies
 - a. Defining a specific marketing approach intending to create segmentation and positioning objectives with the goal of influencing consumer purchase decisions
 - b. Plan should include any relevant market research to help support strategy and implementation decisions
 - c. Developing a strategy includes the process of designing an initial marketing strategy for a new product based on the product concept ⁹
 - 6. Implementation
 - a. Refers to the process of putting the marketing plan into action
 - 7. Evaluation and control
 - a. The phase in which determinations are made whether the plan achieved the desired results
 - b. The control process is on-going and allows for adjustments and changes to the plan as needed to attain desired results
 - 8. Additional components that may also be present within marketing plan
 - a. Table of contents
 - i. Most marketing plans will feature a table of contents to help readers quickly and easily access key segments of the plan
 - b. Problem identification statement
 - i. Provides direction for the analysis as a whole if an organization hopes to overcome a specific challenge
 - c. Communication and/or publicity plan

Lesson 5.3

The Mission Statement

- A. Mission statement
 - 1. Many organizational marketing strategies are founded on the basis of the mission statement content
 - a. A mission statement should address the following questions¹⁰
 - i. What business are we currently in?
 - ii. Who are our current customers?
 - iii. What is the scope of our market?
 - iv. How do we currently meet the needs of our customers?
 - 2. To be effective
 - a. Mission statement should be shared and supported by employees
 - b. Should explain why your organization exists and what it hopes to achieve
- B. Mission statement examples
 - 1. Mission statement for the International Olympic Committee's marketing commission ¹¹
 - a. "Olympic marketing helps perpetuate the work of the Olympic Movement, by providing resources, programmes and financial support. All programmes and actions of a partner should be designed to enhance and protect the Olympic image and Olympic values."
 - 2. Mission statement of the International Skateboarding Federation ¹²
 - a. "The International Skateboarding Federation (ISF) is formally organized and incorporated as Skateboarding's International Federation and World Governing Body. The ISF has been established to provide direction and governance for the sport of skateboarding worldwide; The ISF's goals include but are not limited to:
 - (a) *"To make skateboarding available to everyone in the world who wishes to participate,*
 - (b) *To guarantee skateboarding continues to provide the freedom of self-expression and creativity,*
 - (c) *To promote and support the sport of skateboarding in order to guarantee its future,*
 - (d) *To continue to maintain the integrity and authenticity of skateboarding as a sport, a passion and a lifestyle,*
 - (e) *and to apply these rules of governance in a fair and equitable way, and to do so through the leadership and expertise of the skateboarding family world-wide"*
 - ii. Mission Statement for the Chicago Bulls ¹³
 - (a) Mutual respect for each other, and a commitment to excellence, innovation, integrity and quality in everything we do.
 - (b) By providing our guests with superior entertainment value in a clean, secure, and comfortable environment—win or lose—regardless of their interest level in basketball.
 - (c) By helping our sponsors build their brands and grow their business.
 - (d) By treating our respective constituencies with respect, appreciation, and as we ourselves would want to be treated and serviced. In other words, by putting our fans and sponsors first every single day—and meaning it.
 - (e) By making our community a better place to live through our support of worthy social causes.
 - (f) By involving our guests in the game as active participants—not merely spectators.
 - (g) By knowing who and where our fans are, and reaching out to them.

- (h) By working hard to make NBA basketball the most popular sport in our community and by selling and humanizing our players to everyone we meet.
- (i) By being proactive and accountable in carrying out our mission.

*** INSTRUCTOR'S NOTE ***



For more examples of mission statements, refer to the student handout marked “Unit 5 - Student Handout - Mission Statements” provided on the thumb drive containing your membership resources. The handout (in both .pdf and PowerPoint format) can be found in the folder marked “Lesson 5.3 - Mission Statement” within the unit 5 resources folder. Ask students to discuss whether they feel each mission statement effectively conveys the company message. After students have reviewed the sample mission statements, ask them to create one on their own.

*** ACTIVITY IDEA ***



As a class, develop your OWN mission statement, whether it is for a fictitious sports marketing company, your class, or your school athletics or entertainment. Work with a student involved with art or graphic design to put the mission statement down on paper and then place it prominently somewhere in the classroom for students to see throughout the school year.

Lesson 5.4

The Situation Analysis (SWOT)

- A. Components of the situation or SWOT analysis ¹⁴
1. **Strengths**
 - a. Resources and capabilities that can be used as a basis for developing a competitive advantage
 - i. Patents
 - ii. Strong brand names
 - b. Positive reputation among customers
 2. **Weaknesses**
 - a. Qualities that give a business a competitive disadvantage
 - b. The absence of certain strengths may be viewed as a weakness
 - i. Lack of patent protection
 - ii. Weak, unrecognized or ineffective brand name
 - iii. Poor reputation among customers
 - iv. Lack of resources
 - v. Inadequate distribution channels
 3. **Opportunities**
 - a. Events that could facilitate company profit and growth
 - i. An unfulfilled customer need
 - ii. Arrival of new technologies
 - iii. A particular market niche that has not yet been exploited
 - iv. Mergers
 - v. Entry into new markets
 4. **Threats**
 - a. Events that could have a negative impact on the company
 - b. Could be internal, such as falling productivity, or external, such as lower priced products offered by competitors
 - i. Shifts in consumer tastes away from company products
 - ii. Emergence of new substitute products
 - iii. Government regulation
- B. Hypothetically, let's say you were conducting a SWOT analysis for an apparel and footwear company competing with companies like Nike, Adidas and Under Armour for market share
1. **Strengths**
 - a. Strengths might include:
 - i. Steady and consistent growth in profits
 - ii. Innovative new technology (lightweight, stretchable fabric) that increases consumer performance
 - iii. Products tied to effective endorsement campaign (Serena Williams wears your new technology during matches)
 2. **Weaknesses**
 - a. Weaknesses might include:
 - i. Too much reliance on sales of products online and not enough in retail environments (your products are not available at Dick's or Foot Locker)
 - ii. Low brand awareness (not enough consumers are familiar with your brand)
 - iii. Dependency on sales of apparel products with a track record of limited growth in footwear (75% of total sales come from the apparel category)
 3. **Opportunities**
 - a. Opportunities might include:
 - i. Well defined objectives with company-wide support (everyone in the company understands and supports the goal of increasing footwear sales in the next fiscal year)

- ii. Positive industry outlook (forecasts call for substantial growth in the footwear and apparel markets for the next three to five years)
 - iii. Positive association with endorsers (Serena Williams' popularity is extremely high and she uses your product and will be featured in an upcoming campaign promoting the brand)
4. **T**hreats
- a. Threats might include:
 - i. Competitors launching new, similar product (Puma is launching a similar lightweight, stretchable fabric apparel line in the upcoming year)
 - ii. Rising raw material prices (the cost of producing products will rise)
 - iii. Poor economic conditions (consumers are spending less)

*** ACTIVITY IDEA ***



Divide the class into groups. Assign each group different fictitious sports/entertainment products and ask them to develop a situation analysis as if they were developing a business plan to compete for market share. A few ideas for product categories could include shoe and apparel business, sports equipment (Wilson tennis racquets for example), sports nutrition products (CLIF bar), sports/entertainment events (such as an obstacle race like Spartan Race or a “fun” run event) or sports drinks.

Lesson 5.5

Financing

- A. A critical element to an effective marketing plan focuses on finances
1. Forecast
 - a. The **forecast** predicts the costs and expenses as well as anticipated revenue
 - b. A forecast simply provides a target figure and is not expected to be 100% accurate
 - i. For example, University of New Mexico's football program fell short on its ticket revenue projections for the 2018-19 season ¹⁵
 - (a) In anticipation of a continued decline in attendance, the program lowered its projections for its revenue generating sports for the 2019-20 season ¹⁵
 - (i) Unfortunately, attendance dropped even more than expected, resulting in another significant revenue shortfall (25% less than projected)
 - ii. Sometimes, organizations can exceed projected revenues
 - (a) In the Seattle Sounders' original business plan, the goal was to sell 12,000 tickets per game in its inaugural MLS season. However, the team averaged nearly 30,000 in its first year and has maintained that pace every year throughout their existence. ¹⁶
 - iii. When establishing a forecast, sports and entertainment marketers will evaluate many factors that will influence revenue and cost projections
 - (a) For example, several factors influenced the University of Michigan athletics department decision to raise its revenue forecast for the 2020 fiscal year ¹⁷
 - (i) The program raised ticket prices and the football schedule features several popular opponents, leading the department to project a \$3.1 million increase in sales
 - (ii) The program also projects a conference revenue distribution increase to \$2.8 million
 - iv. With the uncertainty surrounding the 2020 college football season, creating a revenue forecast for most collegiate athletic programs presented significant challenges

B. Budget

 1. A **budget** details the financial impact of each part of the marketing plan
 - a. The budget also requires careful review of other financial statements, including the income statement and projected expenses
 - iv. The University of South Carolina athletics budget increased to nearly \$125 million for 2019-20 (up from 122 million from last fiscal year) ¹⁸
 - (a) The Gamecocks' budget includes projected revenues from the following for 2019-20 ¹⁸
 - (i) SEC revenue share: \$44.1 million
 - (ii) Ticket revenue: \$20.9
 - (iii) Gamecock Club: \$13.2 million
 - (iv) Sponsorships and royalties: \$17.5 million
 - (v) Gifts and donations: \$9.5 million
 - (b) The Gamecocks' will budget for the following projected expenses of \$113 million for 2019-20 ¹⁸
 - (i) Personnel: \$52.3 million
 - (ii) Scholarships: \$13.6 million
 - (iii) Facilities: \$8.8 million
 - (iv) Uniforms, equipment, supplies: \$8.3 million
 - (v) Event/game services: \$7.5 million
 - (vi) Team travel: \$7.3 million
 - b. When an organization is either losing money or hoping to generate larger profits, they re-evaluate budgets in an effort to save money

iv. The University of South Carolina took an optimistic approach to a 2020-21 budget, but the ongoing COVID-19 pandemic created challenges in forecasting requiring several caveats. Tentative [projections](#) for the upcoming year were announced in June, with expectations that figures would need to be adjusted:

(i) Revenue projections:

1. SEC/NCAA distribution - \$47.415 million
2. Tickets - \$19.528 million
3. Sponsorships and royalties - \$17.555 million
4. Gamecock Club - \$12.970 million

(ii) Expense projections:

1. Personnel - \$54.545 million (will likely decrease thanks to voluntary pay cuts during the pandemic)
2. Facilities - \$8.811 million
3. Event/game services - \$7.696 million

C. Balance sheet

1. The **balance sheet** indicates the current value of the company
 - a. Shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans)

D. Income statement

1. An **income statement** is a record of profit and loss
 - a. Identifies all revenues received and expenses paid

E. Financing example

1. Let's say your favorite college football team is evaluating their operating budget for the upcoming season
 - a. One of the key challenges they will face from a financial perspective is the significant cost of travel for "away" games
 - b. The program's primary budgeted football revenues could include:
 - iv. Corporate sponsorship
 - v. NCAA revenue distribution
 - vi. Ticket sales
 - vii. "Guarantee games"
 - (a) A *guarantee game* is a game where a larger program's team (typically football or men's basketball) will pay a smaller school opponent to come to its campus for a game. Because the larger school believes it should be favored to win, it becomes worthwhile to guarantee money to the smaller school for participating in the game and traveling.
 - (i) Click [here](#) for a story from the Pittsburgh Post-Gazette on how these guarantee games benefit smaller schools
 - (ii) For example, in 2019, the Idaho State football program will earn \$550,000 to travel to Utah for an away game (\$550,000) and \$475,000, generating \$1,025,000 in guarantees ¹⁹
 - (iii) According to a [USA Today](#) report, more than \$150 million was paid out in "guarantees" two years ago in college football and basketball
 - (b) Unfortunately, after the Big 10 football season was postponed because of the pandemic, many non-conference opponents lost out on millions of dollars in revenue from guarantee games. Schools in the Mid-American Conference (MAC) alone were [reportedly](#) set to lose more than \$10.5 million.
 - c. Factors influencing the athletic program's budget decisions relating to football travel could include:
 - iv. The team's travel to an away game might cost the program \$16,000
 - v. Costs are lower when the team plays opponents in a closer proximity because overnight stay wouldn't be required

- vi. Travel also becomes much more expensive when the team is required to fly rather than drive, so playing a team further away might require a \$65,000 travel expense
 - (a) Airfare = \$48,000
 - (b) Food = \$7,000
 - (c) Lodging = \$6,000
 - (d) Bus transportation = \$4,600
- d. Budget evaluation
 - iv. Ideally, the program will minimize costs in relation to budgeted revenues to avoid losing money or even resulting in a budget surplus
 - v. To cut costs, the athletics program might look for ways to minimize travel expenses
 - (a) Programs may have some control over the schedule, so each road trip is evaluated on whether it fits the budget, ease of reaching the destination, game times and availability of commercial flights
 - (b) The program might also look to partners such as Nike and different hotel chains as a means for minimizing expenses through discounts to try to remain within the budget

*** INSTRUCTOR'S NOTE ***



Use the lesson on financing to quickly introduce the concept of “stocks” with your students. You may also choose to take advantage of the “stock exchange project” in your projects folder and/or distribute the activity on stocks in the lesson 5.5 folder.

Lesson 5.6

Key Information in the Plan

- A. In addition to a SWOT analysis, companies must thoroughly detail and expand upon each of the primary components of the plan ²⁰
1. Product planning
 - a. What event, product, or service will be marketed?
 2. Marketing-information management
 - a. Who are the company's competitors?
 - b. Who are potential customers?
 - c. What characteristics define the target market?
 - d. What motivates consumers to buy?
 - e. How do we insure repeat purchases?
 3. Distribution strategy
 - a. How will the company's product get to the consumer?
 4. Pricing
 - a. How much does the product cost the company to produce?
 - b. What is the optimal price for the product?
 - c. What is the estimated demand?
 5. Promotional strategies
 - a. How will the company integrate an effective promotional mix into the plan?
 - b. What forms of advertising will they use?
 - c. Will those decisions be cost-effective?
 6. Financing
 - a. What is the projected overall revenue?
 - b. What costs are involved?
 - c. What economic conditions will influence marketing efforts?
 - d. What other factors should be integrated within the budget?
 - e. What is the time frame that should be considered?
 7. Risk management
 - a. What legal liability could the company face?
 - b. What laws could affect marketing strategies?
 8. Sales
 - a. What sales strategy will be employed?
 9. Execution strategy
 - a. How will the plan be carried out in a manner that will allow for the organization to accomplish its goals and objectives?
 - i. An excerpt from the Vancouver Organizing Committee for the 2010 Olympic Games implementation strategy: ²¹
 - (a) *Create awareness and excitement, across Canada, of the Olympic and Paralympic movements and the 2010 Games*
 - (b) *Make the Games relevant to the entire country fostering the spirit of Canada's Games*
 - (c) *Generate interest and excitement in the corporate community*
 - (d) *Target companies and industries that are profitable and can afford the required investment levels*
 - (e) *Create opportunities for sponsors to activate their sponsorships and maximize their return on investment throughout the entire term of the sponsorship agreements*
 - (f) *Create a positive image and build a solid reputation of fiscal responsibility*
 10. The future
 - a. Where is the business going?
 - b. What is the future for company competitors?

- B. Example of key information addressed in a marketing plan (**hypothetical**)
1. Product planning
 - a. Before Gatorade makes the decision to introduce any new products to the market, they must first develop a marketing strategy to help maximize beverage sales
 - b. They must also consider how to market existing products
 2. Marketing-information management
 - a. Gatorade must evaluate each of their competitors (Powerade, BodyArmor etc.)
 - b. Identify the target consumers
 - c. Understand how those make purchase decisions
 3. Distribution strategy
 - a. Will Gatorade utilize a mail order strategy through EastBay? Will they create an online shopping portal to sell online? Provide product at retail stores?
 - b. Which combination of distribution channels best fits their overall sales strategies?
 4. Pricing
 - a. What will beverage production costs be? What range of potential price points makes sense for the product(s)? Will any discounting strategies be implemented? What type of demand can be expected for the new sports drink products at each of the price variations?
 5. Promotional strategies
 - a. What will Gatorade's promotional campaign include?
 - b. What type of media will be utilized to communicate information about the shoe to consumers? Social media? Advertising? Endorsements?
 - c. What will the budget be? Which promotional mediums will provide the best bang for the buck?
 6. Financing
 - a. How much beverage (volume) will Gatorade expect to sell?
 - b. What is the forecast for gross income?
 - c. What costs will Gatorade incur? Manufacturing? Packaging? Distribution? Inventory? Marketing?
 - d. What is the projected net profit?
 7. Risk management
 - a. Are there potential legal ramifications for Gatorade's planned marketing strategy?
 - b. Does the product pose any physical risk to consumers? Is there a risk of consumers getting sick from drinking the beverages?
 8. Sales
 - a. What sales strategy will help Gatorade to maximize the sales volume of the sports drinks? Personal selling? Online sales?
 9. Execution strategy
 - a. How will the plan be carried out in a manner that will allow for Gatorade to accomplish its goals and objectives?
 10. The future
 - a. What are the short term and long term goals for Gatorade?
 - b. What does the future hold for companies like BodyArmor and Powerade? Are other beverage companies a potential threat in Gatorade's product category? Why or why not?

Unit 5 Key Terms Defined:

Balance Sheet: Indicates the current value of the company

Budget: Details the financial impact of each part of the marketing plan

Competition: A rivalry between two or more businesses selling products or services to the same customers or markets

Forecast: Predicts the costs and expenses as well as anticipated revenue

Income Statement: A record of profit and loss

Marketing Plan: A written document that provides direction for the marketing activities for a specific period of time

Mission Statement: A written statement that captures an organization's purpose, customer orientation and business philosophy

Situation (SWOT) Analysis: Provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates

Unit 5 References & Resources:

- 1) *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 190
- 2) <http://www.foxbusiness.com/features/2016/04/21/inside-bodyarmors-plan-to-catch-gatorade-in-sports-drink-market.html>
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TEACHER NOTES

