



## Sports Career Consulting – Licensing and the Licensing Process

### In this lesson, you will learn:

- Define licensing (Lesson 6.2)
- Discuss the licensing process (Lesson 6.3)
- Distinguish between licensor and licensee (Lesson 6.2)
- Explain the advantages and disadvantages to a licensee (Lesson 6.3)

RESOURCES	QUESTIONS
<p><b>STUDENT DISCUSSION</b></p> <p><i>Estimated time: 5 mins</i></p> <p><b>1</b> Discuss these questions with your classmates or with a partner.</p>	<p>1. Who is the NFLPA and what do they do? <i>National Football League Player Association Represents all players in matters concerning wages, hours and working conditions and protects their rights as professional football players</i></p> <p>2. What do you think licensing is? Can you think of an example? <i>STUDENT ANSWERS WILL VARY</i></p> <p>3. Think of your favorite sports team, league, brand, athlete or entertainer. Do you think it is legal to make a t-shirt featuring their logo or likeness and sell it at school or online? Why or why not? <i>STUDENT ANSWERS WILL VARY</i></p>
<p><b>STUDENT LEARNING</b></p> <p><i>Estimated time: 40 mins</i></p> <p><b>2</b></p> <p><u><a href="#">Licensing and the Licensing Process PowerPoint</a></u></p> <p>Use the PPT Licensing and the Licensing Process to help answer the questions.</p>	<p>1. What is licensing? <i>Refers to an agreement which gives a company the right to use another's brand name, patent, or other intellectual property for a royalty or fee</i></p> <p>2. Define Licensor. Provide two examples. <i>The company or individual granting the license is the licensor. Examples could include NBA, NFL etc.</i></p> <p>3. Define Licensee. Provide two examples. <i>The company or individual paying for the rights to use the licensor's name or property. Examples could include EA Sports use of NFL players, stadiums and teams in their game</i></p> <p>4. If Hallmark makes an ornament featuring a popular NFL player, are they the licensee or licensor? <i>Licensee</i></p> <p>5. Why would a company enter a licensing arrangement with the NFLPA? <i>Ability to use player name, image &amp; likeness could help increase product sales</i></p>

6. List the 3 P's of Licensing:
  - a. Profit
  - b. Promotion
  - c. Protection
7. Where are licensed goods available?  
*Online, retail, big-box, arenas, stadiums pretty much anywhere*
8. List three advantages of the Licensee's position:
  - a. Positive association with the sports entity
  - b. Greater levels of brand awareness
  - c. Help to build brand equity
  - d. Receive initial distribution with retailers
  - e. Expanded and improved shelf space
  - f. May be able to charge higher prices
  - g. Potential to lower advertising and promotional costs
  - h. Increased possibility of success and profitability
  - i. Connection with an athlete, sports team, entertainer, or corporation
9. List three disadvantages of the Licensee's position:
  - a. Athlete, league, celebrity, organization or sport may fall into disfavor
  - b. Success depends on athlete/celebrity performance
  - c. Styles change quickly
  - d. Royalties and licensing fees can be expensive
  - e. Manufacturing costs and risks
  - f. Competition can drive up costs associated with licensing fees
  - g. Competition can have a negative impact on market share

#### COMPREHENSION CHECK

3

Estimated time: 10 mins

1. **TRUE**/FALSE. Licensed products are an extremely lucrative business.
2. **TRUE**/FALSE. Warner Brothers granting permission to Electronic Arts to use the Harry Potter character for the development of a new video game is an example of the licensor / licensee relationship.
3. **TRUE**/FALSE. The National Football League (NFL) would be considered a licensor.
4. Examples of licensees include:
  - a. Major League Baseball
  - b. NASCAR
  - c. **EA Sports**
  - d. A and B above
5. Which of the following would be considered a licensor?
  - a. **NASCAR**
  - b. Nike
  - c. Reebok
  - d. B and C above

	<p>6. List three advantages of the licensor's position.</p> <ul style="list-style-type: none"> <li>a. Expansion into new markets</li> <li>b. Increase its brand equity</li> <li>c. Minimized risk</li> <li>d. Enhanced company image and publicity</li> <li>e. Increased profit from fees and royalties</li> <li>f. Increased brand awareness or recognition</li> </ul>
<p><b>STUDENT ACTIVITY</b></p> <p><b>5</b></p> <p><b>SEE INDUSTRY NFLPA LICENSING ACTIVITY RUBRIC</b></p>	<p style="text-align: right;"><i>Estimated time: 2 hours</i></p> <p>Imagine you are an entrepreneur with an idea for a consumer product that you think might be popular with football fans. You decide that offering an officially licensed NFLPA product featuring a player name, likeness or image will provide the best opportunity to maximize sales.</p> <p>For this activity, you will create a presentation that you will submit to the bank in hopes of receiving funding for the development of your new product.</p> <p>Your presentation must include:</p> <ul style="list-style-type: none"> <li>1) Explanation of how the licensee / licensor relationship</li> <li>2) Description of how an official NFLPA license will influence demand for your product and impact the price you charge consumers for your product</li> <li>3) Description of the product and manufacturing costs associated with the development of the product <ul style="list-style-type: none"> <li>• <i>How will player name, likeness &amp; image be used?</i></li> <li>• <i>Which player will your product feature? Why?</i></li> </ul> </li> <li>4) Design "mockup" sketch of the product</li> <li>5) Design "mockup" of product packaging / branding</li> <li>6) Description of target consumer</li> <li>7) Sales forecast – how many units will you sell?</li> <li>8) Distribution strategy (online vs. retail, product release dates etc.)</li> <li>9) Promotions plan</li> </ul>