

Sports & Entertainment Marketing

Unit Eight Outline, 2020-21 School Year

Unit 8: Sponsorship & Endorsement

OVERVIEW

Unit eight explores the concept of sports and entertainment sponsorship and celebrity endorsement. Throughout unit eight, students will begin to understand the significance of sponsorship and its impact on the financial viability of sports, entertainment and event properties. Students will also gain an understanding of why companies make the decision to engage in sponsorship as a promotional opportunity for their business, as well as the decisions required to ensure their sponsorship program is a sound investment. In addition, unit eight provides a glimpse of several concepts important to the sponsorship field, including cause marketing, ambush marketing and a brief background on endorsements.

OBJECTIVES

- 1) Define and offer examples of sponsorship
 - 2) List three ways a company might implement sponsorship programs
 - 3) Identify three factors that have impacted the growth of sponsorship
 - 4) Define and offer an example of cause marketing
 - 5) Understand why a company would engage in sponsorship
 - 6) Explain what criteria must be met for a sponsorship to be effective
 - 7) Illustrate the concept of ambush marketing
 - 8) Describe sponsorship inventory
 - 9) Define endorsement
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LESSONS

- Lesson 8.1** Sponsorship
Lesson 8.2 Sponsorship Growth
Lesson 8.3 Sponsorship Decisions
Lesson 8.4 Ambush Marketing
Lesson 8.5 Pricing Sponsorships
Lesson 8.6 Endorsements
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KEY TERMS

Ambush Marketing
Gross Impression

Cause Related Marketing
Sponsorship

Endorsement

Lesson 8.1

Sponsorship

A. Sponsorship

1. **Sponsorship** is a form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits ¹
 - a. Sponsorship is not the same as advertising
 - i. Advertising is more direct and aims to stimulate a purchase in the short term
 - ii. Sponsorship aims to generate a bond between company and customer
 - b. Sponsorships provide a partnership between two parties
 - i. Sports and entertainment properties need sponsors to provide financial support, products and services
 - ii. Sponsors need sports and entertainment properties to provide an effective marketing tool
 - iii. For sponsorship to be effective, it must make sense for each party involved
2. Sponsorship examples
 - a. Kaiser Permanente investing in naming rights to rebrand the 11-acre plaza surrounding the Golden State Warriors' new Chase Center arena as "Thrive City" — after Kaiser's "Thrive" health and wellness slogan
 - b. Major corporations sponsoring NCAA college football bowl games
 - c. Mountain Dew sponsoring the Action Sports Tour
 - d. Visa spending millions to sponsor the 2021 Summer Olympic Games in Tokyo

B. Sponsorship packages often include: ²

1. Sponsorship packages typically include some combination of "assets" for the partnering brand
 - a. Right to use team or event marks, logos, names, or trademarks
 - b. Potential for exclusive association
 - i. Exclusivity provides a sponsor the unique opportunity to be the only company sponsoring in a particular product category
 - ii. If Bank of America holds exclusivity rights as part of its package to sponsor a golf event, no other bank will have an opportunity to participate in the event as a sponsor
 - c. Opportunity for title or presenting sponsorships
 - d. Right to use various designations or phrases
 - i. Campbell's Soup and their long-time sponsorship of the National Football League designates the brand as the "Official Soup Sponsor of the NFL"
 - (a) Additional examples:
 - (i) "Official broadcaster of..."
 - (ii) "Official product of..."
 - (iii) "Official sponsor of..."
 - (iv) "Presented by..."
 1. For example, the 2019 NBA Finals were [presented](#) by YouTube
 - (v) "Brought to you by..."
 - ii. Right to conduct promotional activities
 - (a) As part of their NFL sponsorship, Campbell's traditionally rolled out a "Mama's Boy" marketing campaign for the football season featuring NFL players and their mothers
 - (i) After a five-year hiatus from the campaign, Campbell's brought the ads back last year, featuring Dallas Cowboy's star QB Dak Prescott with his brothers, and New York Giants running back Saquon Barkley with his mother

- (ii) The 2020 [campaign](#) will feature Philadelphia Eagles tight end Zach Ertz, along with his mother, along with a [sweepstakes](#) promotion where fans are automatically entered to win an invitation to a Campbell's Chunky-themed cooking experience at the Eagles training facility with Mr. Ertz and his mom
 - e. Additional forms of company exposure and media time (billboards, commercials)
 - f. Product and merchandise (game tickets, licensed merchandise)
- C. Sponsorship **package** example
 - 1. Moda Health paid \$40 million, as part of a 10-year deal, for the naming rights to the Portland Trail Blazer arena as part of its rebranding process to raise levels of brand awareness
 - a. According to the [Sports Business Journal](#), the package includes naming rights at a venue that hosts over 200 sports and entertainment events per year, TV, radio and digital advertising, and the company also becomes a sponsor of the Seattle Seahawks and Seattle Sounders

*** INSTRUCTOR'S NOTE ***



Consider visiting (or encouraging your students to visit) http://www.nascar.com/en_us/sponsors.html for a link to a comprehensive listing of NASCAR sponsors. The list provides a great example of partnership possibilities available to corporations via sponsorships.



*** ACTIVITY IDEA ***

Encourage students to go online and find ten different examples of sponsors using the designated phrases listed above. If possible, try to find a different property (NFL, Oscars, Grammys, World Cup etc.) or different designation ("official sponsor of x" or "presented by") for each partnership example. For some examples, click [here](#) to visit our "official sponsors" board on Pinterest.

- D. What makes sponsorship an effective promotional opportunity for a company?
 - 1. Allows companies to reach consumers by appealing to their lifestyle
 - a. The marketer's message is communicated more effectively when consumers are participating in something they enjoy, such as attending a sporting event or a movie
 - i. Can be particularly effective in sports because of the high levels of brand loyalty

2. Sponsorships often allow companies to reach segments they normally would not
 - a. Audi signed sponsorship agreements with equestrian events, ski races and sailing because research showed that participants and followers of those sports fit the profile of typical Audi buyers ³
 - i. When Lothar Korn, Head of Marketing Communications for Audi was asked how an affiliation with sailing adds to Audi's image, he responded by saying: *"Sailing has a lot in parallel with the image of Audi. It can strengthen some aspects of our brand: if you look at the dynamism, at the elegance and the design of the boats, if you look at the technology... Audi is 'Vorsprung durch Technik' -'Lead through Technology', and technology is also very important for the MedCup too, it is a high-tech sports environment. Light weight plays an important role for the boats, they make good use of carbon, and so light weight is also one of Audi's main strengths, so there are a lot of parallel elements."* ⁴
 3. In today's digital marketing era, traditional marketing efforts have proven to be less effective while more creative approaches, such as sponsorship, offer a more creative and successful means for connecting with consumers
- E. Five common ways businesses implement sponsorship programs ⁵
1. Retail promotions ⁶
 - a. Includes point of sale promotions
 - b. Generally, the goal of a retail promotion is to drive traffic to a sponsor's place of business
 - i. Walmart created a "Race Time" platform at stores that provides NASCAR fans the ability to purchase NASCAR tickets, merchandise, snacks and beverages to take to the race, making Walmart a one stop destination to purchase everything they need to enjoy NASCAR events ⁷
 2. Media awareness ⁸
 - a. Refers to the number of people you reach within an audience of a specific segment
 - b. Typically, the focus is on impressions
 - i. Impressions refer to the number of people exposed to the promotion
 - ii. Hankook Tire America Corporation immerses itself in a number of sports marketing programs. The company's rationale is provided on its Website: *"Hankook enjoyed more than four billion impressions through its Sports Marketing Programs in baseball, hockey, basketball and football. This level of impressions has brought the Hankook name to millions of households, both reinforcing the Hankook brand while introducing the Hankook name to countless households nationwide."* ⁹
 - iii. According to [Apex Marketing Group](#), Jeff Ruby Steak House gained over \$1.1 million in brand value at the 2019 Kentucky Derby, in large part because of the large number of impressions, by sponsoring jockey Mike Smith (who was Justify's jockey in 2018 when they won the Triple Crown)
 - iv. When Muscle Milk signed a deal with one of the top picks in the NFL Draft, Miami's Tua Tagovailoa, the company suggested the marketing campaign around the star quarterback would generate over 1.8 billion impressions, according to a story from [Marketing Daily](#)
 - c. While impressions are still important, no longer are they an exclusive motivation for a sponsor to engage in a relationship with a sports or entertainment property with activation playing a more significant role in a successful sponsorship strategy
 - i. In an interview published in the *Sports Business Journal*, Michael Kelly, Executive VP of marketing for Phillips-Van Heusen said: *"The days of slapping your logo on a sport and counting the impressions are over... Our partnership with the Izod IndyCar Series is a good example of how to simultaneously activate our brand at Macy's and re-energize a sport — we are so intertwined that what benefits one will ultimately be good for all three."* ¹⁰

3. Venue/event on-site promotion
 - a. Allows a company to connect with the audience of a particular event ¹¹
 - i. Companies are buying fan enthusiasm, access to spectators (crowds), and media benefits associated with the event
 - b. Provides opportunities for a company to network with other sponsors
 - i. The Portland Trail Blazers teamed up with sponsor Green Sports Alliance to host an Eco Summit event where over 20 of the team's sponsors were invited (as well as all company employees) to participate ¹²
 - (a) Educational and interactive booths along with panel discussions generated networking opportunities for all in attendance
4. Internal sales and marketing tool
 - a. Helps companies to:
 - i. Maintain an existing customer base
 - ii. Attract new customers
 - iii. Enhance employee relations and motivate/reward staff
 - (a) According to a Sponsorship Decision-Makers study by IEG, Inc. and Performance Research, 64% consider measuring "employee/internal response" as a valuable metric when evaluating the effectiveness of a sponsorship ¹³
5. Product introduction ¹⁴
 - a. Sports sponsorships are a great marketing tool for companies to introduce new products because, generally, sports promotions can provide a quantifiable demographic
 - i. Ford may sponsor a test drive promotion at a NASCAR event, offering an opportunity for fans to drive a new car model. The promotion enables Ford to capture the information of an identifiable number of the program's participants.
 - (a) Click [here](#) to read a story on how sponsors of the 2014 Winter Games in Sochi used their Olympic sponsorship as a platform to introduce new products to athletes and fans
 - ii. Chobani Greek Yogurt sponsored Team USA and used the Rio Olympic Games to launch three limited edition Rio-inspired flavors: Limited Batch Guava, Limited Batch Watermelon and Chobani "Flip" Greek Yogurt Limited Batch Mango Passion Power ¹⁵
 - (a) As part of their sponsorship of the 2019 Boston Marathon, Almond Breeze offered race participants and spectators samples of the brand's new yogurt product, before the product even hit the market ¹⁶

Lesson 8.2

Sponsorship Growth

- A. Sponsorship spending in North America shows consistent growth over the past 20 years
1. According to IEG's annual [report](#), sponsorship spending is expected to outpace traditional marketing/promotion and advertising spending
 2. Growth of sponsorship in North America (includes sports, entertainment and events) ¹⁷
 - a. 1980 - \$ 300 million
 - b. 1987 - \$ 1.75 billion
 - c. 1996 - \$ 5.4 billion
 - d. 2001 - \$ 9.3 billion
 - e. 2007 - \$ 14.91 billion
 - f. 2015 - \$21.4 billion
 - g. 2019 Projections - \$24.2 billion ¹⁷
 - i. Sports - \$17.05 billion
 - ii. Entertainment tours and attractions - \$2.4 billion
 - iii. Causes - \$2.14 billion
 - iv. Arts - \$1.03 million
 - v. Festivals, fairs and annual events - \$936 million
 - vi. Associations and membership organizations - \$635 million
 3. Global sponsorship growth
 - a. A [report](#) from sports data agency, Two Circles, suggests global spending on sports sponsorships will increase by 6% on average every year between 2020 and 2024 ¹⁷
 - i. Pre-pandemic, one [study](#) predicted the spend on sports sponsorship to increase five percent in 2020, reaching more than \$48 billion globally, the strongest growth in a decade
 - (a) According to the study, brands were lined up to invest a record \$5.94 in sponsorships of the Tokyo Games before they were postponed, nearly double the amount generated by the 2016 Olympics in Rio. Official partners of the IOC (Procter & Gamble, Coca-Cola, Visa etc.) were projected to spend \$1.95 billion on the event with Japanese sponsors like Canon and Fujitsu spending \$3.33 billion.
 4. However, with the sports and entertainment industry coming to a screeching halt in 2020 due to the COVID-19 pandemic, the outlook for sponsorship growth has significantly slowed
 - a. IEG [estimates](#) 38% of the annual U.S. sponsorship value (\$10 Billion) will need to be made up following the health crisis. As of July, there were already 120,000 active sponsorship agreements in limbo and more than 5,000 brands were faced with decisions on how to recoup lost value
 - i. Click [here](#) to view an infographic from IEG with its forecast for the future of the sponsorship industry from SCC's Pinterest page

*** INSTRUCTOR'S NOTE ***



Every year, IEG publishes a report breaking down annual sponsorship spending along with projections for future spending and sponsorship trends (also providing a great way to reinforce concepts from lesson 3.4 on industry trends). The results are interesting and might be worth sharing and/or discussing in class with your students. Click [here](#) to download the latest IEG Sponsorship Spending Report.

5. Sponsorship investment levels
 - a. Sponsorship is a primary source of promotion for many major corporations
 - b. According to a report from IEG, companies with the highest levels of investment in U.S. sports sponsorship programs include: ¹⁸
 - i. PepsiCo: \$370-375 million
 - ii. Anheuser-Busch: \$360-365 million
 - iii. Coca-Cola: \$275-280 million
 - iv. Nike: \$260-265 million
 - v. AT&T: \$200-205 million
- B. Factors influencing growth of sponsorship
 1. Unique promotional opportunity ("outside the box" mentality), providing some separation from traditional media
 2. Technology and increased media interest in sports and entertainment programming ¹⁹
 - a. Bolstered by the increased commercialization of radio and television through commercials
 - b. Introduction of new media outlets (vs. traditional media like television and radio)
 - i. Pay per view
 - ii. Satellite television and radio
 - iii. On Demand programming
 - iv. Streaming audio and video
 - v. Social media
 3. Growing frustration with traditional media
 - a. Companies began feeling that it was too challenging to distinguish themselves from the large number of additional companies advertising
 - b. The average individual sees 5,000 sales messages daily, making it hard for companies to get consumers to remember their products ²⁰
 4. Increased levels of consumer acceptance
 - a. Studies have indicated that public perception of sponsorship is far more positive than traditional forms of advertising
 5. Global nature of sports and entertainment ²¹
 - a. Sponsorship provides a means for crossing the language barrier
 - b. The Olympics Games consistently receive multi-national support via sponsorships from an industry-diverse clientele

C. Cause marketing

1. **Cause marketing** refers to marketing efforts that tie an organization with a charitable cause
 - a. 79% of respondents to a recent study said they would switch brands (provided price and quality were equal) to one supporting a “good cause” ²²
 - i. The Boomer Esiason Foundation Website explains that with cause marketing programs, a corporation receives tangible benefits – such as a marked increase in sales – from tying its marketing strategy to the fundraising needs of a charitable cause ²³
 - b. Cause marketing has proven to be extremely effective, and sponsorship provides a valuable platform for cause marketing programs ²²
2. Cause marketing has become one of the most popular trends in sports and entertainment marketing
 - a. In 1990, cause marketing sponsorship spending in the U.S. totaled only \$120 million, according to the *IEG Sponsorship Report*. By 2019, spending on cause marketing is projected to reach \$2.23 billion (up nearly 5% from 2018).
 - b. According to a report from Performance Research, 41% of U.S. consumers believe companies can best improve brand perceptions by increasing their cause sponsorships ²⁴
3. Cause marketing is *not*. ²⁵
 - a. Pure philanthropy or sponsoring an event without expecting a return on the investment
4. How can you tell if it is cause related marketing? ²⁵
 - a. There is a marketing objective associated with the activity
 - b. The marketing activity is measured
 - c. The program is promoted
5. Cause marketing examples
 - a. After watching footage of children playing soccer with a ball of trash in Darfur, Tim Jahnigen launched the “[One World Futbol](#)” program which distributes specially made soccer balls that will never go flat. The program received a giant boost when Chevrolet, as part of their sponsorship of Manchester United, agreed to sponsor the distribution of 1.5 million of the balls. ²⁶
 - b. Associated Bank teamed up with the Milwaukee Brewers Community Foundation to launch a program called “Hits for Homes” in which the bank donates \$250 for every recorded hit by Brewers players during home games (up to a total of \$100,000) with the goal of encouraging fans to open checking accounts and apply for debit cards through the bank at Miller Park
 - c. Colgate introduced a “Save Water” commercial during Super Bowl 50, encouraging viewers to turn off the faucet while brushing their teeth while spreading the message through social media with the hashtag #EveryDropCounts
 - i. The campaign positioned Colgate to win brand loyalty by encouraging football fans (and all Super Bowl viewers) to choose a brand aligned with a cause-related initiative
 - ii. Click [here](#) to view the 30 second ad spot
 - iii. According to [eventmarketer.com](#), the “Save Water” campaign has been a multi-year effort, but for 2018, the brand announced its sponsorship of #RunningDry, an initiative developed by environmentalist and “ultra-runner” Mina Guli, who ran 100 marathons in 100 days across six continents to help shine a spotlight on water struggles around the world. Colgate also teamed up with former Olympic swimmer Michael Phelps, who encouraged his millions of social media followers to turn off their faucets because #EveryDropCounts (consumers can make pledges at [EveryDropCounts.Colgate.com](#)).
 - (a) Click [here](#) to learn more about the campaign

- d. Shawn Mendes partnered with SmileDirectClub just prior to the 2019 Grammy Awards in a campaign with the goal of helping people to build, saying in a statement that he wanted to collaborate with a company “that aims to build confidence and spread positivity in an authentic way”
 - i. A portion of the campaign proceeds were [donated](#) to organizations dedicated to the improvement of children’s physical and mental health
- e. According to [Sports Business Journal](#), former NASCAR driver Justin Marks is starting a new Cup Series team called Trackhouse that is planning to start as soon as 2021 and will have a unique cause-marketing focus around promoting STEM education

*** INSTRUCTOR’S NOTE ***



Cause marketing can be one of the most effective marketing strategies in the sports, events and entertainment industry and is expected to have a significant impact on the way companies approach sponsorship in the future. To further engage your students as it relates to the topic of cause marketing, consider distributing the Internet activity marked “Unit 8 - Internet Activity- Cause Marketing” and/or the project marked “Cause Marketing Project”.

***Sports Business Program** members could consider taking things one step further by developing (or contributing to) an actual cause related campaign in your community by teaming up with a local business.*

D. Sponsorship as a unique medium ²⁷

1. What differentiates it from traditional media?
 - a. Allows a company to tap emotional and intimate appeals of customers
 - b. Integrates the positive feelings of sports and entertainment events with company products, services and staff
 - c. Sponsorships help reach segmented targets that mass media typically proves ineffective
 - i. Spotify offers companies an opportunity to sponsor their most popular playlists to align marketers with a specific target audience
 - (a) [Adweek](#) reported Kia was one of the first companies to sponsor a playlist (New Music Friday), which lead to an ad click through rate for the Kia Sportage that was twice the original expectation
 - d. Showcases a company’s products and services in an environment representative of a consumer’s particular lifestyle

Lesson 8.3

Sponsorship Decisions

- A. Why do companies make the decision to engage in sponsorship programs?
1. Companies make the decision to sponsor based on the desire to achieve a desired result
 2. Companies typically use sponsorship as a vehicle to:
 - a. Increase brand loyalty
 - b. Create awareness and visibility
 - c. Change or reinforce image
 - d. Drive retail traffic
 - e. Drive sales
 - f. Showcase community responsibility
 - g. Display brand attributes
 - h. Entertain clients and hospitality
 - i. Recruit and retain employees
 - j. Create merchandising opportunities
 - k. Build company awareness
 - l. Differentiate products
 - m. Associate with particular lifestyles
 - n. Business-to-Business marketing
 - o. Distinguish from the competition
 - p. Introduce a new product or service to a large audience
 - q. Enter new markets
- B. Deciding what to sponsor
1. As sponsorship continues to grow, companies continue to be inundated with sponsorship requests
 2. Companies must filter through proposals to find which sponsorship opportunities will present the best opportunities to effectively promote their brands
 - a. Software is now available to help filter those requests to determine which proposals meet the needs of a company
 - i. [Versaic](#) software manages sponsorship proposals for an impressive client list including Kraft Foods, Nintendo, Snapple Beverage Co, Balance Bar, Lexus, US Bank and Verizon Wireless
 - b. Vans successfully reaches their target audience (young action sports fans) through a sponsorship with the U.S. Open of Surfing in California. Conversely, it would not make sense for Vans to partner with the PGA for a seniors golf tournament. ²⁸
 - c. Columbia Sportswear makes products for outdoor enthusiasts. As such, promoting those products through endorsements with NBA athletes wouldn't make sense. Instead, Columbia [sponsors](#) anglers and golfers.
 - d. Coke has successfully branded their products on an international scale. Implementing sponsorships of international events has been a natural fit in helping them achieve their global goals.
 - i. Coke's worldwide sponsorship expenditure on the Atlanta games in 1996 nearly reached \$650 million ²⁹
 - ii. Coke's sponsorship of the 1998 soccer World Cup in France approached \$250 million ³⁰
 - iii. Coke's sponsorship of the Athens games in 2004 came in at \$145 million
 - iv. Coke's sponsorship of the Beijing games in 2008 was reportedly in the \$400 million range
 - v. IEG estimated that Coke spent roughly \$600 million on their sponsorship of the 2010 FIFA World Cup in South Africa ³¹

- vi. While Coca-Cola did not disclose their overall investment in the London games in 2012, they did roll out Olympics-themed marketing campaigns in 110 different countries
- vii. Coca-Cola continued their investment with the Olympics with a sponsorship of the PyeongChang Games in 2018 (key sponsors reportedly pay in excess of \$100 million each for rights and spend more than double their rights fees on activation) and hold Olympic rights through the 2021 Summer Games in Tokyo
- viii. Because of their investment in global event sponsorship, Coke's corporate logo is recognized by 94% of the world. Comparatively, the Olympic rings are recognized by only 92%.
- e. Many companies invest in naming rights deals to maximize the amount of exposure gained through the sponsorship
 - i. Examples
 - (a) In 2019, the San Francisco Giants announced Oracle would take over the naming rights to their ballpark in 2020 (the team's deal with AT&T expired at the end of the 2018-19 season)
 - (i) *Sports Business Journal* estimates the 20-year "Oracle Park" deal could be worth nearly \$300 million to the club at a price of roughly \$15 million per season ³²
 - (b) In 2018, the Tampa Bay Rays were evaluating the potential of a naming rights deal as they continued to push for a new stadium, with analysts estimating a deal could generate between \$3 and \$10 million per year for the franchise ³³
 - (c) Also in 2018, the Milwaukee Bucks managed to find a naming rights partner prior to opening their new \$524 million arena
 - (i) The team announced a 25-year deal with Fiserv Co. (a financial tech firm) for the recently completed Wisconsin Entertainment and Sports Center in downtown Milwaukee, a month before it opens. The arena will be known as Fiserv Forum and will be home to the Bucks, Marquette University basketball, and host big name performers like Justin Timberlake, Pink, Elton John, Fleetwood Mac and the Foo Fighters in its inaugural year, according to an [ESPN](#) story. Financial terms were not disclosed.
 - (d) According to Forbes, SoFi is investing a [reported](#) \$30 million per year over a period of 20 years for the naming rights to the Los Angeles Rams new stadium while Allegiant Airlines is spending an estimated \$25 million per year for naming rights to the Raiders new stadium in Las Vegas
 - (e) Financial services company UBS has partnered with the New York Islanders for naming rights to the team's new stadium, scheduled to open in time for the 2021-22, for a [reported](#) \$275 million over at least 20 years

*** INSTRUCTOR'S NOTE ***



In 2020, just a handful of NFL stadiums didn't have a naming rights partner:

- *Soldier Field, Chicago Bears*
- *Lambeau Field, Green Bay Packers*
- *Arrowhead Stadium, Kansas City Chiefs*
- *Paul Brown Stadium, Cincinnati Bengals*

Use this information to revisit the concepts of commercialization in sports (Lesson 2.7) and the sales process (Lesson 7.2) and have students discuss whether any of these stadiums should even consider selling naming rights, and, if so, what types of companies might represent a good prospect as a potential partner. For more background on each stadium, click [here](#).

3. Criteria companies consider when deciding what to sponsor ³⁴
 - a. Property and company image compatibility ³⁵
 - i. Does the property offer the imagery the company wants to establish?
 - (a) WWE reported that a decision to create on air content suitable for a younger audience (the rating for "Raw" was changed from TV-14 to PG) generated a significant spike in interest from more new sponsors ³⁶
 - (b) In 2018, Yum! Brands was [reportedly](#) reconsidering whether to renew the naming rights deal for KFC Yum! Center, because of negative publicity surrounding the arena's main tenant, the University of Louisville men's basketball program
 - (c) In 2020, several brands [pressured](#) the NFL's Washington Football Team to drop the 'Redskins' nickname because they did not want any association with the negative publicity surrounding the franchise
 - (i) The first brand to demand the team change its name was FedEx (who is the team's naming rights partner), and others like Pepsi and Bank of America quickly followed suit, while brands like Nike, Walmart and Target all stopped selling the team's licensed merchandise
 - ii. Is it a lifestyle with which the company wants to be associated?
 - (a) Brands like Quicksilver, Billabong, O'Neill, Volcom and Hurley sponsor [World Surf League](#) events each year because the surfing lifestyle is one for which they strive to be associated with ³⁷
 - iii. Are the co-sponsors companies with which the company would want to be associated
 - b. Audience the sponsorship reaches
 - i. As one of the most popular sports teams in the world (the team has over 150 million followers on social media), Barcelona FC is one of the most desirable franchises among sponsors

- (a) In 2016, Nike extended their sponsorship agreement with the club through 2026 for a reported \$173 million per year, making it the most lucrative deal of its kind in the world ³⁸
 - (b) As of last year, Barcelona make more in a year through sponsorship deals than any other sports franchise in the world, according to a [Forbes](#) report (the La Liga champions are currently making \$247 million per season through sponsorship)
- c. Working with retailers
 - i. Does the sponsorship include a retail component that can directly impact sales?
- d. Media impact
- e. Social media presence
 - i. For example, a San Francisco 49ers Instagram post following Super Bowl LIV in 2020 included an image of Hard Rock's logo (the game was played at Hard Rock Stadium in Miami), generating \$632,000 worth of social media exposure for the brand (according to [MVP Index](#))
- f. Exclusivity
 - i. Sponsors must consider whether they are the only brand within a specific category (soft drink, bank, insurance provider etc.) sponsoring the event or property
 - (a) Categories can be very specific
 - (i) For example, the Stance brand [announced](#) a partnership with the NBA to become "official on-court sock provider" (note the right to use an "official" designation phrase)
 - 1. Click [here](#) to see Stance's "NBA Collection" of socks online
 - (b) To capitalize on the fierce in-state rivalry between the schools, the University of Oregon and Oregon State University offers sponsorship exclusivity in five specific categories for its games – automotive, casino/resort, financial, health care and grocery
 - (i) According to [Sports Business Journal](#), last year's sponsors – PacificSource Health Plans, Toyota, Safeway/Albertson's, Spirit Mountain Casino and First Interstate Bank – all enjoy a strong presence in the state of Oregon
 - ii. According to a study from [SponsorHub](#), category exclusivity is the number one benefit sponsors hope to receive from a sponsorship
 - (a) Click [here](#) to see an infographic with more results from the poll offering insight as to what sponsors look for in a partnership
 - iii. Without exclusivity, it rarely makes sense for a company to sponsor if a competing brand is sponsoring the same event
 - (a) Exclusivity is a sponsorship component that sports teams/properties take very seriously, so much so that Manchester United (sponsored by Pepsi) [refused to take the field](#) for a match because the scoreboard was flashing advertisements for Coca-Cola (a stadium sponsor). Eventually game officials were able to strike an agreement that both parties agreed so the game could be played.
 - (b) In 2019, esports star Richard Tyler Blevins (better known as "Ninja") ditched the popular streaming platform Twitch and [signed](#) an exclusive deal with Microsoft to stream on their relatively new platform, Mixer
- g. Potential increase in consumer sales
 - i. No sponsorship can *guarantee* an increase in sales
 - ii. However, an effective sponsorship can help to increase sales
 - (a) According to a Tweet from Alicia Jessop (@RulingSports), Visa said travelers spent \$182 million on their cards in Brazil from June 12-26 during the World Cup, a 152% increase over the year

- (b) Marketing Dive [reported](#) that sales of adidas-branded products jumped 12%, with soccer-themed merchandise being particularly popular, thanks in part to their sponsorship of the 2018 FIFA World Cup
- C. To be effective, sponsorship programs must meet the needs of the sponsoring party. The following criteria are consistent with effective sponsorships:
 - 1. Frequent impressions
 - a. **Gross impression** refers to the frequency in which a company product or service is associated with the event or entertainer ³⁹
 - i. Each time a consumer sees a company logo or hears the name of a brand throughout the course of a sporting event, movie, television broadcast or other event, the brain records that image
 - (a) Apex Marketing [reported](#) that World Cup sponsors (Hyundai, Qatar Airways, Visa, Adidas, Coca-Cola, WANDA) collectively received \$27 million in media exposure thanks to the LED signage placed on the field for the 2019 FIFA Women's World Cup Final
 - (b) Research from Joyce Julius & Associates shows corporations with naming rights in MLB averaged \$12.3 million in exposure in just the first six weeks of the season in 2019 as a result of frequent impressions
 - (i) According to [Forbes](#), the average naming rights deal is costing those corporations \$5.2 million annually, positioning naming rights as an effective marketing strategy for generating brand awareness
 - ii. The goal of a sponsorship is for consumers to remember that image the next time they make a purchase
 - (a) In 2018, MVP Index (a sports media analytics company) [suggested](#) the Boston Red Sox generated more than \$2.5 million in value for Coca Cola by featuring Coke's logo in a post-game sponsorship activation
 - iii. While impressions are an important ingredient to a successful sponsorship, other criteria must also be met
 - 2. Activating the sponsorship
 - a. The action taken to escalate its impact and to increase the overall value of the sponsorship
 - b. The most effective campaigns combine the sponsorship and events that activate them with additional advertising, direct marketing, PR and merchandising ⁴⁰
 - c. Most companies spend \$1-3 per dollar spent on the sponsorship fee itself in activation ⁴¹
 - d. Companies must engage in promotion of the event *prior* to the actual event date
 - i. AT&T, one of Team USA's largest sponsors for the past 30 years, activated their sponsorship nearly three months prior to the 2016 Olympic games in Rio
 - (a) Fans could sign up to be included in the #ATTfanmate experience where they would connect with and receive special messages from various AT&T athletes as they prepared for the games
 - ii. In 2019, Visa began activating their Women's World Cup sponsorship six months before the tournament began when they offered pre-sale tickets for the tournament exclusively to Visa cardholders
 - e. Effective sponsorships require careful strategic planning
 - f. In a recent poll conducted by Turnkey Sports & Entertainment in conjunction with the *Sports Business Journal*, 24% of the 1,100 senior-level sports industry executives surveyed indicated that the most attractive element for sponsors when negotiating new deals was "more activation options" (making it an even more popular response than "lower fees") ⁴²
 - g. Companies can activate a sponsorship in many ways

- i. To activate its sponsorship of the 2016 Summer Games, Samsung built several pop-up areas across Brazil that allowed guests to play with the brand's latest tech and try out various Olympic sports through virtual reality experiences
 - (a) Click [here](#) for a breakdown from sponsorship.com of the various ways key Olympic sponsors activated the Rio Games
 - (b) Click [here](#) for an excellent infographic offering some numbers behind sponsorship spending at the 2016 Summer Games in Rio
- ii. According to the [LA Times](#), one of the best attractions at Comic Con in San Diego in 2018 wasn't an exhibit or autograph signing; it was a Taco Bell sponsorship activation
 - (a) The brand created a futuristic Taco Bell pop-up that featured a neon-lit futuristic replica of the restaurant seen in the 1993 Sylvester Stallone sci-fi pic "Demolition Man," recreated in lavish detail for the film's 25th anniversary, complete with bright blue cocktails, robot waiters and Crunchwraps from the "future" ⁴³
- iii. Click [here](#) for a story describing some creative activations at the 2018 Super Bowl in Minneapolis, including a zipline over the Mississippi river in freezing weather
- iv. According to IEG (a sponsorship firm) and Performance Research, 88% of companies worldwide used social media as a channel for activating sponsorships⁴⁴
- v. In some cases, part of the activation strategy may include the use of a spokesperson (or spokespersons)
 - (a) For example, Goldman Sachs made golfer Patrick Cantlay is the first brand spokesperson for the company leading up to the 2020 Memorial Golf Tournament (Cantlay was the returning champion)
 - (i) Click [here](#) to see the ad from Goldman Sachs YouTube channel
 - (b) After Papa John's abruptly ended their sponsorship with the NFL last season, Pizza Hut quickly stepped in to replace the brand as the league's official pizza provider and activated the partnership at the NFL Draft by teaming up with Pittsburgh Steelers' wide receiver Juju Smith-Schuster as ambassador of Pizza Hut's "Doorbell Dance" campaign
 - (i) Click [here](#) to see the inaugural "Doorbell Dance" commercial
 - (ii) Click [here](#) for more on how Pizza Hut has continued to activate their NFL sponsorship and the positive results they have seen as an official league partner
- vi. As part of their activation strategy, Alaska Airlines introduced "Timbers Jet", a Boeing 737 featuring a paint theme featuring the Portland Timbers' name and logo in the team's trademark colors (to celebrate the new airplane and their relationship with the team, Alaska Airlines grants early boarding to Portland International Airport passengers wearing an official Timbers jersey)
 - (a) In a similar activation strategy, JetBlue (the official airline of the Boston Bruins) unveiled "Bear Force One" in 2020, an AirbusA320 aircraft, the first airplane to feature NHL branding

*** DISCUSSION IDEA ***



When brands invest so much in partnerships with sports, entertainment and event properties, it is crucial that they develop an effective activation strategy. Major events like the NBA All-Star Weekend provide great opportunities for the league's partners to showcase their brands while creating valuable touchpoints to engage fans.

To help illustrate the concept of activation, we created a PPT featuring several notable sponsor activations from the 2019 NBA All-Star Weekend in Charlotte along with some suggestions for class discussion questions to help guide the conversation. The file is accessible from the Lesson 8.3 folder. For more examples, check out this recap of activations from the 2018 NBA All-Star Weekend in Los Angeles from bizbash.com by clicking [here](#).



*** ACTIVITY IDEA ***

Either as a class or individually, either attend or watch a sports or entertainment event. Pay close attention to which brands are sponsoring the event, then make a list of how each brand is activating the sponsorship. Alternatively, consider asking students to identify and discuss the sponsorship activation examples in the stories below (please note, both articles have references to alcohol-related sponsors).

2. Company commitment
 - a. Sponsorships are typically ineffective without long-term commitment
 - i. Successfully creating a link between the sponsor and the event takes time, several years in some cases
 - ii. Companies sometimes make the mistake of pulling the sponsorship if they do not see an immediate return on the investment
 - b. The sponsorship should be a company-wide effort
 - c. Support is essential from the entire organization, including staff
3. Commitment for the right reasons
 - a. Organizations cannot afford to make the mistake of committing sponsorship dollars to a property simply because the company president or CEO is a fan of a particular sport, entertainer or event

4. Communication
 - a. Communication between the sponsor and sponsee (event provider, entertainer or property) is essential for success
 - b. A clear understanding must be in place of what is included and what is not included in any sponsorship agreement to eliminate false expectations
5. Fan (consumer) connection
 - a. A connection should take place between the fans (consumers) and the sponsor, without the feeling of products or services being advertised, so the fans feel the sponsors are adding value to the event
 - i. Successful sponsorships can effectively communicate the message that the event would not be possible without the sponsor's support
 - (a) This is why we frequently hear statements like the one posted on the [website](#) for Toronto's *Scream Literary Festival* that reads: "The Literary Festival would not be possible without the kind and generous support of our private and public sponsors, and we thank them all immensely"
 - (b) Similarly, an advertisement appearing in an issue of the *Sports Business Journal* stated: "Vail Resorts thanks our partners for a tremendously successful ski season."
 - (c) Executives of the Kentucky Speedway dedicated a billboard to thank NASCAR's eight-year title sponsor, Sprint
 - (i) Jon Cox, VP of Corporate Sales and Marketing for the Kentucky Speedway said, "It's just been a great partnership overall for us. It only makes sense to thank Sprint. We did it just because it's the right thing to do." ⁴⁵
- D) Sponsorship does present certain risks
 1. Difficult in measuring your return on investment (ROI)
 2. Potential as an impulse purchase internally by an executive as a result of fandom influencing the decision
 3. Ineffective results despite forecasting that might suggest otherwise
 4. Clutter in the sponsorship space
 5. Emergence of social media overshadowing sponsor awareness and fan connection
 - a. According to Sarah Wood in an interview with [bloomberg.com](#), co-founder of Unruly, which tracks videos online and helps companies get their content watched and shared, producing an ad that goes viral can be worth more than a sponsorship
 - i. Of the top 11 most-shared soccer ads online during the 2014 World Cup, only six were FIFA sponsors
 6. Potential of being "ambushed" by non-sponsoring companies

Lesson 8.4

Ambush Marketing

A. What is ambush marketing?

1. **Ambush marketing** occurs when one brand pays to become an official sponsor of an event and other competing brands attempt to connect with the same event, without paying direct sponsorship fees ⁴⁶
 - a. Ambush marketing is a legal tactic
 - b. It is often referred to as “guerilla” marketing
 - c. It is a strategy that has proven to be very successful
 - d. The technique presents many challenges for those hosting the event
 - e. Ambush marketing results in the perception that companies are affiliated with an event when they actually are not
 - f. Allows for penetration into events in which a competitor may have exclusivity rights
2. When does ambush marketing occur?
 - a. It is a strategy used frequently when the event is on a grand stage
 - i. Super Bowl
 - ii. Olympic Games
 - iii. FIFA World Cup
 - iv. Boston Marathon
 - v. Tour de France
3. Notable events in the history of ambush marketing tactics:
 - a. 1992 Olympics
 - i. Michael Jordan (sponsored by Nike), covered the Reebok logo on his apparel with the American flag during the gold medal ceremonies
 - b. 2000 Olympics
 - i. Adidas 'thorpedoed' Nike at the 2000 Sydney Olympics. Nike was the official clothing supplier while Adidas sponsored the swimming super-hero, Ian Thorpe. At the medal presentation, Thorpe “accidentally” draped his Adidas towel over the Nike logo on his official team tracksuit. Thus Nike was nowhere in the famous photograph that was seen by millions of people in Australia and all over the world. ⁴⁷
 - c. 2002 Boston Marathon
 - i. As Adidas-sponsored runners crossed the finish line under full coverage of cameras, they were treated to spray painted Nike 'swooshes' honoring the day of the event without mentioning the race itself ⁴⁸
 - ii. More than 300 college students sporting Reebok-branded tattoos on their foreheads were seeded into the crowd along the Marathon route. Reebok-endorsed “office” linebacker Terry Tate (featured in prominent Reebok television spots) led the charge along the running route. The ambush was effective, with Reebok forming a sea of red (via more than 2,500 consumers turned into walking billboards) along the route and creating its own “unofficial” sponsorship of the Marathon, much to the chagrin of Adidas. ⁴⁹
 - d. 2006 FIFA World Cup ⁵⁰
 - i. Hundreds of Dutch fans had to watch their team's 2-1 win over the Ivory Coast in their underwear at the 2006 World Cup in Germany after security at entry points to the stadium caught wind of an ambush marketing ploy
 - ii. The fans arrived at the game wearing orange lederhosen displaying the name of Dutch brewery Bavaria and were ordered to remove them by stewards before being allowed to stadium.

- iii. Anheuser Busch's Budweiser was the official beer for the tournament and FIFA has a reputation for fiercely protecting its sponsors from brands which are not event or organization partners
 - e. 2008 Olympics
 - i. Chinese sportswear maker Li Ning signed an agreement with Olympic Sports Channel, affiliated with State-owned China Central Television (CCTV). Under the deal, journalists, presenters and guests appearing in the studio would wear Li Ning's clothes with visible logo throughout the Olympic coverage, despite adidas' presence as official sponsor of the Games.
 - f. 2016 Olympics
 - i. Despite not being an official sponsor of the Summer Games in Rio, Under Armour partnered with several athletes to create the "Rule Yourself" campaign that went viral during the games
 - (a) The campaign generated a lot of publicity and stole the spotlight from Nike, an actual sponsor of the 2016 Olympics
 - (i) The spot with the US Women's Gymnastics team generated over 3 million views in the first week it was released
 - 1. Click [here](#) to view the commercial on YouTube
 - (ii) The UA "Rule Yourself" spot starring Michael Phelps generated nearly 6 million views in the first week it was released (nearly 12.5 overall)
 - 1. Click [here](#) to view the commercial on YouTube
- B. Ambush marketing tactics
1. Sponsorship of sub-categories in an event
 - a. Some companies, such as Nike, will strategically sponsor individual teams and individual athletes without sponsoring the event
 - i. This strategy allows the company to gain exposure at the event without the major investment
 - b. The results of this form of sponsorship are often equally as effective as sponsoring the event itself
 - c. Must be aggressively marketed to be successful
 2. Purchasing advertisements at a competitor's event
 - a. For the 1996 Atlanta Olympics, Nike went to the extreme of purchasing *all* the outdoor poster sites in Atlanta to ambush Adidas, the official sponsor of the 1996 Games ⁵¹
 - b. During broadcasts of the 2014 FIFA World Cup matches, Volkswagen aired commercials showing fans dressed in their country colors singing the traditional soccer chant "Olé, Olé, Olé" on their way to a soccer stadium while Hyundai spent millions as the official partner of FIFA World Cup Brazil ⁵²
 - c. While Adidas was the official sponsor of the 2015 Boston Marathon, New Balance launched a major ambush campaign (dubbed "Nobody Runs Like Boston"), canvassing the area around the event at bus shelters and mass transit areas with advertising while buying ad space at the Prudential Center, outside of Fenway Park, and initiating a social media campaign that encouraged fans to post their own #OnlyinBoston references.
 - i. Click [here](#) to read more about New Balance's "guerilla marketing" strategies from nysportsjournalism.com.
 3. Engage in non-sponsorship promotions that coincide with the event
 - a. Competitors use mainstream media advertising and additional promotions to gain exposure for their company during the event
 - i. According to [adage.com](#), Coca-Cola stole Pepsi's thunder during the 2014 Oscars when Coke's logos appeared on three pizza boxes delivered to host Ellen DeGeneres during a skit during the broadcast, despite the fact the Pepsi had just

- taken over the sponsorship rights as the exclusive soft-drink sponsor of the Academy Awards on ABC⁵³
- ii. Last year, PepsiCo Inc. pulled an ad featuring former NCAA and NBA star (and CBS announcer) Grant Hill after it [reportedly](#) rankled executives at CBS, Turner, and longtime NCAA sponsor Coca-Cola
 - (a) The Mountain Dew ad showed Hill, one of the lead March Madness analysts on CBS/Turner, taking shots at the NCAA's trademarks around March Madness and sponsoring a product with no ties to the NCAA Tournament
4. Create visibility without "official" affiliation with an event in non-traditional ways
 - a. At the 2018 Super Bowl in Minneapolis, Cargo, a startup that sells snacks and toiletries in ride-share cars, offered free samples of Red Bull to customers as part of its expansion into Minneapolis. The company also said rideshare drivers could earn an additional \$500 a month from commissions, referrals and performance bonuses for selling products to riders, drawing attention away from the companies and brands that were actual NFL sponsors for the event.
 - i. According to [Mobile Marketer](#): "The Cargo promotion shows how brands are exploring creative tactics for getting in front of Super Bowl fans outside of investing the significant bucks required to snag a Super Bowl sponsorship or commercial"
 - b. Geico once paid several lower-ranked men's and women's tennis players up to \$5,000 to wear "ambush advertising patches during high-visibility matches" at Wimbledon. Because lower ranked players earn only minimal wages, many were willing to slap the Geico logo on their uniform, in part to help pay travel expenses.⁵⁴
 - c. Social media now affords guerilla marketers with another channel for which to deploy ambush tactics, like Hormel's "[Sir Can A Lot](#)" video posted on YouTube, tying the Spam brand to the "[madness of March](#)" despite the fact that Hormel was in no way financially supporting or sponsoring the event⁵⁵
 5. Align with an event through social media
 - a. In 2019, Chipotle ambushed the NBA Finals, giving away \$1,000,000 in free burritos during a game broadcast through social, despite Taco Bell's position as an official partner of the NBA
 - b. Tums ambushed the 2020 Super Bowl by launching a sweepstakes promotion on Twitter, encouraging fans to use an emoji to rate the moments during the game that gave them the most heartburn
 - i. According to [Mobile Marketer](#), the brand was offering a grand prize of \$54,000 to one winner, while six others would receive free trips. According to contest rules, Twitter users had up to five chances to enter — each quarter of the game and the halftime show.
- C. Impact of ambush marketing
1. Is ambush marketing an effective strategy?
 - a. When properly executed, ambush marketing can be extremely effective for a company
 - b. Despite Coca-Cola's presence as an official sponsor at the 2018 FIFA World Cup, Pepsi's #LoveItLivelt campaign was ranked No. 1 in terms of likeability and attention for brand campaigns, according to one analysis. Coca-Cola brand Powerade's "Unstoppable" and Coca-Cola's "Get Ready for the #FIFA World Cup" ranked second and third.⁵⁶
 - c. At the NFL Scouting Combine (sponsored by Under Armour), adidas announced that they would give a private island (up to \$1 million in value) to any draft prospect who broke the 40-yard dash record, provided they were wearing the brand's "adizero 5-Star 40" cleats
 - i. This isn't the first time adidas ambushed the NFL combine. The brand has offered incentives for anyone who broke the 40-yard dash record for years.

- (a) Jeremy Darlow, a branding expert and former PR specialist for adidas, said in an [interview](#) with WARC: *“We’ve been the most talked-about brand at the NFL Combine for three years in a row – four years in a row, if you count the first year on the shoe deal.”*
- d. The question of whether ambush marketing is an ethical practice is an on-going debate among industry professionals

*** DISCUSSION IDEA ***



Based on what you just learned about ambush marketing, do YOU think it is an ethical practice? Do you think event organizers should have more legal protection to fight ambush marketing tactics? Why or why not?



*** ACTIVITY IDEA ***

Begin by having students look online to identify who the official apparel provider is for the NBA, NFL, MLB, NHL and MLS. Then have them use the Internet to find five to ten different examples of professional athletes wearing a particular sneaker brand (encourage them to find athletes representing each of the major professional U.S. sports leagues). Then, compare and contrast to see which athletes are wearing shoes and apparel that coincide with the league’s official apparel sponsor.

2. How does ambush marketing affect the organization responsible for hosting the event?
 - a. Ambush marketing threatens the ability to sell event sponsorships for event owners and cuts into the event profitability
 - b. The Sydney Organizing Committee for the Olympic Games (SOCOG) had a staff of 60 individuals with legal backgrounds to protect themselves against ambush marketing⁵⁷
3. How do companies and/or governing bodies combat ambush marketing?
 - a. Ambush marketing is a very difficult marketing strategy to combat but event organizers do all they can to implement measures that protect sponsors
 - i. FIFA fined the Swedish National Soccer team over \$70,000 when players wore non-approved socks at the 2018 World Cup and Croatia was fined when a player took a non-sponsor’s drink onto the field⁵⁸
 - ii. The city of Columbus created a “clean zone” in the city’s downtown area for the 2018 NCAA Women’s Final Four to help prevent ambush marketing by requiring a special permit to sell licensed or special event-related goods and services during the event⁵⁹

- b. Wimbledon prohibits fans from bringing in certain items that could conflict with the event's sponsors – fans are denied entry or ejected if they do not follow the rules
 - i. Click [here](#) to see the list of items that are banned from Wimbledon
- c. ESPN imposed a strict new rule at the 2019 NFL Draft to help protect its official sponsors and advertisers, banning the popular practice of draftees wearing non-sponsored products or adorning their home draft parties in brands not affiliated with ESPN
 - i. According to sports business [reporter](#) Darren Rovell, ESPN told player agents that they wouldn't do any live shots of a player receiving a call from the team that was drafting them if brands were visible anywhere
 - ii. In 2020, with the entire draft going virtual because of the pandemic, the NFL cracked down on ambush attempts even harder, threatening fines of up to a [reported](#) \$50,000 if a non-league sponsor logo appeared on-screen during the event
 - (a) Draft prospects [reportedly](#) received a welcome kit of products from NFL partners to provide added visibility for those sponsors, including Pepsi, Mountain Dew, Bubly, Gatorade, Frito Lay snacks, Skittles, Snickers and M&M's



*** ACTIVITY IDEA ***

Split your class into at least three groups. One group will play the role of the league or governing body of a major sports organization like the International Olympic Committee. Another group will play the role of an official sponsor of the league or major event (like the Olympic Games). The third group will play the role of a non-sponsor, but a competing brand with the group representing the official sponsor. If you have enough students, create two more groups as a sponsoring brand and a competing brand. Have the "official sponsor" group create a marketing campaign tied to the event, the non-sponsor group create an ambush campaign, and the league or governing body develop a strategy for combatting ambush attempts. Then have each group present their ideas to the rest of the class.

Lesson 8.5

Pricing Sponsorships

- A. What is inventory?
1. The first step to the sponsorship sales process is defining inventory
 - a. **Inventory** defines exactly what assets an event or property has available to sell
 - b. An inventory sheet outlines each specific piece of inventory available for sale
 - i. Inventory could include many sponsorship elements, such as advertisements in game programs, on-site signage or broadcast opportunities
 2. A valuable piece of sponsorship inventory is signage
 - a. In some cases, sponsors seek ways to make signage stand out at venues to maximize exposure for their brand, forcing sports and entertainment organizations to become a little more creative in ways to expand their inventory
 - i. TaylorMade Golf Co. designed an 80-foot replica of its new driver (golf club) and attached it to the foul pole at Petco Park to increase visibility at San Diego Padres games. The nine-story tall structure was part of a three-year marketing agreement between the golf gear maker and the ball club where the goal is to drive home the message that the launch of its R11 driver was "larger than life," TaylorMade chief executive Mark King said in a statement.⁶⁰
 - ii. Rutgers secured a lucrative stadium naming rights deal in 2019, reportedly a 7-year agreement starting at \$1.25 million in the first year and increasing by \$100,000 annually to \$1.85 million in 2025-26 (according to [nj.com](#)) to rename the teams' football/lacrosse venue SHI Stadium
 - (a) As part of the deal, the University said SHI International Corporation would "enjoy significant brand exposure through signage in and around the stadium, including exterior stadium signage, scoreboard signage, campus directional signage and logo placement on the field"
 - b. However, without fans in stadiums, the value of on-site signage drops significantly, creating a challenge for sports properties and their sponsors
 - i. While Major League Baseball charted a path to starting their 2020 season amidst the pandemic, the league considered several new opportunities to introduce virtual signage inventory that would provide visibility for sponsors during broadcasts
 - (a) According to [Sports Business Journal](#), those potential positions for virtual signage inventory included behind the pitching mound; the foul territory between the first- and third-base coaching boxes and home plate; behind home plate above the traditional rotational signage; on the "batter's eye"; and another outfield position
 - ii. After COVID-19 forced the league into an abbreviated spring training, Major League Baseball found a presenting rights sponsor, [announcing](#) "Spring Training" would become "2020 Summer Camp presented by Camping World"
 - iii. As the Columbus Crew finalized approvals for their move to a new home, the franchise [released](#) renderings of the venue that included a new piece of inventory in the form of large signage on the stadium roof
- B. Pricing sponsorships
1. Pricing
 - a. Pricing is complex because of the variety of elements included in a property or event's inventory
 - b. After determining what inventory is available, values are then assigned to each piece of inventory
 - i. Click [here](#) for a brief video discussing which piece of inventory might be most valuable to NBA sponsors

- c. A **rate card** is a printed list of sponsorship fees charged by a sports or entertainment property for association rights ⁶¹
 - i. The rate card is essentially an inventory sheet with associated values
 - d. Assigning value can be challenging because sponsorship as a medium is generally considered to be intangible
 - i. Sponsorship pricing can be dependent upon event attendance and other similar factors (the sponsee's public image etc.), contributing the challenge of determining and maintaining effective price points
 - e. The overall sponsorship package can be described as the sum of all benefits attributed to a particular sponsorship, including tickets, hospitality, signage, merchandise, program ads etc.
2. Considerations when pricing sponsorships
- a. Price should be based on value, not on budgets or needs
 - b. Rights and benefits included in the package
 - c. Value should be placed only on those elements that can be successfully fulfilled
 - d. Cost/benefit ratios

Lesson 8.6

Endorsements



*** ACTIVITY IDEA ***

For a fun way to introduce the concept of endorsements, try playing the PPT game marked “Buy This! Celebrity Endorsement Game” in the unit 8 folder.

A. What is an endorsement?

1. An **endorsement** is a partnership between an athlete or entertainer and a company in which the athlete or entertainer receives compensation in return for their support and approval of a company product or service
2. The celebrity agrees to allow the company to use his or her likeness to promote company goods and services
3. While very similar conceptually, an athlete or celebrity endorsement is not the same thing as **influencer marketing**
 - a. With endorsement, a brand aligns with an athlete or celebrity for the positive association, prestige and status while an influencer campaign is generally more of a word-of-mouth strategy for reaching consumers
 - b. With an endorsement, the athlete or celebrity does not need to be a “specialist” in that particular product category
 - i. For example, Serena Williams doesn’t need to be a science expert to recommend Gatorade as a performance beverage while Roger Federer doesn’t need to be a watch expert to convince fans to buy a Rolex
 - ii. However, when a brand sends chef bloggers their newest products to review and include in their recipes as part of an influencer campaign, the brand has a very specific targeted approach for reaching consumers in a very authentic way
4. Endorsement examples
 - a. Gatorade featuring current and retired athletes like Serena Williams, Usain Bolt, JJ Watt, Jimmie Johnson, Paul George, Mia Hamm, Bryce Harper, Derek Jeter and Lionel Messi in various promotional campaigns
 - i. Click [here](#) to see more “athletes and ambassadors” from Gatorade’s website

B. What celebrities appeal to marketers? ⁶²

1. Sports and entertainment marketers seek a defined set of characteristics among celebrities to determine which performer provides the best fit for their company. Typically, an organization will evaluate the following:
 - a. Success and high levels of performance
 - i. The breakout star of the 2018 FIFA World Cup was France’s Kylian Mbappe, who some experts [suggested](#) could be primed to earn in excess of \$20 million annually in endorsements after his performance throughout the tournament
 - ii. 15-year-old Cori “Coco” Gauff emerged as a potential face of American tennis in 2019 after she surprised fans by winning several matches at Wimbledon
 - (a) Companies who hope a partnership with the future star will be good for business (including New Balance, pasta brand Barilla, and racket maker Head) have reportedly contributed to Gauff’s \$1 million in endorsement earnings in 2019, according to [Forbes](#)

- iii. Kansas City Chiefs' star Patrick Mahomes has taken the league by storm and become the new face of the NFL, winning a regular season MVP award and a Super Bowl MVP in just two years as the team's starting quarterback
 - (a) After the Super Bowl victory and subsequent MVP award, Mahomes' endorsement opportunities skyrocketed, [reportedly](#) positioning him to earn an estimated \$7 million in additional earnings
- iv. The University of Oregon's Sabrina Ionescu became the first player in NCAA history to reach 2,000 points, 1,000 assists and 1,000 rebounds and notched her record 26th career triple-double just hours after speaking at Kobe Bryant's memorial service in 2020. As one of the most decorated collegiate players in women's basketball history, a story in the [Athletic](#) suggested brands were lining up for the opportunity to partner with the former Ducks star for endorsement deals as she prepared to enter the WNBA.
 - (a) Soon after Ionescu was selected by the New York Liberty as the first pick in the 2020 WNBA draft, Nike signed her to a multi-year endorsement deal
- b. Media following (awareness)
 - i. Is this individual in the "limelight"?
 - (a) A hot topic at the 2018 Major League Baseball All-Star Game surrounded the popularity of the league's best player, Mike Trout
 - (i) Critics blame the league for inadequate marketing of its stars, with the *Washington Post* proclaiming in a headline "Baseball's dilemma: Mike Trout is MLB's ultimate all-star, and yet he is not a star"
 - (ii) According to the [Washington Post](#) story, Trout scored a 22 in Q Scores' awareness category (Q Scores measure the marketability of athletes and celebrities), which means just one in five Americans know who he is. By comparison, per Q Scores' research, a comparable NBA player was Brooklyn Nets forward Kenneth Faried, who played only 14 minutes per game last season and is no longer even in the NBA (the comparison, however, was highly debated among those in the media)
 - (b) Sports fans tuned in to ESPN's docu-series 'The Last Dance' featuring Michael Jordan's last season with the Chicago Bulls in record numbers, drawing a huge audience for each of the six episodes
 - (i) According to GumGum Sports, an analytics company that measures the value of brand sponsorships in sports, Jordan's brand partners received an estimated \$1.1 million bump from the logos shown in the fifth episode alone. That episode looked at the creation of the Jordan brand and also featured commercials for Gatorade and McDonald's.
 - 1. As reported by [Adweek](#), Nike received the most value, receiving an estimated \$487,000 worth of brand exposure from the swooshes shown in that episode
 - 2. Jordan Brand received an estimated \$283,000 in value
 - 3. Gatorade's exposure resulted in around \$245,000 in estimated value
- c. Social media following
 - i. How active is the individual with social media? How many followers do they have?
 - (a) According to a [tweet](#) from [MVP Index](#) (a company that measures and evaluates the value of social media), UFC star Daniel Cormier generated over \$550,000 in social media value for his sponsor, Monster Energy, in the last year (Cormier has almost 650,000 followers on Twitter alone)
 - (b) Last year, Puma was one of the most-mentioned brands on Instagram, in large part because its products were often featured in posts by celebrities with huge followings on social

- (i) Selena Gomez, who last year was the most popular woman on Instagram with 144 million followers, helped Puma with a single post that spurred 7.5 million interactions (via [Mobile Marketer](#))
- (c) International soccer star Cristiano Ronaldo has nearly 90 million followers on Twitter
 - (i) According to sports business branding agency [Opendorse](#), a Ronaldo tweet generates an equivalent advertising value of \$868,604 per post and his tweets are, on average, \$200,000 more valuable than his nearest competitor
 - 1. Spanish soccer star Andres Iniesta ranked second with an estimated value per Twitter post of \$590,825
 - 2. Brazilian soccer star Neymar ranked third at \$478,138 per post
 - 3. LeBron James' posts are worth an estimated \$470,356
 - 4. India-born cricketer Virat Kohli rounded out the top five most valuable brand ambassadors on Twitter with an estimated value per tweet of \$350,101
- (d) Also according to [Opendorse](#), prospects in the 2020 NFL Draft were seeking up to six-figure compensation for social media posts during the draft
 - (i) The company evaluated the most valuable athletes, analyzing each NFL Draft prospect's social media presence and activity in the year leading up to the draft to determine social media value. The athletes offering the most value per post during the draft, according to Opendorse, included:
 - 1. Joe Burrow, QB, LSU
 - a. Twitter: \$11,400 per post
 - b. Instagram: \$38,000 per post
 - 2. Jalen Hurts, QB, Oklahoma
 - a. Twitter: \$5,300 per post
 - b. Instagram: \$19,600 per post
 - 3. Tua Tagovailoa, QB, Alabama
 - a. Twitter: \$4,800 per post
 - b. Instagram: \$17,500 per post
 - 4. Jake Fromm, QB, Georgia
 - a. Twitter: \$2,600 per post
 - b. Instagram: \$12,900 per post
 - 5. Chase Young, Defense, Ohio State
 - a. Twitter: \$1,700 per post
 - b. Instagram: \$12,000 per post
- d. Work ethic and moral values
 - i. After featuring the iconic crocodile logo as its ambassador for nearly 85 years, Lacoste appointed tennis star Novak Djokovic as their official brand ambassador in 2017
 - (a) *"When we choose an ambassador, we first choose values, and Novak has the simplicity, humility and family values we were looking for,"* said Lacoste Group CEO Thierry Guibert in an [interview](#)
 - ii. When Tua Tagovailoa was signed to an endorsement deal with Muscle Milk, the brand explained why they chose to partner with the former University of Alabama star QB in an interview with [Marketing Daily](#): *"The strength he's shown on and off the field really makes him perfect to tell the story of Muscle Milk and what an athlete can do," with the athlete "really embody[ing] the brand and its characteristics."*
- e. Personality traits
 - i. How articulate is the celebrity?
 - ii. Does the performer have celebrity "status" (recognizable)?

- iii. How popular is the celebrity?
 - (a) Every year, ESPN releases a [report](#) ranking the world's most famous athletes
 - (i) They begin by evaluating a list containing 600 of the biggest names in sports, drawn from 68 different countries. ESPN's Sports Analytics Group then ranks them based on a proprietary formula that considers three "fame factors": How frequently each athlete is searched online, how much they earn in endorsements, and how many followers they have on social media
 - 1. Here are the most famous athletes in the world, according to ESPN's latest study:
 - a. Cristiano Ronaldo
 - b. LeBron James
 - c. Lionel Messi
 - d. Neymar
 - e. Conor McGregor
 - i. To see ESPN's complete ranking of the "100 most famous athletes in the world", click [here](#).

*** DISCUSSION IDEA ***



Lists like these provide their publishers with almost instant attention, regardless of credibility. For example, while ESPN is obviously credible, their 2018 list of most famous athletes in the world ranks Tom Brady, arguably the most recognizable NFL athlete, at #38 (behind the Minnesota Timberwolves' Derrick Rose).

When companies release lists of this nature, the goal is to spark debate, criticism, and conversation. Consider using this list to open up conversation in your classroom. See if your students can guess the top 5 or 10 athletes. Ask what types of companies might be interested in a list like this. Who would they rank as their top 5 or 10 most famous athletes in the world. Is there a difference between "famous" and "popular" and why might that matter from an endorsement perspective? Also, consider referring back to Unit 1 and discussing how the international athletes like cricket players and soccer stars are ranked so high on this list.

- f. Does the celebrity have a positive image?
 - i. Some athletes are more polarizing than others, meaning some are equally loved and loathed by the public
 - (a) For example, in Brazil, Neymar is almost universally loved while many fans around the world dislike him for his trend of faking injuries during soccer matches
 - (i) During the 2018 World Cup, one of the most well-known athletes in the world was consistently scorned on social media for his antics, even

- prompting a #NeymarChallenge in which fans would post videos of themselves rolling around on the ground in mock agony
1. KFC South Africa even posted a commercial poking fun at the practice of faking injuries during the World Cup (the post quickly went viral, racking up over 1 million views in less than a week)
 - a. Click [here](#) to see the commercial
 2. Click [here](#) to see a player at Wimbledon's take on the challenge during a 2018 doubles match
- ii. When an athlete or celebrity embodies a number of positive characteristics valued by advertisers, they are likely to find endorsement success
- (a) Li Na, the first Chinese player to win a Grand Slam event when she won the French Open, became a quick target for corporations around the globe. Mercedes-Benz signed her to a deal worth reportedly \$5.8 million over three years while her agent summarized his client's rise in popularity by telling the *Sports Business Journal*, "She has captivated a country. We could do 25 deals." ⁶³
 - (b) Shaquille O'Neal has [endorsed](#) more than 50 different products AFTER his NBA career ended, ranging from Gold Bond to Oreos
 - (i) As of 2020, Shaq's business empire includes 150 car washes, 40 24-hour fitness gyms, 17 Auntie Anne's, a CityPlex12 movie theatre in his hometown of Newark, NJ, a Big Chicken restaurant in Las Vegas, a 'Shaquille's' burger place in Los Angeles and one point, 155 Five Guys restaurants (which he has since sold)
 - (ii) In addition to his role as an investor in 9 Atlanta-area Papa John's restaurants, the company will [pay](#) him \$8.25 million over the next three years as a brand ambassador
 1. Click [here](#) to learn more about how Shaq amassed his business empire from money.com.
 - (c) Peyton Manning [topped](#) the list as the highest earning NFL player from marketing and royalties last year...and he has not played a snap in four years but because he has a number of characteristics that brands look for in brand ambassadors, he continues to ink endorsement deals
- g. Market size and team performance
- i. While most industry professionals agree that the size of the market in which an athlete plays has a much lower impact on endorsement potential than it did a decade ago, some brands still might be hesitant to partner with someone playing for a small market team
 - ii. If a team is winning, they appear in more "prime time" games on television and generate more exposure through social media conversations, boosting the appeal of a product pitchperson from that franchise
 - (a) For example, industry experts speculate the Baltimore Raven's MVP-winning quarterback Lamar Jackson has the potential to become a breakthrough marketing star, but the [Baltimore Sun](#) suggests that "playing in Baltimore's relatively small market has somewhat limited Jackson's exposure, as have the Ravens' rare prime-time appearances on NBC's Sunday Night Football and ESPN's Monday Night Football."
 - (i) In August of 2020, Jackson landed his first major endorsement deal when he signed with Oakley, telling [Yahoo Sports](#) he's been a fan of Oakley products for the majority of his life. "It is the ultimate sign of swagger," Jackson said. "Oakley is the best in the shield and eyewear game and sets the standard – that is what I am all about. The best in the game."
- h. Aligning the appropriate athlete or celebrity with the brand can be very challenging and doesn't come without risks

- i. According to Ad Week, marketers these days “have fewer stars in their eyes.” Only one in ten ads now features a celebrity, down from a peak of 19 percent in 2004, according to Millward Brown, which has tracked the trend, mostly by way of TV spots, for the last dozen years.⁶⁴
 - ii. More than 100 current NBA players have been signed to wear Nike shoes, but only three of them -- LeBron James, Kyrie Irving and Kevin Durant – figure prominently in the company's marketing efforts off the court⁶⁵
 - iii. After it was reported in 2016 that Maria Sharapova had failed a drug test at the Australian Open, several sponsors quickly ended their endorsement deals with the tennis star (including Nike, Porsche and TAG Heuer)⁶⁶
2. Effective endorsement campaigns
 - a. The most successful campaigns will feature athletes or celebrities who actively promote the product or brand
 - i. Despite just having won an incredibly emotional match, Roger Federer (who has long endorsed Rolex) paused to put on his Rolex brand watch moments after clinching the Wimbledon crown (and before accepting the championship trophy)
 - ii. LeBron James showed his loyalty to Nike when he posted a [video](#) on Instagram calling out Lonzo Ball for wearing a pair of Nike sneakers instead of his own Big Baller Brand during a 2017 NBA Summer League game, captioning the post with the famous “Just Do It” slogan
 - (a) LeBron consistently mentions the brands he endorses through his various social media channels, one of the reasons he is a popular choice as a spokesperson for brands
 - (i) According to [MVP Index](#), James was the top-performing NBA ambassador for an athletic apparel brand, mentioning Nike in 55 social media posts last year, generating \$12.3 million in media exposure for the brand
 - b. Consumers must believe the athlete or celebrity uses the product or service otherwise the campaign’s credibility risks being undermined
 - i. Did consumers believe Tiger Woods drove a Buick (Buick dropped Tiger as a long-time pitchman a few years ago)
 - (a) Craig Bierley, Buick’s director of advertising and promotions, told *Ad Week* in an interview: “*I’m not sure anyone really believed that Tiger Woods drove a Buick. I think you start to push the limits of credibility.*”⁶⁷
 - ii. Supermodel Gigi Hadid’s McDonald’s endorsement was not very well received among her fanbase, drawing [criticism](#) for promoting fast food and questioning whether she actually would eat McDonald’s french fries (Hadid famously follows an intense workout regime and strict diet)
 - iii. Many fans might wonder if LeBron James really does drive a Kia after seeing him promoting the brand in a number of television commercials
 - (a) According to a news story from [espn.com](#), it was James who initiated the conversation about driving a Kia, not the other way around as many might suspect (especially considering LeBron’s personal collection of cars includes Bentleys worth nearly \$200,000). A Kia representative in the story is quoted as saying: “*We were not actively seeking another endorser, but LeBron told us, after driving the car around this summer, that he liked it so much, that we decided to partner with him. He brought us instant credibility.*”
 - (i) However, the article also suggests that the deal requires James to show up at Cavaliers games in a Kia, similar to a deal Tiger Woods’ had in place with Buick which required that he arrive at events driving the car brand.
 - (b) In 2016, James and Kia continued their partnership and launched a series of commercials that addressed the skepticism

- (i) The brand's goal was to convince skeptical fans that James does indeed drive a Kia
 - (ii) Click [here](#) to see a sample of the commercials
 - iv. Alternatively, there is no question what brand of shoes Giannis Antetokounmpo, LeBron James or Kevin Durant would actually wear because they wear Nike sneakers in games
 - v. In 2019, boxer Andy Ruiz Jr. shocked the world when he beat Anthony Joshua to become the world heavyweight champion, a victory he credited to his affinity for Snickers (his Twitter profile picture pre-fight was the candy bar logo) ⁶⁸
 - vi. Popular singer/songwriter Ed Sheeran — a self-declared lifelong Heinz Ketchup lover who has the Heinz logo tattooed on his arm — teamed with the brand in 2019 to create limited-edition "Edchup" bottles
 - (a) In addition to [replacing](#) "Ketchup" with "Edchup," the label of the bottles featured a Sheeran-inspired emoji, and the limited-edition bottles (available for purchase at [HeinzEdchup.com](#)) were announced on Instagram on National Ketchup Day
 - (b) The cause marketing campaign raised money for East Anglia's Children's Hospices as well as Rise Against Hunger, according to [Page Six](#)
- c. Companies invest a lot in celebrities to promote their products so aligning with the right athlete or entertainer is paramount
 - i. Before the 2019 NBA draft, Duke's Zion Williamson was touted as a "can't miss" prospect, resulting in a bidding war between brands like Nike, Jordan Brand, adidas and Puma for his services
 - (a) According to sports business reporter Darren Rovell, Zion signed with Jordan Brand for a [reported](#) \$75 million over five years ⁶⁹
 - ii. However, according to [Forbes](#), paydays for the world's top-earning athletes dropped in 2020 for the first time in four years as the COVID-19 pandemic resulted in the cancelation and postponement of major sporting events for the first time since World War II
 - (a) One example of how the health crisis impacted brands with endorsement deals, it was [reported](#) that Under Armour approached some of their athletes to delay endorsement deal payments as the company's sales began to slide
 - (b) According to the *Forbes* report, the 100 highest-paid athletes earned a combined \$3.6 billion in 2020, which was 9% below 2019 and the first decline since 2016, when boxers Floyd Mayweather and Manny Pacquiao skewed the results with a \$400 million payout from their May 2015 "Fight of the Century" pay-per-view bout
 - (c) The athletes who earn the most from endorsement deals, according to the 2020 *Forbes* report: ⁷⁰
 - 1. Roger Federer (tennis) - \$100 million
 - a. Compare that to the \$6.3 million he earned playing tennis
 - b. According to *Forbes*, sponsors pay between \$3 and \$30 million to align their brands with the global tennis icon
 - 2. (Tie) Tiger Woods (golf) - \$60 million
 - a. Nearly 96% of Tiger's income last year came from endorsement deals
 - 3. (Tie) LeBron James (basketball) - \$60 million
 - 4. Cristiano Ronaldo (soccer) - \$45 million
 - 5. Stephen Curry (basketball) - \$44 million
- 3. Finalizing the selection process
 - a. Background checks
 - b. Discussion with celebrities to determine levels of commitment
 - c. Development of a contract and having each party carefully review the terms

- d. Familiarizing the celebrity with the product or service in which they will endorse
 - e. Marketers can refer to a prospective endorsers' "q score" to determine the individual celebrity's marketing potential
 - i. According to the q scores Website, a Q Score "measures the familiarity and appeal of personalities in a variety of categories to determine targeted audience attraction" ⁷¹
 - ii. Similar to a Q Score, the Nielsen company also provides analytics relating to the popularity and attitudes toward certain athletes and celebrities by offering N Score ratings
 - (a) For example, despite winning the NFL MVP and appearing in a Super Bowl, the Atlanta Falcons' quarterback Matt Ryan is still relatively unknown to the general public, based on his N-Score ⁷²
 - (i) Ryan has an N-Score of 62 and awareness score of 32, right about the average for NFL football players
 - (b) The New England Patriots' quarterback, Tom Brady, on the other hand is the most well-known current football player with an awareness score of 73, compared with the football average of 30
 - (i) However, Brady's likability score is just 48, putting him in the bottom 5% of all celebrities for likability
 - (c) According to [Billboard](#), Nielsen Music's N-Score for Rihanna is 78 — ranking her far higher than the average music celebrity
 - f. To see how it all comes together, click [here](#) for a great look at how Brooks Koepka, a rising star on the PGA Tour, has attracted endorsement deals
 - g. Failure to live up to expectations may result in a sponsor parting ways with the athlete or celebrity, particularly in the midst of any negative publicity surrounding the individual
 - i. After being banned for life from cycling for his part in a long running doping scandal that broke in 2013, Lance Armstrong lost nearly all of his endorsements while industry experts suggest he will likely never sign another endorsement deal for the rest of his life ⁷³
 - ii. Last season, Dannon and Gatorade, both brands are endorsed by Cam Newton, were forced to distance themselves from the Panthers' quarterback after he told a female reporter "It's funny to hear a female talk about routes. It's funny."
 - (a) According to an ESPN report, Dannon suggested they would "no longer work" with Newton following the disrespectful comment while Gatorade issued a statement that said, "Cam's comments were objectionable and disrespectful to all women and they do not reflect the values of our brand. Gatorade fully supports women who compete in, report on, coach for, or play any role in sport -- on or off the field." ⁷⁴
 - iii. Head, one of the world's largest tennis racket providers, [parted ways](#) with Bernard Tomic after his incredibly poor showing at the 2017 Wimbledon tournament
 - (a) Tomic was eliminated in straight sets and during his post-match press conference, claimed he was bored of the sport and even admitted to cheating during his match (he used a medical timeout for non-medical reasons)
 - iv. In 2020, NASCAR driver Kyle Larson was [dropped](#) by his sponsors, including McDonalds, Credit One Bank and Chevrolet, after using a racial slur during a live-streamed virtual race during the pandemic
- C. Endorsement effects on branding and sales
1. Studies have shown that celebrity endorsements *can* be extremely effective in helping a company drive sales of its products or services
 2. A [study](#) by the Harvard Business School revealed that celebrity endorsements generate a 4 percent increase in sales on average for brands while the [book](#) Contemporary Ideas

and Research in Marketing found that 85 percent of consumers admitted that a celebrity endorsement upped their confidence in a brand, and 15 percent said endorsements affected their purchasing decisions.

3. In a [study](#) released by NPD last year, it was revealed that fans of a given celebrity are 50 percent more likely to buy and use the products that celebrity does
 - a. In 1984, Puma sold only 15,000 tennis racquets a year. In 1985, following Becker's first victory in Wimbledon and his backing of Puma rackets, sales jumped to 150,000 rackets⁷⁵
 - b. In 2000, Nike Golf signed Tiger Woods to play its golf ball. By 2005, Nike Golf enjoyed revenue growth of an astounding 24 percent per year.⁷⁶
 - i. Orders doubled for Callaway Fusion drivers after Phil Mickelson won the 2006 Masters with one⁷⁷
 - c. Given the incredible sales success of his branded grills, George Foreman now sorts through as many as 20 endorsement offers per week⁷⁸
 - d. According to a story in the [NY Post](#), Rihanna (considered by some as the most marketable celebrity endorser in pop culture) helped Puma see a 40% increase in sales of women's shoes last year's release of her 'Creeper' and 'Eskiva' shoe lines
 - e. After signing on with Converse, Dwyane Wade's support of the brand made an immediate impact as his likeness contributed to an 82 percent increase in sneaker sales in the first two years of the campaign⁷⁹
 - i. In 2009, Wade decided to part ways with Converse and signed a new deal with Jordan Brand (Nike is the parent company to both shoe brands) and in 2013, [Wade signed with Chinese footwear brand, Li Ning](#)
 - f. 1-800-Flowers teamed up with Justin Bieber for what was originally intended to be a small Valentine's Day promotion. It turned into one of the biggest campaigns in the company's history and led to an annual relationship with the teen pop sensation.⁸⁰
 - g. In 2016, the *New York Times* reported that, upon making tennis star Rafael Nadal global brand ambassador of Tommy Hilfiger underwear, the company saw sales of underwear and men's accessories double in the first month following the announcement⁸¹
 - h. According to [Forbes](#), LeBron James' involvement in Blaze Pizza as an investor, franchisee and endorser helped the chain become the fastest growing restaurant franchise ever in the U.S.
 - i. According to [footwearnews.com](#), New Balance sold out their initial inventory of Kawhi Leonard's OMN1S basketball sneakers in less than a minute, despite having an unannounced release date

*** VIDEO SUGGESTION ***



ESPN's popular "30 for 30" series featured an amazing documentary called "Sole Man" on Sonny Vacarro, widely recognized as an industry pioneer for responsible for connecting the sneaker industry with professional basketball stars. The film is available on Netflix and iTunes and might be worth watching to see if there are segments you'd like to share in class. AS ALWAYS, please view programs like this in their entirety before sharing in class to determine whether it is inappropriate for your students. Click [here](#) to visit espn.com to view a few clips from the show.



*** ACTIVITY IDEA ***

Come up with a list of 10-15 different consumer products and have students select an athlete or celebrity who they think would be a good match as someone to effectively promote the brand or product. Be sure to have them explain why they selected each athlete or celebrity.

Unit 8 Key Terms Defined:

Ambush Marketing: Occurs when one brand pays to become an official sponsor of an event and another competing brands attempt to connect itself with the same event, without paying direct sponsorship fees.

Cause Marketing: Refers to marketing efforts that tie an organization with a charitable cause.

Endorsement: A partnership between an athlete or entertainer and a company in which athlete or entertainer receives compensation in return for allowing the company to use his or her likeness to promote company goods and services.

Gross Impression: Refers to the frequency in which a company product or service is associated with the event or entertainer.

Sponsorship: A form of marketing in which companies attach their name, brand, or logo to an event for the purpose of achieving future profits.

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