

Unit 1

Industry History & Evolution

OVERVIEW

Unit one provides students with an understanding of the evolution of sports and entertainment as it relates to business. Identifying industry “pioneers” and important milestones will assist students in the comprehension of how the sports and entertainment industry has become the multi-billion-dollar industry it is today.

KEY TERMS

Fandom

SEM

Superfan

OBJECTIVES

1. Define the acronym SEM
2. Identify factors that contributed to the growth of the sports and entertainment industry
3. Understand the concept of “fandom” and its importance to the business of sports and entertainment
4. Discuss the impact specific individuals had on the evolution of the industry
5. Recognize specific milestones relevant to industry growth

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Genesis of Sports and Entertainment Marketing

THE ORIGINS OF SPORTS AND ENTERTAINMENT MARKETING (SEM)

What is SEM?

SEM is the acronym for sports and entertainment marketing.

Sports and entertainment marketing is a relatively new player in a field of multi-billion-dollar industries. Forms of sports marketing started as early as 1858 (the first known athletic event to charge admission took place at a baseball game). Entertainment as we know it today (movies, radio, television, music) exploded from 1900 on, and as technology improved, so did the products being offered. Silent movies progressed to sound, and radio eventually expanded to television; vinyl records evolved into tape and CD and today's digital formats and streaming. The 1900's also brought the advent of carnivals, amusement parks, and theme parks which evolved from (but did not completely replace) fairs, circuses and festivals.

Many events have influenced the industry's transition from leisure activity to big business:

1. Evolved as fan support grew with willingness to spend discretionary income.
2. Emergence of radio and television offered more opportunity for consumption of sports and entertainment products.
3. Corporations began to see the benefit with sports and entertainment affiliations, resulting in a marketing and sponsorship boom.
4. Celebrity endorsements and naming rights deals became common industry practice.
5. Advancement of technologies making it easier to consume sports and entertainment while more sports and entertainment properties are introduced.

Size and Scope of the Sports Industry

According to the "Sports Global Market Opportunities And Strategies To 2022" [report](#), the global sports market reached a value of nearly \$488.5 billion in 2018, and is expected to reach \$614.1 billion by 2022. Comparatively, that is more than twice the size of the auto repair services and parking industries and larger than such industries as insurance carriers and legal services. ¹

Sports industry sample revenue breakdown by segment: ²

- \$43.8 billion in sales of U.S. sporting goods equipment by retailers
- \$35.8 billion in racetracks, sports teams and other spectator sports
- \$34.9 billion in company spending for sports advertising in the U.S.
- \$33 billion in revenues for the "Big 4" U.S. sports leagues
- NFL, MLB, NBA, NHL
- \$22.4 billion in revenue in fitness and recreation centers
- \$1 billion in NCAA sports revenue

[Click here](#) to watch a video from Plunkett Research on the current state of the sports industry. The video provides a very broad introduction to the business of sports.

Size and Scope of the Entertainment Industry

Industry extends from movies, television, and radio, to theatre, home entertainment, amusement/theme parks, gaming and much more. Consumers have shown an insatiable appetite for entertainment resulting in an industry boom.

¹ Sport Marketing Quarterly, 6, 4

² <http://www.plunkettresearch.com>

The entertainment and media industry spans multiple segments:

Radio

- There are 9,566 FM radio stations in the United States.
- According to the latest figures from Nielsen's annual "Year in Sports Media Report," sports radio attracts 23 million weekly listeners, who tune in for an average of 4 hours a week.

Film

- Over 1.4 billion movie tickets are sold each year in U.S. theaters.
- According to information from [statista.com](https://www.statista.com), forecasts predict that the entertainment industry will grow to over \$679 billion in value over the next four years, proving its worth in domestic markets and as a major U.S. export. The film industry is one of the biggest, if not the biggest, players in the broader entertainment sector; it is considered a cornerstone of the industry.

Television

- According to [Statista](https://www.statista.com), approximately 154.4 million viewers in the United States watched live sports content at least once per month on television last year, a figure that is projected to rise to over 160 million by 2024.

Streaming

- Olivia Rodrigo's "Good 4 U" [broke the record](https://www.spotify.com/us/artist/oliviadrodrigo/) for the most-streamed song in a single week in Spotify history in 2021, racking up 84 million plays in just a seven day period (breaking her own record when users played 80 million streams of her single "Drivers License").

Virtual Reality

- Analysts at PwC estimate The US virtual reality market saw \$934 million in revenue in 2018, and is expected to grow at a 16.6% CAGR to reach US\$2bn in 2023.³

Gaming

- According to data from [Streamlabs and Stream Hatchet](https://www.streamlabs.com), between Facebook Gaming, Twitch and Youtube Gaming (the three largest streaming platforms), gaming fans watched twice the number of hours combined on the three platforms in 2020 compared to 2019, consuming more than 8.3 billion hours of content.

Entertainment industry sample revenue breakdown by segment (according to latest US Census Data)⁴

- \$91 billion in film/theatrical/DVD rental/related revenues
- \$80 billion in TV broadcast and cable revenues
- \$76 billion in music industry revenues (CDs, downloads, radio, concerts, etc.)
- \$18 billion in electronic gaming⁵
- \$12 billion in amusement/theme park revenues
- \$7 billion in theatrical product

³ <https://www.pwc.com/us/en/industries/tmt/library/global-entertainment-media-outlook.html#highlights-trends>

⁴ <http://kotaku.com/346284/game-industry-reaches-179-billion-dollars-in-2007>

⁵ http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=63400

Industry Growth

HOW DID WE GET HERE?

Many factors in the sports and entertainment business led to its enormous growth:

- Increase in numbers of those participating in sports and entertainment
- Increase in numbers of those following sports and entertainment
- Increase in sports/entertainment offerings
- Increase in the number of broadcasts / Advancements in broadcast technology (including streaming)
- Increase in attendance
- Increase in media coverage
- Increase in International interest
- Introduction of the Internet and social media

Increase in the Number of People Participating in Sports & Entertainment

- The U.S. Youth Soccer Association reports that there were 100,000 registered players in 1974. Today the organization has grown to 3.2 million registered players and over 800,000 coaches and volunteers.⁶
- The number of U.S. golfers has risen to 12.6% of the population vs. 3.5% 50 years ago.⁷
 - According to the [National Golf Foundation](#), the number of Americans over the age of five who played at least one round of golf on a course increased incrementally from 23.8 million to 24.2 million in 2018.
 - Participation in “off-course” golfing, in the form of play at facilities such as Topgolf or at facilities with on-screen simulators, rose 6 percent, to 23 million participants, last year according to a [Forbes report](#).
- According to the National Federation of State High School Associations, the sport of lacrosse has seen a 280% increase in participation in the last decade.⁸
- Among sports and recreation activities that grew more than 15% the past 10 years, skateboarding led the way with a 74.1% growth, according to the National Sporting Goods Association (NSGA).⁹
 - “Skateboarding saw a remarkable increase in the last 10 years, due in part, to the television exposure provided by ESPN’s X-Games,” said NSGA Vice President of Information & Research Thomas B. Doyle (NSGA).¹⁰
- According to a [CBS Sports report](#), USA Hockey saw a record 519,547 people register as amateur hockey players in the US in 2014, 8,000 more players than any other year as non-traditional markets like California, Texas and Florida have grown exponentially over the past 20 years.
- Data from USA Water Polo (USAWP) shows water polo is one of the fastest growing sports in the USA, specifically at the high school level.
 - According to [swimmersworld.com](#), nationwide participation is up 25% in the last five years while memberships increased by 67% from 26,873 to 44,773 (an all-time high) in the last eight years.

Increase in Numbers of Those Following Sports & Entertainment

- U.S. television broadcast 800 hours of sports TOTAL in 1971.¹¹
 - Compare that to the coverage of the 2016 Summer Olympics in Rio, Brazil, when NBC featured more than 6,000 hours of television coverage (up from 5,535 in 2012) across its platforms (including NBC, USA, Bravo, CNBC, MSNBC) and all 130 competitions were streamed online.¹²

6 http://www.usyouthsoccer.org/about/30thanniversary/index_E.html

7 <http://www.golfetc.com/retail/retail.html>

8 http://www.usatoday.com/sports/preps/2008-07-31-lacrosse-growth_N.htm

9 <http://www.prlog.org/10076350-skateboarding-10-year-winner-in-sports-participation-growth.html>

10 <http://www.prlog.org/10076350-skateboarding-10-year-winner-in-sports-participation-growth.html>

11 *Sports & Entertainment Marketing*, Glencoe-McGraw Hill, 2nd ed., p. 74

12 <http://www.broadcastingcable.com/news/currency/nbcu-cable-networks-catching-olympic-fever/156766>



- NBC streamed 1,800 hours of 2018 Winter Olympics coverage, twice what the network streamed in the 2014 Winter games -- just over 1,000 hours of footage, which also marked the first time that every event was streamed online.
 - The 2018 games were the first Winter Olympics to feature a live simulcast of broadcast network coverage for authenticated pay-tv subscribers. Those users were able to watch at the NBC Olympics website or on mobile apps, as well as through connected TV devices such as Roku and Apple TV.¹³
- [NBCUniversal broadcast](#) more than 7,000 hours of content from the Tokyo Olympics across its networks and streaming platforms in 2021, making the 17-day event “the biggest media event ever”, according to a [statement](#) from the broadcast company.

Increase in Sports & Entertainment Offerings

More options for sports as participants:

Disc Golf

- The sport had 560 courses in the U.S. in 1995; by 2020 that number had grown to more than 10,000 and the sport has averaged 16% growth annually over the past 15 years.
 - In 2000 there were 5,653 active members of the [Professional Disc Golf Association](#); by 2020 there were more than 53,000 active members.
 - 14,492 people joined the PDGA in 2019 alone.
- Visit the [Professional Disc Golf Association website](#) to learn more about the sport.

Spikeball

- This fast-paced game was invented in the 1980's, disappeared during the 90's, and burst back on the scene in 2013 – today the sport boasts over 125,00 participants, has its own [governing body](#) and is the self-proclaimed fastest growing sport in the U.S.
- According to the Columbus Dispatch, over 300 official USA Spikeball tournaments were scheduled throughout the U.S. last year.
- According to Spikeball's website, there are over 1 million players in the US alone and 1,500+ nationally ranked teams.
- Today, ESPN covers spikeball events, even describing the sport as “mainstream.”
 - [Click here](#) to read the ESPN story about how Spikeball went “mainstream”

Advanced Learning

- [Click here](#) to read how the NFL plans to take rugby mainstream in America at espn.com.
- [Click here](#) to watch the “This is How We Sevens” advertisement on YouTube.

Non-Mainstream Sports

U.S. high schools have recently recognized non-mainstream sports as officially sanctioned sports in recent years.

For example:

- Five years ago, Hawaii became the first state to sanction surfing as an officially recognized high school sport.
- Several states offer bass fishing as an officially sanctioned high school sport (including states such as Illinois, Kentucky, Missouri and Tennessee).
- One school in Florida is attempting to legitimize [Go Kart racing](#) as an official varsity sport.
- According to the [National Federation of State High School Associations](#), other high school athletic and activity associations have been adding sports such as bowling, archery, beach volleyball, rodeo, air riflery, chess, Nordic skiing and canoe paddling.
- Forbes reported in 2019 that seven state high school associations were offering esports at a varsity level.
 - By 2021, [PlayVS](#) operated official leagues in partnership with at least 23 state high school associations and regional leagues across the U.S.

¹³ <https://www.mediapost.com/publications/article/310358/nbc-will-stream-1800-hours-of-2018-winter-olymp.html>

- According to the [NFHS](#), even those states without official varsity esports run state tournaments, and prizes can include scholarship money to one of the 200 colleges (and growing) fielding esports teams offering nearly \$15 million in scholarships.
- [Click here](#) to read more from forbes.com how Esports penetrated the high school activities market.

Increase in the Number of Broadcasts / Advancements in Broadcast Technology

- According to the Sports Business Journal, ESPN's coverage features over 65 sports (including MLB, NBA, NFL's Monday Night Football, NASCAR, MLS, FIFA World Cup, WNBA, college football, men's and women's college basketball, golf, Little League World Series, fishing, spelling, billiards, poker, arena football, eating championships, and the X Games), 24 hours a day in 15 languages in more than 150 countries.
- DirecTV offers over 285 channels as part of their "premiere" package, including over 50 channels dedicated specifically to sports programming (and that doesn't include the seventeen "specialty" packages that require an additional subscription like the NBA League Pass, NFL Ticket or NHL Center Ice).
- Maple Leaf Sports and Entertainment (the company that owns the Toronto Raptors, Toronto Maple Leafs, Toronto FC, Toronto Argonauts, Raptors 905 and Toronto FC II) [partnered](#) with [Spalk](#) (a virtual sportscasting studio that enables teams and organizations to provide hundreds of different commentators for live streams) to create a broadcast experience that allows fans all over the world to see their favorite teams play while watching in their preferred language.
- New broadcast companies like DAZN and FloSports have recently entered the market with ambitious growth plans, buying up media rights and determined to provide even more access to sports and events content.
 - According to [Bloomberg](#), two years ago, DAZN signed boxer Canelo Alvarez to the richest athlete contract in sports history (a \$365 million agreement) for the rights to broadcast his next 11 fights.
 - DAZN also [signed a deal](#) with Major League Baseball for a program designed to serve as the "Red Zone Channel " of MLB+.
- Starting in 2021, DAZN will add the global media rights to the Champions League coverage which will likely expand their audience exponentially.
- [Dubbed as the "Netflix of Sports"](#), DAZN is consistently pursuing opportunities in international markets and expanding their existing sports coverage. The company now operates offices in London, Berlin, and Tokyo, among other major cities around the world.
 - Airing over 8,000 sports events on PC, Mac, tablets, smartphones, smart TVs and game consoles every year, fans of other sports have also had access to high-quality streams live and on demand. Other disciplines regularly available on DAZN include American Football, Baseball, Basketball, Cricket, Motorsport, Rugby and Tennis.
 - All those rights fees add up, however, as DAZN has lost more than \$1 billion in the past two years, according to a NY Times report.
 - [Click here](#) for a story from Digiday offering a look at DAZN's ambitious plans and challenges as they continue to invest in sports programming to grow the company.
- According to [SportsPro](#) magazine, FloSports has built its content line-up to include more than 10,000 live events annually "by catering to underserved sports and audiences."
 - FloSports has rights agreements in place with a variety of properties, ranging from the Professional Bowlers Association (PBA) and Rugby Europe to Gymnastics Canada, the International Cycling Union (UCI), Ice Hockey World Championships and Euroleague Basketball.

Increase in Attendance

Attendance increases had an enormous influence on the size and scope of the sports and entertainment business industry. Despite seeing nearly a million fewer fans than the previous season, the NHL enjoyed its sixth highest attendance figure in league history during the 2018-19 season with 21,254,753 fans visiting NHL arenas (click [here](#) for an individual breakdown of team attendance figures).

- To put the league's growth into perspective, the NHL's attendance in 1978-79 was just 7,758,05.¹⁴

¹⁴ http://www.hockeyzoneplus.com/attend_e-MUSTBEFIXED.htm

Over 75 percent of movies in the top 50 all-time highest-grossing films (before inflation) were released after the year 2000. Nearly 70 percent of films in the top ten were released in 2015 or later.

- The highest grossing film in the 70s was "Star Wars", at just under \$800 million, and in the 80s was E.T., at roughly \$750 million (click [here](#) for the full list).¹⁵
- In the summer of 2019, "Avengers: Infinity War" needed just 5 days in theaters to surpass \$1.2 billion in gross sales, setting a new record.
 - The previous record of 11 days was set just one year earlier by the blockbuster "Avengers: Infinity War".
 - The record before that was 12 days, set in 2017, by "Star Wars: The Force Awakens" (so the record was broken three times in three years).

Increase in Media Coverage

Media coverage of sports and entertainment has grown significantly in the past half-century, placing athletes and entertainers in the public eye with incredible frequency. Television and radio provide alternative news sources to newspapers while social media provides an even newer alternative to all other forms of media. Profit potential and increased competition among media companies encourage increased competition for top stories. This is why we see the intense, over-the-top coverage of sports and entertainment stories. In addition, the introduction of the Internet made information available "on demand" with increased frequency and accessibility.

Examples:

- Two years ago, basketball fans were treated to a "Kawhi Watch" following NBA superstar free agent Kawhi Leonard as he mulled his options on which team to sign with as he eventually decided to join the Los Angeles Clippers.
 - Click [here](#) to see more on the media frenzy "Kawhi Watch" stirred up in Toronto, including a helicopter "chase" that followed a SUV thought to be driving front office personnel from the airport to a downtown hotel.
- As news leaked in 2021 that NFL star Aaron Rodgers wanted out of Green Bay, the conversation quickly became national news, with programs like the [Today Show](#) covering the quarterback's offseason vacation to Hawaii.

'ARNOLD PALMER. CAME ALONG AT THE SAME TIME TELEVISION WAS EXPLODING IN AMERICA. NOW WE'VE GOT GLOBAL INTERNET ACCESS. OUR SPORT WASN'T GLOBAL WHEN I BEGAN PLAYING THE TOUR. NOW IT IS. YOU CAN LOG ON ANYWHERE IN THE WORLD AND SEE WHAT ANY PLAYER DID IN ANY TOURNAMENT OR FOR THE YEAR. WITH THAT INTERNATIONAL BOOM, THAT INTERNATIONAL STREAM OF INFORMATION, GOLF IS GETTING EXPOSED TO PARTS OF THE WORLD THAT IT NEVER EVEN THOUGHT OF GETTING INTO.'

- TIGER WOODS IN THE CHARLES' BARKLEY'S BOOK, 'WHO WHO'S AFRAID OF A LARGE BLACK MAN'

Increase in International Interest

The international marketplace continues to provide a platform for driving sales of sports and entertainment products and services.

Athletes

Athletes like the NBA's Luka Dončić (Slovenia), Ben Simmons (Australia), Rui Hachimura (Japan), Nikola Jokic (Serbia) and Giannis Antetokounmpo (Greece), MLS's Javier "Chicharito" Hernandez (Mexico), the NHL's Sidney Crosby (Canada), Alexander Ovechkin and Evgeni Malkin (Russia), the PGA Tour's Rory McIlroy (Ireland), LPGA Tour stars Ko Jin-Young (South Korea) and Nasa Hataoka (Japan), Tennis stars Novak Djokovic (Serbia), Rafael Nadal (Spain) and Roger Federer (Sweden), UFC's Conor McGregor (Ireland) and MLB's Vladimir Guerrero Jr. (Dominican Republic), Yasiel Puig (Cuba), Yu Darvish and Shohei Ohtani (Japan) help their respective teams, leagues and sport to draw fans from all over the world

INTERNATIONAL STARS MAKING AN IMPACT IN U.S. SPORTS LEAGUES

LUKA DONČIĆ (SLOVENIA)
BEN SIMMONS (AUSTRALIA)
RUI HACHIMURA (JAPAN)
NIKOLA JOKIC (SERBIA)
GIANNIS ANTETOKOUNMPO (GREECE)
PASCAL SIAKAM (CAMEROON)



ALEXANDER OVECHKIN (RUSSIA)
EVGENI MALKIN (RUSSIA)
SIDNEY CROSBY (CANADA)



SHOHEI OHTANI (JAPAN)
FERNANDO TATÍS JR. (DOMINICAN REPUBLIC)
RONALD ACUÑA JR (VENEZUELA)
VLAD GUERRERO JR. (DOMINICAN REPUBLIC)



 **GLOBAL STARS**

¹⁵ <http://www.worldwideboxoffice.com>

Major League Baseball (MLB)

- According to a [release](#) from Major League Baseball, 28.3% of players on Major League Baseball's Opening Day rosters in 2021 were born outside of the United States, representing 20 different countries.
- In 2021, Shohei Ohtani burst onto the Major League Baseball scene, quickly becoming one of the most popular players in the sport and the league's most marketable athlete.
- Ohtani was the [most-searched](#) player on MLB Film Room, both in the U.S. and internationally, and he played in all 10 of the highest-viewed MLB regular-season telecasts of the year up until the All-Star break.
- Ohtani already earns more in endorsements than any other Major League Baseball player.

National Basketball Association (NBA)

At the start of the 2020-21 season, and for the seventh year in a row, [NBA rosters](#) included over 100 international players representing 41 different countries and each of the 30 teams had at least one international player.

- There were 14 international players on opening-night rosters who had been NBA All-Stars.
- The Washington Wizards have an NBA-high seven international players. The Dallas Mavericks and Denver Nuggets each have six, while the New Orleans Pelicans, Oklahoma City Thunder and Toronto Raptors each have five.
 - Click [here](#) to read the full press release from the NBA's website for more information and statistics.

Golf

- There are currently 93 international players from 29 countries and territories outside the United States currently playing on the PGA tour.
- 63% of the Top 100 money leaders on the LPGA tour are from countries outside of the United States.

Entertainers

- European musicians like the Rolling Stones, Ed Sheeran, U2, Adele and Coldplay, Columbian artist Shakira, Canadian Justin Bieber and Barbados-born Rihanna sell millions of records (and downloads) to consumers all over the globe.
- Actors and actresses such as Margot Robbie, Cate Blanchett, Kate Winslet, Colin Farrell, Emma Watson and Russell Crowe help boost International box office sales for the films in which they have a prominent role.

Events

- Global events like Wimbledon, the Tour de France, FIFA World Cup, Olympic Games, and Cannes Film Festival attracted world-wide attention, providing an exceptional marketing opportunity for ticket sales, sponsorship sales, licensing and merchandise opportunities while providing a tremendous economic impact for host cities.
 - ESPN, CANAL + Events and Tignes Ski & Snowboard Resort (in France) launched the first Winter X Games to be held outside the United States and X Games Munich 2013 demonstrated the growth in global appeal of the event when 47.5 hours of action were broadcast across [ESPN's](#) various platforms, including 26.5 hours on live television.
- Brands recognize the opportunities presented by the global audience which is why companies like Gillette invest in the sponsorship of events like EA's FIFA Global Series.

MOST MARKETABLE MAJOR LEAGUE BASEBALL STARS



WHICH MAJOR LEAGUE BASEBALL PLAYERS EARN THE MOST IN
ENDORSEMENT DEALS?

\$2.5 MILLION CODY BELLINGER

\$3 MILLION MIKE TROUT

\$3.5 MILLION KRIS BRYANT

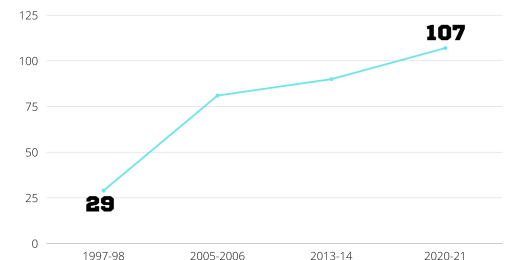
\$5 MILLION BRYCE HARPER

\$6 MILLION SHOHEI OHTANI

SOURCE: FORBES



INTERNATIONAL NBA PLAYERS BY YEAR



- According to a story from [mediapost.com](https://www.mediapost.com), Gillette recognizes the reach of a global event, suggesting the Global Series included more than 20 gaming leagues worldwide, including Australia, Austria, Denmark, Norway, Poland, Malta, Ukraine and Saudi Arabia.

Footwear

The global demand for footwear and sports apparel continues to grow with international brands like China's Li Ning, South Korea's Fila, Japan's Mizuno and Germany's Adidas and Puma fiercely competing with American brands like Nike, New Balance and Under Armour for market share.

- A number of NBA stars have either opted out of relationships with American brands to pursue deals with Chinese sportswear brands or signed contracts to endorse brands, notably former Miami Heat star Dwyane Wade, who left Jordan Brand for [Li-Ning](#), Dwight Howard (formerly the face of adidas basketball, now with Chinese brand "Peak") and Klay Thompson who has his [own signature shoe](#) (the "KT FIRE") with Anta.¹⁶
 - Click [here](#) for details on Anta's extension with Klay Thompson (for a reported potential \$80 million deal) from USA Today.
 - Click [here](#) to see a pop-up store opened by Li-Ning in Portland, celebrating the release of Trail Blazers' star C.J. McCollum's sneaker release.
 - Click [here](#) for a fascinating, in-depth look at Chinese sportswear brands
- [Reebok](#) has intensified its marketing efforts to reach consumers in India (with its population of more than 1.2 billion people) by signing Indian cricket captain M.S. Dhoni as its ambassador, along with other yet-to-be-revealed "well-known personalities from different walks of life such as musicians, entertainers and professionals" (according to the Economic Times).¹⁷

Sports Leagues

Prominent American sport properties are making a push to expand their presence overseas. NBA

At a [press conference](#) In addition to exhibition and pre-season games, the NBA recently began scheduling regular season games to reach more international fans.

National Basketball Association (NBA)

In 2020, the NBA played its first-ever regular season game in [Paris](#) when the Milwaukee Bucks defeated the Charlotte Hornets.

To continue expanding their global brand, the NBA announced plans to launch [Basketball Africa League](#) (BAL), a new professional league featuring 12 club teams from across Africa.

- The league was originally set to debut its inaugural season in 2020, before the COVID-19 pandemic brought the sports world to a standstill, eventually beginning its inaugural season in 2021.
- The league, a partnership between the International Basketball Federation (FIBA) and the NBA, features five former NBA players as investors (Grant Hill, Joakim Noah, Dikembe Mutombo, Luol Deng and Junior Bridgeman).
 - NBA commissioner Adam Silver [said](#) the current enterprise value of NBA Africa is "nearly \$1 billion."
- The league has also [shared](#) its strategy for reaching basketball fans in India with a digital media partnership to provide access to short-form videos featuring on-court storylines, player profiles, and coverage of the league's history.



¹⁶ [http://business.financialpost.com/tag/vitaminwater](https://business.financialpost.com/tag/vitaminwater)

¹⁷ <http://www.brandchannel.com/home/post/2013/01/29/India-Reebok-012913.aspx>

- For the first time ever, India hosted two preseason NBA basketball games to kick off the 2019-20 season when the Indiana Pacers played the Sacramento Kings in Mumbai.
- The NBA [announced](#) plans for a two-game international series in Mexico City launching in 2019-20, when the Dallas Mavericks beat the Detroit Pistons in December (with Mavs' international star Luka Doncic putting on a show and posting a triple-double), while the San Antonio Spurs defeated the Phoenix Suns in an overtime thriller two days later.
 - In addition, the NBA is expanding its reach into Mexico by [announcing](#) that the [Capitanes](#), a Mexico City-based team from the top Mexican professional basketball league Liga Nacional de Baloncesto Profesional, will be joining the NBA G League starting with the 2020-21 season.
 - The Capitanes will become the first G League franchise based outside of the United States and Canada.

National Football League (NFL)

NFL Commissioner [Roger Goodell](#) has been very public with his sentiments that he would like to see a much bigger NFL presence in London, even suggesting the possibility of bringing an expansion franchise to the city.

- In 2019, London played host to four regular season NFL games with every game resulting in a sell out
 - In 2021, after hitting pause on the "London Games" series due to the COVID-19 pandemic, the NFL will return to England with two regular season games on the league schedule
 - Click [here](#) for an in-depth look at the NFL's strategic plan for growing their presence in London, including the formation of an NFL Academy
- In 2017, the NFL played its first game in Mexico when 77,357 fans attended a regular season game in Mexico City between the Oakland Raiders and New England Patriots
 - According to a [USA Today](#) report, 205,000 fans attended a 2017 fan fest in Mexico City, while 55,000 took part in additional community events related to the NFL game
 - The league has continued to establish a presence in Mexico with a game last year being played between the Super Bowl-winning Kansas City Chiefs and the San Diego Chargers at Mexico City's Estadio Azteca, drawing a crowd of more than 76,000
 - In 2020, the NFL was scheduled to play four more games in London and another in Mexico City but they have been postponed until 2021 as a result of COVID-19
- According to a NFL [news release](#), the league eventually hopes to schedule regular season games in Germany and has already begun the process of identifying a partner city to host the games
 - The NFL previously staged five preseason games in Germany between 1990 and 1994, and had a professional team presence in Germany between 1991 and 2007, with the Berlin Thunder, Cologne Centurions, Frankfurt Galaxy, Hamburg Sea Devils and Rhein Fire playing at various times in the former World League/NFL Europe League/NFL Europa.

Major League Baseball (MLB)

Major League Baseball is also eyeing Europe as an opportunity to grow its fan base.

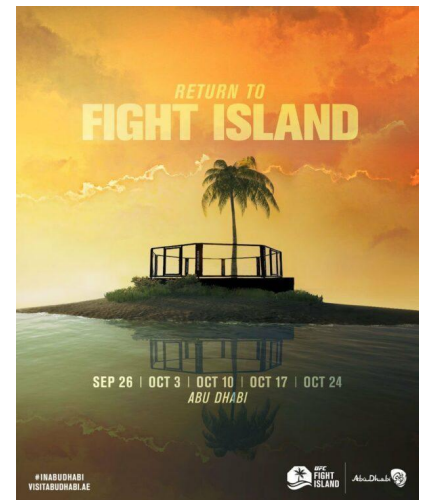
- The league scheduled a regular-season series between the rival New York Yankees and Boston Red Sox in 2019 in London (MLB had staged regular-season games in Australia, Japan, Mexico and Puerto Rico, but never in Europe).
- In 2020, the Minnesota Twins and the Detroit Tigers faced off for a one game series in the Dominican Republic, marking the first game played in the baseball-crazed country in nearly twenty years.
- A series between the San Diego Padres and Arizona Diamondbacks in Mexico City and another between the New York Mets and Miami Marlins in Puerto Rico were canceled due to the Covid-19 pandemic.
- In March of 2021, the World Baseball Classic will feature the best players in the world playing for their home countries and territories.



Ultimate Fighting Championship (UFC)

The UFC staged a bout (UFC 120 featuring Michael Bisping and Yoshirio Akiyama) at London's O2 arena and the event was attended by 17,133 fans, breaking the European attendance and gate receipts record which was set by the MEN at UFC 105. It was also the biggest box office sporting event in O2 Arena history.¹⁸

- In 2020, UFC 251 held its first of four "Fight Island" events in Abu Dhabi, United Arab Emirates, averaging 809,000 viewers over the four-hour broadcast.
- The event also racked up approximately 1.3 million buys on pay-per-view, the most-purchased UFC fight without Conor McGregor since 2009, generating \$78 million in revenue.
- In 2021, UFC's "Return to Fight Island" event between Conor McGregor vs Dustin Poirier sold 1.2 million PPVs in the United States alone and another 400,000 internationally for a total of 1.6 million PPV buys (according to [Sports Business Journal](#)), tied for the second highest-selling event in UFC history.

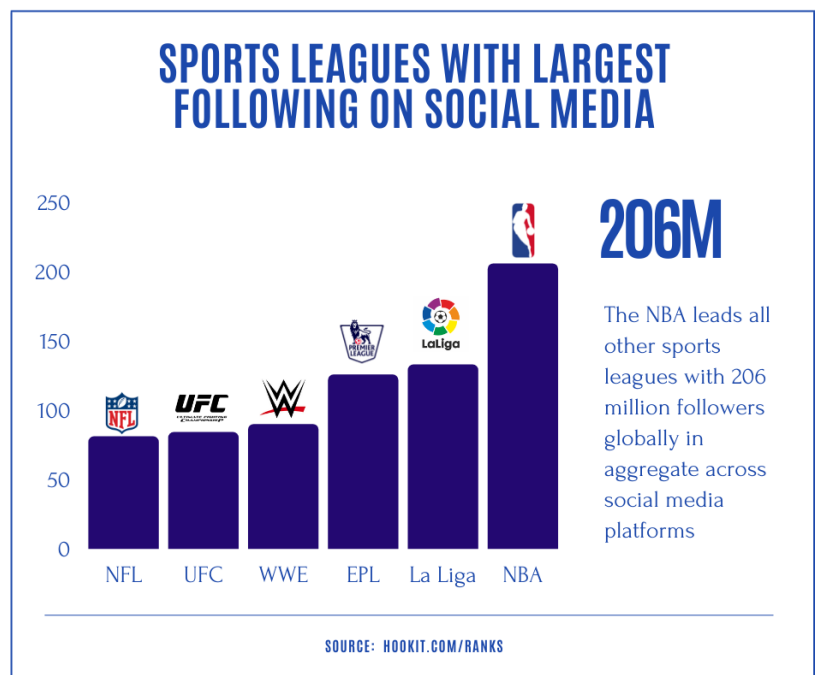


Introduction of the Internet and Social Media

Sports and entertainment consumers are increasingly turning to "second screens", social media and streaming content to consume major events and binge their favorite programs, breaking content consumption records along the way.

The NBA continues to be a leader in social media. According to a Yahoo! Sports [report](#), the NBA has 56 million Instagram followers, an audience that generated 6.55 billion views last year, giving it twice the following of the NFL, NHL and MLB combined. The league is approaching 9 billion lifetime views on YouTube — again, almost as many as the three other major American sports leagues combined. Nearly 70% of the NBA's social media followers are outside the U.S.

Based on data from [Hookit](#) (a leading sponsorship agency), the NBA leads all other sports leagues with 206 million followers across all social media platforms. La Liga, an International soccer league, is next at 133 million followers with the English Premier League, another International soccer league, in third at 126 million followers.



Industry Growth

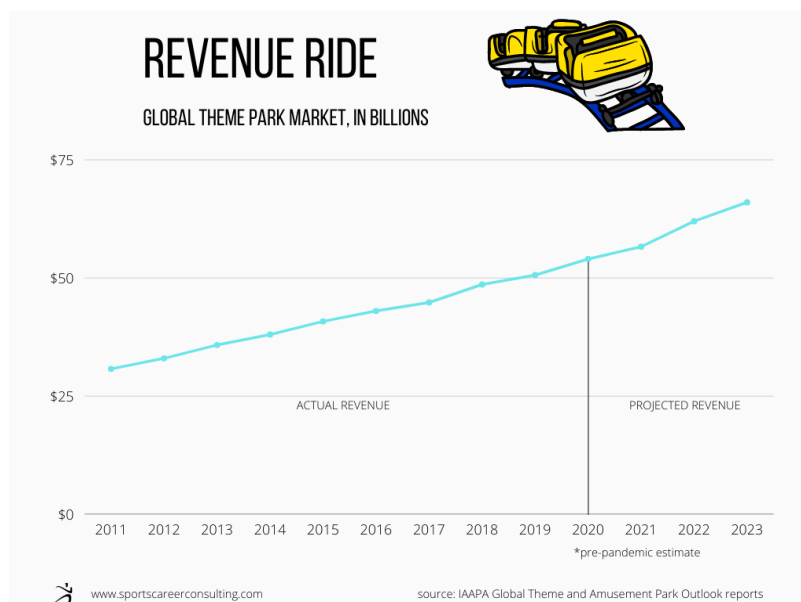
Analysts predict a continued increase in overall industry revenues, domestically and internationally. Aided by growth in streaming numbers, social media interaction and consumption of digital content, the industry has more opportunity than ever to continue its growth trajectory.

Statistically:

- According to a report from [NewZoo](#), the global gaming market is expected to grow from \$137.9 billion in 2018 to more than \$200 billion in 2023.

¹⁸ [http://en.wikipedia.org/wiki/The_O2_Arena_\(London\)](http://en.wikipedia.org/wiki/The_O2_Arena_(London))

- According to [Billboard](#), not even the pandemic could slow music industry growth as global music revenue grew for a sixth straight year in 2020, rising nearly 20 percent to nearly \$13.4 billion last year with 443 million people paying for subscriptions to streaming services.
- The global theme park market is projected to reach \$66 billion by 2023, up from an estimated \$52 billion in 2019, according to the [latest figures](#) from the International Association of Amusement Parks and Attractions' Global Theme and Amusement Park Outlook.
- According to Grand View Research, the global athletic footwear market is expected to reach \$95 billion by 2025.¹⁹
- To illustrate how sports can provide a driver for sales growth, consumer electronics makers like Sony, Samsung, LG and Panasonic reported a whopping 100 percent jump in sales of large-screen and 4K TVs (55-inch and above) in the five days leading up to the 2019 Cricket World Cup.²⁰
- In 2019, the Big Ten conference set a collegiate sports record by generating nearly \$760 million in revenue for the fiscal year, a year-over-year revenue increase of 48 percent (according to a [USA Today](#) report).²¹
- Despite the negative publicity surrounding the league the past few seasons and a global pandemic, NFL revenue has increased in all but two years since 2011 and still managed to [generate](#) \$12 billion in national revenue last year with limited stadium attendance.
- Sales of Minor League Baseball merchandise are soaring, breaking a revenue record for the second straight season (pre-pandemic) with reported retail sales of licensed merchandise of \$73.8 million.²²
- Forbes reports that ESPN is valued at over \$13 billion, making it one of the 50 most valuable brands in the world (more valuable than brands like Ford, Nestle, Sony, UPS and Fox).²³
- The final season of HBO's 'Game of Thrones' series set several records, including 19.3 million viewers for the show's finale (breaking the record for largest audience for a single episode), along with a gross average of 44.2 million viewers per episode across all platforms (including live audience, streaming, and DVR) for the entire season (a whopping 10 million more viewers than the previous season).
- The 2021 Super Bowl was the most live-streamed Super Bowl ever, with an average of over 5 million viewers per minute (representing a 69% spike over Super Bowl 54 in 2020), despite being plagued by some technical issues with the stream.
- According to [deadline.com](#), Roku, a leader in U.S. streaming providers, said viewing on its platform of the NCAA Men's Basketball Tournament jumped 75% over viewership of 2019 March Madness.
- NCAA March Madness Live also set all-time marks for the NCAA tournament's "First Four" coverage, with significant double-digit increases vs. 2019.



Value of Professional Sports Teams

Another metric that offers an indicator of overall industry health is the value of professional sports teams which continue to grow at a furious pace. In 1973, the late George Steinbrenner bought the New York Yankees for just under \$9 million. In 2021, Forbes magazine [valued](#) the historic franchise at \$5.25 billion.

- Despite unprecedented revenue losses as a result of COVID-19, the average value of MLB teams increased by 3% in 2021 to an all-time average high of \$1.9 billion.

¹⁹ <https://www.prnewswire.com/news-releases/the-global-athletic-footwear-market-size-is-expected-to-reach-usd-95-14-billion-by-2025--300634499.html>

²⁰ <https://www.businesstoday.in/current/corporate/icc-world-cup-2019-large-screen-tv-sales-zoom-100-percent-as-cricket-fever-grips-fans/story/356608>

²¹ <https://www.usatoday.com/story/sports/2019/05/15/big-ten-revenue-hit-nearly-759-million-fiscal-2018/3686089002/>

²² <https://ballparkdigest.com/2019/07/08/mlb-record-73-8m-in-merch-sales-top-25-sellers-announced/>

²³ <https://www.forbes.com/powerful-brands/list/#tab:rank>

- Click [here](#) to view Forbes' entire list of 2021 MLB franchise valuations.
- In its annual [report](#), Forbes reported that the Dallas Cowboys franchise was the most valuable sports team in the world at a whopping \$5.7 billion (a 43% increase over the last five years).
 - According to the report, the top five most valuable sports teams in the world are:
 1. Dallas Cowboys, \$5.7 billion (NFL)
 2. New York Yankees, \$5.25 billion (MLB)
 3. New York Knicks, \$5 billion (NBA)
 4. Barcelona, \$4.76 billion (La Liga, Soccer)
 5. Real Madrid, \$4.75 billion (La Liga, Soccer)
 - Click [here](#) to view Forbes' complete list of the 50 most valuable sports franchises in the world.
- In 2018, the Houston Rockets were [sold](#) for a NBA league-record \$2.2 billion (the team's previous owner, Leslie Houston's former owner, Leslie Alexander, bought the team in 1993 for \$85 million).
- By comparison, the NBA's Milwaukee Bucks were sold in 2015 for \$550 million – illustrating the impact market size can have on the value of a franchise.
 - Since 2010, the average NBA team value is up nearly six-fold and growing at a much faster rate than the other three major U.S. sports leagues, thanks to strong international growth prospects and blockbuster media deals.
 - The average NBA franchise is now worth more \$2.2 billion, according to Forbes' [annual ranking](#) of the most valuable teams. Ten years ago, not a single NBA franchise was valued at \$1 billion.
 - Click [here](#) to view Forbes' entire list of NBA franchise values.
- In another example of how market size impacts franchise values, the NFL's Rams franchise nearly doubled in value (from \$1.45 billion to \$2.9 billion) as soon as it was announced that they would relocate from St. Louis to Los Angeles (according to [CBS Sports](#)).
- According to [Forbes](#), the average Major League Soccer franchise is now worth \$313 million, an increase of more than 30% in just one year.
 - Atlanta United is now valued at a half billion dollars, the most valuable Major League Soccer franchise, and up from a valuation of \$330 million from the previous year.
 - Even more impressive, the league's year-over-year growth in franchise values outpaces team value increases in all other U.S. professional sports leagues, including the NBA, NFL, MLB and NHL.



Fandom

FANDOM

Fandom is a term used to refer to a subculture of fans characterized by a feeling of sympathy and camaraderie with others who share a common interest.³⁵ The level of fandom ranges from group to group and person to person. Some sports teams, for example, have a more rabid following. Others have a less loyal fan base. For example, some individuals would do anything to see their favorite team win the Super Bowl. On the other side of the spectrum, another group of fans will watch the Super Bowl primarily for the commercials or the half-time show. According to a [Forbes](#) report, 22% of last year's Super Bowl viewers said commercials were the most compelling part of the game while 16% said the half-time show was the best part.

Ultimately, fandom is what motivates the sports and entertainment consumer to make purchase decisions relating to available sports and entertainment products.

The term fandom can be used to describe all types of fan groupings or “subcultures”:

- Star Wars, Harry Potter or ‘Game of Thrones’ fans
- Fans of Beyoncé, BTS, Jason Aldean or Drake
- Manchester United fans
 - Based on a study commissioned by the popular English soccer club, Manchester United [claims](#) to be the most popular sports franchise in the world, boasting a fan base of 659 million people (nearly one tenth of the world's population).
- Fans of Broadway musicals
- Fans of Call of Duty video games
- Fans of a particular comic book series
- Fans of athletic shoes (sometimes referred to as “sneakerheads”)

IMPACT OF FANDOM

ESPN's annual “SportsNation Survey” has revealed the following data relating to fandom over the years:

- A whopping 90% of male respondents claimed to be sports fans on some level.²⁴
- Over 50% of respondents claimed to be more of a sports fan than they were five years ago.²⁵
- 58% of respondents would prefer to receive free season tickets to their favorite sports team than be promoted at work.

²⁴ The Herd on ESPN Radio. By Colin Cowherd. ESPN Radio, Bristol, CT. 15 April 2008.

²⁵ <http://sports.espn.go.com/espn/page2/story?page=snibbe/090225>

What fans would give up to see their favorite team win the Super Bowl

52%	All of their vacation days for an entire year
31%	Annual salary bonus
14%	Entire balance from personal savings account
3%	401K Retirement Savings

source: WalletHub



What fans would skip to see their favorite team in-person at the Super Bowl

23%	Vacation
21%	Important work
20%	Wedding of a close friend or family member
19%	Funeral of a loved one
15%	Birth of their child

source: WalletHub



- 80% of home team fans talk about their favorite team every day during the season.²⁶

Fans have, on occasion, successfully organized on behalf of a cancelled television series to lobby networks to bring back their favorite show (examples include Chuck in 2010, [Community](#) in 2012 and NBC's Timeless in 2017 while fan support led to Netflix's second resurrection of cult hit series Arrested Development in 2018).

Other examples include:

- In 2015, fans outraged over the death of key characters in three different shows all launched petitions to have the characters resurrected (Grey's Anatomy, The Walking Dead and Game of Thrones).
- According to [FanSided.com](#), in 2018, 'Brooklyn Nine-Nine' fans managed to save the show from cancellation in just 24 hours.
 - Click [here](#) to see FanSided.com's ranking of the top 250 "fandoms" in the world.
- Also in 2018, fans managed to save NBC's 'Timeless' for a second time in just two seasons when the network [announced](#) plans for a two-part series finale.

In some instances, fan feedback has resulted in film and tv producers revisiting scripts and character development.

Examples include:

- In 2019, angry Sonic the Hedgehog fans caused a delay in the release of a live action "Sonic" movie release so the studio could redesign the character's look.
 - Having been delayed from November 2019 to February 2020, 'Sonic the Hedgehog' raced past \$200 million worldwide at the box office in its first two weeks, setting the record along the way for the biggest opening weekend of all time for a video game movie.
 - Leaning on feedback from passionate fans, the studio's successful redesign of the character likely played a major part in the film's box office success.

Occasionally, streaming services monitor levels of fandom surrounding shows that have been canceled by television networks and may choose to resurrect them on their own platforms.

- When the critically acclaimed hit show "The Expanse" was [canceled](#) by SYFY in 2019, fans quickly launched an effort to save it, using the hashtag #savetheexpanse on social media and petitioning Netflix or Amazon to buy the show's rights.
- Fans also launched a petition which garnered more than 132,000 signatures, and raised money via GoFundMe to fly a banner with the hashtag around Amazon Studios' headquarters in Santa Monica
 - Amazon eventually picked up the series, launching a fifth season in 2020 and a sixth and final season streaming in 2021.
- One year after Fox [canceled](#) the show 'Lucifer' to the dismay of its fans, Netflix picked up the series and announced plans for a sixth and final season due for release late 2021 or 2022.

WHY IS FANDOM IMPORTANT?

Quite simply, without fandom, the demand for sports products would be limited. Fandom is what motivates the sports and entertainment consumer to make purchase decisions relating to available sports products. Understanding the concept of fandom is essentially the first step in fundamentally understanding consumer behavior. This helps marketers to identify levels of brand loyalty among their customer base, allowing them to map out strategies to help successfully reach and engage fans.

LEVELS OF FANDOM

The intensity levels of fandom vary, ranging from a casual sports fan who might take in one game per year to those fans that put the "fan" in "fanatic" (and otherwise engage in behavior that other fans might otherwise find to be irrational).

²⁶ <http://sports.espn.go.com/espn/page2/story?page=snibbe/090225>

Examples of activities that demonstrate the concept of fandom include:

- Waiting in line for hours to score tickets for an upcoming sporting event.
- Fans [proposing](#) at sporting events or hosting a [themed wedding](#) centered on their favorite sports team.
 - Click [here](#) for a story about a Green Bay groom who took his wife's surname so the couple could be introduced as "The Packers".
 - Click [here](#) to read about a bride-to-be who gave her future husband a Miami Dolphins helmet to wear on their wedding day.
- Causing destruction in the streets "celebrating" a championship win.
- Hundreds of thousands of fans pouring into downtown areas as part of a championship team's victory parade.

Fandom can help drive product sales:

- Fans often wait in lines for game tickets or popular video game releases.
 - On opening night, Activision says that approximately 1.5 million gamers lined up outside 13,000 stores to buy a copy of Modern Warfare 3 at midnight.²⁷
 - [USA Today](#) published a story suggesting the number of people calling into work sick the day after Call of Duty is released results in a significant increase.
 - Diehard Toronto Raptors fans began lining up three days in advance (in less than ideal weather conditions) for a spot in the outdoor fan zone known as Jurassic Park for Game 5 of the 2019 NBA Finals.
 - Click [here](#) to see a video clip of two fans who were rewarded for their fandom with free tickets to Game 5.

Fans can sometimes engage in fanatical behavior in support of their favorite sports teams, athletes, or celebrities:

- University of Kentucky fans paid between \$7,500 to \$12,500 for the opportunity to attend a basketball camp (called [John Calipari Basketball Fantasy Experience](#)) and "essentially experience what it's like to be a Kentucky basketball player".²⁸
- One New York man built a replica of Yankee Stadium using [75,000 matches](#) in honor of his favorite team (the team was so impressed by the effort once they learned of the creation that they put the replica on display at the new Yankee Stadium).
- When the Toronto Raptors squared off against the Milwaukee Bucks in the NBA's Eastern Conference Finals in 2019, a local Milwaukee radio station banned hip-hop star Drake's music (Drake is a Raptors superfan), [refusing](#) to play his songs throughout the series.
- The Green Bay Packers have 360,760 "shareholders" who own "stock" that have no value and cannot be traded (not to mention a waiting list of 115,000 more fans waiting for the chance to buy more shares when they become available again).
- When McDonald's partnered with BTS for a collaboration in 2021, fans bought anything and everything they could find.
 - According to [Promo Magazine](#), McDonald's and BTS finally launched an official 'Weverse' shop online, which featured merchandise like sweatshirts, T-shirts and tote bags, using fast food imagery to create the BTS logo out of things like fries.
 - Fans weren't just buying merchandise, however, but pretty much anything they could get their hands on.
 - BTS-branded sauce packets were selling for up to \$200 on eBay, while the branded paper bag meals were selling for \$9.95 and a BTS/McDonald's cup was selling for \$18.99.
 - Even meal receipts, which did not feature any BTS branding whatsoever, were going for hundreds of dollars.

Fandom also results in fans engaging in behavior that many might consider to be irrational in protest of their sports teams, athletes, shows or celebrities.

- Many 'Game of Thrones' fans were disappointed in the final season of the show, so much so that nearly two million fans signed an online [petition](#) that called on HBO to remake the show's final season with a new team of writers.

²⁷ <http://mashable.com/2011/11/09/modern-warfare-3-sales/>

²⁸ <http://www.coachcal.com/14687/2012/06/coach-cal-announces-inaugural-john-calipari-basketball-fantasy-experience/>

- In 2019, disgruntled Los Angeles Lakers fans staged a [protest](#) at the Staples Center. According to a USA Today report, the goal was “to garner ESPN Media Coverage. Voicing our displeasure of the front office.” The protest organizer urged protest attendees to emphasize their displeasure with the Lakers’ dysfunction and apparent willingness to waste the twilight years of LeBron James’ career.
 - Click [here](#) to read the thread originally posted on Reddit.

Here is the thing about fandom. Most fan behavior would be considered "normal" by the standards of the average fan. A small percentage of fans might engage in behavior most average fans would consider to be a little crazy or irrational. And on both ends of the spectrum, some behavior provides a boost to the community while some can be counterproductive.





CASE STUDY

FANDOM

Let's look at the "Bills Mafia" (the self-appointed nickname for a group of supporters of the NFL's Buffalo Bills) for a great illustration of the wide range of levels of fandom.

Bills Mafia is represented by a group of fans sporting fierce levels of loyalty; they will travel anywhere to see their beloved franchise play football. Several years ago, a few fans launched a change.org petition to change the team's official social media hashtag from #GoBills to #BillsMafia and the group even applied for a [trademark](#) to the "Bills Mafia" name. The franchise has taken note, even [officially partnering](#) with the group last season.

On the "fanatical" side, Bills' fans have developed a reputation for questionable behavior in the stadium parking lot while tailgating at home games. Antics include the strange ritual of smashing tables and drinking alcohol out of bowling balls. Bills Mafia, deservedly or so, have developed a reputation for being a fan base that can get a bit out of control on game days. Two years ago the franchise took the drastic step of implementing new [tailgating rules](#) on game days to help curb rowdy fan behavior.

On the positive side of the fandom spectrum, Bills Mafia have positioned themselves as one of the most generous groups of fans out there. On numerous occasions, the group has generated hundreds of thousands of dollars in support of player charities. And that is not only in support of Bills' players, but also opposing players. Last year, fans raised over \$1 million in memory of Josh Allen's grandmother in support of a local Children's Hospital. During last year's playoffs, Bills Mafia also donated \$360,000 to one of opposing quarterback Lamar Jackson's favorite charities after the Ravens' star was forced to leave the game due to an injury. And three years ago, Bills fans contributed \$415,000 to the charitable foundation of former Cincinnati Bengals' QB Andy Dalton after he orchestrated a victory against a Buffalo opponent that helped send the Bills into the playoffs.

Then somewhere in the middle, Bills' fans have gone to some pretty wild lengths to show support for the home team. In 2021, the team had one of the most successful seasons in recent memory, advancing to the AFC Championship Game (one game away from the Super Bowl). In the lead up to the team's showdown with the Kansas City Chiefs, a local radio in Buffalo urged area grocers to pull KC Masterpiece brand barbecue sauce from shelves (temporarily). Joe Dash, the CEO and Owner of Buffalo area grocery chain Dash's Markets, quickly [heeded the call](#), removing the condiment from store shelves in support of his favorite team.



Oishei Children's Hospital
@OCHBuffalo

Breaking News #BillsMafia - Lifelong Bills Fan and Buffalo Native Sue McCollum just donated \$217,000 to the Patricia Allen Fund in memory of her late parents Frederick D. and Joan R. McCollum. This launches the fund past \$1 million!! @JoshAllenQB @BuffaloBills

10:28 AM · Dec 28, 2020 · Twitter for Android

1,199 Retweets 320 Quote Tweets 10.1K Likes

Morning Bull
@MorningBull97

We are talking to Mark from Dash's Markets - they are taking KC Masterpiece BBQ sauce off the shelves until the #Bills win! @97RockBuffalo



5:24 AM · Jan 19, 2021 · Twitter Web App

1 Retweet 14 Quote Tweets 11 Likes

Click [here](#) for a brief video from NBC Sports examining the Bills Mafia fandom.

"SUPERFANS"

Fans who go to extremes to show their loyalty to their favorite team are often referred to as "superfans", and these fans are viewed as celebrities within their own communities.

Superfans can exist at almost any level of sport:

- Self-proclaimed Clippers superfan "Clipper Darrell" spent \$12,000 customizing his BMW to reflect his love for the Los Angeles Clippers (complete with the license plate "CLIPERD").²⁹
 - Clipper Darrell even has his own [website](#) where he shares Clippers news, promotes events and encourages fans to book him for events.
 - Because Clipper Darrell began charging people for public appearances, the Clippers franchise asked that he disassociate himself with the team in 2012. They would later [sort the issue out](#) and Darrell returned to his regular seats.
 - Click [here](#) to see a video about Clipper Darrell's fandom.
- Jets superfan Fireman Ed "[retired](#)" in 2016, then was publicly chastised by other NFL superfans for allegedly "quitting" on his favorite team (the Jets [allegedly](#) reached out to Fireman Ed to persuade him to come back, but he turned them down and encouraged them to find someone else to lead the chants).³⁰
 - Click [here](#) to see comments from NY Giants superfan, "License Plate Guy".
 - Click [here](#) to see comments from Miami Dolphins superfan, "Big Papa Pump".
 - Click [here](#) to USA Today's list of "most annoying fans ever", a list which consists primarily of superfans like Fireman Ed.
- Toronto superfan Nav Bhatia has attended every single Raptors home game in the franchise's 23-year history, and has never arrived late to a game or left early.³¹
 - Click [here](#) to read Mr. Bhatia's touching message to Raptors' stars Kawhi Leonard and Danny Green following their decision to leave the team in 2019 via free agency after helping the franchise to win its first ever NBA championship.
- Even college teams enjoy the support of superfans.
 - Northwestern University superfan, Jake Schaefer, dressed as a purple-themed Phantom of the Opera for every Wildcats home basketball game last season.
 - Click [here](#) to see Jake's game day routine.

The existence of fandom is what ultimately fuels today's non-stop, around the clock media coverage of celebrities and sports stars and drives a culture in which athletes and celebrities are often forgiven for behavior that was once a lightning rod for criticism.

- While many media pundits publicly chastised LeBron James' decision to announce which team he would be joining in a one-hour ESPN special, the show (aptly named "The Decision") drew very high ratings as nearly 10 million people tuned in to watch.³²
- Alex Rodriguez, former Major League Baseball star turned ESPN analyst, was at one point in his career considered to be not only the most hated athlete in baseball, but all of sports.
 - Retirement from the game and a job in the studio helped to rehab and repair his image. Now many fans find Rodriguez to be extremely likeable.
 - Click [here](#) for a brief video from MSN.com on how A-Rod succeeded in reviving his post-baseball career.
- Despite very public legal issues in the last several years, (he was [sentenced to probation](#) and fined more than \$20 million) and rape allegations (never formally charged but reportedly [settled out of court](#) with his accuser), soccer star Cristiano Ronaldo has more fans around the world than any other athlete, with more than 550,000 people following him on social media.

²⁹http://sports.yahoo.com/nba/blog/ball_dont_lie/post/Clipper-Darrell-s-12-000-custom-car-is-just-the?urn=nba,248602

³⁰<https://www.theglobeandmail.com/sports/article-raptors-game-tonight-part-of-a-larger-plan-for-superfan-nav-bhatia/>

³¹ <https://www.theglobeandmail.com/sports/article-raptors-game-tonight-part-of-a-larger-plan-for-superfan-nav-bhatia/>

³² http://online.wsj.com/article/NA_WSJ_PUB:SB10001424052748704258604575361052342767746.html



- Because he has such a massive fan base, Ronaldo [reportedly](#) earns as much as \$1.6 million per Instagram post from sponsors.

Because of the strong emotional connection fans maintain with their favorite sports teams, wins and losses on the grandest of stages can yield incredible influence on a community at large. It can provide a positive experience when communities tap into fandom to help rally around a common cause.

From relief and recovery from natural disasters to mass shootings and the COVID-19 pandemic, there are dozens of examples of how sports and entertainment have helped to lift communities in a time of need.

HURRICANE RECOVERY

After struggling with one of the worst national disasters in US history (Hurricane Katrina), fans in the New Orleans area often cited the New Orleans Saints Super Bowl win as an inspiration for the city's resurrection.

After another devastating hurricane hit the gulf coast region, Houston area sports teams and athletes played a significant role in helping the area begin the recovery process.

Emotionally, the area got a huge lift when the Houston Astros won the 2017 World Series.

- Click [here](#) to read a USA Today story on how "Astros' World Series run lifts Houston amid Harvey recovery"

Financially, the area got a giant boost from donations and fundraising efforts from local sports figures.

- The Houston Rockets' owner (who recently sold the team) donated \$10 million while James Harden, one of the league's biggest stars, voiced his support and pledged \$1 million to aid in the city's recovery.
- Houston Texans' star JJ Watt set up a fundraising campaign with a goal for raising \$200,000 for disaster relief. In one of the greatest examples of the powerful platform available to athletes and entertainers, the campaign [raised](#) \$37 million, thanks to donations from more than 200,000 people.

MASS SHOOTINGS

Sports have played a role in helping communities impacted by mass shootings to heal:

- Click [here](#) for a touching story from abcnews.com discussing how sports helped the Orlando community move past the tragic nightclub shooting that took place in 2016.
 - In addition to providing an "escape" and emotional relief for fans in the community, area sports teams raised money for victims (the Orlando Magic donated \$100,000, and their owners, the DeVos family, gave \$400,000 to the victims, the Orlando City Soccer Club donated \$100,000 and the Tampa Bay Rays raised \$300,000 between ticket sales and donations for the game they dedicated to the city).
- After a mass shooting in Las Vegas in 2018, many media outlets credited the city's new NHL expansion franchise's success for helping provide a diversion that helped the community get back on its feet by giving them something to rally around.
 - Click [here](#) to read more from the Las Vegas Review-Journal.
 - Click [here](#) for a brief video from Fox 5 Vegas.
- In 2019, Miami Heat star Dwyane Wade surprised graduates of Marjory Stoneman Douglas High School by appearing at the school's graduation ceremony, sharing a message of hope and inspiration.
 - Wade and other Heat players visited the school in 2018 to try to lift the spirits of students and faculty after a mass shooting left 17 people dead.

COVID-19

Because of the powerful emotional connection consumers have with their favorite teams, athletes, events and celebrities, fandom has been credited as a positive influence on how the world began to recover from the COVID-19 pandemic.

- Aside from the emotional attachment consumers have with sports and entertainment, athletes and celebrities have gone above and beyond to lend an assist during the pandemic.
- As the pandemic brought the sports and entertainment industry to a standstill, athletes and celebrities jumped into action, doing their part to support not only the thousands of hourly workers at stadiums and arenas but the frontline workers fighting to slow the spread of COVID-19.
 - For example, NBA players Giannis Antetokounmpo, Kevin Love, Zion Williamson and Blake Griffin were quick to respond by making donations to cover the salaries of many frontline workers.
 - By April, roughly 100 NBA players and the NBA Players Association Foundation had already donated a combined \$5.5 million to nonprofits to assist in pandemic relief.

Dangers of Fandom

Fandom can, unfortunately, also result in an unhealthy (and potentially dangerous) subculture of fans that become too emotionally invested and obsessive with their favorite sports teams or celebrities.

- In 2017, 4 people were killed and 25 injured when thousands of soccer fans stampeded their way into National Stadium in Honduras to watch a championship match between Motagua and Honduras Progreso.³³
- After missing a critical call in a 2019 NFL playoff game, the officiating crew from the Saints vs. Rams NFC title game was forced to change hotels (escorted with heavy security) from downtown to the suburbs after a series of harassment while two Saints season-ticket holders sued NFL Commissioner Roger Goodell and the league for a range of damages, including mental anguish, emotional trauma, "loss of enjoyment of life" and "distrust of the game which has become the National pastime."³⁴
 - One die-hard Saints fan purchased billboards around the Atlanta area, where the Super Bowl was held, to voice his displeasure with the league with messages like "NFL Bleaux It!" and "Saints Were Robbed!"
- Unruly fans sometimes tarnish sports championship celebrations when their revelry results in property damage, vandalism and/or violent activity.
 - Four people were [arrested](#) after four people were shot in downtown Toronto during the Raptors' NBA title celebration in 2019.
 - According to [nbc29.com](#), after the University of Virginia won the 2019 NCAA Men's Basketball Championship, Charlottesville fire and rescue crews responded to a total of 11 calls for service, including—seven furniture and/or bonfires, two medical calls for service, and two fire code enforcement actions for removing persons from the rooftops of two businesses.
 - For perspective, that was considered to be a low-key celebration, even prompting the Chief of the Charlottesville Police Department to tell [nbc29.com](#): "I am proud of the City of Charlottesville in that they responsibly celebrated in this community. Fans did little to take away or detract from a national win or to bring any negative attention to the city."
- After 13 years of being vilified and blamed for ending the Chicago Cubs' championship hopes for interfering with a play in 2003, a fan was given a \$70,000 championship ring when the team won the 2016 World Series.
 - The vitriol directed at the fan warranted police protection and eventually he and his family had to move.
 - The incident was even featured in ESPN's popular "30 for 30" sports documentary series when "Catching Hell" aired in 2011.
 - Upon receiving the gift from the Cubs franchise, the fan's [statement](#) specifically addressed the concept of fandom: "My hope is that we all can learn from my experience to view sports as entertainment and prevent harsh scapegoating, and to challenge the media and opportunistic profiteers to conduct business ethically by respecting personal privacy rights and not exploit any individual to advance their own self-interest or economic gain."

³³ <https://www.usatoday.com/story/sports/soccer/2017/05/28/stampede-at-stadium-kills-4-fans-unborn-fetus-in-honduras/102280974/>

³⁴ <https://www.si.com/nfl/2019/01/22/nfc-championship-rams-saints-officials-switched-hotels-threats>



Fandom Marketing

Because of the high levels of loyalty created by fandom, companies often create marketing strategies that try to connect their brands directly with fans (consumers).

- [Continental Tire](#), recognizing the incredible passion of soccer fans, tapped into fandom by becoming the official sponsor of Major League Soccer.
 - The company once launched a marketing campaign paying tribute to fans with a 10-part video series called “supporters.”
 - Click [here](#) to see one of the “supporters” commercials
- USA Today, recognizing the elevated levels of fandom surrounding shows on the brink of cancellation, created a “Save Our Shows” campaign.
 - Click [here](#) to see which shows garnered the most support in the 2021 campaign, led by NBC’s “Zoey’s Extraordinary Playlist.”
- For the 2019 college basketball season, Dove Men+Care leveraged the intense emotion associated with sports rivalries by [creating](#) limited-edition rivalry jerseys to help fans celebrate March Madness, encouraging fans to post pictures of those jerseys to social media using the hashtag #RepTheRivalry.
- College football rivalry games tend to create an extremely passionate bond between fans (consumers) and their favorite teams so, not surprisingly, some brands have found ways to sponsor these rivalry “trophy” games.
 - Every year, hundreds of these rivalry games are played, and according to [Sports Business Journal](#), 32 of them are sponsored. Corporate involvement ranges from local State Farm insurance agents to global brands like AT&T and Procter & Gamble.
 - Click [here](#) for a comprehensive list of all the college football rivalry trophy games.

Industry Pioneers

A pioneer is considered to be someone who develops or is the first to use or apply a new method, area of knowledge, or activity for others to follow in the future. Industries grow through innovation and evolution. The sports and entertainment industry is no exception, and many individuals have offered contributions that have made a significant impact on the way the industry has performed from a business perspective.

In this lesson, we will identify several key figures who have influenced the industry's growth while highlighting their contributions.

SPORTS BUSINESS PIONEERS

Many individuals have impacted the emergence of sports as one of the most profitable industries in the world. Below, you will be introduced to a few notable pioneers whose contributions have significantly influenced the industry as we know it today.

Pierre de Coubertin³⁵

- Responsible for the reintroduction of the Olympic Games in the 18th century after Emperor Theodosius I had abolished the games existence in 393 A.D.
- Fourteen countries and 245 athletes competed in the Games.

Bill Veeck

- One of the most imaginative sports entrepreneurs of the past century and the most creative marketer in baseball history.
- Introduced "Bat Day" – the first of many giveaway days featuring premium items which have become commonplace in sports today.

Mark McCormack

- Became the first sports agent with an agreement to represent Arnold Palmer.
- Founded International Management Group (IMG), the largest sport marketing agency in the world.
- Is credited with developing the concept that customers would all like to identify with athletes.

Mildred "Babe" Didrikson Zaharias³⁶

- Widely regarded as the greatest female athlete of all time.
- Won Female Athlete of the Year award six times.
- Once entered a team track event as an individual and won the entire meet.
- First female athlete to sign an endorsement contract.
- Co-founder of the Ladies Professional Golf Association (LPGA) in 1950.

Roone Arledge

- Recognized as the visionary for "Monday Night Football".
- Responsible for the integration of slow motion and the replay into broadcasts.

Jackie Robinson

- Broke segregation barrier in pro sports by signing a contract to play for Major League Baseball's Brooklyn Dodgers.
- Went on to win a batting title and Most Valuable Player award, and become a MLB Hall of Fame player.
- Celebrated by Major League Baseball every season on April 15th, better known as "Jackie Robinson Day", commemorating the day he made his league debut.

³⁵ The Oregonian, "A Quick Guide to the Games", Sports E9, 8/9/04

³⁶ http://www.childre slit.com/th_tigergolf.html



Muhammad Ali

- Transcended every barrier (from racial to political) to bring the sport of boxing to a global level of recognition.
- Uncanny ability to generate publicity, arguably unmatched by any other athlete in history.
- Became a celebrity on an international scale.

William (Bill) H.G. France Sr.

- Founded the National Association of Stock Car Auto Racing (NASCAR).
- Founded the International Speedway Corporation (ISC), which owns and/or operates such venues as Daytona International Speedway, Phoenix International Raceway, North Carolina Speedway and the Michigan International Speedway.

Arnold Palmer

- Became one of the first athletes to focus on a personal brand when he trademarked his name and developed a logo.
- Made more than \$350 million from endorsements over his career (more than 50 times his earnings from golf) and paved the way for athletes to sign more lucrative endorsement deals.
- Known as one of the best golfers of all-time and for having his name attached to the famous summer drink of half lemonade and half iced tea.
 - In partnership with Arizona Iced Tea, sales of “Arnold Palmer” beverages eclipse \$200 million annually.
 - Click [here](#) for the ESPN story that called Arnold Palmer the “father of modern day sports marketing”.

Michael Jordan

- Responsible for the emergence of athlete/shoe company partnerships because of successful marketing and sales of Nike sneakers.
- Marketed as “Air Jordan”.
- Helped the National Basketball Association (NBA) gain recognition as a global product because of his worldwide appeal and the marketing efforts of the league.
- In 1998, Fortune Magazine estimated that Jordan alone generated \$9.9 billion for the economy.
- Starred in the movie Space Jam in 1996 with Bugs Bunny.
- Still brings in hundreds of millions in endorsement deals a year - even though he hasn't set foot on a court in a decade.

David Stern³⁷

- Credited for the NBA's economic turnaround after becoming commissioner. Since he took over in 1984, the NBA's revenue has increased by 500%.
- Responsible for positioning the NBA as a global brand.
- Opened international NBA offices in Barcelona, Hong Kong, London, Melbourne, Mexico City, Miami, Paris, Singapore, Taiwan, Tokyo, and Toronto.
- Responsible for the creation of the WNBA.
- Developed a minor league basketball system (NBDL) directly affiliated with the NBA.

Phil Knight

- Founder of Nike, Inc.
- Started by selling running shoes from the trunk of his car.
- Grew Nike to a multi-billion dollar company with effective marketing strategies, primarily by luring top athletes (such as Michael Jordan and Tiger Woods) to endorse Nike products.

³⁷ http://www.askmen.com/men/business_politics/50c_david_stern.html

ENTERTAINMENT INDUSTRY PIONEERS

Like sports, there is a long list of individuals who have influenced the business of entertainment. Several notable examples include:

P.T. Barnum

- Credited as the creator of the circus.
- Branded his shows “The Greatest Show on Earth”.
- His museum grossed over \$100,000 in its first three years and he would later become the second richest man in the United States.³⁸
- Had a New York newspaper print his obituary before his death as a publicity stunt, only to pass away two weeks later.³⁹

Walt Disney

- Developed the first fully synchronized sound cartoon when Mickey Mouse was featured in Steamboat Willie.
- Went to Hollywood with only \$40 in his pocket, drawing materials and an animated film.
- Produced the first full-length cartoon feature film, Snow White in 1937.
- Invested \$17 million into Disneyland in 1955. By 2019, more than 700 million people had visited the California theme park.⁴⁰
- Opened Magic Kingdom in Walt Disney World in 1971. Since then, four subsequent parks have opened in Paris, Shanghai, Hong Kong and Tokyo, along with a Disney Cruise Line.

Louis Armstrong

- Revolutionized the musical genre of Jazz, raising its level of popularity to where it is today, influencing many other genres along the way.
- His death on July 6, 1971, was front-page news around the world, and more than 25,000 mourners filed past his coffin as he lay in state at the New York National Guard.
- In 2001, New Orleans International Airport was re-named Louis Armstrong International to honor his legacy and as a tribute to his impact on the city.⁴¹

Lucille Ball

- Known for her talents as an actor, musician, comedian, model and producer.
- She was TV's first leading lady.
- For four out of its six seasons, I Love Lucy was the No. 1-rated show on television; at its peak, in 1952-53, it averaged an incredible 67.3 rating, meaning that on a typical Monday night, more than two-thirds of all homes with TV sets were tuned to Lucy.⁴²

Jerry Siegel and Joe Schuster

- Creators of “Superman” comic strip, introduced in 1939.
- “Superman” was considered to be the first comic book superhero to gain international fame.
- “Superman” was later adapted in Hollywood in the form of four movies that would gross \$328 million at the box office, making it one of the top 20 highest grossing film series of all-time.⁴³
- Paved the way for the future of comic book superheroes, many of which would later become blockbuster Hollywood movies (Batman, Spiderman, X-Men, Wonder Woman, Daredevil and the Incredible Hulk).

38 P.T. Barnum: The Greatest Showman on Earth, Andrew E. Norman44) NC Education Center, Objective 1.03

39 P.T. Barnum: The Greatest Showman on Earth, Andrew E. Norman44) NC Education Center, Objective 1.03

40 <http://www.seeing-stars.com/Landmarks/Disneyland.shtml>

41 http://www.mtv.com/news/articles/1445138/20010713/armstrong_louis.jhtml

42 <http://www.time.com/time/time100/artists/profile/lucy.html>

43 <http://boxoffice.freemovers.com/series.htm>

Rodgers and Hammerstein (Richard Rodgers and Oscar Hammerstein).⁴⁴

- Rodgers, a composer, and Hammerstein a librettist, collaborated on nine musicals
- Of the nine, five are considered classics; Oklahoma!, Carousel, South Pacific, The King and I and The Sound of Music.
- The pair also contributed much of the creative work in Walt Disney Studios Cinderella

The Beatles

- Created the first concept album (songs unified by a common theme).
- The Rock and Roll Hall of Fame proclaims The Beatles “revolutionized the music industry”.⁴⁵
- Set a music industry record (that will unlikely be broken) when they occupied all five of the top positions on Billboard's Top Pop Singles chart.⁴⁶

Hiroshi Yamauchi ⁴⁷

- Took over a small company founded by his great-grandfather in 1949 called Nintendo.
- He transformed Nintendo from a small card making company in Japan to the multi-billion dollar video game company it is today.
- Leaders in the home video game industry throughout the 80s and early 90s, selling its Nintendo Entertainment System, Super Nintendo and Nintendo 64, Wii and games like Super Mario Brothers and Tecmo Bowl to millions of customers worldwide.
- Nintendo's incredible success in the video game industry led to other entries into the market such as Sony (Playstation systems) and Microsoft (Xbox systems). Nintendo's primary console, the Wii, is still the top selling console in overall unit sales to this day.

Steve Allen, Ed Sullivan, Johnny Carson

- Steve Allen created The Tonight Show, the first of its kind to interview guests and introduce musical and comedy acts.⁴⁸
- Ed Sullivan hosted an immensely successful television show from 1948 to 1971 that featured everything from dancing dogs and jugglers to the Beatles.
- Johnny Carson took The Tonight Show to a new level of popularity, essentially putting the concept of late-night television on the map.

Jim Henson

- Created the Muppets and Kermit the Frog.
- Had arguably the most profound influence on children of any entertainer of his time.
- Created the characters for Sesame Street (Bert and Ernie, Big Bird, Grover and the crew).
- His characters have entertained hundreds of millions of children worldwide.⁴⁹

Steven Spielberg

- One of the world's most proficient film producers.
- Produced many of today's highest grossing films (Jurassic Park, E.T., Jaws, Men in Black, Shrek, Indiana Jones and Schindler's List).
- Successfully integrated a commercial tie-in with a major motion picture with the use of Reese's Pieces in the blockbuster film E.T., The Extra Terrestrial.

⁴⁴ <http://www.time.com/time/time100/artists/profile/hammerstein.html>

⁴⁵ <http://www.rockhall.com/hof/inductee.asp?id=228>

⁴⁶ <http://www.rockhall.com/hof/inductee.asp?id=228>

⁴⁷ http://www.nintendoland.com/home2.htm?profiles/h_yamahi.htm

⁴⁸ <http://www.museum.tv/archives/etv/S/htmlS/steveallens/steveallens.htm>

⁴⁹ <http://www.time.com/time/time100/artists/profile/henson2.html>

Steve Jobs

- Co-founded Apple Computers in 1972 from his garage with Steve Wozniak.
- Co-founded Pixar, the Academy-Award-winning animation studios in 1986.
- Pixar's five films have earned more than \$2.0 billion at the worldwide box office to date, including Toy Story, Toy Story 2, Monsters, Inc., Finding Nemo and A Bug's Life.
- A leader in the online music distribution revolution by offering the first pay-per-song service to music fans worldwide with Apple's iTunes music store, introduced in 2003
- Served as chairman for Apple at a salary of \$1 per year until his death in 2011.⁵⁰

Vince McMahon⁵¹

- In June 1982, McMahon purchased the World Wrestling Federation from his father, who decided to retire from the wrestling business.
- Strategically took the WWF national, eventually leading to Wrestlemania in March 1985. Celebrities such as Mohammed Ali, Liberace, and baseball's Billy Martin turned the extravaganza into a media spectacle.
- The crowning of the WWF as a national powerhouse came in March 1987 at Wrestlemania III. Over 78,000 fans jammed Detroit's Pontiac Silverdome to witness the legendary Hulk Hogan defeated Andre the Giant.
- Admitted professional wrestling was not a sport, but became the first person to refer to his product as "sports entertainment".
- Battled with the World Wildlife Fund to keep the acronym WWF. Courts ruled the World Wildlife Fund had the name first and owned the rights to the WWF acronym. The World Wrestling Federation is now known as World Wrestling Entertainment (WWE).

Michael Jackson⁵²

- Known internationally as the "King of Pop".
- 1982 blockbuster album, Thriller, became the biggest-selling album of all time.
- First African American artist to find stardom on MTV, breaking down innumerable boundaries both for his race and for music video as an art form.
- Won a record eight Grammys in one night.
- Earned the largest endorsement deal ever (at the time) when Pepsi paid him \$5 million to be their spokesperson in 1983.
- Jackson's three-song medley during halftime in 1993 led to the extravaganza that currently defines today's Super Bowl performances.
- In the first three weeks after his death, over 9 million digital copies of his songs were sold online, setting a record that's likely to stand for years. Before that, no music act had ever rung up even 1 million digital tracks in a single week. In that same period, fans also bought more than 2.3 million Jackson albums.⁵³

JK Rowling⁵⁴

- Author of the Harry Potter series of books.
- In a generation where the youth demographic statistically prefers television, film and video games, all seven Harry Potter books have landed in the top 20 best-selling children's books of all-time.
- The final installment in the Harry Potter series became the world's fastest-selling book when it sold nearly 15 million copies worldwide in its first day.
- Nearly a half billion books have been sold and have been translated into 67 languages and the last four books have consecutively set records as the fastest-selling books in history.
- The 2011 release of Harry Potter and the Deathly Hallows, Part 2 took just 17 days to gross \$1 billion in worldwide box office sales.⁵⁵

⁵⁰ http://en.wikipedia.org/wiki/Steve_Jobs

⁵¹ <http://www.gerweck.net/vincemcmahon.htm>

⁵² http://www.mtv.com/bands/az/jackson_michael/bio.jhtml

⁵³ http://www.mtv.com/news/articles/1616358/20090716/jackson_michael.jhtml

⁵⁴ <http://www.infoplease.com/ipea/A0203049.html>

⁵⁵ <http://abcnews.go.com/Entertainment/wireStory?id=14209474>



Evel Knievel

- Legendary motorcycle daredevil and entertainer.
- Knievel's nationally televised motorcycle jumps, including his 1974 attempt to jump Snake River Canyon at Twin Falls, Idaho, represent four of the twenty most-watched ABC's Wide World of Sports events to date.
- His achievements and failures, including his record 37 broken bones, earned him several entries in the Guinness Book of World Records.
- Became one of the first athletes to enjoy success as an individual brand with merchandising efforts including a bendable action figure and a pinball machine.
- Widely recognized as a pioneer who opened the door for a future generation of action sports athletes.



Important Milestones in SEM History

Significant dates in the history of the *sports industry* (as it relates to the business of sports):

- 1869: Cincinnati Red Stockings become the first sports team in history to have each member of the team on salary.
- 1905: First known individual player endorsement deal is struck when baseball player Honus Wagner agrees to endorse Louisville Slugger, a brand of wooden baseball bats.
- 1912: Fenway Park opens, becoming the first major league sports stadium.
- 1928: Coke teams up with the Olympics as an “official sponsor” of an athletic event.
- 1939: A college baseball game between the Columbia Lions and Princeton Tigers is broadcast by NBC, becoming the first televised sporting event in the U.S.
- 1949: The first major female endorsement deal takes place with Wilson Sporting Goods agreeing to sponsor the Ladies Professional Golf Association (LPGA).
- 1954: The St. Louis Cardinals strike a deal with a local brewery (Anheuser-Busch) to rename its stadium from Sportsman’s Park to Busch Stadium, making it the first venue in history to sell its naming rights.
- 1964: Phil Knight and Bill Bowerman form “Blue Ribbon Sports”, later becoming Nike, and change the athletic footwear and the apparel industry forever.
- 1979: An all-sports television network makes its debut on cable television as the world gets its first glimpse of ESPN.
- 1980: Mitsubishi installed the first big screen at Dodger Stadium in 1980, although it wasn’t called the Jumbotron.
 - The team called it “the largest color television in the world”
 - Rival Sony was actually credited with the term Jumbotron, which was introduced in 1985.
- 1984: The Olympics become commercialized, and made profitable for the first time under the leadership of Peter Ueberoth.
- 2010: FIFA (the governing body for soccer internationally) estimates that just over 3 billion people – nearly half of the world’s population – tuned in to watch the 2010 FIFA Men’s World Cup Final held in South Africa.
- 2016: Twitter signs deals with sports properties like Wimbledon the NFL, MLB, NBA and MLB to become the first legitimate social media platform to live-stream major league sports programming.

Significant dates in the history of the *entertainment industry* (as it relates to the business of entertainment):

1550-1700: Outdoor entertainment and recreational games are introduced, such as bowling, music, and dancing.

1919: Recording and sound on motion picture film is developed

1920: The first radio stations begin airing regularly scheduled programming

1931: RCA establishes the National Broadcasting Company (NBC)

1951: The first color television sets are offered to consumers

1955: Disneyland opens in Anaheim, California

1961: The first regional theme park, Six Flags, opens in Texas

1980: Turner Cable Network launches the first all-news television network, CNN

1981: IBM makes the first personal computers available for consumers

1981: Music Television (MTV) is launched

1983: The first compact disc is released

1985: Nintendo introduces its home entertainment system for video games

1996: German inventor Fraunhofer Gesellschaft receives a patent for MP3 technology

2003: Apple introduces iTunes, the first commercial online music service

2006: Nintendo launches the Wii platform, revolutionizing the video game industry with the introduction of motion sensor technology

2009: Amazon introduces a digital book “e-reader” device known as the Kindle

2011: Justin.tv spins off its gaming division as Twitch, creating the platform that helped fuel the explosive growth of eSports

2016: Augmented reality goes mainstream with the introduction of Pokémon Go



Where Are We Now?

HOW LARGE IS THE INDUSTRY TODAY?

The number of fans following sports and the rate at which they consume content is astounding. According to the Sports Business Journal, 200 million Americans, or 7 of every 8 adults, themselves sports fans. In America, fans spend an average of 8 hours per week consuming sports content. And while the industry has already reached enormous heights, the consistent appetite among consumers for sports and entertainment content offers fertile ground for the industry to continue to grow across all segments.

Fantasy Sports

- According to Rolling Stone, the fantasy sports industry has an estimated total market impact of \$11 billion dollars annually.⁵⁶
- In 1988, there were an estimated 500,000 people playing fantasy sports of some kind in the US and Canada.
 - Fast forward to today, where nearly 75 million fans plan to play fantasy football in some form in America alone, according to a [study](#) from American Express.
- Fantasy sports have grown to include everything from [Premier League](#) soccer to fantasy [bass fishing](#) leagues and the [World Surf League](#).
- The introduction of “daily” fantasy sports sites that allow fans to play fantasy sports with real money any day of the week, along with the legalization of gambling in some states, has boosted the popularity of fantasy sports to an unprecedented level.
- According to the sports media coverage website [awfulannouncing.com](#), DraftKings and FanDuel (the two largest daily fantasy sports sites) rake in a combined \$3 billion in entry fees annually (more than triple what they grossed four years ago), despite the consistent legal challenges facing both companies.
- Even with COVID-19 shutting down the play of sports teams and leagues around the world, the daily fantasy company DraftKings stock still skyrocketed last year.
 - Click [here](#) to read Barron's story on why DraftKings stock is soaring.

Sports in the Workplace

Major sporting events now attract so much attention that they can have an adverse impact on worker productivity.

- An estimated 3 million American workers spend one to three hours a day during work watching the NCAA men's basketball championship tournament, according to a study from outplacement firm [Challenger, Gray & Christmas](#).⁵⁷
 - Click [here](#) to see a video discussion of how brackets impact the workplace on the Today Show.
- American companies lose an estimated \$134 million in “lost wages” in the first two days of the tournament alone, according to Challenger, Gray & Christmas (an outplacement & career transitioning firm).
 - Click [here](#) to download the latest Challenger, Gray & Christmas report/press release from the NCAA Men's Basketball Tournament (“March Madness”).
- A [study](#) conducted by the European Central Bank suggests that the soccer World Cup (played every four years) significantly slows down activity in the world's stock exchanges.
 - Click [here](#) for a qz.com report on how the World Cup can potentially influence stock prices.
- One Fortune magazine [study](#) suggested that a drop in employee productivity as a result of employees playing fantasy football costs employers \$13.4 billion per season.

⁵⁶ <http://www.fantasysportsadnetwork.com/aboutfantasy.htm>

⁵⁷ http://www.huffingtonpost.com/2013/03/17/march-madness-at-work_n_2868016.html

HOW LARGE HAS THE ENTERTAINMENT INDUSTRY BECOME?

Movies

- Seven of the top ten biggest combined grossing movies in a single weekend at the box office ever were movies released within the last five years (click [here](#) to see the list).⁵⁸
 - Click [here](#) for a slideshow from USA Today featuring the biggest blockbusters of all-time (the 25 movies that made the most money ever).
- Actors and actresses are being paid more now than ever, particularly those with proven “star power” who can give the box office a boost (Dwayne Johnson earned a reported \$89.4 million last year according to Forbes’ annual ranking of the highest-paid actors).⁵⁹

Streaming Video Services

Streaming services were one of the few segments of the entertainment industry that actually benefited from COVID-19.

- According to the [LA Times](#), Netflix added nearly 37 million subscribers last year as governments around the world imposed lockdowns that led to a surge in streaming subscriptions, the biggest gain in subscribers in company history while generating record revenues.
- Netflix remains the world's largest streaming service with nearly [210 million](#) subscribers worldwide.

Netflix wasn't the only streaming service to see a sales surge during the pandemic.

- Disney+
 - By April of 2019, Disney+ had 33 million subscribers.
 - By May of 2020, the company announced they had nearly 55 million subscribers.
 - By May of 2021, Disney+ reached 103.6 million subscribers.
- Hulu
 - Last year, Hulu subscribers increased 30%, to 41.6 million overall.
- ESPN+
 - In 2021, ESPN Plus customers increased 75% year over year, to 13.8 million subscribers.

Music

- Over 25 billion songs have been downloaded from Apple's iTunes store.
 - By contrast, 2006 was the first year to see over 1 billion digital download tracks sold.⁶⁰
- However, as the industry has shifted from vinyl to compact disc and now to digital downloads, streaming music is the fastest-growing segment of the recorded-music industry.
 - In 2015, paid music streaming services generated a record \$2.4 billion and overtook paid digital downloads in sales for the first time ever.
 - In 2019, Apple shut down its iconic iTunes music service, shifting its business entirely to streaming platform Apple Music.
 - According to Nielsen Music and MRC Data's latest Year-End Music [Report](#), Americans streamed a record of nearly 1.15 trillion songs last year, or roughly 3,500 songs for each of the country's 327 million inhabitants and a 29 percent increase from the previous year.
 - Last year, Bad Bunny was the most-streamed artist on [Spotify](#), accounting for 8.3 billion streams from fans around the world.
 - [Goldman Sachs](#) estimated the online music streaming market could grow to capture 1.2 billion users by 2030, almost four times higher than the 2019 level of 341 million streamers.

⁵⁸ <http://boxofficemojo.com/alltime/weekends/>

⁵⁹ <https://www.forbes.com/sites/natalierobehmed/2018/08/22/the-worlds-highest-paid-actors-2018-george-clooney-tops-list-with-239-million/#42183e0b7dfd>

⁶⁰ http://en.wikipedia.org/wiki/iTunes_Store

Books

- The wild popularity of Author Veronica Roth's Divergent series of books shows the crossover appeal books have with other forms of entertainment, spawning a box office smash and successful soundtrack sales.
- Amazon reported that the final book in the trilogy, Allegiant, surpassed sales of The Hunger Games book three, Mockingjay at a pace of nearly five to one.⁶¹
 - Even as bookstores closed due to the Covid-19 pandemic, the "Ballad of Songbirds and Snakes" (The Hunger Games prequel book by Suzanne Collins) [sold](#) 500,000 copies in its first week.
- First-day sales for Allegiant surpassed 455,000 — a company record for publisher HarperCollins.⁶²
- Divergent opened with a \$54 million weekend at the box office and took just 14 days to surpass \$100 million in sales.⁶³
- The film soundtrack debuted in the top 30 on the Billboard charts in its first week despite being released well before the film hit the theaters.⁶⁴
- Divergent went on to make nearly \$300 million globally.⁶⁵
- "Harry Potter and the Cursed Child," the script for J.K. Rowling's new play, became the fastest-selling book this decade in the U.K. when it was released in July of 2016 and was on track for the second biggest single-week sales for a book ever.⁶⁶

Video Games

- According to guinnessworldrecords.com, sales of the video game Grand Theft Auto V broke six world records, including the highest revenue generated by an entertainment product in 24 hours and the fastest entertainment property to gross \$1 billion.⁶⁷
- In less than six months, Fortnite generated over \$1 billion in revenue, despite being free to play.
- Epic Games, Fortnite's developer, took an unconventional approach to its revenue generating model by offering a free game with "in-game" sales opportunities like power-ups and character cosmetics.
 - Click [here](#) for a Forbes story describing how the game makes money.
 - Click [here](#) for a USA Today story describing how 'Fortnite' made \$318 million in the month of May alone.
- In 2019, Electronic Arts saw 25 million players sign up for its own version of a "battle royale" style video game, "Apex Legends", in less than one week (including 10 million players in just three days, a [milestone](#) that "Fortnite" took two weeks to reach).
- According to market data, an estimated 65% of U.S. households and over 59% of Americans (that's over 150 million people) play video games.⁶⁸



61 <http://www.hypable.com/2013/10/08/divergent-allegiant-book-sales-vs-hunger-games/>

62 <http://www.usatoday.com/story/life/books/2013/10/31/book-buzz/3324793/>

63 <http://www.forbes.com/sites/scottmendelson/2014/04/04/box-office-milestone-divergent-crosses-100m/>

64 <http://www.billboard.com/biz/articles/news/5944672/chart-moves-divergent-soundtrack-debuts-on-billboard-200-christian-music>

65 <http://www.hollywoodreporter.com/news/q-a-lionsgate-chiefs-divergent-701525>

66 <http://www.bbc.com/news/entertainment-arts-36965066>

67 <http://www.guinnessworldrecords.com/news/2013/10/confirmed-grand-theft-auto-breaks-six-sales-world-records-51900/>

68 <http://www.sporttechie.com/2013/12/05/nearly-460000-ea-sports-fifa-14-games-played-every-90-minutes-infographic/>

- Last year, consumers spent a [reported](#) \$57 billion on video games (according to The NPD Group), a 27% increase over the previous year and the highest sales total of all time.
 - Click [here](#) to see last year's list of the best-selling video games.
- According to a [report](#), the global video game market is expected to reach an estimated \$179.1 billion by 2024.
- As the popularity of eSports continues to explode, many industry analysts expect to see significant growth in video game sales as a result.
- Last year, Microsoft [announced](#) that it had sold over 200 million copies of Minecraft, extending its lead as the best-selling video game of all time, and according to [techspot.com](#), it was the most-watched video game on YouTube last year.
 - Click [here](#) to view Wikipedia's list of all-time selling video games.

Theatre

- In 2018, "Harry Potter and the Cursed Child" set a new record at the Broadway box office — by a wide margin — for the highest single-week gross reported by a nonmusical in Broadway history when it grossed over \$2 million.⁶⁹
- The 2018-19 Broadway season smashed box office records, generating \$1.8 billion in sales, up 8% from the 2017-18 season.
 - The trend was expected to continue with 2019-20 potentially becoming the first \$2 billion Broadway season in history.⁷⁰
 - However, like so many other segments of the entertainment industry including sporting events, movie theaters and the concert business, Broadway must consider how they can survive in a post-pandemic world.
 - Click [here](#) for one analyst's perspective on how Broadway will strategically push forward after the world re-opens after the COVID-19 health crisis from wtop.com.

UNIT 1 KEY TERMS DEFINED:

Fandom: A term used to refer to a subculture composed of fans characterized by a feeling of sympathy and camaraderie with others who share a common interest

SEM: Acronym for Sports and Entertainment Marketing

Superfan: Fans who go to extremes to show their loyalty to their favorite team, athlete, band, actor or other celebrity

⁶⁹ <https://variety.com/2018/legit/news/harry-potter-cursed-child-broadway-sales-record-1202747600/>

⁷⁰ <https://www.ticketnews.com/2019/05/broadway-season-box-office-record/>