

# Unit 4

## Marketing Applications

### OVERVIEW

Unit four begins to integrate basic marketing principles with the sports and entertainment industry and explores the dichotomy of the term “sports and entertainment marketing” by defining the roots of the phrase.

Students will be introduced to the components comprising the marketing mix as well as basic marketing concepts. Students will investigate the importance of target markets, segmentation and positioning strategies. In addition, they will learn the importance of market research and its correlation with advertising.

### OBJECTIVES

1. Explain the marketing concept
2. Identify the components of the marketing mix
3. Define target market
4. Identify the four primary types of segmentation
5. Illustrate the concept of positioning
6. Differentiate between customer and consumer
7. Explain the importance of market research
8. Identify specific forms of advertising and explain why businesses advertise
9. Understand the concept of digital marketing

### KEY TERMS

*Advertising*

*Demographics*

*Exchange Process*

*Geofence*

*Market Segmentation*

*Marketing Concept*

*Marketing Mix*

*Niche Market*

*Social Media*

*Target Market*

### LESSONS

**LESSON 4.1** [Basic Marketing Concept](#)

**LESSON 4.2** [The Marketing Mix](#)

**LESSON 4.3** [Target Markets](#)

**LESSON 4.4** [Market Segmentation](#)

**LESSON 4.5** [Positioning](#)

**LESSON 4.6** [Market Research](#)

**LESSON 4.7** [Advertising](#)

**LESSON 4.8** [Digital Marketing](#)

# Basic Marketing Concept

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## MARKETING CONCEPT

The **marketing concept** is the view that an organization's ability to sell its products and services depends upon the effective identification of consumer needs and wants and a successful determination of how best to satisfy them.

### Why are marketing activities so important to business?

1. Financial success is a direct result of an organization's ability to effectively market its products and services.
2. A business achieves profitability when they offer the goods and services that customers need and want at the right price.
3. Marketers strive to identify and understand all factors that influence consumer buying decisions.

## Needs vs. Wants

- A **need** is something a consumer must have and cannot live without. For example, without food, we cannot survive.
- A **want** is something a consumer would like to have. You might want a Nintendo Switch or tickets to an upcoming game or show, but you can survive without them.

## Exchange Process<sup>1</sup>

The exchange process is a marketing transaction in which the buyer provides something of value to the seller in return for goods and services that meet that buyer's needs or wants.

### This process has three requirements:

1. There must be at least two parties involved
2. Some means of communication must be present between all parties, and typically a desire must be present to engage in a partnership with the other party or parties
3. Each party must be free to accept or decline

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<sup>1</sup> Framework for Strategic Sports Marketing, Presentation Notes, Dr. Brian Turner

# The Marketing Mix

## Key Concepts in this Lesson:

- Recognize the components of the marketing mix
- Understand how an organization might apply each component of the marketing mix

## THE MARKETING MIX

The marketing mix, also referred to as the “4 P’s”, consists of variables controlled by marketing professionals in an effort to satisfy the target market. An effective implementation of the marketing mix is critical to developing a marketing strategy that reaches and engages consumers, ultimately resulting in the sale of products or services.

### What is the Marketing Mix?

Components of the marketing mix traditionally include **product**, **place**, **promotion** and **price**.

**Product** refers to the goods, services, or ideas used to satisfy consumer needs. Products are designed and produced on the basis of consumer needs and wants. The sports product could include anything from your favorite team’s jersey to a ticket to see the Olympic Games.

**Place** refers to the process of making the product available to the customer. Sports marketing professionals must identify where consumers shop to make these decisions. Careful consideration must be given to determining which distribution channels will offer the best opportunity to maximize sales.

**Promotion** describes how product or service information is communicated to the consumer. Sports marketing professionals must evaluate which promotional methods will be most effective in reaching and engaging consumers.

**Price** is determined by what customers are willing to pay and production costs.

### Applying The Marketing Mix

Consider how Wilson Sporting Goods might implement the marketing mix in an effort to maximize sales of its tennis racquets:

#### Product:

- Wilson manufactures racquets to meet the needs of tennis players with varying skill levels.
- Beginner racquets are made with cheaper material, while racquets designed for advanced players feature higher quality construction.

#### Price:

- Price levels for Wilson’s racquets vary depending on quality and target consumer.
- Beginner racquets sell for as little as \$20 while some of Wilson’s upper end racquets command a price of nearly \$300.



**Place:**

- Wilson has a number of distribution channels, making its tennis racquet product line widely available and easily accessible to consumers.
  - Sporting goods stores (Dick's Sporting Goods, Big 5 Sporting Goods etc.)
  - Discount stores (Target, Wal-Mart, Fred Meyer etc.)
  - Specialty stores & fitness clubs (West Hills Racquet Club etc.)
  - Internet (amazon.com, etc.)

**Promotion:**

- Wilson's promotes its upper end racquets as a higher quality product than the racquets sold by competitors.
- To promote their products, Wilson may choose to feature POP displays at sporting goods stores.

# Target Markets

## WHAT DETERMINES A MARKET?

Before we examine target markets, we must first understand what determines a market.

### Market Characteristics Include:

1. The group of potential consumers who share common needs and wants.
2. That consumer group must have the ability and willingness to buy the product.
3. Businesses strive to meet the needs and wants of those consumers.

## Target Markets

A **target market** refers to people with a defining set of characteristics that set them apart as a group. The target is a specific group of consumers with a defining set of characteristics. This market shares one or more similar and identifiable needs or wants.

### Four important considerations when evaluating a target market:<sup>2</sup>

1. **Sizeable**
  - The size of the market
  - Market can have too many or too few consumers
2. **Reachable**
  - Ability for marketers to reach consumers
  - Marketer must have a means for communicating with target group of consumers
3. **Measurable and identifiable**
  - Refers to the ability to measure size, accessibility and overall purchasing power of the target market.
4. **Behavioral variation**
  - Marketers seek to find similar behaviors within each respective target market.
  - For example, purchase motivation for the corporate season ticket holder is different than it is for the individual season ticket holder.

### Target market strategies are influenced by a variety factors:

- Diversity of consumer needs and wants
- Organization size
- Attributes of company products and/or services
- Size and strength of competitors
- Sales volume required for profitability

Sports and entertainment organizations must have an understanding of their target market to create an effective marketing strategy that caters to their audience.

<sup>2</sup> Sports Marketing: A Strategic Perspective, M. Shank, p. 217-219

### Example:

- Red Bull believes that action sports fans provide an accurate representation of their target market. As such, they sponsor events like the X Games and use athletes like popular ski jumper Sarah Hendrickson and Olympic star Lindsey Vonn to drive marketing campaigns.<sup>3</sup>
  - Click [here](#) to see a Red Bull commercial featuring popular surfer Carissa Moore and other action sports stars.
  - Red Bull has also successfully built its brand through content marketing strategies, like [this](#) video starring Ryan Sheckler.
- Part of P&G's marketing strategy is to target moms (P&G is the parent company for brands such as Gillette, Tide and Pampers). As such, the company rolled out a comprehensive marketing campaign tied to the 2016 Summer Games in Rio based on the knowledge that the Olympics traditionally attract more female viewers than almost any other sporting event.<sup>4</sup>
  - Click [here](#) to read more about the launch of the "Thank You Mom" campaign for Rio 2016 from olympic.org.
  - Click [here](#) to see the "Thank You Mom" commercial.
  - P&G's sponsorship of the 2018 Winter Games continued the theme of promoting family values when they provided a hospitality area in PyeongChang for athletes and their families.
    - Click [here](#) to read more about P&G's shift in strategy on Olympics marketing plans after the 2020 Summer Games in Tokyo were postponed to 2021 because of the pandemic.



### ACTIVITY IDEAS

Now that the Summer Games have been postponed to 2021 because of the pandemic, P&G will have to rethink its strategy for an Olympics-themed campaign to reach moms. Refer to lesson 2.2 to revisit the concept of marketing through sports and entertainment, then start a discussion in class about how P&G might continue its effort to reach moms using sports and entertainment as a vehicle for reaching that demographic. Encourage them to give some thought to what they learned in lesson 2.8 relating to event marketing. Tie the concepts together by having students create a new P&G campaign surrounding the 2021 Olympic Games in Tokyo.

## NICHE MARKETS

Niche marketing is the process of carving out a relatively tiny part of a market that has a special need not currently being filled.<sup>5</sup> Cable television channels often seek niche audiences to appeal to specific target groups with a common set of interests, such as ESPN designing programming to appeal to sports fans.

One common strategy is developing a product that targets a niche market that offers a unique opportunity to consumers that has not been offered in the past.

### Niche Products

As more brands try to capture a share of the athleisure market, sales are projected to continue to grow, with industry analysts [predicting](#) the industry will generate \$546 billion in global sales by 2024.

- Lululemon Athletica is a Canadian retailer that distributes products in Canada and the U.S. The company targets its branded yoga and fitness apparel to a niche consumer of female athletes.
- Oftentimes after a niche has proven to be a successful market opportunity, competitors soon follow.

<sup>3</sup> <http://www.targetmarketingmag.com/article/case-study-red-bull-content-marketing/all/>

<sup>4</sup> [http://articles.economictimes.indiatimes.com/2012-04-25/news/31398875\\_1\\_p-g-india-olympic-games-kainaz-gazder](http://articles.economictimes.indiatimes.com/2012-04-25/news/31398875_1_p-g-india-olympic-games-kainaz-gazder)

<sup>5</sup> *Framework for Strategic Sports Marketing*, Presentation Notes, Dr. Brian Turner, Slide #77

- Lululemon, positioned as a high-end brand, has enjoyed explosive growth in the past several years. On the heels of their success, Under Armour has introduced a new yoga line, Gap introduced its GapBodyFit line, Forever 21 began selling activewear and both Nordstrom and Target expanded their store branded women's sportswear offerings (even lingerie company Victoria's Secret now sells yoga pants).<sup>6</sup>
- Under Armour was projected to generate nearly \$4 billion in sales of "athleisure" gear.
  - When Lululemon was forced to recall product in 2013 because they were see through when stretched, Under Armour (who has been targeting women as a key demographic for several years), responded by featuring the tag line "We've Got You Covered" on its Facebook page in an effort to drive customers to its site.

As the running category became one of the hottest categories in the athletic shoe and apparel business, brands like Vibram and their "five finger shoes", Fila with skeletoes, and Adidas with adiPURE (among others) carved a niche with "minimalist" running shoes, designed to create a "barefoot" jogging experience while still providing protection for the feet.<sup>7</sup>

- While minimalist shoes made up just 4% of all running shoes sold (representing about \$260 million in business), sales of minimalist shoes more than doubled in the first quarter of 2012, according to a report from industry analyst Matt Powell at SportsOneSource.<sup>8</sup>

However, not all niche markets last forever. As trends and consumer preferences shift, opportunities within some niche markets will deteriorate. Those markets are then replaced by new niche market opportunities. For example, as the popularity of the minimalist trend declined, the popularity of "Maximalist" running shoes skyrocketed. When Kenyan marathoner Eliud Kipchoge became the first person to run a marathon in less than two hours wearing Nike's new Vaporfly maximalist running shoe, the demand greatly increased.

When consumers were forced to stay away from fitness centers and health clubs during the pandemic, the market for indoor cycling equipment and exercise video subscriptions exploded.

- Peloton, the market leader in this niche category, saw sales surge 66% from the same time period last year.
- Peloton isn't the only brand looking to capitalize on the growth potential of the indoor cycling market.
  - In 2020, Lululemon [purchased](#) Peloton competitor "Mirror" for \$500 million and Apple [announced](#) plans to enter the fitness video subscription market.
- Seeing an opportunity with an emerging market, Nike [created](#) its first ever indoor cycling shoe in 2020.

As the NFL begins to invest in research to curb the dangers of playing football, many entrepreneurs are taking note and the development of products catering to the niche market of protective headwear has accelerated. In a story posted on [Yahoo! Sports'](#) website, about half the vendors at a recent sports conference were in some way involved with concussions.

- One high-tech football helmet startup prepared to equip some NFL and college football teams with safer helmets has generated a lot of interest from investors
  - The company, Vicis, raised more than \$30 million over the past 4 years, with investors ranging from ex-NFL players to engineers.
  - According to a 2019 report from Geekwire, the NFL named Vicis's updated model of its helmets as the safest product on the market, ahead of long-time helmet maker brands like Riddell and Schutt's.
    - Click [here](#) to read more from GeekWire.
    - Click [here](#) to view a graphic illustrating the safest helmets on SCC's Pinterest page.
- Under Armour, recognizing the importance of athlete safety during a pandemic, manufactured face masks specifically for athletes to wear while training and competing.
- As described by the company, the product was a "reusable, water-resistant performance face mask designed for maximum breathability by Under Armour's innovation team in record time. This first-of-its-kind mask functions to reduce the spread of respiratory droplets by the wearer."
- According to the Sun, the product sold out in less than an hour in its original launch.<sup>9</sup>

<sup>6</sup> <http://www.vancouversun.com/life/Warming+active+wear/5107937/story.html#ixzz1SDISH02r>

<sup>7</sup> <http://www.bloomberg.com/news/2012-05-23/nike-s-hot-punch-running-shoes-spur-industry-growth.html>

<sup>8</sup> <http://www.runblogger.com/2012/05/state-of-running-shoe-market-first.html>

<sup>9</sup> <https://www.thesun.co.uk/fabulous/12121656/under-armours-sold-out-athlete-mask-in-stock-buy/>

## Niche Sports

Niche can also be a term applied to a particular sport that is not considered to be “mainstream.”

- Archery is a niche sport that experienced rapid growth, thanks in part to the popularity of The Hunger Games book series.
- The [CBS Sports Network](#) fills its non-peak season programming with many niche sports, including off-road racing, bowling, surfing and more recently, Pickleball.
- Other niche sport examples could include many Olympic sports, [beach soccer](#), or [arm-wrestling](#).
  - For example, based on the game in J.K. Rowling’s “Harry Potter” books, the sport of “[Quidditch](#)” was created on a small college campus in Vermont in 2005. The sport now boasts 700 teams in 25 countries, has a governing body (International Quidditch Association), an official rule book and a World Cup (the 2011 event reportedly cost more than \$100,000 to stage).<sup>10</sup>
  - A few years ago, [ESPN](#) introduced an “On The Road” program in which ESPN personalities traveled to the site of several niche sporting events (like the [World Championships of Cornhole X](#) in Knoxville, TN and [The National Horseshoe Pitchers Association World Tournament](#) in Topeka, KS) and incorporated coverage within their SportsCenter broadcasts.
    - Click [here](#) to see a local television station’s news coverage of ESPN’s appearance at the Horseshoe tournament.
    - Click [here](#) for a short video from CNBC featuring an interview with Stacey Moore, American Cornhole League founder, discussing the recent explosion in the game’s popularity.
  - [Trampoline Dodgeball](#) is another niche sport that is growing in popularity.
    - In 2012 there were 40 parks to play across the U.S. By 2016, there were 500, representing a 92% growth rate in less than four years.
  - Even archery dodgeball has become a thing, growing in popularity as a fitness trend, according to a 2020 story that appeared in the [Wall Street Journal](#).
  - WhirlyBall is another fast-paced niche sport gaining traction across the U.S.
    - Click [here](#) to read more about WhirlyBall.
  - A new flag football startup league has ambitious plans for carving out its own niche as it looks to capitalize on concussion concerns among athletes and parents.
    - Click [here](#) to learn more about the American Flag Football League, which already includes several high profile former NFL players like Michael Vick, Terrell Owens and Chad Ochocinco.
  - Many fringe sports that are still hoping to be included in future Olympic Games would also qualify as niche sports.
    - In 2015, The International Olympic Committee officially recognized the World Flying Disc Federation (WFDF), the governing body of disc sports including Ultimate Frisbee, which means sometime in the near future we could see the 30-year-old sport become an official competitive event in the Olympic Games.
    - A number of niche sports were admitted for participation in 2020 Olympics, including skateboarding, surfing, climbing and 3-on-3 basketball.
      - Click [here](#) to learn more about the meteoric rise of 3-on-3 basketball and a look at how the USA might compete in the sport at the 2020 Summer Games in Tokyo.
      - Inclusion in the Tokyo Games has helped to boost the visibility, and potentially the popularity, of the World Surf League
        - Click [here](#) to read how the league hopes to catch a “Wave of Opportunity” through the Olympics at forbes.com
    - Breakdancing will be [introduced](#) as an official Olympic sport at the 2024 Summer Games in Paris .
  - As the popularity of niche sports continues to grow, advertisers and sponsors have taken notice. Aligning a marketing campaign with non-traditional sports can help brands to reach new audiences.

<sup>10</sup> <http://www.buzzfeed.com/noahdavis/irl-quidditch-wants-to-be-taken-seriously>



- For example, Margaritaville is the [sponsor](#) of USA Pickleball's National Championship (the 2020 championships were canceled due to COVID-19 but preparations were already underway for 2021 by June).
  - Landshark Lager, closely connected to the Margaritaville brand, is also an official sponsor of Spikeball.



#### INSTRUCTOR NOTES

Now would be a great time to introduce the “New Olympic Sport” and/or the “Fringe Sport” projects, located in the lesson 4.3 folder.

You may also want to review one of the examples from lesson 3.3 relating to reverse product placement with ESPN’s “The Ocho” promotion. The one-day transformation from ESPN 2 to “ESPN 8” features coverage of a wide variety of niche sports, from cherry seed spitting to rock skipping. Have students create a broadcast of their own niche sport or have them create a programming lineup for next year’s “The Ocho” promotion on ESPN.



#### INSTRUCTOR NOTES

As part of SCC’s case study competition, we featured a scenario that required students to create a promotional plan for growing the “Spikeball” brand and another version challenging students to boost the popularity of the sport of footvolley.. Consider using either case study in class. If you prefer, you can replace Spikeball or footvolley with a different niche sport. You can access the case studies in the Lesson 4.3 folder.

# Market Segmentation

**Market segmentation** is the process of dividing a target market into smaller, specific categories grouped together by shared characteristics.<sup>14</sup> This process helps a sports and entertainment organization to define and understand the target audience.

Segmentation is important because it allows businesses to customize their marketing mix and promotion strategies to meet the needs of the target market.

## FORMS OF SEGMENTATION

There are four primary types of market segmentation:

1. Demographic
2. Psychographic
3. Behavioral
4. Geographic

### 1. Demographic

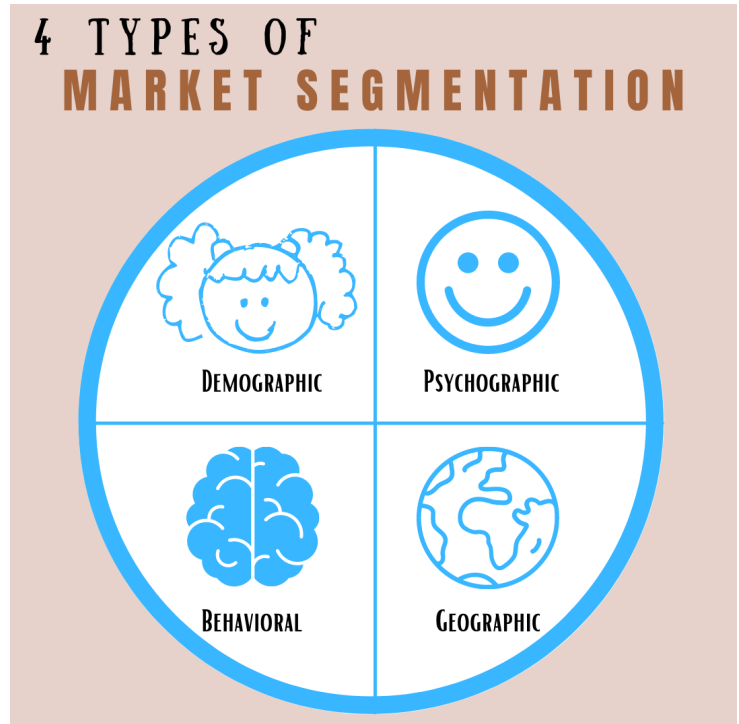
Demographic information provides descriptive classifications of consumers. This is the most common form of segmentation. Demographic information, comparatively, is more accessible and less expensive to obtain.

Demographic segmentation focuses on information that can be measured:

- Age
- Income
- Household statistics
- Occupation
- Gender
- Education

#### Age

- Fans of the PGA and LPGA tours tend to be among the “baby boomer” age demographic (45-64), according to data from Scarborough Sports Marketing.<sup>11</sup>
- According to [knowledgebase.com](https://www.knowledgebase.com), the biggest demographic for the artist Shakira is 20-year old women.
- The World Surf League’s fan base has an average age of 32, much younger than most other professional sports leagues.
- Understanding their fan demographics gives the WSL direction in creating marketing strategies.
  - Because the WSL has such a young fan base, the league focuses on digital marketing initiatives as a primary means for connecting with their consumers.
- According to a recent [Magna Global](https://www.magnaglobal.com) study, Major League Soccer has the youngest fan base among the major U.S. sports leagues at an average age of 40 while the PGA Tour has the oldest fans with an average of 64 years of age.



<sup>11</sup> <http://www.sportsbusinessdaily.com/Daily/Issues/2011/07/28/Research-and-Ratings/Golf-demos.aspx?hl=demographic%20age&sc=0>

## Income

- The number of NASCAR fans earning \$100,000 or more has doubled in the last twenty years from 7% to 16% of its fan base, and those with incomes of \$50,000 or more has risen from 35% to 48%.<sup>12</sup>
- According to league data, the average household income for NHL fans is \$104,000, highest of the four major sports with Major League Baseball (\$96,200), the NBA (\$96,000), and the NFL (\$94,500).<sup>13</sup>

## Household Statistics

- According to a report from Leichtman Research Group, 81% of households in the U.S. have at least one high definition television set, up from 17% in 2006.<sup>14</sup>
- A survey by CNBC has found that half of all American households own at least one Apple device, and the average Apple-buying household has a total of three.<sup>15</sup>

## Occupation

- Scarborough Research released demographic figures relating to fans of the IndyCar, suggesting 29% of the fan base were “blue collar”, while 37% were “white collar”.<sup>16</sup>
- According to Newzoo’s global eSports [report](#), 50% of the eSports online population held full-time jobs, 58% of occasional viewers held full-time jobs and 62% of eSports enthusiasts were employed full-time.

## Gender

- According to a report by the Entertainment Software Association (ESA), 45% of the entire gamer (video game playing) community are women and they comprise 46% of the most frequent video game purchasers.<sup>17</sup>
  - Click [here](#) to view a graphic reporting on gamer demographics from USA Today.
- Target retail stores understand that 60% of their shoppers are women, likely playing a significant role in their decision to sponsor the [ASP Women’s Surfing Event](#) In Maui.<sup>18</sup>

## Education

- 68% of NHL fans have attended college.<sup>19</sup>

If a target market is a group of people with a defining set of characteristics that set them apart as a group, then marketers want to learn as much about that group as possible to assist in the development of an effective and successful marketing strategy.

## Triple A baseball posts its demographic information online for prospective sponsors to review:

- 40% of the fan base earns \$46-75k per year in salary.
- 42% of the fan base has an Undergraduate Degree.
- 91% of the fan base has a major credit card.
- 69% of the fan base owns their own home.<sup>20</sup>

<sup>12</sup> [http://www.usatoday.com/sports/motor/nascar/2009-07-01-nascar-identity-crisis\\_N.htm](http://www.usatoday.com/sports/motor/nascar/2009-07-01-nascar-identity-crisis_N.htm)

<sup>13</sup> [http://www.boston.com/sports/hockey/b Bruins/articles/2011/06/05/garden\\_fans\\_on\\_the\\_money/?sudsredirect=true](http://www.boston.com/sports/hockey/b Bruins/articles/2011/06/05/garden_fans_on_the_money/?sudsredirect=true)

<sup>14</sup> <https://www.benton.org/headlines/hdtv-sets-now-over-80-percent-us-households>

<sup>15</sup> <http://www.theverge.com/2012/3/28/2908881/half-american-households-own-apple-product-survey-finds>

<sup>16</sup> <http://www.sportsbusinessdaily.com/article/129047>

<sup>17</sup> <http://www.usatoday.com/story/tech/gaming/2013/06/12/women-50-percent-gaming-audience/2411529/>

<sup>18</sup> [http://www.retailleader.com/top-story-consumer\\_insights-ad\\_age\\_releases\\_retail\\_demographics-583.html](http://www.retailleader.com/top-story-consumer_insights-ad_age_releases_retail_demographics-583.html)

<sup>19</sup> [http://www.boston.com/sports/hockey/b Bruins/articles/2011/06/05/garden\\_fans\\_on\\_the\\_money/?sudsredirect=true](http://www.boston.com/sports/hockey/b Bruins/articles/2011/06/05/garden_fans_on_the_money/?sudsredirect=true)

<sup>20</sup> <http://www.triple-abaseball.com/Demographics.jsp?jsessionid=55CF89B53BD2DBC6319AFD691B5DFBC8>

## 2. Psychographic

Psychographic segmentation refers to the grouping of consumers based on personality traits and lifestyle. This form of segmentation targets consumer attributes that focus on emotional characteristics that offer insight on the consumer's motives, preferences and needs.

**Psychographic characteristics could include:**

- Personality traits
- Interests
  - Sports fans, music lovers, individuals who enjoy attending live events
- Beliefs
- Values
  - 2020 Tokyo Games focus on sustainable practices, catering to a large population of consumers who value organizations that prioritize the environment.
- Attitudes
- Lifestyles
  - Huffington Post [reported](#) some interesting lifestyle data relating to sports fans:
    - NFL fans are 10% more likely than NCAA football, Major League Baseball (MLB) and Major League Soccer (MLS) fans to drive a Chevrolet and 19% more likely to be classified as frequent purchasers of pizza.
    - NCAA fans are much more likely to be interested in certain outdoor activities than their NFL counterparts, with a 47% higher likelihood to show interest in Camping and Hiking.
    - MLB fans are the most family-oriented group, with 46% more likelihood to shop for family event tickets, with interest in Disney parks.
  - Consistent with Major League Soccer's younger demographic, MLS fans are the most likely to be interested in streaming services, peer-to-peer services (Lyft and Airbnb amongst others), and to travel abroad (Central and South America are amongst their favorite).

## 3. Behavioral

While demographic and psychographic segmentation focus on who a customer is, behavioral segmentation focuses on how the behaviors they display. Segmenting a market in this manner allows a sports and entertainment organization to customize marketing messages that cater specifically to those behaviors.

**Types of behaviors could include things like:**

- Brand preferences
- Purchase history
- Product usage
  - Reflects what products or services sports and entertainment consumers use, how often they use them, and why.
    - Individual game ticket buyers vs. season ticket buyers
- Benefits
  - Season ticket holders typically enjoy additional “perks” such as exclusive invitations to pregame chats with the team coaches and/or staff.
- Website activity
- Online shopping habits

To illustrate the concept of behavioral market segmentation, consider the following data from Spotify:

- 28.2 million people will listen to a podcast on Spotify this year, more than the number of listeners on Apple for the first time in company history
- 6:00 AM to 9:00 AM is the most popular time for podcast listeners who use the company's streaming service
- In 2020, more consumers in the 18-24 demographic listened to a podcast for the first time than any previous year.



## 4. Geographic

Geographic segmentation is the dividing of markets into physical locations. Identifying the location of customers helps a sports and entertainment organization to create more targeted advertising messages.

### Types of geographic segmentation:

- Location
  - Countries
    - American football is very popular in the United States while rugby is popular in New Zealand.
  - Geographic regions
    - North, South, East and West regions of the United States
      - For example, according to data from Facebook, nearly one out of every three people in the U.S. that watch baseball on television live in Southern states (the South has the highest MLB viewership percentage at 32.8%, 7% more than Midwest which represents the next highest region based on viewership).
        - Click [here](#) to view the entire geographical map breaking down MLB fandom through Facebook data.
      - Click [here](#) for a geographical breakdown of U.S. regions where fans are most likely to tune in for major sporting events (ranging from Wimbledon to the Winter Olympics) from a Wall Street Journal analysis.
      - Click [here](#) to see what genre of music is most popular in each state (and [here](#) to see which musicians are the most popular in each state).
  - Zip codes
- Geographic characteristics
  - Climate
  - Population

Sports consumers are characteristically loyal to particular regions. Most sports teams enjoy higher levels of fandom in the immediate geographic area for which their team calls “home.” However, a variety of factors can influence the overall popularity (and subsequent fandom) of sports teams on a national and global scale.

- For example, the Dallas Cowboys have often been referred to as “America’s Team”.
  - Click [here](#) for a video from the NFL’s website explaining how the Cowboys became “America’s Team” (and insight as to why many fans might disagree).
  - However, a 2016 poll suggests just 27% of fans today actually consider the Cowboys to be deserving of the moniker while 64% said they did not deserve that designation.
  - According to the same poll, the most popular NFL team nationally is actually the Green Bay Packers.
    - Click [here](#) to download a PDF with more results from the survey.
- Click [here](#) for a map illustrating college football fandom in the U.S. (published on Reddit).
- Click [here](#) for a map illustrating Major League Soccer fandom in the U.S. (published on Reddit).

Because of the unique characteristics of a sports consumer, geographic limitations are often imposed by professional sports leagues.

- According to the [Indianapolis Business Journal](#), the NBA will double the size of the geographic area teams are allowed to deploy marketing efforts to 150 miles, a rule change that could result in a significant boost in revenue for a team like the Indiana Pacers.
- One NBA executive told [SportsBusiness Journal](#) the new rules will allow its 30 teams overall to reach 100 million more fans with their marketing efforts.
  - Click [here](#) to see a map of how the new rule will impact the geographic area for which the Charlotte Hornets can reach.
- In 2019, Nike announced they had claimed the top rank in market share for bras in North America — the first time in the brand’s history — and planned to release “geography specific women’s apparel for the Asian market.” (via [wwd.com](#)).

# Positioning

**Positioning** refers to the fixing of a sports or entertainment entity in the minds of consumers in the target market. Positioning is really about perception. To be successful, sports business professionals must carefully craft a positioning strategy that influences the way consumers view their products and services.

Positioning is important to all sports and entertainment marketing professionals as it helps the consumer to distinguish between competing products.

**Positioning examples could include:**

- Sports leagues (NBA vs. G-League)
- Sports teams (The Los Angeles Lakers in the 1980's as "Showtime")
- Sporting goods (Under Armour as comfortable performance apparel)
- Sports drinks (Gatorade as a performance beverage)
- Movie studios (Dreamworks as a leader in animated films)
- Entertainers (Will Ferrell as a comedic actor)
- Entertainment products (Fortnite "Battle Royale" as a multiplayer video game vs. "Save the World" as a single-player experience)
- Facilities and venues (Premium seating vs. general seating)

**Creating Perception:**

- Puma's "Calling All Troublemakers" spot encouraged fans to be more daring and push boundaries to achieve "danger, risk and potential fugitive status" in an effort to differentiate itself from Nike, Adidas and Under Armour as it continues its efforts to gain credibility and position itself as a legitimate performance apparel brand.
  - To drive the campaign and assist in their positioning effort, Puma partnered with athletes with "bad boy" reputations like Olympic champion Usain Bolt and soccer player Mario Balotelli.<sup>21</sup>



## CASE STUDY: WHEATIES

General Mills' positioning of Wheaties provides a great example of a brand with an effective and successful positioning strategy. Wheaties cereal has positioned itself as a brand affiliated with athletic performance and its slogan, "the breakfast of champions", has remained since the brand's introduction in 1924.

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With declining sales, General Mills (parent company of the Wheaties brand) eventually introduced a new spin off product aimed to take advantage of consumer perceptions of the Wheaties brand. General Mills developed three formulations of the cereal (dubbed Wheaties Fuel) with the help of a sports nutritionist and five world class athletes: the NFL's Peyton Manning, the NBA's Kevin Garnett, gold medal-winning decathlete Bryan Clay, the MLB's Albert Pujols, and triathlete Hunter Kemper.<sup>22</sup>

<sup>21</sup> <http://www.marketingweek.co.uk/sectors/sport/news/puma-rallies-troublemakers-bolt-and-balotelli-to-recapture-sporting-ethos/4011350.article>

<sup>22</sup> [http://www.mediapost.com/publications/?fa=Articles.showArticle&art\\_id=113207](http://www.mediapost.com/publications/?fa=Articles.showArticle&art_id=113207)



## DISCUSSION TOPICS

For a discussion to help guide your positioning conversation in class, consider accessing the “Breakfast of Champions” PPT located in the Lesson 4.5 folder. The PPT reviews the history of Wheaties and its efforts to successfully position the brand as fuel for athletes.

- With other professional teams leaving the city (the Warriors to San Francisco and the Raiders to Las Vegas), and hoping to gain financial support for a new stadium, the A’s made an aggressive push to position themselves as THE local team to support in Oakland.
- Their marketing campaign was titled “Rooted in Oakland” and featured famous local landmarks and personalities.
  - To declare themselves as the team to support in Oakland, the A’s [raised](#) a team flag above Oakland’s city hall only minutes after news of the Raiders move to Las Vegas was finalized.
  - The team also unveiled a local [mural](#), decorated local [muni stops](#) and decreased [concession](#) prices.
- In a pivot from previous DC Universe films that created a perception that its movies were grim and dark, Warner Bros. created a campaign for the 2019 release of ‘Shazam’ that positioned the film as hopeful and playful, much like the movie’s main character.
- According to [Hollywood Reporter](#), the first teaser poster for the film showed the main character transforming into Shazam, “both incarnations smiling like a kid having a great time on an adventure” while the rest of the campaign featured imagery consistent with the film’s storyline (a kid in a grown up’s super hero body).

## Positioning Strategy

Products or services are grouped together on a positioning map. There they are compared and contrasted in relation to one another. Marketers will then determine a position that distinguishes their own products and services from competitor products and services.

### Positioning Strategy Examples:

- Reebok has engaged in a unique marketing initiative by positioning itself as a leader in “[The Sport of Fitness](#)”, a phrase it has incorporated into its [cross-promotional](#) efforts with the CrossFit brand.
  - CrossFit training participation has increased 700 percent in just the last four years, creating an even bigger opportunity for Reebok to enjoy continued growth.
- In 2019, Adidas launched a new hiking boot (Terrex) with a strategic positioning plan designed to eliminate the stigma of the sport’s ‘stale’ image.
  - In an interview with [Marketing Week](#), Adidas’s global VP of marketing and digital commerce suggests the consumer perception of hiking gear leans more toward function than fashion, a perception the brand hopes to change with their hiking campaign.<sup>23</sup>
  - Click [here](#) to see one of the Terrex commercials on adidas’ YouTube channel.

## Selecting a Positioning Strategy

Sports and entertainment marketing professionals must identify all possible competitive advantages to establish an effective positioning strategy.

Products, services, channels, price points, people or image can be sources of differentiation. Organizations often position their products relative to perceived competitor weaknesses.

<sup>23</sup> <https://www.marketingweek.com/adidas-hiking-marketing/>



- BodyArmor debuted a new marketing campaign in 2020 with a TV ad that aired during “The Match 2”, a made for tv event between Phil Mickelson and Tom Brady vs. Tiger Woods and Peyton Manning, positioning the brand as a healthier alternative to competing products
  - According to [Fox Business](#), the campaign continues BodyArmor’s strategy to position the product as a healthier, modernized alternative to Gatorade.
  - Through its packaging and advertising, the brand suggests it is a healthier alternative to competing products like Gatorade because they do not contain caffeine, have no added preservatives, and are gluten-free and nut-free.

## Choosing the Right Competitive Advantage:

To be successful, sports and entertainment marketing professionals must determine the right competitive advantage when developing a positioning strategy. Identifying a unique selling proposition is often a good place to start.

- Recruiting student athletes is an extremely competitive process for collegiate athletic programs throughout the U.S. One way the University of North Florida helps pitch the school as an ideal destination for recruits is a “lazy river” water feature on campus, creating a laid-back feel for students to relax.
  - In a tweet, an ESPN Sports Center anchor at the time (and former UNF athlete) Sara Walsh said when asked how often the Ospreys athletic program leverages the amenity as a recruiting tool, “Tons!”
  - The concept is not lost on other schools as colleges like [Texas Tech](#) and [Missouri](#) have either already implemented similar amenities or have announced plans to do so in the future (like LSU’s [planned](#) \$85 million lazy river pool and collegiate recreation facility).
- In 2019, recognizing the exploding popularity of eSports, sneaker brand K-Swiss designed a pair of shoes specifically for “The Immortals”, one of North America’s best-known eSports groups.
  - The brand’s “One-Tap” shoe was positioned as a product that enhances the performance of esports players.
    - According to [USA Today](#): “The slip-on sneaker features lightweight, flexible material with an elasticated closure for a “snug fit,” as well as a venting unit to make it breathable in warmer climates, and a wool-lined insole that can be inserted to make the shoes feel warmer. Gamers can also fold down the sneakers’ heels for a “slipper-like feel for the long hours during a match or practice.”
- Shanghai, the largest city in China, wants to position itself as the global hub of the esports universe
  - In its push to become the world gaming capital, they [announced](#) plans in 2021 to build an \$898 million arena, dedicated specifically to esports. The venue, named the Shanghai International New Cultural and Creative Esports Center, will seat 6,000 fans, feature a museum devoted to gaming, and will even have an esports-themed hotel attached to the arena to accommodate visitors. It is scheduled to open in 2024.

## Positioning Errors to Avoid

Positioning can be tricky. Identifying the correct differences to promote can be the difference between an ineffective positioning strategy and a marketing failure. The biggest risk to a brand is making sure those differences are legitimate. If not, an organization could face not only backlash from consumers but also potential legal consequences.

### Positioning Error Example:

- When Kanye West’s The Life of Pablo album was released, the hip-hop star tweeted that it would “never never never be on Apple. And it will never be for sale ... You can only get it on Tidal.”
  - Kanye was clearly positioning Tidal as the exclusive streaming service for his music, and subscriptions quickly tripled as a result. Yet just weeks later, the album was available on his own website, Pandora, Spotify...and even Apple.
  - As a result, Kanye and Tidal are facing a lawsuit alleging false advertising.
    - Click [here](#) to read more about the potential plausibility of the class-action suit.

- At the height of Peloton's popularity during the pandemic, a competitor (Echelon) launched a competing product (a connected bike) at a significantly lower price point (\$500), calling it the 'Prime Bike'.
  - The assumption was that the brand had teamed up with Amazon, creating a flurry of consumer buzz, even driving down Peloton's stock price.
  - However, Amazon [quickly distanced](#) itself from Echelon, suggesting they were in no way affiliated with the product, saying in a statement "This bike is not an Amazon product or related to Amazon Prime. Echelon does not have a formal partnership with Amazon. We are working with Echelon to clarify this in its communications, stop the sale of the product, and change the product branding."

## Product Differentiation

Product differentiation refers to a positioning strategy that can be used to distinguish a company's products from those of competitors.<sup>24</sup>

### Product Differentiation Examples:

- When the XFL developed its marketing strategy, the league made a concerted effort to focus on affordability, making sure to create ticket plans that would be available to a family of four for under \$100 to differentiate its product from the NFL.
  - In addition to lower ticket prices as a differentiator, the XFL also offered more access to its players and coaches while implementing simpler rules, making it easier for the average fan to understand the game.<sup>25</sup>
- When the BIG3 basketball league launched in 2017, it differentiated itself from existing basketball leagues by establishing unique rules and game play, including its "3-on'3" format, a 4-point shot, no "foul outs" and a smaller court size.
  - Click [here](#) to read the league's rules and philosophy from the BIG3 website.
- Minor League Baseball teams often position their brand as family-friendly and a form of entertainment that is all about fans and the fan experience and less about luxury suites and corporate sponsors.
  - In 2020, the Savanna Bananas introduced an aggressive strategy to position the team that way when they [announced](#) that they would discontinue any advertising at the team's games for the season, including ballpark signage, game day programs and P.A. announcements.

## Repositioning

Repositioning is a marketer's plan for changing consumers' perceptions of a brand in comparison to competing brands.

A private golf course may be suffering slumping membership sales. As a result, the course management may choose to open up the course to the public, which will ultimately require a well-planned re-positioning strategy.

Re-positioning is a marketer's plan for changing consumers' perceptions of a brand in comparison to competing brands.

### Repositioning Examples:

- A private golf course may be suffering slumping membership sales. As a result, the course management may choose to open up the course to the public, which will ultimately require a well-planned re-positioning strategy.

Re-positioning involves identifying who the new target market is and a strategy for creating awareness and demand within that market.

- Part of the re-positioning effort in the golf course example above would require sending a message to the target market that the club is affordable by public standards.
- Slogan might be "Enjoy the benefits of a private club at public course rates!"

<sup>24</sup> *Sport Marketing*, Presentation Notes, Ryan Langan, University of South Florida

<sup>25</sup> <https://www.frntofficesport.com/xfl-oliver-luck-spring-football/>

### More Repositioning examples:

- According to the [Sports Business Journal](#), as part of their deal with CBS, the Pro Bull Riders Association will be grouped among other major properties online, like the NFL and the NCAA men's basketball tournament to re-position it as a more legitimate sports property (in the past, PBR was grouped under the "CBS Sports Spectacular" banner alongside some niche sports).
- The Milk Processor Education Program wanted to reposition chocolate milk as a beverage athletes could use as a "recovery drink" to replenish after grueling workouts.
- To help with their positioning efforts, the brand enlisted pro athletes like Sloane Stephens and Al Horford to star in a campaign to communicate the "[Built with Chocolate Milk](#)" message to consumers.
  - Click [here](#) to see other athletes that are part of the campaign.
  - The [builtwithchocolatemilk.com](#) website even features a page that explains the science behind the product's ability to help athletes recover.
- Converse [began](#) re-positioning the iconic Chuck Taylor sneaker as a fashion shoe through a three-video series, "Forever Chuck", focusing on the characteristics that make the shoe unique: film, L.A. hip-hop and fashion.
- According to [Forbes](#), "Frozen 2" was re-positioned from a kid-friendly comedy to an epic adventure and drama when Disney began its marketing push leading up to the film's release in theaters.

# Market Research

Market research is the process of systematically collecting, recording, analyzing, and presenting data related to marketing goods and services. The data uncovered through research provides an opportunity for sports business professionals to get to know their customers and build marketing strategies accordingly.

## MARKET RESEARCH DATA

Marketing research gathers data relating to groups of people who could potentially be identified as a company's target audience. Research could also uncover information that would help a business to identify current trends that might represent potential threats or opportunities within a marketplace.

**These marketplace groups include:**

- Consumers
- Competitors
- Culture/climate
- Company

For example, before determining whether to sell jersey sponsorships, the NBA first collected and analyzed data from a social media measurement firm to make sure the visibility on uniforms would drive adequate value for their partners.<sup>26</sup>

## THE RESEARCH PROCESS

Typically, an organization would follow a set process when engaging in the market research process.

**Step one:** Identify the problem, concern or additional desired information to be gathered.

**Step two:** Select and design research.

There are two types of research projects that an organization might typically conduct. Primary research is the original research conducted for a specific marketing situation.

**Primary research consists of:**

- Surveys
- Direct mail
- Telephone
- Interviews
- Focus groups

Another type of research features secondary research. Secondary research is published data that has been collected for some other purpose (data collection).

**Examples of secondary research:**

- Census reports
  - A census is a method used for obtaining statistical information that counts every member of a population.
- Demographic analyses
- Trade associations
- State agencies
- Commercial research firms

<sup>26</sup> <http://www.sportsbusinessdaily.com/Daily/Issues/2016/05/17/Research-and-Ratings/Hookit-NBA.aspx>

### Step three: Report and analyze

Once the data has been collected, the information is analyzed, and a research report is prepared. After being analyzed and reported, the data is used to assist in the decision-making process.

## Market Research Applications

There are all kinds of applications where market research would benefit sports and entertainment organizations from all segments of the industry.

Examples could include research on any of the following:

- Sport participation
- Violence in sports
- Advertising
- Media outlets
- Viewer and listener ratings
- Financing
- Effectiveness of marketing efforts
  - According to [marketing-interactive.com](https://marketing-interactive.com), Adidas decided to discontinue its investment in Facebook video ads after determining consumers were not regularly viewing the ads, making it difficult to verify the effectiveness of its marketing efforts.



### DISCUSSION TOPICS

Relevant discussion topics are provided throughout the textbook, including bell ringers, or previous "bonus content" shared with SCC members that might provide a good way to help students apply fundamental concepts from that particular lesson.

### Market Research Example:

According to a [Sports Business Journal](#) report, the San Diego Padres conducted a series of 10 different focus group sessions which included a total of nearly 300 participants, ranging in age from 12 to 80, to help decide on color schemes for the team's introduction of new uniforms. Focus group participants sat in a room at the stadium. Using a dial, they adjusted to record their fondness for a particular uniform color scheme, provided very specific data for the franchise to use in its uniform design process, ultimately leading to a #BrownIsBack franchise marketing campaign.



- Click [here](#) to check out the team's announcement kicking off the #BrownIsBack marketing campaign on Twitter

## More Market Research Examples:

- Consider the following figures from a fan avidity report released by Scarborough Sports Marketing (a research firm).<sup>27</sup>
  - Based on the study results, U.S. consumers have typically shown unwavering support for the NFL, MLB, NBA, NHL, College Football and Basketball, NASCAR and the Olympics (53 percent of American adults are “Avid Fans” at least one of these sports). However, after these traditionally supported fan favorites, the list includes sports like Figure Skating, Gymnastics, Men’s Golf, High School Sports and Pro Boxing.
  - Why does this matter?
    - According to Scarborough: “American sports fans have been opening their minds and wallets to a host of diverse sports. Avid Fans of these sports are often characterized by distinct audience demographics. For instance, 73% of Avid Gymnastics Fans are female and 81% of Avid Figure Skating Fans are female. This is a unique demographic makeup since Avid Fans of sports like the Olympics, Women’s Tennis and the WNBA – classically “female friendly” sports – are only about 50% female. This notable demographic base helps explain findings such as: Gymnastics Fans are 53% more likely than all American adults to schedule a spa day, 30% more likely to visit a jewelry store and 33% more likely to visit a bridal store. Similarly, Figure Skating Fans are 28% more likely to visit a florist and 27% more likely to visit a dry cleaner.”<sup>28</sup>
    - Another demographically interesting sport is Pro Boxing. Though European Soccer, Major League Soccer and Mexican Soccer are all leagues with large Hispanic fan bases, Pro Boxing is the non-soccer sports league with the highest percentage of Hispanics among its Avid Fans – 35%. Avid Pro Boxing Fans are also 58% more likely than all American adults to use their smartphones to: listen to or download music, 67% more likely to check sports scores and updates, and a staggering 110% more likely to watch free TV programs.<sup>29</sup>
- According to the [Sports Business Journal](#), the NFL relied on market research to help determine the appropriate price of admission to its “NFL Times Square Experience” before opening the attraction in 2018.
- Relying on data from a market study and a survey of its football ticket holders, the University of Wisconsin announced plans to remodel a section of Camp Randall Stadium to expand the premium seating options available to fans..
  - The data from the report and from the ticket holder survey suggested fans would be willing to pay more for premium amenities, such as access to indoor hospitality and outdoor terraces; climate-controlled areas; more comfortable seating; and expanded premium food and beverage offerings.
    - However, because of the pandemic, the \$77 million project was [pushed back](#) and likely to begin in 2021 and be ready for the 2022 season.

<sup>27</sup> [http://scarborough.com/press\\_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf](http://scarborough.com/press_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf)

<sup>28</sup> [http://scarborough.com/press\\_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf](http://scarborough.com/press_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf)

<sup>29</sup> [http://scarborough.com/press\\_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf](http://scarborough.com/press_releases/Scarborough-Sports-Fan-Avidity-Ranking.pdf)

# Advertising

## WHAT IS ADVERTISING?

Advertising is any paid, non-personal form of communication by an identified company promoting goods and services.

Advertising has traditionally been presented in several forms, including:

- Print
- Outdoor / OOH (Out of home) advertising
- Traditional broadcast (television, radio, satellite)
- Online/digital media
- Cinema
- Promotional products

However, the traditional definition of advertising is constantly evolving as consumer preferences and media consumption habits change. For example, PR (public relations) is considered a key “advertising” channel for many brands because it can be an effective way to tell the product or service’s story in an authentic, organic way. Yet PR has not always been considered a component of advertising.

Every year, companies spend billions advertising their products and services to sports fans. According to Kantar Media (a market research firm), the 2019 NCAA Men’s Basketball Tournament (“March Madness”) [generated](#) over \$1 billion in advertising revenue while the 2021 Super Bowl [brought](#) in a record \$485 million for CBS. And before being postponed because of the pandemic, NBC had [announced](#) it had sold more than \$1.2 billion in advertising for the Summer Olympic Games in Tokyo.

Why do companies advertise?

- Assist in the increase in sales
- Brand building
- Create or change company/brand image
- Associate a brand with positive feelings and emotion
- Establish and maintain positive public perceptions
- Create product/service and brand awareness

## TYPES OF ADVERTISING

### Print Media

Print media refers to a written / visual form of communication used to inform, persuade, or remind consumers about products or services offered, typically featured in magazines, newspapers and brochures.





Dick's Sporting Goods regularly advertises in newspapers featuring weekly specials to encourage consumers to visit stores

## Outdoor / OOH (Out of home) advertising

Typically, outdoor advertising includes any outdoor signs, walls, buildings, public transportation and billboards. This type of advertising offers a high level of visibility but has geographic limitations. OOH advertising also offers the potential for 24-hour advertising.

- Last year, Puma [projected](#) 3D holograms of its new Sky Dreamer sneaker along with Puma-branded basketballs onto the roof of parked cars near famous Chicago landmarks at NBA All-Star weekend.
- As part of their social media heavy AR “Summergram” campaign in 2019 featuring Chrissy Tiegen and DJ Khaled, Pepsi [customized](#) more than 2,300 billboards around the U.S.

Outdoor could also include mass transit and public transportation advertising such as buses, bus stands, taxicabs, and subways to post advertising messages.

- The Hillsboro Hops, a minor league team in the Portland, OR area, wanted to encourage fans to utilize mass transit to come to games. To do so, they chose to brand the local light rail train with the team’s logo to help generate more awareness.
- Adidas and the Portland Timbers wrapped several light rail trains in branded content to promote the MLS All-Star Game when they hosted the event.<sup>30</sup>
  - The Timbers also advertised INSIDE the train to encourage riders to use mass transit for travel to the stadium.
- According to [USA Today](#), the Professional Bull Riders (PBR) boldly announced the arrival of a 2019 event in Washington D.C. by blanketing the city in advertising, placing more than 250 ads on city subway metro cars and buses.

Mobile advertising also falls under the category of outdoor advertising.

- The NBA’s Jam Van tour is an interactive basketball program that travels from the United States to China. The Jam Van is a 67-foot 18-wheeler that transforms into 8,000 square feet of basketball and interactive “off-court” activities.<sup>31</sup>

<sup>30</sup> <http://www.partnershipactivation.com/headlines/2011/3/16/syracuse-athletics-turns-to-nyc-taxis-to-drive-awareness.html>

<sup>31</sup> <http://www.nba.com/jamvan/>



- The Green Bay Packers' annual "Tailgate Tour" visits five Wisconsin communities in five days during the summer while raising money for local non-profit organizations via tailgate parties at each stop. Along the way, the "Tour" also makes unannounced stops, often at schools.<sup>32</sup>
- Hard Rock took its world-famous collection of music memorabilia on the road with the "Hard Rock International 40th Anniversary Memorabilia Tour." It traveled to over 30 Hard Rock cafes around the USA in an 80-foot-long double-wide truck specially constructed to exhibit 64 memorable artifacts once owned by popular musicians, such as a Jimi Hendrix custom Gibson Flying V guitar that he played at the Isle of Wight Festival in 1970, Janis Joplin's handwritten love letter to a boyfriend, Buddy Holly's glasses, Katy Perry's famous "birthday" dress and Justin Bieber's skateboard, among other things.<sup>33</sup>
  - In another example of "interactive" marketing, the Hard Rock folks asked fans to vote for which items should be included in the tour via their Facebook page (they also allow fans to follow the tour through their blog and/or Facebook page while allowing visitors to check in on foursquare).<sup>34</sup>
- The Chicago Cubs deploy a Cubs "trolley", equipped with 8 flat-screen TVs and Cubs memorabilia, that would make appearances throughout the city at parades, street festivals and sponsor locations.<sup>35</sup>
- Nike once teamed up with the popular donut brand Krispy Kreme for the launch of the Nike Kyrie 2 signature shoe and deployed a "Ky-rispy Kreme" truck to tour the country.<sup>36</sup>
  - Click [here](#) to see photos of the unique packaging.
  - Click [here](#) to see photos of the truck.
- According to the [Sports Business Journal](#), the NHL celebrated the anniversary of their 100<sup>th</sup> season with a traveling tour that visited each NHL market, offering fans opportunities to play hockey in an NHL style "ball hockey" rink, experience a virtual reality exhibit and visit a museum with memorabilia, photos and interactive displays.
- At the Super Bowl in 2019, Yahoo! Sports visited popular locations around the host city of Atlanta in a pop-up truck, called the "Fan Cave", where fans could play trivia and other games to win prizes to encourage fans to watch the Big Game on the Yahoo! Sports app.
- In addition to advertising via mass transit, Fox took their advertising to the streets during the popular Comic Con festival by positioning popular animated characters from "Family Guy", "The Simpsons", "Bob's Burgers" and "The Cleveland Show" in San Diego pedal cabs.<sup>37</sup>
- LSU Athletics took a unique advertising as part of a basketball campaign when they teamed with adverCar (a company that pays individuals to affix advertising messages to their personal vehicles), essentially paying fans to drive their message into local neighborhoods, shopping centers and commuter routes.<sup>38</sup>

Marketers often use many other creative ways of communicating advertising messages to consumers through out of home channels.

- Blimps
  - Goodyear, Outback, Met One ("Snoopy One")
    - For example, Goodyear provided aerial coverage of the NBA "bubble", offering a socially distant view of the ESPN Wide World Of Sports complex when play resumed after being postponed because of the pandemic.
- Supermarket carts and grocery bags
  - Select grocery stores in Oregon offer "eco-friendly" grocery bags featuring the Portland Trail Blazers, University of Oregon Ducks and Oregon State University Beavers logos.
- Hot air balloons, aerial advertising (sky writing, sky banners)

32 <http://www.packers.com/news-and-events/article-1/Peprah-anxious-to-meet-fans-on-Tour/be834575-6c6d-4b62-b2f3-b066e2e53e3b>

33 <http://www.nytimes.com/2007/08/15/arts/music/15conc.html?ex=1344830400&en=72b66706de55f76e&ei=5090&partner=rssuserland&emc=rss>

34 <http://blog.hardrock.com/post/2011/05/16/Hard-Rock-on-Wheels-Musics-Greatest-Memorabilia-Collection.aspx?theme=hrnews>

35 <http://www.sportsbusinessdaily.com/Journal/Issues/2011/07/25/Coast-to-Coast/Coast-to-Coast.aspx?hl=under%20armour&sc=0>

36 <http://solecollector.com/news/2016/05/krispy-kreme-nike-sneakers>

37 <http://www.scifiartist.com/blog/2012/07/sdcc-2012/>

38 [http://www.lsusports.net/ViewArticle.dbml?SPSID=27830&SPID=2167&DB\\_LANG=C&ATCLID=205317769&DB\\_OEM\\_ID=5200](http://www.lsusports.net/ViewArticle.dbml?SPSID=27830&SPID=2167&DB_LANG=C&ATCLID=205317769&DB_OEM_ID=5200)

## Traditional Broadcast Media

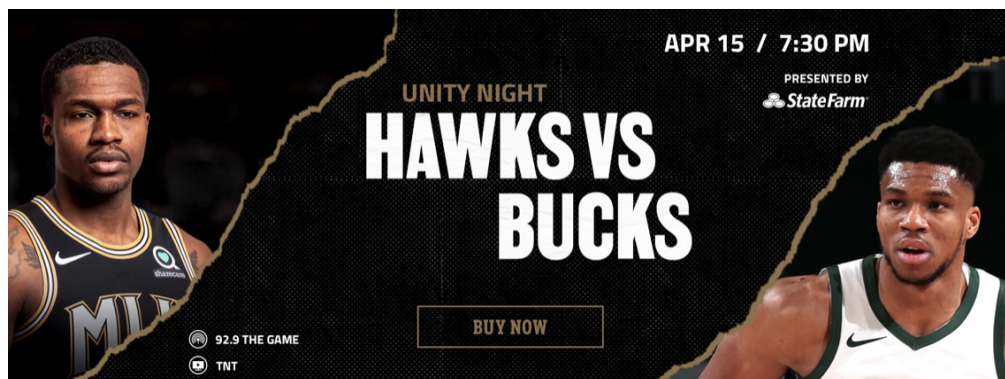
Any visual and/or audible form of communication used to inform, persuade, or remind consumers about goods or services offered would be considered traditional broadcast media. This would include radio and television advertising. Traditional broadcast media is typically an effective means for reaching a large audience.

- Radio / satellite radio advertising
  - Advertisers match their target market to a radio station that segments a particular market.
  - Has the ability to reach a wide audience
- Television / satellite TV advertising
  - Includes commercials and infomercials
    - The fitness craze known as P90X relied on a carefully crafted TV infomercial. strategy to build a \$400 million-a-year (and growing) empire
      - The franchise has been so successful that they released a third installment, P90X3.
  - Because broadcast companies now spend so much in rights fees, they are forced to charge much more for television advertisements during those broadcasts.
  - TV advertising is traditionally the most expensive form of broadcast media.
    - Higher ratings for programming translates to higher advertising rates.
    - Because the Super Bowl annually draws millions of viewers and generates a lot of publicity, the cost of advertising during the broadcast is more expensive than any other television event.
      - A 30 second commercial during the broadcast of the 2020 Super Bowl on Fox cost advertisers as much as \$5.6 million and, according to [AdWeek](#), still sold out inventory faster than any year since 2011.<sup>39</sup>

## Online/Digital Media

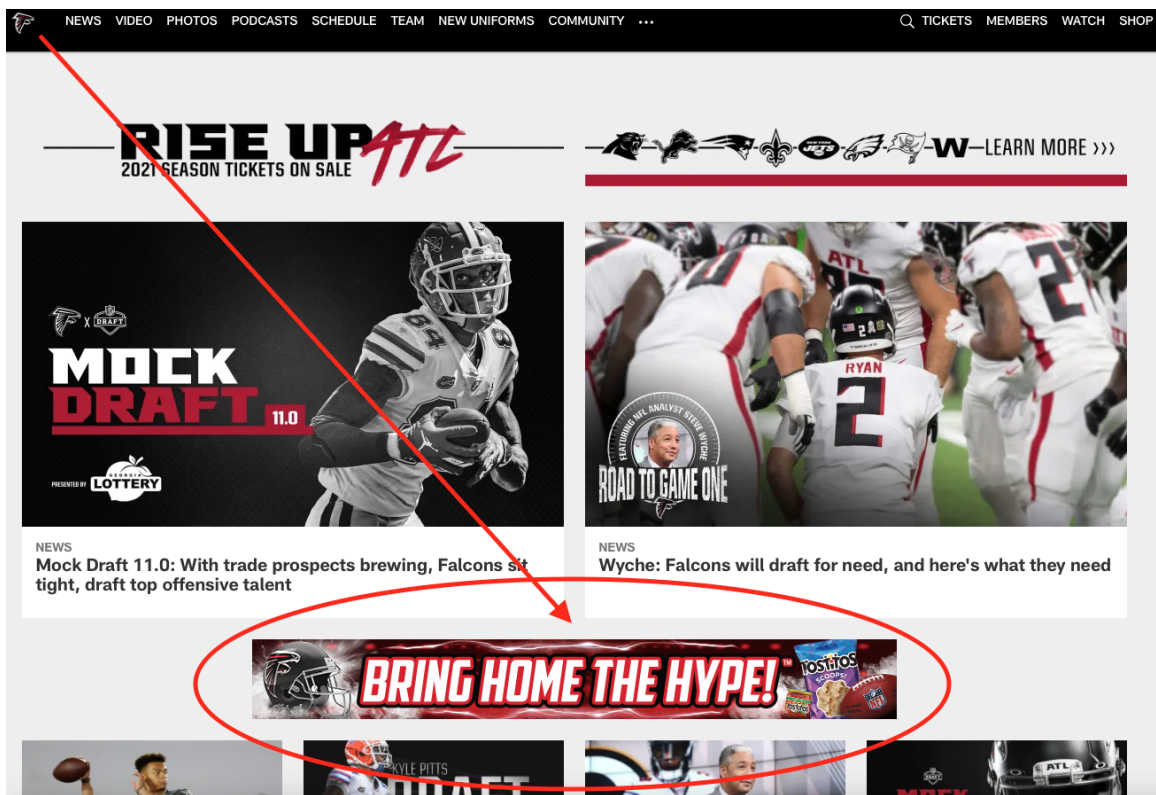
An advertisement that appears on digital media platforms would be considered online or digital advertising. This could include:

- Banner ads, pop-ups, videos etc.
- Digital broadcasts / streaming
- Social media channels
- Podcasts



The Atlanta Hawks' website features a pop-up advertisement encouraging fans to buy tickets to an upcoming game while State Farm Insurance receives advertising exposure as a sponsor of the franchise (source: <https://www.nba.com/hawks>)

<sup>39</sup><https://www.adweek.com/tv-video/fox-sells-out-super-bowl-in-game-inventory-fastest-market-in-9-years/2/>



The Atlanta Falcons' website features a clickable digital advertisement encouraging fans to visit a sponsor (Tostitos) website (source: <https://www.atlantafalcons.com>)

## Promotional Products

Promotional products would include “everyday” items displaying a company name or logo. Items like calendars, pens or magnets that are given away are considered to be promotional products.

## PUBLIC RELATIONS

Public relations (PR) are activities that promote the image and communications an organization has with its employees, customers and public. These activities influence the way fans, the media, and consumers perceive the organization. The proliferation of digital and social media platforms has made it more challenging for a sports organization to control and manage that messaging, making it even more important to have skilled professionals managing the organization’s public relations efforts.

It is the responsibility of the PR professional to effectively manage the conversation surrounding the organization. Today’s landscape features plenty of potential pitfalls that could generate negative publicity for an organization and create a PR crisis. From bad behavior from athletes off the field to issues like recruiting violations, drug use and the rising costs of tickets (and concessions and parking), PR professionals often face the stressful challenge of shifting the public perception of the organization they work for. PR professionals must also effectively communicate all of the positive work an organization puts forth into the community, like team-initiated efforts like toy-drives around the holidays or donations to local food shelters.

# HOW ARE ADVERTISEMENTS MADE?

Advertisements are typically made in-house or through an agency.

## In-House Advertising

### Why produce ads in-house?

- Creative control
- Can be cost effective from a production perspective
- Timing (can produce ads quicker than working with an agency)

## Advertising Agencies

There are predominately two types of agencies, full-service or specialty.

Full-service agencies offer a comprehensive set of expertise that can help develop advertisements for everything from out of home to television to digital and social. Specialty agencies can offer expertise in anything from social media marketing to PR.

### Why hire an agency?

- Expertise
- Time and personnel constraints
  - Cost effective (hiring a staff capable of producing effective ad campaigns is very expensive)
- “Fresh” / outside perspectives

### Agency Examples:

- Fox Sports contracts the Wieden + Kennedy ad agency to manage and oversee some of their advertising campaigns.
  - Until 2017, W+K had been the longtime ad agency of record for Fox Sports’ competitor, ESPN.
    - Wieden + Kennedy was responsible for the popular “It’s Not Crazy, It’s Sports” and “This is SportsCenter” ad campaigns for ESPN, addressing the culture of fandom in the sports industry.
      - Click [here](#) for a ranking of the top 25 “This is SportsCenter” commercials.
- Nike is another sports brand that contracts the Wieden + Kennedy agency
  - Wieden + Kennedy was responsible for the popular video featuring star soccer player, Ronaldo, for the 2016 Euro Cup, that generated nearly 70 million views and gave Nike’s brand a huge boost during a tournament where rival Adidas was the event’s official sponsor.
    - Click [here](#) to see the 5-minute video on Nike’s YouTube page.
    - Click [here](#) to read more from wk.com.
- In 2020, the New York Knicks contracted the ad agency Translation to guide the franchise through a rebranding effort with the goal of impacting how fans, and NBA free agents, perceive the team.



### ACTIVITY IDEAS

Ask students to play the role of an ad agency. Assign each student or group a sports or entertainment product or brand, along with some type of brief, and ask them to build a comprehensive advertising campaign. The campaign should include each of the elements identified in this lesson. Have them “pitch” their campaign to the class.



### INSTRUCTOR NOTES

The Super Bowl provides an excellent means for helping students gain a fundamental understanding of advertising and a fun way to introduce the concept in class. Check out USA Today's Ad Meter by clicking [here](#) to view all the Super Bowl commercials from 2021.

# Digital Marketing

## WHAT IS DIGITAL MARKETING?

**Digital marketing** can be described as actively promoting products and services using digital distribution channels as an alternative to the more traditional mediums such as television, print and radio.

Today's consumer is more cognizant of the marketing messages all around them, leaving them more likely to tune out advertisements or other forms of marketing communication. In the "golden age" of television, an advertisement on one of the big three networks could reach 70 percent of the viewing audience.<sup>74</sup> According to Seth Godin (author of *Permission Marketing*), today's consumer receives roughly one million marketing messages a year on average. Overwhelmed consumers have dozens of tools at their disposal for tuning out these marketing messages, such as:

- E-mail filters to block spam
- Digital video recorders (DVR) to skip commercials
- Caller ID to screen telemarketers
- Recycling direct mail pieces without opening them
- Ad-blockers on internet browsers

Business and marketing professionals refer to this abundance of marketing messages as "clutter." Clutter is a major problem for today's marketer. As consumer attention to traditional media channels wanes, social media and digital marketing can provide a more effective and efficient way to reach and engage consumers. As a result, brands are investing more than ever in digital strategies.

- At a sports marketing summit last year, a marketer at Volkswagen suggested they currently spend 35% of their marketing budget through online marketing channels but they'd like that number to be closer to 50% in the future (via dsmsports.net)
- According to Forrester Research, investment in digital marketing channels (paid search, display advertising, social media advertising, online video advertising and email marketing) will represent 46% of all advertising by 2021
- According to a report featured on adweek.com, the average U.S. adult now spends more than 11 hours each day—almost half the entire day—listening to, watching, reading or interacting with some form of linear or digital media

### What makes digital marketing effective?

- Targeted
  - One of most appealing attributes of digital
    - Easier to reach demographic, psychographic, geographic segments
    - Easier to segment based on lifestyle attributes etc.
- Measurable
  - Marketers can track things like reads, forwards, clicks, shares and likes
- Cost efficient
  - Compared to cost of print ad or commercials during most live game broadcasts, digital is a less expensive alternative
- Flexible and dynamic
  - Easy to adjust the ad, the messaging, the storytelling, the call to action (CTA)
  - For example, once you submit an ad for broadcast on ESPN radio, it is difficult to change the message
- Encourages consumer (fan) engagement

### Forms of digital marketing:

- Content marketing
- Viral marketing
- Apps
- Website marketing and email marketing
- Location based marketing
- Podcasts
- Social media marketing

## FORMS OF DIGITAL MARKETING

### Content Marketing

The Content Marketing Institute defines content marketing as a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, drive profitable customer action.<sup>40</sup>

Content marketing shows itself in many forms and can be distributed online through a variety of digital platforms:

- Blogs
- Videos
- Social media posts
- Websites
- Apps

For example, Jack in the Box quick-serve restaurants created an animated six-part web series featuring the Dallas Fuel, an eSports team to provide fans with behind-the-scenes access to their favorite players.

- Click [here](#) to see the first episode on Dallas Fuel's YouTube channel.
- Click [here](#) for a detailed look at the campaign from thedrum.com.

In 2019, Amazon teamed up with Starbucks to develop a sports documentary series featuring six one-hour episodes, airing as a Prime Video exclusive.

- Click [here](#) to see a trailer for the documentary.

### Viral Marketing

Viral content occurs when a piece of content is so engaging that it gets passed along without the support of any marketing or promotional campaign. The content is shared across online platforms in the form of memes, shares, likes, and forwards. Successful viral content is unpredictable and difficult to plan for. It must be organic and cannot be forced for it to be effective.

#### Examples of viral content:

- Remember the mannequin challenge? In just a few days after posting a response to the “Mannequin Challenge” on the team’s Facebook page, BYU Gymnastics’ video was viewed over 2.5 million times and was featured on ESPN’s website.<sup>41</sup>
  - Click [here](#) to visit the BYU Women’s gymnastics team Facebook page to see the video (which has now been watched over 7.5 million times).
- Two years ago, over 150 NBA players received customized potatoes in the mail as part of marketing strategy from Potato Parcel.

<sup>40</sup> <https://contentmarketinginstitute.com/what-is-content-marketing/>

<sup>41</sup> <https://www.deseretnews.com/article/865666619/UTubers-BYU-gymnastics-mannequin-challenge-viewed-23-millions-times-featured-on-ESPN.html>



- The savvy campaign quickly went viral as many players posted photos of their potatoes on social media, helping the message to spread like wildfire.
- Click [here](#) to see some of the custom messages sent to NBA players.
- In 2019, the Los Angeles Chargers had some fun with the announcement of the team's schedule, comparing upcoming opponents to different flavors of Pop-Tarts, complete with a corresponding box.
- The thread went viral and quickly became one of the most engaging social media posts of the year for the franchise as it received more than 20,000 likes, 5,500 retweets and 385 comments.
- Later that same day, the team posted a schedule-release video, which drew even more engagement, generating more than 1.4 million views on Twitter alone.

## User-Generated Content

**User-Generated Content (UGC)** encompasses the millions of consumer-generated comments, opinions and personal experiences posted in publicly available online sources on a wide range of issues, topics, products, and brands. UGC originates from:<sup>42</sup>

- Blogs
- Message boards and forums
- Social media
- Online opinion/review sites and services/ feedback/complaint sites

It is important for organizations to develop creative, quality content that will increase levels of consumer (fan) engagement. Quality content is defined by three characteristics:

1. **Distinctive**
2. **Engaging**
3. **Authentic – must be brand appropriate/relevant**

### Examples of quality content:

- It isn't enough to simply host a Facebook page, so many organizations develop creative ways for engaging fans by creating opportunities to engage with them.<sup>43</sup>
  - Phoenix Suns fans can have their picture taken by Suns personnel at a game and retrieve it for free on the team's Facebook page.
  - The Los Angeles Lakers provided a virtual tour of the team's locker room for their fans on Facebook.
  - Vancouver Canucks fans could play a virtual hockey game on the team's Facebook page to win prizes and coupon vouchers.
  - Racing fans can test their NASCAR IQ via quizzes and polls featured on NASCAR's Facebook page.
- A 12-year-old found a "Tony Hawk" customized Taylor guitar hidden at a local California restaurant during the annual "Hawk Hunt", a scavenger hunt hosted by skateboarding legend Tony Hawk via Twitter where his 4 million followers keep track of hundreds of clues sent out by Hawk and his helpers.<sup>44</sup>
- Click [here](#) for a YouTube video of the fan who found an autographed skateboard as part of his 2019 scavenger hunt contest in Houston via KPRC's YouTube channel.

<sup>42</sup> <http://www.nielsenbuzzmetrics.com/cgm>

<sup>43</sup> <http://www.thebusinessofsports.com/2011/06/14/50-ways-sports-teams-fans-can-engage-fans-on-facebook>

<sup>44</sup> <http://www.10news.com/news/tony-hawk-wraps-up-global-hawk-hunt-12-year-old-finds-guitar-at-del-mar-restaurant-040813>



## Website Marketing

Sports teams use their website for a host of marketing functions:

- Ticket sales
- Sponsorship sales
- Merchandise sales
- Additional revenue streams (advertising sales)
- Community relations
- Player/staff fan connection (blogs, chats etc.)
- Additional promotion

Website marketing could also include:

- Search advertising
- Affiliate advertising
- Native advertising – sponsored content that is meant to look like editorial
- Retargeting
  - Retargeting is an advertising strategy that involves putting a brand's ads in front of people who previously browsed its products or services without making a purchase.
  - For example, have you ever noticed an ad pop up while you were browsing the internet for something you recently shopped for but did not purchase?
- Email advertising

## Mobile Marketing

**Mobile marketing** represents an area of massive potential growth. According to data from Statista, mobile advertising spending worldwide amounted to \$223 billion in 2021 and it is expected to surpass \$339 billion by 2023. Compare that to the \$7 billion that was spent in 2011 on mobile advertising.

- 81 percent of smartphone users have done product research from a smartphone, and 50 percent have made a purchase via their phone.<sup>45</sup>
- 70% of NFL fans are consuming NFL content on a 2nd screen while watching games.<sup>46</sup>
- The NBA has over 1.5 billion followers through social media platforms, most of which consume league-branded content through mobile devices.
- Considering just 1% of these fans will ever attend a game live, in-person, developing effective mobile marketing strategies becomes paramount.<sup>47</sup>
  - Mobile marketing
    - The NBA enlisted former NBA/WNBA players to help educate fans about environmental issues by encouraging fans to text the word "TIMEOUT" to 49767 on their mobile phones
      - Once signed up, fans received messages from former NBA/WNBA players with tips on saving energy at home.<sup>48</sup>
    - The Atlanta Symphony continues the tradition of introducing members of the ASO to the audience with an evening-long live, on-site broadcast of the concert on large 15'x20' screens, which are permanently affixed on either side of the stage. The live feed will include a pre-concert show, as well as live intermission. interviews of guest artists and musicians from the Orchestra, fueled by text-message questions sent by the audience the night of the concert.<sup>49</sup>

45 <http://www.forbes.com/sites/cherylnappconner/2013/11/12/fifty-essential-mobile-marketing-facts/>

46 <http://mobilemarketingmagazine.com/2016-rio-olympic-mobile-sponsorship/>

47 <http://www.sportsvideo.org/2017/05/02/nba-fan-engagement/>

48 <http://www.sportsbusinessdaily.com/Journal/Issues/2017/04/17/Opinion/Hershkowitz.aspx?hl=SMS&sc=0>

49 [http://www.fayettefrontpage.com/arts/09/7-9-09\\_aso-july11.html](http://www.fayettefrontpage.com/arts/09/7-9-09_aso-july11.html)



### ACTIVITY IDEAS

Ask students to choose a sports or entertainment product or service (ranging from a favorite team to an athlete or entertainer) and create TWO mobile campaigns to help promote the brand. Ask them to create a PPT presentation that incorporates as many details on both campaigns as possible.

## Apps

Over 180 billion apps have been downloaded from Apple's online "apps" store, an increase of 80 billion apps in just two years. Today, nearly all sports and entertainment industry properties offer branded apps loaded with features and content. Apps also provide functionality, like ESPN's Fantasy Football app that allows users to manage their fantasy football teams anywhere or anytime from the palm of their hand.

### App Statistics:

- Already the best-selling sports app in history, Major League Baseball's "[At Bat](#)" app sold a record 5 million paid downloads before the 2015 season even started.<sup>50</sup>
- The highest-grossing sports app, a record seven straight years, At Bat unveiled a 2016 MLB Opening Day update that [included](#) a "multitasking" feature along with picture-in-picture streaming.
  - [TechCrunch](#) reported that the added capabilities resulted in a significant increase in consumption.
  - Fans spent an average of 162 minutes per day with the MLB.TV iPad app during the first two weeks of the season.
  - That represents an incredible 86 percent increase from the 2015 season.
- With the "Fandango" app, users can watch film trailers, find showtimes, buy tickets and get directions to the theater, all from their mobile device.
- With apps like Zippo's "concert lighter", cell phones have become the new lighters for today's concert goers (the app has been downloaded over 15 million times).

Apps help sports and entertainment properties to connect with and engage with their respective fan bases, while creating opportunities to generate revenue.

- In 2019, Major League Soccer rolled out a massive app update, with new features that featured ticketing, merchandise, and fantasy integrations.
- According to [SportTechie](#), the app placed an emphasis on providing opportunities for fans to personalize their experience.
  - MLS launched an ad campaign last year called "Pick Your Colors." That has now evolved into "Live Your Colors" to highlight the fact fans can customize features depending on their favorite club, all within the app.
  - Click [here](#) to read more about Major League Soccer's mobile strategy from sporttechie.com.
- According to [Sports Business Journal](#), NASCAR also introduced a new, updated app last year with several new features, including unique augmented reality integrations, in-app microtransactions and expanded, exclusive in-race video content along with "NASCAR RaceView", which provides fans with real-time, 3D virtual re-creations of every race and offers fans ride-along opportunities using in-car HD cameras and audio.

<sup>50</sup> <http://sportsvideo.org/main/blog/2015/04/mlbams-mlb-com-at-bat-app-passes-5m-downloads-mark-adds-apple-watch-support/>



### ACTIVITY IDEAS

Have students pick their favorite sports team, league, athlete, or celebrity. Have them re-design a new app for that brand and present their app ideas in class. What features will they offer? What exciting, unique tech might be included? How do fans benefit from using the app? How might the brand monetize the app?

## Location-Based Marketing

Location-based marketing describes the practice of using technology to send messages or alerts to consumers through their mobile devices once they enter a predetermined geographic location or area, otherwise known as a geofence. The geofenced region could be anything from a specific department in a store, to an area where an event is being held, to a specific neighborhood or an entire city.

### Location-based marketing examples:

- Using iBeacons (Apple's Bluetooth, location-based technology), sports teams are better equipped to provide customized notifications (ranging from special offers to trivia) to fans using mobile devices at stadiums around the country.<sup>51</sup>
  - According to a story from [cnet.com](http://cnet.com), last season the Golden State Warriors became the first NBA team to use iBeacons (over 20 Major League Baseball stadiums are already outfitted with the technology), using them to send four specific types of notifications -- a welcome message; offers to upgrade to better seats; special concession deals; and promotions for the team store.
- The Miami Dolphins use iBeacon technology and location-based triggers to advertise food and merchandise specials to fans.
  - According to [Venuetize](http://Venuetize), the Dolphins were able to generate \$184,933 in incremental revenue from the offers last season and reported that Beacon-only advertised items had an average transaction that was 87% higher than non-advertised merchandise.
- Beacon technology is now [utilized](#) in 93% of MLB parks, 75% of NFL stadiums and 47% of NHL arenas
- MLB is experiencing triple digit increases in numbers of fans checking-in through the league's mobile app where targeted messages, offers and special promotions are communicated to fans at ideal times, increasing the likelihood of spontaneous concession and merchandise purchases.
- According to the [Sports Business Journal](#), the Utah Jazz's new mobile app uses beacon technology to track fans and send notifications to them on deals and promotions while venues like Citi Field and Oracle Park also use beacon technology to communicate specialized concessions, merchandise and ticket offers to fans.
- According to [Engadget](#), at Super Bowl 53 in Atlanta, Nike used geofencing to send push notifications relating to limited-edition sneaker releases to anyone within a 25-mile radius of downtown. The brand also used similar location-based tools to allow anyone in the Nike 'SNKRS' pop-up store to unlock access to different products.

## Podcasts

Podcasts are booming in popularity. In 2020, data from [Edison Research](#) estimated that 80 million Americans – 28% of the U.S. 12+ population – are now weekly podcast listeners, a 17% increase over 2020. That number is expected to climb to 125 million in 2022. As the number of podcast listeners increases, so too will ad spending. [IAB Pricewaterhouse Coopers](#) estimated podcast ad spend was \$800 million in 2020, and will more than double to \$1.7 billion by 2024.

- The NHL's league website (nhl.com) features a podcast page which includes podcasts of its NHL radio show ("This Week in the NHL") and podcasts for individual teams in both audio and video format (the Minnesota Wild podcast

<sup>51</sup> <http://www.engadget.com/2014/03/28/san-francisco-giants-mlb-ibeacon/>

show is referred to as the “podcast”, St. Louis Blues have a “BluesCast”, Washington Capitals have a “Caps Report” etc.)<sup>52</sup>

- The UFC launched a twice-a-week podcast that features UFC President Dana White, its fighters and celebrity fans, a platform that has helped the league’s explosive growth
- Despite not ever having played in Mexico, the NFL’s Denver Broncos are determined to establish a loyal fan base in the country, an effort that began in 2016 as the organization discovered its largest concentration of Hispanic fans outside of Colorado was in Mexico, particularly around Mexico City, according to a Front Office Sports [report](#).
  - In 2020, the Broncos launched a Spanish-language podcast, hosted by the team’s Spanish radio partner’s broadcaster, which the franchise expects will play a significant role in helping the team to reach more fans in Mexico
- In 2021, the trading card company Panini leveraged their sponsorship of the NBA by featuring 1-on-1 interviews with 10 players immediately after they were selected during the NBA Draft as part of the brand’s “Going Direct” [podcast](#).

## Social Media Marketing

- Social media can also have a profound impact on team and league sponsorship strategies.
  - According to a 2019 MVP Index report, the NBA’s collective social media footprint during (includes team and league accounts) collectively generated more than \$1.1B of value for brand partners last season, up 20% from the ’17-18 season. By comparison, the NFL last season generated \$343M in brand value, the second-highest social media value among the top leagues, according to the [report](#).

Social media describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact online. Harnessing the power of social media and using it as a marketing tool has become a top priority for sports and entertainment properties across the globe because it offers an effective means for connecting with and engaging with their fans.

Social media is still experiencing rapid growth, presenting unlimited potential for marketers.

- Today, nearly two-thirds of American adults are engaged via social media platforms, with nearly all reporting they utilize social media as a source for news.
- 81% of sports fans prefer to go online for game updates and sports news, giving sports and entertainment brands huge opportunities to engage and interact with consumers.<sup>53</sup>
- A research project conducted by Catalyst Public Relations in conjunction with the Sports Business Journal revealed that 61% of MLB fans and 55% of NFL fans consider themselves bigger fans after they began following their teams through social media outlets.<sup>54</sup>

Why is social media important to a sports or entertainment marketer? Statistics show the likelihood of a consumer making a purchase increases when the user has a social connection with a brand or its products (social activities such as sharing and recommendations drive sales, and fans of brands are 51 percent more likely to buy than non-fans).<sup>55</sup>

- Click [here](#) for an infographic that examines the relationship between social media and consumer spending habits

### Social media serves a variety of purposes:

- Social networking
- Photo sharing
- Video sharing
- News source
- Blogs
- Professional networking

<sup>52</sup> <http://www.engadget.com/2014/03/28/san-francisco-giants-mlb-ibeacon/>

<sup>53</sup> <http://www.godigitalmarketing.com/learn/blog/why-sports-fans-love-social>

<sup>54</sup> <http://www.sportsbusinessjournal.com/article/66338>

<sup>55</sup> [http://www.mediabistro.com/alltwitter/social-research-revenue\\_b46843](http://www.mediabistro.com/alltwitter/social-research-revenue_b46843)

### Benefits of social media marketing:

- Cost effective
- Wide reach
- Creative opportunities
- Adds perceived value
- Measurable
- Boosts engagement
- Data / analytics (learn more about your customer)

## Social Media is Cost Effective

Social media is cost effective, particularly when compared to traditional broadcast media. Implementing and tracking marketing campaigns is more economical than other traditional channels like direct mail.

## Social Media Has Wide Reach

One of the greatest benefits to social media for any marketing professional regardless of industry is that it allows an organization to reach a massive audience.

Social media platforms measure their reach through a variety of metrics, but one of the most popular performance indicators is monthly active users (MAU). Facebook, for example, defines a monthly active user as a “registered Facebook user who logged in and visited Facebook through our website or a mobile device, used our Messenger app (and is also a registered Facebook user) or took an action to share content or activity with his or her Facebook friends or connections via a third-party.”

**DAU** meaning **Daily Active Users** - is typically used for businesses where users are expected to interact on a daily basis (eg. email, calendar, games)

**WAU** meaning **Weekly Active Users** - is typically used for businesses with weekly frequency (eg. forums and social communities, mobile apps, productivity & analytics tools).

**MAU** meaning **Monthly Active Users** - is typically used for B2B apps where users are expected to interact a few times a month or less (eg. accounting & bookkeeping software).

According to [Search Engine Journal](#), these are the top 10 most popular social media platforms by most active monthly users (a metric used to count the number of unique visitors to their sites each month):

#### 1. Facebook: 2.7 billion

- Facebook is by far, the largest social networking platform.
- India has the [largest number](#) of users at 310 million, followed by the U.S. with 190 million and Indonesia with 140 million.
- 86% of internet users with \$100k+ income use Facebook.
- 73% of U.S. Facebook users log in daily and more than 8% of Americans get their news from the platform.

#### 2. YouTube: 2 billion

- 1/3 of all people on the internet use YouTube; 90 percent of consumers say they discover new brands and products through YouTube.
- More than 500 hours of video uploaded every minute to YouTube.
- 74% of adults in the U.S. use YouTube.
- According to Pew Research, YouTube is the most popular online platform in America.
- eMarketer predicts the number of U.S. YouTube watchers will increase to 228.1 million by 2024, up from 214.9 million in 2020.

3. **Whatsapp: 2 billion**

- Unlike Facebook and YouTube, they are classified as a platform for messaging, chat, and/or calls.

4. **Instagram: 1.16 billion**

- Instagram is the most engaged network after Facebook and 71% on the app are under the age of 35.

5. **TikTok: 689 million**

- TikTok is available in over 150 countries and TikTok users spend an average of 52 minutes per day on the platform.

6. **Snapchat: 433 million**

- 90% of Snapchat users are 13-24 years old.

7. **Reddit: 430 million**

- 542 million monthly visitors, ranks as the No. 6 most visited website in the U.S. and No. 21 in the world.

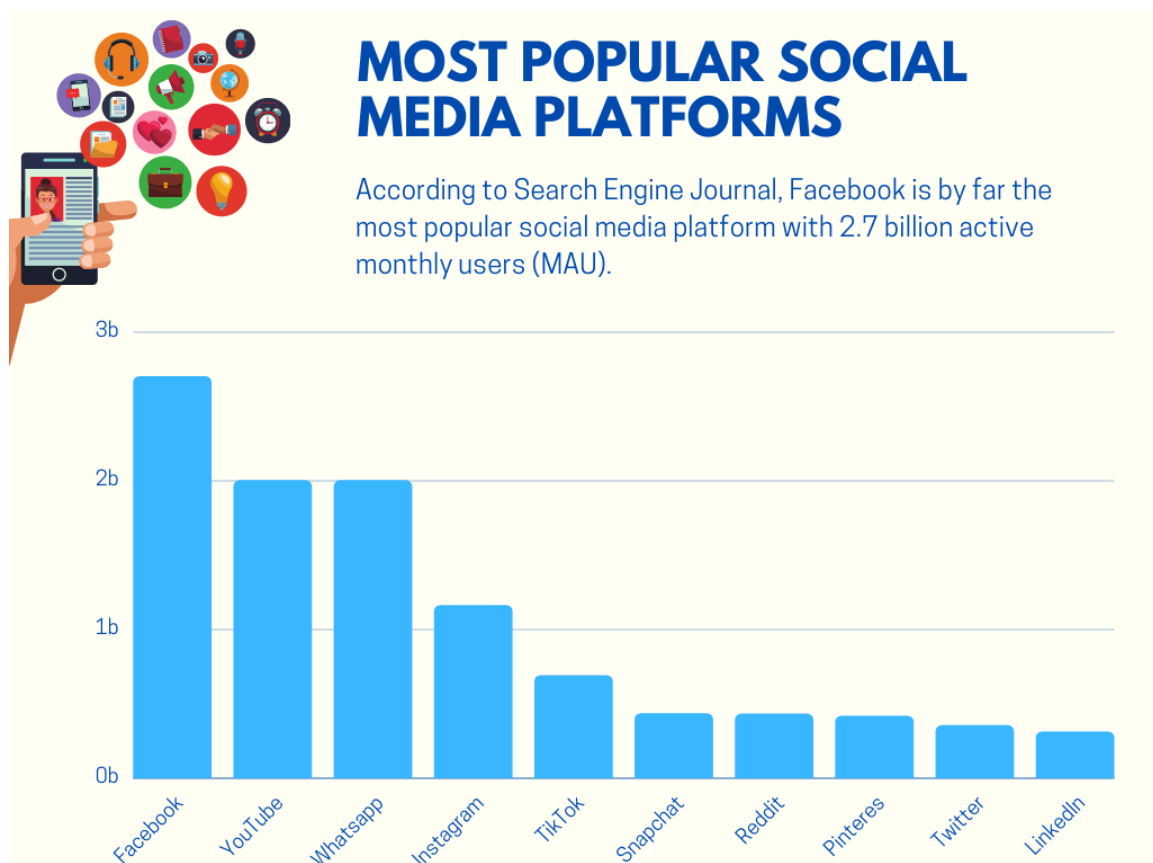
8. **Pinterest: 416 million**

- 75% of Pins saved come from businesses.

9. **Twitter: 353 million**

10. **Linkedin: 310 million**

- 1 in 3 professionals in the world is on LinkedIn.



## Social Media Offers Creative Opportunities

Digital marketing affords sports and entertainment properties the opportunity to be more creative than ever with their promotional efforts.

- For example, as part of its digital marketing campaign, the University of Oregon partnered with [YourMoji](#) to launch a custom emoji keyboard allowing Duck fans to share custom emojis, stickers and GIFs via social media.
- Twitter released a line of new emojis prior to a match between popular soccer clubs Real Madrid and Barcelona.
  - This single match generated \$40 million in media value annually for sponsors, with \$5 million coming from social media alone (according to [thedrum.com](#)).

## Social Media Adds Perceived Value

Social media also provides a platform for sports and entertainment properties to introduce unique and “exclusive” content in an era when fans continue to demand more access to their teams, athletes and celebrities.

- Sony Pictures customizes a wide variety of social media ads as part of their movie marketing strategy, helping them to engage and interact with specific target audiences and drive video view
  - Click [here](#) for a story from cio.com explaining why Facebook is a key to Sony’s movie marketing success.

## Social Media is Measurable

Social media encourages fan interaction and engagement levels previously unavailable to sports and entertainment marketers and in a medium that allows for properties to measure results.

- For example, the Los Angeles Dodgers generate an average of 25,805 likes per Instagram post (according to [newswhip.com](#)).

Because it provides such a powerful medium for connecting with fans, athletes, celebrities, leagues, teams, events and corporate sponsors are all shifting the focus to digital marketing strategies as they compete for attention in the social media space.

- Among sports properties internationally, FC Barcelona is the most popular on social media with 321 million followers across platforms, and more than 213 million views on its YouTube channel alone last season.<sup>56</sup>
  - Click [here](#) for more staggering figures on the soccer club’s social media following.

## Social Media Offers Data & Analytics

Social media can help sports and entertainment properties learn more about their customers.

- Click [here](#) to read about Hurley’s wildly successful Twitter campaign that helped them discover more about their target consumer (while reaching over 15 million people).

## Social Media Boosts Consumer Engagement

Consumer engagement is a critical component to any successful marketing campaign. Social media can help a sports or entertainment organization to increase levels of engagement.

- Named Sports Business Journal’s “Best in Sports Social Media” in 2020, the NWSL’s [Orlando Pride](#) launched a superfan (or “Stan”) account during 2020 Challenge Cup, despite not being able to participate in the tournament (the team withdrew from the competition after several players and staff members tested positive for COVID-19).
- Pride social media channels utilized [memes](#), [GIFs](#) and [in-house produced content](#) to highlight and cover each of the 23 matches of the tournament, from opening game to the championship.

<sup>56</sup> <http://www.forbes.com/sites/kurtbadenhausen/2016/07/14/fc-barcelona-ranks-as-the-top-sports-team-on-social-media/#31b7778b49a1>

- The Pride finished atop the league in both Twitter engagements (93,940) and brand value (\$125,449), according to Zoomph.
- Additionally, the Pride finished second in Facebook engagement (23,263) and top in engagement rate (5.87%) on the platform,
- and second overall in Instagram engagements (344,594).
- During the 17 day tournament period, the Pride accounts totaled over 1.5 million engagements across Twitter, Instagram and Facebook, a social media reach of nearly 12 million and over 16 million impressions on Twitter.

## SOCIAL MEDIA APPLICATIONS IN SPORTS AND ENTERTAINMENT

Application of social media marketing on popular social media platforms include:

### Facebook

With 2.7 billion users, Facebook is by far the largest social networking network. Because of the high volume of users, the platform offers sports and entertainment organizations flexibility in how they engage with fans.

#### Facebook Examples:

- The marketing staff at Oregon State University used information collected on the Beaver's Facebook page from "friends" to contact them in an attempt to increase the donor base. People from 20 countries are now represented on OSU's page, 92 percent of them are younger than 44 and 58 percent are 18-24, providing a much greater reach than traditional donor marketing campaigns.<sup>57</sup>
- For its midseason showcase, the Winter Classic, the NHL partnered with NBC to conduct a Watch-and-Win promotion on Facebook where fans were asked to register at the league's Facebook page. During the game, names of selected winners would appear on the TV screen. Those fans would then receive phone calls from NHL staffers with questions related to the Winter Classic game. Prizes including a Honda CR-Z and a trip to the NHL All-Star Game were awarded for correct answers. The effort helped boost awareness and usage of the NHL's Facebook page, now with more than 3.8 million fans. The game on TV also grew to an average audience of 4.5 million viewers, the largest draw for a regular-season NHL game since 1975.<sup>58</sup>
- The Boston Celtics created the "[3-Point Play](#)", a Facebook game where fans picked three Celtic players and predicted a specific statistic for an upcoming game. Points were then awarded based on accuracy and the risk level of a fan's picks. After each game, the top-scoring fan won tickets to an upcoming home game.
  - The Celtics added 85,000 Facebook fans and sold \$200,000 in tickets as a result of the promotion.<sup>59</sup>
- Soccer star Cristiano Ronaldo posted a [video](#) on his Facebook page of him playing soccer in disguise on the streets of Madrid; the video quickly went viral, racking up nearly 10 million views and 750,000 "likes" in just ONE DAY and generating a lot of publicity for his partnership with Monster headphones.
- To encourage soccer fans to explore its packages to attend the 2022 World Cup, Qatar Airways [launched](#) an augmented reality (AR) experience that provided consumers the chance to play a football game where they are required to 'Blink to Score'.

<sup>57</sup> [http://www.gazettetimes.com/articles/2009/06/28/beavers\\_sports/top\\_story/1osu01\\_tech062809.txt](http://www.gazettetimes.com/articles/2009/06/28/beavers_sports/top_story/1osu01_tech062809.txt)

<sup>58</sup> <http://www.sportsbusinessdaily.com/Journal/Issues/2011/08/01/In-Depth/Social-media.aspx?hl=facebook&sc=0>

<sup>59</sup> <http://sportstwitterverse.wordpress.com/2012/03/05/three-teams-three-leagues-three-social-media-lessons>





## Twitter

Twitter is a popular platform in sports and entertainment because it allows for the user to control the dialogue without any filter, creating a direct line of communication between the athlete, celebrity or sports/entertainment property and the fan.

Nearly all NBA players are on Twitter, including almost all the game's biggest stars providing a platform for them to communicate with fans and grow their own individual brands.

- While NBA All-Star Damian Lillard uses [Twitter](#) to announce release dates for his adidas signature sneakers, he also engages with the community.
  - Last year, Lillard announced on Twitter that he will be giving away free sneakers to kids in the Portland area.
  - Lillard visited a local park in a U-Haul to distribute pairs of his sneakers to local youth, then stayed to sign autographs.
  - Twitter also provides a platform for Lillard to enhance his personal brand, including promotion of his side-career as a hip-hop artist.

What makes for an effective tweet? Sports Networker's Twitter sports marketing guide analyzes the top twitter users in sports (teams like the Lakers and Real Madrid who enjoy the highest follower counts on Twitter) and offers five key steps for marketing a brand and interacting with fans.<sup>60</sup>

1. **When in Doubt, Tweet**
2. **Respect the Fan**
3. **Use the Resources You Have**
4. **Follow Back and Listen**
5. **If it isn't Broken, Don't Fix it**



### INSTRUCTOR NOTES

Wendy's turned to Twitter to reach fans during March Madness. They packaged the results of their marketing campaign as a case study which provides a great opportunity to discuss social media campaigns in class. Click here to review the Twitter / Wendy's / March Madness case study.

## YouTube

Not only is YouTube the most popular video platform on the planet, videos themselves are highly shareable. Video can easily be shared, with an extremely wide reach, in a way that does not necessarily require a massive marketing budget. However, with reportedly [more than 500 hours](#) of video uploaded to the platform every minute of every day on average, creating compelling content to be shared on YouTube is critical for sports and entertainment organizations to find success with their marketing..

- The Vancouver Whitecaps took full advantage of YouTube by launching a "[30-Day Countdown](#)" marketing initiative that featured thirty consecutive days of viral videos introducing the team to the city of Vancouver, decorating landmarks, interviewing celebrities, displaying 3D billboard projections, and more.<sup>61</sup>
- JK Rowling took to YouTube to create buzz prior to her Pottermore [announcement](#) on the Harry Potter YouTube channel by placing an interactive placeholder which featured a collection of owls that refused to budge, shaking their heads if touched — referring to the teaser line, "The owls are gathering... Find out why soon."<sup>62</sup>
- Rolex, in support of its long and storied relationship with Wimbledon, launched a "[Golden Moments at Wimbledon](#)" channel on YouTube.

<sup>60</sup> <http://www.sportsnetworker.com/2010/07/23/twitter-sports-marketing-guide>

<sup>61</sup> <http://www.partnershipactivation.com/headlines/2011/3/27/the-whitecaps-generate-fan-excitement-for-their-season-launch.htm>

<sup>62</sup> <http://www.brandchannel.com/home/post/2011/06/23/Harry-Potter-Pottermore.aspx#continue>

- The Harlem Globetrotters have successfully created a connection with fans by creating memorable content on their [YouTube](#) channel, including a clip of one of their players dunking a basketball without jumping (which has garnered over 4 million views already). They later added an interactive element by challenging fans to the "World's Largest Game of H.O.R.S.E." Fans were encouraged to submit video of their best trick shots and would later be attempted by a Harlem Globetrotter player. "Letters" were awarded weekly, based on fan voting, and prizes were distributed accordingly.<sup>63</sup>

## LinkedIn

Many sports and entertainment business professionals utilize LinkedIn, not only as a networking and recruiting tool, but also as a means for exchanging ideas and information and tracking current industry trends.

- Last season, 21 NBA teams used LinkedIn's Sales Navigator as a tool to help sales executives connect with people that presented potential selling opportunities.
  - According to [Sports Business Daily](#), the initiative helped the league achieve an impressive 80% season ticket renewal rate.



### STUDENT CERTIFICATION OPPORTUNITY

Want to network with sports industry professionals? Consider earning a sports marketing certification, a joint initiative between Ohio University and Sports Career Consulting, by enrolling in our Business of Sports Certification course today! Earning your certificate will unlock a variety of benefits, including opportunities to connect with sports industry experts on LinkedIn. Click [here](#) to learn more.

## Instagram

In 2012, [Major League Baseball](#) became the first professional sports league to have every single one of their franchises on Instagram while creating web-based versions of their Instagram feeds so fans could view photos from the league and their favorite teams online. Just one month into the 2012 season, there was already a 400% increase in Instagram photos posted from big league parks compared to the entire 2011 season when more than 40,000 photos of ballparks were posted.<sup>64</sup> By 2021, Major League Baseball had 7.6 million followers with thousands of ballpark photos being posted every day.

In entertainment, Dwayne "The Rock" Johnson tops the list of 'most followed' on Instagram (as of August 2021) with 251 million followers (he gained 58 million new followers from the previous year), with Ariana Grande (249 million) in a close second, with Kylie Jenner (245 million), Selena Gomez (241 million) and Kim Kardashian (232 million) rounding out the top five.

Such a large following provides each celebrity with an efficient means for communicating with fans while continuing to build their brands and providing value for their sponsors.

For example, According to Zoomph, Dwayne "The Rock" Johnson generated over \$6.9 million in impression value for Under Armour on social media in 2019, putting him number one on their Top 10 Brand and Athlete Partnerships [report](#).

- Click [here](#) to see a list of celebrities with the highest number of Instagram followers.

## Snapchat

Snapchat, with its augmented reality feature, allows for sports and entertainment organizations to launch creative and innovative promotions. A/R features also help to boost levels of engagement.

<sup>63</sup> <http://www.cbcbankarena.com/default.asp?cbba=65&objId=120>

<sup>64</sup> <http://mashable.com/2012/05/31/instagram-baseball-infographic>

## Snapchat Examples:

- The NBA launched its first Snapchat initiative by highlighting the 2014 Sprite Slam Dunk contest through the popular app.
- Gatorade created a Snapchat filter for the 2018 Super Bowl that allowed fans to pose in front of their camera as an animated cooler of the sports drink was dumped over the user's head, virtually replicating one of the most iconic celebrations in sports history.
  - According to [Digiday](#), the strategy led to 160 million impressions for the brand, more than the 115 million people who tuned in for the game.
- The Los Angeles Rams unveiled their new uniforms in 2020 through augmented reality via Snapchat
  - According to [Adweek](#), Snapchatters in selfie mode were able to see AR renderings of themselves wearing the new Rams uniforms as well as decide whether or not to be depicted wearing helmets.
  - With the camera facing forward, in world mode, users saw former Rams quarterback Jared Goff and star defensive lineman Aaron Donald in AR.
- In 2020, rock band Pearl Jam [introduced](#) a new song called 'Superblood Wolfman' from their upcoming album 'Gigaton' by encouraging fans to point their cellphones at the moon to unlock access to the track.
- Snapchat celebrated the 2020 Olympics with the introduction of a "Train like an Olympian" AR filter, encouraging fans to stay active using Snapchat's body-tracking technology
  - Users will have to complete three exercises before the time runs out and Snapchat will reward them with a virtual firework display at the end of the workout.
  - According to a recent [global survey](#), Snapchat found that about 30% of Snapchatters use Lenses and post to their Story while watching sports, while 48% send direct Snaps or Chats to their friends while in the middle of a game.

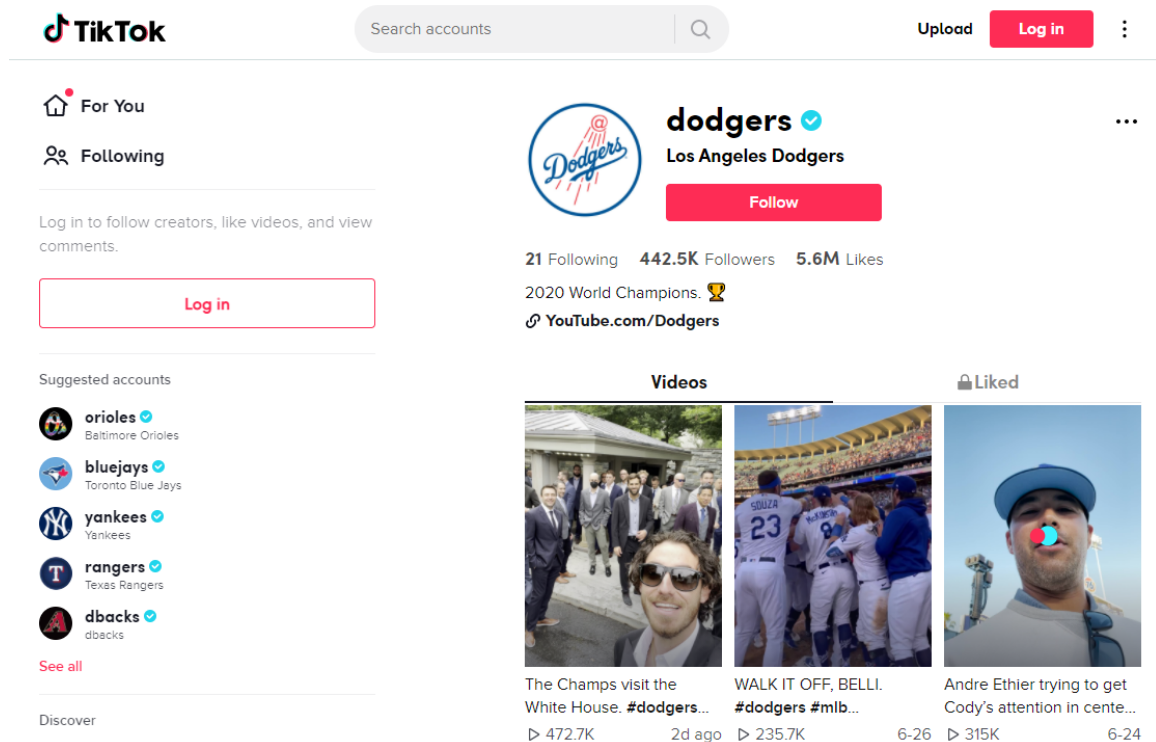


During the 2021 Australian Open, Serena Williams delivered for her sponsors. With more than 30 million followers across Instagram, Twitter and Facebook, the tennis legend continued to generate millions of dollars in media value through social media.

As TikTok continues to explode in popularity, many sports and entertainment brands are trying to figure out how to utilize the platform to help reach and engage with fans. Just two years ago, the [Los Angeles Dodgers](#) became one of the first teams to open a team branded TikTok channel, accumulating more than 330,000 likes by the All-Star break. In just two years on the platform, the team had amassed nearly 450,000 followers that generated 5.6 million likes.

Today, most professional sports teams offer team-branded TikTok channels. Like other social media platforms, TikTok offers an opportunity to reach an international audience.

One of the goals for the Las Vegas Knights when they launched the team's TikTok channel was to reach fans all over the globe. The team's Chief Marketing Officer said in a [statement](#): "We are thrilled to add a TikTok channel to our social media arsenal. This platform will help us reach an exciting young audience and provide them with behind-the-scenes access to our players and organization. Furthermore, the global reach of TikTok will help us in our commitment to reaching fans across the globe as part of our VGK Worldwide initiative."



## Comprehensive Social Campaigns

Sports and entertainment organizations must continue to expand their social presence by creating access points for consumers across multiple social media platforms.

Many NHL teams have partnered with the website [www.beardathon.com](http://www.beardathon.com) to help raise money for their team charity as a way to piggyback on a longstanding NHL tradition where players do not shave during the playoffs. The "beard-a-thon" integrates a number of social media elements, including [Twitter](#), [Pinterest](#), [Facebook](#) and even a Facebook [app](#) that allowed those unable to grow facial hair the opportunity to participate through augmented reality. The beard-a-thon effort has raised over \$3 million for charities over the past six years.<sup>65</sup>

Taking it a step further, the Boston Bruins launched a unique "network" (called the [DEN page](#)) to serve as a portal to all the team's social media efforts, from Facebook to Pinterest, a gateway to its mobile app, and a home for video and other digital content offerings (the site attracts more than 2.5 million fans every month).<sup>66</sup>

<sup>65</sup> <https://www.nhl.com/news/beard-a-thon-returns-for-2015-stanley-cup-playoffs/c-763238>

<sup>66</sup> <http://mashable.com/2012/03/26/boston-bruins-digital-entertainment-network>



### DISCUSSION TOPICS

Digital marketing has proven to be an incredibly effective tool for sports and entertainment business professionals. However, it does present some challenges, including the identification of which mediums are reaching the most fans and which platforms provide the highest levels of engagement.

For example, Google+ never really gained much traction as a threat to Facebook, yet nearly every sports or entertainment property launched G+ pages. In fact, some teams still have a Google+ page. Vine was one the most popular social media apps, yet was shut down after just a few years and re-branded as “Vine Camera.” With so many social platforms available and new applications being introduced frequently, sports and entertainment business professionals must determine where to focus their digital marketing efforts.

Ask students which social media platforms they use to follow their favorite teams, athletes or celebrities. Ask if they think those should be the platforms utilized by all sports and entertainment organizations and what their social media strategy would be if they were responsible for social media marketing for a sports or entertainment company.



### INSTRUCTOR NOTES

Now would be a great time to introduce the “Digital Marketing” project, located in the Unit 4 folder.

## UNIT 4 KEY TERMS DEFINED:

**Advertising:** Any paid, non-personal form of communication by an identified company

**Demographics:** Information that provides descriptive classifications of consumers.

**Exchange Process:** Marketing transaction in which the buyer provides something of value to the seller in return for goods and services that meet that buyer's needs or wants.

**Geofence:** A predetermined geographic area where advertisers can send messages or alerts to consumers through their mobile devices once they enter that location.

**Market Segmentation:** The process of identifying groups of consumers based on their common needs.

**Marketing Concept:** The view that an organization's ability to sell its products and services depends upon the effective identification of consumer needs and wants and successful determination of how best to satisfy them.

**Marketing Mix:** Consists of variables controlled by marketing professionals in an effort to satisfy the target market.

**Niche Marketing:** Process of carving out a relatively tiny part of a market that has a very special need not currently being filled.

**Social Media:** Describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, media and to otherwise interact.

**Target Market:** Refers to people with a defining set of characteristics that set them apart as a group.