

# Student Notes Guide

## Unit 3: Sports & Entertainment Business Fundamentals

### OVERVIEW

Unit three offers an introduction to the basic business fundamentals that drive the sports and entertainment industry. Students will explore various industry segments while gaining an understanding of how sports and entertainment organizations generate revenue with the goal of achieving profitability.

### OBJECTIVES

1. Define and provide examples of sports and entertainment industry segments
2. Describe the concept of revenue and recognize its importance to a sports and entertainment organization
3. Explain how sports and entertainment organizations generate revenue
4. Describe the concepts of broadcast rights
5. Explain the concept of ratings
6. Define ancillary products
7. Define and understand the importance of product placement
8. Describe industry trends
9. Explain the concept of economic impact

### KEY TERMS

*Ancillary Product*  
*Broadcast Rights*  
*Economic Impact*  
*Entertainment Product*  
*Expense*  
*Gamification*  
*Industry Segment*  
*Industry Trend*  
*Metaverse*  
*Net Loss*  
*Net Profit*  
*Non-Fungible Token (NFT)*  
*Pop-up Store*  
*Product Placement*  
*Product Plug*  
*Promotional Tie-In*  
*Ratings*  
*Revenue*  
*Reverse Product Placement*  
*Royalties*  
*Supply and Demand*

### LESSONS

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## LESSON 3.1

# Industry Segments

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Define industry segments:

List ten examples of sports business segments:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

List ten examples of entertainment business segments:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

## LESSON 3.2

# Sports Business Fundamentals

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Define revenue:

Why is revenue important to any sport organization, regardless of segment?

How much revenue do sports organizations generate?

Identify five examples of how a professional sports team generates revenue.

1.

2.

3.

4.

5.

What are **broadcast rights**?

What is an example of exclusive coverage rights?

Why are broadcast rights important to sports and entertainment properties?

Why do broadcast companies invest in rights fees?

How many fans watch live sports? Why is that important?

What are **ratings**?

Why are fundraising and donations important to collegiate sports?

What does PPV stand for and what types of sports and entertainment organizations benefit from a PPV business model?

What is one example of how sports and entertainment find creative ways to generate revenue?

What is an **expense**?

**True or False:** The biggest expense professional sports teams typically incur on an annual basis is player payroll.

What are three examples of common expenses a sports and entertainment company could incur?

1.

2.

3.

What needs to happen for an organization to record a profit?

**True or False:** All professional sports teams are profitable.

Why do people invest in professional sports teams?

## LESSON 3.3

# Entertainment Business Fundamentals

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How are entertainment product revenue streams similar to sports products?

**Define ancillary products:**

What are some examples of ancillary products that could be generated from a blockbuster Hollywood film?

1.

2.

3.

4.

**Define royalties:**

**Define product placement:**

What is a “toy-ready” film?

What is a product tie-in?

**True or False:** A product tie-in is the same thing as product placement.

What is an example of a film franchise?

**Define product placement:**

**True or false:** Product placement can be present in a variety of media formats, including theatre, film, television, music, video games and books.

What is an example of product placement in film?

What is an example of product placement in television?

What is an example of product placement in music?

What is an example of product placement in gaming?

What is an example of product placement in books?

What is a product plug?

**True or false:** All product placements are forms of paid advertising.

Is product placement effective?

What is reverse product placement?

## LESSON 3.4

# Industry Trends

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What are **industry trends**?

What are three examples of a trend that could shift within the sports/entertainment industry?

1.

2.

3.

What are some current trends in the sports and entertainment industry? Provide five examples in the space below.

1.

2.

3.

4.

5.

## LESSON 3.5

# Industry Economics

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Describe the concept of **supply and demand**.

**Economic impact** can be defined as:

**Direct effects** are:

**Indirect effects** are:

What are four examples of ways sports and entertainment can impact an economy?

1.

2.

3.

4.

What is an economic impact study?

When are economic impact studies conducted?

1.

2.

3.



What is a sports corporation?

What purpose does a sports corporation serve?

Does your community have a local sports corporation? What events have they helped to manage and/or promote?

# Additional Notes

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