

SPORTS MARKETING

THE **VIEW** OF INDUSTRY EXPERTS



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Chapter 1

Introduction

CHAPTER OBJECTIVES

- Learn how to become a complete marketer.
- Learn the five Ps.
- Review the fundamentals of marketing.
- Discuss sports as a business.
- Learn how to build a sports résumé.
- Review potential first jobs in sports.

CHAPTER OVERVIEW

This chapter reviews the fundamentals of marketing and takes a broad look at the field of sports marketing. It also focuses on how you can start a career in sports marketing.

Introduction

Welcome to sports marketing. This book introduces one of the fastest-growing segments in the discipline of marketing. Throughout, it features leaders in various niches of the industry. These experts give you a behind-the-scenes look at what it is like to work in the industry and how the fundamentals of marketing apply to their jobs. Sports marketing has developed because brands want to attach their products to the passion and loyalty that fans feel toward their favorite teams or players. (I use *brand* to mean a product, a company, or a symbol of that company.) Tapping into the excitement created by sports can help a brand quickly develop a loyal following. Companies realize that a fan's excitement can translate into sales, even for products that have nothing to do with the sports industry. This text explores the experiences of the leading experts in the industry and how the fundamentals of marketing apply to their jobs.

Book Objectives

When you finish reading this book, I want you to be a complete marketer, someone who can look at a project not only from a creative perspective, but also from the financial, sales, and production sides of its development. We marketers often get a bad rap for wanting to work only on the creative side of a project. In order to become a complete marketer, you need a solid blueprint and the tools to make your plan a reality. This text shows that successful leaders in the industry are all complete marketers. Although they are creative, they also look at projects from many different angles of development. Each complete marketer brings a vision and an action plan to his or her respective industry. The plans must constantly evolve because marketing is not a static endeavor.

Another objective is to expose you to many of the possible jobs in the industry. Most people think of sports marketing as working for a team or a sports-related corporation such as Nike. There are many other opportunities. Consider the many aspects that make up the industry. There are interesting niches in licensing, public relations, advertising, and media training and with agents and colleges, among others that are rarely discussed. This text explores these themes. Learning what it takes to work in this industry from experts in the field gives you a good overview of each job. The experts also provide sound insights and strategies so that you can springboard into a niche that interests you.

For the recent graduate, the most available position in sports marketing often is with the sales department of a team. Those positions can be grueling. You may be asked to make cold calls all day to try to sell season tickets. It's not the glamorous job that you may have envisioned when you imagined being a part of a professional team. Typically, if 12 new people are hired, 2 or 3 will realize that cold calling just isn't for them and will quit. Two or 3 will not make their quota and will be asked to leave. Two or 3 will find work with another team, and the rest will stay with their organization and move up the ranks in sales or marketing. Each year, it's a game of survival of the fittest. One of the keys to making it through this process is the willingness to move from position to position with different teams. If you are working for the Chicago Bulls and there is a chance for advancement with the New Orleans Saints, then you

have to be willing to pack the car and get to New Orleans as soon as possible. In the first few years at the start of your career, you may work with multiple teams.

Beyond the teams, there are many other opportunities to work in sports. As this text explains, most sports have players unions and properties groups, and just about every company that sells a product featuring a team or player has a sports marketing department. There are products such as plates, coins, lunch boxes, mugs, and pens that provide interesting opportunities in licensing and product development, and that most people would never associate with sports marketing. There are advertising, events, and public relations companies that focus on sports. In addition to marketing, these companies need employees in accounting, finance, legal, and sales. My goal is to open your mind to all of the options that the sports industry offers.

One of the best things that you can do as a student to help find your first job in sports is to secure an internship. A small number of companies and organizations have formal internship programs to which you can apply. Most others have no formal program—but that does not mean there are no internship possibilities. My most successful students have done a good job of targeting companies that interest them and networking with employees of those companies. Networking can be done through social media sites such as LinkedIn or by attending industry events and meeting people face to face. By building a network, students can offer their services to companies and secure internships. Although the majority of internships are unpaid, the experience is invaluable. Most students who want to pursue a career in sports have no sports industry experience to list on their résumé. As a new grad, featuring an internship on your résumé could be just the thing that distinguishes you from the masses and secures that first job in the industry. In addition, understanding the major themes discussed in this text provides a solid foundation for your career in sports marketing.

Before You Jump, SWOT

SWOT analysis is one of the most used resources in business decision making. SWOT (strengths, weaknesses, opportunities, and threats) analysis enables you to compile an inventory of a company's strengths and weaknesses while you look for external opportunities and threats. In marketing, SWOT analysis helps provide an objective overview before a project is given the green light and money is spent to conduct research. It also helps to develop and confirm the goals and marketing strategy before pushing forward. It can help you find opportunities worth pursuing as well as identify the critical issues that need the company's attention.

Strengths: When thinking about strengths, list both tangible and intangible attributes. What does the company do well? Remember to also list the resources that are readily available. Strengths are the competitive advantages your company has over other companies.

Weaknesses: No one likes to think about their weaknesses, but to market a new product or to expand a company, this is a must. List factors that are within your

control and that can undermine the competitive advantage you listed as strengths. Knowing your weaknesses is a great advantage. The more honest you are about pinpointing possible internal weaknesses, the better off the company will be in the long run for this potential new launch.

Opportunities: Opportunities is the category in SWOT analysis most people enjoy filling out. This step represents the purpose of this new product or service and why it will do well in the marketplace. How will this product or service fulfill a need consumers have?

Threats: Last is to identify threats in the marketplace. Under weaknesses, you listed factors within your control that could hinder this product or service from doing well. Threats are factors beyond your control that could put the launch or the company at risk. The hope is that there are not many threats; however, it is best to list all threats in order of severity, ranging from serious to possible.

Market Research

Before you roll out a product or service to take the world by storm, you conduct research. Although the opinions of friends and family might be encouraging, true **market research** is the gathering of information about consumers' needs and preferences. This digs deep into the size, location, and makeup of a product market. Potential questions that can arise during this process help uncover the key factors of consumer buying behavior in the areas to be investigated. There are two types of market research: primary and secondary.

Primary market research is conducted by you or your company. You have direct contact with the customers and general public through surveys, focus groups, or polling. Surveys can be handed out, verbally completed, or conducted on a tablet device. They can be lengthy or short and sweet. Typically, existing customers are questioned about their current buying habits. Focus groups can be successful but tricky to conduct. A group facilitator walks the small gathering of participants through a series of questions, concepts, images, and so forth. The issue that can arise with focus groups is that some group members are overshadowed by a boisterous, opinionated member. It is the role of the group leader to notice this and to rein in the rowdy member. Polling is a fast, easy way to gain information quickly. Soft drink companies often conduct polls at grocery stores and sporting events by asking consumers to try a new brand of beverage and provide feedback. Polling can be as simple as conducting a taste test and then asking whether the individual preferred product A or B.

Secondary market research is more formal. Information has already been collected and published. There are four prime channels for this type of research. The first is trade associations. The major trade association for sports marketing is the National Sports Marketing Network (NSMN). Another channel to find this information is government, state or local resources, or the U.S. Census Bureau. Chambers of commerce

are another avenue. Last, educational resources can be a big help. Examples of sports marketing–related resources are the *International Journal of Sport Management and Marketing*, *International Journal of Sports Marketing & Sponsorship*, and *Sports Marketing Quarterly*. Keep in mind that journals such as the *Sports Business Journal* are trade publications and are not considered scholarly.

Introducing the Fifth P

The **four Ps** of marketing are product, place, promotion, and pricing. After you finish your college marketing classes, you may never hear of the four Ps again. Why, then, are they featured in just about every marketing book ever written? The answer is that they affect nearly every decision that you will make as a sports marketer. Your boss will probably never ask you about the four Ps. You may never hear them formally discussed in a marketing or creative meeting. However, every marketing decision is affected by your choice of product attributes, advertising and promotion, pricing, and distribution. The four Ps are often referred to in textbooks as the **marketing mix**, the set of variables used to achieve a company's marketing goals.

Let's take a look at the four Ps and how they relate to sports marketing.

PRODUCT When discussing products, most people think of tangible items such as Nike shoes or Spalding basketballs. In sports, products take many forms. Teams, websites, personal training, events, and even the athletes themselves are all products of the industry.

PLACE Most businesspeople don't automatically think of distribution as part of marketing. It's easy to overlook because most of the focus is placed on creating and promoting the product or service. Yet, where you sell the product (place, placement) is a key component of successful sports marketing plans. Will it be sold online, through distributors, or directly to consumers through infomercials? These decisions say a lot about what type of product you have. A product sold at a big box discount retailer is viewed differently than a product featured at an expensive boutique. Between the products there may not be a huge difference in quality, but the way the products are marketed through their placement creates a perception for the consumer.

PROMOTION Promotion includes advertising, public relations, personal selling, discounts, and sampling. Each can play a role in a marketing mix.

PRICING Price is the amount charged for a product or service. Although there are many ways companies determine price, in the end price often is determined by how much the buyer is willing to spend. A carefully marketed product can create demand and command higher price levels. Often, the price of tickets to see your favorite team rises if the team is successful or wins a championship. Although the product is the same, fans pay the increase when their team is successful.

And now, introducing the fifth P.

PROGRESS There has never been so much change happening at one time in the world of marketing. The days of simple TV, radio, and print advertising are over.

Although those methods will always be options for a marketing mix, they are no longer the automatic go-to options. Social media has changed the game. Almost daily, new options to help market products develop. Some companies have completely abandoned the old-school marketing methods and have created a marketing mix solely on the Web. Companies must stay alert and on top of the latest methods that progress affords them to keep ahead of their competition.

Some progressive methods are obvious. Facebook, Instagram, and Twitter have changed the way companies market. Other new methods are still developing. Many companies are taking a long look at options such as **QR codes**, Pinterest, **Foursquare**, **social analytics**, and other new trends to determine whether they fit into their marketing mix. I'm certain that by the time this book is published, there will be many more options available. That is why I have created the fifth P, and why progress is critically important to any marketing plan. This text examines how the five Ps affect specific niches in the industry.

Sports and the Fundamentals of Marketing

Many companies have chosen to use the field of sports as a way to reach their target market. The **target market** is a segment of the population to which a company has chosen to promote and sell its product. Targets are chosen from market segments. **Market segments** divide a specific population into categories based on demographics, geography, psychographics, and product choices:

Demographics: Demographics define a population by gender, age, family status, income, education, and ethnicity.

Geography: Geography divides a population on the basis of where people reside. It can include broad categories such as countries, cities, rural, or urban. It can also be further defined by naming a particular neighborhood within a city, for example.

Psychographics: Psychographics define a population by lifestyles and interests.

Product choices: Product choices define a population by the products that people use and the frequency with which they use them.

In your marketing career you will use all of the fundamentals mentioned, but the world of sports changes faster than just about any other industry. Companies in the sports industry are not selling product based solely on need. When hype, fandom, loyalties, and excitement are the main driving forces of the buyer, the marketer must be nimble. Whereas it is important to have long-term plans, as in traditional marketing, sports marketing is a different animal. Popularity, loyalty, and following can change overnight. One great play, game, or season can turn an average consumer into a superfan. Likewise, one misstep by a team or player can destroy years of consumer loyalty built up by marketing programs. Successful sports marketers who are fundamentally sound follow a strategic long-term plan but are positioned to change that

plan whenever necessary. The fluidity of the marketing plan is what separates good sports marketers from great ones.

The Power of Sports Marketing

Each semester I start my first sports marketing class with a discussion of the marketing of trading cards. The product is the most amazing example of pure sports marketing. Trading card companies have created a product that is approximately a nickel's worth of ink on paper. But, through marketing, they have made the product exciting, collectible, and sought after.

The challenge to sports marketing product development teams is how to keep a simple printed product fresh and exciting. I typically show examples of how cards have developed through the years. The first cards showed posed photos of players holding a bat or mitt. They were printed on cardboard and had a white border and a matte finish. Then, companies developed cards using full bleed (no more white borders), action photography. Next, they created limited editions and autograph cards and randomly inserted these into packs so consumers would start to chase these cards and buy more product. Later, companies started to imbed small pieces of game-used equipment into their cards as a way to bring fans closer to favorite players. This game-used concept includes jerseys, balls, helmets, bases, bats, floors, and just about anything else that could be laser cut into small pieces. This was also a way to create card sets around legendary former players who still had uniforms and equipment available for the companies to use.

In class, after discussing the minimal costs of creating a simple trading card, I pass around some examples. I mention that the autograph and game-used cards often start trading at around \$175. The final card that I show is a Tiger Woods game-used shirt card from one of his championships, which recently sold for \$21,000 on eBay. These values show the power of sports marketing and the value to companies of the passion of the loyal fan.

From now on I want you to be more than just a fan. When you watch a game on TV, think about the commercials in the broadcast. Do they reach the demographic of the viewers? When you attend games, look at the signage of sponsors and ask yourself whether the sponsors are a good fit. When you see a name on a stadium, ask whether the venue-naming rights were worth the price paid. The average consumer never thinks about many aspects of the business of sports. It's time to look beyond your team loyalties and see the business of sports unfolding in front of you.

Building Your Résumé

Each semester, I have a leader in the sports human resources industry work with my class. She brings many years of sports experience to my students. I think that we can all learn a thing or two about how to market ourselves as job candidates from her main discussion points.

First, she says that when she is hiring she looks at a prospect's résumé for 3 to 6 seconds on average. Let's stop and think about that for a second. You may work for weeks building your résumé. You probably get help from your career services office and friends. You might spend hours polishing it before you deem it good enough to submit for your dream job. In turn, the person in human resources (HR) at that company may scan it for as few as 3 seconds. In those precious seconds, you must make an impression that lands your résumé on the save pile. (When I worked at Upper Deck, it was not uncommon for us to receive 500 or more résumés for an open position. From that group, 10 to 20 candidates would receive phone interviews and 5 would make it to an actual in-person interview from which the new hire was chosen.) So, do not waste any space on your résumé. Make each line count. This is your chance to market your skills. If you include an objective statement, make it specific. Too many times I see résumés that state that the candidate is energetic and a hard worker. That tells me nothing. Use those few lines to reiterate your goal and further highlight your experience. If you have specific sports experience, explain in your objective statement that you want to build on your experience with XYZ Sports Company to achieve your goals. This is a great chance to name-drop and get noticed. Also, references or even the statement "references available upon request" should not appear on your résumé. If a company wants references, it will ask you to provide them. Stating that you are proficient in Word and Excel is a waste of space unless such skills apply to a specific position—companies will assume that you can work the most simple business programs. Instead, use that space to further differentiate your résumé from your competition's. Finally, if job seekers have any experience, I prefer they place the education section at the end of their résumé. Almost every graduating senior places their education at the top of the résumé. Instead, feature your experience and help HR representatives find what they are looking for in those precious 3 to 6 seconds.

Second, the HR expert relates how her office looked out on the parking lot, so she would watch candidates enter the building for an interview. She said that with almost 100% accuracy she could predict whether a candidate would be a fit for the company before the person even entered the building. What does that mean? To me, it shows that candidates must think of every detail throughout the entire hiring process: how your résumé looks, what your cover letter says, how you conduct yourself on the phone, how you dress for an interview, what your body language conveys, whether you make eye contact during the interview, and even how you hold yourself when entering the building.

After teaching our very first class together, the HR expert called me to say that she saw three students in class who she thought were sharp and could do well in the industry. One of those 3 had asked a question, and the other 2 had just listened to her presentation. So, she had picked those 3 from a group of 40 with almost no direct interaction. If I had to rate the class from top to bottom, those 3 would have been my

top picks, too. By evaluating eye contact and body language, the HR expert was able to determine the best of the best. This should demonstrate that there is a lot more to getting a job than simply submitting a résumé online. Don't miss any details when trying to secure your dream job. The bad news is that these sports jobs are difficult to obtain. The good news is that most candidates will *not* use all the tools available that can give them an advantage in getting their résumé transferred to the save pile and securing an interview—but you can.

These days, traditional paper résumés often are replaced by digital résumés. LinkedIn profiles were an early entry, and now dozens of sites can help you construct and share your résumé online. Monster.com is a well-known site where you can create and upload your résumé. Tech-oriented sports marketing firms may prefer electronic submissions. The digital format offers some advantages, including the ability to link to social media references and projects created by the applicant. There is also the disadvantage of making links to embarrassing social media pages available to potential employers. Video interviews and presentations are easily linked to a résumé. Employers may screen digital résumés by trolling for keywords appropriate for a job. Savvy applicants research the right terms to place on the résumé.

The most common problem I see on résumés is that most students lack experience in sports marketing. There are three ways to combat this shortcoming on your résumé. First, determine which skills that you have developed in other jobs translate to the job you are trying to secure. Even if you have worked in construction or waiting tables, skills and duties of those jobs can translate into business experience. For example, you can spin the phrases *working on a team*, *organizing a schedule*, *achieving goals*, and *completing tasks in a timely manner* to catch the eye of the HR representative.

Second, include any class projects on your résumé. For example, if in your sports marketing class you had to complete a project for a company in the industry, make sure to include a section on your résumé entitled Sports Industry Experience. Word it something like “completed group project for the VP of Marketing at XYZ Sports Company.” Explain the project's objectives and your solutions. Students rarely think that a class project is worthy of including on their résumé. Remember, all you are trying to do is get your résumé into the save pile. Also, remember that someone in the HR department may look at your résumé for only 3 seconds. Their eyes are trained in that short time to pick up keywords that tell them you have the experience they are looking for. A mention of a well-known company in the industry will often warrant a closer look at your résumé. Because most students applying for their first job in sports have no sports industry experience, even the mention of a small sports-related project could be enough to get you ahead of the competition.

Third, secure a sports-related internship. An internship is a great way to gain experience while in school. Most students assume that an internship in sports, like a first job in sports, is impossible to get. Whereas many big companies offer formal

internships that might be difficult to secure, smaller companies are typically happy to have an intern help them build their business. There are small to midsized sports companies everywhere. Around San Diego, where I teach, there are more than 40 sports companies, many you may have never heard of. Almost all of these companies are open to interns. The common theme that I hear from these companies is that they would love to have an intern, but they don't know how to secure one. If you are willing to work for free (in most cases), you can secure an internship because very few companies will turn down an offer for free labor. Do your homework and find all of the companies in your area. LinkedIn is a great way to find local companies in sports. You will probably be surprised that there are sports companies nearby. Don't be afraid to contact the companies directly or through LinkedIn to tell them that you are taking a sports-related class and that you are interested in being an intern to gain experience. You will be surprised by the response. Once again, most students will not do this, so you will be one step ahead of your competition.

Your First Job in Sports

I got my first job in sports 10 years after I graduated from college. However, I made my first attempt to enter the industry just after I obtained my MBA. The Minnesota Timberwolves franchise was entering the NBA, and it had entry-level ticket sales positions available. I applied and did everything that I could think of to get noticed. This was pre-Internet and e-mail days, so I sent letters, made phone calls, and I remember sending an overnight package congratulating the new head of marketing. Despite all of that, I didn't get the job. I did send a follow-up note that said I had a lifetime of sports knowledge, I played college basketball, I had an MBA, and that all I wanted was an entry-level sales position—I was asking, “What's the deal?” They were nice enough to respond and say that they received thousands of responses, many from applicants with industry experience who were willing to take a pay cut to get in the door. It was hard to argue with that. I then proceeded to work in an industry about as far away from sports as possible, a small company in the environmental industry. When I had my shot to apply to Upper Deck a few years later, I used the strategies discussed earlier to try and make my résumé attractive to the HR department. Fortunately, many skills and duties of my then-current job translated well to working at Upper Deck. Also, the environmental company had grown significantly during my tenure, and Upper Deck was looking to grow its business at a rapid pace. So, if you want to work in this industry and have no experience, it's your job to figure out what skills you have that will translate to your desired sports position.

In the next few paragraphs, I describe some entry-level positions to give you an idea of what types of jobs are available in each niche of the industry that this book covers. First jobs in sports licensing, product development, and advertising typically are titled something like “Marketing Coordinator.” An example of a typical marketing coordinator position follows:

POSITION

SPORTS MARKETING COORDINATOR

SUMMARY *Overview of the position.*

Support company's marketing team and efforts. Coordinate the creation and distribution of marketing materials to staff, distributors, and vendors. Provide support for events, promotions, and sponsorship programs.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Create, review, and edit marketing materials.

Be responsible for on-time delivery of all marketing materials.

Work with operations and purchasing to secure best available pricing and timeliness of the production of marketing materials.

Work with brand managers to secure appropriate licensing approvals.

Coordinate the on-time delivery of all POP and advertising materials to retail locations.

Be responsible for the execution of all sweepstakes, including legal copy, bonding, and delivery of prizes.

INTERACTION

This position reports directly to the sports brand manager and will interact with the VPs of Marketing, Licensing, and Events.

EDUCATION/YEARS EXPERIENCE

Bachelor's degree in marketing, advertising, or business or 2+ years of experience

SKILLS AND ABILITIES

Team player

Ability to keep a timely schedule

Strong knowledge of sports

Strong communication skills

Ability to network and build relationships

Ability to travel

Strong organizational skills

As you can see, many of the requirements are skills that are transferrable from different jobs and experiences.

For agent and athlete marketing positions, most entry-level jobs are in an athlete support role. On the agent side, you may work directly with a group of athletes, attending to their needs. On the marketing side, your supporting role would include reaching out to companies to create potential endorsements and helping with the athlete's social media plan.

For a team marketing position, you will most likely start in a sales role. Many find this uncomfortable because it involves a lot of cold calling. Most of the people that you talk to do not want to hear from you. You have to get used to a lot of rejection. Most students entering this position have great excitement and expectations that they will be around the team and a professional sports organization. Although technically they are, the initial days require them to sit in a cubicle and make as many cold calls as they can. It's not as glamorous as expected, and many new employees are quickly disappointed in what they thought was a dream opportunity. Those who can stick it out usually succeed in the industry.

For college marketing positions, the path includes a start in the athletic office. Introductory positions include game day operations, event management, and sponsorship sales. Jobs vary by the size of the university.

First jobs in the properties and players union groups usually entail working with licensees. This could include being part of the current licensee's product approval process or reviewing new licensing applications.

For sports advertising, most initial jobs involve helping to develop the strategic brief for a campaign and monitoring all deadlines for each step. Advertising coordinators must be organized and have the ability to keep all involved, informed, and on target to meet a campaign timeline.

Initial positions in the sports events industry almost always involve on-site coordination and execution of events. One position recently posted by the sunglasses company Spy Optic included the coordination of all the company's outreach to its business-to-business partners. This may include promotions at various doctors' offices or at cycling, triathlon, and running events.

Cause marketing positions almost always involve working with the development of sponsorship proposals. The ability to create proposals is a sought-after skill. This may be one of the times when including your proficiency in Word, PowerPoint, Photoshop, Acrobat, and other software applications may be warranted.

Finally, positions in media training are probably unique in sports. Most media training companies are run by a single individual who does most of the direct work with the client. Staff positions usually include the scheduling of clients and the promotion of the business. Trainers come from many different backgrounds.

First jobs in sports marketing are similar to entry-level positions in traditional businesses. Necessary skills include organizational skills, ability to communicate, and work ethic. If you can focus on and build these skills, you will have a shot at securing your dream job. My final word of advice to secure a job in sports is *network!* Go to as many events, talks, and sports trade shows as you can. Speak with every sports-related person who comes to your campus. Be a prolific LinkedIn user. Don't wait—start now and follow your dream.