1 Introduction to Sport Marketing

1.1 History and Initial Concepts of Marketing

For centuries, marketing giants have built powerful organizations and have been on the frontline of the highest levels of achievement within business. True sport marketing is something that has been around in one sense or another for almost 150 years, but it truly exploded onto the scene within the last 70 years with the introduction of live television. Sport marketing has now exploded again because of the digital age. This makes the amount of products available as well as the amount of different channels those products are available through, endless with possibilities. With this being said, senior executives and experts in marketing from all industries are being pulled into the sports arena, not because of their love of sport, but rather because of their leading-edge thinking and advanced knowledge of the markets in which they are a part of. In order to be truly successful in sport marketing as well as any other business, it is essential to know the history of sport marketing and, sometimes more importantly, the history of marketing in general. Having the knowledge of what has worked in the past as well as the understanding of what is happening today is essential in formulating a top-notch program with a first-class product line within an elite organization. The only way to do that is through senior-level sport marketing.

Marketing has many definitions and has taken on various roles within elite organizations over time. To truly understand what is successful in organizational marketing for any sector, it is important to understand where it originates from. Being able to take a look at traditional marketing, and then focusing on the evolving methods of marketing, provides great value to be able to adjust on the fly due to current and ever-changing market conditions. The adaptability and nimbleness of senior-level marketing organizations also refine the strategies in which they work every day and apply them to the ever-growing and sometimes hidden target market they are going after.

Traditional marketing organizations and ideas are focused on profit rather than lifetime value. Organizations with these traditional ways more commonly focus on singular dealings with the objective of accumulating business on individual transactions. New concepts added a focus on determining lifetime value amounts and designing their segmented offerings to accomplish accumulation over the customer's lifetime. These new concepts will sometimes make an immediate investment to create new business and accept the fact that it is not focusing solely on the ROI (Return on Investment) that is immediate, but approaching the consumer with a precise longer term approach that is more valuable over time. This is directly impacted by the senior members of an organization and how they view success.

The way success is viewed often differs in the new marketing concepts of today as well. Traditional marketing focused strictly on the balance sheet or revenues for a specific time during the fiscal or product cycle. This can be looked on as a financially sound approach and would be viewed upon pleasantly by accountants and controllers alike. Although this may be pleasing to traditional leaders who are strictly profit driven, new successful marketing concepts have a much bigger idea when it comes to what successful marketing is. These new ideas are measured by a group of established but ever-evolving key indicators. It is because of these key indicators, as well as the ever-changing world, that new marketing concepts are ones that are living, breathing concepts to be actively managed and tweaked throughout a product's life cycle. Since the product life cycle is running along with the organization's life cycle, an organization has to be a flexible, nimble machine to adjust to ever-changing market conditions, especially within sport. When structuring an organization and its marketing mission, senior-level executives must determine what priorities exist and how flexible the organization will be.

Traditional marketing also has a different approach when it comes to how it is viewing its consumers and what consumers' wants and needs are in the market. To stay consistently attached to the traditional marketing techniques that relate well to senior-level financial executives, organizations would focus on whether or not something is going to be good for the shareholders of a certain company and not necessarily its other (some would argue more

important) assets. Shareholders are the ones who have a financial investment in your organization and often were the ones to be appeased, while some of the other important assets were forgotten about because they did not seem as vital. These other assets, even though just as important, are seen as replaceable to a certain extent. Since this way of traditionally running an organization has shown over time to eventually deteriorate and not be a long sustainable model in which organizations can operate, there is much more focus on the other assets now. These other assets of an organization are going to be employees, sponsors, community partnerships, and general supporters of the organization. It is only recently that new marketing concepts which have shown great promise have now evolved to place the importance and emphasis on treating these individuals as shareholders, also referred to as stakeholders. Advanced-level marketing concepts have shown senior management executives to specifically design campaigns and programs that are focused on delivering not only to its shareholders, but also to its stakeholders in the current economy. The reason for the new techniques has been a result of the evolution of marketing, since it is now considered just as important to be able to market to the inside of an organization as to the outside of an organization. Running a successful organization depends on having stakeholders deeply entrenched and believing in the mission on a level to where it is now part of their mindset to be positive. This will ensure that stakeholders are providing top quality for everything they are working on and working for.

Traditional organizations utilized marketing based not only on old concepts, but archaic workflow strategies as well. As we will dive deeper into later in the readings, the organization is always marketing at every turn and can never be resting when it thinks it might be *finished* or *completed* a marketing campaign. An additional factor in this result is that the marketing for many successful organizations is done with every movement of the organization. Included in this, is the life cycle of every asset including stakeholders, shareholders, products, tangible properties, and so on. The tendency to lean on the Marketing department to truly market the organization is something of an old way of viewing how business is done when it is truly successful. This is also something that can be easily explained with the societal evolution due to

social media and having many platforms for everyone to *market* a product however they see fit. True marketing is done with every single person that comes into contact with your organization in one form or another. Even if it is a bit of silence when they consume your product and pass along. That, in its own way, is a form of marketing and feedback that can be vital to any organization. When senior-level marketing missions are created, they must take into account all the factors in which their organizations are being marketed, not just the obvious ones.

Foundations for the Modern Marketing Era

Phillip Kotler, the Father of Modern Marketing

Phillip Kotler, who is often referred to as the Father of Modern Marketing, started teaching in the United States in 1962 at Northwestern University ("Northwestern Kellogg," n.d.). Kotler believed then, and still believes today, in a lot of the modern principles in which we view marketing and how they apply to the modern workplace. Kotler defines marketing as a "societal and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others" (Kotler, & Keller, 2014, p. 5). Essentially what this means is that in order to be successful, an organization must meet or exceed its goals through meeting and/or exceeding the consumer's wants and needs better than its competition. Kotler believed that to do this, organizations must create value for the consumer and build long-term relationships with them in which the consumer will return for another exchange of business (Kotler & Keller, 2014). If you look at any organization that is successful within today's ever-changing environment, you will see that marketing is the primary factor for profit and growth. An organization must choose target markets, appeal to those markets, and create a relationship within those markets that is based on a specific need or want. Once the organization creates that relationship determining that need or want, it needs to meet and/or exceed the desire for that good or service. Kotler also believes in the 4 P's of Marketing which we will reference later as well as some more traditional concepts. With this being said, his concepts and ideas

have become synonymous with all of modern marketing (Kotler, & Keller, 2014). His thoughts and values of what makes companies successful are based on economics, and although these have changed over time, he is also cognoscente of the past of marketing and even has a different understanding on when marketing began.

> Marketing started with the first human beings. Using the first Bible story as an example (but this was not the beginning of human beings), we see Eve convincing Adam to eat the forbidden apple. But Eve was not the first marketer. It was the snake that convinced her to market to Adam. Marketing as a topic appeared in the United States in the first part of the 20th century in the teaching of courses having to do with distribution, particularly wholesaling and retailing. Economists, in their passion for pure theory, had neglected the institutions that help an economy function. Demand and supply curves only showed where price may settle but do not explain the chain of prices all the way from the manufacturer through the wholesalers through the retailers. So early marketers filled in the intellectual gaps left by economists. Nevertheless, economics is the mother science of marketing. (Group, 2001)

Kotler not only has gradually developed his thoughts on marketing, but he has also changed the game in marketing when he references his marketing concepts that have evolved over time. When Kotler first arrived on the scene, the world was already aware of the 4 P's of Marketing (also referred to as "Marketing Mix") which were brought to the forefront by marketer E. Jerome McCarthy in 1960 ("Researchgate," May 2016). These 4 P's have been used since 1960 in one variation or another and serve as the industry standard to which modern marketing was brought about. Before this methodology and concept came to roost, the thought of marketing as stated above by Kotler was simply seen as a two way channel which is an exchange for a good or service.

The 4 P's are Product, Price, Promotion, and Place. The description for each of these can be varying depending on what organization model and line of business you are in, but the evolution of these standard principles are what define the basis for all modern marketing.

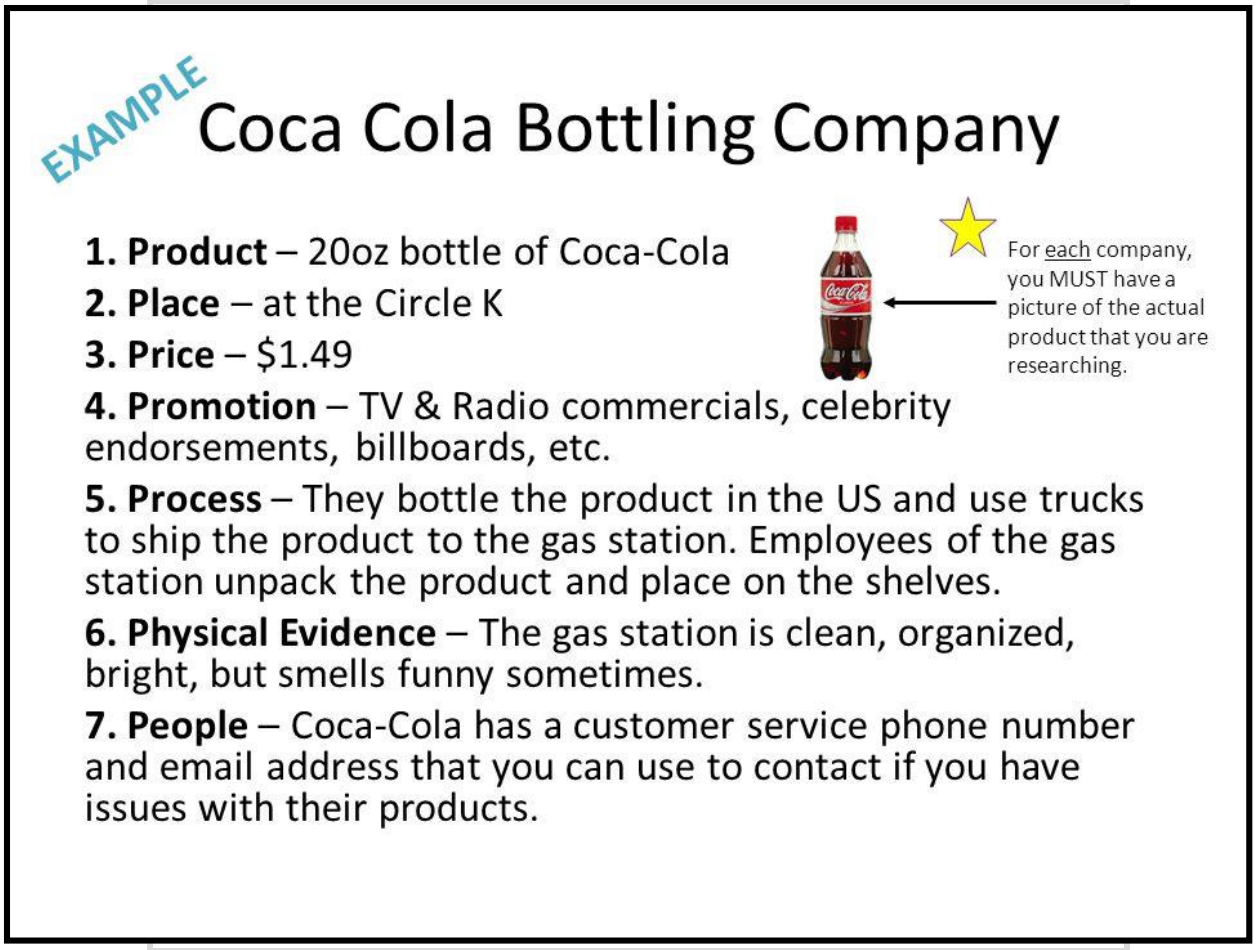
Figure 1: The 4 P's of Marketing

Source: Kar, 2011, http://goo.gl/RrNNjQ

Often, companies utilize additional factors when considering the marketing mix and include additional P's into their formula. We will look at how to do this, as well as dive deeper in the P's later when we look at how to truly develop the marketing plan as a senior-level executive for a sport organization. Coca-Cola has been a worldwide leader in marketing and has been developing a brand over time. It has created multiple examples of how to develop a marketing mix for a successful marketing plan for years. As shown below, they have incorporated their own 4 P's with an additional 3 P's added on to this specific plan into a sample marketing mix. Following along with

Kotler's ideas and using their own additional factors, Coca-Cola added the P's of Process, Physical Evidence, and People to their equation. These additions, as well as the additions of other factors relating to the specific product, are key elements to transitioning into the modern era of marketing where everything is fluid and adaptable according to the consumers' needs and wants.

Figure 2: Coca Cola - & P's of Marketing



Source: Little, 2015, p. 3.

Following the development of a marketing mix, a marketing plan is created. All of these elements are key in the marketing mission process and lead to the advertising and promotion of products. Marketing in general has developed over time, and the excerpt below is a tremendous example of how to evolve with the times and what industry leaders will do in order to make their products and their organization a truly thriving success.

An excerpt from the Evolution of Coca-Cola

Advertising Strategies

Coca-Cola might be one of the best-known brands in the world today. However, that wasn't always the case. When the company first started in 1886, it used coupons for free drinks to raise interest in the product. In 1892, marketer Asa Candler finalized the purchase of Coca-Cola from inventor Dr. John Pemberton. Candler's original advertising budget was $11,000. He used items such as calendars, soda fountain urns, painted wall signs, napkins, pencils and clocks to advertise Coca-Cola. The first celebrity to ever endorse Coca-Cola was music hall performer Hilda Clark in 1900. Since then, numerous celebrities such as Joan Crawford, Ray Charles, The Supremes, Aretha Franklin, Arnold Palmer and Joe Namath have attached themselves to the brand.

Coca-Cola purchased space in national magazines for the first time in 1904. By 1911, the company's advertising budget had skyrocketed to more than $1 million. In the 1920s, Coca-Cola added outdoor billboards and radio program sponsorships into its advertising mix. The famous Coca-Cola Christmas advertising campaigns began in 1931 with illustrations of St. Nicholas drinking Coca-Cola. The first television commercial for Coca-Cola premiered on Thanksgiving Day in 1950. One of the most memorable Coca-Cola TV commercials was 1993's "Northern Lights," which marked the debut of the Coca-Cola polar bears.

Not all of Coca-Cola's marketing ideas have been hits. In 1985, in an effort to compete with Pepsi, the company decided to change the formula for Coke for the first time in 99 years. The new drink was called "New Coke." The reaction to the new

flavor was overwhelmingly negative, and Coca-Cola went back to the original recipe in just 79 days.

Joe Tripodi, chief marketing and commercial officer for Coca-Cola, said the company had more than $4 billion for its marketing budget in 2011. The major spending paid off as Coca-Cola was named Marketer of the Year in 2011 by AdAge.

Packaging

Coca-Cola was only served as a fountain drink until 1899 when Candler sold the U.S. bottling rights to Benjamin F. Thomas and Joseph B. Whitehead for $1. The Coca-Cola contour bottle went into production in 1916. The unique shape of the bottle was designed to distinguish Coca-Cola from its imitators. The 6.5 ounce contour bottle was the only packaging Coca-Cola used until 1955 when the king-sized package was introduced. Consumers had the option to purchase Coke in 10-, 12-, 16- and 26-ounce bottles in addition to the standard 6.5-ounce bottle. In 1960, Coca-Cola introduced 12-ounce steel cans to make its drinks more portable.

Coca-Cola went green in 2009 with 100% recyclable bottles made partially from plant-based materials. In 2011, Coca-Cola's seasonal holiday packaging was met with disdain by consumers. For the first time, regular Coke was put in white cans that customers said looked similar to the silver Diet Coke cans. The white cans were supposed to stay on shelves until February 2012, but were discontinued in December 2011 in favor of the classic red cans. In October 2012, Coca-Cola announced that it would stop production of 6.5-ounce glass bottles because they are no longer profitable.

Logos

The trademark Coca-Cola script logo was created in 1886 by Frank M. Robinson. A red and white graphic that represents two adjacent contour bottles, called the Dynamic Ribbon Device, was added to the logo in 1970. A shock of yellow and floating bubbles were added to the white twist in 2003 as part of the Coca-Cola Real campaign. Those enhancements were removed by 2007. For its 125th birthday, the company created a special logo that featured bubbles coming out of the contour bottle.

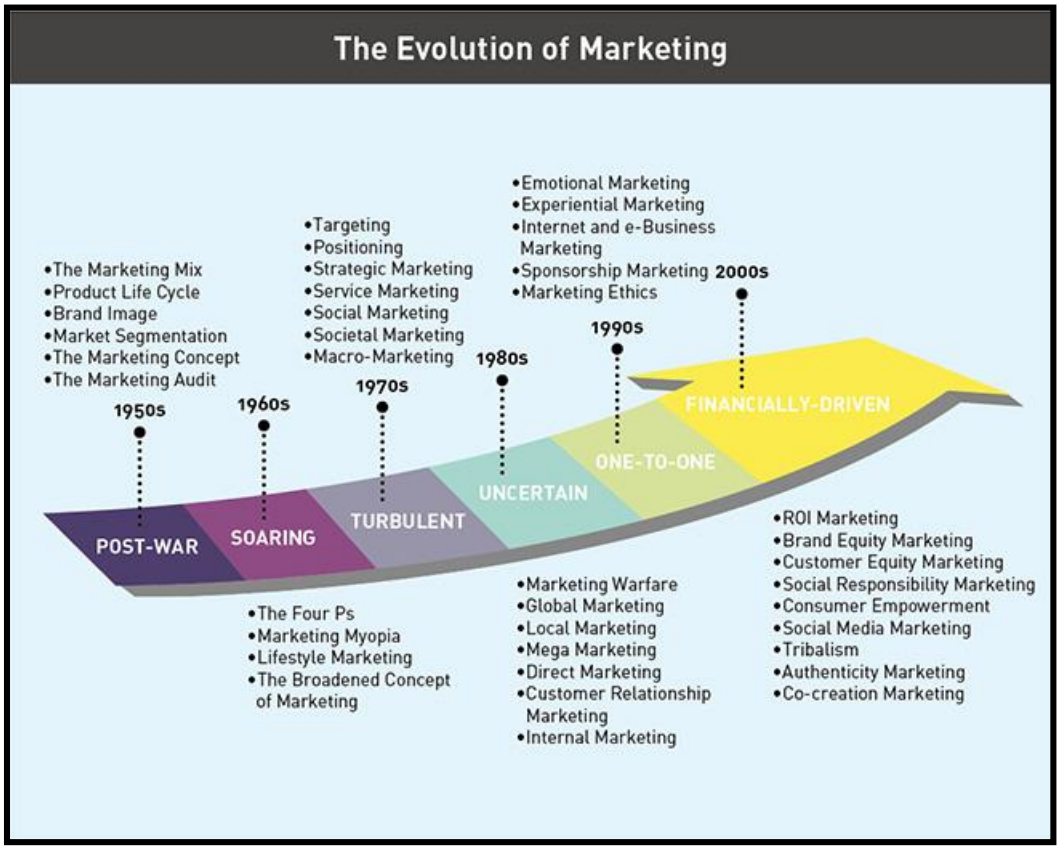
The Bottom Line

Coca-Cola was ranked sixth on the 2012 BrandZ list of 100 Most Valuable Global Brands. Competitor Pepsi followed well behind at No. 67. For more than a century, Coca-Cola has managed to retain its popularity and keep up with the times while still remaining entrenched in nostalgia. Despite competition, Coca-Cola is still one of the most successful and well-known brands in the world. (Moran, 2012, http://goo.gl/08qtTx).

The true visionaries within sport organizations as well as the other industries are adaptable over time. The adaptability of Coca-Cola and the visionary-like approach from the top down are two elements of what makes an industry giant perform well in the past, present, and most likely the future. As we come into a new era of marketing, the leaders within sport organizations must possess the abilities to adapt quicker than ever before, change course at the snap of a finger, and execute their marketing models with precision. The evolution of marketing has been astonishing, as has the evolution of sport. How sports are weaved into the marketing mix and how organizations apply all the new marketing strategies referenced below to sport are the key

questions to be answered by those who will be successful and those who will remain, just like Coca-Cola.

Figure 3: The Evolution of Marketing



Source: Mahajan, 2014, http://goo.gl/1kHazv

1. 2 Sport Business Industry

The sport industry has a broad reach of consumers as well as the ability to be marketed to every consumer in the world if given the right context. As a sport industry leader, you must realize that any organization that touches sport in any way is in the sport industry. Others define the sport industry as organizations that have their main foothold of business within sport and heavily rely on the growth and interests of consumers around sport. To properly identify what the sports industry is to a specific sport organization can be a debatable topic to many inside and outside of sport. As with many other things, the world sport marketplace is an ever-changing target that will never be truly pinpointed. When talking about sport industry in relation to marketing, it is good to first look at the different segments within the sport industry that are directly affected.

1. 3 Segments of the Sport Industry

Below is a list of segments that are common to those who are familiar with the industry of sport. The segments of the sport business industry are

- Professional sports (Premier League, NBA).
- Sports governing bodies (FIFA, IOC).
- Recreational activities (skiing, running, swimming).
- Sports apparel (Nike, Adidas).
- Sports equipment (Louisville Slugger, Spalding).
- Amateur sports (local soccer leagues, local baseball leagues).
- Intercollegiate and high school athletics (University of Southern California Trojans, St. Thomas Aquinas High School Raiders).

Along with these traditionally thought of segments within the sport industry, there have been many industries brought into the sports world to perform services. These new segments have now developed their own niche within the sport industry and should be thought of by any senior-level sports executive as potential partners.

Additional segments within the sport industry

The additional segments of the sport business industry are

- sports agencies (CAA, Wasserman Media group, Gestifute),
- sports marketing firms (Brandwave, Chime Sports Marketing, Fenway Sport Management),
- sports law firms (Weil, Gotshal & Manges LLP, Covington & Burling LLP),
- sports consulting firms (Deloitte Sports Business Group, TSE Consulting), and
- sports research firms (Turnkey Sports & Entertainment, SAP)

By having many different segments within the industry of sport, there is a natural demand for many products. These products can be tangible and/or intangible products. As with many products within industry in general, these

will change over time due to the fast-changing market demand. Some examples of the types of sport-specific products that can be linked to the specific segments listed above are

- participation,
- equipment,
- events,
- apparel,
- facilities,
- marketing services,
- management services,
- research services,
- media services, and
- educational services

As every senior sports executive knows, the number of products and segments have grown significantly over time. These products and segments are ever changing in the way they develop, especially when connected to the outside factors that influence the growth of the sport industry in general. Later we will discuss the current internal factors and external factors every sport organization must consider when building a marketing mission, but it is also important to look at factors that have significantly influenced the growth and development of the sport industry in general over time. The role of the senior executive within sport is not only to project growth, but also to maximize growth over time. Knowing the history that has affected the sport industry growth up to this current era is essential to forecast future growth within an organization and the industry in general.

1. 4 Factors Affecting the Growth of Sport Industry

Consumers

The consumer within the industry has not changed in the fact that it has discretionary income to be spending, and it needs goods or services to spend their discretionary income and time on. The main factors about the sport consumer that have changed are the insatiable attitude and interest consumers have toward sport, and their desire to be a part of the action. Sport is not just viewed as a spectator event anymore, as the most successful sport organizations make the consumer feel like a shareholder in the business. It is the job of the sport executive to make the consumer feel as though their participation matters in the overall experience in which they are engaging in. The second factor in the growth of the industry as it relates to the consumer is the increase in the diverse market segments across the globe. The globalization of society in general has made it possible for a child in the USA to grow up watching La Liga matches on a weekly basis and to be no longer confined to the traditional American sports culture. This allows the consumer to feel more attached to their organizations as well as experience new aspects of sport that they would have never been exposed to previously

Activities and Events

When talking about the growth in the sport industry, the sport executive must realize the growth that involves the participation in different activities and events. There are more types of sport than ever before and they are being offered on a grander scale. This factor allows organizations and individuals to realize the growth potential of certain sports and activities, as they have witnessed the growth of others over time. This factor is even more telling with the ever-present concentration on fitness and health, which has led to ever-changing diets and habits of many around the globe. There is an insatiable passion in the way in which individuals want to engage in exercise and be active within society. Each sport organization can take advantage of this passion by promoting and marketing these activities in the correct manner. As a sports executive, you must think what sports in the past used to be popular for the average consumer to participate in. Today the number of events and

activities are staggering compared to the traditional activities that were available back then. With the increase in events and activities, also comes the increase in sports tourism. Because consumers are engaging in more participation events and have more interests in spectator events, they are often planning travel solely based on events held by organizations within sport. This can range widely as consumers can travel to another city to watch a soccer game, to another state to compete in a marathon, or to another country to view an international event such as the Olympics. This travel also allows friends and fellow fans of organizations to stay connected by meeting up in different locations solely based on sport events. There are some groups which the only time they see each other is at certain events and activities within sport. The sport and its activity then becomes a destination point for everyone in the sport organizations following.

Sporting Goods

Apparel designed solely for sport is a concept that has been around for centuries, but it has exploded with the different specializations for each individual event or activity within sport. This has driven sport organizations to adopt and form partnerships with apparel and sporting good organizations in an effort to mutually brand their products. As a sport executive, one must realize that mutually branding products allow both sport organizations to be in the forefront of the consumer mind at all times. Another factor within this realm is the advent of innovation changes that have come through this industry when it comes to technology. The sporting goods industry is no longer focused on just the look and feel of specific products, although those factors are still very important. The industry is now focused on the technology and science behind a product, which leads to the development of new teams. The research and development teams for sporting good and apparel organizations have grown into full-fledged organizations within themselves, and are on the leading edge of science when it comes to the performance and mechanisms of the human body. This research has created another side effect on the consumer within the sport industry in the way of gathering more information. Consumers are more aware of the dangers and ill-effects as it relates to sport. This is something that is threatening certain sport

organizations and something every executive within sport must be able to speak to now and going forward.

Facilities

As sport executives look at the facilities that sport organizations and sport used to be consumed in, there were many variances as there still are today. The two true growth factors within this realm have been brought about by the trend of facilities to be entertainment arenas in which many different activities can take place, as well as the different type of sport events that can take place within those facilities. Facilities are often built with a multipurpose intent, as the days of just using a sport facility for a specific sport are over. Organizations are looking for different revenue streams and the public consumer is becoming more aware of the overall costs to the consumer for these facilities if they are publically funded. Facilities can be used for any event such as concerts, community events, social gatherings, weddings, reunions, and even religious services, just to name a few. Facilities are also being built with technology and services inside, which make them self-sustaining entities. An example would be the many professional facilities that have complete medical and fitness training areas specifically designed not only to help the athletes perform, but also to handle medical emergencies if they ever arrived for the participant or spectator at the event.

Professional Services

When the sport executive speaks about sport products, professional services such as marketing, research, consulting, and legal representation are all mentioned. This has been a tremendous factor for the growth of sport as well as the growth within these separate industries. Some will argue that these industries have been growing because of sport and not the other way around, but the look and feel of professional services being offered by firms and organizations have been drastically changed because of the sport industry. This is even more evident when we look at the next factor when it comes to the growth of sport: education.

Sports Education

With the advent of any industry, the academic world will eventually take notice and realize there is a demand for those who want to be educated on certain topics and specializations. Sport has grown from being an area discussed within academics, to having its own programs dedicated to it and eventually to having entire academic organizations being built around the sport industry. Ohio University started the first academic program in the United States for the field of sport management with a Master of Sports Administration program in 1966 ("NASSM - Main menu," 2016). Since then, the sports education market has exploded and there are now hundreds of sports management degrees offered online and in the traditional classroom setting. The courses that range from one-course programs to earning a Ph.D. in various disciplines of sport are vital tools a sport executive can use to further advance their own knowledge and the performance level within their organizations as well.

Sports Media

Any sport executive should be acutely aware that the sports media factor has been one of the biggest reasons for the growth of the sport industry as a whole. The exposure that media has provided to sport has led to the growth of not only sport organizations, but also every other industry that is around the sport industry, as mentioned before. We will take a deeper dive into the media effect and what its true impact has been on the sport industry when we discuss the evolution of sports marketing and factors affecting mainstream society. With that being said, sport executives must think of media as being one of the essential driving factors for the growth of sport in every way. This growth is essential to developing the marketing mission and continues to be the lifeline of sport in many ways today.

Commercialization and Marketing of Sport

This is the last factor we will discuss when it comes to the growth of the sport industry. The commercialization and marketing of sport comes from a direct result due to the media growth and packaging of sport as an entertainment product. It has increased the level at which sport has been looked on by

entertainment industries and consumer experts as a whole. There is a direct link between the increase in the understanding of the sport consumer, which will be referenced later, and the growth of the sport marketing industry. Another huge factor of the growth of sport has been the growth of corporate sponsorships, licensing, merchandising, and branding of sport organizations as a whole. Promoting sport and marketing it correctly, along with the influence of media, are the main factors for the growth of sport. This is why we will look into exactly what is needed to correctly establish a marketing mission within a sport organization, what factors and tools need to be considered, and what marketing tools need to be utilized for an effective strategy. In order to do this properly, we will first look at the evolution of marketing within sports.

1. 5 Evolution of Sport Marketing

Although America has been widely regarded as the place where sport marketing began and flourished, the truth of the matter is that the beginning of sport marketing actually goes back to the ancient days of the Olympics. The Olympic Games began around 776 B.C. by all accounts, and although it was not thought of at the time, the ancient Greeks laid the foundation for modern day sports marketing. Businessmen in ancient Greece realized at an early time that if an athlete from their local town or municipality won an event, it would mean big revenue for the local area and all of the athletes' associates. During the gladiator days, businessmen bottled and sold the sweat of gladiators to wealthy women of the area for purposes such as beauty, medical treatments, and even as aphrodisiacs. Athletes were being branded as pseudo deities and would have their own statues, currency, and symbols designed in their honor. This was the earliest sign of athletic and sport marketing as it is similar as to what is being done with athletes today. Today the athlete is marketed and branded on a much grander and more commercialized scale. Even the name of one of the biggest conglomerates in today's sports marketing world, Nike, derived its named from the Greeks. Nike, the ancient Greek Goddess of Victory, appeared on many of the ancient victory coins and is now a household name for obviously different reasons.

Although the Greeks were responsible for the first known venture into sport marketing, the idea did not truly flourish until it was given a rebirth in the United States of America. One early example was in 1852 when a rowing contest between Harvard University and Yale University signified a landmark event that no one at the time realized. The purpose of the event was a contest like many other sports events past and present, but this event was significantly different because it had a sponsor. A local railroad superintendent, James Elkins, offered to pay all the expenses of both rowing crews because he thought he could garner enough interest in the event, and the colleges themselves, to produce revenue for his commercial venture. Other businessmen and Elkins saw the opportunity as a way to commercialize the event to use it for their gain while driving revenue toward train seat sales,

hospitality revenue for the city, and excitement for the local area in general. The idea worked, and just like that, the commercialization of sporting events in America was reborn in a small quiet resort town on Lake Winnipesaukee (Smith, 1991) pp.26-31. Although a sport executive today may think the options have all been exhausted, it is important to realize that at this time many thought Elkins and his fellow businessmen were sorely mistaken in their judgment. Going outside of conventional thought is sometimes risky, but as shown in the example, it can create a worldwide global trend if done correctly.

Event sponsorship as well as payment for playing specific sports, or what is now known as *professional sports*, continued to grow in America over the next half a century. This growth included the formation of the first professional baseball team, the Cincinnati Red Stockings in 1869; the first professional American football player, William "Pudge" Heffelfinger's in 1892; and the first all professional American football team, the Massillon Tigers in 1902. Professional soccer clubs were also forming in England during this time such as Notts County in 1862 and Stoke City in 1857 (Polsson, 2007). Back then, professional teams and players did not live the extravagant lifestyle as we see of some of the stars today, but this was the beginning of sports marketing and it ultimately led to individual and organizational team branding. The first official endorsement contract with an individual athlete was signed by Gene Sarazen in 1923 with Wilson Sporting Goods. This deal was for $6,000 per year plus an equal amount for travel expenses. Although the terms changed over time, this became the longest running endorsement deal in the history of sports renewing every two years up until his death in 1999 (Polsson, 2007).To better understand the sport marketing of today, the sports executive has to understand what the previous eras of sport were. Sport marketing and its evolution are usually discussed in these four specific time periods: monopoly era, television era, highlight era, and the experience era.

Monopoly Era (1900-1950)

Although not the beginning of sport marketing, this time period is still considered the very early years of it. This era had the scattered mix of professional sports teams, but it also had a significant role being played by intercollegiate and minor league teams. Two sports that were tremendously

popular during this time but have declined in popularity today within the US are boxing and horse racing. As their popularity declined, the executives within these sports did not maintain the proper focus and adaptability which are crucial to the sustainability to any sport organization. Also, during this time, teams started to brand themselves and some national fan bases started to emerge. One of the significant milestones that took place within the sport marketing era was in 1925 when the Goodyear Tire and Rubber Company built the Pilgrim which was the first blimp to ever fly over an athletic event (Polsson, 2007). This showed significance because not only were businesses seeing the value of being a sponsor at events, they were now content with just having the access to be associated with an event as a cultural place to be. Coca-Cola, previously mentioned in the text as one of the leaders, took event sponsorship to another level when it became partners with the Olympics in 1928 (Polsson, 2007). This move shows the global outreach that not only Coca-Cola was trying to obtain, but also the changing culture in the sports atmosphere. This exposed the unlimited growth potential within sport that organizations typically outside the sports industry came to realize. Sport was not being looked on by many as an activity in which subjects engaged for the purposes of winning and losing, but rather an event-based entertainment function that was a product of business just like any other good or service which could be marketed.

Television Era (1950-1990)

Although radio carried the torch on truly expanding the sports markets to the consumer, television is the one responsible for making the sports market explode. Television and the accessibility to televisions by everyday consumers made the sports market something that could be consumed on a daily, if not hourly, basis depending on what time period you are referring to. Television started off with just broadcasting major events and weekly programs like the Olympics, Major League baseballs *Game of the Week*, or the ever popular ABC's *Wide World of* Sports (Polsson, 2007). One of the reasons for the significant growth among sports and sports marketing is also attributed to the growth of interest in demand of knowledge of sports. This interest and demand was first developed by radio broadcasting in the US and eventually grew into television

broadcasting rights. Senior-level executives from many organizations soon realized how profitable it was to be affiliated with a specific sport organization, as well as how valuable these affiliations could be to the general public consuming information about their products. This led to not only a change in sports marketing, but also a change in which the medium of sport was looked at through the eyes of the successful non-sports organization. The non-sports organization and its executives soon realized that part of any quality marketing strategy had to be developed through the eyes of a consumer, and that sometimes their own consumers were ten times more passionate about a particular sport and/or extracurricular activity.

The marketing theory got flipped on its head and now the industry had awoken a sleeping giant that no one could have ever imagined. With the broadcasting of live and tape delayed events on radio and television, sport grew to be so popular that a little known network called ESPN was formed in September 1979 (Polsson, 2007). One year later, in September 1980, the first major American alliance between corporations and sports took place when Syracuse University became the first university to offer naming rights to a facility as they partnered up with Carrier Air Conditioning to introduce the Carrier Dome (Polsson, 2007). The alliances between sport and major corporations entered into the worldwide realm when the 1984 Olympics were fully commercialized and made a profit for the first time under the direction of Peter Ueberoth (Polsson, 2007). This was an unprecedented event and something that now garnered worldwide attention to show that sports marketing can not only be used in America, but can also be expanded to be a global industry in which large financial transactions and market makers would take place.

Highlight Era (1990-2010)

After the explosion of growth within the television era, sport and sport marketing saw another tremendous explosion during the highlight era. ESPN was already a major player on the scene, but it was now expanding its already significant role within the sports and entertainment industry. ESPN was taking over and expanding to different types of programming including sports commentary shows and specific target networks (ESPNU, ESPN2, among

others); all the while maintaining its flagship product of Sportscenter which was the preeminent highlight show to see the best action of every contest being delivered in an appealing format. Of course other networks were not going to stand by and idly watch ESPN take the whole market, so executives within the sports society saw the expansion of what is now known as the Sports package on many of the cable and internet providers. These stations were spinoffs and produced all sports programming such as FOXSPORTS and NBCSPORTS, and also created niche networks such as SPEED network and XTREME network.

Along with the explosion of new television networks and content came the advent of internet-only content and social media platforms. The internet gave the sport business a new channel to connect to the consumer. This explosion of growth was shown as a major revenue from online stores, premium subscription services, and advertising sales which were made from various organizations that were either in the sport industry or now directly related to it. Another channel that exploded during this era was the non-revenue producing channel in which consumers were engaging with organizations. This included social media platforms, blogs, and various other apps which do not produce immediate revenue for the user but can be tied in directly to advertising and marketing for the sport organization. While keeping in mind the current state of their organizations, sport executives scrambled to gain market share and focused on providing the most quantity and quality of sport-related products.

Experience Era (2010-today)

With these new formations of community, local and global, consumers had a way to interact with their favorite, and sometimes least favorite, sport organizations in different ways. The ease at which one can get a message out has been increased so something can now go *viral* in just minutes and be shown around the world globally. This is tremendous when it is a positive message that is being spread, but can be just as harsh on the other side for an organization if the message is not part of its overall marketing mission. The experience era has also given athletes a new channel to connect with the consumer on an individual basis. This has become even more important as it is

not only the athlete's performance that is now judged, but also their *brand* when it comes to how attractive they are to marketers.

The experience era has offered up much more than an explosion in online and social media content as well. The live sporting event has become more of an experience-based event and not just a game one attends. Because of the increase in pressure to deliver a truly remarkable experience as compared to the less expensive and often times less troubling home experience, sport organizations have gone to great lengths to take it to the next level. Stadiums now have interactive technology, first-class premium areas, and upscale dining establishments. These benefits offer a general improvement in the overall fan experience for everyone in the stadium, not just the premium consumers. These techniques along with giving the in-stadium consumer more access to content that is also available (replays, other broadcasts, etc.) and unavailable (autograph sessions, tours, etc.) to the home consumer can make the experience a unique channel that must be worth the all-important consumer discretionary income. With this experience era being more demanding of the sport organization than ever before, evolution, innovation, and adaptability will be the key components of any successful sport executives and their organizations going forward.

Along with the different eras, part of the evolution of sports marketing is having an organization come along and change the way it is done. There were many gimmicks and one-time marketing deals done throughout the late 18th century and early 19th century, but the marketing of sports and, specifically, the sponsorship of sports athletes changed when Mark McCormack and IMG came onto the scene by signing American golfer Arnold Palmer in 1960. McCormack then started what is now one of the largest and most successful organizations in sports and entertainment. Another significant moment when a legend in sports marketing came onto the scene was in September 1954 when Bill Bowerman and Phil Knight invented Nike (Polsson, 2007). To truly develop the new ideas and innovations, these sport executives took chances. Even with these chances, these innovators of the market and ideas had one common thing in mind: the consumer. Through the evolution of sport, and even through the evolution of marketing in general, the consumer is where the guidelines

for all marketing should begin. Many evolutions of marketing, sponsorships, and naming rights have taken place over time; however, as a sports executive today, imagine the sports marketing industry that started with the ancient Greeks. Whether it was the small rowing match in the USA, a small personal contract signed by a golfer, or the half trillion dollar sport industry today, we are all part of the history and evolution of sport. The true question is what chapter is next and what part will you play in that chapter.

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