COURSE BACKGROUND

This is a specialized course for the MBA student interested in expanding knowledge of the sports industry as a business and as a world economic force. It will provide students with a framework for understanding the scope of the sports business across the various leagues, the venues, the sponsors, the networks, the athletes and their relationship to internal and external factors, and the marketing applications that drive this complex and growing multibillion dollar industry.

The business of sports has become a persistent and integral part of our economy, specifically in the multi-media and entertainment arena. The activities, deals, and general business practices are front page news stories, as conglomerates like Comcast, Disney, NBC Universal, CBS, Viacom, NewsCorp. and TimeWarner have become heavily invested in the business of sports as team owners and/or media conduits of programming. The marketing of sports has grown significantly with more professional and collegiate teams and amateur events competing for fans, airtime, media coverage, licensing revenue and sponsorship dollars. This has made the management of events, venues and athletes, as well as the accountability of sponsorship and celebrity endorsement high priority with bottom line relevance.

This course is an elective for the student interested in adding to their understanding of the Entertainment, Media & Technology(EMT) program sectors. Through lectures by leading executives within the sports industry and professionals who provide the support system, along with selected readings, videos and case histories the student will understand how the various parts of this complex process interface and interact.

We invite guest lecturers from several distinct sectors – properties, agencies, sponsors, media, networks – to share specific business issues affecting the global marketplace. We analyze financial structure with regard to athlete compensation team ownership, league revenue sources and income distribution. We study the importance of major events like the Olympic Games and World Cup and more modest entities like the New York Marathon explaining public/private partnerships, corporate citizenship, and economic impact. We also discuss the growing importance of markets outside the U.S., especially Europe and Asia.
COURSE OBJECTIVES

To provide students with an overview of the sports marketplace as a business, which generates enormous domestic revenues and a growing export income, through lectures, readings, case studies and videos.

To examine the various elements, factors, regulations, parameters, and characteristics that make up the totality of the sports industry and their relationship to the overall marketing and promotion mix.

To learn the basic concepts, terms and principles, and vocabulary that are key to understanding the sports business, even for “non” sports fans.

To study the activities of the key components (leagues, teams, athletes) within the sports industry and those sponsoring companies (brands) and networks working with them.

To analyze and learn how to evaluate decisions made by senior league officials, owners, marketing and media executives regarding problems and opportunities as they arise, and how they constitute working agreements, and flexible non-formulas, and their long implications.

COURSE REQUIREMENTS

Class participation will be extremely important, since much of the study of the entertainment industry is obtained from articles, on the job observation, guest speakers, and some selected texts. In addition there will be a field trip and a case study with written report. The class will be graded on the following basis:

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INSTRUCTOR POLICIES

Attendance/Lateness:

Absences/Tardiness will lower your class participation grade significantly.

Late assignments are not accepted. If you miss any assignment deadlines, i.e. at the start of a class period on the due date, you forfeit a grade on that assignment.

HBS CASES available at the Professional Bookstore, REAL Madrid, Marina Sharapova: A Champion

Required Reading: Business of SPORTS by Foster, Greyser, Walsh, Thomson/Southwestern Publishing
Should be available soon at the NYU, Graduate, Professional Bookstore
SIX WEEKS EVERY WEDNESDAY FOR THREE HOURS

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Spring Break March 17, 2010

Class 1, February 10 - Introduction, Land Lieberman
Class 2, February 10 - Land on Media and Sports

Class 3 February 17 - Len De Luca
Class 4 February 17 - Donna Ordover

Class 5, February 24 - David Haney or Anna NYRR
Class 6, February 24 - Land / Lieberman and 1st Case REAL MADRID

Class 7, March 3 - Don Fehr
Class 8, March 3 - Kathy Francis USTA

Class 9, March 10 - CASE Marina Sharapova
Class 10, March 10 - Land Wrap Up

SPRING BREAK March 15 – 21, 2010

Class 11 March 24, Presentations
Class 12 March 24, Presentations

THE BUSINESS OF SPORTS MARKETING     SPRING 2010
SESSION DATE SUBJECT

1. Topic: Course Introduction: Professors Lieberman and Land

What is Sports Marketing: Definitions, industries involved, historical perspective, and growth in recent years of major sectors. TEAMS assembled, Topics selected, Syllabus & assignment review,
2. Len DeLuca ESPN, Senior Vice President, Programming
   Topic: TV Right Fees/Negotiations/Properties and the critical role that television plays in the sports marketplace with a focus on the recent BCS acquisition.

   **Questions to be Answered**
   What is the toughest negotiation you’ve ever had to handle?
   How do you see the cable/network mix shaking out in the next decade?
   What role with satellite TV/other technologies (ESPN SportsZone) have in the future?
   Does ESPN Magazine compete effectively with Sports Illustrated? Are rights fees for the major events/properties going to keep rising and if so, what does that mean for the smaller sports?
   What do you think ESPN’s role is in terms of presenting positive sports messages to young viewers?
   What’s the future for women’s sports on ESPN? Extreme sports?

3. DONNA OREN DER, Commissioner, WNBA
   Topic: The Business of the WNBA
   **Questions to be answered:**
   Now past its 10th birthday, how is the WNBA doing from a business perspective? What new programs are being introduced for sponsors/fans? Where are the growth opportunities both inside and outside the U.S.? What role does technology play in the WNBA?

   **Questions to be answered:**
   What is the role of an agency in working with a sports league? A sponsor? How critical is the role of an agency in working with a corporate sponsor? How does an agency evaluate specific program on behalf of a property? A sponsor?

   How much time does an agency spend developing new ideas versus servicing existing business? Why do properties/sponsors need agencies? Who owns sports marketing ideas? The sponsor, the agency or the property? What criteria are used in evaluating the agency/client relationship (success rate, increased sales, and participation)? How are relationships managed when agencies represent both talent (athletes, coaches, broadcasters) and management (leagues, networks)?

5. March 11. Peter Land, Chief Marketing Officer, The Breeders’ Cup
   **Questions to be Answered**
   Recap the first two speakers; then, What role does the media play in today’s sports marketplace? Given the emergence of electronic forms of media (cable, DBS, Web), how critical are print applications for sports marketing? With revenue playing a central role in the publishing business, how do you separate the editorial side from the desires of your advertisers? What new areas will emerge in the next 10 years? Do you see the business environment generating more niche publications or could we see the dissolution of less profitable titles? How does the business of sports get covered?

6. **Real Madrid Case Due**
   Discussions of the Case. Branding REAL MADRID
Discussion of the
Olympics 2008, Beijing, China

Questions to be Answered:

How did J&J come to sponsor the Games? What programs were
developed in the U.S. and China. Which brands were most effective
in activating? How did you evaluate whether it met business
objectives for J&J?

Don Fehr, Executive Director Major League Baseball Players
Association

Recap of other speakers/topics. Ann Hinegardner, SVP, NY Road Runners
Topic: Sponsorship
Questions to be answered:
Who are some of the NYRR’s major sponsors? How much time does
the group spend planning for the NYC marathon each year? How
dependent is the NYRRC on
the help of volunteers? How is the NYRRC able to leverage its
showcase event to promote the organization to those outside of New
York? Have there been consistent sponsors throughout the
history of the NYRRC and the NYC marathon? Are marathon
sponsors obligated to sponsor other
NYRR events throughout the year? What is technology’s role in the
event?

THE BUSINESS OF SPORTS MARKETING

Speaker: KATHY FRANCIS, Managing Director, USTA
Topic: The U.S. Open and how it supports overall USTA
programming
Questions to be answered
What are the core revenue streams at the U.S. Open? How has the
event grown over the last 10 years and why? What does the USTA
do with the money generated at the Open. What is the current state
of the tennis marketplace in the U.S.

TERM PAPER OUTLINE DUE – table of contents, team topic, team focus, confirm team members

CASE DUE: Marina Sharapova, HBS Case

Speaker: Peter Land,
Review of Guest Lectures and an Analysis
Case History NASCAR

Questions to be answered:
- How do you measure/evaluate sports sponsorships?
- How do you decide which events to sponsor?
- Should sponsors have an equity position in the events they sponsor?
- How important is signage versus other forms of traditional advertising?
- Explain the differences between sponsoring a major event with worldwide coverage (U.S. Open) versus a local event with no TV coverage (Corporate Challenge).

TERM PAPERS DUE

11. Team Presentations: 05 Power Point
    [Take Home Exam will be distributed]

12 Team Presentations: 05 Power Point/
    [Take Home Exam due back]

Assignments for the Business of Sports Marketing

SPORTS TERM PAPER

Generic information applies to all term papers
1. All papers should have a bibliography, some appendices, and more than web mentions to support your research including some articles, books, etc.
2. The last and most important section of the paper should provide the focus and should describe the problem or topic or main issue under consideration.
3. It should demonstrate a grasp of the problem, current status and team recommendation. It should run about 5 pages for the short papers and 6+ pages for the longer papers.

Team 2-3 persons
10 page papers, with 5 pages on background, industry landscape, marketing developments – 5 pages on the problem. Issues (see above)

Team 4-5 persons
20 page papers, with 15 pages on background, industry landscape, marketing developments – 5 pages on the problem. Issues (see above)
Team 6 persons
25 page papers, with 18 pages on background, industry landscape, marketing developments – 7 pages on the problem. Issues (see above)

Please don’t use material from the HBS cases since we will all have read them and we are looking for fresh material. Any questions please email soon, so that you have the maximum time for developing the paper.

Good luck. Al Lieberman and Peter Land
The Business of Sports Marketing – Topics

1) Major League Baseball
Baseball has become heavily Hispanic. How can MLB better capitalize on this growing and increasingly important market segment?

2) National Basketball Association
What can the NBA do to hold its audience and build new fans?

3) National Football League
The NFL is the dominant sports league in America. What are the major obstacles/concerns for the NFL in the next 5 years?

4) National Hockey League
Hockey remains under the radar in most of the U.S. How would you market the league to a teen audience?

5) Soccer
Why is this sport so popular in other parts of the world but not in the U.S.? Any recommendations as to how to generate more excitement for the sport in the US?

6) Olympics
Should Chicago host the Games? Discuss the pros/cons of hosting the Games and the issues facing the Chicago bid.

7) X Games
Extreme Sports have developed as its own industry in the past few years. What is the future for this category?

8) Golf
Tiger Woods has been off for almost a year. What has the impact on the PGA TOUR and the sport in general?

9) Tennis
What has been the impact of the Williams sisters on the sport? Does the U.S. market need a male star? And where is the sport going in the future?

10) Boxing
What are the barriers to expanding the popularity of boxing both from a fan and marketing perspective?

11) NASCAR
Is the New York City area viable for a NASCAR race? Why? Why not?

12) NFL Network, NBA TV, YES
Are the major networks in danger of losing sports properties to niche broadcasters and teams/leagues that own their own content?
THE BUSINESS OF SPORTS MARKETING

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PROFESSORS:
PETER LAND
AL LIEBERMAN

SYLLABUS, ASSIGNMENTS, CASES, SLIDES

SPRING 2009