Major Leagues Sports Marketing in North America and Its Emergence Internationally

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ABSTRACT: Sport marketing is a relatively young professional and academic field. Young in that it only recently has received the attention befitting an aspect of the overall marketing field that holds the number of opportunities to create significant relationships between consumers and corporations. Of the four major leagues of sport in North America, the ones that place an emphasis on marketing themselves well are easily separated from those that have not. The National Basketball Association (NBA) has experienced 12 years of growth in large part due to the presence of gifted marketers in high ranking positions (Lefton, 1996). The National Hockey League (NHL) began its own growth spurt after naming a former NBA executive as its commissioner (Cohen, 1994). These two leagues have taken similar routes, and are both arriving at success.

That’s more than can be said for their brethren, Major League Baseball (MLB) and the National Football League (NFL). These two leagues have found their own paths to lackluster fan interest, sagging merchandise sales, and poor overall images. The retirement of one sport’s commissioner and the death of the other’s have altered the marketing leadership for each league. Combined with labor stoppages and an increase in franchise mobility, the lack of a creative marketing emphasis in each league’s strategic planning has caused significant difficulties for the organizations and their members.

This paper discusses the marketing efforts of each league and provides recommendations to improve the reputation, value, and salability of each league in the consumer’s mind. These recommendations are based on a literature review of selected trade magazines and journal

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SPORT MARKETING

Sport marketing is very similar to other forms of marketing in that its focus is directed at creating awareness, influencing actions, and achieving measurable results in the form of revenues. Also, many significant principles of goods and services marketing are used to achieve the goals and objectives of the sport marketer such as the four P's (product, price, place, and promotion), segmentation, research, and the study of consumer behavior. However, sport marketing does differ from goods marketing in that what it promotes takes on both tangible and intangible forms; it is both goods marketing and services marketing simultaneously. The enigma of sport as the product challenges marketers to add value to the spectating experience to achieve consumer satisfaction. The challenge is to add value to spectators' expectations of the game, within realistic limits, in order to entice them to attend these games. If the spectators think they have been promised more than what they receive, they will be disappointed and less likely to return and spend more money.

Marketing goods or services through participation in sport is a combination of marketing tangible and intangible benefits. For instance, the in-line skating craze started by the Rollerblade brand of skates offers consumers two types of benefits. The skates themselves have varying levels of technological features, which proportionately affect the price of the skate and the perceived benefit to the consumer. The core value of the skates is then augmented by the benefits gained when they are actually put to use by their owner. Although hard to price, these intangibles (fitness, feeling of freedom, etc.) produced by using the skates inevitably affect the post-purchase evaluation of the value received from the skate purchase. Although promoting sport and consumer goods individually of one another are factors to consider in sport marketing, the majority of emphasis in the field has turned to promoting goods and services through sport and sporting events. This has become an increasingly important part of sport marketing because of the expansion of media and consumer interest in sport over the last twenty years (Mullin, Hardin, and Mullin, 1996). All of these new companies are finding event sponsorship opportunities to be appealing.

As these companies enter the market, the additional challenge of the exposure for the sponsors and pressures can be seen around the nations today. There are advertisements available for sale at these sporting events.

In the past, one of the most popular league baseball and the big banks found in the minor league is the major league in “the show.” In 1996, there were signs in the walls behind home plate for major league viewers.

With a triumvirate of major issues to address, sport marketers have to be effectively accomplishing three major tasks. First, to impact proper promotion, the team or professional ranks, the revenue, and the market system. Second, the opportunity to do so can result in a significant increase in sales.

THE NATIONAL BASKETBALL ASSOCIATION

Since David Stern became NBA commissioner, the league has undergone a significant change from an unprofitable business with only 15 franchises (Baird, 1996), the NBA is now the model of a modern entertainment. It has become a global phenomenon with a surplus of superstars. The NBA has swept the nation during the late 1970s and early ’80s.

Now is not the time to begin the league’s brand very well, with the huge financial rewards offered by the league. Through the years, Stern...
Other forms of marketing in that class, influencing actions, and m of revenues. Also, many venues marketing are used to market a marketer such as the four, segmentation, research, and r, sport marketing does differ motes takes on both tangible and intangible benefits. The skates themselves are, which proportionately valued benefit to the consumer. nated by the benefits gained their owner. Although hard to of freedom, etc.) produced by post-purchase evaluation of the Although promoting sport and ther are factors to consider in s in the field has turned to port and sporting events. This art of sport marketing because of interest in sport over the last twenty years (Mullin, Hardy, and Sutton, 1993). More and more companies are finding event sponsorships and promotional licensing opportunities to be appealing avenues for promoting their offerings.

As these companies enter the arena, sport marketers are faced with the additional challenge of creating new ways to guarantee maximum exposure for the sponsors and licensees’ messages. The effects of such pressures can be seen around professional and collegiate athletic arenas today. There are advertisements in nearly every nook and cranny available for sale at these sites.

In the past, one of the most noticeable differences between minor league baseball and the big leagues was the prevalence of advertising found in the minor league ballparks, and the stark absence of the same in “the show.” In 1996, big league parks began introducing rotary signs in the walls behind home plates to catch the attention of television viewers.

With a triumvirate of marketing purposes and an array of sport-specific issues to address, sport marketing requires significant resources to be effectively accomplished. The trend among U.S. universities to add personnel to their staffs for marketing purposes underscores the impact proper promotion of athletic events can have. Even in the professional ranks, the revenue created from such ventures can dramatically affect a team’s bottom line. Meanwhile, for corporate personnel, the opportunity to market goods and services through events can result in a significant increase in awareness and, more importantly, sales.

THE NATIONAL BASKETBALL ASSOCIATION

Since David Stern became commissioner of the NBA in 1984, the league has undergone a startling transformation. Once known as “an unprofitable business with a reputation for drug abuse” (Lefton, 1996), the NBA is now the envy of all professional sporting establishments. It has become a global league with little labor unrest and a surplus of superstars. The NBA has become the antithesis of itself in the late 1970s and early ’80s.

Now is not the time to rest, however. Stern has protected his league’s brand very well, positioning it to reap the ever-expanding financial rewards offered by those wanting a piece of the NBA bonanza. Through the years, Stern has cultivated this position by finding
appropriate media channels to increase brand awareness and exposure. This is evidenced by the connection between the NBA and cable television. Seeing the potential of the new technology in 1979, Stern and the NBA signed a deal that put the league and its players in 4 million homes for $400,000. Now, cable television brings NBA games into 69 million homes for $90 million (Lefton, 1996A). The league policy of "watchful waiting" continues to look for breakthroughs in direct broadcast and the Internet that will offer increases in exposure and, consequently, revenues. As Stern said, "I don't purport to know... when full motion video will be available on the Internet. But you just have to be ready to jump when you see the right deal" (Lefton, 1996A).

In addition to increasing exposure through new television and other future broadcasting agreements, the NBA has exponentially increased its involvement with consumer goods providers. One of the largest such partners is McDonald's. A long-time sponsor of the NBA, McDonald's stepped up its participation in 1996 by acquiring sponsorship rights to the mid-season All-Star game. The promotional tie-in benefited both the fast-food chain and the league by increasing access to ballots and other All-Star related materials for fans. Through its 10,000 stores across the U.S., McDonald's expected to distribute 50 million ballots, three times as much as the previous best for a sponsor (Lefton, 1996B).

League promotions are never hard to find around the NBA, but the 1996-1997 season had even more than usual commemorating the 50th anniversary of the NBA. From a team of the 50 greatest players in league history to an opening night match-up of the two cities' teams which played the first NBA game in 1946, Stern and his organization made sure no one forgot this birthday. In addition to these events, special "turn back the clock" jerseys were worn on selected game nights, a coffee table book about the league's history was available, and a documentary of the NBA was produced for cable television. Of course, all of these promotions fed the retail sales of licensed "retro" products, and corporate partners like Starter, Champion, Costacos Bros., and Highland Mint were happy to supply them (Waddell, 1996).

The challenge for the NBA and Stern is to continue to grow in ways that protect the brand name while eluding the stagnation of revenues from merchandise and ticket sales that are affecting the other major sports. Corporate partnerships will continue to play a large role, but nothing will be done to the core business. As Stern says, "Every other brand has a tag line on it. So we'll have a line on the brand, because when you look at it, the line relates back to the core brand." (Lefton, 1996A).

RECOMMENDATIONS

The NBA enjoys the most favorable climate in its efforts to become a professional league. Using its distribution, the organization can bring the college game to the international market. The NBA can bring the game to a new, untapped audience in the U.S. The NBA has a rich tradition that can be used to attract new fans, and the league's management is skilled at marketing its product. The NBA has a strong, identifiable brand name that can be leveraged to promote the league in the global market.
and awareness and exposure. Between the NBA and cable television in 1979, Stern and his league and its players in 4 television brings NBA games (Leighton, 1996A). The league to look for breakthroughs in offer increases in exposure “I don’t purport to know... on the Internet. But you just see the right deal” (Leighton, through new television and other has exponentially increased providers. One of the largest time sponsor of the NBA, in 1996 by acquiring sponsor-

The NBA enjoys the most developed marketing strategy platform of the four organizations discussed here. In addition to the comprehensive merchandising and promotional programs it has domestically, the NBA has staged contests in Europe and Japan for several years. Every spring the NBA sends a team to compete in an international tournament sponsored by McDonald’s in an effort to promote the game, and consequently the league. NBA stars are also playing in the Olympics and annual World Championships through an agreement with USA Basketball, a domestic governing body for the sport.

The NBA, unlike any other professional league in North America, has truly extended its brand name by unveiling the WNBA women’s professional league. Using its expert marketing and substantial financial resources, the organization used the popularity of the women’s college game to bring sell-out crowds to arenas to see the season tip-off in the summer of 1997. So, to recommend the addition of new product lines would be fairly redundant.

The challenges of global expansion merit caution be taken to prevent damage to the quality of the game or the fan’s enjoyment of the game. Such precautions involve the number of games played overseas and pricing issues.

While global audiences have shown that they will pay to see NBA contests in the past, availability of those games was kept to a minimum. Teams would square off on a Saturday afternoon and then get back to the U.S. and the rest of their season. An increase in the number of overseas games is not threatening unless teams are kept “over there” for long stretches. Quality of play may suffer if athletes are subjected to too many hours of travel.

The current one or two games over a weekend abroad per team is preferable. To offer more opportunities for fans abroad to see games live, the NBA should consider scheduling each team in the league for two regular season games abroad during the season. This would in-
crease the league’s exposure abroad while insuring against a drop in the level of play in front of fans abroad. Such scheduling serves to protect the brand image while simultaneously expanding its reach.

Adding more games in more places will also lead to some questions about where these games go. Popular throughout Europe and Asia, the NBA will have little trouble drawing crowds. However, in some areas there may be trouble bringing in paying crowds, or at least those able to pay regular ticket prices. Many countries with developing economies are excellent potential markets for the league, but only a few boast particularly high per capita incomes. The NBA will have to decide whether or not to leave prices at normal levels or discount the price to encourage attendance.

The NBA is enjoying the fruits of being the best professional basketball league in the world. As it continues to grow and promote the expansion of the game, the NBA needs to show some restraint. Only through over-extension will the brand falter. This means that it would not be wise to suddenly add franchises in Tokyo, Paris, Berlin, and Sao Paulo. At one time or another, the travel involved with playing against these teams would result in sloppy play which would hurt the league’s image. Also, there would surely be a dilution of the talent pool with the addition of more teams. For these reasons, the NBA should employ a conservative expansion strategy to extend its growth and continue its success.

THE NATIONAL HOCKEY LEAGUE

Under the direction of Gary Bettman, the NHL has become arguably the second most popular of the four major leagues. Once thought of as a “violent sport played mostly by foreigners” (Cohen, 1994), the league today thrives as it strives to live up to its “Coolest Game on Ice” promotional campaign. Add to this a growing number of influential sponsors and licensees, and the NHL is obviously headed in the right direction.

Again, that direction comes from the top. Just as the NBA’s Stern has guided his league into the spotlight with his marketing dexterity and long term outlook, so has Bettman taken the former afterthought of professional sports and turned it into a success story. Bettman was hired as commissioner by the league’s owners after spending 12 years fine-tuning his marketing abilities with Stern in the NBA. And, indeed there are some similarities. In 1994, Bettman signed a deal with ABC network to get the NHL “on the way to getting massive exposure for a sport” (Cohen, 1994).

To get this exposure, the product: the entertainment, turned off for the most part throughout the league. Instead, Whalers’ former general manager Burke suspended hockey operations, more so the previous season. With the league, Bettman then went to Budweiser, which possesses the recognize the recognition of the NHL.

Such corporate partnerships—licensed product arena—authentic and replica NHL gear at the retail level for licensed teams with Mastercard, 7-Eleven, and demonstrated increased sales overall swelling in fan base. An integrated marketing plan is revenue structure of the NHL’s 1990’s $150 million in lic: in 1995 (“Fan apparel,”

RECOMMENDATIONS

As the NHL’s popularity in the marketing leadership. The need to young fans in addition to traditional. With this in mind, the NHL is creating new target markets, both in and out of the country. Success in such efforts will be key to catching up a little more to the success of the NBA.

Geographic expansion
while insuring against a drop in sellout rates. Such scheduling serves to buoyly expand its reach.

All this also lead to some questions about the economic viability of the league, but only a few have been answered. The NHL will have to either increase the size of the league or pursue creative revenue streams that are unique to professional hockey. The best professional baseball teams to grow and promote the sport to show some restraint. Only then will the NHL be able to compete with the National Football League (NFL) and the National Basketball Association (NBA) in terms of popularity and revenue.

KEY LEAGUE

The NHL has become arguably the most important minor league in the world. Once thought of as a second-rate sport only for foreigners (Cohen, 1994), the league has grown in popularity, with the “Coolest Game on TV” being a primary factor. A growing number of influential individuals have publicly endorsed the NHL, and the league has expanded its reach beyond North America.

For these reasons, the NHL’s strategy to extend its growth beyond North America makes perfect sense. The NHL has already established a strong presence in Canada and the United States, but it has yet to make significant inroads in Europe, Asia, and Latin America. The NHL has the potential to become a global phenomenon, similar to the NBA and Major League Baseball (MLB).

RECOMMENDATIONS—NHL

As the NHL’s popularity continues to increase, so does the need for marketing leadership. The league must continue to attract a growing number of young fans in addition to regaining ties to traditional hockey fans. With this in mind, the NHL must look for ways to further penetrate new target markets, both geographically and demographically. Success in such efforts will bring additional revenues to help the league catch up a little more to the other sports financially.

Geographic expansion means the NHL should bring more teams to new markets, such as Europe and Asia, where there is growing interest in hockey. Additionally, the NHL should continue to promote the sport through international tournaments and exhibition games. This will help attract new fans and increase the league’s visibility around the world.

Overall, the NHL has a bright future, and with the right strategy and leadership, it can continue to grow and thrive in the years to come.
into the league in more places around the U.S. This is a valid strategy because hockey is a sport, like most sports, that is much better to watch in person than on television. By offering more of the domestic population the opportunity to see the game live without having to travel, the NHL will increase quality exposure to the game and see an increase in revenues. Although some might say that the league would not fare well in historically non-hockey oriented areas, this has been disproven with the success of the San Jose Sharks, Mighty Ducks of Anaheim, and the Phoenix Coyotes.

This is more complicated than it sounds, though. Additional teams mean more mediocre players are playing, and game quality could suffer. To prevent this the league should increase its participation in instructional programs for young players. Whether through providing coaching or helping with facility development, the NHL can directly influence the quality of the domestic talent pool.

Internationally there are also many players who might benefit enough from this kind of educational program to play at the level expected of NHL pros. Canadian skaters and those from certain European countries have enjoyed rich traditions of hockey and in some cases, government support in their attempts to become great hockey players. Since the fall of the Iron Curtain, the hockey world has seen a steady stream of Eastern European talent head for the NHL. To continue and maybe even increase this trend, the NHL has the opportunity to provide support to youth programs and facility maintenance and development in countries where the governments have stopped such subsidies.

With the increase in quality players, the NHL will have a deeper talent pool from which to stock competitive franchises. This will allow the league to offer expansion franchises to geographic regions without them like the Pacific Northwest. Both Seattle and Portland, Oregon have expressed interest in bringing the NHL to the area. Should either city be given a franchise, a natural regional rivalry would be established with the Vancouver Canucks across the Canadian border in British Columbia.

While the league is working to expand its geographic coverage, it should simultaneously work to increase its appeal to a broader demographic spectrum. Because of the lack of very many minority players in the league, the NHL is not attracting a minority fan population. To remedy this situation, the NHL should expand its grassroots programs of hockey education to include league’s resources alone, but other ice hockey organizations.

USA Hockey is the dominant program for coaches, players, and parents of the game. USA Hockey has grown from a few hundred a few years ago to partnering with USA Hockey and the NHL, to take the game to new fans who will still be at the feet of the players who are experienced in developing instruction programs to further the game. This will be especially important for youths and females to the sport. It is expected that participation will become exciting at both levels, especially at the top.

Also, USA Hockey has the International Ice Hockey Federation and other pre-established entities involved in the game that can represent the U.S. in World Play. With this common ground, USA Hockey will carry hockey and the NHL to come.

THE NATIONAL LEAGUE

Paul Tagliabue became the NFL's CEO in 1992, with the aim of professionalizing the popular sport around. Within years, the NFL and NBA, however, have created a whole new market for consumption of NFL media.

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of hockey education to include more children. This is too broad for the league’s resources alone, but can be done through a partnership with other ice hockey organizations.

USA Hockey is the domestic governing body for ice hockey. It runs programs for coaches, players, and officials who want to learn about the game. USA Hockey has seen its number of female members grow from a few hundred a few years before to over 20,000 in 1996. By partnering with USA Hockey, the NHL will be able to pool resources to take the game to new fans. While the bulk of the financial resources will still be at the feet of the NHL, USA Hockey provides personnel who are experienced in developing and implementing educational and instructional programs to facilitate new participants’ enjoyment of the game. This will be especially useful in the recruitment of minorities and females to the sport. In turn, it is expected that these new participants will become excited about the game and want to support it at all levels, especially at the top level, the NHL.

Also, USA Hockey has worked on different projects with the International Ice Hockey Federation. This is a benefit because the ties already established can be utilized in the promotion of the NHL’s international efforts to groom players and fans. In fact, all three entities were involved in the 1995 decision to allow NHL players to represent the U.S. in World Championship and Olympic competition. With this common ground, the synergy created from this partnership will carry hockey and the NHL to higher levels of success in the years to come.

**THE NATIONAL FOOTBALL LEAGUE**

Paul Tagliabue became the commissioner of the NFL in 1989, and took charge of an organization that often referred to itself as the most popular sport around. With the increasing marketing efforts of the NHL and NBA, however, the number of consumer dollars available for consumption of NFL merchandise seemed to be shrinking.

Pete Rozelle had been commissioner of the league since the times of only twelve teams valued at $1 million apiece. He had pioneered television agreements such as Monday Night Football, and he had seen the Super Bowl grow from a “lots of great seats still available” event to one at which scalpers could get hundreds or even thousands
of dollars for tickets. Rozelle had developed the league into a stable yet expansive organization with a very bright future.

Into these circumstances stepped Tagliabue. In turn he has proven to be a solid leader, and he has even improved on the already substantial television revenues the league is used to enjoying. Tagliabue has overseen the successful addition of new teams and the implementation of a salary cap, a league rule placing a limit on the amount of money teams can spend on players. The league has fared very well under Tagliabue’s reign, but now two issues may be the undoing of some of what he and Rozelle have accomplished.

The first is franchise mobility. Beginning with the Raiders’ Al Davis and his repeated relocations, attempts, and threats throughout the 1980s and 1990s, NFL owners have progressively increased their use of threatening relocation to gain new stadium deals which increase revenues. Faced with the threat of losing their franchises, fans have become alternatively angry, disinterested, and wary of the owners and teams.

A second issue facing the league is the centralized brand control currently employed through the use of NFL Properties (NFLP). NFLP has been in charge of promoting the league worldwide and keeping track of the revenues. As part of the collective bargaining agreement, the NFLP divides these revenues equally between the 30 teams. Equitable although it is, this agreement has drawn criticism and a lawsuit from Dallas Cowboys owner Jerry Jones, and these disagreements threaten the structure of the league’s revenue sharing system.

The disagreement stems from Jones’ perception that given the opportunity his franchise could do a better job of selling licensed merchandise and increasing revenue than an entity like NFLP. Jones’ disappointment in the current system stems from the fact that Cowboys merchandise is responsible for over 25 percent of the licensing revenue that the NFLP collects, yet he receives the same portion as the other teams. While acknowledging the importance of these revenues to small-market teams, Jones insists that this system actually hurts all of the leagues’ members by taking away the marketing emphasis.

Jones has further disrupted the flow of league operations by signing agreements with non-league sponsors through his ownership in Texas Stadium. The league’s primary complaint is that the sponsors he is bringing in are in direct competition with companies which have exclusive agreements with the NFL. For instance, while the league is sponsored by Coca-Cola, Alabama Power, and Pepsi. The official credit card for Texas Stadium has an agreement with American Express.

Jones insists that these deals were done because they were done in good faith. However, league officials feel that the contracts of agreements undermine the principle of “guaranteed” when they state that the league will suit for $360 million. These suits, as a result there is still question of franchise exclusivity and individual revenue without sharing.

RECOGNITION

There are two major issues that threaten the trust of fans in the league and have threatened to move. Arizona, in particular, during the 1996 season after being moved to Nashville for the 1997 season. Despite some disapproval, the Astrodome was remodeled even though the home team was moved to Seattle, Cincinnati, and Tampa Bay with losing their team unless those franchises were approved.

Second, the game needs to be globalized. The World League of American Football (WLA) has seen some success in international arenas. The WLA has little interest of direct competition with these markets are new Hispanic, African, and different promotional strategies. The importance of these markets should be recognized.

To address the ownership issues, there must be a way to maintain the franchises’ loyalty. These exchanges would encourage the growth of the teams and their fans, and a way to do this would be to allow franchises and the league to work together.
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Jones insists that these deals do not affect his standing in the league because they were done through Texas Stadium and not the Cowboys. However, league officials and sponsors are concerned that these types of agreements undermine the exclusivity that NFL sponsors are "guaranteed" when they sign up. When the league filed a lawsuit for $75 million against him regarding these matters, Jones filed a countersuit for $360 million. These legal actions have both been dropped, and as a result there is still quite a bit of tension over the issue of sponsor-ship exclusivity and individual teams' rights to make and keep revenue without sharing.

RECOMMENDATIONS—NFL

There are two major issues for the NFL to address. First, it must regain the trust of fans in cities with teams which are threatening or have threatened to move. Attendance dropped significantly in Houston during the 1996 season after fans learned that the Oilers were moving to Nashville for the 1997 season. Formerly the home to high attendance, the Astrodome was hardly half-full for many games even though the home team was chasing a playoff berth. As well, fans in Seattle, Cincinnati, and Tampa Bay have all recently been threatened with losing their team unless stadium projects or other financial packages were approved.

Second, the game needs new fans. While the World League of American Football (WLAF) is giving American football great exposure in international arenas, domestically there are growing markets which have little interest or knowledge of the game. The largest two of these markets are new Hispanic immigrants and women. Obviously, different promotional strategies will be needed here, but the importance of these markets should not be underestimated.

To address the ownership-fan relationship, a strategy of preventive maintenance must be developed involving quality communication between the franchises, league offices, and local and state governments. These exchanges would emphasize a desire for stability for individual teams and their fans, and are critical to achieving stronger foundations between franchises and their geographic areas. Of course, if in fact
these are effective in achieving the goal of franchise stability, the public relations benefits should include new fans, more merchandise sales, and fuller stadiums in the future.

To help fill stadium seats regardless of stability issues, new promotional campaigns should be designed to attract new fans from targets previously on the fringe of the league’s marketing efforts, particularly Hispanics and women. The importance of the Hispanic consumer is often underestimated in many marketing situations. For the NFL, the challenge is to get their game into the minds of a market that is traditionally soccer or baseball oriented. This is made even more difficult by the fact that American football is an expensive game to participate in and complicated to learn and watch for those with no experience with it. However, the American game has made significant progress in Mexico where the league has held preseason contests for several years, and in 1996 held a Monday night game in Mexico City before a sell-out crowd.

To overcome these obstacles, the NFL needs to take the game to these people in a simplified manner that they can understand and enjoy. In reality, the similarities between soccer and football are surprising. Both have a standard of eleven players per team and need one ball to be played at a base level. Granted football requires more equipment to be played at an advanced, full-contact level, but that’s not required to generate interest in the game. Touch or flag football games can be employed to demonstrate basics of the game at low costs to large numbers of potential participants. While it may take some time for the sport to assimilate into the U.S. Hispanic culture, the interest it will generate along the way has the capability of filling stadiums by itself and will easily pay for the efforts involved.

Getting women in the U.S. to become more involved in the game may present a larger challenge. Long put off by the violence inherent to the game, and largely ignored by marketing efforts, women are a tougher sell than most men when it comes to football. Although some women are ardent fans and very knowledgeable about the game, many women grew up without the involvement needed to form an emotional bond with the game.

To try and change that, the NFL must develop ways for women of all ages to get involved with the game in a more significant manner than just purchasing merchandise of sponsors’ goods and services. The development of all-women flag and touch football leagues will provide the opportunity to increase participation, the interest around the country in improvement of the players’ ability to actually playing in game opportunities to football maniaf males, girls, and the communities to become more involved.

**MAJOR LEAGUE BASEBALL**

The problem child of American sport, Major League Baseball, has been in the news throughout both leagues, particularly bad because several players chasing the record for the most home runs in a season. The strike has clearly affected attendance, attempts to lure spectators back in have been widely unsuccessful. While the Mariners put together an impressive season, they were only able to partially recover. The strike has taken a toll on the center of more runs at the professional level.

However, it is still not clear whether the off-field antics of some players have had an impact on the performance of the teams on the field. It is clear that the off-field antics have had a negative impact on the financial health of both leagues. In the recent off-season, both leagues have been in financial trouble, and both companies have struggled to keep pace financially.
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**MAJOR LEAGUE BASEBALL**

The problem child of the professional sports is without a doubt Major League Baseball. After enjoying great success over the latter part of the 1980s and the early '90s, MLB has found itself floundering in the wake of a major strike in 1994. The timing of the strike was particularly bad because it interrupted a successful year for MLB, with several players chasing revered records and huge fan attendance throughout both leagues.

The strike has clearly tarnished the league in the eyes of the fans. Attempts to lure spectators to ball games with discounted tickets were widely unsuccessful. Were it not for the fairy tale run the Seattle Mariners put together in the playoffs, interest in the game would have all but disappeared. Since then, interest has begun to increase little by little. Now, with interleague play and a bright group of stars at the center of more runs at records, MLB is regaining some of its lost ground.

However, it is still not out of the woods and much of the trouble lies at the top of the organization. Since Bud Selig, owner of the Milwaukee Brewers, accepted the post of commissioner, the league has lost much of the leadership that made it such a success in the previous decade. As important as sponsorship dollars are to big league sports, MLB has not been able to gather the significant packages that hold the promise of long-term returns, even when such deals are offered to them. In the recent off-season, both Nike and Reebok offered the league sponsorship packages that would have greatly helped the league in financial and exposure measures. However, the league turned both companies down.

Another area of concern is the equal treatment of the individual clubs in both leagues. Pittsburgh, Milwaukee, and Seattle have long struggled to keep pace financially with their brethren in larger mar-
kets. Revenue sharing from broadcast contracts and the sale of merchandise through Major League Baseball Properties helps to some extent, but the inability to draw fans from smaller population bases has made it difficult for these teams financially.

To further complicate matters, MLB now has its version of the NFL's Jerry Jones in the New York Yankees' George Steinbrenner. Mr. Steinbrenner owns the most storied and globally famous team and baseball trademark known to the world of baseball. Like Mr. Jones, Mr. Steinbrenner believes he should be compensated for this at a higher level of profits than other clubs. However, while Mr. Jones used his stadium ownership to make deals with sponsors, Mr. Steinbrenner went a little further. During spring training in 1997, he signed a $90 million sponsorship package with Adidas involving stadium signage, advertising, and logos on the Yankees' uniforms. The league in turn told the owner that the logos on the uniform were against league rules for uniforms, but the rest of the package was okay. This issue has already been settled, but the league remains concerned about the large-market organizations increasing their revenue without sharing with the less fortunate.

RECOMMENDATIONS—MLB

America's National Pastime is making a slight comeback, but the revenues being generated on a collective basis are still showing little increase from previous years. The marketing aspect of the organization has been overlooked to an extent as the ruling powers try and figure out how to breathe new life into a somewhat mature revenue stream. This combined with the slow return of the pre-1994 strike era fan puts MLB in an awkward position.

At this stage, MLB has basically two routes to choose from. First, it can try to increase revenues and attract spectators through brand extension. To an extent, MLB is proceeding in this manner through expansion. Set to add franchises in Tampa Bay and Phoenix, MLB will bring the game closer to new geographic markets and add revenue from the sale of merchandise bearing the new teams' logos and trademarks. Further expansion is being considered for the 2001 season with possible sites including Mexico City and Washington D.C.

Most likely, such additions would have the same impact as the most recent expansion has. In the short-term, revenues would increase throughout the league due to increased media exposure. However, by the time they are in place, there will be a secondary sport in America and alternative activities like rock concerts and former baseball hotbeds across the nation will have to find a way to make ends meet. As a result, MLB's marketers can't just rely on the new fans and, as a result, develop franchises. The key for MLB is the promotion and growth of the game to under-25-year-olds. As a result of the looser rules, MLB should take advantage of it and deploy aggressively in most metropolitan demo's.

Based on evidence that the very rich and affluent, and the middle class markets are increasing in numbers, the majority of Americans spend more than $140 billion, the strategy for expansion (in addition, the Asian market is also very reticent level (Rakstis, 1994)) indicates that there are sales of tickets to various ethnic segments. The key will be for a dramatic fashion if implemented.

The reasoning behind subscribing to a franchise which was made possible by the growth of the blackballplayers, baseball in the United States is that a large number of various ethnic backgrounds: white, black, Hispanic, and a Japanese player, the world's largest Hispanic market, the United States, in a metropolitan area where there is a large Hispanic presence, the potential selling point for these franchises.

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throughout the league due to the MLB’s revenue sharing program. However, by the time the second expansion takes place, baseball may be a secondary sport in American culture. The surging popularity of alternative activities like roller hockey and soccer among children in former baseball hotbeds across America has placed MLB in a position of rather immediate urgency. Without a solidified central brand to rely on, MLB’s marketers cannot rely on future expansion to carry the league.

Fortunately, MLB has a great opportunity to expand its fan base and, as a result, develop long term revenues for the member franchises. The key for MLB is to diversify its marketing focus based on promoting the game to underdeveloped market segments. Within these efforts, MLB should take advantage of the increasing ethnic diversity in most metropolitan demographic profiles.

Based on evidence that minority populations are increasing both in number and affluence, marketing strategies focusing on specific ethnic markets are increasing in many industries. Considering that African-Americans spend more than $270 billion annually and Hispanics over $140 billion, the strategy of targeting these groups makes sense. In addition, the Asian market chips in over $35 billion annually at the retail level (Rakstis, 1994). With these figures in mind, it is apparent that there are sales of tickets and merchandise to be made to the various ethnic segments. This marketing strategy can benefit MLB in dramatic fashion if implemented correctly.

The reasoning behind such a statement is fairly simple. Historically a game which was played by a homogeneous collection of white ballplayers, baseball in the ’90s has become a melting pot for athletes of various ethnic backgrounds. Since 1947, the year Jackie Robinson broke the color barrier in major league baseball, the Los Angeles Dodgers have had at least one African-American on their roster every year—until this year. However, while the Dodgers seem to have taken a racially insensitive step, it should be noted that the team has several Latin American players, the first Korean-born player in Major League history, and a Japanese pitcher who has gained superstar status in the U.S. In a metropolitan area that is seeing an increase in the immigration of Hispanic people, the presence of the Latino players represents a potential selling point for the Dodgers.

Many other teams can also benefit from ethnic marketing, tying individual players’ cultural backgrounds to advertising and promo-
tional messages about the team. The Seattle Mariners, a team loaded with conventional (white and African-American) stars, can employ Hispanic stars Edgar Martinez, Alex Rodriguez, and Jose Cruz, Jr. and Japanese pitcher Mae Suzuki to appeal to new markets in the Pacific Northwest. In New York, the Yankees have an established star of the Japanese professional baseball scene, Hideki Irabu, to appeal to Japanese American audiences, as well as Bernie Williams, their Puerto Rican star in center field, for another new market to identify with. As a final example, the Florida Marlins paid handsomely to bring Alex Fernandez, of Cuban descent, to an area with a burgeoning Cuban Hispanic population in part to attract more fans from that demographic in addition to acquiring his considerable talent.

Even with such instances of “star power,” ethnic marketing strategies rely on the organization’s proper identification of the factors influencing purchasing decisions for the targeted consumer. Chief among the considerations for baseball’s marketing executives is the need to diversify the messages sent to these groups. It is not enough to merely create ads for “the Hispanic market.” Such a concept groups together Puerto Ricans, Cubans, Mexicans, and a variety of other nationalities. Each of these groups is culturally different from the others. Baseball has a different importance to each group. Realizing this will allow advertising and promotional dollars to have greater effectiveness in drawing new revenue from these groups.

To further enhance the performance of such a strategy, MLB should encourage the individual clubs to be flag bearers for it. These strategies are generally most effective when tailored to the markets in which they are used. Also, it will be more cost effective for individual clubs to have the segmentation, research, and advertising done locally than if MLB tried to do it nationally. For instance, Seattle would be able to reach Japanese and Asian consumers throughout the Pacific Northwest including Vancouver, B.C. and Portland, Oregon, using local print and broadcast media to target individual segments. This could be particularly useful for promoting specific nights that Suzuki would be pitching.

Of course, for ethnic marketing to succeed for MLB teams, the players themselves must be actively involved. In New York, Bernie Williams would have to appear in ads and promotions targeted at the Puerto Rican audience. Such appearances would help form an emotional bond between the potential fans and Williams, and by associa-

tion, the Yankee organization with the relative newness of many of these fans.

The key for MLB’s success is to target markets. Sub-groups of focused messages in order to increase its influence. Implementing a system allows each club, more focused on a central marketing group, to keep the messages similar while keeping the messages similar while linking them together and a larger fan base for their efforts.

Successful implementation could also lead to continued growth for the game. As the fans spread to other regions, local business also grows. The recommended strategies include targeted expansion or a reverse marketing approach like Baseball.

As sport marketing continues to demand more attention, medium of communication involved, more and more activities in a sport setting. Some time. Where else can one sit in a stadium with new media and watch broadcast media?

Such a setting provides services by association with leagues and teams selling advertising entities a focused a
ATTLE Mariners, a team loaded American) stars, can employ Iri originate, and Jose Cruz, Jr. and to new markets in the Pacific have an established star of the Hidalgo Trubu, to appeal to Japa- Bernie Williams, their Puerto market to identify with. As a d handsomely to bring Alex A with a burgeoning Cuban re fans from that demographic talent.

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Such a strategy, MLB should g bearers for it. These strat- to the markets which effective for individual clubs advertising done locally then a, Seattle would be able to thoroughout the Pacific North- land, Oregon, using local dual segments. This could be nights that Suzuki would be succeed for MLB teams, the oved. In New York, Bernie nd promotions targeted at the es would help form an emo- Williams, and by associa- tion, the Yankee organization. Due to increasing immigration and the relative newness of many of these consumers, such ties can be power- ful. To newer members of the target audience who may not know many people or have much to associate with, simple messages of “Welcome to Our Ballpark, Welcome to Our Family” will offer a sense of belonging which will draw these new fans and the revenue they represent to baseball.

The key for MLB’s success with such a strategy is very similar to that for retail businesses: proper and detailed segmentation of the target market. Sub-groups must be identified and addressed with focused messages in order to maximize the advertising message and increase its influence. Implementing such strategy at the local level allows each club, more familiar with their population base than MLB’s central marketing group, to use resources more appropriately than they might otherwise be deployed. With emphasis on these two factors and keeping the messages simple, MLB’s franchises will find great re- sponse from the targeted sub-groups resulting in increased revenues and a larger fan base for the game of Major League Baseball.

CONCLUSION

Successful implementation of the recommended strategies here and continued growth for the field of sport marketing are dependent on each other. Sport marketing is the key to opening up an ever-growing collection of opportunities for the leagues, their advertisers, and the fans. The recommended strategies offer the means to achieve continued expansion or a reversal of fortunes as in the case of Major League Baseball.

As sport marketing continues to develop as an integral source of information, medium of communication, and fountain of revenues for all involved, more and more resources will be set aside for these activities in a sport setting. The advantages have been apparent for some time. Where else can you target 75,000 individual consumers sitting in a stadium with millions more participating through a variety of broadcast media?

Such a setting provides an optimal venue for marketing goods and services by association with a sport. This develops revenue streams for leagues and teams selling the advertising space, and offers the advertising entities a focused audience for their messages. This results in
increased exposure for the represented goods and services, and, ideally, increased sales. Successful sport marketing will result in financial rewards for all parties involved.

As important as sport marketing is, however, strategic planning still provides the foundation for long-term success. The focus of the recommended strategies presented in this paper is the development of under-served market segments. Proper market segmentation is at the crux of any marketing strategy's success because it allows for the development of programs that provide the benefits directly relevant to certain groups within the broader consumer population.

REFERENCES