

Syracuse University

SURFACE

Sport Management

David B. Falk College of Sport and Human
Dynamics

12-20-1999

He's the Top Sports Marketer in 1,000 Years

Rick Burton
Syracuse University

Follow this and additional works at: <https://surface.syr.edu/sportmanagement>



Part of the [Sports Sciences Commons](#)

Recommended Citation

Burton, R. (1999), "He's the top sports marketer in 1,000 years," Sports Business Journal, Vol. 2, No. 35, Dec. 20-26, 37.

This Article is brought to you for free and open access by the David B. Falk College of Sport and Human Dynamics at SURFACE. It has been accepted for inclusion in Sport Management by an authorized administrator of SURFACE. For more information, please contact surface@syr.edu.



SBJ/December 20 - 26, 1999/No Topic Name

He's the top sports marketer in 1,000 years

RICK BURTON

Published December 20, 1999

With your permission, I'd like to borrow a Chicago maxim: "Vote early and vote often."

In this case, I'd like to nominate and cast the first vote for David Stern, commissioner of the National Basketball Association, as sports marketer of the millennium.

Yeah, I know that will bother some of you. There's no question that 1,000 years is a lot of territory to cover. Just picking from the last 99 years is daunting enough.

To start, you'd have to pay tribute to Pete Rozelle, late commissioner of the National Football League and creator of NFL Properties. You would have to acknowledge greats like Peter Ueberroth (Los Angeles Olympics, Major League Baseball), sports agent and marketer Mark McCormack (IMG), baseball owners Bill Veeck and Walter O'Malley, sports network legend Boone Stowers (ABC Sports), and sports licensor David Warsaw (Sports Specialties).

In the group category, you would acknowledge marketers at Gillette Co. ("The Cavalcade of Sports"), Nike ("Just Do It"), Converse (Chuck Taylor All-Stars), Coca-Cola Co. (numerous sponsorships), Wheaties ("Breakfast of Champions"), Ford Motor Co. (Punt, Pass & Kick) and ESPN ("SportsCenter," X-Games). If I forgot you, I apologize.

In my mind, however, David Stern, deserves your votes for growing the NBA and for his on-going efforts to keep professional basketball relevant. More important, his recent proactive commitment to technology and the NBA.com TV network is the stuff of legend. Here's your chance to watch the front edge of the curve at work.

The day that sealed my vote was Nov. 2. That's the date Stern, Adam Silver (president of NBA Entertainment) and Gregg Winik (executive producer, NBAE) launched the first professional sports league television network (on satellite's DirecTV and digital cable's Viewer's Choice). Given that Major League Baseball, NFL and NHL are all more than 75 years old (the NBA is 53), it's stunning that with league properties so reliant on broadcast partners, no one had initiated this concept earlier.

The conventional wisdom has always been that leagues are better suited to staging games and licensing their broadcast rights to media titans. In that relationship, the league gets a guaranteed cash flow and essentially avoids the risk of selling advertising time. The network gets male viewers and valuable advertisers.

In this model, TV's role has proven invaluable to the leagues; the best example is the NFL's \$17.6 billion, eight-year deal with ABC/ESPN, CBS and Fox. On the Web site side, preliminary reports suggest the NFL will follow its TV licensing strategy (Commissioner Paul Tagliabue called it "sticking to your knitting") and ask for approximately \$100 million for its next three-year Internet licensing deal.

In recent years, however, the television medium has become saturated with over-the-air, cable and satellite channels. One result is that overall ratings have slipped notably (vs. 10 years ago) for most sports leagues. Another is the proliferation of advertising to underwrite the expensive broadcast rights. Net result? TV is still incredibly important, but the medium is getting flanked by the interactive attractiveness of the Internet.

Now, if you're over 35, you might be saying, "Hogcrap. The future TV will make the Personal Computer (PC) obsolete." But as Emma Duncan wrote in the Economist, "Old companies always fear new technology," and "whenever a new technology has come in, it has made more money for existing entertainment companies."

David Stern has long recognized that the NBA is an entertainment organization. That explains why the league (along with its line extension, the WNBA) controls seven different TV programming components ranging from NBA "Inside Stuff" with NBC to "Vintage NBA" with ESPN Classic. It has two Web sites (NBA.com and WNBA.com). But the creation of its own TV network, marrying the traditional broadcast features of over-the-air telecasts with digital spontaneity (required by consumers under 25) stamps Stern as the sports industry's ranking visionary.

For you older dogs (and I'm one of you), what makes Stern's investment (a mere \$5 million to \$10 million) so notable is the future leverage it gives the NBA and the strategic ability to change with the times. It allows the NBA to gain valuable experience in an evolving medium (computer broadcasting) that, in Stern's opinion, will replace the TV sooner rather than later. It also prepares the NBA for the day when the television networks do not bid up the broadcast rights and force owners to accept less cash (despite long-term player contracts).

Want an indicator? USA Today reported Nov. 11 that a survey of 6,500 adult cable and satellite subscribers found that online company America Online Inc. (seventh) was "more highly regarded" than Fox (eighth), NBC (10th), ABC (17th) and CBS (21st). Yes, I know the research might be flawed or, at the very least, slanted to favor niche networks like the top six selections (Discovery Channel, Weather Channel, Learning Channel, PBS, History Channel and ESPN). But that's part of the proof: Niche strategies and niche properties are working. Professional basketball is simply one entertainment niche.

Additionally, Nielsen research has shown that online homes currently watch 13 percent less TV (about one hour a day) than traditional TV homes, and the Internet Advertising Bureau (IAB) thinks Internet advertising will reach 10 percent of all TV advertising in 1999.

So if you were hedging your bets, would you pick the guy who:

- Unified his owners and crushed unfettered player capitalism.
- Developed NBA Entertainment (now with reported revenues of \$150 million).
- Opened the NBA Store in New York (and with IBM online).
- Established NBA City in Orlando (the first-ever league eatery).

Or would you go with someone else? Would you back Stern's hunch that, as Business Week reported, the Internet might be "the replacement [to the TV and] the primary link to the vast audience for sports programming."

If you do vote for Stern, you might want to get on the bandwagon early. In a sports world that frequently moves slowly and sometimes avoids change at all costs, David Stern is blazing new trails in the convergence category and probably reshaping the entire sports industry. Not bad for the last 25 years of what has been a pretty exciting millennium.

Rick Burton is director of the Warsaw Sports Marketing Center at the University of Oregon's Lundquist College of Business.

Related Topics:

[Return to top](#)

ABC, CBS Broadcasting Inc., Dallas Stars, ESPN, Ford Motor Co., Fox, General Mills Inc., Gillette Co., IMG, NBA, NBC, NFL, NHL, Public Broadcasting System, Southwest Sports Group, Time Warner, USA Today Information Network, Weather Channel, WNBA