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In sports marketing, only constant is change

RICK BURTON

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For many years, while I worked at Miller Brewing Co. in Milwaukee, my mom would ask me what I did for a living. I would tell her marketing, but that didn't help a great deal. Marketing wasn't as crisp an answer as saying lawyer, doctor or architect.

My default answer was that I worked in advertising and helped out on those Miller Lite commercials with the sports guys in them. You remember them, don't you? Bob Uecker or 49ers receiver Dwight Clark (now of the Cleveland Browns) arguing whether Lite was less filling or tasted great.

That helped Mom for a while, but then I left Miller and went to a sports marketing agency (Clarion) in the Connecticut consulting corridor and Mom asked what I was doing then.

At that point, I no longer worked on ads. I was an adviser to companies like NFL Properties Inc., the Indianapolis Motor Speedway, Reebok, Gillette Co., Sprint and Universal Studios. I helped them with sponsorships, consumer promotions or marketing plans. She thought it was pretty funny that anyone would want my advice.

Then one day, the University of Oregon decided it would be the first in the country to start a comprehensive business school program in sports marketing. There was a need, suggested sports industrialist Jim Warsaw, to ensure the sports industry had at least one source of qualified students who had been appropriately prepared (from a business school perspective) for a form of marketing that is very unpredictable. Oregon, with Warsaw's urging, asked if I would be interested in teaching and advising their Ducks. I jumped at the chance. And I'll tell you why.

Traditional marketing usually involves products that are basically fixed in their properties. Soups, beer, detergents, cheeseburgers and soda are relatively constant in appearance, packaging or pricing. Some need distribution strategies, some need pricing moves. Some need marketing communications strategies to position the brand and solidify an image.

In the sports world, however, marketers cannot determine game outcomes or, today, even predict whether the games will be played. Lockouts, strikes, free agency, franchise moves, hurricanes and other assorted variables make sports marketing a very complex process.

On the surface, observers may say, "Oh, you work for the Yankees? You've got the best job in the world."

The sports marketer, though, in most cases looks at the job as an endless string of marketing components that are rarely stabilized.

"We've lost our starting right-hander to the Diamondbacks." "The weak-side linebacker just tore his ACL." "There's a fight in Section 32." "There's a fight on the ice." "There's a fight over signage location. What are you going to do about that Marlboro sign?" "How are we going to get McDonald's to sponsor this activity?"

The list goes on, and the challenges mount. Warsaw, who had grown up in the industry, thought that sports marketing students should be fully grounded in the skills of business and "schooled" on the realities of the street. Deals may be finalized by lawyers but are best served when arranged by people who trust each other. Issues change, but ethics always matter. People change jobs but still have influence. Loyalty and hard work are always required.

The obligation for universities, thought Warsaw and the business school dean, is to recognize that sports marketing, sport management or sports business courses must accommodate the realities of the industries they serve. Since sports business in the United States is thought to represent a \$350 billion industry, which makes it one of America's largest industries, no academic program can afford to produce "idiots" and put them on the street.

That concept, though, is still hard for some folks to grasp. I recently gave a two-hour sports marketing midterm examination (for second-year MBA students) that many industry professionals would not be able to pass. And it wasn't about academic theories and arcane information from the 1950s.

Rather, it was about emerging digital technologies and how they would affect the electronic distribution of sports in the future. It was about how to market a new sports property that didn't have a TV deal (yet).

As the test ended and the students passed into the hallway, I overheard another graduate student ask if the test had been about how many home runs Mark McGwire hit.

On one hand, I enjoyed the answer my student gave about the test's rigor and the fact that the material covered was much deeper and more strategically oriented than a simple statistic. On the other hand, though, we still have too many people (including industry professionals) who think sports marketing is about how many touchdowns Drew Bledsoe has thrown and not about which life-cycle marketing strategies the NFL should be considering.

Today's topics in sports business are about stadium economics and asset-backed securitizations. They are about segment-driven research and creative solutions. It's knowing the difference between cable and satellite and which players (Disney, Fox, NBC or Microsoft) will drive the future of sports distribution. It's determining how to grow a sports property (like college athletics) or which defense strategies can prolong a sports property's future. As my students could tell you, it's about "creating compelling exchange" and sustainable advantages.

Ultimately, since sports business is a large and growing segment of the entertainment industry, it is about academic institutions needing to understand an emerging business area that is shaped by fast-moving societal trends, advanced consumer behavior, unique business ethics, new media (and the existing media) and the law.

Students who enter these programs need to arrive not as fans but as students of an industry that is consolidating in some areas and expanding in others. It is an industry that will continue to change as people face a new understanding of their disposable time and income.

In a recent speech, I called on the sponsorship community to expect "change, rapid change and radical change." Likewise, I would suggest that the marketing community, a broad group that increasingly uses the global language of sports to help facilitate selling ideas, needs to understand it will require students who are truly specialized and prepared for our modern age.

The industry may be high-profile and exciting but it can no longer afford to hire the sons and daughters of friends or reward towel boys who are loyal. It needs smart people who can keep pace and "bring it" on short notice. It needs people who have climbed "the learning curve" in school and won't need a year of learning curve on the job. No one can afford that time or cost anymore.

So what is sports marketing? I frequently tell students that back in the dark ages there were only three TV networks and two sports leagues (Major League Baseball and the NFL). Today, there are more than 40 major leagues in North America, 57 decent television channels (and, to quote Bruce Springsteen, "nothing on" them), video games, computer games, Internet sites, e-mail and a whole slew of inventive new activities (The X Games, The Gorge Games, The Gravity Games).

My definition of sports marketing suggests that it is marketing squared (M^2). Traditional product marketing is hard enough. Sports marketing is even harder. It involves uncontrollable components and emotional entertainment elements that can't be bottled or placed in a box.

Colleges must see the entertainment industry as one of the giants of the American economy and serve sports business students by preparing them for a business community that is aggressive and ever-changing.

The best universities (like the University of Oregon) will do that with the same passion athletes bring to their efforts. They will do it with dedication, discipline and depth.

Rick Burton is director of the Warsaw Sports Marketing Center at the University of Oregon. He gets some of his best advice from his mother.

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