

# PROFESSIONAL SPORTS





# OBJECTIVES

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- Be able to understand Ch. 3 concepts and the impact of professional sports, while applying marketing strategies.

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- Think of three industries positively affected by professional sports.

# PROFESSIONAL SPORTS

- Generates millions of dollars for the economy, owners, athletes, and sponsors.
- The Dallas Cowboys franchise was valued at \$320 million dollars in 1997. It is the highest valued franchise in the history of the U. S. Also, the wealthiest team generating approx. 269 million annually.



# FINANCIAL PRICING & PLANNING

- The “big” in big league refers to the revenue potential, commercial value, and skill level of the athlete.
- Owners plan for financial success through sales and promotion.





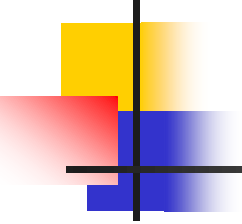
# PLANNING FOR A SPORTS TEAM

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- Team owners must prove that their sports teams can be successful and not a financial burden to the home city.
- A professional team can be an asset if:
  1. Everything involved with the team stays within the home city area.
  2. The stadium/arena is used for other events.
  3. The team attracts other business development



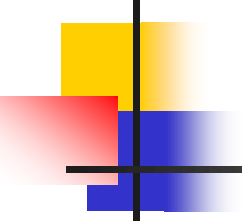
This stadium will be the nucleus of a 135-acre mega complex that, along with the new stadium, will eventually include a mix of 900,000 sq. ft. of retail, 150,000 sq. ft. of office space, as well as residential, hotel and entertainment venues. The Dallas Arts District is also set to expand its offerings for theater, dance and performing arts in a new \$275-million project in the same general area.

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- Marketing, media support, charitable concerns, and other organizations are also an important component to the success of a new team.
  - The Dallas Cowboys have made \$60 million in profits over the last three years from off the field products such as media rights, luxury suits, and team sponsorships. Pepsi paid \$40 million over the last 10 years to be the official beverage sponsor.





Currently, the American networks [CBS](#) (\$3.73B), [NBC](#) (\$3.6B) and [Fox](#) (\$4.27B) — as well as [ESPN](#) (\$8.8B) — are paying a combined total of [\\$20.4 billion](#)<sup>[1]</sup> to broadcast NFL games through the 2013 season.

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- Why are people so engaged in professional sports teams? Give two reasons.



# TEAMS & THE COMMUNITY

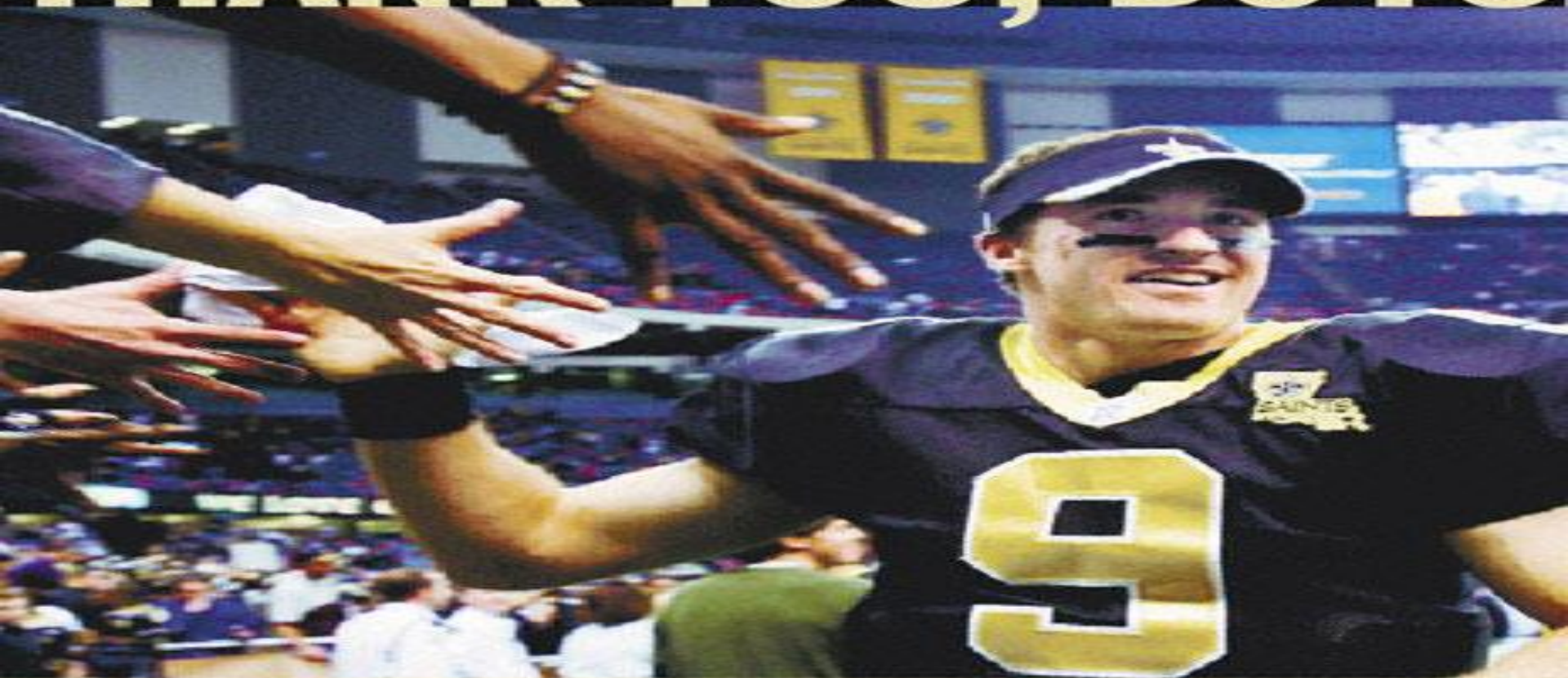
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- Professional teams create jobs
- Bring excitement, enthusiasm, and moral (New Orleans Saints after hurricane Katrina)
- Help the local economy
- Brings an emotional tie to individuals who feel part of something by supporting their team
- Teams usually need to win to be successful
- Need to subsidize in a large city to survive

Sports teams can lift a cities moral.

*The Times-Picayune*

**THANK YOU, BOYS**



**A SALUTE TO THE SAINTS**





# AGENTS AND MANAGERS

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- Agents legally represent celebrity contracts, endorsement deals, and assist in career decisions.
- Handlers are people who work closely with athletes to keep them out of trouble and avoid negative publicity.
- Advisors serve as financial & business counselors between a player & the organization.



# CONCLUSION

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- Professional sports is a multi-billion dollar industry that has a tremendous effect on local, national, and global markets.



# DAILY JEOPARDY

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- List three reasons why professional sports is important to local economies.