

CHAPTER 7: Commercialisation of sport

Practice questions - text book pages 135 - 136

1) Identify three factors that have influenced the commercialisation of sport within the UK.

3 marks

Answer:

- *Industrialisation* and improved *communication*.
- Emergence of *spectator* sport in the nineteenth century.
- People had more *free time* and disposable *income*.

2) Discuss the advantages and disadvantages of commercialisation in sport.

8 marks

Answer:

Advantages:

- *Sponsorship* helps to promote sport via increasing public awareness.
- Income generated can be *invested* in sports *facilities*.
- Sponsorship is used by NGBs from elite to grass roots initiatives and daily *running costs*.
- Sponsorship provides a valuable *income* for sports performers.
- Sponsorship increases the *profile* of the sports performer.

Disadvantages:

- Sponsors can dictate contractual *terms and conditions*, such as media appearances made by athlete.
- Event sponsors are able to make *key decisions* regarding the sport, such as *scheduling* changes.
- *Media scandals* provide *negative publicity* for the sponsor who may decide to withdraw their sponsorship.
- Sports are very *reliant* on sponsors and so if sponsor withdraws funding stream, the sport will suffer in the short-term until another sponsor is found.

3) a) Give a definition of sponsorship. Support your answer with an example.

2 marks

Answer:

- Sponsorship is when a person or organisation *pays the cost* of an activity or event.
- For example, The Virgin Money London Marathon is sponsored by Virgin.

b) Identify three factors that would influence a sponsor's decision to invest in a sport.

3 marks

Answer:

- The *compatibility* of the sport to their commercial product.
- How much *media coverage* the sport receives.
- The *status* of the sport or individual and its fan base.

4) a) What conditions are required for commercial sport to develop? 4 marks

Answer:

4 marks for four of:

- Commercial sport is most prevalent in **market economies**, where material rewards are highly valued by those connected with sports, including athletes, team owners, event sponsors and spectators.
- Commercial sports usually exist in societies with large, **densely populated** cities, because they require a large concentration of potential **spectators**.
- Commercial sports require that people in society have **time, money, transportation, and media connections** to attend or to tune into sports events through the media (mass cultural in nature).
- Commercial sports are a luxury, and they prosper only in societies where the standard of living is high enough that people can afford to use the resources of playing and watching events that have no tangible products.
- Commercial sports require large amounts of capital to **build and maintain stadiums** and arenas in which events can be played and watched.
- Commercial sports are most likely to flourish in cultures where lifestyles involve **high rates of consumption** and emphasise material **status symbols**.

b) Suggest two reasons why commercial sports have become global commodities. 2 marks

Answer:

- Those who control, sponsor, and promote sports are looking constantly for new ways to **expand their markets** and maximise their **profits**.
- **Transnational corporations**, for example, MacDonaldis, with production and distribution in **multiple countries**, can use sports as vehicles for introducing their products and services all around the world.

5) Explain the differences between sponsorship and endorsement. 4 marks

Answer:

- **Sponsorship** is when a person or organisation **pays the cost** of an activity or event.
- Sponsorship is varied and **covers all aspects** of the team sports and events/competitions, stadium and grounds.
- An **endorsement** is a deal whereby a company will pay an individual for their **brand to be associated** with that individual.
- When someone is endorsed by a brand they are publicly saying that they **'recommend'** or **'suggest'** you try a particular product because they think it's good.
- Here the value comes from that **athlete's influence** in generating sales through a recommendation.
- The major **difference** between sponsorship and endorsement is that within a sponsorship deal not everyone may support or approve of the sponsorship, whereas an endorsement deal is more personalised due to an individual's decision to be associated with the product.

6) How are advertising and merchandising linked together within sport's marketing? 3 marks

Answer:

- Advertising and merchandising are closely related concepts in the area of **retail marketing** and **communications**.
- Retailers use **advertising** to project a **brand image** and to drive traffic to retail stores or websites.
- **Merchandising** is **strategic placement of products** that attracts **attention** and contributes to sales once customers are in stores.
- For example, Manchester United has its own retail stores where their kit can be purchased.
- Their products need to be marketed through advertising campaigns at matches and on their bespoke TV channel.

- 7) Write an argument for and against the suggestion that the commercialisation of sport has been beneficial for the performer and for the sport.

4 marks

Answer:

Arguments for:

- It allows **professional athletes** to train and compete **full-time** as their career.
- Broadcasting sport provides **revenue** that can be used to support NGBs, development of **facilities, coaching and equipment**.
- Provides coverage for **minority sports** that will help them develop.
- Creates **role models**, which in turn increases participation rates.
- Increases the **profile** of the sport.

Arguments against:

- Creates greater **pressure to succeed** which may lead to **gamesmanship** and **deviant** behaviour.
- Puts greater **pressure** on sports performers to do well and fulfil their employee **contracts**.
- Who in turn are under **pressure** from the stakeholder (**sponsor**).
- Change of **attitude** - **winning** becomes an obligation and this success will create the right environment for stakeholder to make a **profit**.
- Sponsors are more likely to **support** the **already popular** sports, thereby **increasing the gap** between main stream and minority sports.

- 8) a) With reference to association and rugby football explain the term 'broken time payments'.

2 marks

Answer:

- In the late nineteenth century, northern rugby clubs decided that working players should be given broken time payments to **compensate** them for pay lost for **time they had had to take off** from their day-jobs.
- Whilst **representing** their club or factory.

- b) What was the effect of broken time payments on the emergence of professional sportsmen?

2 marks

Answer:

- Paying men to concentrate on their **sport full-time** became feasible.
- Professional **football** and **rugby league** were born on the back of the issue of broken-time payments.

- 9) Explain how the modern Olympics between 1972 and 1984 revolutionised the commercialisation of sport.

8 marks

Answer:

8 marks for eight of:

- 1972 (Munich) **terrorists** attacked and took Israeli Olympic athletes as hostages.
- The outcome was a blood bath and heightened **security**.
- The impact of this event led to the increase in the **security costs** at the 1976 Montreal Olympic Games.
- And along with the cost to the city staging the games, practically **bankrupted** the city.
- USA federal government and Los Angeles state governments **refused to fund** the 1984 LA games.
- **Peter Ueberroth** was a highly successful business man and having witnessed the financial problems associated with the Montreal Games, he took over the commercial development of the games.
- Ueberroth realised that **sales of anything** in connection with the Games could bring in a huge **income**.
- And that **global commerce** would willingly pay large amounts in direct **sponsorship** of the Games.
- TV rights, clothing, logos, advertising at the venues and special edition postage stamps were all sold to bring in **revenue** for the Los Angeles Olympic Games.
- His aggressive recruiting of **sponsors** for the 1984 Olympics is credited as the genesis for the **current Olympic sponsorship programme**.
- Not only did he **avoid** the debilitating **loss of Montreal**, but he generated a **surplus** of approximately \$250million.
- Ueberroth's legacy created the **blueprint** for the **commercialisation** of sport that has safe guarded the future of global events.

10) a) What do you understand by the term franchise? 1 mark

Answer:

- A franchise means the **contractual right** granted to any person or persons to **own or operate** a sports team in a specified location.

b) Discuss the similarities and differences in sport franchising between the USA and the UK. 4 marks

Answer:

Similarities:

2 marks for two of:

- Both the USA and the UK use franchises to **make money**.
- Income generated is used to support **first class sports facilities**.
- Both involve **full-time professional** sports people and administrators.
- Who can earn **vast incomes** in premier divisions.
- Teams are on a more **level playing field**, which increases their chances of success.
- More teams have a realistic chance to **win** championships.
- Both the USA and UK are exposed to the **global market** where teams are bought and sold.
- This in turn increases their **commercial status**.

Differences:

2 marks for two of:

- In the USA a major feature of a franchise is to provide **entertainment**.
- In the UK, the **significance** of the game is more important than entertainment.
- In the USA, franchises operate as **closed leagues**.
- The commercial market decides when leagues can expand.
- In the UK, growth is determined by **excellence** and not commercial gain.
- In the USA, teams can **relocate** from one city to another.
- In the UK, a cultural heritage keeps teams local to their grass roots.

11) a) Describe four different ways in which sponsorship operates in sport. 4 marks

Answer:

- A **sport** (for example, Tetley Sponsor rugby).
- An **event** (for example, Flora sponsored the London Marathon).
- A **team** (for example, Green Flag sponsor the England football team).
- An **individual** (for example, Tiger Woods is sponsored by Nike).

b) State three different ways a sports club can obtain funding. 3 marks

Answer:

3 marks for three of:

- **Fundraising** events.
- **Sponsorship** from companies.
- **Grants** from agencies.
- Membership **fees**.
- **Television** rights.
- Gate **receipts**.
- **Merchandising**.
- **Catering**.

12) a) Describe four negative effects of media coverage on sport.

4 marks

Answer:

- Sportspeople start to want to **win-at-all-costs**.
- **Media** puts a lot of pressure on teams/players/managers.
- Sports stars lose their **privacy**.
- **TV** forces **changes** on sports, for example, the golden goal.
- The media **over-sensationalise** events to entertain.

b) Describe four positive effects of media coverage on sport.

4 marks

Answer:

4 marks for four of:

- It **promotes** sport.
- It creates **role models**.
- It encourages **participation** in sport.
- It creates **sponsorship**.
- It **educates** the individual about sport.
- It **informs** the public about fixtures/news/results.
- **Income** from televised sport benefits governing bodies and clubs.

13) Discuss the changes UK governing bodies have had to make in order to become financially viable.

4 marks

Answer:

4 marks for four of:

- UK governing bodies were originally based on the principle of **amateurism**.
- Supported by **voluntary processes** of organising and administering sport.
- Most of **today's** UK governing bodies consist of **full-time professional** sportspeople and administrators.
- Traditionally, sport and its governing bodies have long considered themselves largely able to **self-govern**.
- But this has changed, as they have had to adapt to **commercial pressures** to make themselves **financially viable**.
- That requires financing through **sponsorship** deals and **television** rights.
- And so the balance of power has shifted from the governing bodies to the **media**.

This has been achieved as the result of:

- The **sale of media rights** or the conclusion of **sponsorship agreements**.
- **Rule changes** and innovations, such as the golden goal in football and the use of HawkEye in tennis and cricket, used to create more excitement for **spectators**, thereby increasing the **popularity** of the sport.
- Resulting in **more media exposure**, thereby generating more **income**.
- Which in turn increases the sport's popularity and hence the **commercial revenue** for both sponsors and the governing bodies.
- For example, TV commercial breaks in play enables sponsors to **advertise** their products.
- And so **interruption of play** is often controlled by such commercial breaks.
- **Timetables** for events are often arranged to suit the **armchair spectator**.

14) Describe three ways that sport benefits TV.

3 marks

Answer:

- Sports attract **advertisers** to TV.
- Sports programmes are **cheaper** and easier to produce.
- Sports programmes are often shown at **low peak viewing time**.
- Sports events **attract** viewers.

15) Discuss the relationship between sport, sponsorship and the media.

15 marks

Answer:

Notes: This is a big topic that needs careful planning. It is important to support your points with examples.

The Golden Triangle

- **Sport, sponsorship and media** form what is known as the 'golden triangle'.
- Which consists of very strong relationships as each element affects or relies on the others.
- UK adopted the **golden triangle** from USA's 'Americanisation' of British sport.
- The golden triangle reflects **capitalism** or free enterprise which is about making **profit** or money out of sport.
- **More media** coverage = **more sponsorship**.
- **Sponsorship** depends on media coverage and has **increased** due to media coverage.
- For example, England Netball has benefited financially (sponsorship) from TV coverage.
- For example, London 2012 benefitted from improved facilities for players or spectators (due to funding from sponsorship or media).

Golden triangle – disadvantages

- **Deviant behaviour** may result due to increased pressure to win/**win-at-all-costs**/Lombardianism ethic.
- For example, match fixing allegations in cricket (England v Pakistan at Lords 2010).
- Money is pumped into **popular** sports that have large followings and so they are so **dominant** on our TV screens, for example, soccer, rugby and cricket.
- Whilst low profile or lower level or **minority** group sports, such as table tennis and volleyball, get little or **no media attention** and therefore very little sponsorship.
- And so a **reduced opportunity** to market and develop their sport.

Sports stars

- **Exploitation** and/or fame may be too much for some.
- **Performers** are committed to **demands of sponsor(s)** and so may have to compete more than is desirable and could get injured.
- For example, young successful footballers who are unable to cope with media exposure and/or wealth.

The media - advantages

- The media include various forms of **communication** such as TV, newspapers, radio and the internet.
- The media's role is to **inform, educate, entertain and advertise**.
- **TV** affects sport as it is the most **powerful aspect** of media and attracts high ratings or viewing figures.
- The buying and selling of TV or **broadcasting rights** increases participation levels from grass roots upwards.
- **Income** generated from the media is used by **governing bodies**.
- For example, LTA receives income from BBC for televising Wimbledon.
- This income can be used to improve facilities, coaching initiatives and tournaments, such as the Aegon series.
- The media creates **role models** that young people copy.
- Positive role models develop the ethics of **good sportsmanship** and **fair play**.
- Media promotes or **increases awareness** of (minority) sport.
- Sky has been very active in televising minority sports.
- The media, via television, has made sport more **entertaining/popular/exciting/better to watch**.
- For example, half-time at Super Bowl, mascots, HawkEye
- **Sport stars** are created and so **celebrity status** is possible.
- For example, Roger Federer, Lewis Hamilton, Usain Bolt and Serena Williams.
- **Cable TV**, such as Sky, has had an enormous impact to 24 hour coverage of a huge variety of sports.
- Media influences can **change** aspects of sport – (which can be good or bad).
- Myths or **stereotypes** can be broken or reinforced.
- **Rules** or scheduling or format **changed**.
- For example, Twenty20 cricket and Summer Rugby League.

15) continued

Media and sport – disadvantages

- Too much sport on TV and so sport **over-exposed**.
- Impact is to **decrease participation** levels as **people watch** rather than participate.
- Copying or being influenced by bad behaviour of **(negative) role models**.
- For example, bad language, lifestyle choices that may include PEDs.
- **Irresponsible press coverage** fuelling (by press) of **negativity** towards **opponents**.
- For example, deviant violent behaviour of football fans during England v Germany football games.
- **Media intrusion** or media demands may put performers off.
- For example, requirement to give press interviews immediately after a match.
- **Pay-per-view** means not everyone can see all events.
- For example, prestigious global boxing events are limited to subscribers.

Sponsorship - advantages

- Sponsorship of individuals or teams or events or kit increases **brand awareness** or company exposure and/or to make profit.
- Sponsoring sport gives **healthy** or 'cool' image to sport .
- For example, Coca Cola is a major sponsor of the Olympic Games.

Endorsements of products by well-known performers.

- For example, Andy Murray endorses Under Armour.
- Powerful or dominant sports or the sports of **powerful** or **dominant groups** may have some control over sponsors.
- For example, Premiership football.
- Sponsorship allows **(full-time) training**.
- It allows participation as a job or **professionalism**.
- Sponsorship gives performer's or clubs **financial security**.

Sponsorship and sport – disadvantages

- **Lack of sponsorship/money** = limited progress.
- Sport sponsorship (generally or has been) a relatively **inexpensive** form of **advertising**.
- **Bad image** for sport due to being linked to **tobacco** or **alcohol** or fast food products.
- **Pressure** of sponsors demands, such as team or individual **media appearances**.

- 16) Many elite sports are now commercialised and seen as forms of entertainment.
Discuss the suggestion that an increase in the commercialisation of sport has been beneficial for performers and the sport.

8 marks

Answer:

- Increases in **salaries** – elite performer can train **full-time**, which will improve performance levels.
- But they may want to **make money** too much and are prepared to take **deviant** means, such as **doping**, to succeed.
- Elite performers become **role models** and can **attract more youngsters** to the sport increasing **participation** levels.
- This means that they must portray a **positive image** as their behaviour is always under the spotlight.
- **Poor behaviour** on or off the sporting arena can **reduce participation** and spectator levels, as they become **poor role models**.
- Income generated from commercialism can be **invested** in sports facilities, such as the London Olympic Park.
- Money can be used for **grass roots initiatives** such as Fair Play Awards.
- Commercialism can provide income to **popularise minority sports** such as table tennis and volleyball.

- 17) Outline how global sport has changed over the past 20 years due to ‘Americanisation’.

8 marks

Answer:

8 marks from eight of:

- Americanisation is the influence and **copying** of American values/culture in sport.
- And so has been an extremely **exportable** commodity.
- The development of **technologies** that **underpin** American sports, are eminent features of the American commercial sports world.
- Other nations have adopted these techniques to **enhance** their sports industry.
- For example, specialised channels, such as the **Entertainment and Sports Programming Network (ESPN)**, reap the benefit of sports programmes, selling advertising slots and greatly influencing television programming.
- **Specialist** sports channels that offered a **pay-per-view** service and now common throughout the world.
- **Professional sports** like baseball, basketball, football, and ice hockey have become massive **industries** and the economic centre of many US cities.
- Such sports have spread **globally** as a result of the player and coach migration/transfers, franchises and the influence of the media.
- For example, NBA Global Games.
- USA sport is driven by **business**.
- **Teams are bought and sold** within a worldwide pool of potential buyers, making sport that much more international.
- The Lombardian ethic, **win-at-all costs**, supports the notion that winning is everything, supported by the American public.
- The win-at-all -costs ethic has been **adopted** by the UK’s NGBs who allocate **lottery funding** to men and women who they consider to have the best chance at medalling at global sports events.
- Performance-enhancing drugs (**PEDs**) **started in the USA**.
- Is a common world-wide phenomena, again driven by the win-at-all costs ethic.
- Such is the pressure on winning, **American professional coaches** have **highly paid** but very insecure jobs, known as the ‘hire and fire’ policy.
- This policy is now common with **European soccer managers** who are retained only as long as they are winning regularly.
- Player endorsement contracts **originated** within the **big four American sports** and are now part of global sport.
- For example, Roger Federer’s ongoing success as the world’s highest-paid athlete endorser can be linked to several long-term deals he holds with premiere brands including Nike, Mercedes and Rolex.
- Performance management and **big salaries** have been at the heart of USA sport from high school to University and club level.
- It has taken time for other countries to **catch up** with this process as coaches and managers have migrated across continents.
- **Franchising** has created huge wealth and in the USA it is not unusual for major clubs to be relocated from one city to another.
- The business of franchising has become **global**, as wealthy businessmen see opportunities to make more money.
- USA sport has always been entertaining, sensational and intense which arguably raises its **status** in **popularity**.
- **Cheer leaders** and **mascots** are part of the **family entertainment** package which has now spread world-wide.
- The way USA commentators **hype-up** an event and have **pre-match discussions** are two more features of American sport that have spread globally.
- The concept of the **American Dream** is an ideal by which equality of opportunity is available to any American.
- It is an ethic that has spread to capitalist countries where **individual self-interest** and **materialism** are central to their cultural values.
- The **radical ethic** supports the fact that **excellence of the outcome** is important, but more important is **the way it is achieved**.
- This **USA ethic** is associated with lifetime sport, health, fitness, and **mass participation**, and has spread globally.
- For example, the first city marathon was staged in Boston in 1897 following the inaugural Olympic marathon.
- Today, mass participation events are staged throughout the world.

- 18) Major leagues have been working to establish themselves globally.
Using an example from sport, discuss how this development is affecting
the growth of professional sport.

6 marks

Answer:

Notes: Your syllabus specifies the NFL, NBA and Tour de France, so one of these examples will be used in the answer below.

6 marks for six of:

- The reason why major leagues are keen to expand globally is because they see it as a **business opportunity** to make money and develop their sport.
- For example, the NFL is attempting to take over brands of American football and create a global NFL corporation.
- The NFL has huge **status**, both **cultural** and **economically** within the USA.
- This aspiration requires the development of **infrastructure** such as **facilities, equipment, coaches, media exposure, role models** and **talent identification** at grass roots level.
- There is a threat that young talent could be channelled into the NFL system at the **expense** of other traditional sports.
- And thus **undermine** a nation's sporting heritage.
- **Lucrative professional contracts** may also affect where the talent pool decides to go.
- The NFL's immense **wealth** and current **foothold in London** are the start of this process.
- A major issue is the **imposition** of American culture on **non-American** diverse cultures, such as the UK.
- With the resistance of powerful **international organising bodies**, such as FIFA, the politics between different countries could present a **stumbling block** for major leagues to establish themselves globally.