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What is the sports product and who buys it? The marketing of professional sports leagues

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Abstract *Professional sports have emerged as a lucrative business, with many opportunities for sports marketers to flourish. As this paper will show, professional sports teams unite to produce a league product that, while initially is produced to provide entertainment for spectators, is now sold to four distinct groups: first, fans who support leagues by attending games, following games on television and other media, and purchasing league- and team-related merchandise; second, television and other media companies which purchase the right to show games as a programming option; third, communities which build facilities and support local clubs; and fourth, corporations which support leagues and clubs by increasing gate moneys, purchasing teams outright, or providing revenues through sponsorships or other associations. As a result, professional sports leagues provide a unique environment for marketing decisions and processes to occur, in a number of markets and at a number of levels, and should continue to be a growing segment within the broader, global, entertainment industry.*

Introduction

While originally relying solely on gate revenues to maintain financial viability, professional sports leagues now generate income from television and other media revenues (Bellamy, 1988; Chandler, 1991; Harris, 1986; Horowitz, 1978; Rowe, 1995), from the sale of league-related merchandise and apparel (Burton, 1996; Gorman and Calhoun, 1994; Steinbreder, 1992), from corporate sponsorships (Cousens and Slack, 1996; Grimm, 1993; Hofmann and Greenberg, 1989; Schaaf, 1995), and, in some countries, notably the USA, from lucrative stadium arrangements with host communities (Baim, 1994; Euchner, 1993; Ozanian *et al.*, 1995; Shropshire, 1995). As this industry has grown and developed over the past few decades, there has been an increase in ancillary activity, such as the sports trading card and memorabilia industries, which rely on the operations of professional sport (Osterland, 1994; Williams, 1995). In addition, the business of professional sport has grown so dramatically that organisations have been formed specifically to oversee the business operations of teams, leagues, and their members (Kennedy, 1975; Wahl, 1993). As explained by Metcalfe (1987, p. 163), "perhaps the most visible and far-reaching example of sport as a marketable product is professional team sport".

There are several factors that potentially distinguish professional sports from other businesses, including stadium lease arrangements, monopolistic bargaining for broadcasting rights, territorial rights in predetermined

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geographic markets, and the capital depreciation of player contracts (Daly, 1977; Noll, 1974; Zorn, 1994). Perhaps the most notable distinction that sport has is in the relationship it has with its consumers. As explained by Whannel (1992, p. 200), "while there are clearly aesthetic pleasures in merely watching a sport performance, the real intensity comes from identifying with an individual or team as they strive to win". It is this phenomenon that has helped make sport a vehicle for the promotion of corporate interests, whereas when professional team sport emerged in the nineteenth century, the relationship between sports teams and fans was sustained by a reliance upon community ownership and involvement as is still the case with much European sport (Taylor, 1992). However, with increasing corporate involvement, an American model of private ownership is now influencing professional sport throughout the world (Nauright and Phillips, 1997), and has potential repercussions for many leagues.

Professional sports leagues are often able to operate as monopolies (Quirk and Fort, 1992), as they have historically been able to control elite-calibre competition in their given sports. This has been achieved through merging with rival leagues (Cruise and Griffiths, 1991; Harris, 1986; Pluto, 1990), and expanding leagues to preclude new entrants into the market (Ross, 1989). In doing so, leagues have been able to achieve an enviable position, as few substitutes exist for professional sports (Nester, 1990). However, the growth in the professional sports industry in recent years, combined with an increase in corporate involvement would suggest that the monopolistic power held by leagues in producing, marketing, and selling a unique product has transformed the overall arena that is sport. This is due to changes both in the league product, and the groups that purchase it. As explained by Euchner (1993), sport has "commodified", as it has become increasingly bound up in the processes of economic production and distribution. Euchner (1993) also argued that professional sports leagues are now a part of the powerful recreation and entertainment sector of the economy. In addition, sports have "delocalised"; the global marketplace has made sports less attached to specific places, particularly those which have world-wide appeal, such as football and basketball. In effect, fans of professional sports can follow the exploits of their favourite teams or leagues despite the fact that they may be operating out of cities in other parts of the world (the global following for Manchester United), especially those teams that feature local athletes playing abroad (the Irish following for English Soccer Clubs such as Manchester United, Liverpool and Arsenal). Satellite television, the Internet and other technological advances can only hasten the process of delocalisation within the European sporting community.

It is within this environment of change and growth that this paper is contextualised. As this paper will show, the manner in which sports leagues are organised to produce and sell the league product suggests that sports marketers must be aware of the unique nature of the professional sports product. Thus, the purpose of this paper is to determine what the professional sports product is, and to what parties this product is sold. This discussion will reveal that there are four distinct groups that purchase the sports product in the specific case of the league, which itself changes according to the needs of the specific consumer. This is because the different groups that purchase the league's product do so for very different reasons. As a result, the marketing of professional sports leagues has become a complex and lucrative operation, which involves decision-making at a number of levels, in a number of markets, as leagues and teams seek out new ways of increasing revenues.

The unique nature of the professional team sport product

The first task to be accomplished in this paper is to determine what constitutes the sports product. An argument posed by both sports leagues and some scholars, is that the league itself is the economic entity, and not the independently owned league clubs (Goldman, 1989; Grauer, 1983; 1989; Gray, 1987; Jacobs, 1991; Roberts, 1984; 1985; Rosenbaum, 1987). The resulting debate argues that on certain levels, the league functions as a single business entity, while on others, it is more appropriate to view the league as a joint venture, or cartel of independently operated franchises; this in turn will determine at what level marketing strategies should be initiated. A team joining a professional league has the right to compete against other league teams in a schedule of games generated by the league itself; clubs typically receive a league-designated home territory, and voting membership in an executive committee that oversees league operations. In becoming a league member, each club also agrees to abide by any league constitution or by-laws, or league-wide policies and decisions. Despite the independent operations of each league club, teams must work together to create the league product; in the case of professional football, this would be a series of league games with an uncertain outcome (Sutton and Parrett, 1992; Whannel, 1992). Because the league product cannot be created by teams independently, single entity theory contends that the league itself should be considered the business entity, as the consumer would have little interest in the outcome of a contest between two teams not affiliated with the league (Rosenbaum, 1987).

Only after all teams agree to the conditions in which the league games are scheduled and governed can the league product be actually produced (Goldman, 1989). Because the attractiveness of the product produced is dependent upon the appearance of rivalry between clubs, the sports leagues must be structured to foster the perception of inter-club competitiveness. To do so, teams are able to independently vie for coaches, trainers, executives, and other non-player personnel. Teams also compete, to a certain extent, for players (Roberts, 1984). In this way, the public is assured that the teams are independently managed with respect to any operations that affect on-the-field performance (Gray, 1987).

As explained by Neale (1964), in his classic analysis of professional sports operations, "the first peculiarity of the economics of professional sports is that receipts depend upon competition among ... the teams, not upon business competition among the firms running the contenders" (Neale, 1964, p. 2). This unique arrangement required to produce the league product results in a firm that is neither completely integrated into one unit, nor a joint venture or cartel of independent businesses (Brock, 1985). The appeal of the league product rests on the uncertainty of the game's outcome, which has a profound effect on the consumer who, according to Madrigal (1995, p. 206), experiences sporting events as "a hedonistic experience in which the event itself elicits a sense of drama". The uniqueness of the sports product is further explained by Whannel (1992, p. 199):

> Like other forms of entertainment, sport offers a utopia, a world where everything is simple, dramatic and exciting, and euphoria is always a possibility ... Sport entertains, but can also frustrate, annoy and depress. But it is this very uncertainty that gives its unpredictable joys their characteristic intensity.

The intensity of the experience is further enhanced by an association to a specific team or its competitors, through the "mobilisation of local, regional, national or emotional identifications" (Whannel, 1992, p. 199) and, at times, by gambling on the outcome of the game (Clapson, 1992).

Studies have found that the consumers of the sports product so strongly identify with their favourite teams that they attempt to proclaim affiliation with a successful club even when they in no way had a hand in the team's success. This practice is called Basking in Reflected Glory (BIRG) (Cialdini *et al.*, 1976), and is affected by the degree of identification an individual has with a team. Wann and Branscombe (1990) found that "die hard" fans, or those with a high degree of identification, were more likely to BIRG when the team was winning, but also more likely to maintain an identification with a losing team. This explains the rabid following that perennial losing teams receive from some fans. However Wann and Branscombe (1990) also discovered that fans with a low identification with a team were more apt to disassociate themselves from a losing team, which may explain the "fair weather" fan phenomenon.

Initially, the league product in commercially-driven team sports was developed specifically for fans, particularly those that attended games. Today, the different revenue sources that are available to professional sports leagues suggest that while the "core" league product (uncertainty of game outcomes) remains, leagues and their member teams produce a number of different products. According to Schaaf (1995, p. 22), "in the context of sports marketing, the "product" is either the entertainment of competition [the uncertainty], or a product/service associated with the excitement of the event, or both". However, all consumers of the sports product seek to identify with a given team or league, perhaps extending the BIRG phenomena beyond fans to include corporations, television companies, and communities hosting professional teams. It is then important for the sports leagues to recognise what is being sought by the consumer of the sports product, at what level (team or league) decision-making authority should be vested, and what competitors' specific variations of the league product are within its own market segment.

The marketing of the league product

The following section addresses the markets in which the sports product is sold – both geographic and competitive – and the levels at which marketing decisions are made. Traditionally, each league specialised in producing a specific type of sports product, that would be played seasonally. Once a league had established itself in this particular niche, it could be argued that the league had a monopoly position, as there were few substitute products in that sport (Rosenbaum, 1987). However, as schedules became longer in professional sports, and new facilities enabled seasons to continue beyond traditional time periods, major sports leagues began competing with one another for the patronage of consumers in the communities that hosted one or more professional teams.

Today, teams compete for those consumers who could choose to attend other entertainment options available. Thus, rather than competing within a narrow, sport-specific market, league franchises now compete in a broader entertainment market (Grauer, 1989). This broader competition would then extend to television audiences, who may opt to choose between professional sports or other types of programming originating from diverse locations. In turn, these viewing preferences would affect the revenues generated by networks which bid for the right to televise league games. Thus, as explained by Noll (1982, p. 348), professional sports leagues operate within several markets, some of which are local, and some of which are national; "the most important product markets are the sale of admissions and concessions at home contests and the sale of the right to broadcast or televise play-by-play accounts of the games".

In addition, many sports leagues, particularly those in North America, have sought out global markets through expanding television broadcasting and licensing, and by developing new leagues to introduce their specific sports to new geographic areas (Rushin, 1993). The most obvious example of this is the World League of American Football (NFL Europe) which, despite financial losses, is seen as a means to introduce the professional football product to Europe, and expand television interests (King, 1996). In this way, professional sports leagues seek out new revenue opportunities in many different markets. Table I contains a breakdown of the various levels in which the marketing of the league product occurs. Although decision-making can occur at either the league or team level, all authority must ultimately reside in the league as a whole, in order to avoid conflicting relationships with sponsors, networks, and other stakeholders. The leagues must then formulate a strategy to take advantage of potential markets; finding such a corporate position is at the core of strategy development (Jacobsen, 1988). In summary then, the real competition for professional sports leagues in selling the sports product to each of the consumer groups is in competing with other entertainment options. (Rosenbaum, 1987).

The sports fan

It is the support of the sports fan that underpins the sports industry; as explained by Taylor (1992, p. 188), "the crowd is the supreme authority without

Consumer product	Direct revenues	Market parameters	Indirect revenues/ benefits	League product purchased	Ancillary purchased
Fans	Attendance (incl. gate, parking, concessions)	R, T, S, SI, E	Provide market for media, TV	Uncertainty of game outcomes, team/player/ league identification	Affiliation with favourite team/league BIRG
	Licensing	G, L, M,	League, team exposure		
Host cities	Favourable leases Guaranteed revenues	R, T, S, SI	Tax breaks, tax exempt land, new publicly-funded facilities	Status as "Big League City", economic impact of team in community	BIRG
Media	Network TV	N, L, E			
	Local TV	R, T			
	Pay-per-view	R, N, C, E	Exposure, publicity	Programming options	Affiliation with league
	Cable	R, N, C, E			Uncertainty of game outcomes
	Radio	R, N, C, E			
Corporations	Sponsorship	G, N, R, C, S, SI, U	Exposure, publicity, cross-promotion, synergies with corporations	Affiliation with image of league or team	
	Ownership (i.e. expansion fees)	R, S, C, U			
	Advertising	G, N, R, C, S, SI, U			
	Gate	R, T, S, SI, U	Corporate affiliation	Venue for conducting business operations, rewards for employees/ business contacts	

Notes:
Market scope: R = Regional, N = National, G = Global
Level of Decision-making: T = Team or franchise level, L = League or association level, C = Combination of team/league
Industry: S = Sport specific, SI =Professional sport industry, E = Entertainment industry, M = Merchandise/apparel, U = Unspecified

Table I.
Consumers and the league product

which the golden core of the game has no currency". This market segment, i.e. the committed sports fan, has been the most established and, perhaps, the most taken-for-granted revenue source for professional sports leagues. This group buys season tickets, attends games, pays for parking and concessions, and typically follows the exploits of a favourite player or team with unabashed loyalty. When not actually attending games, this group will watch games on television, and purchase league apparel, supporting a multi-billion dollar market for licensed products (Ozanian, *et al.*, 1995). It is this market for pennants, hats, T-shirts, and other items affiliated with the league that has led to a surge in revenues; it is also this market that has allowed professional leagues to penetrate global markets (Cousens and Slack, 1996).

This market segment, in its purist form, is purchasing the uncertainty of game outcomes (Sutton and Parrett, 1992). However, the relationship between fan and sport is much more complex. The committed fan differs from other sports consumers in that the loyalty that avid followers have for professional sports means that there are few competitive substitutes available for fans of a specific sport or team (Kurlantzick, 1983). However, marketers must recognise that other factors will help to interest casual fans in the league product, particularly for casual fans. Thus, while uncertainty is essential to maintaining interest in the league product (Scully, 1995), "die hard" fans will continue to support a team if it wins or loses consistently, and alternative measures must be taken to attract "fair weather" fans in times of a team's competitive hardship. It has been argued that the "core" product (the uncertainty of game outcomes) cannot be marketed in its basic form due to inconsistency and unpredictability (Sutton and Parrett, 1992). Kochman (1995), in a baseball study, found that uncertainty of game outcome was not enough of a predictor of fan attendance; suggesting that sports marketers might focus on game-related factors that can appeal to all potential consumers, (Sutton and Parrett, 1992). Thus, from a marketing perspective, it can be argued that it is the responsibility of the team's coach or manager to field a competitive team and maintain the uncertainty of game outcomes, while the marketer should work to create a customer experience for the fan who attends games (Branch, 1992). A study of collegiate American football in the US found that attendance was not just a function of team performance or fan loyalty; it was also dependent upon the experience that spectators had at the stadium (Wakefield and Sloan, 1995). In this manner, a focus on other game related amenities and stadium factors may help entice fans in an increasingly competitive entertainment industry that has shifted from customer acquisition to customer retention (McDonald and Milne, 1997).

However, consumers do not necessarily have to consume the sports product by physically attending matches; television and stadium audiences overlap in this instance, although in recent years, television has been given a higher priority (Euchner, 1993). This is evidenced by the rescheduling of games in order to provide better broadcasting opportunities for networks, and TV-friendly rule changes for some sports. Decisions regarding the marketing to the televised sports consumer of the league product are made at both the league and club level. While most strategic decision making occurs at the league level, such as licensing agreements, each team is able to set its own ticket prices.

While it might appear a truism that it is the fan who determines the fate of the leagues as a whole; it would seem undeniable that the interests of this group have been overlooked in recent years as leagues attempt to seek out new revenue sources from corporations, pay television, and luxury seating, all of which make it more expensive for the average spectator to continue to support his or her club or league.

Communities and their sports facilities

In some markets, particularly those in North America that rely heavily on private or corporate team ownership, host communities can become an exploited consumer of the league product (Mason and Slack, 1997). The relationship that teams have with their host communities results in an opportunity for clubs to extract financial inducements from cities that are either fearful of losing an existing franchise, or desperate to gain the notoriety of being considered a "Major League City" (Shropshire, 1995). The European and Australian experience is of course significantly different due to the prominence of community-owned teams. However, corporate or privately owned teams or leagues are able to extort monopoly "rents" from stadium authorities and, through them, the tax payers of those cities (Baim, 1994; Greenberg and Gray, 1996; Ross, 1989). Thus, while most industries require businesses to pay for the use of facilities required to manufacture a product, in some cases professional sports teams can actually persuade cities and/or municipalities to pay for the right to be a site of the production of the league product. In this manner, the product sought by the local community is not the uncertainty of the game outcome; instead, it is the economic and intangible benefits that hosting a professional team brings to the community.

In instances where facilities are not privately owned, individual clubs usually have the right to negotiate lease terms with their respective stadium authorities (Gray and Walters, 1988). Due to the increasing costs of constructing and operating facilities for use by professional sports teams, there will continue to be an onus on local communities to be at least partially involved in financially backing professional sports teams (Greenberg and Gray, 1996). In the case of community-owned teams, demand exhibited by locals will also determine the extent of involvement of a given community in supporting professional sports teams. This process will continue as long as there is sufficient community demand, and it is perpetuated by the strong identification that fans have for both professional team sports and their geographical environs. In instances where teams are privately owned, owners can disregard civic identification with sports teams by moving to other communities (Rushin, 1995), and create a problem for leagues which have difficulty in controlling the behaviour of clubs that seek to relocate without the permission of the league as a whole (Mason, 1997).

Television and other media

Perhaps the single largest cause of the growth of the professional sport industry has been television (Whannel, 1992), which enjoys a symbiotic relationship with sport; sport builds television and other media audiences, while exposure on TV builds an audience for the sports industry (Wolfe *et al.*, 1997). As the boom in television began in the 1950s, sport was eventually discovered as an ideal programming option for networks seeking advertising revenues. Sport provided a unique opportunity for television companies; games were exciting, unpredictable and, more importantly, featured a rather homogenous male viewing audience (Hofacre and Burman, 1992; Wilson, 1994). In 1980, there were 1,800 hours of sports televised in Britain, which grew to 2,510 by 1989/90 (Whannel, 1992). Today, sheer fan numbers are no longer as important as demographic characteristics, where an upscale audience can provide more revenues for networks and, in turn, the leagues themselves (Euchner, 1993). Sports have traditionally allowed advertisers to target a specific market, although there has been a trend away from the 18-49 year old male audience to a more diverse, ageing, and non-gender specific viewership profile (Hofacre and Burman, 1992). While teams have negotiated and continue to negotiate independently for local media revenues, such as radio and television, huge revenues are accrued through pooled negotiations between the leagues as a whole, and large cable and network television companies (Noll, 1982). Sports leagues have also been effective in creating competition between television companies (Leonard II, 1993), as moguls such as Rupert Murdoch seek to use sport to expand their media empires (Barnett, 1990).

The sports product for television is not the uncertainty of game outcomes, it is a programming option through which air time can be sold to advertisers (Turner and Shilbury, 1997). "Revenues from national and local television – once a minor supplement to the revenue gained from ticket sales and related activities – now constitutes the major source of financial support for professional sports" (Euchner, 1993, p. 29). However, it is unlikely that the skyrocketing media revenues seen through the 1970s and 1980s will continue, as viewership becomes more fragmented and general television viewership declines. According to Jay Rosenstein (1993), vice-president of programming of Columbia Broadcast System (CBS), the ratio of men to women watching sports on television follows approximately a 60-40 or 65-35 split. Thus, advertisers who catered to the needs of an almost exclusively male audience in the past are wary of investing the same advertising money in professional sports. However, there is some evidence that team sports have retained some viewer homogeneity; Whannel (1992) reported that in 1988, the British television sports with the highest proportion of adult male viewers were rugby, cricket, baseball, football, American football, and golf, of which only one was not a team sport. To supplement network revenues, leagues have sought new revenue sources, or experimented with other media technologies, such as pay-per-view (Catsis, 1996; Ross, 1989).

A significant effect that the emergence of this market for professional sports leagues has had is in making the league product part of national, indeed global, entertainment industries. It also has had some effect on rule changes, and may partially explain why some team sports have not risen in popularity; for example, one criticism of ice hockey has been the size of the puck, which is difficult for many inexperienced viewers to follow on television (Catsis, 1996). Rosenbaum (1987) explained that the positioning of sport within the entertainment industry has affected the monopoly position that leagues have held in their respective sports. Now professional sports leagues are unable to control a good portion of their revenues, which depend upon favourable television ratings and the periodic negotiation of contracts with television networks. To maximise revenues, some leagues now develop their own broadcasts, which also allows for more control over the marketing of the league product. Broadcasting generally shifts the focus of the league product to a broader base, as the importance of team location is decreased by the presence of spectators who, through television can follow the exploits of teams from most areas of the globe (Kurlantzick, 1983; Wilson, 1994). It has been argued that broadcasting is an alternative model for fan consumption of sport (Zhang and Smith, 1997), and television coverage has undoubtedly enhanced and reinforced fan identification, by creating a more personal relationship between fan and athlete, through player interviews, profiles, and close-up camera angles (Whannel, 1992).

Corporate ownership, sponsorship, and patronage

Traditionally, professional sports teams and leagues have been owned publicly or by independent, individual entrepreneurs (Brower, 1977; Flint and Eitzen, 1987; Kowet, 1977; Mills, 1991). However, the appearance of corporations in the operations of professional sports has led to, and has been the result of, the significant growth of the industry over the past few decades. It is through interaction with corporations outside of the immediate professional sport industry that the most recent revenue streams have been discovered, and this should continue to be the most promising source of growth. There are three distinct areas through which leagues can gain through corporate affiliation:

(1) the sale of luxury boxes and other premium on-site seating at athletic events;

(2) the synergies that are gained in having a larger corporation own and operate a league or league team; and

(3) revenues generated via corporations paying for the right to associate with the league product, through various forms of advertising and sponsorship.

The latter aspect of corporate affiliation is the most common, dominated by global corporations which can both afford to pay for the right to be affiliated to a given league or team, and also reap the benefits of such an association (King, 1995). Whannel (1992) attributed the emergence of sport sponsorship in Britain to increased television exposure, and the banning of cigarette advertisements on television in 1965. Sponsorship has become a crucial revenue source for sports leagues. In March of 1983, Football League club chairmen rejected an annual £2.6 million television contract because the BBC and ITV would not accede to advertising on players' shirts, a significant source of individual club revenue at that time (Barnett, 1990).

As player salaries and other expenses have risen, so has the price of personal attendance at league games. As a result, corporations that purchase blocks of tickets provide an on-site revenue source that was once filled by traditional spectators. In addition, efforts to exact new revenue sources have resulted in the advent of luxury suites and seat licenses in some sports. The former allows for the viewing of games in a more lavish environment, and the latter allows one the right to purchase season tickets for a team, in a specific location within the stadium or arena (Ostfield, 1995). The confines of the luxury suite allow corporations to solicit or reward business contacts in relaxed environs, while also allowing its members to view sporting contests under the pretence of business interests. It is a relationship that has obvious benefits to all parties involved. It is in this area of seat licenses and luxury suites that leagues and teams have been able to make recent and significant revenue gains.

Another area through which corporations have become involved in the production, marketing, and consumption of the league product is through corporate ownership of individual franchises, which, up until recently, was a distinctly North American phenomenon. However, as media and other entertainment companies become more heavily involved in sports team operations, other countries have become exposed to this ownership model. In Australia, Nauright and Phillips (1997, p. 39) examined local resistance to corporate ownership, and noted that "the American-style model is seductively attractive with its maximisation of profits, its slick marketing and merchandising, and its entertaining sporting spectacles".

An obvious advantage that corporations have in owning sports franchises occurs through cross promotion and corporate interlocks; "it is clear that professional sport is only one part of a corporation's total investment portfolio" (Beamish, 1991, p. 218). US broadcasting and entertainment companies such as Disney, Blockbuster, and Turner Broadcasting are able to exploit the synergies of owning professional teams (Cousens and Slack, 1996), and through this method Rupert Murdoch has extended the reaches of his media empire throughout the world. However, this may lead to financial advantages for specific teams, which may create competitive imbalance for community and publicly-owned clubs which lack the financial clout of large corporations (Krause, 1992).

Finally, corporations provide revenues for leagues through paying for the right to be affiliated with a league and its product, a common practice in European leagues. These relationships have been present at least since 1861, when little-known Australian catering company, Spiers and Pond, underwrote the costs of a cricket tour (Whannel, 1992). As described by McCarville and Copeland (1994, p. 103), "sponsorship involves an exchange of resources with an independent partner in hopes of gaining a corresponding return for the sponsor". With few exceptions, corporate sponsorship occurs for commercial and not philanthropic purposes (Barnett, 1990); Whannel (1992) gives three inter-related drivers for corporate-sport relationships:

(1) sport's ability to attract media coverage;

(2) the link between the sponsor and sponsored; and

(3) the demographic profiles of participants and spectators.

Corporations also may choose to sponsor facilities and other league related items, which aid in subsidising the operations of the leagues (Finerty, 1991; McCarthy and Irwin, 1997). For example, one American marketing promotion resulted in more than 100 stadium logo placements for the sponsor, that "ground the brand name into consumer's brains" (Heistand, 1996, p. 11C), and resulted in substantial revenues for the event's organizers. Thus, teams and leagues are able to significantly increase revenues through the sales of on-site signage, advertising, and team related sponsorships, while the leagues as a whole engage in long-term partnerships with corporate giants, such as Coca-Cola. In affiliating with the league, corporations are not purchasing the uncertainty of game outcomes; instead, they are aligning their own business interests with that of the reputation of the league and its product, in order to increase their own financial well being. An example of the benefits of aligning with an established league can be found in the recent agreement between FOX television and the US-based National Football League (Wulf, 1993). In outbidding established US networks such as CBS, FOX will lose money on its broadcasts of league games. However, as explained by FOX head Rupert Murdoch, the reputation of the NFL has "made [FOX] a real network" in the US (Swift, 1995).

Conclusions

This paper has sought to identify the nature of the product created by professional sports leagues, determine what groups purchase this product, and how the leagues have sought to market the product to these groups. The resulting discussion has shown that the proper business entity is the league itself, although many operations are required at the franchise level in order to enhance and maintain interest in the league product, which, initially, is a series of matches with uncertain outcomes. As a result, it is paramount for sports marketers to recognise the purchasers of the league product; this paper has determined that there are four distinct groups:

(1) the fans;

(2) television and other media;

(3) communities that construct facilities and support local clubs; and

(4) corporations that interact with the leagues and teams.

As discussed, each of these groups is interested in the league product for very different reasons.

However, problems may arise concerning the marketing of the league product. Television has been a valuable tool in generating further interest in sport, but the relationship that exists between sport, television, and sponsorship is problematic, and may become increasingly so with increased corporate involvement (Barnett, 1990). Problems arise when each party seeks out marketing opportunities that conflict with those established by the other parties. Thus, leagues and television companies must be wary of the corporate partnerships that they enter into in the future. This follows Brenner (1997), who reported that sports marketers view sponsors as corporate partners. In this way, sports leagues, corporate partners, and the networks that televise the events can work together to ensure that their independent needs are met, and that sport continues to maintain its prominence in people's lives throughout the world.

Another problem that has emerged in North America that may also have arisen in other professional sports leagues around the world is the financial disparities between clubs in the same league. Although some leagues practice revenue sharing, other leagues will encounter problems when large corporate-owned teams, by virtue of their prominence in other industries, are able to generate greater revenues than other league clubs. As a result, these teams may be able to gain a competitive advantage over other teams in the league, which can jeopardise the uncertainty of game outcomes so crucial to maintaining a base of consumers. These issues of conflict between sport, media and sponsor and indeed conflicting fortunes visited upon teams within the same league by the relative attention of sponsors and media, offer a fruitful arena for further research and analysis. Such work is urgently needed to elucidate the developing meaning of the sports product.

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