

Becoming financially independent: a case in athletics

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ABSTRACT

This case examines a small rural high school athletic program's quest to become financially independent of its school's budget. To answer that question the case examines the structure in which athletic departments in interscholastic (high schools and middle schools) sports operate. The case explores opportunities for revenue generation in interscholastic athletics and observes how athletic administrators must work with community partners to drive revenue in support of their programs, even at the smallest of schools. Other issues examined include staff workload (emotional labor), sponsorship sales and activation, in-game promotions, and tickets sales for events.

Keywords: sports, budget, revenue, fund-raising, marketing, promotion, sales

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CASE DESCRIPTION

At any level of organized sport competition, there is a business being run. Whether it is a multi-billion-dollar mega sporting event like the Olympics, or a small rural high school athletic program, the game depends on financial security. Some are able to play this game easier than others. For example, the Olympics and the World Cup are supported by multi-year million-dollar sponsorship contracts and broadcasting rights deals. However, a small rural high school athletic program generally relies of two things not included in the school's budget; sponsorships and ticket sales to sporting events.

One of the hardest arguments schools have to make about their athletic programs is the financial burden these extracurricular activities place on the school's budget. This is true for not only college athletic programs, but also for interscholastic athletics (high schools and middle schools). Many programs (especially smaller schools) are not profitable, and in fact spend a great deal of money beyond their revenues. The most common justification for these programs is that research shows students are more successful (e.g., higher GPAs, higher graduation rates, etc.) when they engage in extracurricular activities. How much easier would the school be able to operate within budget, being good stewards of the taxpayer's money, if the athletic program was able to break even without relying on school budgets? What could this look like? Would this require a greater workload for the athletic staff, and do they have necessary business acumen?

In this case, we will look at a small rural high school athletic program's quest to be financially independent of its school's budget. What does financial independence mean in this situation? To answer that question, we must first look at the structure in which athletic departments in interscholastic (high schools and middle schools) sports operate.

The primary subject matter of this case concerns revenue generation in interscholastic athletics, which is often overlooked. Secondary issues examined include how athletic administrators must work with community partners to drive revenue in support of their programs, even at the smallest of schools. Also, secondary issues examined include staff workload (emotional labor), sponsorship sales and activation, in-game promotions, and tickets sales for events are discussed.

The case has a difficulty level of appropriate for junior and senior level, as well as first year graduate level. The case is designed to be taught in two class hours and is expected to require two hours of outside preparation by students.

CASE SYNOPSIS

Washburn Rural High School (WRHS) is a small high school in East Texas. Located outside of a large city, this school's athletic director is forward thinking and is seeking to harness the popularity and prestige of WRHS among the surrounding community. The question is, how would he be able to do this?

Coach Marmion is the athletic director and head boys' basketball coach. The school is located about ten miles outside of a larger city with a population of approximately 30,000 people. This school is considered a 2A school, the second smallest classification in Texas. Coach Marmion is a forward-thinking administrator and is often concerned with the burden the athletic programs place on the school's budget. He also would like to take advantage of the prestige the school has in the minds of the surrounding community and larger city by raising funds for the athletic programs.

The current problem at hand is how a high school athletic program can be financially independent from the athletic budget without placing too much stress on existing staff. Topics related to staff workload (emotional labor), sponsorship sales and activation, in-game promotions, and tickets sales for events are discussed.

INTRODUCTION

The very popular TV series “Friday Night Lights” depicted the love affair Texans have with high school football. Now it is true that many small communities in Texas do in fact love their football. However, at Washburn Rural High School (WRHS), a small community in East Texas, football is not “king”. In fact, they don’t even have football. They do have many of the other traditional interscholastic sports (e.g., baseball, softball, basketball, volleyball, etc.).

Coach Marmion is the athletic director and head boys’ basketball coach. His job as athletic director is to ensure all athletic programs at the school run smoothly. Part of his job is to oversee the financial budget for all athletic teams. To place less of a burden on the school’s budget, Coach Marmion wants the athletic programs to establish financial independence from the school. Therefore, just before the new school year begins, Coach Marmion calls a special meeting with a few of the coaches in the athletic department at the school to brainstorm and implement ideas to achieve financial independence.

FINANCIALLY INDEPENDENT

“I hope teacher in-service is going well for everyone,” Coach Marmion began. “I know you all are very busy with the start of the school year, and that you are just as excited as I am to welcome our students back to campus. I would like to spend some time talking about the teams and various events we have coming up this year. As you all know, the district is always looking for ways to be better stewards of the taxpayer’s money. As part of that, we need to come up with ideas related to how we, as an athletic department, can do the same.”

Coach Kirkpatrick is the girls’ basketball and volleyball coach and is the assistant athletic director. “That’s a great idea” she stated. “I think we should first talk about our expenses. For example, let’s look at the upcoming boys and girls basketball tournament in December.” One of the largest tournaments in the area, WRHS attracts some of the best teams in the state (at their level of competition) to compete in the tournament. They even attract teams from out of the state and country.

“The costs of that tournament alone seem like a lot,” added Coach Massey, the head baseball coach. “For example, the cost of officials is one of the greatest expenses we have. Also, the cost of operating the building when school is typically closed in December. You know, heating the building and turning on the lights.”

“In addition, we have to pay for food in the hospitality room and the timers and score board operators” added Coach Marmion.

“While those costs do begin to add up, we do bring in a lot of revenue for the tournament right?” asked Coach Massey.

Coach Marmion replied, “Yes, that is somewhat true. In the past we have received a good amount from tickets sales, and a little bit from a couple of sponsors. But it still doesn’t cover our costs. I think there are many ideas that we can think of that can help us maximize our revenue from the tournament. Three areas I believe we can do this without much effort is increasing our

sponsorships and how we put them into action, in-game promotions, and creating new ticket sales strategies.”

SPONSORSHIP

Coach Massey chimed in, “What about sponsorships? I travel all over the state and see sponsorships on the outfield walls of baseball fields everywhere. Let’s just add as many sponsors as possible.”

“I am a little weary of adding ‘as many as possible’” stated Coach Marmion. Having studied and worked with sport sponsorships in the past, as well as marketing communication, he realized that when you add too many sponsors to a venue or event, there is a good chance of developing too much clutter. Clutter causes noise in marketing messages. Too much noise in a communication process leads to the consumer not being able to hear the message effectively.

“If we add a lot of sponsors, I believe the marketing message these sponsors are trying to get across to our fans and players will be lost. I mean, think about those baseball fields with a lot of sponsor signs on the outfield wall. Can you name more than one or two sponsors from those games?”

Coach Massey thought for a second, “I guess you’re right. I am not really aware of those brands. There are just too many.”

“Don’t get me wrong, I would love to have as many sponsors as possible, but I think we need to find a way to underwrite various parts of the tournament. Think about the costs of the tournament we just talked about: the officials, the building costs, and the food. If we can get a sponsor to cover those costs, underwrite them in a way, we can rely on other revenue sources to make a profit and stop placing a burden on our school’s budget. This will also limit the number of sponsors we have, reducing the potential for clutter.” Coach Marmion suggested.

Coach Kirkpatrick joined in, “That’s a pretty good idea! But what do we give them in return for the sponsorship?”

Again, having dealt with sponsorships in the past, Coach Marmion elaborated on the various ways sponsorships can be implemented. “Well, there a number of ways we can allow a sponsor to get their name out there. A lot of it depends on the reason the sponsor, or company, would like to sponsor the event. For example, if they would like to sponsor it because they want people in the community or participants at the event to become more aware of their products, then maybe advertising is a good idea. Advertising can be signs on the walls of the gym with their logo on it, radio commercials during the broadcast of the games, short videos on our video screen, wayfinding signage with their logo on it directing people to our gyms or bathrooms, or a half or full-page display in our printed tournament program that we hand out to fans. Really anything that draws attention to their brand can be considered advertising.”

“Let’s just be sure the sponsor knows about the activation costs that go along with the sponsorship,” asserted Coach Massey.

“What do you mean?” asked Coach Marmion.

Having been in business before deciding to be a teacher and coach, Coach Massey had some experience with advertising and sponsorship from the company’s point of view.

“Well, when a company pays for the rights to be a sponsor, let’s say \$100 for the right to put a sign on the gym wall, there are costs that the company has to endure beyond that \$100. The \$100 goes to the event promoters, in our case, the school. The additional costs beyond the \$100 are called activation leveraging expenditures, and are typically \$1.75 for every \$1 they spend. So

the leveraging expenditures for that \$100 sign are typically \$175 more, for a total of \$275. Most of the time that \$175 extra cost goes toward the designing the sign and logos, the physical creation of the sign, as well as the installation of the sign at the gym. The company will try to show the people that come into their store that they are sponsors of the event, you know, trying to receive greater customer goodwill. To do this, many of them will spend money creating signs and brochures stating they are 'official partners' with the event. And that is just for one sign. Think about all the leveraging costs that go into the something more complicated, like a radio commercial, or video!"

Coach Marmion said, "Wow! I am glad you mentioned that. I never thought about all of that. Hearing those costs to the sponsor reminds me, how can they pay us?"

"With money, of course!" exclaimed Coach Kirkpatrick.

"Ha-ha! You're right Coach Kirkpatrick. However, there are other ways they can 'pay' us. They can give us cash, of course, but they can also pay in the form of a 'trade' or 'in-kind'. While cash is the most common form of payment for sport sponsorships, and obviously helps us raise revenue, remember we are trying to underwrite our costs of the tournament by bringing in sponsorships. In-kind sponsorships are also pretty popular," stated Coach Marmion.

Coach Kirkpatrick stated, "You're right, I've seen that before. Isn't that when we receive goods we need instead of cash. For example, wouldn't we be doing an in-kind sponsorship if we get a local restaurant to provide the food for the hospitality room, and in exchange we allow them to put up a sign? So, like \$100 worth of food for a \$100 value sign, or something like that?"

"That's exactly right!" replied Coach Marmion.

"What about the payment method of 'trade'?" asked Coach Massey. "How is that any different from in-kind?"

"Well, payments in the form of a trade are typically focused more on the exchange of a service, rather than a good" replied Coach Marmion. "For example, let's say we need a doctor on site throughout the tournament, or available to athletes of the tournament, we could engage in sponsorship agreement with them in which they trade their service for a sponsorship. So, maybe allow a doctor to put up a sign for free, or air a radio commercial during the tournament, if they agree to provide medical services to our athletics, maybe at a discounted rate or free."

IN-GAME PROMOTIONS

"There is an area I think we are missing, and have not done so well in the past, for our tournament. Our games are boring!" said Coach Kirkpatrick. The other two coaches give her a confused look. "Wait! I don't mean the games are not exciting, we have some great competition. What I do mean is, there is not much going on between games, during the time outs, and when there is a stoppage in play" said Coach Kirkpatrick.

"That's a good point" added Coach Massey. "No offensive, I know you guys like your basketball, but us baseball guys need something else during the game."

Coach Marmion knew exactly what they were talking about, it's called atmospherics. Atmospherics are a part of promotion and include a lot of things related to the physical location of the event. It can include the volume and sound quality, the music type, the temperature of the air as well as freshness, the cleanliness of the facility, and much more.

"You are talking about the atmosphere we are creating for our spectators and participants. This is important, and you both are right, we have not done a great job of this in the past. We know this because this is what spectators are saying. We actually asked them that in a post

tournament survey last year. We need to find ways to keep them engaged in the tournament action when the ball is not in play. Research shows that when spectators are more engaged in an event, they are more likely to be satisfied, and in turn, come back again in the future.”

Coach Kirkpatrick suggested, “Can we tie this back to our sponsorships? For example, can we kill two birds with one stone? Our fans want to be entertained when the game is stopped. Our sponsors want to be ‘in front’ of our spectators in a way that reducing clutter and noise. How about we create opportunities for our sponsors to get engaged with our fans during the breaks in play?”

“That’s a great idea Coach Kirkpatrick!” said Coach Marmion. “What do you have in mind?” “I am not sure exactly. However, I do have a connection with a local car dealership. The owner is a big fan of the school district and has been a supporter in the past. What if we approach her and ask if she would be willing to donate a car to the tournament? We can make it a half-court shot competition for fans. If the person makes the half-court shot, they win the car. We do it at half time of the semi-final and final games of the tournament. We let one person shoot each half time, and the car goes to the first person to make it. What do you think?”

“Wait, that’s a big investment on behalf of the car dealership!” replied Coach Marmion. Coach Massey jumps in, “No that perfect! I know of a company that insures events like this. If the sponsor buys the insurance, they pay a premium but not the entire cost of the vehicle if someone makes the shot. I saw it at a minor league baseball stadium once. They put a sign beyond the center field wall that had a hole in it. It said ‘Hit a homerun through here and a lucky fan will win a brand new car!’ Each game they randomly picked a fan. I actually saw someone hit a homerun through the hole. The place went crazy!”

“How much does something like that cost the sponsor?” asked Coach Marmion. “Not much” replied Coach Massey.

“I worked a golf tournament that had a \$1,000,000 hole-in-one contest. One raffle winner took a shot for the grand prize. The insurance policy to cover that was only \$300.”

“That not bad” stated Coach Kirkpatrick.

TICKET SALES

“These are all great ideas! We need to keep brainstorming but let’s make sure we get people to the tournament first. I mean, sponsorships have no value if fans are not seeing the sponsorship in action. The sign is worthless if no one is there to look at it. The half-court shot is boring if no one is there to shoot it. Let’s talk about ticket sales” stated Coach Marmion.

“How have we sold tickets in the past?” asked Coach Massey. “At the door on the days of the games. That’s pretty much it. Also, we only sold full tournament tickets. There were no options for single day passes” Coach Kirkpatrick replied.

Coach Marmion remembered his experience with tournament management, as well as the feedback they received from their post tournament survey last year, and realized some things needed to change. For example, fans were asking for more options. More options for places to buy the ticket, more price points, and individual day passes. He knew that research shows when consumers have more options, they are more likely to be satisfied with their purchase, and will likely purchase again in the future.

“We need to change some things” stated Coach Marmion. “We need more options for our fans to buy tickets. Let’s start with a discussion of the method of purchases. What are your thoughts on online sales?”

“I think it is a good idea, as long as we don’t have to give too much revenue up if we use a third-party website,” replied Coach Kirkpatrick.

“We have to be careful, a lot of these companies that host online ticket sales charge a pretty penny to us for using their service, as well as sometimes to our fans. I don’t think it would be beneficial if it takes too much profit from us.”

“I think it solves the problem of not having enough options for fans” added Coach Massey. “Agreed” said Coach Marmion.

Coach Marmion continued, “What about the prices?” He knew that in the past prices were set for every person that came through their gates. While this makes it easy for accounting purposes, it restricts the options fans have. He also knew that many entertainment events and activities have different prices for different people to consume the same product. This is known as price discrimination and is based on consumers’ price sensitivity. For example, an elderly movie goer will likely pay less for a movie ticket than an adult. This is generally acceptable by other movie goers because people know elderly people have lower incomes than themselves. Movie theaters also know that they need to charge lower prices for elderly movie goers because they are more price sensitive, and more likely to go if it is cheaper. “We need to charge a lower price for our students and senior citizens than for adults. Right now it is the same for everyone. This will probably help convince families to come to the tournament because it will be cheaper for them to come out.”

“Good idea” said Coach Kirkpatrick. “We also need to be thinking of our policy on the multi day only pass. Some people can only come to one day, or don’t come the last day of the three-day tournament because their team is no longer playing. Or they only come if their team makes it to the finals. If we charge higher prices for one day, maybe the day the finals occur, and less per day for the ‘whole tournament’ pass, we can sell more tickets and increase our revenue.”

“You’re talking about price bundling” stated Coach Marmion. “That’s a good idea. We just have to be sure not to get this whole pricing thing too confusing. Remember, we have volunteers running the ticket office, and have to put all of this into our new online ticket sales platform.”

“Can we tie ticket sales back to our local hotels and business?” asked Coach Massey. “I mean, couldn’t we make sponsorship deals with hotels and businesses where they provide cheaper discounts for their services if fans bring in a ticket? Or maybe provide an opportunity for them to sell tickets to the tournament for a discount if the fans buy something from their business? These are a couple ways we can provide value to our sponsor while also selling more tickets.”

“Not a bad idea Coach. That’s an interesting concept” replied Coach Marmion.

KEY DISCUSSION QUESTIONS

1. What other revenue solutions could this athletic department use to raise funds to be more financially independent?
2. What are the different areas that this particular sport organization needed to address?
3. How is this sport organization different from other sport organizations? Specifically, what are the goals of this organization compared to a multi-billion dollar team or league?
4. How might their limited personnel impact their ability to develop and implement marketing idea?

5. What types of ticket sales strategies do you think will likely be successful, but also fit within their capabilities?
6. What elements of sponsorship need to be addressed in this case?
7. How do atmospherics play a role in sporting events, in general, and in this case?
8. Why is activation important in sponsorship?
9. As indicated in Figure 1 (Appendix), examine the sample budget. Which budget items are directly tied to competitions? Which ones are tied to other administrative costs?
10. Based on the budget below, where can the athletic department reduce costs?
11. Based on the budget below, what are the areas of revenue for the athletic department? How can the athletic department increase revenue?

RELEVANT LITERATURE

For students more interested in the use of private funds for the financing of public school programs, reading Addonizio's (2000) work would be important. In this manuscript the author discusses the various sources of revenues, donor activities, use of fees, and connections in the community (e.g., nonprofit agencies, governmental agencies, and businesses).

Addonizio, M.F. (2000) Private Funds for Public Schools, *The Clearing House: A Journal of Educational Strategies, Issues and Ideas*, 74:2, 70-74.

For those students interested in learning more about sponsorship activation, reading Pierce & Peterson's (2011) article in the *Journal of Sponsorship* would be beneficial. This paper investigates the role sponsorship plans in interscholastic sport.

Pierce, D., & Petersen, J. (2011). Corporate sponsorship activation analysis in interscholastic athletics. *Journal of Sponsorship*, 4(3), 272-286.

This paper discusses the reasons for sponsorship use in interscholastic sports. It also introduces the reasons why a sponsor would choose to spend money on sponsoring interscholastic sport.

Pierce, D., & Bussell, L.A. (2011). National survey of interscholastic sport sponsorship in the United States. *Choregia*, 7(1), 43-62.

TEACHING NOTES

This case examines a small rural high school athletic program's quest to become financially independent of its school's budget. To answer that question the case examines the structure in which athletic departments in interscholastic (high schools and middle schools) sports operate. The case explores opportunities for revenue generation in interscholastic athletics and observes how athletic administrators must work with community partners to drive revenue in support of their programs, even at the smallest of schools. Other issues examined include staff workload (emotional labor), sponsorship sales and activation, in-game promotions, and tickets sales for events.

LEARNING OBJECTIVES

After reading this case study, students should be able to:

1. Have a basic understanding of the issues public high school athletic programs face, even at the smallest of schools.
2. Explain sponsorship fundamentals, including sales approaches and activation.
3. Define and describe atmospherics and in-game promotions.
4. Provide an overview for ticket sales opportunities.

TEACHING OVERVIEW

1. Case focused on high school athletics, but can be applied to other sport organizations
2. Pedagogical approaches can include written and oral presentation, group discussion, and creative idea generation.
3. Topics of discussion can include:
 - i. Sponsorship sales and activation
 - ii. Atmospherics and in-game promotion
 - iii. Ticket sales strategies and platforms

This case provides a verity of topics for those students interested in interacting with, or working for, sports organizations. This case focused primarily on a small high school athletic program, but the principles discussed in this case can also be used to better understand promotion concepts and can be applied to sport organizations of all types.

The teaching notes in this section provide instructors a variety of approaches to discussing this case in class, outside of class projects, or online. These pedagogical approaches include both written and oral presentations, group discussions, and creative idea generation. It is suggested that instructors require student create a document that answers the provided discussion questions, as well as an oral presentation of ideas (e.g. discussion, group presentation, etc.). However, this case is set up to accommodate a variety of teaching practices.

Instructors are suggested to highlight the following topics when including this case in their courses: sponsorship sales (types of sponsorship platforms) and activation (leveraging costs), in-game promotions (atmospherics, working with sponsors, promotional insurance), tickets sales (sales methods, price discrimination, price sensitivity, price bundling) for events, and staff workload (emotional labor) can be discussed with students.

KEY DISCUSSION QUESTIONS

1. What other revenue solutions could this athletic department use to raise funds to be more financially independent?
 - a. Potential Answers: Fundraising – discussion could follow the advantages and disadvantages to the use of fundraising in small communities. Athletic fees – a discussion could relate to a “pay for play” system that may disadvantage those in lower income households.
2. What are the different areas that this particular sport organization needed to address?
 - a. Answer: Need for Financial Independence, In-Game Promotions, Sponsorship, Ticket Sales, Atmospherics.
3. How is this sport organization different from other sport organizations? Specifically, what are the goals of this organization compared to a multi-billion dollar team or league?
 - a. Potential Answers: This organization uses public funds for almost all funding, while professional sport teams primarily use public funds for facilities. This organization focuses more on the participant and less on the spectator. The paying of athletes differs between these organizations.
4. How might their limited personnel impact their ability to develop and implement marketing idea?
 - a. Potential Answers: It may put undue stress on the coaches who are also teachers. These teachers are often working outside of their assigned teaching load already. Adding the responsibility to raise funds would add another element that could distract from their primary duty to teach. These individuals may also not have any experience in marketing and sponsorship.
5. What types of ticket sales strategies do you think will likely be successful, but also fit within their capabilities?
 - a. Potential Answers: The answers could be any of those mentioned or others students come up with. They should tie it back to the ability of the school to successfully implement the strategies.
6. What elements of sponsorship need to be addressed in this case?
 - a. Potential Answers: Answers can range from researching the sponsor, approaching the sponsor, showing potential return on investment, sales presentations, or sponsorship activation.
7. How do atmospherics play a role in sporting events, in general, and in this case?
 - a. Potential Answers: Atmospherics add to the experience for both the participant and the spectator. It also provided value to the sponsor by ensuring the sport consumer is having a good time at the event and may lead to positive image transfer between the event that sponsor.
8. Why is activation important in sponsorship?
 - a. Answers: Ensures the sponsorship will bring the greatest return on the sponsor’s investment. This includes execution, leveraging, and fulfillment.
9. Examine the sample budget. Which budget items are directly tied to competitions? Which ones are tied to other administrative costs.?

- a. Answers: Competitions – Equipment, apparel, travel, food, officiating and scorer’s table. Administrative – advertising and promotional, coaching and training.
- 10. Based on the budget, where can the athletic department reduce costs?
 - a. Potential Answers: Any areas if justified.
- 11. Based on the budget, what are the areas of revenue for the athletic department? How can the athletic department increase revenue?
 - a. Answers: Revenue areas – listed in “income”. Potential increase in revenue – fundraising events, apparel sales, sponsorship, donations, or anything else they come with if justified.

CHALLENGES

There are several challenges that face managers of sport. This case addresses several of these challenges:

- I. **Need for Financial Independence.** Public schools across the USA rely heavily of funds provided by their state education department, as well as the US Department of Education. With these funds, state and federal entities require schools to comply with testing standards. While schools understand the obvious need to educated students for successful lives, many also understand the impact extracurricular activities have on student success. That is why administrators need to provide a balanced budget that includes educational expenses, as well as the funding of these extracurricular activities (including athletic teams).

Administrators begin to look to their athletic department for help with this budget. It includes tightening budgets and searching for revenue generating activities. Some athletic departments look to their community for assistance. For example, student athletes take to neighborhoods to sell coupon cards, or work with local restaurants to host fundraising nights, or receive sponsorships for materials required for participation (e.g. jerseys, equipment, etc.).

The questions that arise from this challenge include: How can athletic departments reduce their expenditures while still offering safe and successful athletic programs? What are the different avenues for revenue that school districts can seek? What role can and/or should the local community play in the financial support of athletic departments? At what point would financial support by local businesses turn the “pureness” of sport into too much of a commercialized activity? Should this be considered a business?
- II. **Sponsorship.** At the most basic level, sponsorships are a transaction. A company pays the sport organization in one of three ways (cash, trade, or in-kind) in exchange for visibility for their brand. This goal for this visibility varies based on the brand’s marketing goals. They may be seeking brand recognition, sales or demonstration opportunities, or even simply to be seen as “part of the community.”

In any exchange, there are expectations of each party. The sponsor expects that details of the contract are up held by sport organization. The sport organization expects the sponsor to spend extra time and money on ensuring the sponsorship is effective. This additional investment is called activation and is the key to any successful agreement, regardless of level of sport competition.

The questions that arise from this challenge include: How can sport organizations determine the desires of potential sponsors? Which method of payment will help the sport organization meet their goals and requirements? How can you encourage sponsors to spend time and money on activating the sponsorship agreement? What are the different types of activation activities that are most effective for the type of community the sponsor and school operate in?

- III. **Ticket Sales.** One the revenue side of the athletic department's balance sheet, ticket sales are one of the most influential pieces of the profit equation for smaller sport organizations. In other words, with the numerous avenues for ticket sales, there are little costs associated with ticketing. Even the printing of tickets can be very inexpensive. Therefore, it is very important for sport organizations to get this piece of the puzzle right.

When deciding the ticketing process used by the sport organization, they must determine what their target market desires. Are they the type of group that is technologically inclined? Or are they more traditionalist and what a paper ticket? It is pointless to put your ticket sales online, or on a mobile device, if your target market will not purchase on those platforms. It is also important to understand your own capabilities. If you are going to use electronic tickets, do you have the technology in the facility to accept these tickets?

Another aspect of ticket sales that is important to address is the price of the ticket. A fan's willingness-to-pay is often related internal reference prices. Many of these reference points are tied to previous experiences by the fan. Therefore, it is important to determine prices based on similar events at the level of competition, as well as the economy in which the organization operates. Furthermore, if your event is multi day in length, price bundling should be considered. Would a fan purchase multiple days, if the price is less than if the fan purchases individual days? How can a multi-day pass give the sport organization guaranteed revenue, especially if a fan's team or player is not in the final day(s) of the event?

TEACHING PLAN

Case Introduction

1. Provide the students with an oral introduction to this type of case. This can include personalized experiences the instructor had with sport. It needs to get students thinking about sports at every level of competition. This would provide them foundation to considering even the smallest organizations a business in some regard.
2. Give students a copy of the case. Read the abstract to the case in class. Point out the discussion questions at the end of the case. Allow time for questions from students. This will allow the students to understand the assignment before reading the case for details.
3. If given as a homework assignment, allow the students at least 24 hours to read the case and answer discussion questions.

Content Relative to Learning Objectives

1. As indicated in Figure 1 (Appendix), provide students with the sample budget of a high school athletic program. Have students identify the budget items that are directly

- tied to competitions, and those other administrative costs. Additionally, ask students to identify areas in which the athletic department could reduce costs. Finally, have student identify areas of revenue for the athletic department, and how it could increase revenue from these areas.
2. In groups, have students identify areas their own high school athletic program worked with sponsors. In other words, did their school have signs on the outfield wall of their baseball and softball fields? Did their basketball games feature a halftime sponsor? Then ask students to identify the reasons these sponsors may have supported the athletic department. Was it because they wanted to support the school? Increased sales opportunities? Finally, have them identify how these sponsors could have activated the sponsorship. Could they have hosted events related to the sport at their local business? Could they have paid for local media advertising (e.g. newspaper, radio, television) expressing support for the team?
 3. Have students identify how professional sporting events differ from high school sporting events. What are the entertainment activities? How do they differ between the two events? How can sponsors become involved during that game? What type of giveaways could they hand out to fans? Etc.?
 4. Have the students identify the various ticketing systems high school athletic programs could use. This can include paper ticketing and electronic ticketing. Have student research these various methods (advantages vs. disadvantages, costs, etc.). In addition, have them identify how price bundling could be used for a multi-day sporting event.

Group Presentations

1. Assigning this case as a group allows for active discussion among peers. It gives students the opportunity to work in a diverse set of students, potentially leading to ideas and experiences that are different from one another. This diversity of thought provides student from various backgrounds an understanding of other cultures.
2. Providing students an opportunity to present this case in both written and oral format gives them the ability to sharpen their communication skills, a skill that is very desirable among sport employers.
3. Provide the students with a grading rubric for their written and oral presentations. This grading rubric could include: overview and understanding of case, analysis of content, applicability of strategies, and presentation (tone, flow of presentation, professional dress, finishing on time, etc.).

CONCLUSION

The case presented here (WRHS) presents the need for high school athletic program to be financially independent from the athletic budget without placing unnecessary stress on existing staff. Topics related to sponsorship sales (types of sponsorship platforms) and activation (leveraging costs), in-game promotions (atmospherics, working with sponsors, promotional insurance), tickets sales (sales methods, price discrimination, price sensitivity, price bundling) for events, and staff workload (emotional labor) can be discussed with students.

APPENDIX

Figure 1: Sample Budget

Income				
<i>District Funds</i>				
	Fall Funds	No. of Students: 75	Price: 500	37500
	Spring Funds	No. of Students: 75	Price: 500	37500
<i>User Fees</i>				
	Fall Funds	No. of Students: 75	Price: 25	1875
	Spring Funds	No. of Students: 75	Price: 25	1875
<i>Apparel Sales</i>				
	Jerseys Sold to Students	No. of Orders: 23	Price: 40	920
	Jerseys Sold to Public	No. of Orders: 11	Price: 55	605
	Shorts	No. of Orders: 20	Price: 50	1000
	Socks	No. of Orders: 38	Price: 9	342
	Jackets	No. of Orders: 7	Price: 60	420
	T-Shirt	No. of Orders: 200	Price: 12	2400
<i>Fundraising Events</i>				
	Car Wash			160
	Bake Sale			100
<i>Sponsorship</i>				
	Equipment Sponsor			250
	Large Logo on Banner	No. of Logos 2	Price: 500	1000
	Medium Logo on Banner	No. of Logos 1	Price: 250	250
	In-Game Sponsorship			600
<i>Individual Donations</i>				
	Booster			400
	Alumni Families			150
				Total income: 87347
Expenses				
<i>Advertising and Promotional</i>				
	Yearbook Page			50
	School Athletic Calendar			100
	Local Paper Advertisement			250
	Framed Photos for Sponsors			140
	Recognition/Gifts for volunteers			300
	Recognition/Awards for Students			150
	Team Photos for Students/Parents/Sponsors			120
<i>Equipment</i>				
	Basketball Boys/Girls	No. of Players 50	Price: 500	25000
	Other Sports			5500
<i>Apparel Costs</i>				
	Jerseys	No. of Orders: 75	Price: 36	2700
	Shorts	No. of Orders: 75	Price: 30	2250
	Socks	No. of Orders: 75	Price: 5.5	412.5
	T-Shirt	No. of Orders: 75	Price: 10	750
<i>Travel</i>				
	Coaches Travel	Miles: 3000	Rate per mile: 0.5	1500
<i>Food</i>				
	Pizza for meetings			120
	Refreshments for Parent Meeting			100
	Energy food for events			200
	End of Season BBQ			100
<i>Coaching/Officiating Costs</i>				
	Salaries	No. of Coaches 5	Cost: 5000	25000
	Benefits	No. of Coaches 5	Cost: 2000	10000
	Trainers	No. of Trainers 2	Cost: 3500	7000
	Officials		Cost: 5000	5000
	Scorers Table	No. of Scorers 2	Cost: 300	600
				Total Expenses: 87342.5

