



Penn State Athletics

Center for Sports Business & Research

PENNSTATE



SMEAL College of Business

Center for Sports Business & Research

Sports is one of the very few industries which has its own section in almost every major daily newspaper in the United States.

Dr. Wayne DeSarbo, Smeal Distinguished Marketing Professor and Executive Director, Center for Sports Business and Research

Penn State's CSB&R will educate and launch into the business world a new breed of sports marketers that embrace advanced market research such as segmentation positioning, and competitive strategy.

Robert Fox, SVP of TNS' Sport & Sponsorship Division, on the recent strategic partnership between ESPN/TNS and the CSB&R.

RESEARCH

The Center for Sports Business & Research has particular expertise and interest in the following areas of sports business research:

- Market Segmentation
- Customer Satisfaction/Service Quality Assessment
- Product/Service Design
- Analysis of Competition
- Positioning
- Consumer Choice
- Brand Equity
- Pricing and Demand Estimation
- Strategy
- Advertising
- Sponsorships
- Fan Avidity, etc.

CENTER FOR SPORTS BUSINESS & RESEARCH AND THE ESPN/TNS SPORTS POLL

In March of 2009, the Center for Sports Business & Research (CSB&R) at Penn State's Smeal College of Business reached an agreement with TNS, the world's largest custom research business, for direct access to the data from the ESPN Sports Poll, considered the industry standard for monitoring the overall status and health of the sports industry. The data will support active research efforts aimed at both academic and sports practitioner circles.

The ESPN Sports Poll, a joint venture between TNS and ESPN, is a syndicated tracking survey of the U.S. population aged 12+ regarding their attitudes and behaviors toward sports. The Poll runs continuously, 360 days per year. Since 1994, dozens of Fortune 500 companies and nearly every major sports league have used the ESPN Sports Poll to guide sponsorship decisions and negotiations.

On the Cover: Approximately 110,000 people fill Beaver Stadium at Penn State.

BRIDGING THE GAP BETWEEN RESEARCH, EDUCATION, AND THE SPORTS INDUSTRY



Historic Recreation Hall is home to a number of Penn State teams including both the Men's and Women's NCAA National Champion Volleyball teams.

The sports industry is twice the size of the U.S. auto industry and seven times the size of the movie industry.

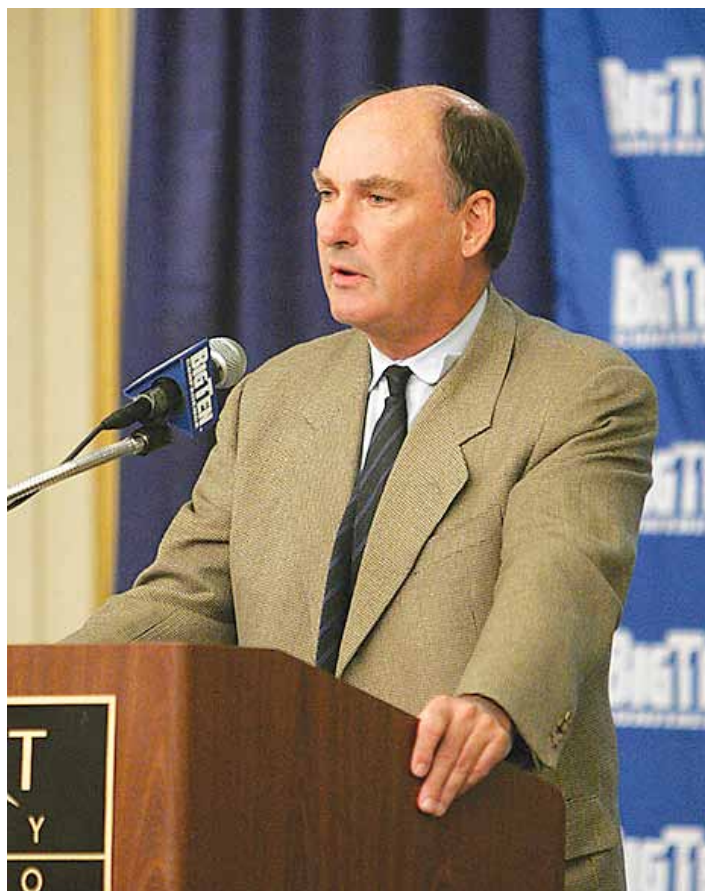
Sports Business Journal

According to Plunkett Research, the estimated size of the entire sports industry in 2008 was predicted to be \$441.1 billion making it one of the top ten largest industries in the United States. In addition, the sports industry is becoming increasingly global with respect to conventional and new media distribution fronts.

Despite the tremendous growth, the sports industry has not been well represented on many academic fronts, including research in the top academic journals. This is particularly true in the area of research benefiting academicians in business schools and sports industry business professionals. There has been a particular lack of relevant business research concerning the sports industry, and a wide gap exists between the business research on sports performed by major universities and the needs of the industry.

As the sports industry grows, the teams, facilities, and other assets significantly increase in value and the domestic and international issues facing the industry become more complex. Closing this gap becomes all the more timely and important. This is the one of the cornerstones of The Center for Sports Business & Research (CSB&R) at Penn State's Smeal College of Business.

OPPORTUNITIES FOR SPORTS INDUSTRY COMPANIES AND PROFESSIONALS



Big Ten Commissioner Jim Delany conducted a dialogue on “Big Media. Big Ten. And the Case for Conference TV Networks” with students, faculty, and staff at a event sponsored by the Center.

Opportunities for sports teams, leagues, and media companies and corporations which use sports to market their products and services are a key component of this Penn State initiative. These opportunities include collaboration on academic research, practitioner research, and consulting designed to address industry, sports specific, and company-centered business issues.

Networking with sports industry leaders, including events sponsored by CSB&R, is another opportunity being developed, along with creating linkages between people working in the sports business and university faculty and students.

Providing a pipeline of student interns and entry level employees is another opportunity for sports industry companies and professionals partnering with Penn State, including students who have had a chance to develop their skills and prove their passion to work in the business through a variety of on-campus internships. These include internships with Penn State Intercollegiate Athletics, one of the nation’s largest university sports operations.

There are more cable channels devoted to sports programming than news, music, and weather combined.

National Cable and Telecommunications Association

ACADEMIC PROGRAMS

The Center for Sports Business & Research includes academic programs as part of its multi-faceted mission. The academic initiative educates students about the unique aspects of the sports industry, including for those who plan to combine their business degree and functional major with a concentration related to sports and enter the industry after graduation.

In addition to business courses in sports, the vast resources of Penn State also offer students a number of other sports related courses such as arena management, sports communications, sports ethics, sports history, sports law and public policy, sports philosophy, and sports statistics.

Combined with a Penn State business degree, the credits earned in the sports-specific courses indicate that students preparing to work in the industry have a significant amount of education in a business function and issues related to sports. This model has been widely praised by sports industry executives.

ON CAMPUS STRATEGIC PARTNERSHIPS

The Center for Sports Business & Research has strategic partnerships with the College of Communications John Curley Center for Sports Journalism, which offers a certificate program for students interested in sports media and team / league communications, and the Penn State Dickinson School



Among the many sports industry leaders who have spoken at events in the Business Building have been, (left to right) CSTV founder and sports industry ownership/finance executive Chris Bevilacqua, Pittsburgh Steelers President Art Rooney II, and long-time NFL General Manager Ernie Accorsi.



The Business Building is the home to the Center for Sports Business & Research.

of Law Institute for Sports Law, Research and Public Policy. These relationships provide additional programming, guest speakers, and projects for business students. There is also a university-wide sports interested faculty working group hosting roundtable discussions and other programs.

INDUSTRY STRATEGIC PARTNERSHIPS

One goal of the Center for Sports Business & Research is to create networking opportunities for industry professionals, regardless of where they received their education.

The largest concentration of professional sports league offices, professional teams, and sports media organizations are in the geographical region surrounding Penn State's University Park campus situated in the Northeastern United States. In addition to creating linkages with sports organizations nationally and internationally, the Center for Sports Business & Research is establishing relationships with these nearby sports enterprises for purposes of research, academic and other forms of programming and career development, and placement support for students looking to pursue a career in the world of sports.

EXPERIENTIAL LEARNING. SPORTS INDUSTRY COMES ON CAMPUS.

Experiential learning is an important part of preparation to work in the sports industry. Class projects allow students to develop, recommend and present solutions to sports business challenges provided by industry partners, who managers attend and critique these projects each semester. The projects

Approximately 93.2% of Southwest Airlines Co. total ad spending is devoted to sports. AT&T Inc. increased its sports ad spending by 768.4%.

Sports Business Journal



A mock salary arbitration takes place at Penn State's Smeal College of Business with Pittsburgh Pirates VP/General Counsel Presiding.

are provided by major and minor league sports teams and leagues, sports media and marketing companies, corporations using sports to support their business plans and others.

Guest speakers from the sports industry annually bring their experiences to Penn State classrooms, on-campus programs, panels, and seminars. This is an area where Penn State benefits from its large pool of alumni and contacts who work in a wide variety of jobs with teams, leagues, media companies, agents, and sports-related and involved corporations.

Since 2007, a number of sports industry leaders from professional teams, sports media companies, and corporations whose business models include sports marketing have been on campus as guest speakers, panelists, and to provide and listen to feedback from students involved in projects on their behalf.

Visitors include:

- **National Football League (NFL) General Manager Ernie Accorsi**
- **CAA Sports Media Ventures, LLC Chairman and CEO Chris Bevilacqua**
- **Pittsburgh Pirates President Frank Coonley**
- **Pittsburgh Pirates Executive Vice President and Chief Financial Officer Jim Plake**
- **Pittsburgh sports attorney and Altoona Curve LC Managing Director Chuck Greenberg**
- **Philadelphia Phillies Marketing Director Kurt Funk**
- **Anheuser Busch Marketing Executive Tom Sharbaugh**
- **Professional Golf Association (PGA) Champions Tour President Mike Stevens**
- **Major League Baseball Advance Media SVP/CFO Ed Weber**

PENN STATE ATHLETIC ASSETS AND HERITAGE

Penn State's significant athletic assets include one of the nation's largest athletic villages within walking distance of the Smeal College of Business. This includes Beaver Stadium, the nation's largest outdoor stadium, the 16,000-seat indoor



Above: The 16,000 seat Bryce Jordan Center and Medlar Field at Lubrano Park, home of the State College Spikes Single A affiliate of the Pittsburgh Pirates are both next door.

Right: Business synergies are increasingly important in the sports business. Parked outside the Business Building is Dale Earnhardt Jr.'s #8 NASCAR vehicle, sponsored by Newell Rubbermaid, as part of the corporation's on-campus recruiting effort.

Chevrolet, Anheuser-Busch, AT&T, Inc., Ford Motor Company, Sprint Nextel Corp., Visa International, Verizon Communications, Inc., Nissan North America, McDonald's Corporation and Toyota Motor Sales USA, Inc. are in rank order the top 10 advertisers, spending \$118 million to \$270 million annually on sports programming.

Sports Business Journal

Bryce Jordan Center, the nation's only on-campus partnership between a university and a professional sports organization at Medlar Field at Lubrano Park, and the sites and facilities of 26 NCAA Intercollegiate Sports. This gives students opportunities to begin their internship experiences early.

Our center has developed internship connections including the Penn State Sports Marketing Associates program which works with 26 Intercollegiate Sports, the Nittany Lion and Lady Lions basketball teams, and Penn State Sports Properties, a division of Learfield Sports.

CAREER DEVELOPMENT SUPPORT FOR STUDENTS

One of the Center's missions is to provide career development support, advising and counseling for students interested in entering the sports business. In addition to networking opportunities with guest speakers, classes and experiential learning projects, the Center has developed relationships with a wide variety of professional sports leagues and teams, sports media companies and other industry partners. This allows students to make contacts, build a network and apply for internships and permanent jobs in the highly-competitive sports business industry. This endeavor is one where the Center's Advisory Board is an excellent source of advice and connections for Penn State and its students.

Over 1,100 Penn State alumni currently work in the sports industry for a wide variety of the nation's largest and highly respected sports enterprises. This network of industry professionals are being magnetized by the Center for Sports Business & Research including through SMEAL Connect, an In-Circle Community. Learn more about SMEAL Connect: <http://smeal.affinitycircles.com>

RECENT GENERAL BUSINESS RESEARCH PUBLICATIONS

A sample list of recent publications in these areas of business appears below:

- DeSarbo, W.S. & R. Grewal (2008), "Hybrid Strategic Groups", *Strategic Management Journal*, 29, 293-317.
- DeSarbo, W.S., J. Park, & C. Scott (2008), "A Model-Based Approach for Visualizing the Dimensional Structure of Ordered Successive Categories Data", *Psychometrika*, 73(1), 1-20.
- Park, J., W.S. DeSarbo, & J. Liechty (2008), "A Hierarchical Bayesian Multidimensional Scaling Methodology for Accommodating Both Structural and Preference Heterogeneity", *Psychometrika*, 73(3), 451-472.
- DeSarbo, W.S., R. Grewal, & C. Scott (2008), "A Clusterwise Bilinear Multidimensional Scaling Methodology for Simultaneous Segmentation and Positioning", *Journal of Marketing Research*, 45(3), 280-292.
- DeSarbo, W. S., S. Atalay, D. LeBaron, & S. Blanchard (2008), "Estimating Multiple Ideal Points from Context-Dependent Survey Data", *Journal of Consumer Research*, 35(1), 142-153.
- Dube, L., A. Bechara, U. Bockenholt, A. Ansari, A. Dagher, W. DeSarbo, R. Hammond, T. Huang, S. Huettel, P. Kooreman, & A. Smidts (2008), "Towards a Brain-to-Society Systems Model of Individual Choice", *Marketing Letters*, 19(3) 323-336.
- DiBennetto, T., W.S. DeSarbo, & M. Song (2008), "Strategic Capabilities and Radical Innovation: An Empirical Study in Three Countries", *IEEE- Transactions on Engineering Management*, 55(3) 420-433.
- DeSarbo, W.S., S. Blanchard, & S. Atalay (2008), "A New Spatial Classification Methodology For Simultaneous Segmentation, Targeting, And Positioning For Marketing Research", *Review of Marketing Research*, 5(December) 75-103.
- DeSarbo, W.S., M. Song, & A. Di Benedetto (2008), "A Heterogeneous Resource Based View for Exploring Relationships Between Firm Performance and Capabilities", *Journal of Modeling in Management*, 2(2), 103-130.
- DeSarbo, W.S., S. Blanchard, & S. Atalay (2009), "A Three-Way Clusterwise Multidimensional Unfolding Procedure for the Spatial Representation of Context Dependent Preferences", *Computational Statistics and Data Analysis*, forthcoming.
- DeSarbo, W.S., R. Grewal, & R. Wang, (2009), "Dynamic Strategic Groups", *Strategic Management Journal*, forthcoming
- DeSarbo, W.S., Q. Wang, & S. Blanchard, (2009), "Exploring Intra-Industry Heterogeneity: The Identification of Latent Competitive Groups", *Journal of Modeling in Management*, forthcoming.

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This publication is available in alternative media on request.

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