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NCAA, colleges pushing the envelope with sports marketing

By Steve Wieberg and Steve Berkowitz, USA TODAY

The first NCAA basketball tournament wrapped up 70 years ago at Northwestern University's old Patten Gymnasium, with Oregon winning it all. There was no television coverage. The event drew barely 15,000 over 11 days. And it lost money.

This one most assuredly will not.

From the \$591 million in TV and marketing revenue generated this season to the masses awaiting Saturday's semifinals and Monday's championship game at Detroit's Ford Field, the men's tournament and its Final Four have grown into a mega-event on the order of football's Super Bowl. This year, the NCAA altered its Final Four seating plan to accommodate tens of thousands more ticket buyers, swelling the capacity to a record 70,000-plus and bumping gate receipts by \$7 million from the 40,000- to 50,000-seat setups of the past.

It's an apt backdrop for a sometimes contentious debate within the NCAA and its more than 300 Division I schools: How far should the NCAA and its members go to boost revenue at a time when the nation's fiscal crisis is weighing on college athletics?

Many schools, with the blessing of NCAA President Myles Brand, are courting an increasingly varied array of sponsors and advertisers and creating some discomfort in the process.

Several schools and conferences allow advertising and promotions by casinos in their arenas or game programs, a practice the NCAA once frowned upon because of gambling's potential threat to the integrity of its sports.

College athletes, in the name of amateurism, are strictly forbidden from cashing in on their renown beyond the scholarships they receive.

But today — as part of arrangements that can bring millions of dollars to their schools — they're featured in game footage that increasingly shows up on the Internet alongside sponsors' logos and products. And in basketball and football video games, the computer-generated likenesses of real-life, still-in-school stars are unmistakable.

From Maryland's Comcast Center to Texas Tech's Jones AT&T Stadium to San Diego's Jenny Craig Pavilion, the names of stadiums and arenas are increasingly for sale. Maryland, for example, reaped \$20 million over 10 years for naming rights to the Terrapins' basketball arena and another \$5 million for naming rights to the arena's floor. Ad signage in venues is so pervasive that Michigan State athletics director Mark Hollis likens them to billboard-blanketed NASCAR tracks.

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The NCAA's Brand, in a nod to increasing questions about whether college sports marketing has come to conflict with traditional views of amateur athletics, says, "There's nothing wrong with being a business like one of the professional leagues. They're very good at what they do. But we have additional constraints. We're in the college milieu, and those who play for us are not professional athletes.

"Having said that, I think we can look for and find ways to increase our revenue streams."

Big-time college athletics always has walked a delicate bottom line, with half a dozen of the 330 Division I programs operating in the black — absent school subsidization — each of the last five years, according to the NCAA. Announcements of cuts in athletics budgets, staffs and teams are routine.

Boosting revenue, particularly by conventional means, is a challenge.

Schools can't continue to raise ticket prices, particularly as fan and alumni bases are feeling their own economic pinch. Donors are squeezed, too. And universities are reluctant to further underwrite athletics when endowments and state appropriations are shrinking and overall budgets are being slashed.

So programs have turned to emerging revenue sources such as stadium and arena signage, naming rights, trademark and licensing fees and digital media rights and advertising.

Brand first endorsed a more aggressive commercial approach three years ago and has made the issue a priority for the NCAA and schools.

Sports is business, he says, and making money is part of it.

And so:

- Besides basketball at the 6-year-old Comcast Center, Maryland plays football at Chevy Chase Bank Field at Byrd Stadium per a 25-year, \$20 million naming-rights agreement that helped finance new luxury suites and other upgrades to the stadium.
- Kansas took stock of its apparel contract with Nike, deemed it undervalued and more than doubled the school's take in a new eight-year, \$26.67 million agreement with Adidas — affixing Adidas' three-stripe logo to the jerseys of last season's basketball national champions.
- Texas, long a marketing dynamo, is exploring its own TV network. A first for an individual school, it would fill a statewide cable channel and various Internet outlets with UT football, basketball and other sports.
- Since the beginning of 2007, a total of 37 schools have guaranteed themselves more than a combined \$1.7 billion by bundling and selling their multimedia rights. On the other side, rights-holders such as IMG work to recoup their investment by making as many corporate sponsorship deals as allowed by the schools.

'Blurring that line'

Steve Morgan, a former NCAA staff member now working with a Kansas-based law firm that assists schools in athletics infractions cases, sounds a warning about an all-out rush to new revenue streams.

"Part of the appeal of college sports (that's different) from the NFL, Major League Baseball and the NBA is the fact that the players are students in college," he says. "It draws a different kind of interest, a different kind of fan support.

"The further you go down that path (of commercialism), you get closer to blurring that line to where there's potentially not a lot of distinction."

The NCAA has long sought to distance itself and schools from gambling interests. That line is blurring, however, as legalized gambling spreads and more schools are open to gaming advertising.

Five schools in the Pacific-10 Conference — Arizona, Arizona State, Oregon, Oregon State and Washington State — accept casino ads that show up in stadium and arena signage or game programs, according to league spokesman Jim Muldoon.

New Mexico sealed a five-year, \$2.5 million deal last year that makes the Route 66 Casino Hotel, operated by the Laguna Pueblo Native American tribe, its "exclusive gaming sponsor."

San Diego State announced it will change the name of basketball's Cox Arena to Viejas Arena, aligning the university with the Kumeyaay Indian tribe, whose 1,600-acre reservation to the east includes a casino.

While the NCAA won't accept advertising from "organizations or companies primarily involved in gambling or gaming businessactivities," it hasn't barred its schools from doing so.

Rachel Newman Baker, NCAA director of agent, gambling and amateurism activities, nonetheless was on record as discouraging institutions' partnerships with "gambling interests" as recently as two years ago.

The NCAA has softened that stance. "We continue to be stridently opposed to any type of sports wagering," spokesman Erik Christianson says via e-mail.

"But we have come to understand that there are differing perspectives within the membership about commercial activities, including the appropriateness of accepting casino advertising. What some institutions may see as acceptable, others may not."

Newman Baker was not made available to comment.

Using athletes' images

For the most part, the NCAA leaves it to schools to determine where to draw the line on commercial activity, and recent recommendations from a commercialism task force reinforce that.

That panel nevertheless is calling for a committee to monitor what schools are doing and to speak up — though not dictate — when it feels they've overstepped. It also would be charged with ensuring athletes are largely kept out of the commercial fray.

The NCAA insists college players not be used as sales tools, though the task force further recommends guidelines governing the use of their names and likenesses be loosened as long as it "does not portray the student-athlete in a manner as promoting or endorsing the sale or use of a commercial produce or service." But exactly where is that line?

Does the Pontiac Game Changing Performance, which allows fans to view game footage and vote online for one of several selected plays, border on exploitation? It is individual players who are shown making the plays. Pontiac is one of the NCAA's top-tier corporate partners — along with Coca-Cola and AT&T — and its logo and one of its cars get prominent Web-page display.

The NCAA cleared the campaign, explaining it's not a Pontiac promotion but rather a big-play promotion that happens to be sponsored by Pontiac.

Video games are another concern. EA Sports' *NCAA Football 09*, for one, is licensed by the NCAA and prohibited from using current college players' names. But critics such as attorney Pete Rush maintain that stars' identities are scarcely hidden.

He points to Florida's Tim Tebow, a senior-to-be who won football's Heisman Trophy in 2007 and helped the Gators to last season's national title. In the video game, Rush says, "The quarterback for the Florida Gators is left-handed (as Tebow is) and wears Tim Tebow's number ... and runs many of the same plays that Tim Tebow runs."

Rush, based in Chicago, tussled with the NCAA while representing Jeremy Bloom five years ago in his fight to regain football eligibility at Colorado. An Olympic skier, too, Bloom had run afoul of NCAA rules by accepting skiing endorsements.

In clinging to that hard-line, no-commercial-earnings stance, Rush says the NCAA is risking a legal challenge by athletes

whose likenesses are used in commercial ventures. Morgan agrees.

"If you find a couple of willing plaintiffs, get some energy behind it, find the right judge," Morgan says, "pretty soon ... you've got a real mess on your hands if you're the NCAA."

At North Carolina, senior Danny Green starts for a team favored since the beginning of the season to win college basketball's national championship and is in Detroit and two wins from fulfilling that promise.

Players, he says, already are sensitive to entrepreneurs co-opting their images for unlicensed T-shirts and posters, as Green saw firsthand in shirts depicting his dunk over Duke's Greg Paulus late last season. He says he senses less concern about how far schools and the NCAA might take things and even opens the door to pulling athletes further into their commercial efforts.

For a price, that is.

"I wouldn't mind that," Green says. "I'm sure a lot of other athletes wouldn't mind ... receiving some kind of benefits.

"And if there were fewer rules — the NCAA limiting (less of) what we can get, what we can't get, what we can do, what we can't do. Just let us play and receive some benefits from what we do."

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