

A Survey of the Sport Marketing and Sponsorship Practices of Historically Black Colleges and Universities (HBCUs) Playing NCAA Division I Football

Ming Li, Ohio University

Willie Burden, Georgia Southern University

**Diversity
Abstract 2009-136**

**May 30, 2009
10:00 AM**

**25 minute oral
(Richland B)**

Currently, the marketing of intercollegiate athletics programs is big business as these departments are now easily among the largest operational units on a college campus (Burden & Li, 2003). Particularly, at the NCAA Division I level, the highest competitive level in the country, escalating costs of scholarships, coaches' salaries, and state of the art facilities to attract better recruits, threaten the institutions' ability to maintain their competitiveness. These conditions have forced athletic programs to seek commercial sponsors and to expand their revenues. Zullo (2005) stated that many schools have turned to corporate partners such as State Farm, Burger King or Verizon Wireless to help the athletic department earn additional revenue in exchange for advertising at the sporting events. The growing trend for major Division I-A schools is to outsource their marketing efforts to an outsourced marketing company that specializes in the sales of inventory such as commercials on the radio broadcasts or coaches' television show, corporate hospitality at home sporting events, signage at athletic facilities and more (Li & Burden, 2004; Zullo, 2005). Many Historically Black Colleges and Universities (HBCUs) compete at the NCAA Division I level. However, according to Jackson, Lyons, & Gooden (2001), only a small number of these schools actually have intercollegiate athletics marketing departments. The primary revenue streams for Historical Black Colleges and Universities are student fees and ticket revenues. The other third required to run a competitive program has to come from other sources such as game guarantees and marketing efforts (Seymour, 2006). Nonetheless, HBCUs athletics programs have focused on sales and promotions to the detriment of more common practices like marketing which could better enable them to meet their program needs related to financing. According to Seymour (2006), HBCU athletic departments struggle to finish in the black financially each year. They suffer from small marketing staffs or no staff at all, low marketing budgets, a lack of marketing expertise, and in addition to 75% of the programs having no marketing departments Jackson, Lyons, & Gooden (2001). Further, in order for their survival, HBCUs need to development new and innovative marketing strategies.

The study is similar to the work of Jackson, Lyons, & Gooden (2001), but expands in scope to look at the sport marketing practices of the 22 HBCUs that compete at the Division I Championship subdivision (formally Division I-AA). Specifically, four research questions were raised when examining each of the institutions: (1) is there a designated individual responsible for sport marketing? (2) has the athletics department outsourced its marketing operations (including media rights)? (3) what are the companies currently involved in sponsorship with the institution? and (4) is there a correlation between its sport marketing practices and the number of sponsorships enticed by the athletics department? Content analysis was utilized as a method of data collection. Specifically, the web sites of the athletics departments of the involved HBCUs were analyzed.

There were a number of key findings. Among the 22 HBCUs playing Division I football, only 8 of them designated an individual responsible for sport marketing or external relations including marketing, which was just over one third of the institutions included in this study. However, most of the institutions outsourced their media rights, particularly the construction and maintenance of their web sites to a media company. For example, four institutions attracted the services of CSTV (the former CBS College Sport) to handle their media rights. US Army, Alltel, Pepsi, State Farm, McDonalds, and Tyson were among the national corporations and organizations that frequently sponsored the athletic departments at HBCUs. The result of the correlation analysis revealed a statistically significant correlation ($r = .679, p < .002$) between its sport marketing practices (i.e., whether or not there is an athletic administrator designated to handle marketing-related tasks) and whether or not the athletic department has any corporate sponsorship agreements.

It is evident that those institutions that placed greater emphasis on marketing their intercollegiate athletics programs also enjoyed greater benefits from the efforts. However, two thirds of the athletic departments at the HBCUs playing Division I football have no individual assigned to sports marketing. The primary reasons listed by HBCUs in terms of not having sport marketing departments were the lack of funds, staff and expertise (Jackson, Lyons, & Gooden 2001). This deficiency of internal resources is a good reason why HBCUs might wish to consider outside service providers. Outsourcing is a powerful strategy that allows institutions to focus on its core business while accessing specialized skills and best practices from different vendors that handle non-core business functions (Li & Burden, 2004). The benefits of outsourcing can vary greatly depending on the needs of the outsourcing institutions, however, frequent motives include cost effectiveness, time savings, acquisition of additional resources, the need to generate additional revenues, and the ability to draw from a varied base of professional expertise (Li & Burden, 2004). Just less than half of all schools at the NCAA Division I Championship subdivision outsource some or all of their marketing operations. HBCUs have the same issues related to finances as other colleges. But also, they could take advantage of

2009 North American Society for Sport Management Conference (NASSM 2009)

some of the same opportunities available through outsourcing, whether that involves shifting all media rights to a full service agency or just getting more mileage out their websites, television package and current program sponsors. At a time when colleges are seeing expenses escalate so dramatically and the impending prospect that they could run up large program deficits, outsourcing makes good business sense.