Future Trends in Outsourced Marketing Within Division I Intercollegiate Athletics: An Initial Round of a Delphi Study

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Abstract
The purpose of this study was to examine opinions regarding future trends in outsourced intercollegiate sports marketing from managers of the outsourced marketing companies hired to administer media and marketing rights at select National Collegiate Athletic Association (NCAA) Division I schools. Twenty-eight of the 61 companies selected to participate in this study responded. Via the Delphi Method, data were collected as descriptive statistics, and frequencies were analyzed along with qualitative responses.

The findings indicated that outsourced companies seek new business opportunities for the future with athletic departments. The most likely area involved athletic facility naming rights; retailing, licensing and concessions are less desired areas. The responders also indicated that companies are satisfied with their relationship with the schools though properties are looking for means to reduce expenses in the partnership. Those responding also indicated that future ventures and continuous sales efforts are likely to focus on select Division I schools (both private and public) and their respective conferences, since these appear to be the most capable of demonstrating a larger financial return on investment within intercollegiate athletics.

Keywords: Outsourced marketing, sports marketing, intercollegiate athletics, trends, NCAA, Division I, football bowl subdivision, football championship subdivision, sponsorships, corporate sponsors

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Introduction

Outsourcing in Higher Education

When students are hungry after hours at the University of Virginia and the dining halls are closed, they might leave their on-campus dorm rooms and head to the Tree House to pick up a Pizza Hut personal pizza. At Virginia Tech, students with similar hunger pangs might purchase Chick-fil-A sandwiches and yogurt from TCBY, both of which offer their food services on the campus in Blacksburg, Virginia. At Louisiana State University, students can visit the student union on campus and enjoy fast food from McDonald’s or can stop by the on-campus Barnes & Noble bookstore for newspapers or new books. They can even make plans for a spring break trip at an on-campus travel agency. In Atlanta, Georgia Institute of Technology (Georgia Tech) students can access an on-campus Einstein Brothers bagels, as well as an optical center and a Hair Cuttery. Other schools’ student unions offer pizza from Pizza Hut or gourmet coffee from Starbucks (McDearmon, 2005).

Providing a bowling alley or snack bar at the student union is commonplace, but amenities such as on-campus theaters, grocery stores, banks, barber shops/salons, and dry cleaning services are becoming more commonplace each year (Moore, 2005). Such businesses are frequently operated by corporate entities that also operate off-campus in the surrounding community. This might include Wells Fargo banks, Great Clips hair salons or Regal Cinema theaters. Many campuses also outsource their food preparation in dining halls to ARAMARK, a company that specializes in mass food preparations for hospitals, colleges and universities, athletic venues and more.

Essentially, schools outsource these services to a trusted corporate entity without great public fanfare. However, outsourcing services within classrooms and with services instrumental to the educational mission has received much publicity and public scrutiny. To decrease the escalating cost of higher education, outsourcing instruction is becoming more widely accepted on college campuses (Schibik & Harrington, 2004). Whether outsourced instruction in higher education reduces expenses or whether it depreciates the quality of education is likely contextual and contingent upon a number of variables, but favorably viewed or not, outsourced instruction is becoming increasingly prevalent in both distance learning and on-campus educational modes. The primary reasons for outsourcing include a reduction and greater control of operating costs, as well as greater access to resources not otherwise readily available. For example, adjunct instructors who are currently practicing in certain industry or market segments may provide knowledge and opportunities that schools might not otherwise be able to provide for their students.

Privatization is a term frequently associated with primary, middle, and secondary education, but it has also become synonymous with outsourcing or con-
tracting non-pedagogical school services (Palm, 2001). According to Moore (2002), privatization can free up resources for other purposes and offer assistance with complex operational functions such as computer technology. Further advantages of privatization or outsourcing in the educational setting include positive public relations with the surrounding communities and fast start-ups or evolution of curriculums when necessary (Phillips, Ahrabi-Fard, & Edginton, 2000). Phillips, Ahrabi-Fard, and Edginton (2000) also note that disadvantages of outsourced efforts in the classroom can include loss of control of curriculum implementation, displacement of employees, philosophical differences, problems in meshing organizational cultures, and issues with overall assessment and accountability.

Other places where outsourcing can occur in higher education include counseling and health services, student activities, and residence hall management (Williams, 1998). Considerable upticks have been observed in the outsourcing of auxiliary campus services such as alumni relations, landscaping, janitorial needs, campus security, and long-distance telephone service providers (Bartem & Manning, 2001). Proponents of outsourcing note that such efforts can result in volume purchases, more efficient and direct organization, and a simplification in the management of services. Outsourced partnerships can also yield new technologies that a college/university might not otherwise afford and can provide better alternative services. In some areas such as bookstore operations, printing operations, information technologies, academic record-keeping, child-care services, recreational facilities management, parking/dining services, and residential hall management, schools can now earn profits because of their movement from in-house operations to outsourcing (VanHorn-Grassmeyer & Stoner, 2001).

Concerns with outsourced efforts in higher education center upon two major themes. The first consists of lost quality control by the university and concerns regarding the policies and procedures by which outsourced companies obtains results (Jeffries, 1996). Many times, these policies can conflict with the values and missions of the institutions (Pulley, 2000). An additional concern involves a bottom-line-only philosophy that could be taken by companies providing the outsourced functions (Wertz, 1997).

Bartem and Manning (2001) note that great attention should be paid to the selection process when working with outsourcing companies in higher education, regardless of the task; they further noted that continuous, effective communication is vital for both the schools and the companies to be successful. If the relationships become dysfunctional, Bartem and Manning (2001) advocated straightforward termination of said relationships.

Corporate Sponsorships in Intercollegiate Athletics

As most intercollegiate athletic departments receive less funding from their schools each year, college athletic directors must find additional sources of revenue to operate their budget. To do so, they frequently seek the help of corporate
sponsors. This business operation began to quickly take hold in a widespread fashion throughout the 1980s and 1990s as a commonplace, expected, and important practice of intercollegiate athletic departments. In 1983, White and Murray’s article on marketing intercollegiate athletics identified the importance of creating central advertising themes to encourage fans to attendance sporting events. Their findings noted that advertising was the main concern of those few schools with sports marketing directors. In 1989, Miller found that sports marketing departments were expected to include corporate sponsors as an additional revenue source. By 1993, Irwin found that of 150 NCAA Division I and Division II institutions surveyed, 90% had some form of corporate sponsorship programs in place. Two years later, Stevens, Loudon, and McConkey (1995) found that filling seats at games, generating revenue through corporate partnerships, enhancing attendance figures, and overseeing licensing efforts were priority expectations of college athletics’ marketing departments.

College sports have morphed into highly visible sport platforms that attract consumers that encompass a large demographic swath (Sleight, 1989). Shanklin and Kuzma (1992) found that college sports sponsorships are a good fit for sponsoring businesses because the initiatives can greatly enhance product awareness and can lead to increased consumer purchases; they also noted that benefits abound for athletic departments, which earn valuable revenue to assist in balancing their budgets. White and Irwin (1996) echoed these sentiments in their findings.

As intercollegiate sports attract these larger quantities of passionate fans that corporate partners can effectively reach with advertising (Kuzma, Veltri, Kuzma, & Miller, 2003), many companies have begun to covet access to such a desirable consumer segment. This access is one of the reasons companies form a relationship with athletic departments in the form of a sponsorship (McDonald & Sutton, 1999). Modern corporate sponsorships have evolved from past models of donations-for-advertising; instead, if properly executed, they are strategically formulated from the standpoint of achieving business objectives for corporate partners. McDonald and Sutton (1999) said that while they may manifest themselves in many forms (e.g., printed advertising in game-day programs; videoboard displays; fliers in mailings to season-ticket holders; coaches who endorse products/services; hospitality events for clients/customers/vendors; etc.) all sponsorship activities should be designed with greater thought to increasing the financial prospects of the sponsoring companies (Amis, Pant, & Slack, 1997). Therefore, the consumer exposure and brand equity generated by intercollegiate sports sponsorships have become extremely positive attributes that cannot be ignored (Kuzma et al., 2003).

Concerns with Sponsorships in Intercollegiate Athletics

While corporate sponsorships in intercollegiate athletics can bring many benefits to athletic departments, they also foster numerous concerns. Since the
primary focus of institutions of higher education tends to include educational development and research, one philosophy states that intercollegiate athletics should be a subordinate extracurricular activity rather than an entertainment subsidiary enterprise on campus (Leach, 1998, p. 1). Gray (1996) opines that commercialized sponsoring partnerships become detrimental to institutional missions and can contribute to a win-at-all-costs philosophy that many fans, coaches, administrators, and student-athletes embrace, eschewing the true purposes of higher education. Numerous college presidents also believe that corporate involvement in college sports conflicts with schools’ educational missions and compromises the amateur status of the athletes themselves (Covell, 2001). Covell (2001) noted that Bill Cleary, former director of athletics at Harvard University, once referred to the Nike “swoosh” as symbolic for “I own you” when it comes to corporate partnerships between athletics and universities. Concern also exists that such sponsorships exclusively benefit athletic departments exclusively and do not help the rest of campus (Cutler, 1999).

An Overview of Outsourced Marketing

In 1987, Eitzen surmised that college sports is market driven; he stressed that expenses were escalating in the areas of scholarships, salaries, facilities, equipment, and travel at rates with which revenue sources could not keep pace. Li and Burden (2003) note the continuing expectation of modern athletic departments to be self-supporting. Because of this, many schools turn to the outsourced marketing option to bring in guaranteed revenue each year. Research (Li & Burden, 2003) indicates that schools that outsource their marketing and media rights share characteristics of a large overall annual operating budget, large annual operating budget for football, and a significant total expense figure for men’s athletics. Given that a limited number of schools meet that criteria, outsourced marketing companies continue to evolve their areas of expertise to facilitate more than sales efforts.

For most schools, outsourced companies offer the opportunity to streamline operations or provide resources that might not otherwise exist, such as sales expertise on radio and television broadcasts, the athletic department’s website and all athletic facilities (Li & Burden, 2002). Li and Burden (2002) add that the athletic department may want a company to produce radio call-in shows or coaches’ television shows in addition to the sales efforts. The outsourced companies would have a greater opportunity to improve the quality of the broadcast and simplify the production efforts.

Day (1995) reiterates that some athletic administrators fear a loss of control in outsourcing their marketing and media rights. Athletic administrators from North Carolina converse on a daily basis with their outsourced partner’s general manager, while Kentucky includes their outsourced partner’s general manager in senior staff meetings each week (Johnson, K., 2005). It is this type of compatibility and communication that enables the athletic department to outsource yet still retain control of the marketing efforts and the department’s marketing rights.
Schools and Outsourced Marketing Relationships

The most significant outsourced marketing deal to date took place early in the fall of 2004 as Host Communications (now IMG College) won the rights to the University of Kentucky athletics in a ten-year deal valued at more than $80 million. While the financial value of the partnership has since been surpassed the deal stands as a landmark for more than simply monetary reasons. The comprehensive and thorough partnership was innovative and one that other schools should strive to model.

Host placed a bid of $80.475 million edging the bid of $80.35 million submitted by Learfield Communications, while ESPN Regional bid $74 million and Viacom Sports $55.25 (Smith, 2004). The previous deal was $17.65 million over the course of five years and expired April 15, 2005 (Jordan, 2004). The annual guarantee in the first seven years ran from $7.275 million to $7.95 million, plus 50% of all gross revenues beyond a set amount. For the first year, that was $11 million and increased annually to $12.9 million by the seventh year. The last three years see the guarantee increase to $8.2 million in year eight and growing to $9 million by year ten. Kentucky would earn 50% of gross revenues above $13.2 million in year eight with that growing to $13.5 million in the ninth and tenth year (Jordan, 2004).

The new deal consists of the television and radio rights for football, men’s basketball, women’s basketball and baseball which are significant given the Wildcats presence on television throughout the men’s basketball season. It also includes the rights to the Wildcats’ website, corporate sponsorship at all sporting events as well as stadium and arena signage at all Kentucky athletic facilities, exclusive of Rupp Arena, home of the men’s basketball team (Smith, 2004). Host Communications will also air a 30-minute television show regularly throughout the state that is devoted purely to Olympic Sports at Kentucky.

In addition to the television aspects, two unique inclusions in the contract include the involvement of higher education and the educational mission. Host Communications will pay $1.36 million of the overall guarantee directly to the president’s office to use on Singletary Scholarships that are designed to keep the brightest high schools students in the Commonwealth. Donors have been found to match the $1.36 million to create 25 new scholarships (Jordan, 2004). Instead of leaving the Commonwealth for such schools as Michigan, Stanford, Duke, North Carolina, Berkeley, Virginia or those in the Ivy League, the high school students can attend the University of Kentucky free on a four-year scholarship. And this new support is in addition to the $1 million that the athletic department already contributes back to the university (Jordan, 2004). Finally to secure the relationship with the University of Kentucky, Host Communications also promised the university $2.5 million annually in air time to promote academic programs for the school on the radio and television broadcasts.

Other schools have followed the Host Communications-Kentucky landmark deal with comparable financial relationships. The University of Georgia, Ohio
State University, the University of Tennessee, the University of Nebraska, the University of Florida, the University of North Carolina, the University of Alabama, the University of Texas, the University of Arizona and the University of Michigan have all since surpassed the $80 million benchmark signed by the University of Kentucky (Smith, 2009). The University of Connecticut has a comparable deal while the University of Wisconsin, Oklahoma University, Louisiana State University and the University of Arkansas are in the $73 to $80 million guaranteed range (Smith, 2009).

Potential Outsourced Marketing Ventures

Other areas where outsourced marketing companies are expanding their horizons include facility enhancements and naming opportunities. Georgia Tech worked with ISP Sports on the purchase of new video boards and scoreboards that the outsourced marketing company financed. The additions created new sales inventory for ISP Sports and added greater entertainment value for the Yellow Jacket fans at the sporting events (Lee, 2001a). The University of Connecticut’s contract with IMG indicated the company’s availability to assist in landing naming rights for the school’s athletic facilities (Berkowitz, 2009).

Outsourced marketing companies understand that corporate naming rights are becoming more and more prevalent on college campuses. At the end of 2004, Learfield Communications acquired an existing company, Team Services LLC, which specializes in naming right consultation (Liberman, 2005). Team Services previously helped the University of Maryland secure a naming rights arrangement from Comcast Corporation for $20-million over 25 years (Lee, 2001d). Team Services has also worked in collaboration with Host Communications in 2003 to secure naming rights for the on-campus basketball arena at the University of Texas (Lee, 2003a).

Other outsourced marketing companies have not been as successful in their naming rights efforts. After observing Fresno State sign a 20-year deal for $40 million in 1999 (Lee, 2001d), the University of South Carolina estimated the naming rights of their new basketball arena to approach $70 million for the duration of the contract (Rofe, 2001). The arena includes 18,000 seats for home games including 41 luxury suites, 400 club seats and four additional hospitality suites, each with 50 seats. Non-basketball events have already included a Bruce Springsteen concert, Sesame Street Live, Champions on Ice and a World Wrestling Entertainment live event (Lee, 2002). University officials were nonetheless disappointed and surprised when Action Sports Media could only generate a 12-year naming rights deal valued at $5.5 million for the duration of the contract (Lee, 2003b).

In research compiled by the *Sports Business Journal* by Lee (2003c), the deal paled relative to recent naming rights agreements with Texas Tech football ($20 million/20 years), Ohio State basketball ($12.5 million), San Diego State basketball ($12 million), Texas Tech basketball ($10 million), Washington basketball ($510,000 annually), and UNLV basketball ($500,000 annually). Other naming
rights deals on college campuses include Wells Fargo paying $5 million over ten years for the Arizona State University Activity Center and Papa John’s Pizza paying a similar amount for naming rights for a new football stadium at Louisville (Cohen, 1999). The Papa John’s Stadium also includes a Brown and Williamson Club level ($3 million) named after a tobacco company and a BellSouth Johnny Unitas Football Museum valued at $500,000. Cohen noted that the University of Denver also has a Coors Fitness Center for students’ use after a gift from Denver-based Coors Brewing Company materialized (1999). Cutler (1999) adds that naming rights deals can assist in the development of grandeur athletic facilities while academic buildings continue to age and disintegrate. Steinbach found that naming rights typically encompass one-third to one-half of the of the building’s construction costs (2004a).

Other areas that outsourced marketing companies are exploring include negotiating pouring rights deal for universities and concession/food service arrangements. In many cases, school administrators and not athletic administrators will negotiate pouring rights. From the concessions standpoint, ARAMARK and Sodexho Marriott Services corner the intercollegiate food services and have garnered significant revenue based on their commissions. Other companies are slowly entering the mix including Sportservice Corporation, Boston Concessions Group and Volume Services America. ARAMARK indicated in their 2001 prospectus that within the United States, there is a potential for $17 billion in annual sales and only half of that is cornered by the major concessionaire groups (as cited in Cameron, 2001). The bidding amongst companies is much more competitive and outsourced marketing companies believe a commission could be earned by consulting with schools during the concessionaire selection process (Lee, 2001b). South Carolina’s athletic and university administrators worked with Action Sports Media to sign a 10-year agreement worth $5.6 million with Coca-Cola (Lee, 2001c). The deal eliminated the presence of Pepsi on campus, the previous pouring rights holder.

Another area that outsourced marketing companies might explore includes the licensing aspect of intercollegiate athletics. Though intercollegiate licensing generates over $4.3 billion annually, up from $2.5 billion in 1999 (Conklin, 1999; IMG College, 2012), it is a specific niche that is well handled by the likes of Collegiate Licensing Company and smaller competitors. Most schools have an individual that works directly with the licensing company to make sure the school’s copyrights and trademarks are used in a tasteful manner. The licensing companies insure that revenue is then coming back to the schools and not completely with the vendors selling the goods. Revenue from licensing can fluctuate depending on the school, their history, their marks and their success in athletics. In 2007, IMG acquired the Collegiate Licensing Company to retain 80% of the market share (IMG College, 2012; Smith, 2007).
More research needs to examine whether outsourced marketing companies would be interested in handling the areas of ticketing and gameday seat cushions. In 2009, Georgia Tech Athletics outsourced their ticketing efforts to a new start-up known as the Aspire Group (Lombardo & Smith, 2009). ISP Sports purchased College Comfort in 2008 (Smith, 2008a) as the firm rents chair-back seats at over 30 universities around the nation. Such is expected to yield additional, though limited, revenue with potential sponsorship inventory options opening over time on the seats themselves.

One area that remains unexplored is outsourced marketing companies’ presence in arena management. Presently, there are a few schools including Villanova, Cleveland State, Fresno State and UNLV that outsource their arena management to major firms like SMG or Global Spectrum (Steinbach, 2004b). These firms ensure profit maximization by booking concerts and special events in addition to the athletic and school functions. The firm has the capability of working directly with concession groups, security, parking and other necessary entities in hosting more events and generating greater revenue. They might also collaborate with retail stores, promotional groups that can create fan friendly or kids’ zones, and the premium seating areas in a facility including club seats and luxury suites (Bynum, 2001). In comparable fashion, IMG College is initiating efforts to partner with International Stadia Group on future private financing opportunities for schools interested in upgrading their facilities (Smith, 2008b). The collaboration would focus on naming rights, premium seating, sponsorships and more.

Methodology

The purpose of this study was to examine opinions regarding future trends in outsourced intercollegiate sports marketing from managers of the outsourced marketing companies hired to administer media and marketing rights at select National Collegiate Athletic Association (NCAA) Division I schools. The Delphi Method assesses the opinions of experts in a particular field where their collective feedback is garnered through repeated rounds of questioning. Three desirable research characteristics of the Delphi Method include anonymity, controlled feedback, and statistical group response (Dalkey et al., 1972). From this initial study, a more complex instrument can be created for more thorough future analysis. This study involved sending a questionnaire to the general manager of the primary outsourced marketing company hired to manage the marketing and media rights of select schools in NCAA Division I conferences. For purposes of this study, primary outsourced marketing company is defined as those outsourced parent companies that handled an institution’s athletic marketing/media rights and additional inventory. On the college campus themselves, the general manager and their staff are called a sports property. While a small number of schools utilize a second and as many as three or four outsourced companies that assist in managing various parts of the their athletic department inventory, this study only examines
schools that package their inventory to be sold by one primary outsourced marketing company.

Selection of Participants

The six major NCAA Football Bowl Subdivision (FBS) conferences include (at the time of this writing): the Atlantic Coast Conference (12 schools), Big East Conference (12 schools), Big Ten Conference (11 schools), Big Twelve Conference (12 schools), Pacific Ten Conference (10 schools), and Southeastern Conference (12 schools). Each of the six selected conferences is a member of the Bowl Championship Series (BCS), generally regarded by fans, media, and sponsors as the major, most powerful conferences in intercollegiate athletics (Suggs, 2000). Furthermore, earlier research by Zullo (as cited Johnson, K., 2005) indicates that a majority of schools outside of these six selected conferences affiliated with the Bowl Championship Series do not have an existing relationship with an outsourced marketing company.

A total of 69 schools exist within the six BCS conferences. Historically, some conferences have varied in their membership between sports such as football and basketball. These numbers also take into account some of the recent transition of schools from one conference to another, particularly within the Atlantic Coast Conference, the Big East Conference and Conference USA (as of this writing). Any Football Bowl Subdivision independent schools (schools not affiliated with a conference) participating were added into the Big East Conference results to ensure that that school’s identity is kept confidential with respect to the responses.

Zullo (as cited Johnson, K., 2005) found that of the 69 BCS schools, 13 handle their marketing in-house and an additional seven schools that were marketing in-house had just reached an agreement to start a relationship with an outsourced marketing partner, leaving 49 schools with outsourced marketing relationships. However, seven of the 49 BCS schools use multiple companies in their outsourced marketing efforts, bringing the number participants to be included in this study to 42.

As of this study, the main outsourced sports marketing parent companies included ESPN Regional, Host Communications, International Sports Properties (ISP Sports), Learfield Communications, Action Sports Media, Nelligan Sports, and Viacom Sports (IMG purchased Host Communications in 2007 and acquired ISP Sports in 2010). An examination of these initial seven companies found an additional 19 non-BCS Division I schools with outsourced marketing relationships. Marketing managers at these 19 schools were included in the study to increase the sample size to 61 and attempt to strengthen the response rate. The questionnaire was then sent to the general managers of the outsourced marketing companies’ properties affiliated with the combined sample of 61 schools. A second mailing was completed to heighten the response rate.
Data Collection

As part of an initial round of the Delphi study, a questionnaire was designed by the researcher and submitted to four individuals employed with two major sports marketing firms for their review, suggestions, and concerns. The four peer reviewers were account executives with outsourced marketing properties that work with schools outside the six major conferences, were not general managers or assistant general managers, and did not receive the finalized survey to complete for purposes of this study. Accordingly, the author relied upon their expertise, anonymous feedback, and critiques of the questionnaire to enhance the validity of the instrument. After review by the account executives, several academicians also reviewed the questionnaire to help eliminate any biased questions and enhance question clarity.

Questionnaire topics included: demographics, creative inventory & creative trends, future business opportunities, reaction to the University of Kentucky deal, public versus private, expenses reduction, and satisfaction/renewal/familiarity. These sections originated through discussion with practitioners and those in the academy.

Limitations and Delimitations

Limitations for this study included the sports marketing general managers’ willingness to participate and answer the questionnaire honestly, as well as the general managers’ willingness to share detailed information about their specific marketing contracts and relationships. A second limitation involved the varying competitive structure of the schools involved in the study. Not all schools in the six major BCS conferences have an outsourced marketing relationship, thereby limiting the initial sample size. However, an additional 19 schools with an existing relationship with a major outsourced marketing companies were added to the sample; all were members of the NCAA’s highest division but may compete at either the Football Championship Subdivision (FCS) level or I-AAA (i.e., they do not operate a football program).

A delimitation of the study involved schools with multiple outsourcing partners. Schools with multiple outsourced marketing partners were not included as part of this study. The study was also initially limited to outsourced marketing companies at select major NCAA Football Bowl Subdivision schools, since smaller schools typically do not incorporate outsourced marketing partners. This occurs because the financial return at a smaller Division II or III school is considerably less relative to revenue earned with the schools at the Football Bowl Subdivision level.

Statistical Analysis

Through the initial questionnaire developed as part of an initial round of a Delphi study, frequencies and descriptive statistics were calculated from the ques-
tionnaire results. Results from the respondents were compared and qualitative responses were also analyzed for reoccurring themes.

**Results and Observations**

The purpose of this study was to examine opinions regarding future trends in outsourced intercollegiate sports marketing from managers of the outsourced marketing companies hired to administer media and marketing rights at select National Collegiate Athletic Association (NCAA) Division I schools. Even without the established consensus garnered by further rounds of study by utilizing subsequent steps of the Delphi Method, an initial analysis of respondents’ answers can help improve outsourced intercollegiate sports marketing relationships, specifically by identifying what may be emerging trends that could need careful consideration within the context of higher education and warrant further in-depth research individually or collectively. Twenty-eight of 61 questionnaires were completed for a 46% response rate.

**Creativity and Marketing Trends**

The respondents are very comfortable in their ability to assemble creatively packaged sponsorship inventory for sponsors/partners (see Table 1). Though the focus of the outsourced marketing is predominantly on sales, the respondents were also satisfied with their familiarity with current marketing trends in other areas of sports outside intercollegiate athletics (see Table 2).

**Table 1**  
*Property’s Ability to Piece Together Creative Inventory for Sponsors/Partners/Clients*

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>High Level of Satisfaction</td>
</tr>
<tr>
<td>3</td>
<td>Moderate Level</td>
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<tr>
<td>0</td>
<td>Low Level</td>
</tr>
<tr>
<td>1</td>
<td>NR</td>
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</tbody>
</table>

**Table 2**  
*Property’s Ability to Stay Knowledgeable with Current Marketing Trends in Sports*

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
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</thead>
<tbody>
<tr>
<td>23</td>
<td>High Level of Satisfaction</td>
</tr>
<tr>
<td>4</td>
<td>Moderate Level</td>
</tr>
<tr>
<td>0</td>
<td>Low Level</td>
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<td>1</td>
<td>NR</td>
</tr>
</tbody>
</table>
**Future Business Opportunities**

Regarding business opportunities over which the outsourced properties would like to gain greater control, three areas emerged: the credit card affinity program (frequently offered by athletic departments in conjunction with their school’s alumni association), the school’s pouring rights contract (frequently held by the school, not by the athletic department) and the opportunity to secure naming rights for athletic facilities (see Table 3).

**Table 3**

*Business Opportunities You Would Like to Acquire and Sell in Future Contracts*

<table>
<thead>
<tr>
<th></th>
<th>Response</th>
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<tbody>
<tr>
<td>12</td>
<td>Credit Card Affinity Program</td>
</tr>
<tr>
<td>10</td>
<td>Pouring Rights</td>
</tr>
<tr>
<td>10</td>
<td>Naming Rights for Facilities</td>
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<tr>
<td>8</td>
<td>Apparel</td>
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<td>7</td>
<td>Licensing</td>
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<tr>
<td>7</td>
<td>Real Steaming/Video-Internet</td>
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<td>6</td>
<td>Chairbacks/Seat Cushions for Facilities</td>
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<tr>
<td>5</td>
<td>Corporate Hospitality/Village</td>
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<td>5</td>
<td>Concessions</td>
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<td>5</td>
<td>Fan Reward Program</td>
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<tr>
<td>4</td>
<td>Interactive Marketing Area/Fan Zone</td>
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<tr>
<td>3</td>
<td>Student Recreation/Activity Center</td>
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<tr>
<td>2</td>
<td>Premium Seating</td>
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<td>2</td>
<td>Premium Parking</td>
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<tr>
<td>2</td>
<td>Tournament Management</td>
</tr>
<tr>
<td>2</td>
<td>Intramurals and Club Sports</td>
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</tbody>
</table>

Respondents were also asked to offer input regarding which sponsorship categories may play greater roles in the future. No conclusive observation emerged from the responses, which varied widely (see Table 4).

**Current Trends and Issues in Outsourced Marketing**

While the University of Kentucky/Host Communications deal established a new benchmark for athletic directors around the country with regard to the potential financial value of an outsourced sports marketing deal, respondents at the outsourced marketing properties expressed a relatively low level of surprise as a reaction to the deal (see Table 5).
Public vs. Private Debate

The outsourced marketing properties gave no clear-cut indication of whether working with a private institution or public institution was easier (see Table 6). For those who said private schools were preferred, the reoccurring themes were less restrictions and more efficiency in the relationship between the outsourced property, sponsors, and the school (see Table 7). Those preferring public schools indicated that these institutions may provide them with larger fan bases, thereby creating more appeal for corporate sponsors (see Table 8). A few other responses to this question were also noted (see Table 9).

Table 4
*What Categories Do You Foresee Playing a Greater Role in the Future?*

<table>
<thead>
<tr>
<th>Petroleum</th>
<th>Technology</th>
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<tbody>
<tr>
<td>Home improvement</td>
<td>Lottery</td>
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<td>Banking</td>
<td>Fuel</td>
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<td>Home Builders</td>
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<td>Wireless</td>
<td>Insurance</td>
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<tr>
<td>Pharmaceutical</td>
<td>Food Vendors</td>
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<tr>
<td>Satellite TV/Cable</td>
<td>Auto Manufacturers</td>
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<tr>
<td>Telecom bundles</td>
<td>Grocers</td>
</tr>
<tr>
<td>Satellite radio</td>
<td>Cell Phone</td>
</tr>
<tr>
<td>Gas</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Auto</td>
<td>Computer websites</td>
</tr>
<tr>
<td>Hardware</td>
<td>Apparel</td>
</tr>
</tbody>
</table>

Table 5
*What is Your Reaction to the New Host Communications–University of Kentucky Partnership?*

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Significantly Surprised</td>
</tr>
<tr>
<td>13</td>
<td>Moderately Surprised</td>
</tr>
<tr>
<td>7</td>
<td>Not Really Surprised</td>
</tr>
</tbody>
</table>

Public vs. Private Debate

The outsourced marketing properties gave no clear-cut indication of whether working with a private institution or public institution was easier (see Table 6). For those who said private schools were preferred, the reoccurring themes were less restrictions and more efficiency in the relationship between the outsourced property, sponsors, and the school (see Table 7). Those preferring public schools indicated that these institutions may provide them with larger fan bases, thereby creating more appeal for corporate sponsors (see Table 8). A few other responses to this question were also noted (see Table 9).
Table 6

*Is it Easier to Work With a Public or Private Institution?*

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Public</td>
</tr>
<tr>
<td>10</td>
<td>Private</td>
</tr>
<tr>
<td>11</td>
<td>NR</td>
</tr>
</tbody>
</table>

Table 7

*Why Private Institutions?*

- More flexibility, quicker decisions
- Public institutions have to follow state mandates while private institutions control inventory more freely
- Less red tape, quicker decisions
- Not the same scrutiny by media and alumni at private institutions
- Lack of state regulations, easier paperwork
- No state red tape to deal with
- Less restrictions
- Bid laws
- Loss of state bid requirements which complicate and slow down the business process

Table 8

*Why Public Institutions?*

- I have worked in a private institution and it was not easy
- Bigger dreams, bigger money
- Public schools usually have a larger fan base and typically fund athletics better
- Usually larger schools with growing number of fans
- Public has more advantages with guidelines in place
Table 9

Other Responses

Both have pros and cons, but the importance is to understand the school’s philosophy on sponsorship sales
Depends on athletic director
No real difference
Either way, expect a challenge

Expense Reductions in Outsourced Efforts

In asking outsourced properties where they can best reduce expenses, no single response prominently emerged (see Table 10). Some respondents indicated a desire to reduce the guarantee paid to the schools, while others wanted to reduce costs for the tickets frequently allocated to sponsors within a sponsorship package. Printing costs was a third area mentioned where outsourced properties could reduce their annual expenses.

Table 10

Areas You Would Like to See Your Property Reduce Expenses

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Guarantee to School</td>
</tr>
<tr>
<td>7</td>
<td>Tickets</td>
</tr>
<tr>
<td>6</td>
<td>Printing Costs (rate cards, brochures, mailers)</td>
</tr>
<tr>
<td>4</td>
<td>Travel</td>
</tr>
<tr>
<td>4</td>
<td>Inventory Expenses</td>
</tr>
<tr>
<td>4</td>
<td>Extending TV/Radio Network</td>
</tr>
<tr>
<td>3</td>
<td>Corporate Hospitality</td>
</tr>
<tr>
<td>2</td>
<td>Office Space</td>
</tr>
<tr>
<td>2</td>
<td>Staff/Personnel</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>2</td>
<td>Production Costs</td>
</tr>
</tbody>
</table>
High School Athletics

Despite the continuous influx of high school baseball and men’s basketball players directly to the professional ranks, as well as more coverage of these phenomena from the ESPN networks, outsourced marketing properties indicated no desire to become involved in the sales efforts of high school athletics (see Table 11).

Table 11

Would You Be Interested in an Outsourced Partnership with High School Athletics?

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>24</td>
<td>No</td>
</tr>
</tbody>
</table>

Level of Satisfaction, Renewal Interest and Familiarity

Most respondents from the outsourced marketing properties were very satisfied with the schools they were representing (see Table 12) and expressed a strong interest in renewing their contacts when they expired (see Table 13). However, 64% of the respondents indicated a moderate-to-low familiarity of other outsourced marketing deals around the country within intercollegiate athletics (see Table 14).

Table 12

Your Company’s Level of Satisfaction With the School it Represents

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>Moderate</td>
</tr>
<tr>
<td>1</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 13

Your Company’s Current Interest in Renewal

<table>
<thead>
<tr>
<th>N</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Highest</td>
</tr>
<tr>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>1</td>
<td>Moderate</td>
</tr>
<tr>
<td>0</td>
<td>Low</td>
</tr>
<tr>
<td>0</td>
<td>Lowest</td>
</tr>
</tbody>
</table>
Conclusions and Recommendations

The purpose of this study was to examine opinions regarding future trends in outsourced intercollegiate sports marketing from managers of the outsourced marketing companies hired to administer media and marketing rights at select National Collegiate Athletic Association (NCAA) Division I schools. An analysis of the respondents’ answers can help improve future outsourced relationships with institutions of higher education, while also addressing areas of concern that may need future consideration within the context of higher education. Instruments for future analysis of these firms may also be constructed, particularly in extension of this analysis into further steps of the Delphi Method. Therefore, the subsequent discussion of the results of this study in this section are of an initial, preliminary nature, yet reveal several apparent emerging issues that appear quite salient and may merit deeper study. As previously noted, primary outsourced marketing company is defined as those outsourced parent companies that handle an institution’s athletic marketing/media rights and additional inventory. On the college campus themselves, the general manager and their staff are called a sports property.

In the respondents’ views, outsourced marketing partnerships often include creative inventory and are well aligned with current marketing trends in sports. While many outsourced marketing properties indicated a high level of satisfaction in their relationship with the academic institution they represent and interest in renewing their contracts, some concerns still apparently loom. The greatest concerns from the outsourced marketing properties’ perspective are financially related. Properties indicate concern regarding the financial guarantees to the schools growing too large, therefore necessitating adjustments in promises of what these outsourcing companies can deliver as the fair market value of deals increase (e.g., the University of Kentucky/IMG College deal).

Whether the old University of Kentucky/Host Communications deal was undervalued cannot be determined, but it is possible that the financial value of
outsourced marketing relationships around the nation will increase after schools finish their initial contract with an outsourced marketing property and parent company. It is plausible that schools made preliminary financial errors with their first contractual partnership will be better prepared to structure an improved deal in their second efforts in negotiating with outsourced marketing parent companies. Revenue generation thus becomes progressively more difficult as operational expenses increase annually and marketplace becomes more and more saturated with sponsorships.

Many outsourced properties would like to control the credit card affinity program, pouring rights for the institution, naming rights for facilities, apparel or retail options and licensing efforts. All of these are financially rewarding opportunities but are likely to be quite restrictive, already limited, or tied to another business partner on campus (as examined previously). Pursuit of such initiatives by sports marketing firms may be inefficient if not impossible, given the already complex and established systematic relationships which surround them.

Facility naming right in intercollegiate athletics presents a future research opportunity. For those few schools that have copied professional sporting arenas with an athletic facility with a naming rights deal from a Taco Bell (Boise State University), Papa John's (University of Louisville), or Movie Gallery (Troy University) they have come under criticism about the naming rights disrupting the higher education philosophy with excess commercialism being the primary concern. However, consistent with the literature review, expect more outsourced marketing companies to explore the naming rights avenue in future years.

Licensing and retail stores or apparel opportunities are other inventory options desired by outsourced marketing companies, but the Collegiate Licensing Company has a virtual monopoly on the licensing efforts of FBS schools. Financial returns generated from licensing efforts may also be quite limited within ordinary circumstances. Outside championship seasons or logo changes, licensing revenues may be flat from year to year and would require intensive management to increase appeal and grow sales aside from the two aforementioned circumstances. Such management requires a unique niche market expertise, and with outsourced efforts already existing in campus bookstores (e.g., Follett’s), many institutions of higher education already have relationships in place that serve as a revenue source and provide expertise in that area. IMG’s 2010 acquisition of the Collegiate Licensing Company enables CLC to focus on their area of expertise while being a subsidiary of IMG.

From a financial return aspect, the results of this study indicated that outsourced marketing properties do not desire to work with high school athletics on their sales efforts. Future research can also further examine outsourced marketing companies and their relationships with private and public schools. The responses can help to better formulate a future survey instrument to discern the pros and cons of working with a public institution versus a private institution.
Future research should explore the utilization of additional measures of statistical analysis, particularly in disseminating such factors as financial guarantees paid, contract length, the revenue model adopted, conference membership, and football stadium capacity, among others. An increased sample size will also enhance future statistical analysis as more schools begin to partner with outsourced marketing firms.

Direct Practical Recommendations

In examining the findings of this research and attempting to create practical applications for presidents, athletic directors, and general managers of outsourced marketing companies, the author would also offer the following recommendations for improving the business relationship and maintaining a proactive approach in addressing future issues in outsourced sports marketing within the context of higher education:

1. As companies try to secure other potential ventures on campus including: naming rights, pouring rights, licensing and credit cards, the relationship between the institutions, the athletic departments and the outsourced marketing firms is going to require greater institutional oversight. Given the financial impact of an outsourced marketing relationship and the ability to impact the educational mission and philosophy of institutions of higher education, greater institutional control is advocated in the solicitation, initiation, activation, and monitoring of outsourced marketing relationships with athletic departments.

2. Given the rapid growth of financial guarantees paid to select schools, outsourced marketing companies should offer their consulting services in the area of marketing and sales to Division I schools outside the BCS level that traditionally have been ignored. The companies’ sales expertise would be considered invaluable to a smaller school and could be an extended service provided by outsourced companies collectively looking to enhance their portfolio of schools in a region or nationally.

3. Outsourced marketing companies have an extensive list of business options they would like to acquire such as credit card affinity, pouring rights, licensing, and apparel or retail options. These revenue streams are already fairly well established by the institution of higher education and outside parties, neither of which will likely cede the revenue sources to the outsourced marketing company. Where outsourced marketing companies should likely focus their attention is in the direction of naming rights opportunities. As more schools start to accept the idea of having an athletic facility named for a corporate partner or business, the outsourced marketing companies could provide the
consulting services and expertise to ensure that the athletic department is maximizing revenue potential in this area.

4. Videoboard features and radio/TV commercials should not focus entirely on corporate partners, since those are messages contribute to the notion of excess commercialization in intercollegiate athletics. Greater institutional control can dictate that outsourced marketing companies encourage corporate partners to blend interesting features about the institution of higher education with the sponsor's message. This could include features such as inside look at the business school or a segment that highlights the research taking places with the biology department, thereby illustrating that the commercial involvement is consistent with the school's educational mission. Outsourced marketing companies can play vital roles in these efforts and potentially open the door to new revenue opportunities on campus.

Each school must assess its own situation, but where corporate involvement can go wrong is clearly observed in a 2005 incident in which the University of Arizona's athletic department permitted a local car dealership (an athletics corporate sponsor) to sell cars on the campus, thereby turning the school into a cars sales lot (McDonnell, 2005). A more appropriate sponsorship package might have resembled the “Pontiac Game Changing Performance” presented by the NCAA during the 2005 NCAA Men's Basketball Tournament, which enabled fans to vote for their favorite plays during the tournament with the winning school earning funding for their general scholarship fund (Foley, 2005).

Intercollegiate athletics can provide many positive opportunities to promote the university as demonstrated by several schools in recent years. After winning the men's national basketball championship in the spring of 2005, the University of North Carolina at Chapel Hill ran an ad in The Washington Post the next morning that featured a North Carolina basketball jersey with the number 38 on it (Stancill, 2005). The number represented the number of Rhodes Scholars the highly regarded academic institution has produced. In similar fashion, IMG College and University of Kentucky Athletics uses its relationship with CHA Health to sponsor a program that spotlights top high school sophomores in the state (Todd, 2005). The program is geared to direct those top students to Lexington for college after completing high school. It also helps the athletic department stress academic and leadership in a statewide message. While some critics may voice displeasure at commercialization, leaders at institutions of higher education can attempt to educate detractors of intercollegiate athletics on the importance of financially self-sufficiency in athletic departments (Todd, 2005). Comparable creative thinking can foster exceptional partnership opportunities between schools and their outsourced sports marketing firms, thus creating a win-win for all parties involved.
References


Future Trends in Outsourced Marketing Within Division I Intercollegiate Athletics

An Initial Round of a Delphi Study

Robert H. Zullo

I. Research Problem

The purpose of this study was to examine outsourced sports marketing at select Division I National Collegiate Athletic Association schools focusing on future trends from the perspective of the outsourced marketing partner. Understanding the perspective of both the academic side of campus and the industry can yield a more prosperous long-term relationship and minimize anticipated problems in advance. The audience for this paper includes athletic directors, the general managers of the outsourced marketing companies, the administrators of the parent companies and other personnel within the companies that would benefit from walking in the shoes of academia. Presidents and chancellors can then be approached strategically regarding discussions in sponsorship sales including corporate naming rights on athletic facilities.

II. Issue

Outsourcing in Higher Education is NOT a New Concept

When a student is hungry after hours at the University of Virginia and the dining halls are closed, he or she might leave his or her on-campus dorm room and head to the Tree House to pick up a Pizza Hut personal pizza. At Virginia Tech, a student with the similar case of hunger pangs might get a Chick-fil-a sandwich and finish it off with yogurt from TCBY, both of which offer their food services on the campus in Blacksburg, Virginia. At Louisiana State University, one can visit the student union on campus and enjoy fast food from McDonald’s or can stop by the on-campus Barnes & Nobles for a newspaper or new book. They can even make plans for a spring break trip at an on-campus travel agency. In Atlanta, Georgia Tech students enjoy Einstein Brothers bagels as well as an optical center and a Hair Cuttery. Other schools’ student unions offer pizza from Pizza Hut or gourmet coffee from Starbucks.

Providing a bowling alley or snack bar at the student union is nice, but amenities such as on-campus theaters, grocery stores, banks, barber shops/salons, and dry cleaning services are becoming more common each year. Such businesses are frequently operated by corporate entities that also operate off campus in the
community. This might include a Wachovia bank, Great Clips hair salon or Regal Cinema theaters. Essentially, a school outsources these services to a trusted corporate entity.

Many campuses around the country outsource their food preparation in the dining halls to ARAMARK, a company that specializes in mass food preparations for hospitals, colleges and universities, athletic venues and more. Working with corporate partners exists everywhere as Rutgers maintains a $10 million relationship with Coca-Cola to be the official drink provider for the campus and recently received $1 million from Nabisco for the naming rights for the Nabisco Center for Advanced Food Technology, a center designed to enhance food technology with the use of scientific principles. In Athens, Georgia, the Terry College of Business has a Coca-Cola Center for Marketing Studies, in addition to the Terry-IBM Seminar Series. Hence, outsourcing and corporate involvement is prevalent on campus, but often more discretely.

Where it is becoming less discrete is the outsourcing of services within the classroom and with services instrumental to the educational mission. To decrease the escalating cost of higher education, outsourcing instruction is becoming more widely accepted on college campuses. The debate of whether outsourced instruction in higher education reduces expenses or whether it depreciates the quality of education is a debate for others, but it is becoming more widely used in both distance learning and even on campus. The primary reasons for outsourcing include a reduction and greater control of operating costs in addition to access to resources not otherwise readily available. For example, an adjunct instructor can provide knowledge and opportunities that a school might not otherwise provide for its students.

Further advantages of privatization or outsourcing in the educational sense include positive public relations with the surrounding communities and fast start-ups or evolution of curriculums when necessary. At the same time, disadvantages of outsourced efforts in the classroom can include: loss of control of curriculum implementation, displacement of employees, philosophical differences, problems in meshing organizational cultures, and issues with overall assessment and accountability.

Other places where outsourcing in higher education can occur include counseling and health services, student activities and residence hall management. Services are offered more efficiently and at lower costs to the school. Another area frequently outsourced is auxiliary services. This can encompass alumni relations, landscaping, janitorial needs, campus security and long distance providers. Proponents of outsourcing note that such efforts can result in volume purchases, more efficient and direct organization, and a simplification in the management of services that can in turn yield a greater focus for the school on education and research. Outsourced partnerships can yield new technology that a college might not otherwise afford and it can provide alternative services better in a variety of
matters. In some areas, such as bookstore operations, printing, information technologies, academic records, child-care services, recreational facilities, parking or dining services and residential halls, schools can now earn a profit due to the switch from in-house operations to outsourcing.

Major concerns with outsourced efforts in higher education can be traced back to a handful of themes. The first consists of a loss of control by the university and concerns regarding the policy and procedures by which an outsourced company obtains its results. Many times, these policies can conflict with what the university is trying to promote in its values and mission. An example of this might include an outsourced company’s unfair labor practices of which an institution of higher education could have limited control over other than to terminate the relationship. An additional concern would be the outsourced company purely taking a business approach to its activities and looking at the bottom line of dollars and cents. If an institution of higher education adopted this philosophy in educating students, only the business and medical schools would likely exist. Hence, a difference of opinion in philosophies relative to the educational mission can also create further conflict. In working with outsourcing companies in higher education, regardless of the task, there must be great attention paid to the selection process and continuous communication is vital for both the school and the company to be successful. And if the relationship does not work, termination of the relationship should be fairly simple.

III. Summary

The respondents are very comfortable in their ability to assemble creatively packaged sponsorship inventory for sponsors/partners. Though the focus of the outsourced marketing is predominantly on sales, the respondents were also satisfied with their familiarity with current marketing trends in other areas of sports outside intercollegiate athletics.

Regarding business opportunities over which the outsourced properties would like to gain greater control, three areas emerged: the credit card affinity program (frequently offered by athletic departments in conjunction with their school’s alumni association), the school’s pouring rights contract (frequently held by the school, not by the athletic department) and the opportunity to secure naming rights for athletic facilities.

Respondents were also asked to offer input regarding which sponsorship categories may play greater roles in the future. No conclusive observation emerged from the responses, which varied widely.

While the University of Kentucky/Host Communications deal established a new benchmark for athletic directors around the country with regard to the potential financial value of an outsourced sports marketing deal, respondents at the outsourced marketing properties expressed a relatively low level of surprise as a reaction to the deal.
The outsourced marketing properties gave no clear-cut indication of whether working with a private institution or public institution was easier. For those who said private schools were preferred, the reoccurring themes were less restrictions and more efficiency in the relationship between the outsourced property, sponsors, and the school. Those preferring public schools indicated that these institutions may provide them with larger fan bases, thereby creating more appeal for corporate sponsors. A few other responses to this question were also noted.

In asking outsourced properties where they can best reduce expenses, no single response prominently emerged. Some respondents indicated a desire to reduce the guarantee paid to the schools, while others wanted to reduce costs for the tickets frequently allocated to sponsors within a sponsorship package. Printing costs was a third area mentioned where outsourced properties could reduce their annual expenses.

Despite the continuous influx of high school baseball and men's basketball players directly to the professional ranks, as well as more coverage of these phenomena from the ESPN networks, outsourced marketing properties indicated no desire to become involved in the sales efforts of high school athletics.

Most respondents from the outsourced marketing properties were very satisfied with the schools they were representing and expressed a strong interest in renewing their contacts when they expired. However, 64% of the respondents indicated a moderate–to-low familiarity of other outsourced marketing deals around the country within intercollegiate athletics.

IV. Analysis

Facility naming rights is a topic of significant research opportunity for the future as professional athletic venues typically work on a limited term naming rights deal. This enables the facility to earn an annual income off the naming rights deal with a corporate partner and an income that increases with time due to escalator clauses. On the college campus, many naming rights are tied to people who have made a significant contribution to the school either financially or academically. Naming a facility after a former president or coach generates limited revenue, while naming a facility after a donor frequently generates a one-time gift to offset initial construction efforts. There is no annual income for the school nor is the opportunity available to rename the facility down the road. This is a persistent problem around campuses as facilities are being named without regards to what will happen in the future when there is nothing left to name. For those few schools that have copied professional sporting arenas with an athletic facility with a naming rights deal from a Taco Bell (Boise State University), Papa John's (University of Louisville), or Movie Gallery (Troy University) they have come under criticism about the naming rights disrupting the higher education philosophy with excess commercialism being the primary concern. However, consistent with the literature review, look for more outsourced marketing companies to explore the naming rights avenue in future years.
Licensing and retail stores or apparel opportunities are other inventory options desired by outsourced marketing companies, but the Collegiate Licensing Company truly has a monopoly on the licensing efforts of Division I schools. While they could stand to use some competition, there is a limited amount of financial return generated from licensing efforts in the sense that fans determine the financial return based on their purchases. If a school has a championship season, royalties to the school may be greater than in previous years. If a school changes a logo, there might be an initial increase in sales. But with licensing, there is not the opportunity to create your own return on investment as found in outsourced marketing.

V. Discussion/Implications

Given the lack of research in outsourced marketing in intercollegiate athletics, the aforementioned research on outsourcing in higher education is important to consider when deciding whether to outsource sports marketing efforts. In examining the findings of this research and turning it into practical applications for presidents, athletic directors and general managers of outsourced marketing companies, the author would also suggest the following recommendations for improving the business relationship and being pro-active in addressing future issues in outsourced sports marketing within the context of higher education:

1. As companies try to secure other potential ventures on campus including: naming rights, pouring rights, licensing and credit cards, the relationship between the institutions, the athletic departments and the outsourced marketing firms is going to require greater institutional oversight. Given the financial impact of an outsourced marketing relationship and the ability to impact the educational mission and philosophy of institutions of higher education, greater institutional control is advocated in the solicitation, initiation, activation, and monitoring of outsourced marketing relationships with athletic departments.

2. Given the rapid growth of financial guarantees paid to select schools, outsourced marketing companies should offer their consulting services in the area of marketing and sales to Division I schools outside the BCS level that traditionally have been ignored. The companies’ sales expertise would be considered invaluable to a smaller school and could be an extended service provided by outsourced companies collectively looking to enhance their portfolio of schools in a region or nationally.

3. Outsourced marketing companies have an extensive list of business options they would like to acquire such as credit card affinity, pouring rights, licensing, and apparel or retail options. These revenue streams are already fairly well
Outsourced Marketing

established by the institution of higher education and outside parties, neither of which will likely cede the revenue sources to the outsourced marketing company. Where outsourced marketing companies should likely focus their attention is in the direction of naming rights opportunities. As more schools start to accept the idea of having an athletic facility named for a corporate partner or business, the outsourced marketing companies could provide the consulting services and expertise to ensure that the athletic department is maximizing revenue potential in this area.

4. Videoboard features and radio/TV commercials should not focus entirely on corporate partners, since those are messages contribute to the notion of excess commercialization in intercollegiate athletics. Greater institutional control can dictate that outsourced marketing companies encourage corporate partners to blend interesting features about the institution of higher education with the sponsor’s message. This could include features such as inside look at the business school or a segment that highlights the research taking places with the biology department, thereby illustrating that the commercial involvement is consistent with the school’s educational mission. Outsourced marketing companies can play vital roles in these efforts and potentially open the door to new revenue opportunities on campus.

Stopping commercialization in sports is not the concern, but rather the issue is to make sure the commercial involvement is consistent with the school’s educational mission. Outsourced marketing companies can play a vital role in these efforts if they can walk in the shoes of the leaders in academia. Selling these leaders on the past successes of other outsourcing efforts on campus relative to outsourcing sports sales efforts would help to open the door for further opportunities more so than a simple discussion of financial figures.