Money In Sport Essay, Research Paper

Sport and Money

Everywhere you look you see sport intertwined into everyday life, be it on the television, in your back yard, in schools, universities or in social networks. Nobody can escape the influence of sport, either as a spectator or a participant it s everywhere. But who is to blame for this new era in sports? Is it the sponsors who are pouring millions of dollars into the sports industry that are changing the attitudes of athletes? For professional sports players it is no longer about the love of the game or staying loyal to your team or fans. It is all a question of money, or more to the point, Show me the money. The bottom line being, if the managers can t offer enough zeros on the end of a paycheck, they can wave goodbye to their top athletes. Controversy has erupted across the globe as to whether athletes are worthy of their million dollar contracts. The bottom line is, athletes deserve all the money they earn because big corporations are willing to pay. High expectations are placed on athletes personally and professionally, and they have to subject themselves to risk on the playing field as well as personal sacrifice. An athlete being sponsored to play professional sports was once unheard of. How times have changed. Nowadays, wherever you see a top class athlete, you will see a corporate name splashed on them somewhere. The 90 s saw a dramatic change in the amount of money an athlete could make from contracts and sponsorship deals. But what exactly is sports sponsorship? The Howell Report (CCPR, 1983) defined sports sponsorship as, the support of a sports event, sports organization or competition by an outside body or person for the mutual benefit of both parties, (Gratton and Taylor, p.164). Basically the sponsors will give the designated sport team or player financial assistance in return for publicity that does not reflect adversely on them. It is amazing to think that sports sponsorship hardly existed as an, economic activity in Britain before 1970, (Gratton and Taylor, p.163). By 1999, however, it was estimated to be worth $350 million (Noll, p.494). Sports sponsorship globally, is projected to be worth around $20 billion (Gratton and Taylor, p.165), with the United States cornering about a quarter of that market. As you can see from these figures, the companies behind these price tags can have a big say in dictating the nature of the sporting industry. The question is has the commercialization of sports harmed our sporting traditions, or played a key factor in its survival and popularity? The problem with the market for sponsorship is that it can be fairly patchy in the way it is divided up. Obviously there are going to be a small number of major sports events, teams and elite athletes that will be swamped in contracts. Due to competitive sponsorship bidding some of the sponsorship deals go sky high. However, the down side to this is that some of the less popular sports like Women s golf, are left struggling to find backing as they don t fit the sponsors criteria. A fragile balance between a sport and its sponsor is clearly evident, as they provide a major source of revenue for any sport. If a big named sponsor decides to withdraw its companies backing from a particular tournament or league, crisis can erupt as sport organizers are left trying to fill a void from lost revenue. Why not just get a new sponsor? Sometimes it is not always that easy. At the moment a lot of European sports are struggling, partly because the European union passed a ban on tobacco advertising in the sporting industry as of 2001 (Noll, 1997, p.157). It is not proving to be an easy task trying to find replacements, so some sports schedules like motor racing are on the brink of going under. The commercialization of sports through endorsement contracts, (Gratton and Taylor, p.167) seemed to explode in the 90 s with eight figured deals popping up all over the place. Phil Knight, the founder and chairman of Nike, played an instrumental role in making the basketball legend Michael Jordan, a brand name in the international consumer marketplace, (Putnam, 1997 p.255). Jordan s assignment was pretty simple, to be himself in order to establish a foothold in the athletic footwear market. So far it has been a major success story, and the only other athlete capable of overtaking Jordan s commercial clout is Tiger Woods. This is where the term cultural construction comes in to play. Is it Tiger Woods himself, his family or the media and marketing firms that have made him such a sporting superstar? No one can deny his overwhelming natural talent for the game. He has broken records that most golfers thought impossible, so not all of his success can be a result of marketing exploitation. However, a lot of people argue that he is being paid too much money to represent Nike at $100 million for five years ( Tiger woods Earnings ). People resent the fact that he could never spend all that money even if he tried, but that isn t really the point. It is necessary to assess what he is worth to Nike to endorse their products. First we have got to take a look at Nikes total revenues for last year, which was 8.8 billion dollars ( Stanford Study ). Phil Knight alone, the founder of Nike, made 1.7million dollars in salary earnings (Putnam, p.255). With these types of figures, we can see why there is nothing to stop giving out the multi million-dollar contracts to people like Tiger Woods. The main reason why Nike is such a success story is because of their marketing strategy; they choose to sponsor the best athletes in the world who all have a unique competitive edge and controversial side to them. Put this together with one of the most recognized symbols on the planet, the swoosh, and the result is a marketing phenomenon. Nike Golf President Bob Wood, explains, Much of what we ve done in the golf business so far can be directly attributed to Tiger. We ve gone from Zero to 4 % market share in golf balls in just a few months .Tiger is worth every penny of it, ( Nike inks Tiger Woods ). Even at $20 million dollars per year, Tiger has already proven to be an excellent investment for Nike. During the Master s tournament in 1997, Wood s swoosh appeared on the screen for nearly 14 minutes. Advertisers called it, the greatest single exposure of a corporate logo, (Putnam, p.232). Even recently in USA Today, there was an article on the value of Tiger Woods memorabilia. A columnist for Sport Collectors Digest, Phil Wood made a classic comparison, Tiger is the Beatles in February of 1964, (p.25, 2001, Wood). If anyone is to blame for all this money being given to athletes, it has nothing to do with the players themselves but the sponsors. To achieve greater profits, they have to give more and more money to their athletes. Their marketing strategy is a success, so if it works and both the CEO s and athletes are happy why not continue giving out the multi million dollar contracts? The reason is a lot of people feel that these lucrative sponsorship deals are having a negative influence on society. Are too many kids looking up to their heroes with the notion that one day they too might be signing on the dotted line with Nike for $20 million dollars per year like Tiger? Unfortunately, only a handful of people will ever make it this big, so it is unfair for communities and families to expect their prot g to become the next Woods or Jordan. The protagonist Jonathan in the Shadow of a Nation has to suffer the burden of expectations being pinned on him to be the next basketball hero. The problem with having so many people wanting you to succeed, gives us pseudo pride, (Smith, 2000, p.98), is that it puts more pressure on the individual to make it, so failing becomes even more inevitable. Individuals should be left to make up their own mind if they want to be a pro athlete. It is no use forcing somebody because at the end of the day not everybody will reach the top. An athlete should never pin all their hopes on becoming the next Tiger woods, because at times this might be out of the question due to physical limitations. An underlying problem with sponsorship business exploiting athletes for their own use is that they turn sports players into national icons. There is already controversy over whether athletes should be getting paid so much for their talent, but is giving them a role model status as well taking it all a step too far? Many people say professional athletes are positive role models for the youth of today, as they show what can be achieved in sport. They also promote the idea of dedication and hard work in order to achieve your dreams. Although this is true in a lot of cases, so many times highly paid athletes have proven that they are not worthy of their status. A prime example of this is Mike Tyson, a boxing legend. How can we allow a convicted rapist to re-enter the sporting world and still get paid millions of dollars? Is this really the type of icon we want our kids to look up to and respect? The problem is not enough people are voicing their concerns and objections. Instead, Mike Tyson keeps signing contracts for thousands of dollars to knock the living daylights out of somebody. Is this really the type of person we want our money as fans to be going to? Another negative role model in the sporting arena is Dennis Rodman. He is a basketball hero of so many kids growing up nowadays. However, his attitude on and off the court is aggressive and disrespectful. The problem is the sports agents have made the situation worse. Because he is being paid so much to play, he realizes that he is an invaluable asset. This makes him believe that he has the right to act however he wants to. The annoying part is that it is the loyal sports fans that have to pay for his arrogance. A high percentage of the athletes paycheck comes from the average person that has to put up with rising ticket prices to watch the game, just to support an individual that should not be given a role model status. Like every controversy in this world there are two sides to the story. Perhaps it is necessary to take a look at what the athletes are getting paid for before we accuse them of earning to much money. The first factor to consider is how long an athlete s career actually lasts. On the whole, it is a lot shorter than an average worker. If we take a look at the tennis industry, the average age of retirement is about 30 years old, (Barnett, p.143). This does not give a professional athlete much time to earn enough money to secure their future as well as their family s future. Can you imagine the pressure on each shot, knowing that this match might be the one that catches the sponsor s eye? This is how the sports marketplace works. It s timing, timing, timing! You never know what is around the corner. It only takes a few good tournaments or games before you might be singled out as the next superstar. Unfortunately, it is only a small minority that ever experiences that feeling. Mike Brown, the Cincinnati Bengals general manager, hit the nail on the head when he said, Players who have monetary leverage get a disproportionate piece of the pie at the expense of other people who should get more, (Shropshire, p.143). Mike Brown is referring to some of the lucky athletes that get singled out as the sponsors pick. The individual signing on the dotted line may not be any better than their teammate or competitor, but if their face fits they can enjoy a lot more financial security. A classical example of this is Anna Kournikova, the Russian tennis superstar. She has not even won a tennis Grand Slam tounament, but her face in sport is known all over the world. Sponsors like Wonder Bra did not pick her solely for her tennis ability but mainly on her looks. You can t help but feel sorry for those competitors around her that show more flare on the court, but aren t reaping the same type of financial rewards for their tennis efforts. Is this just all part of the cutthroat sports industry we have to accept? The trouble is when we ask what exactly it is the athletes are being paid for, we are quick to forget what they have to sacrifice as well. To reach the level of skill that professional sports demand takes years of hard work, determination and focus. The money that they receive has to cover their living costs, accommodation, equipment and so much more. You also have to consider the number of years that they have to spend living off basically nothing, before they hit the big time. Also an athletes short career time, means that whatever they earn whilst in the spotlight of the game has to last them probably forty or more years. On top of this, the psychological affects, which they have to endure, must also have a price attached. Imagine the loneliness of traveling on your own, being parted from family and loved ones. Night after night, week after week living out of a bag in a hotel room. This is something that all athletes have to learn to cope with. For a professional golfer it is not unexpected for them to be on the road playing tournaments for more than 40 weeks a year. There must be times in each athletes lives that they just wish they could just give it all up, the money as well to be able to live a normal life. This opinion comes partly from personal experience, which I have gained from traveling to golf tournaments over the years. Collegiate sport, which is what I partake in, is a great way of giving aspiring athletes a taste of what it would be like doing their chosen sport as a career. No matter what sport you play, being away from home for weeks at a time definitely takes its toll on you. I am positive that by the end of a season, most professional athletes question what they are doing leading such a physically and mentally draining type lifestyle.

The risk of injury is one of the biggest threats in a professional athlete s life. Because their careers are so dependent on their physical health, they have to live in the reality that their livelihood could end at any time. This, in turn, strips athletes of leading a normal life: No skiing what if I break a leg? No hiking can t afford a sprained ankle, No roller-blades what if I fall? These are the types of things that athletes have to think about every day. All it takes is a simple twist or a bad fall to see their dreams vanish in to thin air. A lot of the times pro athletes are forced to play through injury after injury enduring chronic pain along the way. How many people would be willing to physically damage their bodies just for a job? In most cases, that would be considered against the law. Yet this is exactly what a pro athlete has to do each time they are injured: strap it up and keep on playing! If not, the injury can jeopardize their career as coaches and sponsors will look at them as a liability. Another problem heavily associated with pro-athletes is the risk of specialization. This is something that is affecting all areas of society. People are being, expensively trained to do one thing, (Berry, 2000, p.115) which drastically limits your options in life. Specialization results in the ability to do other things. When you look at this from the perspective of an athlete, if they get injured and can no longer play what else are they left with? An athlete s whole life is centered on sport, which is why it is so important for them to milk all the money they can from the sponsors while it lasts. Because once their career is over, what other qualities do they have? Most professional athletes have little in the way of an educational background behind them. If a top class athlete has a high school diploma to their name that is usually quite an achievement. So this can drastically limit a persons job prospects if their sports career is cut short. Going to a job interview at the age of thirty with a CV that can only list your sporting accomplishments will hardly make you the ideal candidate for most occupations. Another aspect of the sports industry is the price of fame, which definitely has its negative side. With any successful sports career comes the spotlight and the constant media. People are forced to forfeit their private lives to live in a constant fish bowl. As a sports celebrity, your every movement is splashed all over the front pages of newspapers, magazine, radios and the TV. It is impossible to escape the constant scrutinizing of the media, as they wait anxiously for the next athlete to fall. There is no privacy. The press picks up on all the mistakes, ready to expose them, and use them as a form of entertainment for the public. One word out of context can stick with you for the rest of your career. The United Kingdom is particular renowned for its, Scandal stories, and tabloid newspapers. At the moment a Manchester United football player called David Beckham has been under constant attack from the media for the past few years. In July 1999, his face was on the front cover of every newspaper in England, for the simple reason he cut all his hair off! I ask you what is the big deal about a 22 year old changing his hairstyle? But the British public lapped the story up, and I found myself wondering why? Or, more to the point, so what? It has nothing to do with his football ability, but I guess this is just another price to pay for the cost of fame. Making the decision to become a professional athlete is by no means an easy choice to make. In a lot of sports, like tennis and golf there is the risk that at the end of each month there is no guarantee of a paycheck. The sports industry has changed a lot over the last couple of years, it is no longer just about a team giving you your salary. It is now a big dollar business industry with the likes of Time Warner, The Tribune Co., Nike and Disney dictating the rules (Putnam, p.243). These corporations virtually own the players, with the tremendous ability to either make or break them. The bottom line is, if athletes are not willing to do the work and give it 200% every time they can wave goodbye to their contracts. The sports industry is entering a new era concerning sponsorship, and some people will argue that it isn t necessarily for the better. The question is whether the amount of money being pumped into sports is spiraling out of control. But who is going to put a lid on it? It is only sports like baseball and football that are trying to put any sort of limit on athletes salaries. Maybe it will reach the point when sponsors say enough is enough, because at the moment they are the ones in the driving seat. This is why when people complain about athletes getting paid too much; they shouldn t slam the player but the companies handing out the contracts. Although athletes do get paid an excessive amount of money at times, sometimes it is a small price to pay for risking their health. Look at the unfortunate path that Mohammed Ali took thanks to boxing. A man that was once renowned for, floats like a butterfly stings like a bee, is now suffering from Parkinson s disease as a result of his boxing days. His choice of financial security over health has taken its toll. Not many people would risk so much for their job, which is why the majority of athletes deserve every cent they earn.

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