Wwf Wrestling Essay, Research Paper

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The company that I researched for this paper is the World Wrestling Federation

Entertainment. The company was organized and founded in the early 1940?s by Vincent

McMahon Sr. The current owner and CEO is McMachon?s son, Vincent Kennedy McMahon

Jr. The World Wrestling Federation (WWF) is headquarters in the Titan Tower, in Stamford

Connecticut. The WWF specializes in the area of Pro Wrestling, which are ?scripted fights?

in which highly trained athletes simulate a fighting experience. The ?sport? of Pro Wrestling

has been around since the middle of the 19th century. In early times the ?fighting? was real

(in fact Abe Lincoln was an early wrestling champion) but the fighting turned ?fake? in the

early 1990?s. The performers in Pro Wrestling are regarded as independent contractors who

sign with an individual company to perform exclusively with that company. There are

currently no unions, benefits, or retirement plans for any of the wrestling performers, a

controversial topic in the industry. This practice may change in the future. Today, Pro

Wrestling is a billion dollar business with its ?performers? recognized throughout the

civilized world.

The are a wide variety of products and services offered by the WWF. The main service

offered by the company is entertainment by way of television programming. The WWF

produces a number of television shows throughout the United States and abroad, and have

had a tremendous amount of success. Many of their recent successes have been:

- announced approximately a 230% increase for television advertising

gross sales for calendar fourth quarter at $33 million compared to $10 million

in calendar fourth quarter 1998 (wwf.com)

-The success of their flag ship program, RAW IS WAR, on the USA Cable

Network. Which is currently averaging around a 7.0 market share on Monday nights. It is the

number #1 show with the male 16-34 year old audience. (1wrestling.com)

-The WWF recently introduced the newest show, SMACKDOWN, on the UPN

Network, on Thursday nights. The show is a run away success for the station and WWF

averaging a Neilson rating in the middle fours.

-The WWF also produces two other successful shows in Sunday Night HEAT,

and WWF SUPERSTARS. And the company has shows in national syndication with WWF

Jakked and WWF Livewire.

The WWF specializes in Pay Per View broadcasting. The WWF has these ?specials?

once a month and have run these specials since 1985, being the largest revenue earner in Pay

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Per View history (Mike Tyson is second on the list). For example the past WWF Pay Per

View, ?Royal Rumble 2000,? drew a 1.58 buy rate, which would translate into about

600,000 buys. The special aired for $29.99 by most cable and satellite dish providers. The

WWF also does extremely well selling tickets for these live events to be aired on television.

They have a streak of roughly around three years with straight sellouts for their ?live feed?

broadcast (with include Raw Is War?s, Smackdown?s, and the Pay Per Views). The WWF

also put their stamp on other projects. They have a large hand in merchandising souvenirs for

their fans. Items such as shirts, hats, posters, keychains, beer holders, etc… can be purchased

at live shows, a local shopping mall, or at WWF.com.

Recently the WWF has expanded its company. This past fall, the WWF released

several million IPO?s and gained over 1.5 billion dollars in capital from the stock. With this

increase in capital the WWF (for its second year) purchased air time during the Superbowl. In

1999 the WWF was 3rd on the USA Today ?Best New Company Commercial? list. Also, this

past month the WWF has announced plans to create a new football league, titled the XFL.

The league has announced six of eight cities that will participate this January. The WWF also

dabbled in the realm of literature this past year. WWF superstar ?Mankind? a.k.a. Mick Foley

and his book, ?Have a Nice Day? spent 5 weeks at number one a top the New York Times

Best Sellers List. And WWF superstar ?The Rock,? a.k.a. Dwayne Johnson spent seven weeks

in the N.Y. Times Best Sellers Top Five.Overall this is a company with a wide variety of

successful products and services.

THE FUTURE OF WRESTLING

The future of this industry is very strong as the WWF has destroyed its Compitition for

the past three years, as I?ll talk more about. With the substantial increase in capital from the

IPO, the WWF has vowed to improve their technical and television capabilities, which should

result in a growth for the company. However it is the view of many that the popularity of the

WWF has hit its peak. For example in the mid 1980?s the WWF had the kind of success it has

today, but suffered tremendously in the early 1990?s with the company running in the red.

Due to a tremendous increase in popularity in 1997, the company has thrived. The WWF has

taken precautions against trying to broaden itself past the ?wrestling? part of the

entertainment. They have plans to run the XFL, and to expand into more television and

movie productions. As a whole the numbers (like Neilson numbers, Pay Per View numbers,)

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have been increasing with the ?wrestling? boom of the 1990?s. Even if Pro Wrestling loses

ground in the new millennium, the WWF has prepared to survive and thrive.

It makes sense that the economy would have a effect on the revenue of Pro Wrestling.

After all as the economy suffers, individuals would have less disposable income. With less

disposable income, consumers will spend less on entertainment. This could have be a factor

in the difficult financial period the WWF suffered in the early 90?s, which coincide with the

1990-1991 recessions. However there is no substantial evidence to say that the economy has

a the kind of direct effect on the wrestling industry, than it does, for example, on the auto

industry.

COMPETITION

As I mentioned earlier the WWF does have direct competitors. Its number one

competitor is the Atlanta based, World Championship Wrestling (WCW). The WCW owned

by Ted Turner, and run by Dr. Harvey Shiller. The WCW was purchased by Turner in the

early 80?s from Jim Crockett. Since that purchase Mr. Turner sunk millions of dollars into

making WCW a lucrative endeavor. And although the company did enjoy Neilson success in

the 90?s, the company has not shown much financial success. Currently the WWF is

dominating the WCW in every phase, demonstrated by the fact that WCW changed in

flagship show ?WCW Monday Nirto? in order to get out of direct Compitition with the

WWF. WCW still however runs shows under TNT and its sister station TBS, along with many

shows in syndication.

A smaller competitor has been the Philidaphia based Extreme Championship Wrestling

(ECW). This company is owned and operated by Paul Heymen. The company recently signed

a television contract with The Nashville Network, but continues to lag behind the WWF and

WCW as a serious competitor.

Overall the number one factor in judging a company?s success in this industry is

revenue. The WWF and its Compitition are the most competitive when it comes to the

Neilson Ratings wars, and the battle for television advertisers. At any respected wrestling

website, the Neilson ratings for each WWF program is broken down for fans and investors.

For example, when the WWF and WCW went head to head on Monday Nights, websites

would break the Neilson Ratings down by 15 minute intervals, in order to see which

performers scored big with TV audiences. The competition became almost absurd. The

intensity of the competition has died down since WCW bowed out, and moved their

programming away from the Monday Night 9pm to 11pm eastern spot, but ratings are still

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posted all around the Internet. The success of the wrestling industry is also judged on the

success of merchandise sales. This is also a hot competition among the performers due to the

fact that royalties are distributed to performers for sales of products with their likenesses.

Also the Pay Per View buyrates and revenue from the audience profits have been used to

judge the success of the companies in this industry.

The global market has had a distinct effect on the industry. The WWF sends its

programming to over 50 countries world wide. They hold a large percentage of their live

shows in Canada. They have held two exclusive Pay Per Views in the United Kingdom (their

strongest overseas market). The WWF recently has gained popularity in Japan. Japan was

also witness to a strong wrestling boom in the 1980?s with two very popular companies, New

Japan Pro Wrestling and All Japan Pro Wrestling. The Japanese culture, differs in regards to

wrestling, as opposed to North America. A handful of performers in Japan, from the 1980?s,

were actually elected to the equilivalent to the United States Senate, in Japan. Today, the

Japanese wrestling boom has died down but remains steady, and is a very attractive market

for the WWF to reach in the future.

As far as employment in this industry, the available jobs are as broad as the products

themselves. The most difficult employment opportunity to obtain is that of a performer.

There are hundreds of ?wrestling schools? across the country loaded with hopeful performers

who hope to hit it big. Many of these hopefuls travel the country performing in

?independent? organizations (any company outside the WWF,WCW,or ECW) trying to make

it in the big time. MTV recently aired a special where they followed some older wrestlers

who had been trying to enter the big leagues for many years, unsuccessfully. These

performers usually barely earned enough money to cover their expenses. To earn a profitable

spot as a performer is extremely difficult and most hopefuls do not succeed.

However, due to the increasing success of the World Wrestling Federation, many

business jobs are opening up in the industry. The WWF runs just like any other big time

corporation. They have a very stong marketing, advertising departments,an accounting

department, a human resources department all which have lucrative employment

opportunities.At the WWF headquarters in Stamford, the company has many employment

opportunities in the TV production field, such as writers, producers, camera, make-up, etc…..

WHY I CHOSE TO RESEARCH THIS INDUSTRY

I chose to research this topic due to the love of professional wrestling since my early

childhood. I have followed wrestling since the days of ?Hulkamania?, up to the present status

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of the WWF. I would say that I am discouraged from pursuing a career in pro wrestling

because of my major being criminal justice. I took this class as an elective hoping to gain

more knowledge about the business world. With graduation creeping up this May, I plan to

work either in the field of politics or law enforcement as a future profession. I recently

interned in politics with the Community-Oriented Policing Services (COPS) congressional

relations division of the United States Department of Justice. I have also interned in law

enforcement with the Cleveland Heights Police Department Detective Bureau. For the past

couple of months I have applied for jobs with the Department of Justice, and also many police

departments around the Cleveland area. I hope to get a job soon after graduation and see if it

is right for me. If not, move on to another profession that I enjoy working in.

The background needed for a job in politics would be either a major in political science,

criminal justice and/or an internship and knowledge in that area. I was very fortunate to get the

internship with the Department of Justice and learned a great deal about Congress and

Legislature. for a job in law enforcement, background may vary. Police departments require an

associates degree or high school diploma. For federal law enforcement a bachelor?s degree and a

couple of years experience is required for appointment.