

SPAD 4005
Internship Report



Institute for Sport Marketing

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Table of Contents

Organization History – Institute for Sport Marketing	3
Project & Tasks	5
Havlat Study	5
MLSE – Developing a Model for Professional Sport Franchises	7
Gatorade and ISM Research Project	9
Canadian Cancer Society Project	10
Racial Diversity of Spectators and Players in Professional Sport	10
Ottawa/Buffalo Data Collection Trip	11
Grassroots Soccer Paper	12
Individual Analysis of Performance	13
Strengths	13
Weaknesses	13
Areas for Improvement	14
Transferable Management Skills	15
Personal Objectives	15
Conclusion	16
Internship Offer Contract	17

Organization History

Institute for Sport Marketing

Former Sports Administration Director, Dr. Robert Wanzel, founded the Institute for Sport Marketing (ISM) in 2001. In its first years of operation the Institute began an unprecedented project to analyze Canadian sport, recreation and physical activity funding. The ISM Founding Partners, who all have special business interests in the advancement of sport industry knowledge, made this project possible. The Founding Partners were: Royal Bank Financial Group, Pepsi-QTG, Frito Lay, Toronto Blue Jays, Ottawa Senators, Montreal Alouettes and IMG. Through June 2006 the Founding Partners provided \$505,000 plus \$75,000 VIK to fund the initial project.

The ISM became an official research centre of Laurentian University on July 17th, 2007. The ISM is co-directed by Dr. Norm O'Reilly and Dr. Ann Pegoraro. Now, its second year as an official LU research centre the Institute is taking on over 50 high impact projects revolving around amateur and professional sport, sport sponsorship, and developmental studies to find new knowledge in the sport industry.

The ISM is located on campus at Laurentian University close to the Sports Administration and Commerce offices in a portable behind the Fraser Auditorium. Acquiring office space for research associates was instrumental in creating an environment where the associates work closely with Dr. O'Reilly and Dr. Pegoraro. The ISM building has space for 8-10 research associates, providing an environment

for constructive research methods and progressive thinking techniques. As they say, ten heads are better than just one.

Projects and Tasks

As an ISM research associate I worked on a variety of projects throughout the summer but most of my time was spent on the Havlat Study and the Maple Leaf Sport and Entertainment Case Study. All projects and tasks that I was a part of are listed and described below. Followed by an evaluation of my individual performance, including strengths and weaknesses, areas for improvement and finally my personal goals prior to and after my internship are discussed. While reading the following please note that I am still working with the ISM on a part-time basis and some projects are ongoing.

Havlat Study

The initial project given to me by Dr. O'Reilly was on the four major leagues in North America (NHL, MLB, NFL, & NBA) and their salary cap systems. The project will determine whether or not the salary cap has benefited the leagues in terms of competitive balance. To do this, an immense amount of data needed to be collected on the player's; their salaries, career statistics, awards, etc. The time period for the study is unique for each league, as they have implemented the salary cap at different times. For the NBA it is the early 80's that are of interest, the NFL instituted a salary cap in 1990's, while the NHL and MLB data is from the early 2000's. For each league we looked at the three years before and the three years after the implementation of the salary cap.

To determine the competitive balance in the league the first step was to determine the star power of each team based on their players. The first metric used was the salary of each player, for example in the NHL a player making over \$5

million per season was considered a marquee player. A second metric was the number of times a player was part of the All-Star game in past ten years, a player making more than 2 appearances in last ten years was declared a marquee player. The third metric was a measure of the individual player accomplishments; any player that won more than two league awards in last ten years was also declared a marquee player.

For this project I was the lead research associate, while Tyler Aird (fellow research associate) acted as my support. As there was an immense amount of data to collect and manipulate, Tyler Aird contributed by gathering all the MLB data, which is still to be manipulated. The NHL data for the project is complete. These two leagues proved to be the easiest to complete simply because of the readily available data since the recent implementations of their salary cap systems. However, since the NBA salary cap came into existence in 1984 it has been a difficult task to collect all the necessary data. For example, Dr. Rodney Fort, a very respected sports economist, originally found the salary data for the NBA section that I have collected. For the six seasons in total, only two are complete, for the three earliest seasons five teams have no data, and for four of the seasons salaries have been estimated. NFL salary data from the 1990's is not readily available from a reliable source. Therefore, this project has posed some difficult obstacles in terms of data collection.

In order to overcome these obstacles I have done research on competitive balance and different ways to measure this notion. One way is to use a ratio of the ideal competitive balance to the actual, which compares the dispersion of winning

percentages of teams either in season or from season to season to determine competitive balance. Obviously, it is optimal to have relevant salary data and compare all four leagues in the exact same way. However, at this point in the project with some data currently being unavailable the only constant method of comparing competitive balance in all four leagues will be to use this method as well as the Herfindahl-Hirschman Index as background insight to the competitive balance of these leagues. This project is ongoing; target completion of data is December 4, 2008.

MLSE – Developing a Model for Professional Sport Franchises

Dr. Norm O'Reilly has embarked on a developmental study, attempting to design a model for professional sport managers with respect to player's contracts, facilities, brand power, sponsorship, and management contracts. The project has resulted in an initial design of a standardized portfolio of assets that make up a professional sport franchise or conglomerate. This was done by partnering with Richard Peddie, President of Maple Leaf Sport and Entertainment (MLSE), to conduct an in-depth case study providing accurate information on salaries, sponsorships, and practitioner insights to the development of this model. The study uses grounded theory as a means of determining the appropriate model (portfolio theory) to apply to the MLSE case study. This paper by Dr. O'Reilly will be soon be submitted to a peer-reviewed journal.

My tasks on this project included reading many peer-reviewed articles, editing new versions of the paper, adding material that I found in my research, editing and creating/condensing appendix material for the paper, and creating the

criteria for a risk evaluation of MLSE's Toronto Raptors, and applying those criteria in an evaluation. Most of my time this summer was spent on this project, as it required high quality rate of production and attention. It should be mentioned that this study took a grounded theory approach and then applied the use of portfolio theory to pull everything together. It was one of my responsibilities to do the research for the methodology section of the paper. This was where I read many papers on all kinds of studies that used; (i) grounded theory research, (ii) the case study method, and; (iii) portfolio theory.

The premise of grounded theory is to be used for studies where concrete, inarguable data is not available as a means of finding the theory that lays grounded in the data. Because this was a developmental study, grounded theory proved to be a correct method for creating the model. The use of portfolio theory is extremely important, it is the model in the simplest of explanations. The study has a created a portfolio of assets which each team has, the assets for each team are similar to some extent, however, the risk associated with each asset is very much different for each team. For example, MLSE sponsorship as an asset in the portfolio is made up of every sponsorship contract they have, each is given a risk rating based on value, substitutability, relationship with the sponsor, and so on. MLSE has enough low risk sponsorship contracts to say that overall sponsorship is a low risk asset for them. Contrastingly, the risk of these assets changes from day-to-day, with the young, unproven team they have now, they might say that overall their player's contracts asset is somewhat risky.

If it has not become evident to this point, this was the project that I was most proud of being a part of this past summer. Tyler Aird and I earned an acknowledgement on the paper for our work, something that will be on my CV for years to come.

Gatorade and ISM Research Project

One of the smaller tasks I was given this summer was do an initial report on the history of Gatorade, its origin, sponsorships and company profile. Dr. O'Reilly had an interview with a Gatorade brand executive to develop a research project collaboration with the ISM. Recently, this project has taken its full form as per the press release on October 15, 2008. The ISM and Pepsi-QTG, owner of the Gatorade brand, have teamed together for a three-year research study to develop new knowledge and best practices for students and future practitioners on sport marketing and sponsorship. A perfect marriage of one of the most recognizable sport brands in North America and the dedication to expanding sport knowledge and opportunities for students and professors at Laurentian University.

Although my task on this project was a small one, it has now turned into the flagship project of the ISM. One of the ISM's longest standing researchers Anne Parisé is the lead on this project and will work with Dr. O'Reilly to indeed prove that the ISM is an important part of the sport industry and to continue to make strides towards ground breaking discoveries.

Canadian Cancer Society Project

In an effort to assist other ISM research associates I was asked to collect Community Profile data on the 50 largest cities in Canada using the STATCAN website. The Canadian Cancer Society is involved with the ISM on a research project regarding donations received from Canadian citizens. My knowledge of this project is limited but I do know that the project is very important, not only because it is for the Canadian Cancer Society but because of the great lengths and hard work my fellow associates have taken to produce the best quality findings that will assist the Canadian Cancer Society in their mission.

Racial Diversity of Spectators and Players in Professional Sport

Dr. Ann Pegoraro is conducting a study on the racial diversity of players and spectators in professional sport. My task on this ongoing project was to produce a racial profile of NHL player's from 2000 to 2008. This required all the names of every player that played in the league in the set time period. Followed by an internet search for pictures of each player and a record of their ethnicity. Other ISM researchers completed the same task for the NBA, MLB, MLS, and NFL, which I also helped to complete. Dr. Pegoraro has been attending sporting events from all of these leagues, taking pictures of the fans at the games in an attempt to create a racial profile of the fans of these teams as well as their players. Findings will be compared to the community profile of the cities themselves to see if there is any link between the racial make up of the city, its pro sport teams, and the spectators of those teams. Once Dr. Pegoraro has all the photos on file, it will my job as well as other researchers to profile the fans of each game that was attended.

Ottawa/Buffalo Data Collection

During my first month at the ISM, myself, Tyler Aird, an MBA student and former SPAD Grad, Chris Pirie, and classmate Mike Conroy were approached by Dr. O'Reilly and Dr. John Nadeau of Nipissing University with an opportunity to go on a data collection trip to Ottawa, ON and Buffalo, NY. We administered and collected surveys for two research projects: the first was Chris Pirie's thesis survey on the Ottawa Senators' and Buffalo Sabres' variable ticket pricing strategies, and; the second was a survey on the Beijing Olympic Sponsors, the perceptions of those sponsors and host city from a Canadian and American perspective. The team of ISM researchers that went to Beijing for the Games also conducted this survey for the Chinese population.

The trip was quite the experience to say the least, as a group we encountered several problems and issues as none of us had ever gone on this type of excursion. However, the learning curve was steep, after drastically failing to hit our survey quota on the first day we had to find a better approach to meeting our survey requirements. Because of the length of each survey, about 10 minutes or more to complete each, we found the best way to get people to fill out the surveys was to get them when they were already seated or not looking very busy. Our survey locations in Ottawa included the downtown Market, the Rideau Centre, and two other large malls as well as personal contacts at certain locations.

In Buffalo, most of our surveys were collected at the Walden Galleria Mall in Cheektowaga. After spending several days in Ottawa we knew what we had to do however, we encountered a new dilemma, too many Canadians. Almost 1 in 3

people or groups approached in Buffalo were Canadian citizens visiting Buffalo for a shopping trip. Nevertheless, we got all the surveys we needed from a few different malls as well as a Buffalo Bisons' home game. Overall, it was great learning experience and a head first dive into survey data collection, a fond memory from my summer with the ISM.

Grassroots Soccer Paper

One of final projects given to me by Dr. O'Reilly was to write a research paper about grassroots soccer; more specifically it will be a call for more research in the field. The paper has yet to be completed, however, it will be in final form in the coming weeks. Initially, I was asked to do a literature review for articles about grassroots soccer, youth soccer, and amateur soccer without much more knowledge of the project than just that. Upon not being able to find anything Dr. O'Reilly had proven his point and gave me the opportunity to get a publication, targeted for the Journal of Sponsorship. Although that day is far away at this point, this is also a project that I've considered myself lucky to be a part of and eager to complete. To date, this project has required a heavy amount of reading peer-reviewed articles, an in-depth study of the history of soccer, and much time building the paper in journal submission format.

Individual Analysis of Performance

Strengths

As a research associate I feel that my strengths, as would most people, lie in the areas where they have success. When I think of the ISM and my personal successes I look to the research and written material I produced. I feel that my writing abilities teamed with thorough research of the topics produced strong documents and material for my supervisors. Understanding and following directions was the key to most of my success this summer. For all the tasks and projects I have been given I'm confident that when they were completed and those that will be completed will be exactly what I was asked to do and of high quality.

Weaknesses

It has been proven that for every action, there is a reaction. At this point in my career it is evident that; for every strength, there is a weakness. Therefore, with all the written material and research I completed this summer, it came at a price, time. Time management really is an art and something I am still learning. Although, this was a weakness, I do believe that it had improved by summer's end. A significant amount of my time at the ISM was spent working either as a Lead or Support to a project. Using effective teamwork/leadership skills was an issue. Delegating tasks between two people proved to be harder than it should have been. Often times jumping to Part B when Part A had not been fully explored. Over the summer after my colleagues and I became more familiar with each other's strengths and weaknesses, these issues seemed to resolve themselves.

Areas for Improvement

As with any project or assignment there are bound to be areas where one could have made an improvement. The areas that I have identified as needing improvement in my own work are time management and teamwork effectiveness. I have mentioned that time management was an issue I struggled with during my internship. I believe that it is something I will have to keep working at and eventually it will come. Even now that my internship is over, I am still working with the ISM as well as attending classes and dealing with other responsibilities. I would not say that my time management skills were a detriment to my performance at the ISM, it is simply something that I believe I can do better. Knowing this gives me optimism to embark on new challenges and projects.

Teamwork skills are something the Sports Administration and Commerce programs focus on very heavily as it is a reality of working in the business sector. Trying to become a better team member is another area that I focus on when evaluating my performance. I have been a member of successful sports teams as well as academic groups and there are always different challenges for different situations. At the ISM, the challenge was to work with the same people day-in and day-out and be able to listen to different ideas and perspectives as they relate to your own work. Building in the viewpoints of others into my work is an area I can improve.

Transferable Management Skills

Working as a research associate has taught me much about the academic research process, something I had little knowledge of before my placement at the ISM. While management skills may not be the appropriate term to describe what I've learned here, I have learned about dedication to a cause and striving to break new ground through one's work. I've learned to start with nothing more than an idea, to go on and create, build, and develop something that is my own for the betterment of an industry that I truly believe in. It is with these skills that have taught me to be a motivator for myself as well as others, a valuable management skill that will help me in the future. What you get out of any project is equal to what you put into it. By working with Dr. O'Reilly and Dr. Pegoraro, I have been shown how to successfully manage a group of people, which is the managerial skill I have most learned about during my time with the ISM.

Personal Objectives

My personal objectives relating to my internship prior to my placement with the ISM were to obtain a placement in Sudbury or to land a high profile internship with a pro sport team or consumer product industry leader in sports. This process was more difficult than I had expected. After applying for many high profile internships with no success, I was given this opportunity to stay in Sudbury and work at the ISM. This was constant with my initial goals, however, I accepted this position with new objectives in mind. I needed to expand my experience within the sport industry and needed to improve my CV. The ISM was the perfect placement for a person in my position. I was able to work on many significant projects, get a

valuable experience working with respected sport industry researchers, and have worked my way to a better looking CV through my accomplishments this summer.

As a result of my placement with the ISM I have a new goal, to apply for the SPAD-MBA program. After working closely with the professors and students of this new program, it is something I wish to pursue myself. I have been intrigued and inspired by the academic side of our Sports Administration program and am excited to find out how far it will take me.

Conclusion

It is safe to say that my time at the ISM this past summer was time well spent. I was fortunate enough to work with two great professors in Dr. Norm O'Reilly and Dr. Ann Pegoraro. As well as the ISM team who were a wonderful group to be around for 4 months. I continue to value my time with the ISM as I am still a part of the team on a part-time basis. Overall, I was challenged in a way that will help me in the future, and I've discovered a new path to take. I cannot say much more other than "Thank You!" to Dr. O'Reilly and Dr. Pegoraro and the entire ISM team.