

Nhl

Media, Television



Decision and Background: Rick Dudley, Commissioner of the NHL, must decide to achieve growth in fan base and exposure through either following television as the growth driver or through nurturing a young, grassroots fan base. Gary Bettman characterized the current situation best: Hockey is a "misunderstood game... It's just suffered from underexposure." The league has been developing major television contracts, but despite doubling its annual television rights fees, the NHL's television rights were still significantly below its professional sports counterparts.

Despite these gains, the NHL's coverage in the United States remains spotty. NHL has also focused on fan development through the Pyramid model which encouraged that the best way to create a fan is to play the game. A series of grassroots marketing programs directed to reach the youth market has encouraged support of key sponsorships. Merchandise licensing brought in \$1 billion of revenue in 1994 and has been growing at an exponential rate.

Recommendation: Marketing team should focus heavily on TV Media as the main marketing channel to gain exposure and growth in fan base through advertising Hockey's image as cutting edge and entertaining. First reason being television has a greater reach to the sports audience. Secondly, there is much room for Hockey's media revenue to grow compared to football, baseball, and basketball. Thirdly, television provides greater chance of getting revenue compared to the grass roots campaigns.

NHL can promote FOX Hockey as a national brand image through more FOX advertisements that focuses on the target market of a younger audience up to 40 years old with Hockey's market offering as entertainment for the young

and hip. NHL should maximize the use of its powerful marketing network focusing especially on corporate sponsors such as NIKE which can sponsor Ads that can mutually benefit Hockey as well as the corporate sponsor's exposure in promoting Hockey as an entertaining sport to play and watch.

Basis for Recommendation: Marketing research shows that only 30.6% of total U. S. knows that FOX broadcasts weekly games. Exhibit 19 illustrates the effectiveness of promotions on FOX to increase the awareness of NHL games on FOX which supports increased TV media advertisements to promote FOX hockey as a brand image. Table A-1 through A-4 illustrates media revenues for hockey being significantly lower compared to basketball, baseball, and football.

Hockey is under-exposed as an entertaining sport to watch because lack of knowledge of the sport's rules. Assumptions and Uncertainties: This assumes the low awareness of Fox Hockey is due to FOX just recently airing hockey beginning this past year. This plan assumes that there are no strikes during the upcoming five seasons which would significantly lower media revenues depending on number games missed. We are assuming a large percentage of sports viewers are reluctant to watch hockey because it is a misunderstood sport with complicating rules.

Action Steps: Marketing team should utilize corporate sponsorship of entertaining and educational ads on TV to encourage the viewership of hockey. At the beginning of the hockey season, Pop stars wearing team hockey jerseys teaching a rule of hockey through TV ads is a great way to promote hockey as a hip sport to play and watch appealing to the 18-40

years old as the target market. The increased promotion of hockey as a whole entertainment package should be implemented in the stadium as well as through media coverage, showing cheerleaders, intermission stars, and the aural experience.