

The use of social media by the sports organizations

Business



9-2 Case Study: Goodell Great (Chapter 10)

professional league sport organizations can be traced back to the year 1920. Kenesaw Mountain Landis became the first commissioner of Baseball to be appointed in the aftermath of the Black Sox Scandal. The other major professional leagues within North America also established the role of commissioner to replace the positions of league president. The National Football League (NFL) appointed its first commissioner in the year 1941. The forces that led to emergence of the role of commissioner in professional sports organizations include; need to curb corruption in sports organizations, dispute resolution between league members, and administration of punishment to players whose conduct become detrimental to the integrity of the game or league. The powers of commissioner to administer punishment to offenders are granted under the “ best interest” authority.

There are several factors that are likely to influence organizational change in NFL that include; promising economy, social media, and internal policies. First, according to Sports Xchange (2015, p. 6), NFL and its 32 teams recorded a total of \$1.07 billion in sponsorship revenue; a 5.7% increase from the year 2012. The economy is expected to continue raising for the period of the next five years. Therefore, the organization of NFL will have to change to increase accountability of all officials in order to assure the sponsors of effective management of the financial resources. Secondly, NFL has been experiencing increasing influence of social media to determine public opinion on various decisions. For instance, fans are allowed to use the Twitter handles @NFL or @NFLCommish to express their feelings about any

major decisions made by the League's officials. This trend is likely to continue for the next five years hence forcing the organization to change how it makes its major decisions to avoid negative critics that might damage the reputation of the league. Thirdly, the League's internal policies have been changing over time. For instance, the personal-conduct policy has undergone through various changes hence forcing the commissioner to adapt to new ways of making judgments. This trend will force the League's organization to change within the next five years in order to accommodate the changing policies. However, the change might be refrained by the internal conflicts that are currently being faced in the League between Roger Goodell and other stakeholders. They dispute the commissioner's decisions terming them to be based on public opinion rather than the set rules of NFL.

Baltimore Ravens is a franchise in NFL that is based in Baltimore, Maryland. During March 27th, 2000, Steve Bisciotti purchased 49% of Ravens shares in a deal that allowed him to purchase the remaining 51% for \$325 Million from Art Modell. On April 9th, 2004, NFL approved Bisciotti's purchase of the majority stake of the team. There are two major approaches that are used to calculate valuation of professional league sport franchise that include; market/sales comparison and income approach. The market/sales comparison investigates the difference between the franchise to be valued and other recently traded franchises. On the other hand, income approach calculates value of a franchise according to direct reflection of the current value of the expected net cash flow earned since existence of the franchise. Professional leagues such as NFL of USA and Australian Football League of Australia follow a franchise and closed membership structure. The club

participants of the league are known as franchises, and they are allowed to field one team each. The best teams in a season face each other in a play-offs tournament in order to crown the winner as the champion of the league. They do not have relegations. However, the Super League of France was played using the franchise system from the year 2009 to 2014 before changing to promotion and relegation model in the 2015 season. The promotion and relegation model demotes the last teams in the league to a lower division while promoting the best teams of the lower division to the main League.

Sports organizations use social media to reach out to many fans around the globe and also entice potential businesses and individuals to become their sponsors. They have come up with webpages on social sites such as Facebook and also Twitter handles to promote discussions among fans hence making their brands to gain popularity. They also use social media as platforms to create good public image and awareness of their teams hence attracting support from the society.

References