

Big leagues turn to big \$ponsor\$

By HILARY KRAMER

How much would you pay to smell like a professional football player?

While it's unlikely anyone on the gridiron smells sweetly, for just \$27.50 you can buy the pro football scent in a NFL-licensed fragrance kit.

While the economics of professional sports have changed dramatically in the past decade, the major sports leagues may only be scratching the surface of the fortune they can mine via corporate sponsorships.

As salaries have continued to skyrocket, sports sponsorship revenues have grown to \$7 billion to offset those rising costs.

Taking cues from the wildly popular NASCAR — where drivers and their race cars are covered in corporate logos — traditional sports now have on them at least one sponsor's brandname.

Major League Baseball recently announced four-year licensing deals worth a minimum of \$500 million divided between seven primary licensees, each holding rights to a variety of very specific apparel items, from authentic jerseys to celebratory caps.

"For the past 30 years, sponsorships have grown 10 percent to 15 percent per year while average growth for advertising has

been only 1 percent to 3 percent," said Dean Bonham, chairman of sports marketing firm The Bonham Group.

Between 1999 and 2002, both sponsorships and ticket sales grew about 25 percent each, but TV ad sales fell nearly 10 percent.

Of all the team sports leagues, the NFL is hands down the licensing leader, with over \$3.1 billion in annual licensing revenue.

According to trade publication License!, the NFL generates more licensing revenue than all but three companies, two of which are Walt Disney and Warner Brothers.

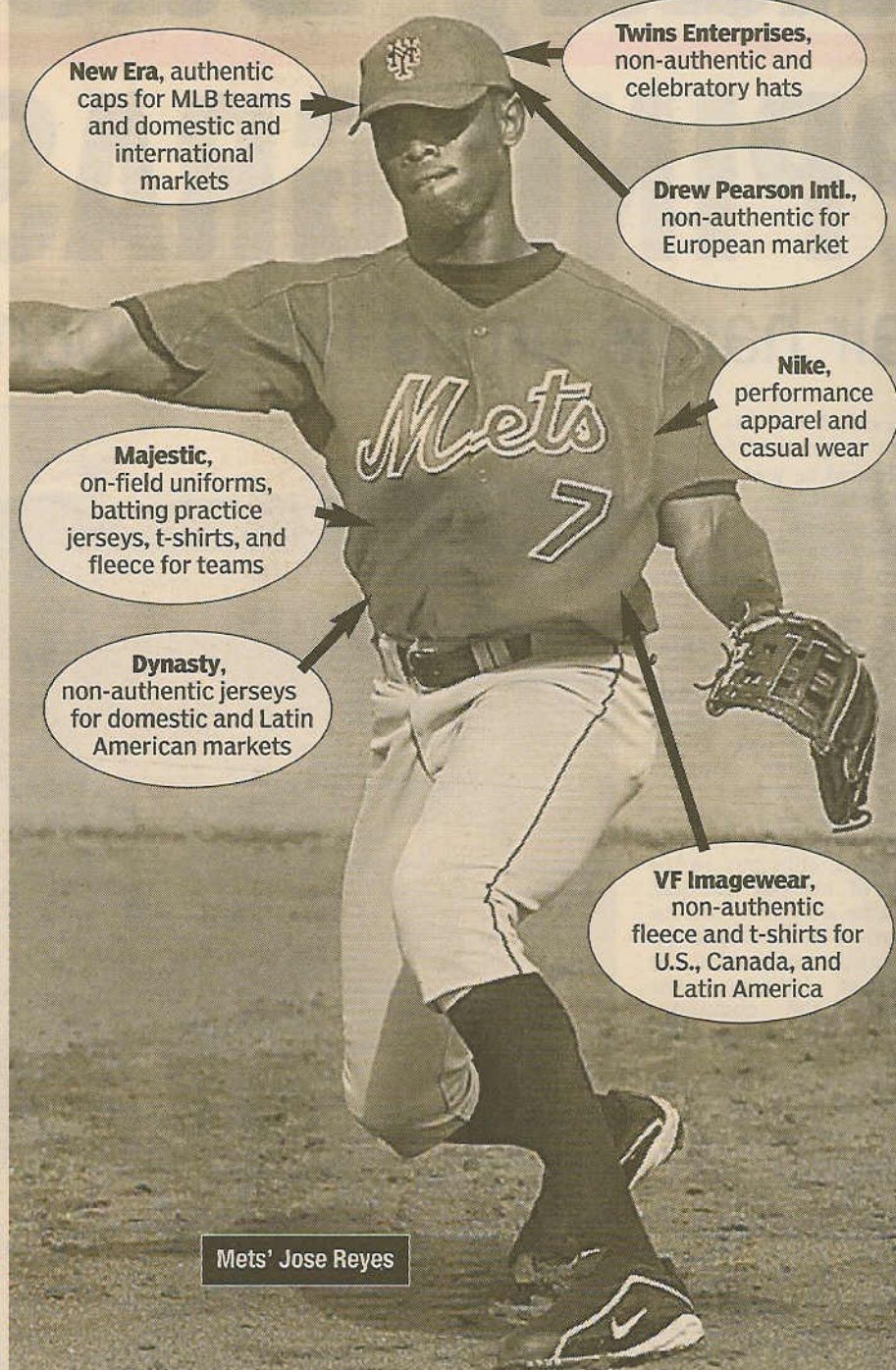
Arena-naming rights is another popular option. "Sponsorships flow right to the bottom line," said Sal Galatioto, head of the sports advisory group at Lehman Brothers. "Since it costs nothing to rename a stadium."

These deals are not without risk. The Houston Astros had to find a new ballpark sponsor after Enron went belly-up, and NFL teams similarly had to replace bankrupt stadium sponsors PSI Net and Adelphia Communications.

Hilary Kramer can be seen on "Cashin' in" every Saturday morning at 11:30 on the Fox News Channel.

Money players

Major League Baseball recently signed \$500 million worth of sponsorships with apparel companies. Here's what companies ponied up to get in the game:



New Era, authentic caps for MLB teams and domestic and international markets

Twins Enterprises, non-authentic and celebratory hats

Drew Pearson Intl., non-authentic for European market

Nike, performance apparel and casual wear

Majestic, on-field uniforms, batting practice jerseys, t-shirts, and fleece for teams

Dynasty, non-authentic jerseys for domestic and Latin American markets

VF Imagewear, non-authentic fleece and t-shirts for U.S., Canada, and Latin America

Mets' Jose Reyes

Source: Major League Baseball

Credit: Jeff Zlevansky