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THE SPONSORSHIP FUNCTION IN COLLEGIATE ATHLETICS: DISCUSSING A POTENTIAL OUTCOME OF THE *JENKINS V. NCAA* LAWSUIT

John A. Fortunato, Ph.D.*

Abstract

The *Jenkins v. Nat'l Collegiate Athletic Ass'n* ("Jenkins") lawsuit is now at the forefront of the legal challenges that could forever alter the economic system of collegiate athletics. The *Jenkins* lawsuit claims that the NCAA and the five power conferences are violating antitrust laws by colluding in creating a system where all universities are restricted in only offering scholarships of equal value to players. The plaintiffs are seeking a ruling that will essentially create a system where there is competition in the recruitment and compensation of players. If a court ruling produces this open market system, universities will need additional financial resources to offer the requisite compensation packages to attract players. Sponsors would appear to be willing to provide those resources because of the advantages of this promotional communication strategy. The purpose of this article is to analyze the potential role that sponsors will have in a free market, collegiate athletics economic system.

Introduction

The economic system of compensating college athletes through a scholarship that only covers tuition, university fees, room and board, and required course books is facing unprecedent-

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ed legal and public scrutiny. The *Jenkins*[1] lawsuit is now at the forefront of the legal challenges that could forever alter the economic system of collegiate athletics. The *Jenkins* lawsuit claims that the National Collegiate Athletic Association ("NCAA") and the five power conferences, Atlantic Coast Conference ("ACC"), Southeastern Conference ("SEC"), Big Ten, Pacific ("Pac") Twelve, and Big Twelve (collectively, "power conferences"), have colluded in creating an economic system where all universities can only offer scholarships of the same value. The argument of the plaintiffs is that the fixed limits of the collegiate athletic scholarship system is a violation of antitrust laws because it has "artificial restraints imposed on athlete compensation"[2] and that legal action "is necessary to end the NCAA's unlawful cartel, which is inconsistent with the most fundamental principles of antitrust law."[3]

The plaintiffs are seeking a ruling against the NCAA and the power conferences that will essentially create a system where there is competition in recruiting players while allowing the players to receive compensation packages that will be commensurate with their talents. A certain result of a court ruling that produces this competitive open market system is that universities will need additional financial resources to offer the requisite compensation packages to attract players. Universities will be faced with a couple of options: (1) cut costs largely through eliminating non-revenue generating sports programs; (2) increase the subsidy that is provided to the athletic department; (3) increase donations; or (4) increase revenue from traditional sources, such as broadcast or sponsorship. With many collegiate conferences having signed

[1] Complaint and Jury Demand for Plantiff, Jenkins v. NCAA, Case No.3:33-av-0001 (D.N.J. filed Mar. 17, 2014), *available at* http://a.espncdn.com/pdf/2014/0317/NCAA_lawsuit.pdf (last visited Mar. 27, 2015).
[2] *Id.* at 6.
[3] *Id.* at 2.

broadcast contracts through the next decade,[4] an increase in revenue through sponsorship surfaces as the most plausible option.

Sponsorship of sports properties has many advantages as a promotional communication strategy, including the ability to negotiate all of the parameters of the agreement, product category exclusivity, developing and communicating a brand association, and enhanced opportunities for brand exposure and brand recall in the hopes of obtaining sales. Sponsorship of collegiate athletics is particularly appealing because companies are reaching an age group that has not established brand preference in a variety of product categories. College sports fans have also been shown to be passionate and loyal toward their university with researchers demonstrating that these emotional characteristics can result in consistent behaviors, including the purchase of sponsors' products.

The purpose of this article is not to debate the legality of the collegiate athletic scholarship system on antitrust grounds. The purpose rather is to examine one particular ramification of a ruling against the NCAA: the potential role that sponsors will have in a free market, economic system of recruiting and compensating collegiate athletes. With the universities needing revenue, sponsors would appear to be willing to provide those resources because of the advantages of this promotional communication strategy. However, an increased presence of sponsorship money could very well have unintended consequences in the players recruitment and compensation process, making this potential outcome worthy of analysis.

In order to better analyze the *Jenkins* case from a sponsorship perspective, it is necessary to discuss the arguments of the plaintiffs, to understand the practice of sponsorship and the benefits of this promotional communication strategy, and to describe

[4] Michael Smith & John Ourand, *ACC Turns Attention to Network of Its Own: Current College Television Deals*, STREET & SMITH'S SPORTS BUSINESS JOURNAL, 6 (May 6-13, 2013) (the Big Ten Conference is the next power five conference to negotiate new broadcast rights with its current contracts set to expires after the 2016-2017 collegiate season).

the current revenue sources, including sponsorship of the NCAA, collegiate conferences, and universities.

Jenkins v. NCAA Plaintiff Argument

The *Jenkins* lawsuit was filed on March 17, 2014, in the United States District Court in New Jersey.[5] The lead plaintiffs are Division I athletes Martin Jenkins, Johnathan Moore, Kevin Perry, and William Tyndall.[6] The class action covers all NCAA Division I football and basketball players who received or will receive a full athletic scholarship from the date of the complaint through the final resolution of the case, including appeals.[7]

The core allegation of the *Jenkins v. NCAA* lawsuit is that the NCAA has colluded with the five power conferences to create a system that restricts what universities can offer to athletes in the form of a scholarship.[8] This restrictive system limits competition and the athletes earning capability by not permitting them to shop their talents on an open market. The complaint filed with the court states, "instead of allowing their member institutions to compete for the services of those players while operating their businesses, defendants have entered into what amounts to cartel agreements with the avowed purpose and effect of placing a ceiling on the compensation that may be paid to these athletes for their services."[9] It then goes on to add that, "as a result of these illegal restrictions, market forces have been shoved aside and substantial damages have been inflicted upon a host of college athletes."[10] Overall, the plaintiffs contend that the collegiate players are "exploited"[11] and "suffer severe and irreparable harm"[12] and that most

[5] Complaint and Jury Demand for Plaintiff, *supra* note 1.
[6] Complaint and Jury Demand for Plaintiff, *supra* note 1.
[7] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2.
[8] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2.
[9] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2.
[10] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2.
[11] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2. The notion of "exploited" is certainly debatable. The complaint makes no mention of the benefits that the players are receiving, such as high-level coaching, exceptional training facilities and trainers, medical staff, competition that will allow them to

class members "will not receive *any* economic benefit from their roles in generating billions of dollars for FBS football and D-1 men's college basketball."[13] It is important to note that on this point, the universities would counter that it is the revenue generated from football and men's basketball that funds all of the non-revenue generating sports.

The legal argument is that this restrictive, anti-competitive system is a violation of antitrust laws. The antitrust laws of the United States are designed to protect the economic competitiveness of a marketplace by combating trusts and other arrangements that have the potential to restrain trade.[14] Petty explains that antitrust laws are particularly concerned with a lack of competition by means of collusion, or "competitors agreeing with each other to restrict competition."[15] The collegiate athletics scholarship system is agreed to by all of the NCAA member universities and reaffirmed in the power conferences own constitution and bylaws.

Through their collegiate athletic scholarship (termed by the NCAA as a full-grant-in-aid) players receive tuition, university fees, room and board, and required course books. All of these scholarships are of equal value, meaning that the starting quarterback receives the same scholarship benefits as the backup quarterback. Ultimately, the lawsuit seeks to recognize the players' athletic talent in determining compensation. This talent factor can certainly impact university revenues through ticket sales, merchan-

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show their talents that could improve their professional opportunities, and admittance into some of the most prestigious educational institutions in the world.

[12] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 35.

[13] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 35 (emphasis original).

[14] EARL W. KITNER, AN ANTITRUST PRIMER: A GUIDE TO ANTITRUST AND TRADE REGULATION LAWS FOR BUSINESSMEN 15 (The MacMillan Company 2d ed. 1973); s*ee Standard Oil Co. v. United States*, 221 U.S. 1, 58 (1911); *see also Spectrum Sports, Inc. v. McQuillan*, 506 U.S. 447, 458 (1993).

[15] ROSS D. PETTY, THE IMPACT OF ADVERTISING LAW ON BUSINESS AND PUBLIC POLICY 131 (1992).

dising, and appearances in football bowl games or advancement in the NCAA basketball tournament. Fan interest in a university team would also have appeal to sponsors.

The complaint further contends that despite the universities intensely competing for players in recruiting, the player receives no additional benefits beyond the equal scholarship as a result of this competition. The plaintiffs' argument is that because all universities offer identical compensation, having several universities offer an athlete a scholarship is seemingly irrelevant. As explained in the plaintiffs' complaint, "[f]or decades, NCAA institution have ferociously competed with each other for the services of football and men's basketball athletes, but only within the constraints of the rules that prohibit any financial compensation to athletes beyond the price-fixed limits set by the NCAA and its conferences."[16] The variables that are driving the decision of a player regarding which university to attend are not monetary, but rather based on the coach, university location, conference affiliation, university academics, potential playing time, or any other variable the player deems relevant.

Three other core arguments are proffered in the complaint filed with the court. First, for football and basketball players there are limited opportunities to compete in their sport during their college-age years. The age that the players can enter the professional leagues is determined through collective bargaining agreements between the leagues and their respective players' associations.[17] The National Football League ("NFL") does not allow players to enter the league until three years following their high school graduation and the National Basketball Association ("NBA") does not allow players to enter the league until they are nineteen.[18]

[16] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 25.
[17] Steve E. Cavezza, *"Can I See Some ID?": An Antitrust Analysis of NBA and NFL Draft Eligibility Rules*, 9 U. DENV. SPORTS & ENT. L.J. 22, 24 (2010) (discussing the NBA's age rule).
[18] *Id.*

Second, the rules limiting what athletes receive are strictly enforced with sanctions imposed on universities found to have been providing improper benefits to players. In a recent example, the University of Southern California ("USC") had both its football and basketball teams sanctioned after the NCAA concluded that football star Reggie Bush and basketball star O.J. Mayo received extra benefits.[19] The USC football team received a two-year postseason ban and the loss of 30 scholarships over three years.[20] The NCAA accepted USC's self-imposed penalties for basketball, which included the loss of two scholarships and the return of the $206,000 the university received for participation in the NCAA tournament the year Mayo was a member of the team.[21] Historically, the most notable incident of sanctions being imposed for improper benefits given to players was Southern Methodist University receiving the "death penalty" causing the university not to field a football team in 1987 and 1988.[22]

Third, the plaintiff's complaint points out that there is competition in other aspects of collegiate athletics. Athletic directors and head coaches routinely leave one university to take the same position at another, customarily at a higher salary. In 2013, the University of Texas hired former Arizona State University athletic director Steve Patterson to be its new athletic director.[23]

[19] Gary Klein, *For USC Athletics, NCAA Sanctions Are Ending, But Effects Remain*, L.A. TIMES (June 7, 2014), available at http://www.latimes.com/sports/usc/la-sp-usc-ncaa-sanctions-20140608-story.html#page=1. Klein also documents that The Ohio State University's football program lost nine scholarships when it was found that players received free tattoos in exchange for jerseys and other gifts and that then head coach Jim Tressel lied to NCAA investigators

[20] *Id.*

[21] *Id.*

[22] *See* DAVID BLEWETT, THE PONY TRAP: ESCAPING THE 1987 SMU FOOTBALL DEATH PENALTY (2012); *see also* DAVID WHITFORD, A PAYROLL TO MEET: A STORY OF GREED, CORRUPTION & FOOTBALL AT SMU (2013).

[23] Anthony Green, *Steve Patterson Selected as UT's Athletic Director*, THE DAILY TEXAN (Nov. 6, 2013), http://www.dailytexanonline.com/news/2013/11/05/steve-patterson-selected-as-ut%E2%80%99s-athletic-director.

Patterson's five-year contract started at a salary of $1.4 million with 2.5% annual increases.[24] His compensation package also includes a $100,000 bonus each year if the NCAA or the Big Twelve conference finds no major infractions.[25] In 2014, the University of Texas hired Charlie Strong to be its new head football coach, agreeing to a five-year contract worth more than $25 million.[26] Strong was previously the head coach at the University of Louisville.[27]

The complaint continues to argue that there is no fixed ceiling on the compensation of coaches. The complaint submits as evidence the summary judgment in *Law v. Nat'l Collegiate Athletic Ass'n* that was upheld by the Tenth Circuit Court of Appeals, holding that the previous policy of having a coach as part of the staff with restricted salary of $16,000 was found to be an antitrust violation.[28] Essentially, the argument of the plaintiffs on this point is simply if a restrictive compensation system is not permissible for coaches because of antitrust laws, why should it be legally permissible for players?

<u>The Sponsorship Practice</u>

Upon entering into a sponsorship agreement, the benefits to the sports property (league, team, or university) are obvious, as it adds another major revenue stream to its business. These agreements have offered a series of benefits for the sponsor as well, in the hope of obtaining sales, such as obtaining brand exposure, achieving brand recall, enhancing brand image, achieving a

[24] *Id.*
[25] Richard Tijerina, *Details on Steve Patterson's Contract*, STATESMAN (Nov. 11, 2013), http://www.statesman.com/weblogs/bevo-beat/2013/nov/11/deatils-steve-pattersons-contract/.
[26] Associated Press, *UT Regents Approve Charlie Strong*, ESPN (Jan. 13, 2014), http://espn.go.com/college-football/story/_/id?10287503/charlie-strong-contract-approved-university-texas-regents.
[27] Associated Press, *Strong in place as new Louisville coach*, ESPN (Dec. 10, 2009), http://sports.espn.go.com/ncf/news/story?id=4728620.
[28] Complaint and Jury Decision for Plaintiff, *supra* note 1, at 31; Law v. Nat'l Collegiate Athletic Ass'n, 134 F. 3d 1010 (10th Cir. 1998).

brand association with the property and its consumers, and communicating a brand theme.[29] Sponsorship has thus been defined by Meenaghan as "an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity."[30] Sandler and Shani offer a broader definition of sponsorship, emphasizing that brand association can be created between the sponsor and the property. They describe a sponsorship agreement as "the provision of resources (e.g., money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity. The providing organization can then use this direct association to achieve either their corporate, market, or media objectives."[31]

One of the primary advantages of sponsorship as a form of promotional communication is that all of the parameters of the agreement between a sponsor and a property are meticulously negotiated. Through the negotiation of a sponsorship agreement anything is possible–it is merely a matter of what the sponsor and the property decide. Cornwell explains that "sponsorship decision making is thick with negotiation, barter, and deal making."[32] No two sponsorship agreements are alike and it is these negotiated details that can help make the sponsorship flexible and customizable so as to satisfy the specific brand goals of the sponsor. For example, stadium naming rights or signage might be the ideal sponsorship strategy if the goal is brand exposure.

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[29] *See generally* JOHN A. FORTUNATO, SPORTS SPONSORSHIP: PRINCIPLES & PRACTICES (2013); *see generally* Kevin Gwinner, *A Model of Image Creation and Image Transfer in Event Sponsorship,* 14 INT. MARK. REV. 145 (1997); Norm O'Reilly & Judith Madill, *The Development of a Process for Evaluating Marketing Sponsorships*, 29 CAN. J. ADMIN. SCI. 50 (2012).
[30] Tony Meenaghan, *The Role of Sponsorship in the Marketing Communications Mix*, 10 INT. J. ADVERT. 35 (1991).
[31] Dennis Sandler & David Shani, *Olympic Sponsorship vs. "Ambush" Marketing: Who Gets the Gold?*, 29 J. ADVER. RES. 9, 10 (1989).
[32] T. Bettina Cornwell, *State of the Art and Science in Sponsorship-Linked Marketing*, 37 J. ADVER. 41, 46 (2008).

Brand exposure is often the most vital element to the success of the entire sponsorship agreement and has to be the initial achieved objective. Other sponsorship objectives might not be achieved if the brand is not noticed in that particular location. Without the brand being noticed, any audience reaction or behavior toward the brand is due to some other reason than that specific sponsorship. Sponsorship of sports properties is desirable for companies because they can receive brand exposure to the relatively hard-to-reach, male audience between the ages of 18 and 49.[33] Another benefit of sports sponsorships is the opportunity to receive brand exposure during the actual game or event when the audience is apt to be watching and not only during commercials. Sports programming is also considered DVR-proof with one estimate that only two or three percent of live sports events in the United States are viewed using a DVR.[34] Watching sports live is extremely attractive to advertisers because their promotional communication messages will be seen at their desired time.

Brand exposure can help achieve the important objective of brand recall. It is not enough that consumers are aware of the product category (insurance), they need to be aware of and have the ability to recall the specific brand name (State Farm) at the time when the purchase decision is being made. Recall is especially important in product categories where there are several competing brands or when making a purchase for the first time in a product category.

To assist with brand recall, sponsors negotiate for exclusivity within a product category. Exclusivity is valuable because it eliminates any competition that one company might receive from a rival within that product category at the sponsored event or location or with the sponsored league, team, or university.[35] The result

[33] Susan Tyler Eastman & Timothy P. Meyer, *Sports Programming: Scheduling, Costs and Competition*, MEDIA, SPORTS & SOCIETY, 97, 103 (Lawrence A. Wenner ed., 1989).
[34] *See, e.g.,* John Ourand, *World Cup 2018: Fox Sports and Gus Johnson Get Their Turn*, STREET & SMITH'S BUSINESS JOURNAL, 12 (Jul. 21-27, 2014).
[35] FORTUNATO, *supra* note 29.

of product category exclusivity could be a distinct competitive advantage for the sponsor. Miyazaki and Morgan note that "the ability to be an exclusive sponsor in one's product category presumably aids in avoiding the competitive interference that typically is experienced in other media contexts."[36] Papadimitriou and Apostolopoulou explain that exclusivity acts as a barrier to competitors who might have tried to acquire that same sponsorship or at least diffuses the promotional attempts of competitors during the time that the company is sponsoring the property.[37] The issue of product category exclusivity limiting competition has been debated in an antitrust context with sponsors being able to create environments where only their brand products are sold, such as pouring rights at a stadium or arena for a soft-drink sponsor.[38]

Another enhancement of brand recall through sponsorship is the ability to develop and communicate a brand association between the sponsoring brand and the sponsored property.[39] Dean explains that "for the payment of a fee (or other value) to the sponsee, the sponsor receives the right to associate itself with the sponsee or event."[40] He adds that "by associating itself with the sponsee, the sponsoring firm/brand shares in the image of the sponsee."[41] Grohs and Reisinger point out that, "the aim is to evoke positive feelings and attitudes toward the sponsor, by closely

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[36] Anthony D. Miyazaki & Angela G. Morgan, *Assessing Market Value of Event Sponsoring: Corporate Olympic Sponsorships*, 41 J. ADVER. RES. 9, 10 (2001).
[37] Demitra Papadimitriou & Artembia Apostolopoulou, *Olympic Sponsorship Activation and the Creation of Competitive Advantage*, 15 J. PROMO. MGMT. 90, 108-09 (2009).
[38] John A. Fortunato & Jef Richards, *Reconciling Sports Sponsorship Exclusivity with Antitrust Law*, 8 TEX. REV. ENT. & SPORTS L. 33, 38 (2007).
[39] Dwane H. Dean, *Associating the Corporation with a Charitable Event Through Sponsorship: Measuring the Effects on Corporate Community Relations*, 31 J. ADVER. 77, 79 (2002); Kevin P. Gwinner & John Eaton, *Building Brand Image Through Event Sponsorship: The Role of Image Transfer*, 28 J. ADVER. 47, 47 (1999); Erik L Olson & Hans M. Thjomoe, *Explaining and Articulating the Fit Construct in Sponsorship*, 40 J. ADVER. 57, 60 (2011).
[40] Dean, *supra* note 39, at 78.
[41] Dean, *supra* note 39, at 78.

linking the sponsor to an event the recipient values highly."[42] Additionally, Stipp and Schiavone claim the sponsorship goals assume that the target audience for the sponsorship will transfer their loyalty from the sponsored property or event to the sponsor itself.[43]

To help achieve this brand association transfer, the sponsor is allowed to communicate its association to a league, team, or university by placing a logo on product packaging and in advertisements. For example, a Coca-Cola case or even an individual can or bottle can feature the logo of a university that it sponsors. The ideal outcome for the sponsor is that the popularity and the positive image and reputation of the university can precipitate a similar favorable feeling by fans and consumers toward their brand. Fans, students, and alumni might think favorably about Coca-Cola because that company supports their university.

Brand association is especially relevant in the context of sports sponsorships because of the characteristics of sports fans. Experiencing sports has been shown to satisfy many emotional needs. Because of this emotional satisfaction, the sports audience has been described as very loyal in its behavior.[44] Funk and James indicate that the emotional and loyalty characteristics of the sports fan can result in consistent and enduring behaviors, such as attend-

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[42] Reinhard Grohs & Heribert Reisinger, *Image Transfer in Sports Sponsorships: An Assessment of Moderating Effects*, 7 INT'L J. SPORTS MKTG. & SPONS. 42, 44 (2005).
[43] *See, e.g.,* Horst Stipp & Nicholas P. Schiavone, *Modeling the Impact of Olympic Sponsorship on Corporate Image*, 36 J. ADVER. RES. 22, 23 (1996).
[44] Walter Gantz, *Reflections on Communication and Sport: On Fanship and Social Relationships*, 1 COMM. & SPORT 176, 182 (2013); Robert Madrigal, *The Influence of Social Alliances with Sports Teams on Intentions to Purchase Corporate Sponsors' Products*, 29 J. ADVER. 13, 13 (2000); BERNIE J. MULLIN, STEPHEN HARDY & WILLIAM A. SUTTON, SPORTS MARKETING (3rd ed. 2007); Daniel L. Wann, Joel Royalty & Angie Roberts, *The Self-Presentation of Sport Fans: Investigating the Importance of Team Identification and Self-Esteem*, 23 J. SPORT BEHAV. 198, 200 (2000).

ance and watching games on television.[45] The hope for sponsors is that this fan characteristic of loyalty transfers to the behavior of purchasing the brand.

Through negotiation, sponsors can enhance the emotional connection between the sports fans and the teams that they love. Something as simple as a sponsored rally towel that fans wave at the game, for example, helps perpetuate a group association and emotional connection. Researchers point out that as individuals perceive a relevant connection between a sponsor and a property, they are more likely to view the sponsor in a positive manner and their ability to identify and recall the correct sponsors of the property increases.[46] Maxwell and Lough did in fact find that the higher the fans identification with the team, the more they correctly identified team sponsors.[47] Dalakas, Madrigal, and Anderson even contend that sponsors should seek to further their brand association by capitalizing on the fans propensity for celebrating their teams' success. They suggest, for example, that sponsors try to have their name on merchandise commemorating a team victory.[48]

The sponsorship progression is that brand exposure and increased recall through strategies such as product category exclusivity and brand association can help achieve the desired consumer behavior. Several researchers have indicated that achieving sales through sponsorship is an attainable objective.[49] Harvey found

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[45] Daniel C. Funk & Jeff James, *The Psychological Continuum Model: A Conceptual Framework for Understanding an Individual's Psychological Connection to Sport*, 4 SPORT MGMT. REV. 119, 140 (2001).
[46] *See* Gwinner & Eaton, *supra* note 39, at 48; *see* Madrigal, *supra* note 44.
[47] Heather Maxwell & Nancy Lough, *Signage vs. No Signage: An Analysis of Sponsorship Recognition in Women's College Basketball*, 18 SPORT MKTG. Q. 188, 195 (2009).
[48] Vassilis R. Dalakas, Robert Madrigal, & Keri L. Anderson, *"We Are Number One!" The Phenomenon of Basking-in-Reflected-Glory and its Implications for Sports Marketing*, SPORTS MARKETING AND THE PSYCHOLOGY OF MARKETING COMMUNICATION 67, 76 (Lynn R. Kahle & Chris Riley, eds., 2004).
[49] Dean, *supra* note 39; Larry Degaris, Corrie West, & Mark Dodds, *Leveraging and Activating NASCAR Sponsorships with NASCAR-Linked Sales Promotions*,

"sponsorship changes the consumer's perception of a specific sponsor–which can rub off positively on brands that sponsor in terms of willingness to purchase those brands."[50] In specifically examining college football fans, Madrigal found that fan behavior did extend from support of a team to support of companies that sponsor and are associated with that team. He states, "loyalty toward a preferred team may have beneficial consequences for corporate sponsors. Consistent with the idea of in-group favoritism, higher levels of team identification among attendees of a sporting event appear to be positively related to intentions to purchase a sponsor's products."[51]

It should be noted that the role of sponsorship in the economic model of sports has received criticism.[52] Schiller wrote extensively about the role of the corporation in influencing the types of content and events that remain or what becomes extinct within the culture.[53] He claims that there are two choices for control of ideas or images, either "big government" or "big business."[54] He contends that corporations have emerged as the proliferators of culture and ideas, largely through their advertising or sponsorship support.[55] According to Schiller, through their economic support, corporations take on the role of validating agents for certain images, expressions, ideas, and entire entities to have an

3 J. SPONSORSHIP 88 (2009); Bill Harvey, *Measuring the Effects of Sponsorship*, 41 J. ADV. RES. 59 (2001); Madrigal, *supra* note 44; Miyazaki et al., *supra* note 36.

[50] Harvey, *supra* note 49.

[51] Madrigal, *supra* note 44.

[52] *See generally* Sut Jhally, *Cultural Studies and the Sports/Media Complex*, MEDIA, SPORTS, AND SOCIETY 70 (Lawrence A. Wenner, ed., 1989); *see generally* Michael Real, *Super Bowl: Mythic Spectacle*, 27 J. COMM. 128 (1975); *see generally* DAVID ROWE, SPORT, CULTURE AND THE MEDIA: THE UNRULY TRINITY (2nd ed. 2004).

[53] *See generally* HARVEY I. SCHILLER, CULTURE INC.: THE CORPORATE TAKEOVER OF PUBLIC EXPRESSION (1989).

[54] *Id.*

[55] *Id.*

existence within the culture. He simply claims that corporate speech is "the loudest in the land."[56]

The work of Schiller can be applied to the revenue-generating role that sponsors have in sports property economics. Because it is a negotiation, the need for revenue by a sports property could be a determinant as to whether the property or the sponsor is in a more powerful position in creating the sponsorship agreement. Properties that are desperate for revenue might be more willing to capitulate to the demands of a sponsor, putting the sponsor in a more powerful position in the negotiation. More popular properties that do not have difficulty in recruiting sponsors might not give into any of their demands knowing that there is another sponsor in that product category probably very willing to take that spot. If a popular league or university is not pleased with its current sponsor when the contract expires, it could simply offer that sponsorship to a rival company.

The criticism of corporate influence has specifically been raised in the context of collegiate athletics.[57] One example to illustrate the debate regarding increased commercialization is the sponsorship of college football bowl games. McAllister claims that sponsorship of bowl games "may serve to taint and devalue the essence of the event itself."[58] This perspective is countered by the enhanced revenue generation possibilities of these events due to sponsorship support. For example, some sponsors have made their brand the only part of the title of the bowl game. In 1996, Outback Steakhouse became the sole name of the Outback Bowl, a change from the previous name, the Hall of Fame Bowl. Jim McVay, Outback Bowl CEO, explained, "[t]his is a business. The

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[56] *Id.* at 4.
[57] Matthew P. McAllister, *College Bowl Sponsorship and the Increased Commercialization of Amateur Sports*, 15 CRITICAL STUD. IN MASS COMM. 15 (1998); Matthew P. McAllister, *Hypercommercialism, Televisuality, and the Changing Nature of College Sports Sponsorship*, 53 AMERICAN BEHAVIOR SCIENTIST 53, (2010); MURRAY A. SPERBER, BEER AND CIRCUS: HOW BIG-TIME COLLEGE SPORTS IS CRIPPLING UNDERGRADUATE EDUCATION (2000).
[58] McAllister, *supra* note 57, at 366.

College Football Hall of Fame didn't want to lose its name on the game, but schools want more money and you have to find it somewhere."[59] Farhi summarizes the debate by claiming "while traditionalists may decry the commercial exploitation of what is supposed to be a sport played by amateur student-athletes, proponents argue that sponsor fees provide something for everyone. Companies get to tout their products. Broadcasters wind up paying less for air rights. And the colleges take home fatter purses."[60]

Finally, in the context of the criticism of sponsorship influence, the characteristics of the sports fans and their response to sponsorship is worth noting. Kinney and McDaniel pose the question is sponsorship "welcomed by fans" and if consumers "appreciate sponsors contributions" to sports events? They found that forty percent of their sample agree or strongly agree that sponsorships help keep ticket prices down, with another twenty percent of respondents neither agreeing nor disagreeing.[61] If not a direct reduction in ticket costs, sponsorship support can provide added value to the experience of attending a game, such as sponsoring a promotional giveaway.[62] Sports fans also could believe that sponsorship revenue can give a team a greater ability to acquire more talented players. Zhang, Won, and Pastore found that die-hard fans had a positive attitude toward commercialization because they felt sponsors were helping their team.[63] They found that positive attitude toward commercialization along with high team identifica-

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[59] Eric Matuszewski, *Even Traditional Rose Needs Corporate Help,* HOUS. CHRON., January 4, 2002, at 1.

[60] Paul Farhi, *Big Business Creating Bowls Full of Money: Sponsors Pouring Dollars into College Football Finals, Other Events,* WASH. POST, A1 (Dec. 31, 1988).,

[61] Lance Kinney & Stephen R. McDaniel, *American Consumer Attitudes Toward Corporate Sponsorship of Sporting Events*, SPORTS MARKETING AND THE PSYCHOLOGY OF MARKETING COMMUNICATION 211 (Lynn R. Kahle & Chris Riley, eds., 2004).

[62] *Id.*

[63] Zhu Zhang, Doyeon Won, & Donna L. Pastore, *The Effects of Attitudes Toward Commercialization on College Students' Purchasing Intentions of Sponsors' Products*, 14 SPORT MKT. Q. 177 (2005).

tion did contribute to purchase intention of sponsors' brands.[64] Woisetschlager, Eiting, Hasselhoff, and Michaelis even argue that, ideally, the sponsor should be publicly credited with helping a team sign a key free agent player.[65]

Collegiate Athletic Funding

University athletic programs receive money from revenue generated by the NCAA, their affiliated conference, and their own revenue streams. The top forty university athletic departments in terms of total revenue all earn more than $70 million.[66] However, of these forty universities, only seven receive no subsidy in the form of student fees, university support or state government support. [67] Another four universities receive less than a one percent of their total revenue through a subsidy.[68] Of the top forty universities, only eighteen athletic departments have higher total revenue than total expenses prior to factoring in their subsidized contributions.[69] The University of Texas has the highest total revenue with over $165 million and total expenses at $146,807.[70] The Texas athletic department receives no subsidy.[71]

The athletic program budgets are already beginning to face additional pressure. In August 2014, the NCAA Board of Directors voted to grant autonomy to the power conferences to pass legislation without the support of the other Division I conferences, thus allowing them to develop the rules that may provide

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64 *Id.*
65 David Woisetschläger, Alexander Eiting, Vanessa J. Hasselhoff, & Manuel Michaelis, *Determinants and Consequences of Sponsorship Fit: A Study of Fan Perceptions*, 3 J. SPONSORSHIP 169 (2010).
66 Steve Berkowitz et al., *NCAA Finances*, USA TODAY SPORTS (Oct. 6, 2014, 1:46 PM), http://sports.usatoday.com/ncaa/finances/.
67 *Id.*
68 *Id.*
69 *Id.*
70 *Id.*
71 *Id.*

greater player benefits.[72] In October 2014, the power conferences offered their suggestions of player benefits, including funding the full cost-of-attendance (estimated at a range of between $2000 and $5000 per player[73]), four-year scholarship guarantees, lifetime scholarship guarantees to allow athletes to return to school to complete their degrees, and long-term health insurance benefits.[74] University athletic budgets are also confronted with the result of the *O'Bannon v. Nat'l Collegiate Athletic Ass'n*[75] lawsuit, which held that universities must set aside a minimum of $5000 for each football and men's basketball player per year, for payments for the use of their name and likeness, with athletes receiving access to that money after they are no longer eligible to play in college.[76] It has been estimated that the total of these new expenses could mean an additional $3 million to $5 million for university athletic program budgets.[77] A more detailed examination into the university revenue streams is thus important to understand the possibilities of where additional revenue can be generated.

Registered as an unincorporated not-for-profit educational organization that is exempt from federal taxes, the NCAA's

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[72] Brian Bennett, *NCAA Board Votes to Allow Autonomy,* ESPN COLLEGE SPORTS (Aug. 8, 2014), http://espn.go.com/college-sports/story/_/id/11321551/ncaa-board-votes-allow-autonomy-five-power-conferences; Marc Tracy, *Big 12 Big Ten ACC SEC PAC-12,* N.Y. TIMES, B9 (Aug. 8, 2014).
[73] Bennett, *supra* note 72.
[74] Associated Press, *Power 5 Endorse Benefit Changes*, ESPN COLLEGE FOOTBALL (Oct. 1, 2014), http://espn.go.com/college-football/story/_/id/11624238/power-five-conferences-endorse-more-benefits-athletes.
[75] O'Bannon v. Nat'l Collegiate Athletic Ass'n, 7 F.Supp.3d 955 (N.D. Cal. 2014).
[76] Michael Smith, *Price of Autonomy: Ads Unsure What Their New Freedom Will Cost*, STREET & SMITH'S SPORTS BUS. J. (Sept. 22, 2014), http://www.sportsbusinessdaily.com/Journal/Issues/2014/09/22/Colleges/Autonomy.aspx.
[77] *Id.*

revenues in 2013 were more than $905 million.[78] The primary revenue source for the NCAA is through its television broadcast rights contract for the Men's Basketball Tournament. In 2011, CBS partnered with Turner in a fourteen-year agreement that will pay the NCAA a total of $10.8 billion for the rights to televise the NCAA Men's Basketball Tournament.[79] The NCAA also has a broadcast contract with ESPN for an average of approximately $35 million annually for the international distribution of the NCAA Tournament, televising other NCAA championships, and televising the National Invitation Tournament preseason and postseason tournaments.[80]

In terms of sponsorship, in 1984 the NCAA began its Corporate Champion and Corporate Partner Program ("Corporate Champions"). The NCAA explains that these sponsors are "dedicated to excellence and committed to developing marketing and promotional activities surrounding NCAA championships."[81] Sponsors at the Corporate Champions level pay an estimated $35 million to $50 million for sponsorship rights fees and advertising.[82] The three NCAA Corporate Champions are AT&T, Capital One, and Coca-Cola.[83] Sponsors at the Corporate Partner level pay an

[78] *National Collegiate Athletic Association and Subsidiaries*, NCAA, http://www.ncaa.org/sites/default/files/NCAA_FS_2012-13_V1%20DOC1006715.pdf (last visited May 13, 2015).
[79] John Ourand & Michael Smith, *NCAA's Money-Making Matchup: How CBS, Turner Made the Numbers Work in $10.8 Billion Deal*, STREET & SMITH'S SPORTS BUS. J. (Apr. 26, 2010), http://www.sportsbusinessdaily.com/Journal/Issues/2010/04/20100426/This-Weeks-News/Ncaas-Money-Making-Matchup.aspx.
[80] *National Collegiate Athletic Association and Subsidiaries*, *supra* note 78, at 18.
[81] *Corporate Champions and Partners*, NCAA (Mar. 18, 2015), http://www.ncaa.com/news/ncaa/article/2011-02-25/corporate-champions-and-partners.
[82] Michael Smith, *NCAA Adding Burger King as Sponsor*, STREET & SMITH'S BUS. J. (Oct. 7, 2013), http://www.sportsbusinessdaily.com/Journal/Issues/2013/10/07/Colleges/Burger-King-NCAA.aspx.
[83] *Corporate Champions and Partners*, *supra* note 81.

estimate of mid-seven figures for rights fees and can have additional advertising buys of $20 million annually.[84] The NCAA Corporate Partners are: Allstate, Buffalo Wild Wings, Buick, Burger King, Enterprise, Infiniti, Kindle Fire, LG, Lowe's, Nabisco, Northwestern Mutual, Reese's, Unilever, and UPS.[85] The NCAA explains that the money generated from sponsors helps fund the championship tournaments of all college sports, stating "these companies provide a direct, positive impact on the academic and developmental opportunities afforded to over 400,000 NCAA student-athletes each year."[86]

The revenue generated from NCAA broadcast rights contracts and sponsorship agreements, as well as other revenue streams such as NCAA ticket sales are distributed to the conferences and the universities through a series of intricate policies.[87] Revenues are distributed to conferences and universities in five methods: (1) an annual payment of approximately $72,000 to each Division I university; (2) through Basketball Fund accounts, based on performance in the NCAA tournament, which account for the largest distribution from the NCAA at thirty-nine percent;[88] (3) through broad-based distributions given based on the number of the varsity sports offered by the university;[89] (4) through broad-based distributions also given based on the number of athletic

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[84] Smith, *supra* note 82.
[85] Corporate Champions and Partners, *supra* note 81.
[86] Corporate Champions and Partners, *supra* note 81.
[87] *NCAA 2013-14 Division I Revenue Distribution Plan*, NCAA, http://www.ncaa.org/sites/default/files/2013-14%20Revenue%20Distribution%20Plan.pdf (last visited May 13, 2015).
[88] Payments are given in the form of units that cover a six-year rolling period. Units are paid to the conference for each school's participation in the six-year period and a full unit share is given to each school for each game it plays, except the Championship Game. In 2014, each basketball unit was approximately $250,100. [citation]
[89] *Services*, IMG COLLEGE (2014), http://www.imgcollege.com/services (last visited May 13, 2015). Each university receives approximately $33,200 for each sport it offers, starting with the 14th sport.

scholarships offered by the university;[90] and (5) through Conference Grants, of which approximately $272,000 are given to each Division I men's and women's basketball conference to assist with officiating programs, compliance and enforcement, enhancement of minority opportunities, and awareness programs such as drug use or gambling.

The collegiate conferences generate additional revenue through television broadcast contracts and sponsorships. The collegiate conferences negotiated an agreement with ESPN for an average of $715 million over twelve years for the rights to the college football playoff and the other major bowl games.[91] For regular season games, the NCAA lost control over singularly negotiating television contracts in 1984 when a lawsuit led by the University of Oklahoma resulted in a 7-2 United States Supreme Court decision that gave collegiate conferences the ability to negotiate their own television deals with the networks.[92] Conference broadcast rights contracts are very lucrative with universities in the power conferences, earning payments of approximately $17 to $21 million per year in television revenue.[93]

[90] Approximately $294 is given to the university for the first fifty scholarships it offers with additional scholarships receiving a higher per-scholarship payment. [citation]

[91] *See* John Ourand & Michael Smith, *ESPN Homes in on 12-Year BCS Package*, STREET & SMITH'S BUS. J. (Nov. 9, 2012), http://www.sportsbusinessdaily.com/Special-Content/News/2012/BCS-ESPN.aspx (explaining the Sugar, Rose, Orange, Cotton, Peach, and Fiesta Bowls rotate hosting semi-final playoff games with the Championship Game held at a separate site. In the years that the bowl games are not part of the playoff they will host games featuring other top teams as determined by a 13-member selection committee. ESPN has the rights to all six games annually as part of this broadcast rights deal).

[92] *NCAA v. Board of Regents of the University of Oklahoma*, 468 U.S. 85 (1984).

[93] Michael Hiestand, *$3.6 Billion in TV Money for ACC a Good Sign for SEC, Big 12*, USA TODAY, 1C (May 10, 2012), *available at* http://usatoday30.usatoday.com/sports/story/2012-05-09/36-billion-in-TV-money-for-ACC-a-good-sign-for-SEC-Big-12/54866774/1; Michael Smith & John Ourand, *ACC Expansion Will Pay Off in New TV Deal: $1M to $2M Increase Annually Per School*, STREET & SMITH'S BUS. J. (Feb. 6, 2012),

Collegiate conferences have also launched their own television networks. In these arrangements, the conference obtains all of its universities' television rights.[94] For example, the Big Ten owns all of its universities' broadcast rights. All Big Ten home football games are either televised on one of the Big Ten's broadcast partners, ABC, ESPN, or the Big Ten Network.[95] The Big Twelve, however, does not have a conference network and allows the universities to retain the rights to their games not picked up by its conference television partners, ESPN and Fox. Through this arrangement, the University of Texas launched its own network, receiving $15 million annually from ESPN for the Longhorn Network.[96] The University of Oklahoma has sold blocks of programming to Fox Sports regional cable channels, receiving $58 million over ten years.[97]

In addition to the revenue received through the NCAA and their conference, universities themselves generate revenue through sponsorship, tickets, donations, and subsidies. Many university sponsorships are sold through an arrangement between the university and a multi-media rights holder. IMG College and Learfield Sports are the multi-media rights holders for most of the largest sports-oriented universities.[98] In a contractual agreement,

http://www.sportsbusinessdaily.com/Journal/Issues/2012/02/06/Colleges/ACC-TV.aspx; Smith, *supra* note 4.

[94] Ourand, *supra* note 91.

[95] *See generally* John Ourand, *Conference TV Roundup*, STREET & SMITH'S SPORTS BUS. J. (Aug. 11, 2014), http://www.sportsbusinessdaily.com/Journal/Issues/2014/08/11/In-Depth/Conference-breakouts.aspx.

[96] Michael Smith, *Alabama's Success Delivers Big Payday*, STREET & SMITH'S SPORTS BUS. J. (Apr. 21, 2014), http://www.sportsbusinessdaily.com/Journal/Issues/2014/04/21/Colleges/Alabama.aspx.

[97] Ourand, *supra* note 91.

[98] *Our Properties*, IMG COLLEGE (2014), http://www.imgcollege.com/our-properties/colleges-universities (last visited May 13, 2015) (listing the universities that IMG College represents); *University Partners*, LEARFIELD SPORTS, http://learfieldsports.com/university-partners/ (last visited May 13, 2015) (listing the universities that Learfield Sports represents).

IMG College or Learfield Sports pay the universities a guaranteed dollar amount for their multi-media rights, with some contracts including additional money going to the university once the multi-media rights holder attains a certain revenue level. One estimate has the universities in the Big Ten earning guaranteed fees ranging between $4 and $7 million per year, with The Ohio State University receiving a guaranteed fee of nearly $11 million for its multi-media rights.[99] Multi-media rights include selling sponsorship and advertising for local television and radio broadcasts of games, ancillary programming such as coach's shows, digital, print, stadium and arena signage, and hospitality.[100] The perspective of IMG College is that it "has the expertise and experience to help both our collegiate properties and our corporate sponsors maximize their opportunities, enhance the fan experience, and generate revenue."[101]

Multi-media rights holders are able to grow their business by expanding the roster of universities that they represent and acquiring more media and event rights from their current roster of universities. The extent of rights provided by the university is negotiated with its multi-media rights holder. For example, the University of Alabama receives between $15 million and $16 million annually from Learfield Sports in a contract signed in 2014.[102] The increased fee is double what Alabama had been receiving for its multi-media rights.[103] In this agreement, Learfield Sports acquired from the University of Alabama ("Alabama") concessions and pouring rights for both soda and isotonic beverag-

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99 Michael Smith, *Learfield, IMG in Race for Illinois' Rights*, STREET & SMITH'S SPORTS BUS. J. (Feb. 27, 2012), http://www.sportsbusinessdaily.com/Journal/Issues/2014/04/21/Colleges/Alabama.aspx.
100 Smith, *supra* note 79.
101 IMG COLLEGE, *supra* note 89.
102 Smith, *supra* note 79.
103 Smith, *supra* note 79.

es.[104] To date, Alabama has agreements with Coca-Cola and Pepsi-owned Gatorade.[105]

Many universities retain the pouring rights to their stadiums and arenas (it should be noted that some pouring rights agreements cover the entire campus), as well as the lucrative uniform and equipment sponsorships. Being the official uniform and equipment sponsor for a university is a major desire because of the considerable brand exposure through logos on the team uniforms, the strong brand image association created with the university (that these companies' products are being used in an actual game), and the fact that collegiate team uniforms are a major seller. Glenn summarizes, "brands on jerseys are the focus of fans throughout the event, whether viewed live or televised. Given the active focus of fans on the players–and the jersey–one might expect more effective brand recall and association from the jersey sponsor."[106]

University sponsorship for uniforms and equipment are a very competitive product category for brands such as Nike, Under Armour, and Adidas. For example, beginning in 2014, Under Armour replaced Adidas by agreeing to a ten-year, $90 million contract to provide all uniforms, footwear, and apparel with Notre Dame.[107] In 2014, for the first time, Under Armour overtook Adidas as the number two athletic apparel and footwear brand, still trailing Nike.[108] Mark King, Adidas North America President, stated, "[w]e have to be just a lot more aggressive to get

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[104] Smith, *supra* note 79.
[105] Smith, *supra* note 79.
[106] Bill Glenn, *How to Validate Jersey Sponsorship Value,* STREET & SMITH'S SPORTS BUS. J. (May 30, 2011), http://www.sportsbusinessdaily.com/Journal/Issues/2011/05/30/Opinion/Glenn-column.aspx.
[107] Marc Tracy, *Tradition, Redesigned: Notre Dame and Under Armour Seek a Win-Win,* N.Y. TIMES, B10 (Sept. 12, 2014), *available at* http://www.nytimes.com/2014/09/12/sports/football/notre-dame-and-under-armour-seek-win-win-with-apparel-deal.html?_r=0.
[108] *Id.*

colleges, high schools and clubs in our gear–that's a major emphasis."[109]

Discussion

If the court rules in favor of the NCAA and holds that the current system is not an antitrust violation, the compensation system of academic scholarships will change slightly with players receiving additional benefits as determined by the power conferences. Through the power of autonomy granted by the NCAA to the power conferences in August, 2014, some of these increased player benefits are beginning to emerge, such as funding the full cost-of-attendance, four-year scholarship guarantees, lifetime scholarship guarantees to allow athletes to return to school to complete their degrees, and long-term health insurance benefits. However, if the court rules in favor of the plaintiffs, the economic system of collegiate athletic scholarships as well as the university and collegiate athlete relationship will forever be altered. Mark Emmert, President of the NCAA, has stated that players being paid would mean "the end of college sports as we know it."[110]

A ruling in favor of the plaintiffs that eliminates the fixed limits and equality of all scholarship offers will create an unprecedented competitive environment in the recruitment and compensation of players. If universities are going to attract the most talented players, they will need more money for scholarship offers. Sponsors would appear to be willing to provide those resources because of the advantages of this promotional communication strategy. Sponsors already have a substantial role in fund-

[109] Terry Lefton, *King Out to Make Adidas Swift of Foot in U.S.*, STREET & SMITH'S SPORTS BUS. J. (Oct. 20, 2014), http://www.sportsbusinessdaily.com/Journal/Issues/2014/10/20/Marketing-and-Sponsorship/Adidas.aspx.

[110] Sharon Terlep, *Inside the Doors of the NCAA: Pressure is Building for College Sports' Governing Body to Modernize its Rules*, WALL ST. J., A14 (Oct. 25, 2014), *available at* http://www.wsj.com/articles/inside-the-doors-of-the-ncaa-1414187475.

ing collegiate athletics and they could certainly be interested in further opportunities to connect their brands with this audience.

Interestingly enough, the reliance on sponsorship revenue in collegiate athletics was mentioned by the plaintiffs in the *Jenkins* complaint. The complaint states the NCAA and the universities "have lost their way far down the road of commercialism, signing multi-billion dollar contracts wholly disconnected from the interests of 'student athletes,' who are barred from receiving the benefits of competitive markets for their services[,] even though their services generate massive revenues."[111] The plaintiffs are arguing that the problem with all of the commercialism is that the players are not receiving their deserved share of these revenues. Yet, the amount of commercialization would probably not be viewed as problematic if it were the sponsors that provided the additional financial resources that universities will need to fund the players' scholarship offers.

An expanded role for sponsors could shift the balance of power in the relationship between the university to the sponsor, amplifying the concerns about corporate influence held by researchers such as Schiller and McAllister. The quest for additional money could cause the university to provide sponsorship opportunities in locations not yet used, such as additional stadium or arena signage or even corporate signage on other parts of the campus. Furthermore, this quest for more money could also open up product categories that universities have yet to offer to sponsors. For example, few universities offer beer sponsorships. Even professional sports leagues have recently expanded their sponsorship offerings to increase revenue by allowing teams to sell sponsorships in the casino and gaming product category, a category once deemed too controversial to have sponsors form a brand association with their teams. Additional opportunities for an increased role in collegiate athletics economics would certainly exist for university multi-media rights holders, such as IMG and Learfield Sports.

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[111] Complaint and Jury Demand for Plaintiff, *supra* note 1, at 2.

It has also been documented that sponsorship of collegiate athletics is particularly appealing because sponsors are reaching an age group that has not established brand preference in a variety of product categories. The college sports fans have been shown to be passionate and loyal toward their university, with researchers demonstrating that these emotional characteristics can result in consistent behaviors, including the purchase of sponsors' products.[112] Researchers, thus, point out that sponsors should provide opportunities to enhance the emotional connection of sports fans and their teams. Woisetschlager, Eiting, Hasselhoff, and Michaelis, for example, even stressed that sponsors should actively promote their economic support of a team as a reason why the team was able to pay to acquire top players and be successful.[113]

Seeking opportunities to connect with fans, along with the important beneficial characteristic that all of the parameters of a sponsorship agreement are negotiated, become of particular interest in a competitive environment for players. The sponsors could become heavily involved in negotiating the agreement between a university and potential recruit–with the sponsor later promoting the fact that it is the reason that the player is attending the university and accruing all of the benefits of such promotion. Because negotiation is a part of the sponsorship agreement process and the university will now be negotiating the parameters of the agreement with an athlete, the possibilities are endless. Might a player commitment to the university include some aspect of a commercial opportunity, similar to player appearances in advertising or appearances at a store location? Moreover, could a head coach who is close to getting a star player to commit to the university simply call upon a sponsor to increase the offer? For example, might a coach at a Nike-affiliated university call Nike and ask for extra funding to sign a recruit, especially if that player is strongly considering an Under Armour or Adidas-affiliated university? In

[112] *See* Gantz, *supra* note 44.
[113] Woisetschläger et al., *supra* note 65.

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exchange for the additional money, could Nike or Under Armour request that this scholarship offer also include a clause that the player already has an endorsement offer once he enters the professional league? Could universities, with the help of sponsors, put together a compensation package where a basketball player who might have left for the NBA after one year makes a commitment to remain at the university for multiple years? There would appear to be nothing to prevent such sponsor-involved negotiated transactions.

In an unfettered marketplace where there are many universities competing for players, it will only take one university, with the assistance of a sponsor, to make a ridiculous financial offer to a player to ignite wide-scale sponsor involvement. In fact, if all universities are only still offering the traditional scholarship plus whatever additional benefits that the power conferences agree to provide through their autonomy, one could imagine lawsuits claiming collusion being initiated.

Finally, universities might simply not have other options to fund these scholarship offers beside sponsors, highlighting Schiller's "big government" or "big business" argument.[114] Athletic programs being subsidized through the state government or placing further burdens on student tuition will continue to be problematic. Universities could cut expenses largely through the elimination of non-revenue generating sports, but those decisions too come with criticism. Issues of equity in collegiate athletics would be exacerbated. Questions would emerge involving Title IX application and whether equal compensation opportunities will continue to apply if collegiate athletics are deemed a free market. No longer offering certain sports because the university needs money to provide competitive compensation packages to athletes in football and men's basketball would create an environment where those sports are positioned against all others, as well as further distancing big-time athletics from the university's academic mission.

[114] *See* SCHILLER, *supra* note 53.

In ruling that the current system is an antitrust violation, the court could think that any of these consequences that result from altering what was an unlawful antitrust practice would simply need to be sorted out by the universities and the athletes. However, in the lawsuit, all of the concerns about an unfettered, competitive marketplace for players can certainly be presented. If the court will consider these consequences in rendering its decision, the *Jenkins* lawsuit will be of interest to legal scholars. In that light, it is important to understand the many ramifications. This article demonstrates the profound role that sponsors will undoubtedly play in a new economic system of collegiate athletics.