

NCAA Men's Basketball Regional

EXECUTIVE SUMMARY

This marketing plan is designed to bring a prestigious event to The Ohio State University and Columbus, Ohio – the 2004 NCAA Men's Midwest Regional Basketball Tournament. We believe that with the opening of the Jerome Schottenstein Center and the success of the Ohio State basketball program, Ohio State and Columbus is an ideal site to host such an event.

College basketball has become one of the most popular sports in the United States. In particular, "March Madness", the annual NCAA basketball tournament, has gained mass appeal around the world. The NCAA selects the sites to host the illustrious event, after bids are submitted from various member schools and conferences. Schools must meet strict requirements in order to be considered as a host institution.

Tickets to NCAA Tournament Games are in extremely high demand. A majority of the tickets go to the competing schools; however, the host institution is expected to sell the remaining tickets. Ohio State has demonstrated the ability to fill the Schottenstein Center, since its opening in 1998. Furthermore, Columbus, Ohio is the 15th largest city in the United States. The Schottenstein Center and Columbus compare favorably to other recent Regional Tournament hosts.

Marketing strategies will focus on three target markets: OSU season ticket holders, Columbus residents, and fans from the four competing schools. Although the product, price, and distribution will basically be the same for each market, various

promotional strategies will be used to assure maximum exposure of the event. The focus of the plan is market expansion of “March Madness” to the Columbus area.

INTRODUCTION

From its humble beginning in 1939, the National Collegiate Athletic Association (NCAA) Basketball Championship Tournament has grown to become one of the largest sporting events in the United States. The first championship game, held in Evanston, Illinois, pitted Oregon against Ohio State and drew a crowd of approximately 5,000 fans, with no national television audience. The event lost \$2,351, the only time it has not shown a profit (National Collegiate Athletic Association [NCAA], 1999b). Today, the tournament draws sellout crowds in large, domed stadiums and is televised in over 160 foreign countries (NCAA, 1997). “The Road to the Final Four” and “March Madness” have become household terms and synonymous with the annual 64 team basketball tournament. On November 19, 1999, the NCAA extended CBS’ broadcast rights to the tournament through the year 2013. The network will pay \$6 billion over 11 years (\$545 million per year) to broadcast the three week tournament. This amount more than doubles the previous 7-year, \$1.73 billion contract that expires after the 2002 tournament (Goodman, 1999). This amount is the primary source of revenue for the NCAA. For the first dozen years of the tournament, only eight teams were invited to participate. This field doubled in 1951 and the first “true” Final Four was held a year later. That year, four regional tournaments were held throughout the U.S., with the winners of each regional advancing to Seattle to compete for the national championship (NCAA, 1999b).

Although the tournament has grown to 64 teams, the NCAA has used this regional tournament format ever since.

The NCAA solicits bids from member institutions and conferences to host first- and second-round games, regional tournaments, and the Final Four. The announcements for site selections are made several years in advance, with the first- and second-round and regional sites chosen through 2003 and the Final Four sites through 2007 (NCAA, 1999b). Requirements for hosting these events, such as arena site (capacity of at least 12,000), are developed and modified by the NCAA.

Ohio State has a rich basketball tradition. The Buckeyes appeared in the inaugural championship game in 1939 and three consecutive championship games from 1960-62, winning the national championship in 1960. Many well-known basketball players have played for the Buckeyes, including John Havlicek, Jerry Lucas, Jim Jackson, and current Indiana University coach Bob Knight (Ohio State University [OSU], 1998). A new era in Ohio State basketball began in 1998 with the opening of the Jerome Schottenstein Center. The new arena was built at a cost of \$106.5 million and is considered one of the finest on-campus facilities in the nation. The “Schott” is a state-of-the-art, multi-purpose facility that hosts a variety of concerts and sporting events. For basketball, the seating capacity of the “Schott” is 19,500, making it the largest arena in the Big Ten Conference (by over 2,000 people), a league that consistently leads the nation in attendance (OSU, 1998). With the new facility in place for the 1998-99 season, the Buckeyes finished seventh in the nation in home attendance (17,233 per game). This was an increase of 7,253 people per game over the previous year’s attendance, the last

season played in St. John's Arena. This increase gave the Buckeyes the distinction of having the largest attendance increase in Division I basketball (NCAA, 1999).

Columbus, Ohio, the home of Ohio State, is the 15th largest city in the United States, with a metropolitan statistical area population of over 1.5 million people. Centrally located, the city is within 550 miles of over one-half of the nation's population. In addition, the city boasts an airport (Port Columbus International) that provides 350 daily arrivals and departures to 30 non-stop destinations (Greater Columbus Convention & Visitors Bureau [GCCVB], 1999).

Sports and recreation play a major role in the lives of Columbus residents. Columbus is home to the world champion New York Yankees' AAA farm team, the Clippers. The Columbus Crew (Major League Soccer) play in the only stadium designed exclusively for soccer in the United States. In one year, the Columbus Blue Jackets will play in their debut National Hockey League (NHL) season in the new, \$125 million Nationwide Arena. The new arena will be located downtown as part of a plan to revitalize the area (GCCVB, 1999).

The contention of this plan is Ohio State would be an ideal choice to host the NCAA Men's Midwest Regional Tournament in 2004. With the opening of the Schottenstein Center and the support of the basketball program, Ohio State has created an optimal environment to host such a prestigious event.

BUSINESS OBJECTIVES

- Demonstrate the capability of the Ohio State University to host the NCAA Men's Basketball Midwest Regional Tournament
- Distinguish the elite facility of Schottenstein Center at the Ohio State University

- Establish a solid platform to develop strong basketball environment in the Ohio State University, and ultimately to extend the impact on Columbus metropolitan area

MARKETING OBJECTIVES

- Reach 100% capacity for the regional tournament
- Reinforce the Ohio State University as the best academic and intercollegiate athletes brand
- Increase the visibility and the image of Columbus, OH
- Stimulate the economic development of Columbus metropolitan area, especially the hotel/motel and restaurant business

SITUATIONAL ANALYSIS

Basketball is perhaps the most popular spectator sport in the world today. College basketball in particular, is no stranger to the Columbus area. Demand for Ohio State basketball tickets is at an all time high. With the presence of head coach Jim O'Brien (who recently signed 8-year contract extension), the Buckeye squad should provide an exciting brand of college basketball for the Columbus community for years to come. Additionally, Columbus, Ohio is a college town, and many of the students at this large (50,000+ student population) land grant institution are prime consumers of college sports in general.

The month of March is an appropriate time of the year for the NCAA regional games to be played on Ohio State's campus, especially since Ohio State football is out of season during this time. However, there will always be competition in most market situations. In particular, Ohio State spring sports will serve as competitors to this event, as well as other sporting events and other indirect competition such as plays, movies,

concerts, and comedy clubs in the greater Columbus area. But despite this, the onset of “March Madness” elevates college basketball into the consumer psyche. Another form of competition lies in what is known as “substitute products”. For example, if Ohio State made the NCAA tournament they would compete in a different region. This might cause some fans to opt for staying at home to watch Ohio State on television, especially if they are not able to attend the game—and some fans that are able to obtain tickets would probably travel to a different region to watch their beloved Buckeyes.

The Ohio State University has one of the largest, most successful athletic departments in the nation. Not to mention, they are one of only a few that actually makes a profit from its sport teams (particularly football and men’s basketball). According to a recent Ohio State financial report, football and men’s basketball netted \$11,367,000 and \$5,500,000 respectively, during the 1998-99 fiscal year; and during the 1997-98 year the total net profit for the department was close to \$1 million. They have plenty of financial resources to devote to this venture. Also, the surrounding Columbus area has much to offer in terms of hotel lodging, restaurants, and entertainment for the participants in this event.

The Columbus area has a growing economy and job opportunities are steadily on the rise. According to the U.S. Bureau of the Census (1996-98), the top two income brackets for its residents are \$35,000-\$50,000 and \$50,000-\$74,000 respectively. It is a young and growing city with about 50% of its population between the ages of 18 and 44 years old. This is due in part, to the presence of The Ohio State University student population.

SWOT ANALYSIS

It is important for The Ohio State University and Columbus area to assess its internal contingencies or strengths and weaknesses before embarking on this venture. First, the new Jerome Schottenstein Center provides a high quality venue for hosting such a prestigious event. In college basketball today institutions must provide accessible, spacious, state of the art, spectator friendly facilities in order to remain competitive. In the Value City Arena and Jerome Schottenstein Center, The Ohio State University offers college basketball fans an excellent sportscape. Second, as a member of the prestigious Big Ten Conference, The Ohio State University has high name recognition; additionally, it is one of the largest institutions in the country and has one of the largest and resourceful athletic departments as well. However, inexperience hosting an event with the magnitude of a NCAA regional final is one weakness of The Ohio State University. Additionally, parking is always a major concern on college campuses. Although approximately 11,000 parking spaces are within a 15 minute walk to the arena, fans will have to compete with other people who are vying for parking to attend other campus and community functions.

It is important for an institution to assess the external contingencies or the opportunities and threats in the environment after it determines its strengths and weaknesses. One opportunity for The Ohio State University to capitalize on is the renewed interest in basketball in the Columbus area. The current and potential future success of the Buckeye basketball program is a contributing factor. Another opportunity lies in the culture of the Columbus community. That is, it is a young and growing city, and the population is reflective of the broader U.S. culture, as evidenced by its popularity for being a test market for new consumer products. But like any market situation, there

are always environmental threats. First, as mentioned earlier, competition from other events in the area are potential threats. Second, some of the major highways leading into the venue have been under heavy construction for a long period of time. In the event that this remains the case, traffic problems will be created. Finally, weather is always a factor in the month of March, especially in the Ohio Valley where snowstorms occur annually. The university has no control over these factors.

Despite the challenges this venture faces, The Ohio State University and Columbus area is primed to host such an event. For one thing, a special event such as the NCAA "Sweet 16" is a rare occurrence in most communities. With that in mind, this event can be marketed as a historic, monumental occasion. Demand for tickets should outweigh supply, especially since many of the tickets will be allocated to the visiting teams and communities. Also, the Columbus area has plenty of time to prepare for the traffic and parking issues such an event will present, and Ohio State should work closely with the city to ensure the completion of the construction well before the event.

CONSUMER INFORMATION

Approximately one year ago the NCAA completed its first ever comprehensive research study specifically targeting college basketball fans. Two prominent research companies, The Taylor Research and Consulting Group and ESPN Chilton Sports Poll, were utilized to conduct fan-based research. The NCAA study also consisted of focus groups, a nationwide telephone survey, and in-arena surveys.

The research revealed that approximately 45% of all Americans age 16-55 (68.8 million nationwide) consider themselves fans of men's college basketball. As would be expected, the level of interest amongst the 68.8 million varies greatly. The breakdown of

the 45% is as follows: 14% (21.4 million) of fans say they are slightly interested in men's college basketball, 16% (24.5 million) of fans consider themselves a casual fan, and 15% (22.9 million) call themselves a big fan. In addition to the differences in the way fans perceive themselves, there are also numerous differences in fan demographics (Table 1) and fan behavior (Table 2).

As evident from these tables, the big fan is more likely to be male, young, highly educated, and affluent. Demographic research also shows that men's college basketball fans consist of a higher percentage of African Americans and households with children. Furthermore, fans are more likely to make basketball a bigger part of their lives in regards to attendance, games watched, ownership of collegiate clothing, and reliance on the media for news about college basketball. In addition, fans are more likely to have participated in the game to some degree when they were younger.

Table 1: Demographics

	Not Interested	Casual/Slight	Big Fan
<i>Male</i>	40%	58%	69%
<i>Single</i>	32%	34%	41%
<i>College Grad</i>	22%	31%	38%
<i>Median Age</i>	35	36	32
<i>Median Income</i>	\$36K	\$39K	\$41K

Table 2: Fan Behavior

	Not Interested	Casual/Slight	Big Fan
Games Attended/season	0	0.7	2.1

(mean)			
Games watched/past month (mean)	0	3.6	12.1
Own College Clothing	16%	45%	68%
Follow college Ball news	4%	62%	89%

However, although the study revealed significant findings regarding the demographics of fans, the important question is how this information relates to Columbus. The 1990 U.S. Bureau of the Census was utilized to examine the correlation between the NCAA research and the Columbus area (Table 3). As evident by the information provided in Table 3, the Columbus area is more than capable of hosting the NCAA regional tournament from a consumer behavior standpoint.

Table 3: Correlation Between NCAA Study and U.S. Census of Columbus Area

NCAA Findings of Men's College Basketball Fans	1990 U.S. Bureau of the Census: Columbus, Ohio
45% of consumers aged 16-55 are fans 15% (of 45%) are big fans	784,518 people aged 18-54 in Columbus, 45% = 353,033, 15% of (45%) = 52,955
Male	671,629 males in Columbus 512,747 males 16 years and over
Affluent (median income \$41K)	123,109 households make \geq \$50,000, 108,882 family households make \geq \$50,000

African-American	164,602 African-Americans in Columbus
Highly Educated	198,239 persons \geq 25 years with bachelor's, graduate, or professional degree
Live in households with children	354,702 family households

Another important aspect of the NCAA research examined the underlying forces that drive individuals to be fans of men's college basketball. According to the study, interest in the sport is driven by positive perceptions across six key areas: competition, character, connection, camaraderie, community, and catharsis (Table 4).

Research also revealed a number of concerns among basketball fans about the game itself and discussed reasons for fans not attending games. Some of the concerns included that the game is too commercial (59%), players get special treatment (57%), and there is too much focus on the individual play, rather than team play (56%). Reasons for fans not attending games included parking problems, poor seat location, and no access to instant replay.

Table 4: Fans' Perceptions Across Six Key Areas

Competition	"Games have a level of competitive intensity" (96%)	"There's always a good chance for an upset" (90%)
Character	"Players play for the love of the game" (82%)	"Teams are well-disciplined" (75%)
Connection	"Games make me feel more connected to the college" (67%)	

Camaraderie	"It's a good event to go to with my friends" (96%)	"It's a good event to go to with my family" (85%)
Community	"It's fun to talk about games with others" (90%)	"The atmosphere is energetic and exciting" (97%)
Catharsis	"It's exciting, intense, but relaxing at the same time" (61%)	

In regards to viewing habits, the study showed that only the biggest fans watched games regularly on television. However, research also showed that there is no connection between the regular season and postseason tournament games. The popularity of college basketball is at an all-time high during the NCAA tournament each March.

MARKETING STRATEGIES

Marketing Grid for 2004 NCAA Men's Basketball Regional Championship

	Target Market #1	Target Market # 2	Target Market #3
	OSU Season Tickets Holders	City of Columbus (March Madness)	Fans from 4 competing Schools
Product	3 college men's basketball games featuring 4 of the best teams in the country	3 college men's basketball games featuring 4 of the best teams in the country	Their favorite college basketball team playing in "Sweet 16"
Pricing	Set by NCAA	Set by NCAA	Set by NCAA
Distribution (Place)	<ul style="list-style-type: none"> • 2 night games on Thursday or Friday • 1 afternoon game on Saturday or Sunday 	<ul style="list-style-type: none"> • 2 night games on Thursday or Friday • 1 afternoon game on Saturday or Sunday 	<ul style="list-style-type: none"> • 2 night games on Thursday or Friday • 1 afternoon game on Saturday or Sunday
Promotion	Direct mail brochures to season tickets holders about lottery	Advertising on local radio and TV, and web site	<ul style="list-style-type: none"> • Advertising on 1st and 2nd round game programs • Collaborate with 4 competing schools' athletic department

Bases for Segmentation

Because the NCAA controls most of the ticket allocation for the Regional Tournament, very few tickets will be available to the general public. The four competing schools will receive most of the tickets (over 50%), and they will distribute the tickets themselves. Season ticket holders will be targeted because they have shown an interest in collegiate basketball in Columbus. In addition, OSU can benefit by using the Regional Tournament as an enticement to purchase Buckeye basketball season tickets. In addition, Columbus residents will be targeted because of geographic reasons; with so few tickets available, local residents are the logical choice to reap the benefits of the tournament.

Product

The product for OSU season ticket holders and Columbus residents will be three basketball games featuring four of the best teams in the country. For fans of the respective teams, the product will be seeing their favorite team play in the "Sweet 16", with the possibility of reaching the Final Four.

Price

The NCAA sets the price for the Regional Tournaments. History will determine the pricing for the event. The 2000 Regional Tournaments range in price from \$99-\$120. This may increase over the next four years.

Distribution

The NCAA, along with CBS, determines the schedule for the tournament. Two night games will be played on either Thursday (March 25) or Friday (March 26) with the championship game being played on either Saturday (March 27) or Sunday (March 28) afternoon.

Promotion

In general, the NCAA has control over the promotion for the tournament; all promotions must be approved by them. Season ticket holders will have the opportunity to get into a lottery for tournament tickets. Direct mailings to all season ticket holders will explain the lottery system. For Columbus residents, television, radio, and an internet site will be used to promote the event. Advertisements will be placed in the 1st & 2nd round game programs for fans of the competing teams. Also, the OSU athletic department will collaborate with the school's athletic departments to promote ticket sales.

Promotional plan

Radio publicity

When gaining radio publicity we would hope that local radio stations would mention it on their sport and music programs. We feel that we gain this publicity since the Ohio State University men's basketball team performed extraordinarily well (played in the final four) last season. The atmosphere built upon the situational background can bring more attention from the community.

Thirty-second ad will be on air 6 times a day on two major local radio stations beginning April 2003, and lasting for two weeks. Schedule adjustments will be needed after evaluating how effectively the radio publicity is penetrating into the target market. The NCAA must approve all radio advertisements.

Newspaper Ads

The ads will be in the Columbus Dispatch and Lantern at the same time as the radio ads. The Lantern will be the best one to reach the students at the Ohio State

University and the Dispatch will be able to reach the large number of the community of Columbus. The NCAA again must approve all ads for the tournament.

Local TV ads

The ad will be squeezed into the local sport program in the evening around 6:00pm beginning April 2003. This schedule will be kept for two weeks.

Program Ads

Ads will be placed in the Midwest 1st & 2nd Round Game programs. These ads will spotlight Columbus and be used to target the fans of the four competing teams that will be in the Regional tournament.

Internet publicity

An independent web site for the Regional Championship will be created. Schedules, venue information (Schottenstein Center), information about the schools in the Regional Tournament, and information about Columbus will be available. It will also link to all the schools in the Regional.

Corporate Sponsorships

The NCAA currently has 17 corporate sponsors, which include such companies as Pepsi, Marriott, GM, Gillette, and Compaq. The NCAA office is responsible for securing such sponsorships; OSU is not permitted to seek sponsorships for the Regional Tournament. All sponsorship banners in the Schottenstein Center that are not official NCAA sponsors will be covered for the tournament. OSU will work with the NCAA on promoting their corporate sponsors.

Time Line

Mar/ April 2000

Present proposal to NCAA

April 2003	Begin Columbus and Ohio State University promotions <ul style="list-style-type: none"> - Promote Regional Championship to OSU season ticket holders - Secure lodging for visiting teams and officials
June 1, 2003	Begin public ticket sales (Begins at 9:00am)
December 2003	Lottery for OSU season ticket holders
Mar 25-28, 2004	Regional tournament
April 2004	- Submit financial report to NCAA <ul style="list-style-type: none"> - Analyze surveys

Evaluation

Ticket sells will be the primary evaluation of the tournament (Did the tournament sell-out?). In addition, a survey will be conducted after the games. People from each of the targets will be asked to complete a questionnaire (see Appendix A) after each tournament game.

References

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