

**AN EXAMINATION OF THE ATTITUDES
OF SPORTS MARKETERS TOWARD THE
USE AND VIABILITY OF THE WORLD WIDE WEB
AS A PROFITABLE TOOL FOR MARKETING SPORTS**

By

Robert J. Caskey

B.B.A. 1992, James Madison University

A thesis submitted to the faculty of
The School of Business and Public Management
The George Washington University
in partial fulfillment of the requirements
for the degree of
Master of Tourism Administration (MTA)

September 3, 1997

Thesis directed by

Dr. Lisa Delpy

Abstract

Despite its widespread use and acceptance, the World Wide Web as yet has failed to produce a consistently profitable revenue model for most site proprietors. Boasting some of the most popular and well-trafficked sites on the Web, the online sports segment typifies this plight. CBS SportsLine, one of the major players in this segment, has lost \$29.7 million since 1994, indicating that profitability is a problem even in the highest echelons of the industry.

To determine the role that profitability plays in the decisions of sites offering sports content or marketing products through sports, 158 official and/or legitimate sites in the online sports industry were sent a 39-question survey (by e-mail) designed to gauge opinions about the profitability of sports Web sites. The objectives of this survey were: to take a “snapshot” of the online sports industry to determine the degree to which companies are committed to online sports sites; to identify the revenue models being used by online sports marketers, and to determine the perceived viability of each model; to determine how much online sports sites are earning and spending on the Web, and; to determine if sports marketers believe that the Web offers an opportunity to make a profit, both now and in the future.

Of the 158 sites contacted, 45 completed the survey instrument. The results were compiled in an Excel spreadsheet, and univariate and bivariate analyses were conducted for all 39 questions.

The results of the survey revealed the sites in this segment to be relatively established, highly-trafficked and content-rich despite a general lack of personnel resources. Banner ads were the leading revenue source currently, although sponsorship and underwriting were expected to play larger roles in the future. One-third of the respondents indicated having spent no money promoting their Web sites. Finally, perhaps the most telling revelation was that although nearly two-thirds of the respondents said that profitability was a current goal of their sites, and that nearly all felt that sports sites in general were capable of operating profitably, fewer than half of the respondents indicated that they were operating profitably at the current time.

CHAPTER I

Introduction

This chapter is designed to provide the reader with a historical context through which to examine the subject of sports marketing on the World Wide Web (“the Web”). The chapter begins by looking at the current role of the Internet in our society, then provides a brief history of the Internet and the Web. Chapter I then chronicles the evolution of the online sports industry, introduces broad categories for classifying sports sites, and examines the revenue models typically utilized by sites in each category. Finally, this chapter introduces the problem to be addressed by the study, as well as the study limitations and objectives.

Background

Just as previous eras in the history of our civilization have been labeled with terms such as “Stone Age,” “Bronze Age” and “Iron Age” based upon the materials used to craft tools and weapons in those periods, historians looking back on the twentieth century may one day identify our current society as marking the advent of the “Silicon Age.”

Whereas stone, bronze and iron were integral materials in the creation and sustenance of earlier civilizations, today’s society has grown increasingly reliant upon silicon, one of the primary components of the microchips that power such modern wonders as fax machines, cellular phones, automatic teller machines and personal computers — the tools of our modern civilization. Whether it’s placing a cellular phone call from the most remote location or doing your banking from the comfort of your home or office, today’s technologies have indelibly altered — and simplified — the ways that we lead our lives.

Yet, of all the technologies that have permeated our civilization in recent years, the one that has seemingly received the most attention is the Internet, a world wide network of computers that has helped foster a sense of global community by transcending traditional geographic boundaries. In its simplest terms, the Internet is a global network of computers that makes it possible for any computer on its network to easily communicate with any other computer on its network.

Once solely the stomping grounds of high-tech computer programmers, the Internet has, in recent years, experienced a tremendous explosion in mainstream acceptance and popularity, thanks in large part to the increased use of electronic mail (“e-mail”) and the Web, two of the communication methods supported by this medium. According to a report by the Commerce Department, Internet traffic is doubling every hundred days, and more than 100 million people are currently online (as cited in “Net Use Doubling,” 1998).

As this figure clearly substantiates, the Internet has quickly evolved into a mainstream communications medium for Americans, as well as for users in other countries around the world. With such a large potential consumer base, Web content providers, marketers and retailers have begun to look for opportunities to exploit the Internet’s global reach, low cost, and ease of use to try to make money.

Commerce sites, although not yet a serious threat to the traditional shopping experience, now dot the Web landscape, and online retail sales have been projected to exceed \$1 billion in the fourth quarter of 1997 (Miles, 1997). While this figure pales in comparison to the \$650 billion expected to be generated by traditional retailers during the same period, it does signal growing confidence in Internet transactions and online shopping.

Similarly, dollars that were once spent on advertisements in traditional media have begun migrating to the Web. According to a study recently released by the Internet Advertising Bureau (IAB), Internet ad spending totaled \$351.3 million in the first quarter of 1997, and should surpass \$1 billion in 1998 (as cited in “Web Ad Spending,” 1998).

While these statistics indicate a clear ability to generate revenue on the Internet, what is as yet unclear is the potential for marketers, retailers and content providers to actually turn a profit. In the brief history of this medium, it has been widely reported that few sites have been able to cover operating costs, much less operate a consistently profitable business. Nevertheless, companies continue to funnel substantial sums of money into the development of online content.

This trend is no more evident than among Web sites marketing their products through sports or offering sports content. Anecdotal information suggests that few sports sites, even those with established reputations in other media, have been able to turn a profit on the Web. Yet, despite this losing track record and an uncertain future, this already crowded field continues to get more crowded as new sites venture onto the Web, presumably with making money as one of their goals.

What is the Internet?

As alluded to above, the Internet is the world’s largest computer network (Levine and Baroudi, 1994). To be more precise, the Internet is a network that joins countless numbers of smaller computer networks from around the world to help facilitate electronic communication.

Despite its seemingly overnight explosion in popularity, the Internet — or at least the concept of a global network of computers — has been in development for more than 30

years. In August 1962, Massachusetts Institute of Technology professor J. C. R. Licklider first proposed the concept of a “Galactic Network,” in which he envisioned a globally-linked network of computers through which any site on that network could quickly access data and programs from any other site (Leinger, Cerf, Clark, Kahn, Kleinrock, Lynch, Postel, Roberts, and Wolff, 1997). Licklider’s vision, along with the dedicated efforts of a team of researchers at the Defense Advanced Research Projects Administration (DARPA), led to the 1969 introduction of a Department of Defense (DoD) project known as the ARPANET.

The ARPANET was designed to test the concept of reliable networking, and initially offered links between the DoD, military contractors and four American universities (hosts) conducting military-funded research (Levine and Baroudi, 1994). The ARPANET, specifically the electronic mail functions that it provided, proved tremendously successful and popular, and by 1981 had grown from a network of four hosts to 213 hosts.

Yet, despite the impressive growth of the ARPANET, the lack of a common language or “protocol” among all the world’s computer networks prevented their being linked. This technological barrier was surmounted in 1982, when Bob Kahn and Vint Cerf developed a networking protocol known as Transmission Control Protocol/Internet Protocol (TCP/IP), marking the birth of what we know today as the Internet by making it possible to join networks on different platforms from around the world. With this protocol in place, by 1990 the number of Internet hosts exceeded 300,000. The ARPANET was ultimately phased out, leaving behind only the network of networks now known as the Internet.

The National Science Foundation (NSF), which had introduced its own network, the NSFNET, to handle Internet traffic related to research and education, opened the door for

business and commerce on the Internet in 1991 when it lifted its restriction on commercial use of the Internet. The NSFNET, once the backbone of the Internet, was itself phased out in 1995, leaving the technical infrastructure of the Internet in the hands of commercial networks such as IBM, Sprint and Performance Systems International (PSI).

What is the World Wide Web?

The Internet provides a wide range of options for navigating the global collection of information that it offers, and for communicating with other computers on its network. As previously mentioned, e-mail was initially — and continues to be — one of the most popular methods by which people communicate with each other over the Internet. E-mail relies on a combination of several protocols that includes Simple Mail Transfer Protocol (SMTP) and Post Office Protocol (POP) to transfer information (a text message in most cases) from one computer on the Internet to another. The Internet also supports numerous other protocols designed to help facilitate the transmission of data, including File Transfer Protocol (FTP), which allows users to transfer files and other information between two computer platforms.

Yet, the protocol which has most radically changed the way in which information on the Internet is accessed is Hypertext Transfer Protocol (HTTP). Introduced in 1991 by Tim Berners-Lee, HTTP helped lay the foundation for the Web by creating a protocol that allowed programmers to create “pages” that combine words, graphics and sound using a language called Hypertext Markup Language (HTML) (Leinger et al., 1997). In addition, HTTP allowed specific words, phrases or pictures on these pages to “link” to other pages on the Web without regard to the geographic location of that page. Collectively, these

pages make up what is known as the World Wide Web. Although the terms Internet and Web are often used interchangeably, the Web is in fact a subset of the entire Internet.

Following the introduction of HTTP, in 1993 the first graphical “browser” for the World Wide Web, called Mosaic, was developed by a team at the National Center for Supercomputing Applications (NCSA) (Levine and Baroudi, 1994). One of the members of that team, Marc Andreessen, later formed his own company called Netscape Communications, and introduced the Netscape Navigator Web browser. Today, Netscape Navigator, along with Microsoft Corporation’s Internet Explorer, dominate the Web browser market.

In order to view or “browse” a page on the World Wide Web, browsers require that a user enter a Universal Resource Locator (URL), which acts much like a postal address in offering the location of a particular page on the Web. URLs generally include the protocol being used (HTTP for any Web documents), the computer host name where the page resides, and the specific file name of the page being accessed. Thus, using the HTTP protocol to access a file called “scores.html” on the CNN/SI host (www.cnnsi.com), users would enter the following URL:

`http://www.cnnsi.com/scores.html`

The browser would then establish a connection with the CNN/SI host and download the text, graphics and other information that reside on the scores.html Web page. The user could then click on “hyperlinks” — selections of text that appear highlighted — to bring up a page with more information about the selected text.

Thus, HTTP made navigating the Internet (the Web, specifically) significantly easier than it had been before. Whereas FTP and even early e-mail applications required that

users have some familiarity with the technical underpinnings of the Internet, HTTP turned locating information into a “point and click” process. And, because posting a site on the Web was a relatively inexpensive proposition, especially when compared to the cost of entry for traditional media, companies and individuals began establishing Web sites for their businesses, and for their personal enjoyment. Consequently, the Web now consists of millions of individual Web pages on just about every subject imaginable. From stock quotes to pornography and everything in between, the Web offers something for everyone.

Sports on the Web

In the very brief history of the medium, sites offering sports content have traditionally been among the Web’s most popular destinations. According to an Intelliquest Worldwide Internet poll, 52% of the online users they surveyed indicated that they had used the Web to obtain sports information in the past month (“Industry Spotlight: Sports on the Web,” 1998).

The average Internet user, according to a 1995 Advertising Age article, is educated, upscale, between the ages of 18 and 34 and male (Jensen, 1995). This profile almost mirrors that of the typical visitor to sports Web sites like ESPN SportsZone, the online companion to ESPN television. As of May 1996, 48% of the visitors to SportsZone were aged 18 to 24, 34% were aged 25 to 34, 95% were male, and, among its employed visitors, average household income was \$55,000 per year (Spiegler, 1996). As these figures substantiate, the marriage of sports and the Web is a near perfect one, demographically speaking.

ESPN was one of the first media companies to attempt to capitalize on these shared demographics when it launched SportsZone in April 1995. Offering up-to-the-minute

sports news, scores and analysis, SportsZone is consistently one of the 25 most trafficked sites on the Web according to many Web traffic measurement firms, including RelevantKnowledge (“Top Drawing Traffic Sites,” 1997).

Since the launch of SportsZone, other companies have also attempted to target this hot demographic by offering sports content. The first major competitor to the SportsZone throne was SportsLine USA, which launched in August 1995, just four months after SportsZone (Donsky, 1997). Initially backed largely by Silicon Valley venture capital firm Kleiner Perkins Caufield & Byers, SportsLine USA has since added U. S. West, Reuters New Media, and, most recently, CBS to its list of shareholders. Under the terms of a March 1997 deal, CBS acquired a 22% stake in SportsLine USA in exchange for a five-year commitment to promote the site during CBS’ sports programming (Vonder Haar, 1997, March 6). The name of the service is now CBS SportsLine, and CBS hopes that it, like ESPN, can leverage its on-air efforts to establish a strong sports presence on the Web. CBS SportsLine’s goal, according to founder Michael Levy, is to become “the ultimate online paradise for the sports fan” (Montague, 1995).

The most recent high-profile entry into the sports content field is a joint effort between the Cable News Network (CNN) and Sports Illustrated (SI) known as CNN/SI. Launched in August 1997, CNN/SI offers much the same content as its two competitors, but has the added bonus of being able to leverage the on-air reputation of the most recognized news network (CNN) and the print reputation of the most widely read sports weekly (SI), as well as the opportunity to promote CNN/SI in both of these outlets.

According to traffic measuring firm RelevantKnowledge, during the first quarter of 1998, ESPN SportsZone was the most trafficked sports site with 5,383,000 unique

visitors, followed by CBS SportsLine with 4,996,000, CNN/SI with 3,564,000, NBA.com with 1,979,000 and NASCAR Online with 1,880,000 (“Industry Spotlight: Sports on the Web,” 1998).

Sports content sites like ESPN SportsZone, CBS SportsLine, and CNN/SI, however, represent just the tip of the iceberg as relates to the marriage of sports and the Web. Most sports sites on the Web can be loosely grouped into one of four categories: content sites, which aggregate information on numerous sports (CBS SportsLine, CNN/SI, et al.), team or league sites, commerce sites and gambling sites. These groupings refer only to the officially endorsed sites in each category. “Fan sites,” which lack the official endorsement of the leagues, teams, athletes or companies that they represent, could theoretically comprise a fifth category, but are not addressed by this thesis.

Content sites refer to any sites primarily geared toward offering sports news, scores and analysis. In addition to the three aforementioned sites, this group includes the online companion sites to the sports sections of all print publications (like the New York Times and The Sporting News), as well as the sports components of television news or network sites (like Fox or MSNBC). Additionally, there are many stand-alone Web sites devoted solely to sports content that do not have the financial backing or name recognition to compete on the level of the three aforementioned sites. NandoNet, from the News & Observer Publishing Company, is a good example of such a site.

Team or league sites refer to the official sites of college or professional leagues or teams. This group includes the official league sites for the NFL, NHL, NBA, Major League Baseball, Major League Soccer and many other leagues, as well as the official sites for the teams in those leagues. The official sites for college and university teams are also

included in this group. All of these sites typically offer information about the players, team records, and other statistics designed to provide background for the fans of those teams. Additionally, these sites may sell official merchandise or event tickets. Associations and governing bodies, such as the International Olympic Committee (IOC), could also technically be grouped into this category, but are not examined in this thesis.

The term commerce site encompasses those sites designed to sell a product or service on the Web through sports. Offerings range from athletic shoes and sports merchandise to recruiting services for high school and college athletes. Some retailers, like WalMart, offer Web sites that make it possible to purchase sports merchandise online. Other sites, like Nike, simply offer additional information about their products, including locations for obtaining specific merchandise. Ticketmaster and other sites offering online sporting event ticket purchasing also fall into this category.

Gambling sites comprise the last major piece of sports on the Internet. Although most gambling sites could technically be considered an amalgam of a content and a commerce site, they are ultimately concerned only with making money. Most gambling sites have relatively simple design and navigation features, offering up-to-date sports handicapping information, often for a subscription fee.

How Sports Sites Make Money

Generating revenue on the Web through sports takes several different forms depending upon the category into which the site falls. Content sites, especially ESPN SportsZone and CBS SportsLine, draw revenue from subscription fees as well as several other revenue streams. Typically, these sites will offer exclusive content that is not available to the general public in exchange for a monthly subscription fee. Content sites also rely on site

sponsorship and online advertising (which often takes the form of an “ad banner” at the top of a page) to generate revenues, and may offer merchandise for online purchase through a site storefront.

Sites that fall into the league or team site category will also often rely on online advertising and sponsorship to generate revenue. Some sites may also offer merchandise and tickets for online purchase and, in some instances, a subscription fee for exclusive information.

Depending upon the company or service, commerce sites may rely on money generated from online sales, or may simply utilize the site to encourage offline purchase of their product or service. Although there may be online ad banners on some sites, the main goal is to profit through sale of the product or service.

Finally, just as with a typical gambling operation, gambling sites rely on wagers to generate revenue. Although these sites may also generate some revenue through ad banners, this is not the primary revenue source.

Statement of the Problem

The number of sites marketing their products through sports or offering sports content on the Web is growing every day. Yet, the Web — much less the segment of it devoted to sports — is still very much unproven in terms of its money-making ability.

As alluded to in the introduction, online advertising and commerce are on the upswing, and are projected to get even higher. Reportedly, however, few Web sites in any genre are currently operating in the black.

CBS SportsLine, obviously one of the major players in the online sports segment, has lost \$29.7 million since 1994 despite its impressive stable of financial backers (Wang,

1997, September 15). Yet, CBS SportsLine and others continue to throw caution to the wind by investing money in sports Web sites that, for the most part, have yet to show the ability to generate a positive cash flow.

The purpose of this thesis is to assess the degree of seriousness with which sports marketers are embracing the Web as a money-making vehicle, and to determine whether companies offering online sports content or marketing products online through sports are currently operating profitably. Moreover, this thesis is designed to determine how (and if) the proprietors of these sites are trying to generate revenue, and whether they believe that the Web can be a viable and profitable medium for marketing sports, both now and in the future.

Limitations

This thesis details the results of a descriptive survey completed by a tightly defined population of organizations and companies using the Web to market sports products or offer sports content. The types of sites included in this examination are limited to those that fall into the content, league/team, and commerce categories. Because of the illicit nature of the gambling industry, and because of the unique revenue model employed by most sites in this category, no gambling sites were contacted for this study.

Furthermore, this thesis does not consider any unofficial sites, fan sites (sites that lack the official endorsements of the team, league, or individuals on which they are based), sites of sports agencies, associations or governing bodies, or other tangential revenues generated by marketing through sport that do not fall into the four categories mentioned previously. In addition, the sports areas of services such as America Online and

Compuserve, which technically may be considered proprietary services rather than Web sites, are not included in this examination.

For the purposes of this study, profitability was defined as a financial situation where revenues directly generated by a Web site exceeded the costs to maintain that site.

Revenues that could not be directly attributed to the Web site were not considered.

Changes in purchasing behavior or other tangential benefits derived from the existence of a Web site were deemed immeasurable, and thus also were not considered in the determination of profitability.

Objectives

The objectives of this study were as follows:

- to develop an industry profile of the online sports segment to assess the degree to which companies are devoting money and resources to establishing and maintaining an online presence, and to determine their reasons for going online.
- to identify the revenue models employed by sports marketers, and to determine which of these models they believe are currently most successful, and which will be the most successful in the future.
- to determine how much money is being spent and earned by Web sites offering sports content or marketing through sports, and how much is being spent specifically on promotion.
- to determine whether the proprietors of Web sites offering sports content or marketing through sports are currently operating profitably on the Web, and whether sports marketers believe that the Web offers an opportunity to make a profit, both now and in the future.

CHAPTER II

Review of Literature

Very few studies have specifically examined the profit-making potential or revenue models of Web sites offering sports content or marketing their products or services through sports. However, as alluded to in Chapter I, the challenges faced by sports marketers are very similar to those faced by other content providers and marketers on the Web. Accordingly, this chapter primarily examines general Web marketing trends and studies, but also incorporates studies related to sports content when such research was identified.

This chapter examines the three major online revenue models used by Internet content providers to try to make money on the Web: the online advertising/sponsorship model, the subscription model and the online commerce model. Following a general discussion of research conducted in each of these areas, this chapter also introduces sports examples and studies that are relevant to each of the three major revenue streams. In addition, this chapter offers a cursory examination of some alternative online revenue streams uniquely available to sports marketers. Finally, this chapter introduces some general statistics about sports marketing on the Web that are relevant to the study, followed by a summation of the literature review.

Online Advertising/Sponsorship Model

As mentioned in Chapter I, Web advertising revenues are projected to exceed \$1 billion in 1998 (“Web Ad Spending,” 1998). The 1998 Online Advertising Report conducted by Jupiter Communications projected similar growth, estimating that by the year 2002, traditional advertising on the Web will reach \$7.7 billion annually (Storck, Neufeld,

Johnson, Zeff, Cohen, DeBow, Harrison and Spinelli, 1997). Furthermore, a 1996 report by Forrester Research in which 50 Web content sites and advertising agencies were polled, researchers concluded that by the year 2000, 90% of site revenues will be generated by advertising (Bass and Eichler, 1996).

In the brief history of the Web, online advertisements have taken various shapes and forms. Perhaps most familiar is what is known as an “ad banner,” a rectangular box that commonly appears at the top of a content provider’s Web page. Less widespread but growing in popularity are “ad badges,” smaller, clickable icons that, like ad banners, are designed to entice a Web surfer to click on them. Once a user clicks on the banner or badge, they are brought to a page with more information about the product or service being offered in the advertisement.

Banners and badges represent only the tip of the iceberg for online advertising, however. As detailed in a 1997 report by Jupiter Communications, potential online advertisement vehicles include sponsorships, advertorials (ads that mimic editorial content), product placements, and interstitials (intrusive ads that interrupt the user while surfing the Web), in addition to variations of the ad banner (Aronson, Storck, Neufeld, Johnson, Sinnreich, DeBow, Harrison and Housley, 1997). Aronson et al. ranked each of these models in relation to the other four based on five criteria: its ability to target a particular audience segment (delivering ads to individuals who meet a specific criteria); its ability to “brand” the product or service advertised (build a relationship between customer and product); its ability to drive traffic to the site advertised; its ability to increase sales; and, finally, its ability to reach low-bandwidth consumers (consumers whose Internet connections are slow relative to ISDN lines and other high-speed connections).

They found that for targeting, ad banners were of the highest value relative to the other models, followed by interstitials. For branding purposes, sponsorships and interstitials were both identified as “high value,” while banners were assigned the lowest value. In terms of both driving traffic and increasing sales, banners were of the highest value, followed by sponsorships and advertorials. Finally, in terms of each vehicle’s ability to reach low-bandwidth users, banners and advertorials were ranked “high value.”

Aronson et al. found that while in 1997 banners constituted 80% of online media buys (with 15% comprised of co-branded content (content jointly produced and branded by two entities, such as ESPN and Gatorade) and 5% interstitials), by 2001 banners will constitute only 50% of the online media buys, with interstitials and co-branded content growing to 25% each.

Nearly as broad as the types of advertising vehicles that content providers have at their disposal are the means by which these vehicles may be priced. To a large degree, content providers adhere to the cost-per-thousand (CPM) model used in other media. Under this pricing structure, the content provider charges advertisers an agreed-upon fee depending upon the number of impressions or views that their ad receives. For example, an advertiser who agreed to pay a \$35 CPM, and whose advertisement received 2,000 impressions, would pay \$70 ($\35×2) to the owner of the site on which his advertisement appears.

Another pricing model utilized by publishers is the “click-through” model, whereby the advertiser generally pays an agreed-upon rate based upon the number of times that a visitor seeing the ad banner clicks on it. A variation of this model is the “cost per lead/cost per buyer” model, whereby the advertiser pays based on sales leads received or actual purchases.

Finally, some content sites may offer flat fee pricing, whereby the advertiser pays a single price (not determined by traffic or click-through) to place their advertisement on the content site. Sponsorships often represent a combination of CPM and flat-fee pricing, whereby advertisers are guaranteed a set number of impressions for a specified fee.

Online Advertising/Sponsorships Model Applied to Sports Segment

According to a study conducted by AdKnowledge's MarketMatch in March 1998, 121 of 1,139 (10.6%) "professionally run, ad-supported" sites were classified "sports" sites, and generated an average CPM of \$36.56 (as cited in "Industry Spotlight: Sports on the Web," 1998). According to the most recent figures compiled by InterMedia Advertising Solutions, ESPN SportsZone leads all sports content sites in advertising revenue generated (as cited in "Internet Business Report," 1998). Through July 1997, SportsZone had generated nearly \$5.6 million in online advertising revenue during the year. CBS SportsLine, ESPN SportsZone's closest challenger, earned slightly more than \$2.7 million in that same period, followed by NASCAR Online with \$600,000 and NFL.com with \$536,300. Figures are not yet available for CNN/SI, the third major player in the online sports market, which debuted online in August 1997.

ESPN SportsZone has traditionally played a leadership role in generating revenue through online advertising, and was one of the first content companies to capitalize on sponsorship opportunities, initially offering category-exclusive sponsorship opportunities to six or eight companies for a \$1 million charter sponsorship fee (Mandese, 1995). ESPN SportsZone also inked long-term sponsorship deals with several companies including Gatorade, who signed a one-year, \$300,000 sponsorship, as well as a number of quarter-long sponsorships with other companies for \$100,000 (Schoenfeld, 1996). Since ESPN

SportsZone's debut, a great number of other sports sites have also tapped into the power of sports sponsorship.

These impressive figures notwithstanding, a 1997 report by Forrester Research revealed that of 30 sporting goods manufacturers and retailers surveyed, only five advertised on the Web, and only four more said that they planned to, even on major sports content sites (Hardie, Bluestein and McKnight, 1997).

Subscription Model

According to a 1995 study by Forrester Research, charging subscription fees will not generate significant revenue for online publishers (Bernoff and Ott, 1995). Bernoff and Ott interviewed more than 30 media companies (including CBS and NBC) to determine the revenue streams that content providers were utilizing on the Internet at that time, and which models would be successful in the future. They determined that fewer than 1% of online users in 1995 paid subscription fees beyond usual online access charges, and projected the figure to peak at 12% in the year 2000. They concluded that subscription fees proved to be too much of a barrier for most Web surfers, and predicted that the only content for which the subscription model might be appropriate were customized or unique services (pornography, for example), or business-to-business services, such as Lexis-Nexis.

Currently, The Wall Street Journal is one of the only mainstream media companies that charges a subscription fee to view all of its online content. Most sites that charge subscription fees, sports sites included, offer free areas as well as "subscriber-only" content.

Subscription Model Applied to Sports Segment

Despite Bernoff and Ott's gloomy 1995 predictions for the subscription model, sports sites have apparently continued to tap it as a major revenue stream.

Currently, some published reports indicate that subscription revenues account for 25% of the total revenues of ESPN SportsZone and CBS SportsLine (Storck et al., 1997). Visitors to both sites are typically charged \$4.95 per month for access to subscriber-only content. ESPN SportsZone charges \$29.95 for an annual subscription, while CBS SportsLine — which originally launched with the stated intention of making all of its content subscription-based — charges \$39.95 annually. Reportedly, ESPN SportsZone has 70,000 subscribers, while CBS SportsLine has 40,000 (Keane, 1997, September). ESPN SportsZone has also recently dabbled with the notion of a “one-day pass” (about \$1 per day) for visitors who want access to particular online content, but do not want to pay the fee for an entire month (Kane, 1997). CNN/SI does not currently charge a subscription fee to access any of its content. The official National Basketball Association site, NBA.com, is also now offering a \$19.95 “season ticket,” which features multimedia content including video and audio highlights of games, text play-by-play of games in progress, and more (Tedesco, 1997, November 3).

In addition to the aforementioned subscription-based revenues, sports sites have also generated revenue through fantasy league participation fees. Fantasy leagues (fantasy sports) allow site visitors to assemble “teams” comprised of actual players in a particular sport, and compete with other site visitors on the basis of how well those players perform on the field. Although a largely untapped market currently, Jupiter Communications, among others, believes that there is huge growth potential in this area (Keane, 1997). At

present, CBS SportsLine and ESPN SportsZone charge users \$29.95 for participation in fantasy sports games (Wang, 1997). According to Geoff Reiss, the senior vice president of sports at ESPN's Internet division, 25,000 teams participated during the 1997 baseball season. In contrast, to achieve market penetration CNN/SI does not charge for participation in most of its fantasy sports leagues, but does charge \$44.95 for a portion of its fantasy baseball league.

Online Commerce Model

Since NSF's decision to lift its restriction on commercial use of the Internet in 1991, businesses have actively looked for ways to use the Web to sell their products and services.

In 1996, the most recent year for which complete information was available at the time of this thesis, online commerce totaled \$706 million dollars (Vanderbilt, Achs, Cohen, DeBow and Harrison, 1997). Yet, during that period only 26% of all households online reported shopping at all, hinting at the overwhelming potential of online commerce ("The Interactive Consumer," 1997).

Of those households that did shop online, the vast majority purchased computer software (16.9%) or computer equipment (11.7%). However, 7.6% of those people surveyed responded that they purchased clothing, while another 6.2% indicated sport and theater tickets as their online purchases, figures that bode well for the future of sites marketing sports merchandise or tickets.

Traditionally, several barriers have stood in the way of making online commerce a viable alternative to traditional shopping. Initially, the technology was not in place to support online transactions, thus making buying products online a tedious ordeal. Web

surfers would have to find the product they desired, then call a toll-free number in order to request it. Recent advances, however, have made it easy to process credit card transactions online, making online purchases a fast and efficient process.

A larger barrier has been instilling confidence in consumers regarding the security of online transactions. Many consumers are uncomfortable giving out personal information — including credit card numbers — for fear that this information will be made available to others on the Web. Although encryption software now reduces the possibility of such breaches of security, many consumers are still not willing to make purchases online, a fact that may help explain why the growth in online commerce has not been more significant.

Online Commerce Model Applied to Sports Segment

The online commerce model provides sports marketers with an unprecedented opportunity to sell merchandise or tickets directly to their customers, but has been somewhat slowly adopted.

Hardie, Bluestein and McKnight (1997, July) attempted to quantify the degree to which sports marketers were utilizing the online commerce model by researching the online activities of the top 50 manufacturers and the top 50 retailers in the U.S. sporting goods industry. Of the top 50 United States sporting goods retailers, 24 offer a Web site, but only one of these contains content beyond corporate information, and only one sells products online. Of the top 50 United States sporting goods manufacturers, 30 offer a Web site, with 16 offering content beyond corporate information, and none offering products online.

To supplement this research, Hardie et al. also conducted interviews with 30 sporting goods manufacturers and retailers. Of the survey respondents, only one sold sporting

goods on its site, and only seven more said that they planned to. The researchers concluded that simple “corporate identity” sites are the norm among most sporting goods manufacturers, who use the Web primarily to showcase products, educate athletes and build brand awareness.

Another online commerce stream – online ticket purchasing – has met with slightly more success according to published studies. So far, the official Web sites for major league baseball teams seem to have most eagerly embraced online ticketing, as compared to their counterparts in other professional sports leagues (Hardie et al., 1997). According to Hardie et al., one-third of major league baseball’s teams offer tickets for sale directly from their sites, and a number of other teams offer ticketing through a link to the Ticketmaster Online site.

Revenue Streams Unique to Sports Sites

Because of the world-wide fascination with sports, Web sites offering sports content also have a number of revenue generating options at their disposal not readily available to Web content providers in other genres. Specifically, scheduled “marquee events” such as the Super Bowl, the Olympic Games and the Ryder Cup all but guarantee a sports site a high-volume, short-term spike in traffic to their site.

The official site for the Super Bowl, Superbowl.com, drew an estimated 25 million hits in five hours on the night of the game (Hardie, 1998). The Ryder Cup Web site registered 17.5 million hits on the first day of the event, and registered nearly 30 million hits over the three days of play (Hardie et al., 1997, November). The official Web site of the 1998 Winter Olympics, Nagano.olympic.org, averaged 1.5 million page views per day over the duration of the games.

These marquee events have a trickle-down effect as well. InterZine, who produces the iGolf Web site, reports 50% spikes in average traffic between April and June, the months in which the Masters and U.S. Open golf tournaments take place (Mooradian, Keane, and Schoenfeld, 1998). CBS SportsLine noted similar spikes in traffic to some of its traditionally less-trafficked areas – such as areas devoted to golf and tennis — during events such as the British Open and Wimbledon.

With such predictable spikes in traffic, revenue-generating opportunities abound. During major golf tournaments, InterZine is able to sell sponsorships of the iGolf site at a 60% premium over what they can ordinarily charge. CBS SportsLine took in more than \$2 million in ad revenues solely for their pages devoted to Olympic coverage.

Producers of marquee Web events can also garner additional revenue through short-term sponsorship packages that guarantee product/category exclusivity on the site, as well as by charging technology providers a fee to provide the hardware for a marquee event in exchange for the opportunity to be recognized as the “official technology provider” of that event. Finally, sites can make arrangements to reroute traffic to official event sites (marquee sites), for a fee.

Other Relevant Research

A survey of 1,134 visitors to sports-oriented Web sites revealed that more than 50.9% identified a television broadcast mention as the most significant factor prompting them to visit the site (Mooradian et al., 1998). Search engines accounted for 36.2% of site visits, television ads for 27.1%, recommendations for 23.5%, magazine ads for 21.9%, Web banner ads for 20.3%, ads in sports venues for 14.5%, newspaper ads for 13.3%, and radio ads for 9.9%.

Summation of Literature Review

In summary, research regarding the efforts of sites offering sports content or marketing their products through sports online is sketchy at best. Anecdotally, it seems that the online ad model and the subscription model have played large roles in generating online revenue for sports sites. However, few studies can truly substantiate this claim. While marketers have achieved some degree of success with each model, so far there have been few sports sites that have generated substantial profits from their online efforts. While sports marketers are clearly interested in utilizing the Web, a consistently profitable revenue model has not yet been discovered, and long-term viability of the medium for marketing sports is still uncertain.

CHAPTER III

Methodology

This chapter presents the methods and procedures that were used to conduct this study, including sample type, source of sample, sample size, sample instrument development design, and data collection and analysis.

As mentioned at the end of Chapter I, this study was designed to meet the following objectives:

- to develop an industry profile of the online sports segment to assess the degree to which companies are devoting money and resources to establishing and maintaining an online presence, and to determine their reasons for going online.
- to identify the revenue models employed by sports marketers, and to determine which of these models they believe are currently most successful, and which will be the most successful in the future.
- to determine how much money is being spent and earned by Web sites offering sports content or marketing through sports, and how much is being spent specifically on promotion.
- to determine whether the proprietors of Web sites offering sports content or marketing through sports are currently operating profitably on the Web, and whether sports marketers believe that the Web offers an opportunity to make a profit, both now and in the future.

Sample and Procedures

In order to meet the aforementioned objectives, a 39 question survey was distributed to representatives of 158 sites offering online sports content or marketing products through

sports on the Web. Because of the overwhelming number of sports Web sites available on the Internet – a search for the term “sports” in the Yahoo! listings returned 16,544 sites – and because of the varying degrees of quality among these sites, the population about which this study attempted to gather information was restricted to the those sports sites on the Web that were both official (backed by the team, league, or company they represent) and/or legitimate (professionally run). As alluded to in Chapter I, gambling sites, unofficial sites, sites for sports association and governing bodies, and proprietary sports services were not contacted for this study.

A preliminary list of potential respondents was identified based on a special issue of Yahoo! Internet Life, in which “all-star sites” were identified in a number of different sports categories (“Wide World Web of Sports,” 1997). This initial list included many of the most familiar and well-trafficked content sites on the Web, including ESPN SportsZone, CBS SportsLine, CNN/SI and The Sporting News, as well as the official Web sites for most major professional sports leagues.

Using this list as a starting point, the pool of potential respondents was supplemented by identifying the sports Web sites of the major television networks (such as MSNBC Sports and Fox Sports), the online sports sections of several of the top national newspapers (including The New York Times and The Los Angeles Times), the sports “channels” of top Web search engines (such as Yahoo! and Excite), and the Web sites of some of the top sporting goods manufacturers (including Nike, Fila, Reebok, Converse, Mizuno and Wilson).

The pool of potential respondents was further supplemented by identifying the Web sites of the top Division I college athletic conferences. Finally, the pool of potential

respondents was completed by identifying the official Web sites of every team in every major professional sports league (NFL, NBA, WNBA, NHL, MLS, MLB, ABL, and NFL Europe). Teams whose “official” sites resided on the official server of their respective league (all teams in the NBA and WNBA, for example, whose official sites reside on NBA.com and WNBA.com, respectively) were excluded from the study, as it was assumed that all relevant site information could be obtained from a representative of the league site.

The 158 sites identified comprise only a small fraction of the entire online sports population, but represent a relatively exhaustive list of the official and/or legitimate content sites, team/league sites, and commerce sites currently available online. Since the actual number of sites in this strictly-defined population is likely not much higher than 158, in order to obtain the maximum number of possible responses, and to obtain the most accurate results, the researcher opted to send the survey to the entire population rather than attempt to identify a random sample of this population. Response by the 158 sites contacted for this survey was strictly voluntary.

As the population on which the study focused was very strictly defined, it would be difficult to accurately suggest that the findings of this study are representative of all sports sites on the Web. Likewise, although roughly one-third of this population completed the survey, the potential presence of non-response bias could also misrepresent the characteristics of the population in question. Finally, because this study attempted to gauge the attitudes of sports marketers, results for the most part are qualitative rather than quantitative in nature.

A complete list of sites contacted and sites completing the survey may be found in Appendix A of this thesis.

Sample Instrument Development and Design

Survey Development

As the objectives of this survey were both numerous and somewhat disparate, it was difficult to design a survey instrument that would provide useful data without being too long. From an original list of 50 questions developed based on the literature review and other Web-based questionnaires, the survey instrument was pared to a more workable 39 questions. To identify the most relevant questions and to gather suggestions on both the construction and content of the questions, the survey was reviewed by Dr. Lisa Delpy, assistant professor at The George Washington University, and by professional statisticians Mark Grove and Tom Stoudt, who are employed by the Public Broadcasting Service (as is the researcher).

To further refine the survey, prior to its widespread dissemination it was pilot tested by sending it to three randomly chosen sites (from the pool of 158) on April 7, 1998. Feedback received resulted in minimal changes to the survey. A copy of the survey instrument that was distributed may be found in Appendix B of this thesis.

Survey Design

This study utilized the descriptive (normative) survey method, inasmuch as it relied on the technique of observation to gather data about the population. The questions in the survey were grouped into one of four categories according to the four stated objectives.

Category 1 - online sports industry profile/site goals.

Questions 1 through 8 of the survey instrument were essentially demographic questions (both qualitative and quantitative) about the Web site that the respondent represented. These questions were designed both to provide a general profile of the online sports industry, but also to yield responses that could be used as control variables for bivariate analysis (crosstabs) relative to other questions in the survey.

Questions 1, 2, 3 and 6 were left open-ended in order to provide a more accurate representation of how long a site has been on the Web, how many pages of content it offers, how many page views (the number of Web pages viewed by site visitors) it registers per month, and how many full-time and part-time workers each site employs. It was thought that some pattern might emerge regarding attitudes about profitability relative to a site's size, experience, and popularity. Page views was chosen as a traffic measure because of its widespread acceptance among the Internet community as a reliable indicator of site traffic. Units of measure such as "IP (Internet Protocol) visitors," which attempts to register the actual number of visitors to a site, and "hits," which counts both HTML page downloads and graphics downloads, were not used because it was assumed that these measures were less accurate.

Question 4 offered respondents nominal answer choices that allowed each to identify the sports site category by which they identify their site. In addition, this question offered an open-ended "Other" answer choice to allow respondents to provide greater detail about the type of content its site offers, in the event that a suitable answer could not be found among the three choices provided.

Like Question 4, Question 5 also offered nominal answer choices to determine whether a site was geared toward a particular sport, or offered content about a number of different sports, both as a means of demographic identification and as a possible control variable for bivariate analysis.

Question 7 was designed to determine whether a site was independent, or if it leveraged efforts in other media. Respondents were given three nominal choices of media (print, television and radio), as well as an open-ended “Other” answer choice in the event that a medium in which a site maintained a presence was not among the answer choices (e.g. billboards). Question 8 was designed as a follow-up to Question 7, in which respondents were asked to identify whether their Web content complemented information offered in other media (e.g. online game notes following a television broadcast), or duplicated information offered in other media (e.g. offering an Internet broadcast of a Yankee radio broadcast).

Finally, Question 9 was designed to identify the most important goals for sports marketers, and represented a first attempt to gauge whether “making money” was the driving force behind the creation of a sports Web site.

Respondents were given four potential site goals (as well as an open-ended “Other” category for site goals that weren’t listed) and were asked to rank them in order from one (most important) to five (least important) with respect to their own sites.

Category 2 - revenue models employed.

Questions 10 through 12 were designed to see which revenue models sports sites were utilizing at the present time, and to identify trends toward or away from particular models. Question 10 listed five online revenue models (and also offered an open-ended “Other”

category for revenue models that weren't listed), and asked respondents to identify the approximate percentage of revenue that each model generated on their sites. This question was left open-ended to provide a more accurate representation of the actual percentages of revenue being generated by each model.

In Questions 11 and 12, respondents were asked to rank each of the models listed in Question 10 with regard to their perceived ability to generate revenue in the short-term (one year from now) and long-term (three years from now). Although three years seldom constitutes the "long-term" for most endeavors, this length of time represents an eternity in the Web world. Questions 11 and 12 also contained an open-ended component to allow sites to identify potentially important revenue models that may not have been included in the nominal answer choices provided.

Question 13 was designed to provide insight into the online advertising pricing models utilized by sites that indicated the use of banner ads in Question 10. Respondents were given four nominal choices, as well as an open-ended answer choice to allow them to identify potentially important pricing models that may not have been included in the nominal answer choices provided.

Questions 14 through 17 were designed to provide insight about the degree to which the subscription revenue stream is important to sports Web sites by identifying past and current satisfaction with the subscription model as a revenue source, as well as the future intentions for this model. Question 14 was a "Yes-No" question intended to determine how many sites in the sample were currently charging subscription fees for content. Question 15 was an open-ended follow-up to Question 14, in which respondents who answered "Yes" to Question 14 were asked to provide the size of their current subscriber

base. Question 16 was targeted to those respondents that indicated in Question 14 that they did not currently charge a subscription fee, and was designed to identify a possible trend away from the subscription revenue model. Questions 16 and 17, both “Yes-No” questions, were designed to determine whether fantasy sports were expected to grow in popularity, asking respondents to identify whether or not they expected to offer this feature in the short-term (one year from now) and the long-term (three years from now).

Like the preceding set of questions, Questions 18 through 22 (all “Yes-No” questions) also addressed the subscription model, but focused on a specific subscription fee – that charged for participation in online fantasy sports leagues. Question 18 was intended to determine how many sites in the sample offered fantasy sports participation. Question 19 was targeted to those respondents that indicated in Question 18 that they did not currently offer fantasy sports participation, and was designed to identify a possible trend away from fantasy sports offerings. Question 20 was designed to determine whether the subscription model was expected to grow in popularity, asking respondents to identify whether or not they expected to utilize this model one year from now. Question 21 was intended to determine whether sites were currently charging a fee for fantasy sports participation, while Question 22 asked whether respondents expected to charge a fee one year from now, hopefully shedding some light on sports marketers’ future intentions for the use of the fantasy sports subscription model as a revenue stream.

Questions 23 through 29 (all “Yes-No” questions) dealt with the online commerce revenue stream for sports Web sites (the sale of both merchandise and tickets), and attempted to identify the current degree of satisfaction with and future implications for this model. Question 23 was designed to determine the percentage of the sample that sold

merchandise on their site. Question 24 asked whether sites were capable of processing transactions online, which was intended to provide an indication of the level of sophistication of these sites (whether they simply offered an online catalog for off-line purchases, or whether they actually sold merchandise on the Web). Question 25 was intended for those respondents that indicated in Question 23 that their sites did not currently offer merchandise for sale, and asked whether these sites had offered merchandise for sale online in the past. This question was intended to determine whether or not sites were moving away from the online commerce model. Question 26 asked whether sites intended to offer merchandise for sale online in the future, hopefully revealing trends toward or away from the online commerce revenue model. Questions 27 through 29 were designed to elicit the same trends as in Questions 23 through 26, only with a focus on the online sale of tickets to sporting events.

Category 3 - what is being spent and earned?

Question 30 provided a list of six marketing strategies (as well as an open-ended “Other” choice) and respondents were asked to rank them in order of how heavily they relied on each strategy to generate traffic to their sites (one represented a strategy that was “most used,” while seven represented a strategy that was “least used”). This question was intended to see how sites were spending their advertising dollars to drive visitors to their sites.

Question 31 asked respondents to indicate the amount of money that they spent on marketing of their Web sites in 1997, and offered them six ordinal choices ranging from “\$0” spent to “more than \$1 million.” This question was designed to give a sense of the perceived legitimacy of the Web as a medium for sports marketing, presuming that the

greater the amount spent on advertising, the more steadfast were the sports marketers in their belief that their sites were viable products worthy of substantial investment. Question 32 was designed as a further gauge of how serious sports marketers were about their Web ventures, asking whether they thought they would spend more, less, or the same amount on Web site advertising in the current year.

Questions 33 and 34 offered the same ordinal choices as Question 31. Question 33 asked respondents to indicate how much revenue their site generated in 1997, hopefully shedding further light on how much revenue a site was capable of generating on the Web. Question 34 asked respondents to indicate the amount of their site's 1997 budget, again hoping to gauge the level of commitment to this new medium.

Category 4 – profitability.

Finally, Questions 35 through 39 (all “Yes-No” questions) were designed to determine whether or not respondents' sites were operating profitably on the Web, and whether or not the respondents believed that their sites (and sports sites in general) could be profitable in the short and long terms. For these questions, “profitability” was defined as a situation where revenues exceeded costs, as opposed to simply “making money” as addressed in Question 9. As mentioned, tangential revenues that could not be shown to be a direct result of Web efforts were not considered in this definition of profitability.

Since much has been written about the paucity of profitable sites on the Web, Question 35 was designed to determine the percentage of Web sites in the sample that were currently operating profitably. Question 36 asked respondents whether profitability was a current goal of their sites, in order to determine just how important this goal is to a site's existence. Questions 37 and 38 were intended to determine if respondents were content to

subjugate short-term losses for potential profitability in the future, and whether sports marketers perceived a trend toward profitability. In these two questions, respondents were asked whether they felt their sites could be profitable in one year and in three years. Lastly, in Question 39, respondents were asked whether they felt that sports sites in general could be profitable, given the current technological environment and Web user base. This question was intended to gauge whether sports marketers felt that there were industry-wide barriers that precluded sports sites from being profitable.

Data Collection and Analysis

All of the 158 sites identified as candidates for this survey were contacted via e-mail on at least one occasion, and at most three occasions, depending on when, if ever, a representative of the site replied to the request for survey participation. In all instances, potential survey respondents were offered a free copy of the results in exchange for their participation in the survey. Eighteen of the 45 respondents indicated that they wanted to receive a free copy of the survey upon completion.

All e-mail correspondence took place through individual, personal messages (as opposed to a listserv or mass e-mail) requesting that a representative of the site participate in the survey. In many instances, correspondence was sent to the Webmaster of a particular site if no other e-mail address was readily available. However, when possible, the survey participation request was addressed to the marketing or communications personnel of the site contacted. An example of this correspondence may be found in Appendix C of this thesis.

Survey candidates that either did not complete the survey or did not respond were sent a follow-up e-mail message on April 25, once again kindly requesting their participation in

the survey. On May 11, a third and final request for participation was sent to those sites that had still not responded. Additionally, representatives of some sites indicated that they would complete the survey, but were late in doing so, which delayed the receipt of final results until late May.

In all e-mail correspondence, respondents were given the option of completing the survey by filling out an online form (available at <http://www.outsidescore.com/survey/>), replying by e-mail, sending the completed survey by fax, or sending it by postal mail. Of the 45 respondents who completed the survey, 32 utilized the online form, eight replied by e-mail, and five replied via fax. No completed surveys were received through postal mail. Any sites that responded to the participation request (either completing the survey or declining participation) were sent a personal thank you e-mail message.

Once all data was collected, responses received via fax or e-mail were entered manually into the database file generated by the online form. This data was then imported into a Microsoft Excel spreadsheet, which was used as the basis for all univariate and bivariate statistical analysis.

CHAPTER IV

Findings

This chapter presents the findings of a survey completed by 45 sports Web sites conducted between April 7 and May 11, 1998. As mentioned in Chapter III, 158 sites were solicited for participation in this survey, and 45 respondents (28.5%) successfully completed the survey instrument. Of the 158 sites contacted, 43 (27%) were content sites, 106 (67%) were team/league sites, eight (5%) were commerce sites, and one (1%) site was considered “other.” Of the 45 respondents, 16 (36%) identified themselves as content sites, 26 (58%) as team/league sites, two (4%) as commerce sites, and one (2%) as “other.” Thus, the makeup (with regard to site type) of the respondents very closely mirrors that of the entire population being studied.

The survey respondents were employed in a wide range of occupations. Fifteen (33%) worked in the public relations, marketing, media relations, or advertising and promotion arms of their companies. Eight (18%) listed their occupations as “manager,” six (13%) as “Webmaster,” “producer,” or “administrator,” six (13%) were editors, and two (4%) were presidents of their companies. Eight respondents did not indicate an occupation.

The findings in this chapter are presented in accordance with each question from the survey instrument, and are grouped into larger headings according to the four research objectives presented in Chapter III to which they pertain. For each question, all relevant univariate data (typically frequency, percentages of responses, mean, standard deviation, median and mode) is presented, followed by comprehensive comments that represent the findings. Where appropriate, bivariate analysis controlling for site type is also presented.

Since the main thrust of this thesis is to determine sports marketers' attitudes about profitability of Web ventures, this chapter also includes comprehensive bivariate analysis of three key variables (length of time on Internet, site type, and single sport/multi-sport categorization) for Questions 35 through 39, all of which pertain to profitability. This analysis is intended to provide additional insight into the profitability issue. When response percentages for particular questions are given, the actual number of respondents (n) to that question is indicated in parentheses.

Online Sports Industry Profile/Site Goals (survey questions one through nine)

Question 1 – When did your site debut on the Internet? (45 responses)

TABLE 1

HOW LONG ON INTERNET (IN YEARS)

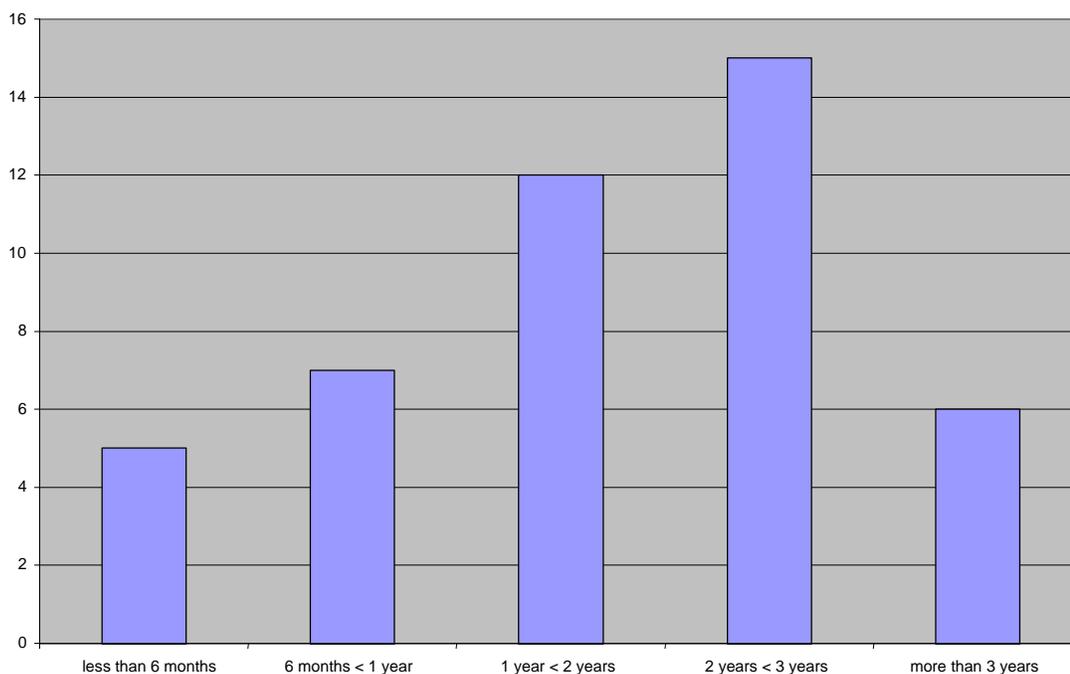
Mean Response	1.77
Median Response	1.91
Mode Response	2.16
Standard Deviation	.99
Longest	3.96
Shortest	.18

Respondents answered this question by providing the date on which they launched their Web site. This date was then compared to the date on which the data for this survey was compiled (June 8, 1998) to determine the length of time (in years) that each site had been on the Web. The mean value for how long the sites in the sample had been on the Internet was 1.77 years with a standard deviation of .99 years, while the median and mode were

1.91 and 2.16, respectively. The site with the most Web experience had been online for 3.96 years at the time of data compilation, while the newest site in the sample was just .18 years (roughly one month) old. Further analysis of the data revealed the following breakdowns with regard to how long the respondents had maintained a presence on the Internet.

FIGURE 1

HOW LONG ON INTERNET



Based on the launch dates provided by respondents, five (11%) of the survey respondents indicated that their sites had been on the Internet for less than six months. Seven (16%) indicated having been online for more than six months and less than one year, while 12 (27%) indicated having been online for more than one year and less than two years. Fifteen (33%) of the 45 survey respondents indicated that their sites had been

on the Internet for more than two years and less than three years, while six (13%) indicated that their sites had been on the Internet for three years or more. In all, 73% of the 45 respondents indicated having maintained an Internet site for more than one year.

Controlling for site type, content sites seem to have been the earliest adopters among the respondents.

TABLE 1A

TIME ON INTERNET VS. SITE TYPE

	Content	Team/League	Commerce	Other
Mean	2.03	1.65	1.95	0.35
Median	2.16	1.7	1.95	0.35
Mode	2.4	2.16	-	0.35
Standard Deviation	0.95	1.01	0.29	0
Longest	3.96	3.39	2.16	0.35
Shortest	0.27	0.18	1.75	0.35
Total Respondents	16	26	2	1
fewer than 6 months	6% (1)	12% (3)	0%	100% (1)
6 months < 1 year	6% (1)	23% (6)	0%	0%
1 year < 2 years	31% (5)	23% (6)	50% (1)	0%
2 years < 3 years	38% (6)	31% (8)	50% (1)	0%
3 years or more	19% (3)	12% (3)	0%	0%

Content sites responding had been online an average of 2.03 years, with a median of 2.16 years, a mode of 2.4 years, and a standard deviation of .95 years. Among content sites, the oldest site had been online 3.96 years, while the newest had been online just more than three months. One site (6%) had been online for fewer than six months, one (6%) for between six months and less than one year, five (31%) had been online for between one year and less than two years, six (38%) had been online for between two years and less than three years, and three (19%) had been online for three years or more.

Team/league sites responding had been online an average of 1.65 years, with a median of 1.7 years, a mode of 2.16 years, and a standard deviation of 1.01 years. Among team/league sites, the oldest site had been online 3.39 years, while the newest had been

online just more than two months. Three sites (12%) had been online for fewer than six months, six (23%) for between six months and less than one year, six (23%) for between one year and less than two years, eight (31%) for between two years and less than three years, and three (12%) for three years or more.

Commerce sites responding had been online an average of 1.95 years, with a median of 1.95 years, and a standard deviation of .29 years. Among the two commerce sites, the oldest site had been online 2.16 years, while the newest had been online 1.75 years. One site (50%) had been online for between one year and less than two years, and one (50%) had been online for between two years and less than three years.

The lone “other” site had been online for .35 years (just more than four months).

Question 2 – How many pages does your site have? (42 responses)

TABLE 2

HOW MANY PAGES?

Mean Response	19,607
Median Response	500
Mode Response	500
Standard Deviation	80,707
Maximum	500,000
Minimum	10

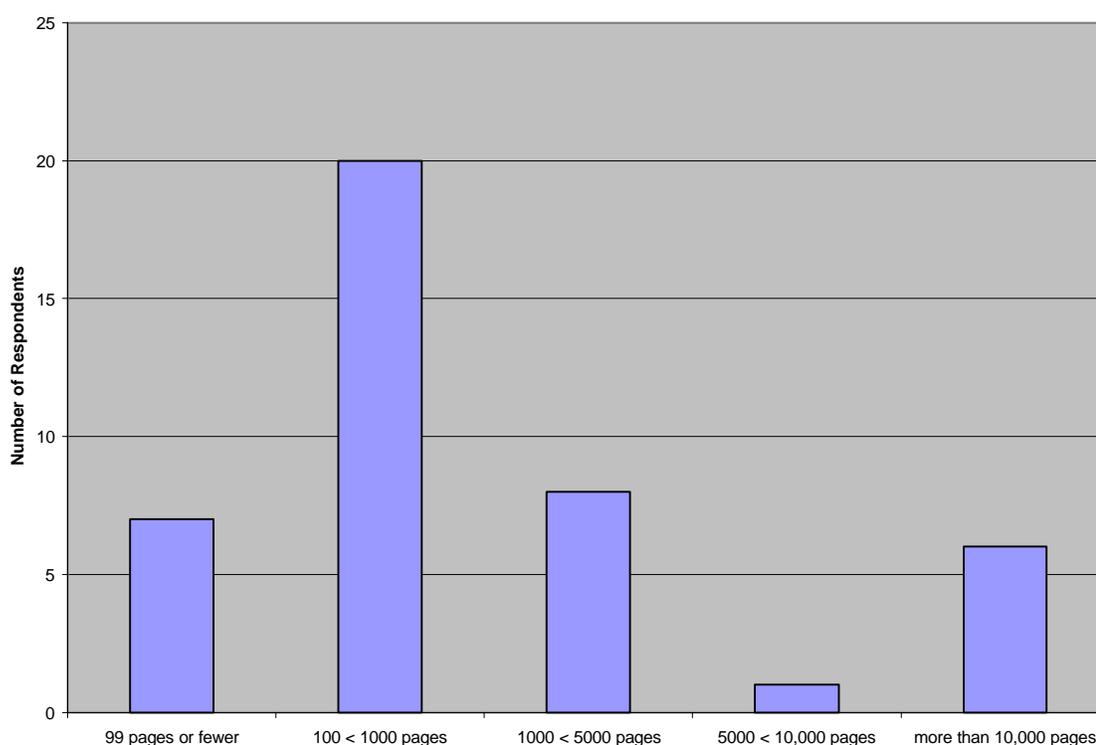
As the 42 respondents included a cross-section of sites in the online sports industry, responses to this question understandably varied widely. The mean number of pages per site for these respondents was 19,607, with median and mode values of 500 pages. The

maximum number of pages indicated by the respondents was 500,000, while the minimum was 10.

Further analysis revealed the following breakdown with regard to the number of pages offered by the sites responding to this question.

FIGURE 2

PAGES CATEGORIZED



Based on the responses provided, seven (17%) of the survey respondents had 99 pages or fewer, while 20 (48%) had between 100 and 999 pages. Eight (19%) had between 1,000 and 4,999 pages, one (2%) had between 5,000 and 9,999 pages, and six (14%) had 10,000 pages or more.

Controlling for site type revealed the following with regard to the number of pages offered by the respondents:

TABLE 2B
NUMBER OF PAGES VS. SITE TYPE

	Content	Team/League	Commerce	Other
Mean	56,200	1,371	110	950
Median	650	325	110	950
Mode	500	100	110	950
Standard Deviation	135,534	2,297	0	0
Most	500,000	10,000	110	950
Fewest	10	10	110	950
Total Respondents	14	26	1	1
fewer than 100 pages	7% (1)	23% (6)	0%	0%
100 < 1,000 pages	50% (7)	42% (11)	100% (1)	100% (1)
1,000 < 5,000 pages	7% (1)	27% (7)	0%	0%
5,000 < 10,000 pages	0%	4% (1)	0%	0%
10,000 pages or more	36% (5)	4% (1)	0%	0%

Clearly, the content sites responding seem to offer the greatest number of pages relative to the other three categories. The mean number of pages for content sites was found to be 56,200, a figure skewed upward by one content site boasting 500,000 pages. The median for content sites was 650 pages, the mode was 500, and the standard deviation was 135,534 pages. The fewest number of pages offered by a content site was 10. One site (7%) had fewer than 100 pages, seven (50%) had between 100 and 999 pages. One (7%) had between 1,000 and 4,999 pages, and five (36%) had 10,000 or more pages.

Team/league sites averaged 1,371 pages, had a median of 325 pages, had a mode of 100 pages, and a standard deviation of 2,297 pages. The largest team/league site offered 10,000 pages, while the smallest offered only 10 pages. Six sites (23%) had fewer than 100 pages, 11 (42%) had between 100 and 999 pages. Seven (27%) had between 1,000 and 4,999 pages, one (4%) had between 5,000 and 9,999 pages, and one (4%) had 10,000 or more pages.

The lone commerce site responding to this question had 110 pages, while the lone other site had 950 pages.

Question 3 – How many page views do you register on your site each month? (40 responses)

TABLE 3

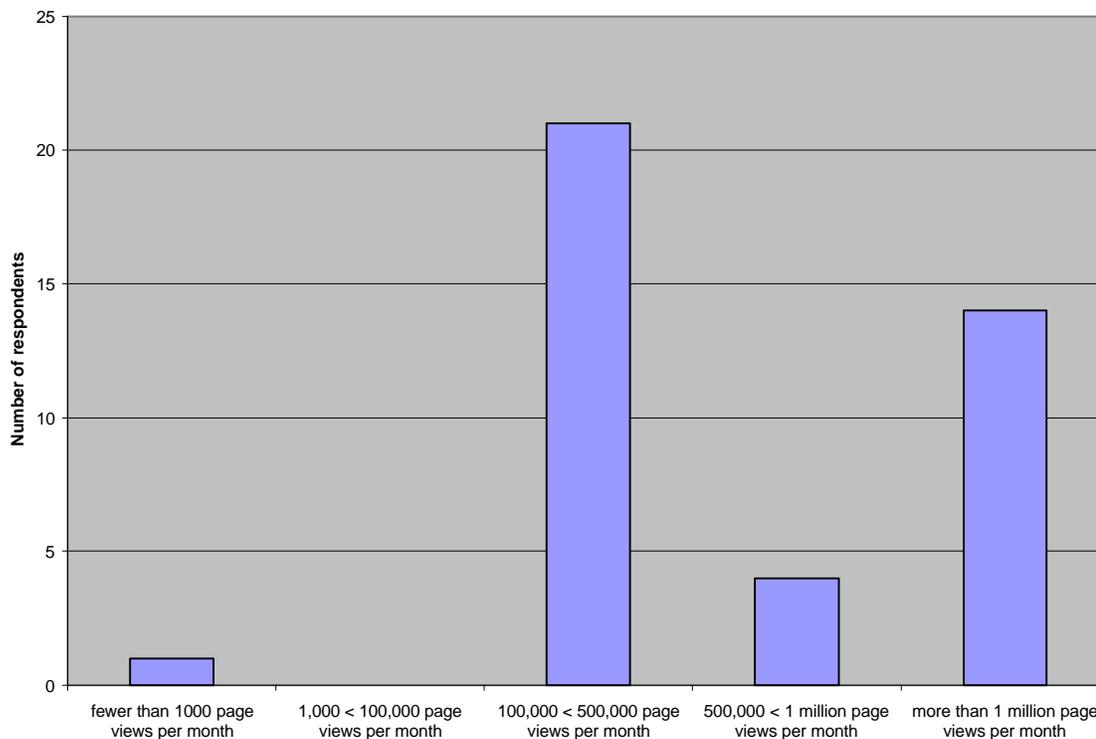
HOW MANY PAGE VIEWS PER MONTH?

Mean Response	11,465,002
Median Response	325,000
Mode Response	1,200,000
Standard Deviation	39,681,811
Maximum	201,000,000
Minimum	48

The three measures of central tendency were rendered somewhat ineffective by the extremely wide range of responses given for this question. The mean number of monthly page views was calculated to be 11,465,002, while the median and mode were 325,000 and 1,200,000, respectively. Standard deviation was 39,681,811, an understandably large number considering that the minimum value given as a response to this question was 48 page views per month, while the maximum response was 201 million.

Further analysis also revealed the following breakdown with regard to page views among respondents.

FIGURE 3
MONTHLY PAGE VIEWS CATEGORIZED



One (3%) of the 40 respondents to this question indicated that their sites registered fewer than 1,000 page views per month, while the vast majority (53%, 21 respondents) indicated that their sites registered between 100,000 and 499,999 page views per month. Four (10%) indicated between 500,000 and 999,999 page views per month, and 14 (35%) indicated monthly page views in excess of 1 million.

Controlling for site type revealed the following with regard to the number of page views registered by these respondents.

TABLE 3B
PAGE VIEWS VS. SITE TYPE

	Content	Team/League	Commerce	Other
Mean	31,733,248	581,858	120,000	250,000
Median	800,000	237,500	120,000	250,000
Mode	-	1,200,000	120,000	250,000
Standard Deviation	63,580,005	705,204	0	0
Most	201,000,000	3,000,000	120,000	250,000
Fewest	48	16,595	120,000	250,000
Total Respondents	14	24	1	1
fewer than 1,000 page views	7% (1)	0%	0%	0%
1,000 < 100,000 page views	50% (7)	25% (6)	0%	0%
100,000 < 500,000 page views	7% (1)	33% (8)	100% (1)	100% (1)
500,000 < 1,000,000 page views	0%	13% (3)	0%	0%
1,000,000 or more page views	36% (5)	29% (7)	0%	0%

Content sites led all site types with regard to page views registered, averaging more than 31 million monthly page views, with a median of 800,000 page views and a standard deviation of more than 65 million. The greatest number of monthly page views among content sites was 201 million, while the fewest was 48. One content site (7%) registered fewer than 1,000 monthly page views, seven (50%) registered between 1,000 and 99,999, one (7%) registered between 100,000 and 499,999, and five (36%) registered 1 million or more.

Among team/league sites, average monthly traffic was 581,858 page views, the median value was 237,500, and the mode value was 1.2 million, with a standard deviation of 705,204. The most monthly page views registered by a team/league site was 3 million, while the fewest was 16,595. Six respondents (25%) registered between 1,000 and 99,999 page views, eight (33%) registered between 100,000 and 499,999, three (13%) registered between 500,000 and 999,999, and seven (29%) registered 1 million or more.

The lone commerce site registered 120,000 monthly page views, while the lone other site registered 250,000 monthly page views.

Question 5 – Does your site focus on a single sport or event, or does it take a multi-sport/all-sport approach? (45 responses)

TABLE 5

SINGLE SPORT OR MULTI-SPORT

	<u>Percentage</u>
Single sport	67% (30)
Multi-sport/all-sport	33% (15)

Thirty (67%) of the respondents to this question indicated that their sites focused on a single sport, while 15 (33%) indicated taking a multi-sport or all-sport approach.

Question 6 – Approximately how many people do you employ in your online/Web division? (43 respondents)

TABLE 6

HOW MANY EMPLOYEES?

Full-Time	
Mean full-time employees	4.16
Median full-time employees	1
Mode full-time employees	1
Most full-time employees	62
Fewest full-time employees (other than zero)	1

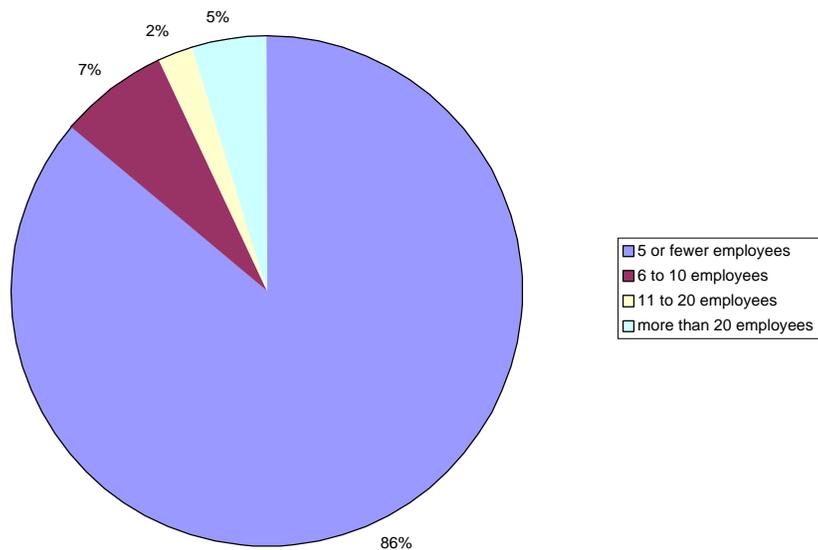
Part-Time	
Mean part-time employees	1.93
Median part-time employees	1
Mode part-time employees	0
Most part-time employees	15
Fewest part-time employees (other than zero)	1

The mean number of full-time employees among the survey respondents was 4.16, while one was the value for both the median and the mode. The greatest number of full-time Web employees among survey respondents was 62, while the fewest (other than zero) was one.

For part-time employees, respondents indicated a mean value of 1.93 employees, with a median value of one and a mode value of zero. The greatest number of part-time Web employees among respondents was 15, while the fewest (other than zero) was one.

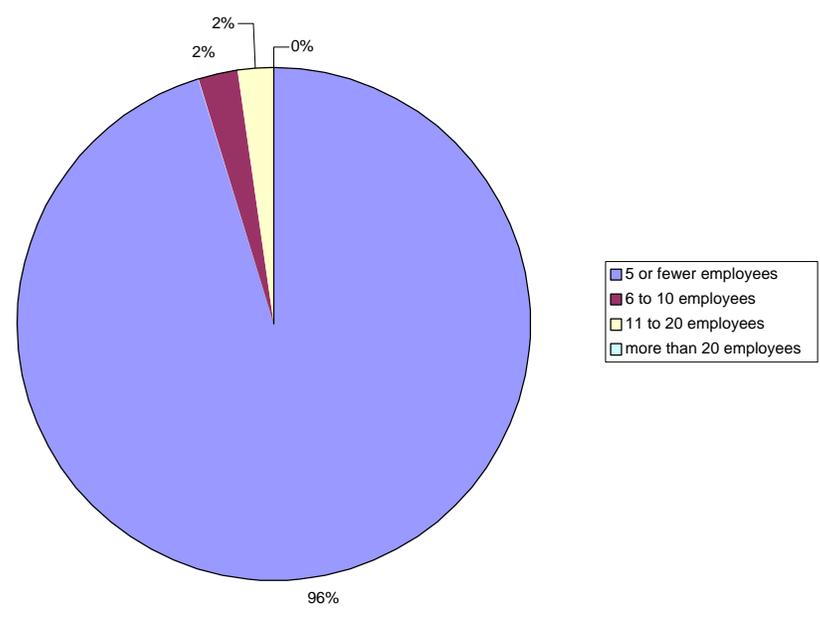
Further analysis also reveals a tendency towards low numbers of full- and part-time employees among the survey respondents.

FIGURE 6
NUMBER OF FULL-TIME EMPLOYEES



Thirty-seven (86%) respondents indicated that they employed five or fewer people full-time in their online/Web divisions. Three (7%) indicated employing six to ten people full-time, one (2%) indicated employing 11 to 20 people full-time, and two (5%) indicated employing more than 20 people full-time.

FIGURE 6A
NUMBER OF PART-TIME EMPLOYEES



Forty-one (96%) respondents indicated that they employed five or fewer part-time employees in their online/Web divisions. One (2%) indicated that they employed between six and ten part-time employees, and one (2%) indicated employing between 11 and 20 people part-time.

Controlling for site type revealed the following characteristics with regard to numbers of full- and part-time workers employed by the survey respondents.

TABLE 6A
WORKERS EMPLOYED VS. SITE TYPE

	Content	Team/League	Commerce	Other
Full-Time				
Mean	6.7	2.6	2.5	9
Median	1	1	2.5	9
Mode	0	1	-	9
Maximum	62	25	3	9
Minimum	0	0	2	9
Part-Time				
Mean	3.7	0.88	1.5	2
Median	3	0	1.5	2
Mode	1	0	-	2
Maximum	15	5	2	2
Minimum	0	0	1	2

Content sites responding employ an average of 6.7 full-time employees, with a median of one employee. The greatest number of full-time workers among content sites is 62, while the fewest is zero. For part-time employees, content sites average 3.7 employees, with a median of three and a mode of one. The greatest number of part-time workers is 15, while the fewest is zero.

Team/league sites employ an average of 2.6 full-time employees, with a median and mode of one employee. The greatest number of full-time workers among team/league sites is 25, while the fewest is zero. For part-time employees, team/league sites average .88 employees, with a median and mode of zero. The greatest number of part-time workers is 5, while the fewest is zero.

The two commerce sites responding to this question employed three and two full-time workers, and two and one part-time workers, respectively. The lone other site employed nine full-time workers and two part-time workers.

Question 7 – In addition to the Internet, in which other media does your company maintain a presence? (43 responses)

TABLE 7
OTHER MEDIA

	<u>Percentage</u>
Print	77% (33)
Television	65% (28)
Radio	63% (27)
None of the above	19% (8)

This question allowed respondents to choose more than one answer, so the percentages in the table above do not add to 100%. Thirty-three (77%) of the 43 respondents indicated maintaining a presence in print, 28 (65%) maintained a presence in television, and 27 (63%) maintained a presence in radio. Eight (19%) indicated that they did not maintain a presence in any of these media.

Question 8 – If your company maintains a presence in other media, does your online content complement or duplicate that information? (37 respondents)

TABLE 8
COMPLEMENT OR DUPLICATE INFORMATION IN OTHER MEDIA

	<u>Percentage</u>
Complements	81% (30)
Duplicates	19% (7)

Of the 37 respondents, 30 (81%) indicated that their sites offered content that complemented information available in their other media offerings, while seven (19%) indicated that their sites offered duplicative information.

Question 9 – Please rank the following site goals – from most important (one) to least important (five) – with respect to your site. (29 responses)

TABLE 9
RANKING SITE GOALS

	Offer timely, useful information	Generate revenue	Extend an existing brand	Promote other media endeavors	Other
Most important (1)	76% (22)	4% (1)	17% (5)	0%	33% (1)
(2)	10% (3)	26% (7)	48% (14)	19% (5)	0%
(3)	10% (3)	30% (8)	21% (6)	30% (8)	67% (2)
(4)	4% (1)	37% (10)	14% (4)	41% (11)	0%
Least important (5)	0%	4% (1)	0%	11% (3)	0%

In retrospect, it seems that the directions for this question (as well as those for Questions 10, 11, 12 and 30) may have been unclear. Although 43 respondents attempted to answer this question, only 29 of those provided answers in an ordinal fashion (ranking the items discreetly from one to five). The remaining 14 respondents utilized the same ranking for more than one answer choice, thus disqualifying their results from this analysis. Additionally, some respondents did not rank all answer choices. However, if the answer choices that they did identify were ranked in an ordinal fashion, their results were included. (This was true of Questions 10, 11, 12, and 30 as well.)

Twenty-nine respondents ranked the goal “to offer timely, useful information.” Twenty-two (76%) ranked this goal most important, three (10%) ranked it second in

importance, another three (10%) ranked it third most important, and one (4%) ranked it fourth most important.

Twenty-seven respondents ranked the goal “generate revenue.” One (4%) ranked this goal most important, seven (26%) ranked it second in importance, eight (30%) ranked it third most important, 10 (37%) ranked it fourth most important, and one (4%) ranked this goal least important.

Twenty-nine respondents ranked the goal “extend an existing brand in a new medium.” Five (17%) ranked this goal most important, 14 (48%) ranked it second in importance, six (21%) ranked it third most important, and four (14%) ranked it fourth most important.

Twenty-seven respondents ranked the goal “promote other media endeavors.” Five (19%) ranked it second in importance, eight (30%) ranked it third most important, 11 (41%) ranked it fourth most important, and three (11%) ranked this goal least important.

Finally, three respondents included other goals as being of importance. One respondent (33%) ranked “to provide live broadcasts of sporting events over the Web” as most important, one respondent (33%) ranked the goal “to offer detailed information about the [team name]” third most important, and one respondent (33%) ranked the goal “promote ideals of [organization name]” as third most important.

Transposing the x and y axes presents the data in a different, but equally revealing manner.

TABLE 9A
RANKING SITE GOALS (AXES TRANSPOSED)

	Most important (1)	(2)	(3)	(4)	Least important (5)
Offer timely, useful information	76% (22)	10% (3)	11% (3)	4% (1)	0%
Generate revenue	3% (1)	24% (7)	30% (8)	4% (1)	25% (1)
Extend an existing brand	17% (5)	48% (14)	22% (6)	15% (4)	0%
Promote other media endeavors	0%	17% (5)	30% (8)	42% (11)	75% (3)
Other	3% (1)	0%	7%	0%	0%

Twenty-two (76%) of those respondents indicating a goal as “most important” chose “offer timely, useful information.” One (3%) chose “generate revenue” as most important, five (17%) chose “extend an existing brand” as most important, and one (3%) indicated another goal as being most important.

Three (10%) of those respondents indicating a goal as “second most important” chose “offer timely, useful information.” Seven (24%) chose “generate revenue” as second most important, 14 (48%) chose “extend an existing brand” as second most important, and five (17%) chose “promote other media endeavors” as second most important.

Three (11%) of those respondents indicating a goal as “third most important” chose “offer timely, useful information.” Eight (30%) chose “generate revenue” as third most important, six (22%) chose “extend an existing brand” as third most important, eight (30%) chose “promote other media endeavors” as third most important, and two (7%) chose other goals as being third most important.

One (4%) of those respondents indicating a goal as “fourth most important” chose “offer timely, useful information.” One (4%) chose “generate revenue” as fourth most

important, four (15%) chose “extend an existing brand” as fourth most important, and 11 (42%) chose “promote other media endeavors” as fourth most important.

Finally, one (25%) of those respondents indicating a goal as “least important” chose “generate revenue.” Three (75%) chose “promote other media endeavors” as least important.

Controlling for site type reveals the following patterns with regard to site goals:

TABLE 9B

RANKING SITE GOALS – CONTENT SITES

	Offer timely, useful information	Generate revenue	Extend an existing brand	Promote other media endeavors	Other
Most important (1)	64% (7)	10% (1)	27% (3)	0%	0%
(2)	18% (2)	20% (2)	45% (5)	22% (2)	0%
(3)	9% (1)	50% (5)	27% (3)	0%	0%
(4)	9% (1)	10% (1)	0%	78% (7)	0%
Least important (5)	0%	10% (1)	0%	0%	0%

Among content sites, the goal “offer timely, useful information” was ranked most important by seven (64%) respondents, second most important by two respondents (18%), third most important by one respondent (9%), and fourth most important by one respondent (9%).

The goal “generate revenue” was ranked most important by one respondent (10%), second most important by two respondents (20%), third most important by five respondents (50%), fourth most important by one respondent (10%), and least important by one respondent (10%).

The goal “extend an existing brand” was ranked most important by three respondents (27%), second most important by five respondents (45%), and third most important by three respondents (27%).

The goal “promote other media endeavors” was ranked second most important by two respondents (22%), and fourth most important by seven respondents (78%).

TABLE 9C

RANKING SITE GOALS – TEAM/LEAGUE SITES

	Offer timely, useful information	Generate revenue	Extend an existing brand	Promote other media endeavors	Other
Most important (1)	81% (13)	0%	13% (2)	0%	50% (1)
(2)	6% (1)	33% (5)	44% (7)	19% (3)	0%
(3)	13% (2)	20% (3)	19% (3)	44% (7)	50% (1)
(4)	0%	47% (7)	25% (4)	25% (4)	0%
Least important (5)	0%	0%	0%	13% (2)	0%

Among team/league sites, the goal “offer timely, useful information” was ranked most important by 13 respondents (81%), second most important by one respondent (6%), and third most important by two respondents (13%).

The goal “generate revenue” was ranked second most important by five respondents (33%), third most important by three respondents (20%), and fourth most important by seven respondents (47%).

The goal “extend an existing brand” was ranked most important by two respondents (13%), second most important by seven respondents (44%), third most important by three respondents (19%), and fourth most important by four respondents (25%).

The goal “promote other media endeavors” was ranked second most important by three respondents (19%), third most important by seven respondents (44%), fourth most important by four respondents (25%), and least important by two respondents (13%).

Two “other” goals were offered by respondents, one of which was ranked most important, and another of which was ranked third most important.

The lone commerce site responding to this question ranked “offer timely, useful information” as most important, “extend an existing brand” as second most important, “promote other media endeavors” as third most important, and “generate revenue” as fourth most important.

The lone other site responding ranked “offer timely, useful information” as most important, “extend an existing brand” as second most important, “other” goals as third most important, “generate revenue” as fourth most important, and “promote other media endeavors” as least important.

Revenue Models Employed (survey questions 10 through 29)

Question 10 – Identify the approximate percentage of all revenue generated by the following revenue models: subscriptions/fees for use; online commerce; banner advertisements; underwriting/sponsorship and/or co-branded content; interstitials; other. (23 respondents)

TABLE 10
REVENUE PERCENTAGES

<u>Subscription Model</u>	
% of respondents employing revenue model	17% (4)
Maximum percentage of revenue generated by model	40%
Minimum percentage of revenue generated by model	3%
<u>Online Commerce Model</u>	
% of respondents employing revenue model	61% (14)
Maximum percentage of revenue generated by model	100%
Minimum percentage of revenue generated by model	2%
<u>Banner Ad Model</u>	
% of respondents employing revenue model	65% (15)
Maximum percentage of revenue generated by model	100%
Minimum percentage of revenue generated by model	20%
<u>Underwriting/Sponsorship Model</u>	
% of respondents employing revenue model	35% (8)
Maximum percentage of revenue generated by model	100%
Minimum percentage of revenue generated by model	20%
<u>Interstitial Ad Revenue Model</u>	
% of respondents employing revenue model	4% (1)
Maximum percentage of revenue generated by model	10%
Minimum percentage of revenue generated by model	10%

As with Question 9, there seemed to be some confusion about how this question should be answered. Some respondents ranked the models rather than providing percentages, which resulted in these responses being removed from the results.

Of the 23 valid responses to this question, four (17%) indicated that they utilized the subscription model as a source of online revenue. The largest percentage of revenue generated by the subscription model among the four respondents was 40%, while the smallest percentage was 3%.

Fourteen of the 23 respondents (61%) indicated that they utilized the online commerce model as a source of online revenue. The largest percentage of revenue generated by the online commerce model among the 14 respondents was 100%, while the smallest percentage was 2%.

Fifteen of the 23 respondents (65%) indicated that they utilized the banner advertisement model as a source of online revenue. The largest percentage of revenue generated by the banner advertisement model among the 15 respondents was 100%, while the smallest percentage was 20%.

Eight of the 23 respondents (35%) indicated that they utilized the underwriting/sponsorship model as a source of online revenue. The largest percentage of revenue generated by the underwriting/sponsorship model among the eight respondents was 100%, while the smallest percentage was 20%.

Only one of the 23 respondents (4%) indicated that they utilized the interstitial model as a source of online revenue. This respondent indicated that the interstitial model currently accounted for 10% of revenue generated online by their site.

Three respondents indicated other sources of online revenue. These were “tickets,” comprising 40% of the online revenue generated by the respondent’s site, “magazine subscriptions,” comprising 25% of the revenue generated by the respondent’s site, and “ticket and merchandise sales,” comprising 100% of the revenue generated by the respondent’s site. These responses could technically be added to the figures for the online commerce model.

Controlling for site type revealed the following characteristics of the respondents with regard to sources of online revenue.

TABLE 10A

REVENUE MODELS VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	9	9	-	-
Subscriptions	33% (3)	0%	-	-
Online Commerce	67% (6)	67% (6)	-	-
Banner Ads	78% (7)	33% (3)	-	-
Underwriting/Sponsorship	33% (3)	56% (5)	-	-
Interstitials	0%	0%	-	-
Other	11% (1)	11% (1)	-	-

Among the nine content sites responding to this question, three (33%) rely on the subscription revenue model to generate revenue, six (67%) rely on online commerce, seven (78%) rely on banner ads, three (33%) rely on underwriting/sponsorship, and one (11%) relies on “other” revenue streams.

Among the nine team/league sites responding to this question, six (67%) rely on online commerce, three (33%) rely on banner ads, five (56%) rely on underwriting/sponsorship, and one (11%) relies on “other” revenue streams.

No commerce or other sites responded to this question.

Question 11 – Rank the revenue models from highest (one) to lowest (six) based on the amount of income that you expect each to generate on your site one year from now. (25 respondents)

TABLE 11

REVENUE PERCENTAGES ONE YEAR FROM NOW

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
highest amount of income (1)	0%	30% (6)	38% (8)	67% (10)	0%	0%
(2)	13% (2)	35% (7)	19% (4)	33% (5)	33% (2)	0%
(3)	20% (3)	30% (6)	38% (8)	0%	0%	0%
(4)	47% (7)	5% (1)	5% (1)	0%	33% (2)	0%
(5)	20% (3)	0%	0%	0%	33% (2)	0%
lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Fifteen respondents included the revenue model “subscriptions/fees for use” in their rankings. No respondents indicated that they expected this model to generate the highest amount of income for their sites one year from now. Two (13%) expected it to generate the second highest amount of income, three (20%) expected it to generate the third highest amount of income, seven (47%) expected it to generate the fourth highest amount of income, and three (20%) expected it to generate the fifth highest amount of income one year from now.

Twenty respondents included the revenue model “online commerce” in their rankings. Six (30%) indicated that they expected this model to generate the highest amount of income for their sites one year from now, seven (35%) expected it to generate the second highest amount of income, six (30%) expected it to generate the third highest amount of income, and one (5%) expected it to generate the fourth highest amount of income.

Twenty-one respondents included the revenue model “banner advertisements” in their rankings. Eight (38%) indicated that they expected this model to generate the highest amount of income for their sites one year from now, four (19%) expected it to generate the second highest amount of income, eight (38%) expected it to generate the third highest amount of income, and one (5%) expected it to generate the fourth highest amount of income.

Fifteen respondents included the revenue model “underwriting/sponsorship or co-branded content” in their rankings. Ten (67%) indicated that they expected this model to generate the highest amount of income for their sites one year from now, and five (33%) expected it to generate the second highest amount of income.

Six respondents included the revenue model “interstitials” in their rankings. Two (33%) indicated that they expected this model to generate the second highest amount of income for their sites one year from now, two (33%) expected it to generate the fourth highest amount of income, and two (33%) expected it to generate the fifth highest amount of income.

Transposing the axes for this graph provides additional insight about this question.

TABLE 11A

REVENUE PERCENTAGES ONE YEAR FROM NOW (AXES TRANSPOSED)

	Highest amount of income (1)	(2)	(3)	(4)	(5)	Lowest amount of income (6)
Subscriptions/fees for use	0%	10% (2)	18% (3)	64% (7)	60% (3)	0%
Online commerce	25% (6)	35% (7)	35% (6)	9% (1)	0%	0%
Banner advertisements	33% (8)	20% (4)	47% (8)	9% (1)	0%	0%
Underwriting/sponsorship or co-branded content	42% (10)	25% (5)	0%	0%	0%	0%
Interstitials	0%	10% (2)	0%	18% (2)	40% (2)	0%
Other	0%	0%	0%	0%	0%	0%

Of the 24 respondents designating one of the revenue models as generating the “highest amount of income” one year from now, six (25%) indicated online commerce. Eight (33%) indicated banner advertisements, and 10 (42%) indicated underwriting/sponsorship or co-branded content.

Of the 20 respondents designating one of the revenue models as generating the second highest amount of income, two (10%) indicated subscriptions/fees for use. Seven (35%) indicated online commerce, four (20%) indicated banner advertisements, five (25%) indicated underwriting/sponsorship or co-branded content, and two (10%) indicated interstitials.

Of the 17 respondents designating one of the revenue models as generating the third highest amount of income, three (18%) indicated subscriptions/fees for use. Six (35%) indicated online commerce, and eight (47%) indicated banner advertisements.

Of the 11 respondents designating one of the revenue models as generating the fourth highest amount of income, seven (64%) indicated subscriptions/fees for use. One (9%) indicated online commerce, one (9%) indicated banner advertisements, and two (18%) indicated interstitials.

Of the five respondents designating one of the revenue models as generating the fifth highest amount of income, three (60%) indicated subscriptions/fees for use. Two (40%) indicated interstitials.

Controlling for site type revealed the following characteristics of the respondents with regard to the amount of revenue expected to be generated by each model one year from now.

TABLE 11B

REVENUE PERCENTAGES ONE YEAR FROM NOW – CONTENT SITES

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
Highest amount of income (1)	0%	17% (1)	57% (4)	100% (3)	0%	0%
(2)	17% (1)	50% (3)	29% (2)	0%	0%	0%
(3)	33% (2)	33% (2)	14% (1)	0%	0%	100% (1)
(4)	33% (2)	0%	0%	0%	100% (1)	0%
(5)	17% (1)	0%	0%	0%	0%	0%
Lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Among content sites, “subscriptions/fees for use” were expected to generate the second highest amount of income by one respondent (17%), the third highest by two respondents (33%), the fourth highest by two respondents (33%), and the fifth highest by one respondent (17%).

For content sites including “online commerce” in their rankings, one (17%) expected it to generate the highest amount of income one year from now, three (50%) expected it to

generate the second highest amount of income, and two (33%) expected it to generate the third highest amount of income.

For content sites including banner advertisements in their rankings, four (57%) expected it to generate the highest amount of income one year from now, two (29%) expected it to generate the second highest amount of income, and one (14%) expected it to generate the third highest amount of income.

For content sites including “underwriting/sponsorship or co-branded content” in their rankings, three (100%) expected it to generate the highest amount of income one year from now.

One content site (100%) believed that interstitials would generate the fourth highest amount of income one year from now, and one content site (100%) believed that other sources would generate the third highest amount of income one year from now.

TABLE 11C

REVENUE PERCENTAGES ONE YEAR FROM NOW – TEAM/LEAGUE SITES

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
Highest amount of income (1)	0%	36% (5)	29% (4)	55% (6)	0%	0%
(2)	11% (1)	29% (4)	14% (2)	45% (5)	40% (2)	0%
(3)	11% (1)	29% (4)	50% (7)	0%	0%	100% (1)
(4)	56% (5)	7% (1)	7% (1)	0%	20% (1)	0%
(5)	22% (2)	0%	0%	0%	40% (2)	0%
Lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Among team/league sites, “subscriptions/fees for use” were expected to generate the second highest amount of income by one respondent (11%), the third highest by one respondent (11%), the fourth highest by five respondents (56%), and the fifth highest by two respondents (22%).

For team/league sites including “online commerce” in their rankings, five (36%) expected it to generate the highest amount of income one year from now, four (29%) expected it to generate the second highest amount of income, four (29%) expected it to generate the third highest amount of income, and one (7%) expected it to generate the fourth highest amount of income.

For team/league sites including banner advertisements in their rankings, four (29%) expected it to generate the highest amount of income one year from now, two (14%) expected it to generate the second highest amount of income, seven (50%) expected it to generate the third highest amount of income, and one (7%) expected it to generate the fourth highest amount of income.

For team/league sites including “underwriting/sponsorship or co-branded content” in their rankings, six (55%) expected it to generate the highest amount of income one year from now, and five (45%) expected it to generate the second highest amount of income one year from now.

For team/league sites including “interstitials” in their rankings, two (40%) expected it to generate the second highest amount of income one year from now, one (20%) expected it to generate the fourth highest amount of income one year from now, and two (40%) believed it would generate the fifth highest amount of income one year from now. One team/league site ranked “other” revenue models as expected to generate the third-highest amount of income one year from now.

No commerce sites responded to this question. The lone other site expected the highest amount of income one year from now to come from underwriting/sponsorship or co-branded content.

Question 12 – Rank the revenue models from highest (one) to lowest (six) based on the amount of income that you expect each to generate on your site three years from now. (24 respondents)

TABLE 12

REVENUE PERCENTAGES THREE YEARS FROM NOW

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
Highest amount of income (1)	6% (1)	30% (7)	30% (7)	50% (9)	0%	0%
(2)	0%	35% (8)	35% (8)	33% (6)	17% (1)	100% (1)
(3)	24% (4)	26% (6)	30% (7)	11% (2)	17% (1)	0%
(4)	59% (10)	9% (2)	4% (1)	6% (1)	0%	0%
(5)	12% (2)	0%	0%	0%	67% (4)	0%
Lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Seventeen respondents included the revenue model “subscriptions/fees for use” in their rankings. One (6%) indicated that they expected this model to generate the highest amount of income for their sites three years from now. Four (24%) expected it to generate the third highest amount of income, 10 (59%) expected it to generate the fourth highest amount of income, and two (12%) expected it to generate the fifth highest amount of income three years from now.

Twenty-three respondents included the revenue model “online commerce” in their rankings. Seven (30%) indicated that they expected this model to generate the highest amount of income for their sites three years from now, eight (35%) expected it to generate the second highest amount of income, six (26%) expected it to generate the third highest amount of income, and two (9%) expected it to generate the fourth highest amount of income.

Twenty-three respondents included the revenue model “banner advertisements” in their rankings. Seven (30%) indicated that they expected this model to generate the highest amount of income for their sites three years from now, eight (35%) expected it to generate the second highest amount of income, seven (30%) expected it to generate the third highest amount of income, and one (4%) expected it to generate the fourth highest amount of income.

Eighteen respondents included the revenue model “underwriting/sponsorship or co-branded content” in their rankings. Nine (50%) indicated that they expected this model to generate the highest amount of income for their sites three years from now, six (33%) expected it to generate the second highest amount of income, two (11%) expected it to generate the third highest amount of income, and one (6%) expected it to generate the fourth highest amount of income.

Six respondents included the revenue model “interstitials” in their rankings. One (17%) indicated that they expected this model to generate the second highest amount of income for their sites three years from now, one (17%) expected it to generate the third highest amount of income, and four (67%) expected it to generate the fifth highest amount of income.

One respondent indicated the sale of tickets as an additional source of revenue, expecting it to generate the second highest amount of revenue three years from now.

Transposing the axes for this graph provides additional insight about this question.

TABLE 12A**REVENUE PERCENTAGES THREE YEARS FROM NOW (AXES TRANSPOSED)**

	Highest amount of income (1)	(2)	(3)	(4)	(5)	Lowest amount of income (6)
Subscriptions/fees for use	4% (1)	0%	20% (4)	71% (10)	33% (2)	0%
Online commerce	29% (7)	33% (8)	30% (6)	14% (2)	0%	0%
Banner advertisements	29% (7)	33% (8)	35% (7)	7% (1)	0%	0%
Underwriting/ sponsorship or co-branded content	38% (9)	25% (6)	10% (2)	7% (1)	0%	0%
Interstitials	0%	4% (1)	5% (1)	0%	67% (4)	0%
Other	0%	4% (1)	0%	0%	0%	0%

Of the 24 respondents designating one of the revenue models as generating the “highest amount of income” three years from now, one (4%) indicated subscriptions/fees for use. Seven (29%) indicated online commerce, seven (29%) indicated banner advertisements, and nine (38%) indicated underwriting/sponsorship or co-branded content.

Of the 24 respondents designating one of the revenue models as generating the second highest amount of income three years from now, eight (33%) indicated online commerce, eight (33%) indicated banner advertisements, six (25%) indicated underwriting/sponsorship or co-branded content, one (4%) indicated interstitials, and one (4%) indicated another stream (ticket sales) as generating the second highest amount of income three years from now.

Of the 20 respondents designating one of the revenue models as generating the third highest amount of income three years from now, four (20%) indicated subscriptions/fees

for use. Six (30%) indicated online commerce, seven (35%) indicated banner advertisements, two (10%) indicated underwriting/sponsorship or co-branded content, and one (5%) indicated interstitials.

Of the 14 respondents designating one of the revenue models as generating the fourth highest amount of income three years from now, 10 (71%) indicated subscriptions/fees for use. Two (14%) indicated online commerce, one (7%) indicated banner advertisements, and one (7%) indicated underwriting/sponsorship or co-branded content.

Of the six respondents designating one of the revenue models as generating the fifth highest amount of income, two (33%) indicated subscriptions/fees for use. Four (67%) indicated interstitials.

Controlling for site type reveals the following characteristics of the respondents with regard to the amount of revenue expected to be generated by each model three years from now.

TABLE 12B

REVENUE PERCENTAGES THREE YEARS FROM NOW – CONTENT SITES

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
Highest amount of income (1)	0%	14% (1)	57% (4)	50% (2)	0%	0%
(2)	33% (2)	57% (4)	14% (1)	50% (2)	0%	0%
(3)	0%	29% (2)	29% (2)	0%	0%	0%
(4)	67% (4)	0%	0%	0%	0%	0%
(5)	0%	0%	0%	0%	100% (1)	0%
Lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Among content sites, “subscriptions/fees for use” were expected to generate the second highest amount of income three years from now by two respondents (33%), and the fourth highest by four respondents (67%).

For content sites including “online commerce” in their rankings, one (14%) expected this model to generate the highest amount of income three years from now, four (57%) expected it to generate the second highest amount of income, and two (29%) expected it to generate the third highest amount of income.

For content sites including “banner advertisements” in their rankings, four (57%) expected this model to generate the highest amount of income three years from now, one (14%) expected it to generate the second highest amount of income, and two (29%) expected it to generate the third highest amount of income.

For content sites including “underwriting/sponsorship or co-branded content” in their rankings, two (50%) expected this model to generate the highest amount of income three years from now, and two (50%) expected it to generate the second highest amount of income.

One content site (100%) believed that interstitials would generate the fifth highest amount of income one year from now.

TABLE 12C

REVENUE PERCENTAGES THREE YEARS FROM NOW – TEAM/LEAGUE SITES

	Subscriptions/ fees for use	Online commerce	Banner advertisements	Underwriting/ sponsorship or co-branded content	Interstitials	Other
Highest amount of income (1)	10% (1)	40% (6)	19% (3)	46% (6)	0%	0%
(2)	0%	20% (3)	44% (7)	31% (4)	20% (1)	0%
(3)	10% (1)	27% (4)	31% (5)	15% (2)	20% (1)	0%
(4)	60% (6)	13% (2)	6% (1)	8% (1)	0%	0%
(5)	20% (2)	0%	0%	0%	60% (3)	0%
Lowest amount of income (6)	0%	0%	0%	0%	0%	0%

Among team/league sites, “subscriptions/fees for use” were expected to generate the highest amount of income three years from now by one respondent (10%), the third

highest by one respondent (10%), the fourth highest by six respondents (60%), and the fifth highest by two respondents (20%).

For team/league sites including “online commerce” in their rankings, six (40%) expected this model to generate the highest amount of income three years from now, three (20%) expected it to generate the second highest amount of income, four (27%) expected it to generate the third highest amount of income, and two (13%) expected it to generate the fourth highest amount of income.

For team/league sites including “banner advertisements” in their rankings, three (19%) expected this model to generate the highest amount of income three years from now, seven (44%) expected it to generate the second highest amount of income, five (31%) expected it to generate the third highest amount of income, and one (6%) expected it to generate the fourth highest amount of income.

For team/league sites including “underwriting/sponsorship or co-branded content” in their rankings, six (46%) expected this model to generate the highest amount of income three years from now, four (31%) expected it to generate the second highest amount of income, two (15%) expected it to generate the third highest amount of income, and one (8%) expected it to generate the fourth highest amount of income.

For team/league sites including “interstitials” in their rankings, one (20%) expected this model to generate the second highest amount of income three years from now, one (20%) expected it to generate the third highest amount of income, and three (60%) believed it would generate the fifth highest amount of income.

No commerce sites responded to this question. The lone other site expected the highest amount of income one year from now to come from underwriting/sponsorship or co-

branded content, the second highest to come from online commerce, and the third highest from subscriptions/fees for use.

Question 13 – If you have banner advertising on your site, which pricing model do you use for your ad inventory? (24 responses)

TABLE 13

PRICING MODELS FOR BANNER ADS

CPM	67% (16)
Click-through	17% (4)
Cost per lead/cost per buyer	17% (4)
Flat fee	54% (13)
Other	0%

As this question allowed respondents to provide more than one answer, the percentages for the various models do not add to 100% (there is some overlap because some sites use more than one model). Sixteen respondents (67%) indicated using the CPM model as one of the means for pricing their banner ad inventory, four (17%) indicated using the click-through model, four (17%) indicated using the cost per lead/cost per buyer model, and 13 (54%) indicated using flat fee pricing for their ad inventories.

Controlling for site type revealed the following with regard to banner advertisement pricing models.

TABLE 13A**PRICING MODELS FOR BANNER ADS VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	10	14	-	-
CPM	80% (8)	57% (8)	-	-
Click-through	10% (1)	21% (3)	-	-
Cost per lead/cost per buyer	30% (3)	7% (1)	-	-
Flat Fee	40% (4)	64% (9)	-	-
Other	0%	0%	-	-

Of the ten content sites responding to this question, eight (80%) utilize the CPM model, one (10%) uses the click-through model, three (30%) use the cost per lead/cost per buyer model, and four (40%) use flat fee pricing. Among the 14 team/league sites responding, eight (57%) utilize the CPM model, three (21%) use the click-through model, one (7%) uses cost per lead/cost per buyer pricing, and nine (64%) use flat fee pricing.

No commerce or other sites responded to this question.

Question 14 – Do you currently charge a subscription fee for any areas of your site?

(45 respondents)

TABLE 14**CURRENTLY CHARGE A SUBSCRIPTION FEE?**

Yes	13% (6)
No	87% (39)

Six (13%) of the 45 respondents indicated that they currently charge a subscription fee for some areas of their site.

Controlling for site type reveals the following breakdown with regard to subscription fees.

TABLE 14A

CURRENTLY CHARGE A SUBSCRIPTION FEE VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	16	26	2	1
Yes	31% (5)	4% (1)	0%	0%
No	69% (11)	96% (25)	100% (2)	100% (1)

Among content sites, five (31%) currently charge a subscription fee, while eleven (69%) do not. Among team/league sites, one (4%) currently charges a fee, while 25 (96%) do not. Neither of the two commerce sites, nor the other site currently charges a subscription fee.

Question 15 – How many total subscribers do you have to the fee-based areas of your site? (2 respondents)

TABLE 15

HOW MANY SUBSCRIBERS

Highest response	10,000+
Lowest response	500

Designed as a follow-up to Question 14, this was to be answered by those sites that indicated in the previous question that they currently charge a subscription fee for areas of their site. Two respondents answered this question, with one indicating a current subscriber base in excess of 10,000, while the second respondent indicated current subscribers of 500.

Question 16 – If you don't currently charge a subscription fee to areas of your site, have you at any time in the past? (36 respondents)

TABLE 16

CHARGED A SUBSCRIPTION FEE IN THE PAST?

Yes	0%
No	100% (36)

All 36 respondents to this question indicated that they have not charged subscription fees to any areas of their sites in the past (nor do they currently).

Question 17 – Do you plan to charge subscription fees on your site one year from now? (45 respondents)

TABLE 17

PLAN TO CHARGE A SUBSCRIPTION FEE ONE YEAR FROM NOW

Yes	18% (8)
No	82% (37)

Eight (18%) of the 45 respondents to this question indicated that they planned to charge subscription fees on their sites one year from now.

Controlling for site type reveals the following respondent characteristics regarding plans to charge a subscription fee one year from now.

TABLE 17A

PLAN TO CHARGE A SUBSCRIPTION FEE ONE YEAR FROM NOW VS. SITE
TYPE

	Content	Team/League	Commerce	Other
Respondents	16	26	2	1
Yes	31% (5)	8% (2)	0%	100% (1)
No	69% (11)	92% (24)	100% (2)	0%

Among content sites, five (31%) plan to charge a subscription fee one year from now, while among team/league sites, two (8%) plan to charge a subscription fee one year from now. Neither of the two commerce sites plans to charge a subscription fee one year from now. The lone other site indicated that it plans to charge a subscription fee one year from now.

Question 18 – Does your site currently offer fantasy sports participation? (45 respondents)

TABLE 18

FANTASY SPORTS PARTICIPATION

Yes	20% (9)
No	80% (36)

Nine (20%) of the 45 respondents to this question indicated that their sites currently offer fantasy sports.

Controlling for site type reveals the following respondent characteristics regarding fantasy sports offerings.

TABLE 18A

FANTASY SPORTS PARTICIPATION VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	16	26	2	1
Yes	31% (5)	12% (3)	50% (1)	0%
No	69% (11)	88% (23)	50% (1)	100% (1)

Among content sites, five (31%) currently offer fantasy sports participation, while among team/league sites, three (12%) offer fantasy sports participation. One (50%) of the two commerce sites offers fantasy sports participation. The lone other site does not offer fantasy sports participation.

Question 19 – If you do not currently offer fantasy sports participation, have you offered it on your site at any time in the past? (34 respondents)

TABLE 19

PAST FANTASY SPORTS PARTICIPATION

Yes	6% (2)
No	94% (32)

Two (6%) of the 34 respondents to this question indicated that they do not currently offer fantasy sports participation on their sites, but have at some time in the past.

Controlling for site type reveals the following breakdown with regard to having offered fantasy sports participation in the past.

TABLE 19A**PAST FANTASY SPORTS PARTICIPATION VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	10	22	1	1
Yes	20% (2)	0%	0%	0%
No	80% (8)	100% (22)	100% (1)	100% (1)

Two of the ten (80%) content sites that do not currently offer fantasy sports indicated having offered it at some time in the past. All of the other respondents in all categories indicated that they have never offered fantasy sports participation in the past.

Question 20 – Do you plan to offer fantasy sports participation on your site one year from now? (44 respondents)

TABLE 20**PLAN TO OFFER FANTASY SPORTS ONE YEAR FROM NOW**

Yes	41% (18)
No	59% (26)

Eighteen (41%) of the 44 respondents to this question indicated that they planned to offer fantasy sports participation on their sites one year from now.

Controlling for site type reveals the following breakdown with regard to plans to offer fantasy sports participation one year from now.

TABLE 20A**PLAN TO OFFER FANTASY SPORTS ONE YEAR FROM NOW VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	15	26	2	1
Yes	53% (8)	31% (8)	50% (1)	100% (1)
No	47% (7)	69% (18)	50% (1)	0%

Eight (53%) content sites said that they planned to offer fantasy sports one year from now, while among team/league sites, eight (31%) said that they plan to offer fantasy sports one year from now. One (50%) of the two commerce sites plans to offer fantasy sports one year from now. The lone other site said that it planned to offer fantasy sports one year from now.

Question 21 – If you offer fantasy sports participation on your site, do you currently charge a fee for participation? (12 respondents)

TABLE 21**CHARGE A FEE FOR FANTASY SPORTS PARTICIPATION**

Yes	17% (2)
No	83% (10)

Two (17%) of the 12 respondents to this question indicated that they currently charge a fee for fantasy sports participation. Controlling for site type, only two of seven (29%) content sites charge a fee. None of the sites in other categories charges a fee for fantasy sports participation.

Question 22 – If you offer fantasy sports participation on your site, do you plan to charge a fee for participation one year from now? (8 respondents)

TABLE 22

CHARGE A FEE FOR FANTASY SPORTS PARTICIPATION

ONE YEAR FROM NOW

Yes	25% (2)
No	75% (6)

Two (25%) of the eight respondents to this question indicated that they plan to charge a fee for fantasy sports participation one year from now. Controlling for site type, two of three content sites (67%) plan to charge a fee one year from now, while all other respondents indicated that they do not plan to charge a fee.

Question 23 – Do you offer merchandise for sale on your site? (45 respondents)

TABLE 23

OFFER MERCHANDISE

Yes	71% (32)
No	29% (13)

Thirty-two (71%) of the 45 respondents indicated that their sites currently offer merchandise for online purchase.

Controlling for site type revealed the following breakdown with regard to sites offering merchandise for sale online.

TABLE 23A**OFFER MERCHANDISE VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	16	26	2	1
Yes	75% (12)	77% (20)	0%	0%
No	25% (4)	23% (6)	100% (2)	100% (1)

Twelve of 16 (75%) content sites offer merchandise for sale online, as do 20 team/league sites (77%). Neither of the commerce sites, nor the other site offers merchandise for online purchase.

Question 24 – Can you process transactions online? (44 respondents)**TABLE 24****PROCESS TRANSACTIONS ONLINE**

Yes	52% (23)
No	48% (21)

Twenty-three (52%) of the 44 respondents indicated that their can process online transactions.

Controlling for site type reveals the following breakdown with regard to sites' ability to process transactions online.

TABLE 24A**PROCESS TRANSACTIONS ONLINE VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	16	25	2	1
Yes	50% (8)	60% (15)	0%	0%
No	50% (8)	40% (10)	100% (2)	100% (1)

Eight of 16 (50%) content sites can process transactions online, while 15 of 25 (60%) team/league sites possess this ability. Neither the commerce nor the other sites can process transactions online.

Question 25 – If you do not currently offer merchandise for sale online, have you at any time in the past? (13 respondents)

TABLE 25

OFFERED MERCHANDISE ONLINE IN THE PAST

Yes	15% (2)
No	85% (11)

Two (15%) of the 13 respondents to this question indicated that they had offered merchandise online in the past.

Controlling for site type reveals the following breakdown with regard to having offered merchandise online in the past.

TABLE 25A

OFFERED MERCHANDISE ONLINE IN THE PAST VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	4	7	1	1
Yes	0%	14% (1)	100% (1)	0%
No	100% (4)	86% (6)	0%	100% (1)

Of the four content sites that indicated that they do not currently offer merchandise, none indicated having sold merchandise online in the past. One of the seven team/league sites (14%) indicated having offered merchandise online in the past, as did the lone commerce site responding to this question. The other site indicated having never offered merchandise for sale online.

Question 26 – Do you plan to offer merchandise for sale on your site one year from now? (43 respondents)

TABLE 26

PLAN TO OFFER MERCHANDISE ONLINE ONE YEAR FROM NOW

Yes	93% (40)
No	7% (3)

Forty (93%) of the 43 respondents indicated that they planned to offer merchandise online one year from now. Three (7%) indicated that they have no such plans. Controlling for site type, 13 (87%) content sites said that they plan to sell merchandise online one year from now, while 25 (100%) of the team/league sites said that they planned to sell merchandise online one year from now. Both of the commerce sites (100%) said that they planned to offer merchandise for sale online.

Question 27 – Do you currently sell tickets to sporting events on your site? (44 respondents)

TABLE 27

CURRENTLY SELL TICKETS ONLINE

Yes	41% (18)
No	59% (26)

Eighteen (41%) of the 44 respondents to this question indicated that they currently sell tickets to sporting events online.

Controlling for site type reveals the following breakdown with regard to selling tickets to sporting events online.

TABLE 27A

CURRENTLY SELL TICKETS ONLINE VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	15	26	2	1
Yes	33% (5)	50% (13)	0%	0%
No	67% (10)	50% (13)	100% (2)	100% (1)

Five (33%) of the content sites currently sell tickets to sporting events online, while 13 (50%) of the team/league sites offer this feature.

Question 28 – If you do not currently sell tickets to sporting events online, have you at any time in the past? (26 respondents)

TABLE 28

SOLD TICKETS ONLINE IN THE PAST

Yes	0%
No	100% (26)

All 26 respondents who indicated that their sites do not currently offer online ticket sales also indicated that they have never offered this feature in the past.

Question 29 – Do you plan to sell tickets to sporting events on your site one year from now? (41 respondents)

TABLE 29

PLAN TO SELL TICKETS ONLINE ONE YEAR FROM NOW

Yes	59% (24)
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No	41% (17)
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Twenty-four (59%) of the 41 respondents indicated that they planned to sell tickets online one year from now.

Controlling for site type reveals the following breakdown with regard to plans to sell tickets to sporting events online one year from now.

TABLE 29A

PLAN TO SELL TICKETS ONLINE ONE YEAR FROM NOW VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	12	26	2	1
Yes	50% (6)	69% (18)	0%	0%
No	50% (6)	31% (8)	100% (2)	100% (1)

Six of the content sites (50%) said that they plan to sell tickets to sporting events online one year from now, while 18 (69%) team/league sites indicated plans to sell tickets online.

What is Being Spent and Earned (survey questions 30-34)

Question 30 – Rank the following marketing strategies in order of how heavily you rely on each to generate traffic to your site (1=most used, 7=least used) (29 respondents)

TABLE 30**RANK MARKETING STRATEGIES**

	Leveraging other media	Print ad buys	Online ad buys	TV ad buys	Radio ad buys	Search engine placement	Other
Most used (1)	45% (9)	14% (2)	25% (3)	9% (1)	9% (1)	46% (11)	22% (2)
(2)	20% (4)	14% (2)	17% (2)	0%	18% (2)	33% (8)	67% (6)
(3)	5% (1)	36% (5)	0%	27% (3)	27% (3)	13% (3)	11% (1)
(4)	5% (1)	7% (1)	33% (4)	18% (2)	27% (3)	4% (1)	0%
(5)	15% (3)	14% (2)	17% (2)	18% (2)	9% (1)	0%	0%
(6)	5% (1)	14% (2)	8% (1)	27% (3)	0%	0%	0%
Least used (7)	5% (1)	0%	0%	0%	9% (1)	4% (1)	0%

Of the 20 respondents who included “leveraging other media” in their rankings, nine (45%) ranked this strategy most used, four (20%) ranked this strategy second most used, one (5%) ranked it third most used, one (5%) ranked it fourth most used, three (15%) ranked it fifth most used, one (5%) ranked it sixth most used, and one (5%) ranked it least used.

Of the 14 respondents who included “print ad buys” in their rankings, two (14%) ranked this strategy most used, two (14%) ranked this strategy second most used, five (36%) ranked it third most used, one (7%) ranked it fourth most used, two (14%) ranked it fifth most used, and two (14%) ranked it sixth most used.

Of the 12 respondents who included “online ad buys” in their rankings, three (25%) ranked this strategy most used, two (17%) ranked this strategy second most used, four (33%) ranked it fourth most used, two (17%) ranked it fifth most used, and one (8%) ranked it sixth most used.

Of the 11 respondents who included “TV ad buys” in their rankings, one (9%) ranked this strategy most used, three (27%) ranked it third most used, two (18%) ranked it fourth

most used, two (18%) ranked it fifth most used, and three (27%) ranked it sixth most used.

Of the 11 respondents who included “radio ad buys” in their rankings, one (9%) ranked this strategy most used, two (18%) ranked it second most used, three (27%) ranked it third most used, three (27%) ranked it fourth most used, one (9%) ranked it fifth most used, and one (9%) ranked it least used.

Of the 24 respondents who included “search engine placement” in their rankings, 11 (46%) ranked this strategy most used, eight (33%) ranked it second most used, three (13%) ranked it third most used, one (4%) ranked it fourth most used, and one (4%) ranked it least used.

Nine respondents indicated “other” promotional strategies in their rankings. These included “including address in various publications” (ranked third most used), press releases (ranked second most used), linking arrangements (ranked fifth most used), “guerilla marketing” (second most used), utilizing media buys for other events (ranked most used), and local market saturation (ranked most used).

Transposing the x and y axes presents the data in a different, but equally revealing manner.

TABLE 30A**RANK MARKETING STRATEGIES – AXES TRANSPOSED**

	Most used (1)	(2)	(3)	(4)	(5)	(6)	Least used (7)
Leveraging other media	31% (9)	17% (4)	6% (1)	9% (1)	30% (3)	14% (1)	33% (1)
Print ad buys	7% (2)	8% (2)	31% (5)	9% (1)	20% (2)	29% (2)	0%
Online ad buys	10% (3)	8% (2)	0%	36% (4)	20% (2)	14% (1)	0%
TV ad buys	3% (1)	0%	19% (3)	18% (2)	20% (2)	43% (3)	0%
Radio ad buys	3% (1)	8% (2)	19% (3)	27% (3)	10% (1)	0%	33% (1)
Search engine placement	38% (11)	33% (8)	19% (3)	0%	0%	0%	33% (1)
Other	7% (2)	25% (6)	6% (1)	0%	0%	0%	0%

Of the 29 respondents indicating one of the answer choices “most used,” nine (31%) chose leveraging other media, two (7%) chose print ad buys, three (10%) chose online ad buys, one (3%) chose TV ad buys, one (3%) chose radio ad buys, 11 (38%) chose search engine placement, and two (7%) identified other promotional strategies as most used.

Of the 24 respondents indicating one of the answer choices second most used, four (17%) chose leveraging other media, two (8%) chose print ad buys, two (8%) chose online ad buys, two (8%) chose radio ad buys, eight (33%) chose search engine placement, and six (25%) identified other promotional strategies.

Of the 16 respondents indicating one of the answer choices as third most used, one (6%) chose leveraging other media, five (31%) chose print ad buys, three (19%) chose TV ad buys, three (19%) chose radio ad buys, three (19%) chose search engine placement, and one (6%) identified other promotional strategies.

Of the 11 respondents indicating one of the answer choices fourth most used, one (9%) chose leveraging other media, one (9%) chose print ad buys, four (36%) chose online ad buys, two (18%) chose TV ad buys, and three (27%) chose radio ad buys.

Of the 10 respondents indicating one of the answer choices fifth most used, three (30%) chose leveraging other media, two (20%) chose print ad buys, two (20%) chose online ad buys, two (20%) chose TV ad buys, and one (10%) chose radio ad buys.

Of the seven respondents indicating one of the answer choices sixth most used, one (14%) chose leveraging other media, two (29%) chose print ad buys, one (14%) chose online ad buys, and three (43%) chose TV ad buys.

Finally, of the three respondents indicating one of the answer choices least (seventh most) used, one (33%) chose leveraging other media, one (33%) chose radio ad buys, and one (33%) chose search engine placement.

Controlling for site type reveals the following characteristics of the respondents with regard to marketing strategies employed.

TABLE 30B

RANK MARKETING STRATEGIES – CONTENT SITES

	Leveraging other media	Print ad buys	Online ad buys	TV ad buys	Radio ad buys	Search engine placement	Other
Most used (1)	50% (3)	25% (1)	33% (2)	33% (1)	0%	13% (1)	100% (1)
(2)	33% (2)	25% (1)	33% (2)	0%	0%	38% (3)	0%
(3)	0%	25% (1)	0%	0%	33% (1)	38% (3)	0%
(4)	0%	0%	33% (2)	0%	0%	13% (1)	0%
(5)	17% (1)	25% (1)	0%	0%	33% (1)	0%	0%
(6)	0%	0%	0%	67% (2)	0%	0%	0%
Least used (7)	0%	0%	0%	0%	33% (1)	0%	0%
	0%	0%	0%	0%	0%	0%	0%

Of the six content sites who included “leveraging other media” in their rankings, three (50%) ranked this strategy most used, two (33%) ranked this strategy second most used, and one (17%) ranked it fifth most used.

Of the four content sites who included “print ad buys” in their rankings, one (25%) ranked this strategy most used, one (25%) ranked this strategy second most used, one (25%) ranked it third most used, and one (25%) ranked it fifth most used.

Of the six content sites who included “online ad buys” in their rankings, two (33%) ranked this strategy most used, two (33%) ranked this strategy second most used, and two (33%) ranked it fourth most used.

Of the three content sites who included “TV ad buys” in their rankings, one (33%) ranked this strategy most used, and two (67%) ranked it sixth most used.

Of the three content sites who included “radio ad buys” in their rankings, one (33%) ranked this strategy third most used, one (33%) ranked it fifth most used, and one (33%) ranked it least used.

Of the eight content sites who included “search engine placement” in their rankings, one (13%) ranked this strategy most used, three (38%) ranked it second most used, three (38%) ranked it third most used, and one (13%) ranked it fourth most used.

One content site indicated other promotional strategies most used in their rankings.

TABLE 30C

RANK MARKETING STRATEGIES – TEAM/LEAGUE SITES

	Leveraging other media	Print ad buys	Online ad buys	TV ad buys	Radio ad buys	Search engine placement	Other
Most used (1)	43% (6)	10% (1)	17% (1)	0%	13% (1)	57% (8)	17% (1)
(2)	14% (2)	10% (1)	0%	0%	25% (2)	36% (5)	67% (4)
(3)	7% (1)	40% (4)	0%	38% (3)	25% (2)	0%	0%
(4)	7% (1)	10% (1)	33% (2)	25% (2)	38% (3)	0%	0%
(5)	14% (2)	10% (1)	33% (2)	25% (2)	0%	0%	17% (1)
(6)	7% (1)	20% (2)	17% (1)	13% (1)	0%	0%	0%
Least used (7)	7% (1)	0%	0%	0%	0%	7% (1)	0%

Of the 14 team/league sites who included “leveraging other media” in their rankings, six (43%) ranked this strategy most used, two (14%) ranked this strategy second most used, one (7%) ranked it third most used, one (7%) ranked it fourth most used, two (14%) ranked it fifth most used, one (7%) ranked it sixth most used, and one (7%) ranked it least used.

Of the 10 team/league sites who included “print ad buys” in their rankings, one (10%) ranked this strategy most used, one (10%) ranked this strategy second most used, four (40%) ranked it third most used, one (10%) ranked it fourth most used, one (10%) ranked it fifth most used, and two (20%) ranked it sixth most used.

Of the six team/league sites who included “online ad buys” in their rankings, one (17%) ranked this strategy most used, two (33%) ranked this strategy fourth most used, two (33%) ranked it fifth most used, and one (17%) ranked it sixth most used.

Of the eight team/league sites who included “TV ad buys” in their rankings, three (38%) ranked this strategy third most used, two (25%) ranked it fourth most used, two (25%) ranked it fifth most used, and one (13%) ranked it sixth most used.

Of the eight team/league sites who included “radio ad buys” in their rankings, one (13%) ranked this strategy most used, two (25%) ranked it second most used, two (25%) ranked it third most used, and three (38%) ranked it fourth most used.

Of the 14 team/league sites who included “search engine placement” in their rankings, eight (57%) ranked this strategy most used, five (36%) ranked it second most used, and one (7%) ranked it least used.

Six content sites indicated other promotional strategies in their rankings.

Only one commerce site responded to this question, indicating search engine placement as the most used marketing tool. Likewise, the lone other site indicated search engine placement as most used.

Question 31 – Approximately how much money did you spend on all marketing of your Web site in 1997? (39 respondents)

TABLE 31
MONEY SPENT ON MARKETING

\$0	33% (13)
\$1 < \$10,000	46% (18)
\$10,000 < \$50,000	15% (6)
\$50,000 < \$100,000	5% (2)
\$100,000 < \$500,000	0%
\$500,000 < \$1 million	0%
\$1 million or more	0%

Thirteen (33%) of the 39 respondents to this question indicated spending no money (\$0) on marketing of their Web site in 1997. Eighteen (46%), indicated that they spent between \$1 and \$9,999, six (15%) indicated that they spent between \$10,000 and \$49,999, and two (5%) indicated that they spent between \$50,000 and \$99,999.

Controlling for site type reveals the following breakdown with regard to the amount of money spent on Web site marketing.

TABLE 31A**MONEY SPENT ON MARKETING IN 1997 VS. SITE TYPE**

	Content	Team/League	Commerce	Other
Respondents	12	24	2	1
0\$	42% (5)	33% (8)	0%	0%
\$1<\$10,000	50% (6)	46% (11)	0%	100% (1)
\$10,000<\$50,000	0%	21% (5)	50% (1)	0%
\$50,000<\$100,000	8% (1)	0%	50% (1)	0%
\$100,000<\$500,000	0%	0%	0%	0%
\$500,000<\$1 million	0%	0%	0%	0%
\$1 million or more	0%	0%	0%	0%

Of the 12 content sites responding to this question, five (42%) spent no money (0\$) on Web marketing in 1997, while six (50%) spent between \$1 and \$9,999, and one (8%) spent between \$50,000 and \$99,999. Among team/league sites, eight (33%) reported spending no money on marketing of their sites in 1997, while 11 (46%) spent between \$1 and \$9,999, and five (21%) spent between \$10,000 and \$49,999. Among the two commerce sites, one (50%) spent between \$10,000 and \$49,999, while one (50%) spent between \$50,000 and \$99,999. The lone other site spent between \$1 and \$9,999 on Web marketing in 1997.

Question 32 – Do you expect that figure to increase, decrease, or remain the same for the current year? (40 respondents)

TABLE 32

CHANGE IN AMOUNT SPENT ON MARKETING IN 1998

Increase	54% (22)
Decrease	0%
Stay the same	46% (19)

Twenty-two (54%) of the 41 respondents to this question expected to increase spending on the marketing of their Web sites during the current year. No respondents thought that the figure would decrease, and 19 (46%) believed that the amount would stay the same for their sites during 1998.

Controlling for site type reveals the following breakdown with regard to anticipated changes in Web site marketing expenditures.

TABLE 32A

CHANGE IN AMOUNT SPENT ON MARKETING IN 1998 VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	13	25	2	1
Increase	54% (7)	52% (13)	50% (1)	100% (1)
Decrease	0%	0%	0%	0%
Stay the same	46% (6)	48% (12)	50% (1)	0%

Seven of the 13 content sites (54%) expected to increase spending on Web marketing during the current year, while six (46%) thought that the figure would remain constant. Among team/league sites, 13 (52%) expected the amount spent on Web site marketing to rise in 1998, while 12 (48%) expected it to decrease. One (50%) of the two commerce sites expected spending on Web marketing to increase, while one (50%) thought it would

hold constant. The lone other site expected spending on Web marketing to increase in 1998.

Question 33 – Approximately how much revenue did your Web site generate during 1997? (38 respondents)

TABLE 33

REVENUE GENERATED DURING 1997

\$0	32% (12)
\$1 < \$10,000	34% (13)
\$10,000 < \$50,000	11% (4)
\$50,000 < \$100,000	11% (4)
\$100,000 < \$500,000	8% (3)
\$500,000 < \$1 million	3% (1)
\$1 million or more	3% (1)

Twelve (32%) of the 38 respondents to this question indicated generating no money (\$0) from their Web site in 1997. Thirteen (34%), indicated that they generated between \$1 and \$9,999, four (11%) indicated that they generated between \$10,000 and \$49,999, four (11%) indicated that they generated between \$50,000 and \$99,999, three (8%) indicated that they earned between \$100,000 and \$499,999, one (3%) indicated generating between \$500,000 and \$999,999, and one (3%) indicated generating \$1 million or more in revenue during 1997.

Controlling for site type reveals the following with regard to the amount of revenue generated by the respondents.

TABLE 33A

REVENUE GENERATED DURING 1997 VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	13	22	2	1
0\$	23% (3)	32% (7)	50% (1)	100% (1)
\$1<\$10,000	31% (4)	36% (8)	50% (1)	0%
\$10,000<\$50,000	15% (2)	9% (2)	0%	0%
\$50,000<\$100,000	15% (2)	9% (2)	0%	0%
\$100,000<\$500,000	0%	14% (3)	0%	0%
\$500,000<\$1 million	8% (1)	0%	0%	0%
more than \$1 million	8% (1)	0%	0%	0%

Three of the 13 content sites (23%) said that they generated no revenue during 1997, four (31%) reported revenues of between \$1 and \$9,999, two (15%) reported revenues of between \$10,000 and \$49,999, two (15%) reported revenues of between \$50,000 and \$99,999, one (8%) reported revenues of between \$500,000 and \$999,999, and one (8%) reported revenues of \$1 million dollars or more.

Among team/league sites, seven (32%) said that they generated no revenue during 1997, eight (36%) reported revenues of between \$1 and \$9,999, two (9%) reported revenues of between \$10,000 and \$49,999, two (9%) reported revenues of between \$50,000 and \$99,999, and three (14%) reported revenues of between \$100,000 and \$499,999.

Among the two commerce sites, one (50%) reported no revenues generated during 1997, while the other (50%) reported revenues of between \$1 and \$9,999. The other site claimed no revenues were generated in 1997.

Question 34 – What was the approximate operating budget of your online efforts in 1997? (35 respondents)

TABLE 34
1997 ONLINE BUDGET

\$0	14% (5)
\$1 < \$10,000	17% (6)
\$10,000 < \$50,000	29% (10)
\$50,000 < \$100,000	20% (7)
\$100,000 < \$500,000	14% (5)
\$500,000 < \$1 million	0%
\$1 million or more	6% (2)

Five (14%) of the 35 respondents to this question indicated online operating budgets of \$0 in 1997. Six (17%) indicated that they had budgets of between \$1 and \$9,999, 10 (29%) indicated that they had budgets of between \$10,000 and \$49,999, seven (20%) indicated budgets of between \$50,000 and \$99,999, five (14%) indicated budgets of between \$100,000 and \$499,999, and two (6%) indicated budgets of \$1 million or more during 1997.

Controlling for site type reveals the following with regard to the operating budgets of the respondents.

TABLE 34A

1997 ONLINE BUDGET VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	12	20	2	1
0\$	17% (2)	15% (3)	0%	0%
\$1<\$10,000	17% (2)	20% (4)	0%	0%
\$10,000<\$50,000	25% (3)	35% (7)	0%	0%
\$50,000<\$100,000	25% (3)	15% (3)	50% (1)	0%
\$100,000<\$500,000	0%	15% (3)	50% (1)	100% (1)
\$500,000<\$1 million	0%	0%	0%	0%
more than \$1 million	17% (2)	0%	0%	0%

Two (17%) content sites indicated online budgets of \$0, two (17%) reported budgets of between \$1 and \$9,999, three (25%) reported budgets of between \$10,000 and \$49,999, three (25%) reported budgets of between \$50,000 and \$99,999, and two (17%) reported operating budgets of one million dollars or more.

Three (15%) team/league sites indicated online budgets of \$0, four (20%) reported budgets of between \$1 and \$9,999, seven (35%) reported budgets of between \$10,000 and \$49,999, three (15%) reported budgets of between \$50,000 and \$99,999, and three (15%) reported operating budgets of between \$100,000 and \$499,999.

Among the two commerce sites, one (50%) reported an operating budget of between \$50,000 and \$99,999, while the other (50%) reported a budget of between \$100,000 and \$499,999. The lone other site reported an online budget of between \$100,000 and \$499,999.

Profitability (survey questions 35 through 39)

Question 35 – Is your site currently profitable (are revenues exceeding costs)? (42 respondents)

TABLE 35
SITE CURRENTLY PROFITABLE

Yes	43% (8)
No	57% (24)

Eighteen (43%) of the 42 respondents indicated that their sites are currently profitable, according to the definition of profitability provided in the question.

Bivariate analysis using three variables (length of time on Internet, site type, and single sport/multi-sport categorization) reveals the following respondent characteristics with regard to profitability.

TABLE 35A
PROFITABILITY VS. TIME ON INTERNET

	less than 6 months	6 months < 1 year	1 < 2 years	2 < 3 years	3 years or more
Respondents	4	7	12	15	4
Yes	50% (2)	43% (3)	33% (4)	47% (7)	50% (2)
No	50% (2)	57% (4)	67% (8)	53% (8)	50% (2)

Controlling for a site's length of time on the Internet, two (50%) of the sites that had been online for fewer than six months indicated that they were currently profitable. For sites that were online between six months and less than one year, three (43%) were currently profitable. Sites online between one year and less than two years indicated four (33%) operating profitably, while seven (47%) of the sites that had been online between two years and less than three years were currently profitable. Finally, of the four sites that had been online for three years or more, two (50%) were currently profitable.

TABLE 35B

PROFITABILITY VS. SITE TYPE

	Content	Team/ League	Commerce	Other
Respondents	14	25	2	1
Yes	43% (6)	48% (12)	0%	0%
No	57% (8)	52% (13)	100% (2)	100% (1)

Controlling for a site's type, six (43%) of the content sites indicated that they are operating profitably. Among team/league sites, 12 (48%) are currently profitable. For commerce sites, two (100%) are not operating profitably. Among other sites, one (100%) is not operating profitably.

TABLE 35C

PROFITABILITY VS. SPORT OFFERINGS

	Single Sport	Multi-sport
Respondents	29	13
Yes	55% (16)	15% (2)
No	45% (13)	85% (11)

Controlling for the number of sports to which a site caters, 16 (55%) sites focusing on a single sport indicated that they are currently profitable. Among multi-sport sites, two (15%) are currently profitable.

Question 36 – Is profitability a current goal of your site? (44 respondents)

TABLE 36**IS PROFITABILITY A CURRENT GOAL**

Yes	64% (28)
No	36% (16)

Twenty-eight (64%) of the 44 respondents indicated that profitability is a current goal of their site. Sixteen (36%) indicated that profitability is not a current goal of their site.

Bivariate analysis using three variables (length of time on Internet, site type, and single sport/multi-sport categorization) reveals the following respondent characteristics with regard to profitability as a current goal.

TABLE 36A**PROFITABILITY AS A GOAL VS. TIME ON INTERNET**

	less than 6 months	6 months < 1 year	1 < 2 years	2 < 3 years	3 years or more
Respondents	5	7	12	15	5
Yes	40% (2)	57% (4)	58% (7)	67% (10)	100% (5)
No	60% (3)	43% (3)	42% (5)	33% (5)	0%

Controlling for a site's length of time on the Internet, two (40%) of the sites that had been online for fewer than six months indicated that profitability was a current goal. For sites that were online for between six months and less than one year, four (57%) indicated profitability as a current goal. Among sites online between one year and less than two years, seven (58%) indicated that profitability was a current goal. Of the sites that had been online between two years and less than three years, 10 (67%) indicated that

profitability was a current goal. Finally, of the five sites that had been online for three years or more, all (100%) indicated that profitability was a current goal.

TABLE 36B

PROFITABILITY AS A GOAL VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	14	26	2	1
Yes	43% (6)	65% (17)	0%	0%
No	57% (8)	35% (9)	100% (2)	100% (1)

Controlling for a site's type, six (43%) of the content sites indicated that profitability was a current goal. Among team/league sites, 17 (65%) said that profitability was a current goal. Among commerce sites, two (100%) said that profitability is not a current goal. For other sites, one (100%) said that profitability was not a current goal.

TABLE 36C

PROFITABILITY AS A GOAL VS. SPORT OFFERINGS

	Single Sport	Multi-sport
Respondents	30	14
Yes	70% (21)	50% (7)
No	30% (9)	50% (7)

Controlling for the number of sports to which a site caters, 21 (70%) of the sites focusing on a single sport indicated that profitability was a current goal, while among multi-sport respondents, seven (50%) said that profitability was a current site goal.

Question 37 – Do you believe that your site can be profitable one year from now?

(43 respondents)

TABLE 37**CAN SITE BE PROFITABLE IN ONE YEAR**

Yes	79% (34)
No	21% (9)

Thirty-four (79%) of the 43 respondents indicated that they believe that their sites can be profitable one year from now.

Bivariate analysis using three variables (length of time on Internet, site type, and single sport/multi-sport categorization) reveals the following respondent characteristics with regard to attitudes about profitability one year from now.

TABLE 37A**PROFITABILITY ONE YEAR FROM NOW VS. TIME ON INTERNET**

	less than 6 months	6 months < 1 year	1 < 2 years	2 < 3 years	3 years or more
Respondents	5	7	12	15	4
Yes	80% (4)	57% (4)	92% (11)	73% (11)	100% (4)
No	20% (1)	43% (3)	8% (1)	27% (4)	0%

Controlling for a site's length of time on the Internet, four (80%) of the sites that had been online for fewer than six months indicated that they believed their sites could be profitable one year from now. For sites that were online for between six months and less than one year, four (57%) indicated that their sites could be profitable one year from now. Among sites online between one year and less than two years, 11 (92%) indicated their sites could be profitable in one year. Of the sites that had been online between two years and less than three years, 11 (73%) indicated their sites could be profitable in one year.

Finally, of the four sites that had been online for three years or more, all (100%) indicated that they believed their sites could be profitable in one year.

TABLE 37B

PROFITABILITY IN ONE YEAR VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	14	26	2	1
Yes	86% (12)	81% (21)	50% (1)	0%
No	14% (2)	19% (5)	50% (1)	100% (1)

Controlling for a site's type, 12 (86%) of the content sites indicated that they believed that their sites could be profitable one year from now. Among team/league sites, 21 (81%) said that their sites could be profitable one year from now. For commerce sites, one (50%) believed that their site could be profitable one year from now, while among other sites, one (100%) said that their sites could not be profitable one year from now.

TABLE 37C

PROFITABILITY ONE YEAR FROM NOW VS. SPORT OFFERINGS

	Single Sport	Multi-sport
Respondents	29	14
Yes	86% (25)	64% (9)
No	14% (4)	36% (5)

Controlling for the number of sports to which a site caters, 25 (86%) of the sites focusing on a single sport indicated that their sites could be profitable in one year. Among multi-sport sites responding, nine (64%) said that their sites could be profitable one year from now.

Question 38 – Do you believe that your site can be profitable three years from now?

(43 respondents)

TABLE 38**CAN SITE BE PROFITABLE IN THREE YEARS**

Yes	93% (40)
No	7% (3)

Forty (93%) of the 43 respondents indicated that they believe their sites can be profitable three years from now.

Bivariate analysis using three variables (length of time on Internet, site type, and single sport/multi-sport categorization) reveals the following respondent characteristics with regard to attitudes about profitability three years from now.

TABLE 38A**PROFITABILITY THREE YEARS FROM NOW VS. TIME ON INTERNET**

	less than 6 months	6 months < 1 year	1 < 2 years	2 < 3 years	3 years or more
Respondents	5	6	12	15	5
Yes	100% (5)	83% (5)	100% (12)	87% (13)	100% (5)
No	0%	17% (1)	0%	13% (2)	0%

Controlling for a site's length of time on the Internet, five (100%) of the sites that had been online for fewer than six months indicated that they believed their sites could be profitable three years from now. For sites that were online for between six months and less than one year, five (83%) indicated that their sites could be profitable three years from now. For sites online between one year and less than two years, 12 (100%) indicated their sites could be profitable in three years. Of the sites that had been online between two years and less than three years, 13 (87%) indicated their sites could be profitable in three years.

Finally, of the five sites that had been online for three years or more, all (100%) indicated that they believed their sites could be profitable in three years.

TABLE 38B

PROFITABILITY IN THREE YEARS VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	15	25	2	1
Yes	93% (14)	92% (23)	100% (2)	100% (1)
No	7% (1)	8% (2)	0%	0%

Controlling for a site's type, 14 (93%) of the content sites indicated that they believed that their sites could be profitable three years from now. Among team/league sites, 23 (92%) said that their sites could be profitable three years from now. For commerce sites, two (100%) believed that their sites could be profitable three years from now. Among other sites, one (100%) said that their site could be profitable three years from now.

TABLE 38C

PROFITABILITY THREE YEARS FROM NOW VS. SPORT OFFERINGS

	Single Sport	Multi-sport
Respondents	29	14
Yes	97% (28)	86% (12)
No	3% (1)	14% (2)

Controlling for the number of sports to which a site caters, 28 (97%) of the sites focusing on a single sport indicated that their sites could be profitable in three years. Among multi-sport sites responding, 12 (86%) said that their sites could be profitable three years from now.

Question 39 – With the current Web user base and technology, do you believe that sites offering sports content are currently capable of turning a profit on the Internet? (45 respondents)

TABLE 39

CAN SPORTS SITES CURRENTLY OPERATE PROFITABLY

Yes	96% (43)
No	4% (2)

Forty-three (96%) of the 45 respondents indicated that they believe that even with the current Web user base and technology, sites offering sports content on the Web are currently capable of turning a profit.

Bivariate analysis using three variables (length of time on Internet, site type, and single sport/multi-sport categorization) reveals the following respondent characteristics with regard to attitudes about the ability of sports Web sites to turn a profit now.

TABLE 39A

PROFITABILITY OF SPORTS SITES VS. TIME ON INTERNET

	less than 6 months	6 months < 1 year	1 < 2 years	2 < 3 years	3 years or more
Respondents	5	7	12	15	6
Yes	100% (5)	86% (6)	100% (12)	93% (14)	100% (6)
No	0%	14% (1)	0%	7% (1)	0%

Controlling for a site's length of time on the Internet, five (100%) of the sites that had been online for fewer than six months indicated that they believed sports sites were currently able to operate profitably. For sites that were online for between six months and

less than one year, six (86%) said that they thought sports sites were currently able to operate profitably. For sites online between one year and less than two years, 12 (100%) indicated that sports sites are currently capable of turning a profit. Of the sites that had been online between two years and less than three years, 14 (93%) indicated that sports sites could currently operate profitably. Finally, of the six sites that had been online for three years or more, all (100%) indicated that sports sites were currently capable of operating profitably on the Web.

TABLE 39B

PROFITABILITY OF SPORTS SITES VS. SITE TYPE

	Content	Team/League	Commerce	Other
Respondents	16	26	2	1
Yes	94% (15)	96% (25)	100% (2)	100% (1)
No	6% (1)	4% (1)	0%	0%

Controlling for a site's type, 15 (94%) of the content sites indicated that they believed sports sites can currently operate profitably on the Web. Among team/league sites, 25 (96%) said sports sites can currently operate profitably, while among commerce sites, two (100%) believed sports sites capable of currently operating profitably. Among other sites, one (100%) said that sports sites are currently capable of operating profitably on the Web.

TABLE 39C

PROFITABILITY OF SPORTS SITES VS. SPORT OFFERINGS

	Single Sport	Multi-sport
Respondents	30	15
Yes	97% (29)	93% (14)
No	3% (1)	7% (1)

Controlling for the number of sports to which a site caters, 29 (97%) of the sites focusing on a single sport indicated that they believed that sports sites are currently capable of operating profitably on the Web. Among multi-sport sites responding, 14 (93%) said sports sites could currently turn a profit.

CHAPTER V

Conclusions, and Recommendations

Conclusions

The conclusions in this chapter are grouped into major headings that coincide with the research objectives proposed in Chapter II. An overall conclusion for each heading is presented, followed by several more in-depth conclusions pertaining to some of the key findings in that section.

Online Sports Industry Profile/Site Goals

This study showed the population of official and legitimate sports sites to be relatively established, generating high traffic and offering substantial amounts of content despite the fact that there are few personnel resources devoted to these sites. Additionally, the delivery of timely, useful information is currently a much more important goal than making money among most sites responding.

One-third (33%) of the 45 site respondents had maintained Web sites for between two and three years, and 73% had been on the Web for more than one year. This figure suggests that, in this population, there was early recognition of the opportunities that the Web presents to sports marketers. Interestingly, content sites, on average, have maintained Web sites almost 6 months longer than their counterparts in the team/league segment.

Forty-eight percent of the survey respondents indicated that their sites offered between 100 and 1,000 pages. Whereas simple “brochureware” sites (sites that essentially duplicate a print piece online with little additional information) tend to have few pages, the fact that so many sites offered between 100 and 1,000 pages suggests that the sports marketers in

this population are offering substantial content to their Web visitors. This contention is bolstered by the fact that 81% of the respondents said that their online efforts complement, rather than duplicate, information available in other media. Content sites far outpaced sites in the other three categories with respect to the number of pages offered. This makes sense, since content sites tend to focus on numerous sports and teams, whereas sites in the other categories are generally more restrictive in their offerings.

The sites in this population are also well trafficked, with 14% of the respondents registering one million or more page views per month, and 98% of the respondents registering more than 100,000 page views per month. A page view is generally a more accurate traffic indicator than hits, since it counts only the number of times that a user has called up a page in his or her browser, as opposed to counting both files and graphics accessed on that page. As a point of comparison, in February 1998, CNN/SI registered 140,200,000 page views and ESPN SportsZone registered 140,000,000 (“mNMR Box Scores,” 1998). While these figures for two of the most well-trafficked sites on the Web dwarf the page views of 999,999 or fewer per month reported by 65% of the respondents, 1 million page views per month still represents traffic of approximately 30,000 page views per day, which is quite substantial. Content sites were exponentially more trafficked than sites in any other category, presumably because of the increased demographic appeal of these sites relative to sites targeting a specific niche.

Yet, while many of the respondents have been on the Web for some time, and have built a steady stream of traffic to their sites, few seem committed to investing substantial personnel resources to maintain and update their Web presence. The mode number of full-time employees indicated by the sites responding was one, and 28% of the respondents

indicated employing zero full-time employees (63% indicated employing one or fewer people full-time). Only 16% of the respondents employed five or more full-time employees. The same was true with regard to part-time employees. Thirty-five percent said that they employed no part-time employees, while 21% said that they employed one person part-time.

Controlling for site type, content sites, on average, employed more than twice as many full-time workers (6.7) than did team/league sites (2.6) or commerce sites (2.5). This seems to indicate that, understandably, more workers are required to maintain a site that caters to a wide range of online sports offerings.

The sites responding to this survey were actively involved in other media (only 19% did not have a presence in other media), led by print (77%) and followed by television (65%) and radio (63%). This seemingly indicates a strong leveraging of efforts across different media, and is consistent with the findings of Mooradian, Keane, and Schoenfeld (1998) that a substantial amount of online sports traffic is driven by a site mention in another media (television, specifically). This contention is further reinforced by the fact that 81% of the respondents indicated that they offered online content that complements efforts in other media.

Although a number of respondents did not correctly identify site goals, those that did (29 respondents) stated in no uncertain terms that generating revenue is not the most important goal for their sites. Only 3% (one respondent) indicated that generating revenue was their most important goal, while 24% ranked it second most important. Seventy-six percent of the respondents answering this question chose “offer timely, useful information” as most important, followed by 17% who chose “extend an existing brand”

as most important. Among content sites, half (50%) of those respondents including “generate revenue” in their rankings deemed it third most important, while only 10% identified this as the most important goal. One-third of the team/league sites including “generate revenue” in their rankings deemed it second most important, while 47% identified it as fourth most important. Even the lone commerce site responding to this question ranked “generate revenue” as fourth most important.

Overall, it seems clear that generating revenue is not foremost in the minds of the respondents in this population. This belief is reinforced by one particularly revealing comment provided by a representative of a team/league site completing the survey. Speaking on the condition of anonymity, this respondent asserted that “the general impression I get from our upper management is that the only reason we have a Web site is that everyone else has one, and we don’t want to be the only team without one. I have no marketing budget for the site and it is often a struggle to get the URL tagged in our ads and billboards.” Thus, for this particular site at least, profitability is not nearly as important as simply being online. It would be interesting to learn in a follow-up survey whether or not this is a widely-held belief among the sites in this population.

Revenue Models Employed

The respondents to this survey have not yet tapped into the “perfect” revenue stream, but rather are utilizing several in combination, currently led by banner ads (generally pricing their inventory using CPM or flat fee). Respondents expect to become increasingly reliant on sponsorship/underwriting and online commerce in the future.

Banner ads were the most common revenue stream utilized by respondents (65%), followed by online commerce (61%). Since this question allowed for multiple responses,

the percentages do not add to 100%. Underwriting/sponsorship was a distant third at 35%, subscriptions tallied 17%, and interstitials ranked last with 4% (one respondent). The order of use for these models is consistent with the findings of Aronson, et al. (1997), in which ad banners were determined to constitute 80% of online media buys, followed by co-branded content (15%) and interstitials (5%). Although six sites indicated that 100% of their online revenue was generated by a single revenue model (these models varied by respondent but included subscriptions, banner ads, and online commerce), most indicated employing two or three different models in combination. As with the Web as a whole, at the current time the sports sites responding to this survey have not identified a universally accepted strategy for generating revenue online.

Controlling for site type, content sites are currently relying more heavily on banner ads (78%) than are team/league sites (33%), and are placing less emphasis on underwriting/sponsorship (33%) than are team/league sites (56%). Again, this makes sense considering that banner ads, which usually generate revenue directly proportional to site traffic, are likely less popular among less-trafficked sites (team/league) than is underwriting/sponsorship, whose revenue potential is not usually affected by site traffic. Interestingly, none of the team/league sites responding to this particular question are currently generating revenue through subscriptions, despite the fact that one-third of the content sites are utilizing this model.

From the results of the survey, it appears that sports marketers foresee an upturn in the role that underwriting/sponsorship or co-branded content will play in generating revenue for their sites in the future. In the short-term (one year from now), 40% of the respondents believe that underwriting/sponsorship or co-branded content will generate the highest

amount of income for their sites, followed closely by banner advertisements (32%) and online commerce (24%). In the long-term (three years from now), respondents indicated that underwriting/sponsorship or co-branded content will still generate the highest amount of income, but that online commerce will play an increasingly important role. Respondents apparently do not expect the subscription or interstitial models to generate much revenue in the short- or long-terms. Although the expected growth in co-branded content is consistent with earlier findings (Aronson, et al., 1997), the slow perceived utilization of interstitials contradicts other conclusions in this same study.

Of the respondents whose sites offered banner advertising, the CPM model was most frequently cited as one of the models used to price inventory, although only a slightly smaller percentage used flat-fee pricing. Consistent with their tendency towards use of the banner ad revenue stream, 80% of the content sites responding indicated using the CPM model to price their inventory, compared to only 57% of the team/league sites. Likewise, team/league sites relied more heavily (64%) on the flat fee pricing model (presumably to price co-branded or underwritten content) than did content sites (40%).

Respondents seem to acknowledge the fact that few Web surfers are currently willing to pay a subscription fee for access to online content, but remain somewhat optimistic about future prospects. Most sites responding are not currently charging a subscription fee, and none indicated having abandoned the use of the subscription model in the past. However, 18% of the respondents (comprised mainly of content sites) indicated that they may charge a subscription fee one year from now.

The respondents to this survey also seem willing to embrace the notion of offering fantasy sports, although not necessarily at a premium to site visitors. Twenty percent of

respondents currently offer fantasy sports, and 41% of those sites that do not currently offer fantasy sports plan to offer it one year from now. Only 17% of the sites currently offering fantasy sports charge a fee, and among those who plan to offer fantasy sports one year from now, only 25% plan to charge a fee. Thus, it seems that the respondents to this survey view fantasy sports participation not as an alternative means of revenue generation, but rather as an additional way to attract visitors to their sites. Once at these sites, visitors could then potentially help these sites generate additional revenue through one of the other models (e.g. online commerce).

The majority of the respondents currently offer merchandise for sale online, and 93% said that they plan to sell merchandise online one year from now, signaling an upturn in the reliance upon the online commerce model. A similar pattern also emerged with the online sale of tickets to sporting events, with 59% of the respondents indicating that they plan to sell tickets online one year from now (up from 41% selling tickets online currently). However, only slightly more than half of the respondents can process transactions online, which could prove to be a major barrier to using the online commerce model as a significant revenue stream. Surprisingly, the lone site that identified itself as a “commerce” site did not offer merchandise online, nor could it process transactions.

What Is Being Spent and Earned

Respondents to this survey rely primarily on free promotional opportunities to drive traffic to their sites. Nearly a third of the sites responding did not spend any money on Web site marketing last year, nor did they generate any revenue in that period. Nevertheless, these respondents seem generous in allocating budgets for their online efforts, especially in light of the dearth of personnel tapped to run these sites.

Of the 29 respondents identifying a marketing strategy as most used, 31% indicated leveraging other media, and 38% indicated search engine placement, both free promotional opportunities. Although content sites tended to place more emphasis on paid promotional opportunities than did team/league sites, overall, paid spots in the other three media generally scored in the lower half of the rankings for use. This is not surprising in light of the fact that most respondents can promote their online efforts for free through their other media endeavors, often driving substantial traffic around sporting events broadcast in these media (Hardie, 1998). Accordingly, with such free opportunities at their disposal, the amount spent on Web marketing skewed lower than might have otherwise been expected. Seventy-nine percent of the respondents spent \$9,999 or less, and 95% spent \$50,000 or less. Most (54%), however, thought they'd increase spending on marketing in the current year.

Surprisingly, almost a third of the sites responding claimed to generate no revenue during 1997, while another 34% claimed to have generated less than \$10,000. Even more surprisingly, 29% of the respondents had operating budgets between \$10,000 and \$49,999, virtually guaranteeing a loss (costs exceeding revenues).

Content sites responding to the survey generated the highest amount of revenue among all site types, with 16% generating \$500,000 or more in 1997. Fourteen percent of the team/league sites responding generated between \$100,000 and \$499,999, although none generated amounts higher. Budgets also skewed higher for content sites, with 17% possessing a 1997 online budget of \$1 million or more. Surprisingly, both commerce sites responding had budgets in excess of \$50,000. Overall, while many of the respondents

seem willing to spend liberally, few seem to be currently offsetting those expenses by generating substantial revenue online.

Profitability

Although most of the respondents believe that sports sites are currently capable of turning a profit, and despite the fact that nearly two-thirds said that profitability was a current goal of their site, less than half of the respondents said that their sites are currently profitable. Among the respondents, confidence about their ability to be profitable increases as the timeline moves further into the future.

Forty-three percent of the respondents said that their sites are currently profitable. Team/league sites are currently slightly more adept at operating profitably than are content sites. Single sport sites in this sample are also much more likely to be profitable than are multi-sport sites. Surprisingly, the commerce sites responding to this survey were not profitable, nor was profitability a goal. There did not seem to be a significant correlation between how long a site had been on the Web and their profitability.

Sixty-four percent of the respondents said that profitability is a current goal of their sites. Team/league sites are far more interested in profitability than are content sites. Likewise, single sport sites are more interested in profitability than are multi-sport sites. Controlling for how long a site had been on the Web, the respondents showed clearly that the longer a site was online, the greater the likelihood that profitability was a current goal.

Seventy-nine percent of the respondents believed that their sites could be profitable one year from now. That figure jumped to 93% when looking three years into the future. Thus, the sites in this population believe that the longer their sites are on the Web, the more likely they are to turn a profit.

Finally, 96% of the respondents believed that sites offering sports content or marketing through sports are currently capable of turning a profit on the Web. This is a puzzling result and begs the question, “Why, if there is a near universal belief that sports sites can turn a profit, are fewer than half of the respondents operating profitably?”

Recommendations

This study was successful inasmuch as it met each of the four objectives stated in Chapter II. However, it also raised a number of issues worthy of further investigation.

First, a follow-up study with these same respondents should be conducted to determine some of the perceived barriers to profitability. It would be interesting to know what factors account for the large discrepancy between the belief that sports sites can be profitable and the reality that few truly are. Additionally, this follow-up study should ask questions pertaining to the number of workers employed, to gauge whether the relatively low number of full- and part-time workers employed by the survey respondents hides other labor resources, such as outside consultants. Additional questions should also be included to determine how sites are spending their online budgets, in light of the fact that they are spending little on marketing or personnel. Further questions should also be included to provide greater insight about the non-tangible benefits of maintaining a Web presence, in light of the fact that so few sites are currently operating profitably according to the definition used in this study. Finally, as alluded to earlier, this follow-up survey should specifically address the reasons that sites in this population are online in the first place.

Second, a follow-up study (utilizing the same survey instrument) should be conducted one year from now. As we move closer to a convergence of the Web and the television

set, such a study might reveal whether or not new technologies have resulted in attitude shifts about the Web and its potential for profitability.

Third and finally, further research should be conducted to attempt to definitively quantify the entire population of official, legitimate online sports sites. Identifying this population might facilitate the gathering of a random sample, which would enable the results of such a sample to be more easily applied to the entire population of official, legitimate sports sites than was possible with the immediate study. Although the results detailed in this thesis likely offer a reasonably accurate representation of the entire population of official, legitimate sports sites, a random sample would enable the gathering of more statistically significant results than can be attained with a non-random (self-selected) sample. Conversely, additional research could narrow the population to one of the four categories (content, team/league, commerce, and other) to provide even greater insight into a particular online sports segment.

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APPENDIX A

**SITES CONTACTED FOR SURVEY AND
PARTICIPATING SITES**

Sites Contacted for Survey
(* denotes survey participant)

Content Sites

ABC Sports

www.abcsports.com

American Racing 'Zine

www.racecar.com

***Anglers Online**

www.streamside.com

Bowling World

www.bowlingworld.com

***Boxing.com**

www.boxing.com/boxing/

CBS Sportsline

cbs.sportsline.com

***CNN/SI**

www.cnn.com

ESPN SportsZone

espn.sportszone.com

Excite Sports Channel

my.excite.com/channel/sports/?a-chs-t

Fastball

fastball.com

Fox Sports

www.foxsports.com

Global SportsNet

www.globalsportsnet.com

***Golf.com**

www.golf.com

GolfOnline

www.golfonline.com

GolfWeb

www.golfweb.com

HBO Boxing

rw.hbo.com/boxing/

HTS

www.htsonline.com

iGolf

www.igolf.com

***In the Crease**

www.inthecrease.com

Inside Sports

www.insidesports.com

Los Angeles Times

www.latimes.com/HOME/SPORTS/

LPGA.com

www.lpga.com

Major League Baseball

www.majorleaguebaseball.com

***Major League Soccer**

www.mlssnet.com

MountainZone

www.mountainzone.com

MSNBCSports.com/NBC Sports

www.msnbc.com/news/spt_front.asp

Nando Sports Server

www.nando.net/SportServer

***New York Times**

www.nytimes.com/yr/mo/day/sports/

Newsday

www.newsday.com

***OnlySports**

www.onlysports.com

Outside Online

outside.starwave.com

***Pro Basketball Hall of Fame**

www.hoophall.com

***Runner's World Online**

www.runnersworld.com

SkiNet

www.skinet.com

Slam Sports

www.canoe.ca/slam/home.html

SportsWeb

sportsweb.com

***SwimInfo**

www.swiminfo.com

The Sporting News

www.sportingnews.com

Total Sports

www.totalsports.net

***USA Today Sports**

www.usatoday.com/sports/sfront.htm

***Washington Post**

www.washingtonpost.com/wp-srv/sports/front.htm

World Soccernet

www.soccernet.com

Yahoo! Sports

sports.yahoo.com

Team/League Sites**ABL**

www.abl.com

ACC

www.theacc.com

***Anaheim Angels**

www.angelsbaseball.com/

***Anaheim Mighty Ducks**

www.mightyducks.com

Arizona Diamondbacks

www.azdiamondbacks.com/

Atlanta Braves

www.atlantabraves.com

Baltimore Orioles

www.theorioles.com

Barcelona Dragons

www.dragons.es

***Big East**

www.bigeast.org

***Big Sky**

www.bigskyconf.com

Big Ten

www.bigten.org

Big Twelve

www.big12conf.com

***Boston Bruins**

www.bostonbruins.com

Boston Red Sox

www.redsox.com

Buffalo Bills

www.buffalobills.com

Buffalo Sabres

www.sabres.com

***Calgary Flames**

www.calgaryflames.com

Carolina Hurricanes

www.caneshockey.com

Chicago Blackhawks

www.chiblackhawks.com

Chicago Cubs

www.cubs.com

Chicago Fire

www.chicago-fire.com

***Chicago White Sox**

www.chisox.com

Cincinnati Reds

www.cincinnatireds.com

Cleveland Indians

www.indians.com

***Colorado Avalanche**

www.coloradoavalanche.com

Colorado Rapids

www.coloradorapids.com

***Colorado Rockies**

www.coloradorockies.com

Colorado Xplosion

www.xplosion.com

Columbus Crew

www.thecrew.com

Columbus Quest
www.columbusquest.com

***Conference USA**
www.c-usa.org

***Dallas Burn**
www.burnsoccer.com

Dallas Cowboys
www.dallascowboys.com

Dallas Stars
www.dallasstars.com

***DC United**
www.dcunited.com

Denver Broncos
www.denverbroncos.com

Detroit Lions
detroitlions.com

Detroit Tigers
www.detroittigers.com

***ECHL**
www.echl.org

***Edmonton Oilers**
www.edmontnoilers.com

England Monarchs
www.monarchs.co.uk

Florida Marlins
www.flamarlins.com

***Florida Panthers**
www.flpanthers.com

Frankfurt Galaxy
www.galaxy-online.com

Green Bay Packers

www.packers.com

***Houston Astros**

www.astros.com

Indianapolis Colts

www.colts.com

Jacksonville Jaguars

www.jaguarsnfl.com

Kansas City Chiefs

www.kcchiefs.com

Kansas City Royals

www.kcroys.com

Kansas City Wizards

www.kcwizards.com

***Los Angeles Dodgers**

www.dodgers.com

***Los Angeles Galaxy**

www.lagalaxy.com

Los Angeles Kings

www.lakings.com

***Miami Dolphins**

dolphinsendzone.com

Miami Fusion

www.miamifusion.com

Milwaukee Brewers

www.milwaukeebrewers.com

Minnesota Twins

www.mntwins.com

Montreal Canadiens

www.canadiens.com

Montreal Expos

www.montrealexpos.com

NASCAR Online

www.nascar.com

National Football League

www.nfl.com

NFL Europe

www.nfleurope.com

National Hockey League

www.nhl.com

NBA

www.nba.com

***NCAA**

www.ncaa.org

New England Patriots

www.patriots.com

New England Revolution

www.nerevolution.com

New Jersey Devils

www.newjserydevils.com

New York Islanders

www.xice.com

New York Mets

www.mets.com

New York Rangers

www.newyorkrangers.com

New York Yankees

www.yankees.com

NY/NJ MetroStars

www.metrostars.com

***Oakland Athletics**

www.oaklandathletics.com

***Oakland Raiders**

www.raiders.com

Ottawa Senators

www.ottawasenators.com

***PAC 10**

www.pac-10.org

Philadelphia Eagles

www.eaglesnet.com

***Philadelphia Phillies**

www.phillies.com

Phoenix Coyotes

www.nhlcoyotes.com

Pittsburgh Penguins

www.pittsburghpenguins.com

***Pittsburgh Pirates**

www.pirateball.com

Professional Bowlers Association

www.pba.org

Rhein Fire

www.rhein-fire.com

San Diego Padres

www.padres.org

***San Francisco Giants**

www.sfgiants.com

San Jose Clash

www.clash.com

San Jose Lasers

www.sjlasers.com

San Jose Sharks

www.sj-sharks.com

Scottish Claymores

www.claymores.co.uk

Seattle Mariners

www.mariners.org

Seattle Reign

www.seattlereign.com

SEC

www.sec.org

St. Louis Blues

www.stlouisblues.com

St. Louis Cardinals

www.stlcardinals.com

Tampa Bay Devil Rays

www.devilray.com

Tampa Bay Lightning

www.tampabaylightning.com

Tampa Bay Mutiny

www.tampabaymutiny.com

***Texas Rangers**

www.texasrangers.com

***The Olympic Movement**

www.olympic.org

Toronto Blue Jays

www.bluejays.ca

Vancouver Canucks

www.orcabay.com/canucks/

***WAC**

www.wac.org

Washington Capitals
www.washingtoncaps.com

WNBA
www.wnba.com

Commerce Sites

Adidas
www.adidas.com

Converse
www.converse.com

***Fila**
www.fila.com

Mizuno
www.mizunousa.com

Nike
www.nike.com

Reebok
www.reebok.com

Spalding
www.spalding.com

Wilson
www.wilsonsports.com

“Other” Sites

***AudioNet Sports**
drew.audionet.com/sports/

APPENDIX B

SURVEY INSTRUMENT

Internet Sports Marketing Survey

The following survey is designed to gauge the opinions of sports marketers with regard to the marketing and money-making potential of sports Web sites. The survey will take less than five minutes to complete, and all respondents' answers will be kept strictly confidential. Survey results will be compiled and analyzed for a masters thesis only, and will not be distributed or sold for any other purpose.

Completed surveys should be sent by e-mail to rcaskey@pbs.org. You may also fax the completed survey to 703-739-8647, or send it by postal mail to 6228 Mockingbird Pond Terrace, Burke, VA 22015

Please indicate in your reply whether you would like to receive a copy of the survey results.

(For the following questions, if your site is part of a larger site (such as the online sports section of a newspaper Web site), please answer the questions only as they relate to the sports portion of that site.)

1. When did your Web site debut on the Internet?

2. How many pages does your site currently have?

3. How many page views do you register on your site each month?

4. Please check the category from the list below that most closely identifies your site type:

_____ a) Content site -- offers sports news, scores, and updates (ex: ESPN SportsZone)

_____ b) Team/League site -- offers comprehensive information about a particular team or league (ex: NBA.com)

_____ c) Commerce site -- facilitates the sale of sports-related merchandise or offers sports contests. (ex: Nike)

_____ d) Other (explain)_____

5. Does your site focus on a single sport or event, or does it take a multi-sport/all-sport approach?

_____ a) single sport/event

_____ b) multi-sport/all-sport

6. Approximately how many people do you employ in your online/Web division (for sports division only if part of a larger site)?

_____ full-time

_____ part-time

7. In addition to the Internet, in which of the following media does your company (or event) maintain a presence? (check all that apply)

- a) print
 b) television
 c) radio
 d) none of the above

8. If your company or event maintains a presence in other media, does your online content *complement* or *duplicate* that information? (If you answered “none of the above” for question 7, please skip to question 9.)

- a) complements (enhances information offered in other media)
 b) duplicates (offers the same information offered in other media)

9. Please rank the following goals -- from most important (1) to least important (5) -- with respect to your site:

- a) to offer timely, useful information
 b) to generate revenue
 c) to extend an existing brand in a new medium
 d) to promote other media endeavors
 e) other (explain) _____

10. Please identify the approximate percentage of all revenue generated by each of the following revenue models on your site (total for all answer choices should add to 100% -- if your site does not generate any revenue, please skip to question 11):

- a) subscriptions/fees for use
 b) online commerce
 c) banner advertisements
 d) underwriting/sponsorship and/or co-branded content
 e) interstitials
 f) other (explain) _____

11. Please rank the following revenue models from highest (1) to lowest (6) based on the amount of income that you think each will generate on your site *one* year from now.

- a) subscriptions/fees for use
 b) online commerce
 c) banner advertisements
 d) underwriting/sponsorship and/or co-branded content
 e) interstitials
 f) other (explain) _____

12. Please rank the following revenue models from highest (1) to lowest (6) based on the amount of income that you think each will generate *three* years from now.

- a) subscriptions/fees for use
 b) online commerce

- c) banner advertisements
- d) underwriting/sponsorship and/or co-branded content
- e) interstitials
- f) other (explain) _____

13. If you have banner advertising on your site, which pricing model do you use for your ad inventory? (Check all that apply. If your site does not offer banner advertising, please leave this question blank.)

- a) CPM (cost per thousand impressions)
- b) click-through
- c) cost per lead/cost per buyer
- d) flat fee
- e) other (explain) _____

14. Do you currently charge a subscription fee for any areas of your site?

- a) Yes
- b) No

15. If you answered "Yes" to question 14, how many total subscribers do you currently have to the fee-based areas of your site? (If you answered "No" to question 14, please leave this question blank).

16. If you answered "No" to question 14, have you charged a subscription fee for any areas of your site at any time in the past? (If you answered "Yes" to question 14, please leave this question blank).

- a) Yes
- b) No

17. Do you plan to charge subscription fees on your site *one* year from now?

- a) Yes
- b) No

18. Does your site currently offer fantasy sports participation?

- a) Yes
- b) No

19. If you answered "No" to question 18, have you offered fantasy sports participation on your site at any time in the past? (If you answered "Yes" to question 18, please leave this question blank).

- a) Yes
- b) No

20. Do you plan to offer fantasy sports participation on your site *one* year from now?

- a) Yes

_____ b) No

21. If you answered "Yes" to question 18, do you currently charge a fee for fantasy sports participation? (If you have never offered fantasy sports participation, please leave this question blank.)

_____ a) Yes

_____ b) No

22. If you answered "Yes" to question 18, do you plan to charge a fee *one* year from now? (If you have never offered fantasy sports participation, please leave this question blank.)

_____ a) Yes

_____ b) No

23. Do you offer merchandise for sale on your site?

_____ a) Yes

_____ b) No

24. Can you process transactions online?

_____ a) Yes

_____ b) No

25. If you answered "No" to question 23, have you offered merchandise for sale on your site at any time in the past? (If you answered "Yes" to question 23, please leave this question blank.)

_____ a) Yes

_____ b) No

26. Do you plan to offer merchandise for sale on your site *one* year from now?

_____ a) Yes

_____ b) No

27. Do you currently sell tickets to sporting events on your site?

_____ a) Yes

_____ b) No

28. If you answered "No" to question 27, have you sold tickets to sporting events on your site at any time in the past? (If you answered "Yes" to question 27, please leave this question blank.)

_____ a) Yes

_____ b) No

29. Do you plan to sell tickets to sporting events on your site *one* year from now?

_____ a) Yes

_____ b) No

30. Please rank the following marketing strategies in order of how heavily you rely on each to generate traffic to your site (1=most used, 7=least used).

- a) leveraging other media ventures (ex: ESPN SportsZone running an ad on ESPN television)
- b) print ad buys
- c) online ad buys
- d) TV ad buys
- e) radio ad buys
- f) search engine placement
- g) other (describe) _____

31. Approximately how much money did you spend on all marketing of your Web site in 1997? (If part of a larger site, please consider only the money spent on the sports segment.)

- a) \$0 (no money spent)
- b) \$1 < \$10,000
- c) \$10,000 < \$50,000
- d) \$50,000 < \$100,000
- e) \$100,000 < \$500,000
- f) \$500,000 < \$1 million
- g) more than \$1 million

32. Do you expect that figure to increase, decrease, or stay the same for the current year?

- a) increase
- b) decrease
- c) stay the same

33. Approximately how much revenue did your Web site generate during 1997? (If part of a larger site, please consider only those revenues generated by the sports segment.)

- a) \$0 (no revenue generated)
- b) \$1 < \$10,000
- c) \$10,000 < \$50,000
- d) \$50,000 < \$100,000
- e) \$100,000 < \$500,000
- f) \$500,000 < \$1 million
- g) more than \$1 million

34. What was the approximate operating budget of your online efforts in 1997? (If part of a larger site, please consider only the budget of the sports segment.)

- a) \$0 (no money budgeted)
- b) \$1 < \$10,000
- c) \$10,000 < \$50,000
- d) \$50,000 < \$100,000
- e) \$100,000 < \$500,000
- f) \$500,000 < \$1 million

_____g) more than \$1 million

35. Is your site currently profitable (are revenues exceeding costs)?

_____a) Yes

_____b) No

36. Is profitability a current goal of your site?

_____a) Yes

_____b) No

37. Do you believe that your site can be profitable *one* year from now?

_____a) Yes

_____b) No

38. Do you believe that your site can be profitable *three* years from now?

_____a) Yes

_____b) No

39. With the current Web user base and technology, do you believe that sites offering sports content are currently capable of turning a profit on the Internet?

_____a) Yes

_____b) No

OPTIONAL (this information will be used only to ensure the completeness of the survey, and will be kept strictly confidential)

Name_____

Position_____

Company_____

Thank you for taking the time to complete this survey. If you would like a copy of the survey results, please send an e-mail to rcaskey@pbs.org.

APPENDIX C

SAMPLE CORRESPONDENCE

To the Editors of the ABL Web Site:

Thanks for taking the time to read my e-mail. My name is Rob Caskey and I am a graduate student pursuing my master's degree in sports management and marketing at George Washington University. I am currently working on my graduate thesis, which is designed to gauge the opinions of sports marketers with regard to the marketing and money-making potential of sports Web sites.

Since yours is one of the top sports sites on the Web, I would greatly appreciate it if you or someone on your staff could take a few minutes to complete the survey below to share some of your experiences regarding sports marketing on the Web. For your convenience, the survey is also available as a clickable online form at <http://www.outsidescore.com/survey/>

Completing the survey should take approximately five minutes, and all respondents' answers will be kept strictly confidential. Survey results will be compiled and analyzed only for my thesis, and will not be distributed or sold for any other purpose.

Completed surveys can be sent by e-mail to rcaskey@pbs.org. You may also fax the completed survey to 703-739-8647, or send it by postal mail to 6228 Mockingbird Pond Terrace, Burke, VA 22015.

I kindly request that you return the survey by April 30th.

Thanks in advance for your cooperation, and congratulations on offering one of the best sports content sites on the Web.

Sincerely,

Rob Caskey
George Washington University