

On-Demand Sports Merchandise, the Game within the Game

✘ *By Martin Brochstein, Senior Vice President, SVP Industry Relations and Information, (LIMA)*

March Madness came to a close this weekend and with it the sporting world's biggest "reality TV" event will soon be one for the history books. On the scale of emotional involvement by viewers, there's probably nothing more "real" than the sprawling NCAA basketball tournament that culminates in the coming hours with the Final Four in Houston.



(Source: Twitter)

The tournament generates an estimated \$10 million annually in sales of licensed goods tied directly to the games. But that doesn't take into account sales of all the non-tournament licensed products – "standard" licensed apparel, headwear, and even hardlines – whose velocity is ignited merely by consumers' passion for the school getting into the tournament and gearing up for a possible championship run.

The sports licensing business is all about turning emotion,

such as loyalty to one's alma mater or excitement about the underdog that just achieved a big upset, into sales. Of course, the emotional high is highest when the game has just ended, and fans of all sorts are looking for ways to commemorate the event.

A decade ago, schools weren't able to effectively capture the business inspired by these sudden, ephemeral opportunities. But advances in communications, retail technology and overall marketing savvy are now putting this previously out-of-reach business within the grasp of the schools, the NCAA, their licensees, and major retailers.

For example, consider the tournament's opening weekend when, in a typically frenetic day of NCAA basketball, "Cinderellas" abounded. Yale shocked fifth-seeded and heavily-favored Baylor for the school's first-ever NCAA tournament win. Stephen F. Austin State University, a small school from Nacogdoches, TX – whose most famous alum is rock legend Don Henley of the Eagles – dramatically raised its national profile with its shocking win over third-seeded West Virginia. Traditional powerhouse, but lower-seeded Syracuse rode its first-round upset to a spot in this weekend's Final Four. Powered by the advance of technology and on-demand licensing websites like [Fanatics.com](https://www.fanatics.com), all three schools took full-advantage of the licensing opportunities presented by these momentous victories. Consider these numbers:

- Sales of Yale merchandise spiked 508% on [Fanatics.com](https://www.fanatics.com) the day after the victory
- SF Austin saw an incredible 1,200% spike on [Fanatics.com](https://www.fanatics.com) after its win
- Syracuse gear spiked 236% after the team beat Middle Tennessee State and advanced to the Sweet 16, making the Orangemen the fourth best-selling school on [Fanatics.com](https://www.fanatics.com) that week.

The important connection here is the growth of e-commerce.

Most notably, this is an example of a specialty retailer such as Fanatics.com, which operates the e-commerce platforms for the four biggest North American professional sports leagues, becoming the go-to site for licensed sports gear when notable events occur.

In fact, e-commerce could have been invented with sports licensing in mind in this on-demand world. Now, an Oklahoma fan in Oshkosh, WI, or a Villanova alum in Vallejo, CA, can order up a souvenir to arrive before this weekend's semifinals – whether from Fanatics.com, the school bookstore or another site.

And the fervor won't stop Monday evening when the basketball nets are being cut down. It's a good bet that commercials will be inserted into the post-game TV coverage promoting championship merchandise for fans of the winning school. Local retailers in that market, as well as national e-tailers, are sure to have championship goods by the next morning.

It's this game within a game that's become a central part of that one shining moment – and a potentially lucrative “win” of its own.

***About the Author:** Marty Brochstein is responsible for LIMA's outbound communications, as well as many of its educational efforts, such as the year-round webinar program and the extensive Licensing University seminar program that takes place each year in conjunction with the Brand Licensing Expo in Las Vegas. He also has spoken at conferences and seminars around the world on a wide range of licensing- and retail-related issues, and is widely quoted on issues related to licensing, marketing and branding. He joined LIMA in 2008 after 12 years as Executive Editor of The Licensing Letter, a New York-based newsletter that covers the global licensing business. He also was Editorial Director of the parent publishing company, EPM Communications. In addition to*

writing and editing the twice-monthly newsletter, he also compiled the publication's industry numbers and edited EPM's other licensing-related publications, including *International Licensing: A Status Report*, and *The Licensing Letter's Sports Licensing Report*. Brochstein was a business journalist for more than 30 years, primarily covering the consumer products and retail industries. Before joining *The Licensing Letter*, he spent five years as Senior Editor of *Television Digest* and founding editor of *Consumer Multimedia Report*. He also has been editor of several publications in the consumer electronics and retail fields. He is a graduate of Boston University.