

SPORTS RADIO

17.1 Sports Radio Stations

New York City-based WFAN (660 AM) is credited with pioneering the 24-hour-per-day sports-talk station format, in 1987. Its success spawned rapid growth of sports-talk radio in the 1990s and 2000s. Every major metropolitan area now has at least one radio station offering 24/7 sports; some have two or more.

According to the Streaming Radio Guide (www.streamingradioguide.com), there are 461 AM sports radio stations and 91 FM sports radio stations in the U.S. Among these 552 stations, 313 stream online. A list of sports radio stations is available at <http://streamingradioguide.com/streaming-radio.php?format=3&sort=&showall=on>.

As music stations have migrated to FM and other carriers, sports talk radio is credited as being a significant factor in saving the AM band as a viable broadcast medium.

ESPN Radio, Fox Sports Radio, and Sporting News Radio have all launched 24-hour national sports talk radio networks. Sports Byline USA, a national radio talk network, has a weekly audience of 2.2 million listeners. There are also nationally syndicated radio shows, such as The Jim Rome Show and 2 Live Stews.

Arbitron ratings represent average quarter-hour shares (percentage of households tuned into a specific station) within a given market. Forty-two (42) sports radio stations have an Arbitron rating of 1.0 or higher. The following are the sports radio stations with the highest ratings:

- WEEI/WEEI-FM (Boston, Massachusetts): 6.2
- WWLS/WWLS-FM (Oklahoma City, Oklahoma): 4.8
- WFAM (Nassau-Suffolk, New York): 4.3
- KFAN 1130 (Minneapolis-St. Paul, Minnesota): 3.9
- WIP (Philadelphia, Pennsylvania): 3.7
- WHTK (Sacramento, California): 3.5
- WHB (Kansas City, Missouri-Kansas): 2.9
- WFAN (New York, New York): 2.7
- WBNS (Columbus, Ohio): 2.6
- WEAE (Pittsburgh, Pennsylvania): 2.4
- WSAI (Cincinnati, Ohio): 2.4
- KJR (Seattle, Washington): 2.3
- WDAE (Tampa-St. Petersburg, Florida): 2.3
- KNBR (San Francisco, California): 2.2
- WTEM (Washington, D.C.): 2.2
- WFNZ/WFNA (Charlotte, North Carolina): 2.2

According to *Sports Business Journal*, annual sports radio broadcast rights fees are approximately \$460 million.

17.2 The Sports Radio Audience

According to Arbitron (www.arbitron.com), 41.8 million people listen to sports radio each week.

Arbitron provides the following profile of sports radio listeners:

Gender

- Men: 88%
- Women: 12%

Age (men only)

- Ages 12-to-34: 21%
- Ages 35-to-44: 24%
- Ages 45-to-49: 11%
- Ages 50-to-55: 9%
- Age 55 and older: 21%

Household Income

- Less than \$25,000: 7%
- \$25,000 to \$49,999: 21%
- \$50,000 to \$74,999: 25%
- \$75,000 and higher: 48%

Education

- Less than high school: 3%
- High school graduate: 16%
- Some college: 34%
- College graduate: 48%

17.3 Advertising

Sports Business Journal estimates annual sports radio advertising revenues at \$2.2 billion.

Although audiences are dwarfed by market-leading rock stations, broadcast analysts say sports stations are a good vehicle for products aimed at the male audience. According to Interep (www.interep.com), a radio sales representation firm, more than 65% of sports-radio listeners are men; 70% are ages 25-to-54. These listeners are 81% more likely than all radio listeners to be college graduates; 67% are more likely to have household income over \$75,000.

“Sports radio stations do better in revenue share than they do in audience share. You think that a station that gets 10% of the audience would get 10% of a market’s revenue. But sports talk does better than that because of the target demographic of 18-to-34 year-old males. When you’re that young, you don’t really consume that much media, so the media you do consume is very attractive.”

Mark Fratrick, Vice President
BIA Financial Network

According to BIA Financial Network (www.bia.com) and *Sports Business Journal*, the following all-sports stations have the highest annual advertising revenue:

- WFAM 660 (Nassau-Suffolk, New York): \$54.0 million
- WEEL 850 (Boston, Massachusetts): \$45.6 million
- KNBR 680 (San Francisco, California): \$29.8 million
- WTCK 1310 (Dallas-Ft. Worth, Texas): \$24.5 million
- KLAC 570 (Los Angeles, California): \$24.0 million
- WIP 610 (Philadelphia, Pennsylvania): \$18.4 million
- WQAM 560 (Miami-Ft. Lauderdale, Florida): \$15.4 million
- WMVP 1000 (Chicago, Illinois): \$14.0 million
- WSCR 670 (Chicago, Illinois): \$13.8 million
- WQXI 790 (Atlanta, Georgia): \$ 9.8 million

According to Duncan’s American Radio (www.duncanradio.com), national advertisers are attracted to targeted audiences like those of sports radio. Local companies, however, are less likely to advertise on narrow-format stations, preferring the larger audiences delivered by broader-format stations.

17.4 Sports on Satellite Radio

As of August 2010, satellite radio had available 19 sports radio channels: 10 on XM Satellite Radio and 9 on Sirius Satellite Radio. This includes one French-language and one Spanish-language station on each system.

For Sirius XM Radio (www.siriusxm.com), which formed in July 2008 when regulators approved the merger of XM Satellite Radio Holdings Inc. and Sirius Satellite

Radio, sports programming was a strength of both broadcasters prior to the merger. When the content packages of both former operators were merged in October 2008, Sirius XM began providing live play-by-play broadcasts of games for all major sports leagues as well as live coverage of major golf, racing, and tennis events.

The following are the sports broadcast rights deals of Sirius XM Radio:

- MLB: 11-year, \$850 million deal through 2015
- NASCAR: Five-year, \$107 million deal through 2011
- NBA: Original deal with Sirius in 2003 was extended in October 2008
- NFL: Seven-year, \$220 million deal through 2010 season
- NHL: 10-year, \$100 million deal through 2015
- NLL: Multi-year deal signed in February 2007

17.5 Live Broadcast Baseball

According to *Mid-Season 2010 Arbitron Sports Report: PPM™ Radio Listening for Pro Baseball*, published in August 2010 by Arbitron, the top 14 teams average 176,000 listeners per game in their home market. The number of listeners by team and station is as follows:

	Flagship Station	Avg. Audience
• New York Yankees:	WCBS-AM	441,000
• New York Mets:	WFAN-AM	368,500
• Chicago Cubs:	WGN-AM	259,700
• Detroit Tigers:	WXYZ-AM/WXYZ-FM	193,400
• Los Angeles Angels of Anaheim:	KLAA-AM/KSPN-FM	166,600
• Philadelphia Phillies:	WPHT-AM	159,500
• San Francisco Giants:	KNBR-AM	154,900
• Minnesota Twins:	KSTP-AM	133,000
• St. Louis Cardinals:	KTRS-AM	128,400
• Cincinnati Reds:	WLW-AM	116,100
• Seattle Mariners:	KIRO-AM	113,400
• Boston Red Sox:	WEEI-AM	107,500
• Chicago White Sox:	WSCR-AM	105,600
• Los Angeles Dodgers:	KABC-AM	99,900

17.6 Market Resources

Arbitron, 142 West 57th Street, New York, NY 10019. (212) 887-1300. Contact: Chris Meinhardt, Sports Manager. (www.arbitron.com)

BIA Financial Network, 15120 Enterprise Court, Chantilly, VA 20151. (703) 818-2425. Contact: Mark Fratrick, Vice President. (www.bia.com)

The Center for Radio Information, 18 Fair Street, Cold Spring, NY 10516. (800) 359-9898. Contact: Scott E. Webster, President. (www.the-cri.com)

NATIONAL BASKETBALL ASSOCIATION

23.1 Attendance

The NBA season includes 1,230 regular-season games, with 30 teams each playing 41 home games. Regular-season average game attendance has been as follows:

Average home game attendance during the 2009-2010 season for NBA teams was as follows:

- Phoenix Suns: 17,648
- Orlando Magic: 17,461
- Atlanta Hawks: 16,545
- Houston Rockets: 16,528
- Los Angeles Clippers: 16,343
- Washington Wizards: 16,204
- Charlotte Bobcats: 15,824
- New Orleans Hornets: 15,130
- Milwaukee Bucks: 15,108
- Minnesota Timberwolves: 15,101
- Philadelphia 76ers: 14,224
- Indiana Pacers: 14,202
- Memphis Grizzlies: 13,485
- Sacramento Kings: 13,254
- New Jersey Nets: 13,103

23.2 Team Valuations and Revenue

According to *Forbes* (December 9, 2009), valuations and revenue of NBA teams are as follows:

	Valuation	Revenue
• Los Angeles Lakers:	\$607 million	\$209 million
• New York Knicks:	\$586 million	\$202 million
• Chicago Bulls:	\$511 million	\$168 million
• Detroit Pistons:	\$479 million	\$171 million
• Cleveland Cavaliers:	\$476 million	\$159 million
• Houston Rockets:	\$470 million	\$160 million
• Dallas Mavericks:	\$446 million	\$154 million
• Boston Celtics:	\$433 million	\$144 million
• Phoenix Suns:	\$429 million	\$148 million
• San Antonio Spurs:	\$398 million	\$133 million
• Toronto Raptors:	\$386 million	\$133 million
• Miami Heat:	\$364 million	\$126 million
• Orlando Magic:	\$361 million	\$107 million
• Philadelphia 76ers:	\$344 million	\$115 million
• Utah Jazz:	\$343 million	\$118 million
• Portland Trail Blazers:	\$338 million	\$121 million
• Denver Nuggets:	\$321 million	\$115 million
• Golden State Warriors:	\$315 million	\$113 million
• Washington Wizards:	\$313 million	\$110 million
• Oklahoma City Thunder:	\$310 million	\$111 million
• Atlanta Hawks:	\$306 million	\$103 million
• Sacramento Kings:	\$305 million	\$109 million
• Los Angeles Clippers:	\$295 million	\$102 million

• Indiana Pacers:	\$281 million	\$ 97 million
• Charlotte Bobcats:	\$278 million	\$ 96 million
• New Jersey Nets:	\$269 million	\$ 92 million
• Minnesota Timberwolves:	\$268 million	\$ 96 million
• New Orleans Hornets:	\$267 million	\$ 95 million
• Memphis Grizzlies:	\$257 million	\$ 88 million
• Milwaukee Bucks:	\$254 million	\$ 91 million

23.3 Franchise Transactions

The most recent NBA team sales are as follows:

	Year	Price
• Boston Celtics:	2003	\$360 million
• Phoenix Suns:	2004	\$401 million
• New Jersey Nets:	2004	\$300 million
• Atlanta Hawks/Thrashers:	2004	\$250 million*
• Cleveland Cavaliers:	2005	\$375 million
• Oklahoma City Thunder:	2006	\$350 million
• New Jersey Nets:	2009	\$380 million**
• Charlotte Bobcats:	2010	\$270 million
• Golden State Warriors:	2010	\$450 million

* total price for sale of NBA and NHL teams, which were sold together

** price for 80% stake in the team and 45% of the Brooklyn arena at Atlantic Yards; includes \$180 million in assumed debt

23.4 Fan Cost Index

Team Marketing Report (www.teammarketing.com) annually computes the Fan Cost Index (FCI) for professional sports leagues and teams. FCI comprises the price of two (2) adult average-price tickets, two (2) child average-price tickets, two (2) small draft beers, four (4) small soft drinks, four (4) regular-size hot dogs, parking for one (1) car, two (2) game programs, and two (2) least-expensive, adult-size caps.

For the 2008-2009 season (most recent data available as of September 2010), the FCI for the National Basketball Association was \$281.90, a 3.5% increase over the previous season. The average ticket price was \$49.47, a 1.3% increase over the previous season. These metrics for each team were as follows:

	FCI	Avg. Ticket
• Los Angeles Lakers:	\$479.48	\$93.25
• New York Knicks:	\$420.04	\$70.51
• Boston Celtics:	\$389.20	\$68.55
• Phoenix Suns:	\$355.63	\$64.16
• Miami Heat:	\$352.20	\$58.55
• Dallas Mavericks:	\$344.86	\$62.10
• Chicago Bulls:	\$344.50	\$64.25

• Portland Trailblazers:	\$329.83	\$61.21
• San Antonio Spurs:	\$329.48	\$56.37
• Sacramento Kings:	\$318.20	\$59.80
• Los Angeles Clippers:	\$316.50	\$54.50
• New Jersey Nets:	\$309.42	\$54.98
• Cleveland Cavaliers:	\$293.78	\$55.95
• Denver Nuggets:	\$287.70	\$47.30
• Toronto Raptors:	\$284.17	\$45.31
• Detroit Pistons:	\$284.00	\$47.50
• Houston Rockets:	\$279.11	\$43.40
• Milwaukee Bucks:	\$273.42	\$47.86
• Philadelphia 76ers:	\$272.98	\$43.00
• Golden State Warriors:	\$267.00	\$39.00
• Utah Jazz:	\$252.60	\$43.90
• Indiana Pacers:	\$252.36	\$41.09
• Oklahoma City Thunder:	\$337.40	\$36.35
• Atlanta Hawks:	\$335.59	\$36.90
• Orlando Magic:	\$234.70	\$40.30
• Minnesota Timberwolves:	\$230.04	\$36.26
• Charlotte Bobcats:	\$213.51	\$33.25
• Washington Wizards:	\$203.56	\$29.14
• New Orleans Hornets:	\$192.68	\$25.17
• Memphis Grizzlies:	\$182.94	\$24.11

23.5 Fan Loyalty

Brand Keys (www.brandkeys.com) assessed fan loyalty for each NBA team during the 2009-2010 season. The following teams were ranked highest in fan loyalty:

- 1 San Antonio Spurs
- 2 Los Angeles Lakers
- 3 (tie) Boston Celtics
- 3 (tie) Phoenix Suns
- 5 (tie) Dallas Mavericks
- 5 (tie) Detroit Pistons
- 7 Utah Jazz

23.6 Television Broadcasts

In 2007, the NBA announced extensions of its television broadcast rights contracts with ABC/ESPN and TNT/Turner Sports. The deals, which run through the 2015-2016 season, include the allowance for the networks to broadcast live games and other content on digital media.

Regular-season broadcast network ratings (number of broadcasts in

parenthesis) for the NBA have been as follows (sources: *Multichannel News*, *Sports Business Journal*, and the networks):

	ABC	ESPN	TNT	ESPN2
• 2003-2004:	2.4 (18)	1.3 (64)	1.4 (53)	0.6 (21)
• 2004-2005:	2.3 (18)	1.2 (66)	1.3 (53)	0.6 (18)
• 2005-2006:	2.2 (20)	1.2 (65)	1.3 (52)	0.6 (21)
• 2006-2007:	2.0 (19)	1.2 (69)	1.2 (52)	0.6 (21)
• 2007-2008:	2.2 (19)	1.3 (70)	1.1 (52)	0.6 (20)

NBA TV, launched by the league in 1999, is available to approximately 12 million subscribers of cable and satellite sports tiers. The network broadcasts 96 regular-season games that are not included in its broadcast rights deals with networks.

23.7 NBA Finals

The following are recent ratings of NBA Finals broadcasts (sources: Nielsen Media Research, *Sports Business Journal*, and *USA Today*):

• 2007 (ABC):	6.2 (4 telecasts)	9.3 million viewers
• 2008 (ABC):	9.3 (6 telecasts)	14.9 million viewers
• 2009 (ABC):	8.4 (5 telecasts)	14.3 million viewers
• 2010 (ABC):	10.6 (7 telecasts)	18.1 million viewers

23.8 NBA All-Star Game

Recent NBA All-Star games have had the following viewership on TNT (Source: Nielsen Media Research and *Sports Business Journal*):

• 2007:	6.8 million
• 2008:	6.3 million
• 2009:	7.6 million
• 2010:	6.8 million

23.9 Sponsorships

NBA marketing partners are Adidas, AutoTrader.com, Budweiser (Anheuser-Busch), Dasani (Coca-Cola Co.), EA Sports, FedEx, Gatorade (PepsiCo), Haier, Kia Motors, Lamasil (Novartis Pharmaceutical), Lenovo, McDonald's, Nike, Minute Maid (Coca-Cola Co.), Right Guard, Southwest Airlines, Spaulding, Sprite (Coca-Cola Co.), T-Mobile, Toyota, Wrigley, and Sirius XM Radio.

23.10 Fan Demographics

According to the 2009 ESPN Sports Poll, NBA fan distribution is as follows:

Gender

- Men: 60%
- Women: 40%

Age

- 12-to-17: 16%
- 18-to-24: 15%
- 25-to-34: 18%
- 35-to-44: 13%
- 45-to-54: 18%
- 55 and older: 21%

Ethnicity

- Caucasian: 65%
- African-American: 15%
- Hispanic-American: 14%
- Other: 6%