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Nicolas P.E Whitrow
Clemson University

Justin M. Hickey
Clemson University

James W. Satterfield
Clemson University

Michael G. Godfrey
Clemson University

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Recommended Citation

Whitrow, Nicolas P.E; Hickey, Justin M.; Satterfield, James W.; and Godfrey, Michael G., "Rugby as a Growth Model for College Marketing" (2014). *Association of Marketing Theory and Practice Proceedings 2014*. 44.

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Rugby as a Growth Model for College Marketing.

Nicholas P.E Whitrow

Clemson University

Justin M. Hickey

Clemson University

James W. Satterfield

Clemson University

Michael G. Godfrey

Clemson University

ABSTRACT

The purpose of this paper is to suggest a model for institutions to structure their rugby program in order to grow the brand name of an educational institution. The strategy outlined in the paper promotes the use of the sport of rugby union to reach foreign markets that are otherwise not tapped. The international branding of U.S colleges generates source of funding and institutional recognition. A suggested model that could be transposed to other non-school sponsored sports in order to reach the intended market, is preceded by a brief outline and examination of the current common structuring that institutions use in the administration of their rugby programs.

Institutional Brand Growth Through Rugby

The importance of effectively branding a company, organization or institution has not been lost in the academic world. Major collegiate athletic programs are multimillion-dollar organizations. In the United States much of the revenue generated by National Collegiate Athletics Association (NCAA) Division one schools, comes through the football program. Commercially maximizing the school brand is typically achieved through capitalizing on the football program. There are opportunities however, particularly for small colleges, to grow their brand through more diverse markets. Emerging sports such as rugby, with strong international market, may offer an untapped resource for smaller colleges to capitalize on, in order to strengthen brand recognition, raise enrollment numbers, widen exposure and visibility, increase attractiveness, and generate additional revenue for the institution.

While extracurricular programming, including intercollegiate athletics, face cuts due to tight budgets each year, participation in American sports continues its growth trend. The National Federation of State High School Association (NFHS, 2013) reported high school athletic participation for the 2012-13 school year set an all-time high of 7,713,577. For 24 straight years, athletic participation has increased. Within this continued growth of athletic participation, according to the National Sporting Goods Manufacturers Association (SGMA, 2010), rugby union (rugby) is the fastest growing sport within the

United States, with an estimated 1.13 million people playing the sport in 2010. Youth rugby players make up a major portion of that figure.

Rugby in the United States of America is often dwarfed by Football, Basketball, Baseball, and Soccer. Supported by the SGMA survey, rugby is one of the fastest growing sports worldwide and has grown exponentially since becoming a professional sport in 1995. Prior to 1995 an amateur status and amateur structure were regarded fondly by the International Rugby Board. The amateur ethos was quickly replaced by highly technical and professional organization. England's international team under Sir Clive Woodward modelled their coaching programs off of an NFL program, but the organization structure as a whole was very different. The need for differing structure formats can often be found in the challenges a sport faces in each country. The United States has to contend with geographical issues that countries in England do not have to contend with, while England rugby does generate the revenue that the NFL generates. Rugby can be split primarily into 2 categories: 15s and 7s. The numbers equate to the amount of players that are on the field at one time. Fifteens is the traditional sport that had its first written rules scribed in Rugby, England in 1845. Sevens on the other hand dates back to 1883 in Melrose, Scotland and is an Olympic sport having been accepted by the International Olympic Committee for the 2016 Olympic games. Many clubs across the world field 15s teams and 7s teams, often using the same players as they play differing seasons. Fifteens is often considered the full game of rugby union as most 7s teams have a parent 15s team while much fewer 7s teams stand alone as a club. For the focus of this study the game of 15s will therefore represent rugby.

Current Model of American Rugby: Club

The growth of rugby in the USA has failed to reach it's full potential within previous models used to operate rugby programs. An inability to evolve a cultivating model that will fit both the sport of rugby and the American sporting population has limited the growth of the collegiate game within the U.S. The current structure can often lead to inconsistent organizational sustainability from year to year. The system at present resembles the European club model. Teams are traditionally set up through school affiliation, but are not sponsored by the school itself. Many collegiate clubs are run by volunteer coaches and are student run organizations. The constant electoral process of 1-4 year cycles means that the organization is relatively unstable. The typical structure of a rugby program's board is:

- President
- Vice President
- Treasurer
- Match secretary

These positions often belong to players who represent the team both on and off the game field, as some rugby programs employ full time coaches to run the program while other schools opt for student-members of the current team or alumni. Team members who hold these positions are often full-time students as very few paid coaching positions exist throughout the United States with these positions rarely compensating the coach sufficiently to make it a full time profession.

Sources of operating income often range from team fundraising, alumni support, short-term sponsorship deals with local business and school funding. Rugby programs across the nation receive different levels of support from the institution that they represent.

Some rugby programs will receive no funding while other programs may be given an operating budget of \$20,000 or more per annum. The amount of funding given to the programs are ultimately decided on and distributed by the schools on an individual basis. A contributing factor to the allocation of school budget on the rugby program is often found in the housing of the rugby program itself. Some rugby programs are housed under the athletics department, while others are housed under campus recreation. Other institutions have created a hybrid department to accommodate larger club sports that may have outgrown the traditional club sport model.

Foundations for a New Model

The increases in athletic participation may add to the strain of an athletic department budget; however, it may also provide an additional opportunity to generate funding for an institution's athletic department as well as the school itself. With the United States facing financial challenges within education at many levels, new approaches must be considered in order to ensure sustainability of athletic programs (Bravo, 2004; Howard and Crompton 2004; Reeves, 2006; National Interscholastic, 2009). Emerging sports like rugby present an opportunity for athletic departments to inject additional income from an area that remains underutilized in many colleges and universities.

Along with demands for additional revenue, small college administrators feel the pressure of increasing enrollment, brand recognition, as well as local, regional, national or even international exposure and visibility. Not only must institutions analyze the return on their investment to athletics, but they must also make sure that the objectives of the school's athletic program align with the mission of the institution itself. For many years, athletic department budgets have operated independently of the institutions core function of education (Eller, Marchbanks, Meier, Polinard, Robinson, & Wrinkle 2004). Colleges and universities are beginning to reintegrate their athletic department budgets into the institutional budgets (Donovan, 2008). Gee (2005) suggested:

“Integrating the athletic budget into a university’s budget keeps the priorities of athletics in alignment with a university’s other strategic priorities. Athletics revenue cannot outrun academics in primacy when it is collected under the same rubric as academic and overseen by the same eyes that oversee academics and student life. In athletics, as in all things, the further one moves from the core and the heart, the more dispersed the original focus become. Pulling athletics into the university’s heart makes aligning athletics with a university’s greater mission is much easier”(p.13).

This puts a sense of responsibility of the athletic department to not only meet it’s own financial requirements, but also meet the needs of the institution both monetarily and philosophically.

Athletic programs can serve as a source of revenue for an institution in a number of ways. Not only can athletic programs provide an increase in enrollment, which generates additional tuition income, but they also increase donations made to the school. Tsotsou (2006) found that “Athletic fundraising presents the greatest percentage increase in universities the last few decades” (p. 210). Athletics provides a link to the university for alumni, and also sports fans in search of a sense of belonging and association to a successful program. Stinson (2004) suggests that many donors tend to be fans of the athletic program, and not necessarily alumni. With a market of over 1 million current

rugby players in the U.S. and even more former players and fans, there is a foundation for rugby fans that are eager to engage with successful programs.

Smaller colleges are unique in comparison to their larger counterparts in how they generate revenue through athletic programming. Where larger athletic programs generate income through television revenue and ticket sales, smaller schools must consider indirect routes of generating revenue when evaluating the benefits of their athletic program upon the institution. The value of a successful athletic program is revealed through fundraising opportunities as well as admissions records (Frank, 2004). When athletic programs and schools succeed, the exposure can impact the school greatly by increasing the attraction and create a greater market reach. In collaboration with the overall institutional goals, rugby can provide further fundraising opportunities, admissions growth, as well as further development of brand identity.

Emerging Sports Market - A Model for American Collegiate Rugby

The inclusion of emerging market sports into collegiate athletic departments of small colleges, provides the school with an opportunity to differentiate itself from competing institutions of similar size and makeup, as well as creating a attractiveness to students who may otherwise only consider bigger schools. Since rugby is not a National Collegiate Athletic Administration (NCAA) sport, within most institutions across the country, it is often found within the school's club sports department. Within this model, many rugby teams receive little or no institutional support and provide little or no incentives to students interested in participating on the rugby team, and are operated by the students themselves with little or no adult leadership. Through institutional support, sponsored sports programs provide leadership through full-time/paid coaching staff, professional medical staff, quality equipment and facilities, and other resources. Emerging sports present an opportunity for institutions to create a competitive advantage over other schools that are competing for the same students. By offering rugby as a school sponsored sport, small colleges can increase their marketability and exposure, increase institutional attractiveness, boost enrollment, and generate additional revenue for the institution.

Competitive Edge

According to a CNN report, the U.S. average for in state public university tuition fees was \$8,655 for the 2012-13 school year. While some students are fortunate enough to receive academic scholarships, grants or other federal benefits, many students are left to fund their education costs themselves. Athletic scholarships can provide a means to satisfy the growing costs of receiving a higher education. However, according to CBS news, only 2% of high school athletes receive an athletic scholarship to an NCAA college or university each year. Based on the increasing costs to receiving a college education, students may shop around for the best bargain, or other opportunities to help offset expenses, as well as opportunities to compete in collegiate athletics.

In the state of Ohio, the Ohio State University is the largest higher education institution with a self-reported enrollment of 44,201 undergraduate students in the fall of 2013. This suggests that Ohio State University is the most popular in-state option for graduating high school students. There are roughly 1,000 student-athletes at Ohio State. These students make up 2.25% of the students at the university, and even less are fortunate enough to be awarded a scholarship. The tuition rate for an in-state undergraduate student at the Ohio State University is \$9,615 per year (not including fees and room & board). Nearby

Wright State University in Dayton, Ohio have an in-state sticker price of \$8,542 and an undergraduate student enrollment of 13,143. Within the state of Ohio, there are currently no scholarship rugby programs offered at any college or university. There are 65 boys' high school rugby teams in the state of Ohio and over 1,000 boys high school rugby players. By offering rugby scholarships, Wright State University could differentiate itself from other Ohio colleges and universities including Ohio State.

Rugby as a Revenue Center

By offering rugby scholarships in the amount of \$3,000, Wright State University could advertise a tuition cost of roughly \$5,500 a savings of over \$4,000 annually or \$16,000 over four years, in comparison to Ohio State University. This small investment can produce thousands of dollars of revenue that the university otherwise would not generate. Davenport University in Grand Rapids, Michigan is the nearest varsity rugby program to Ohio State or Wright State. Davenport's roster has 59 student-athletes on the team. If Wright State were to produce a roster of 50 rugby players, new to the university each on a \$3,000 rugby scholarship award, and each paying the remaining \$5,500 in tuition, the university would generate a new income of \$275,000. If one half (25) of those student-athletes elected to reside in campus housing, an additional \$219,912.50 ($\$8,796.50 \times 25$) would be generated. Together, tuition fees plus room & board generated from new undergraduate rugby players, Wright State would produce nearly \$500,000 ($\$494,912.50$) in annual income. After deducting expenses for an annual operating budget of \$150,000, Wright State University would realize a revenue amount of nearly \$350,000, as well as an enrollment increase of 50 students as a result of a school sponsored rugby program.

Attractiveness

Not only does the school sponsored rugby program model create a competitive advantage within state lines, as well as serve as a source of institutional revenue, but it also increases the attractiveness of the school beyond its traditional borders. Davenport University is a private school in Grand Rapids, Michigan which has an enrollment of 8,882 and an annual tuition rate of \$13,192 for in- and out-of-state is in its fifth year of operating a school sponsored rugby program. Of the 59 student-athletes on the roster, 28 are from outside of the state, including 2 from outside of the country. This lends to the added attraction of the university due to the extended reach provided by the rugby program.

Arkansas State University in Jonesboro, Arkansas operates a school supported rugby program, but the university does not offer rugby scholarships. They do however provide a discounted tuition rate for international and out-of-state student-athletes interested in competing on the rugby team. For the 2012-13 school year, 57 out of the 57 members of the Arkansas State University rugby team came to Jonesboro from outside the state of Arkansas. Of the 57 members, 21 of the student-athletes are international students from 7 different countries, whereas the remaining 36 members come from 13 different states. This is an incredible variety, with 20 different states and countries represented within a 57-man roster. This illustrates the widespread attraction resulting from the school sponsored rugby program.

Exposure

Collegiate rugby provides opportunities for national and international exposure for institutions, possibly even more so for school sponsored programs. Since 2010, the Collegiate Rugby Championships (7s) have been broadcasted on national television by

NBC. Championship teams include University of Utah (2010), Dartmouth College (2011 & 2012) and University of California (2013). Runners up, have included University of California (2010), Army (2011), University of Arizona (2012), and Life University (2013). Based in Marietta, Georgia, Life University is a small, health sciences institution, known primarily for its chiropractic program, which is the world's largest. Including rugby, Life University has 4 school sponsored sports programs (Basketball, Wrestling, Cross Country, Rugby), with all except rugby competing in the National Association of Intercollegiate Athletics (NAIA). The ability to compete on national television is a rare opportunity for all NAIA schools and one which Life University put itself in position to enjoy because of its school sponsored rugby program.

Life University also benefited from competing on ESPNU and winning a USA Rugby 15s National Championship in May of 2013 with a win over St. Mary's College of California, shortly after winning the Fall 2011 USA Rugby 7s National Championship, which also made an appearance on the ESPN networks. In 2011 & 2012, Davenport University won back-to-back national 15s National Championships by beating UC-Santa Barbara and San Diego State University.

These competitions provided two, very small colleges with exposure in the same arena as some of the nations most prestigious institutions and household names. Mainstream athletic programs at these and similar institutions, such as football, basketball or baseball, aren't so fortunate to find themselves in the national news, let alone prime time network television. With the right institutional support, the opportunities are there, for college rugby to steal the spotlight.

Brand Recognition

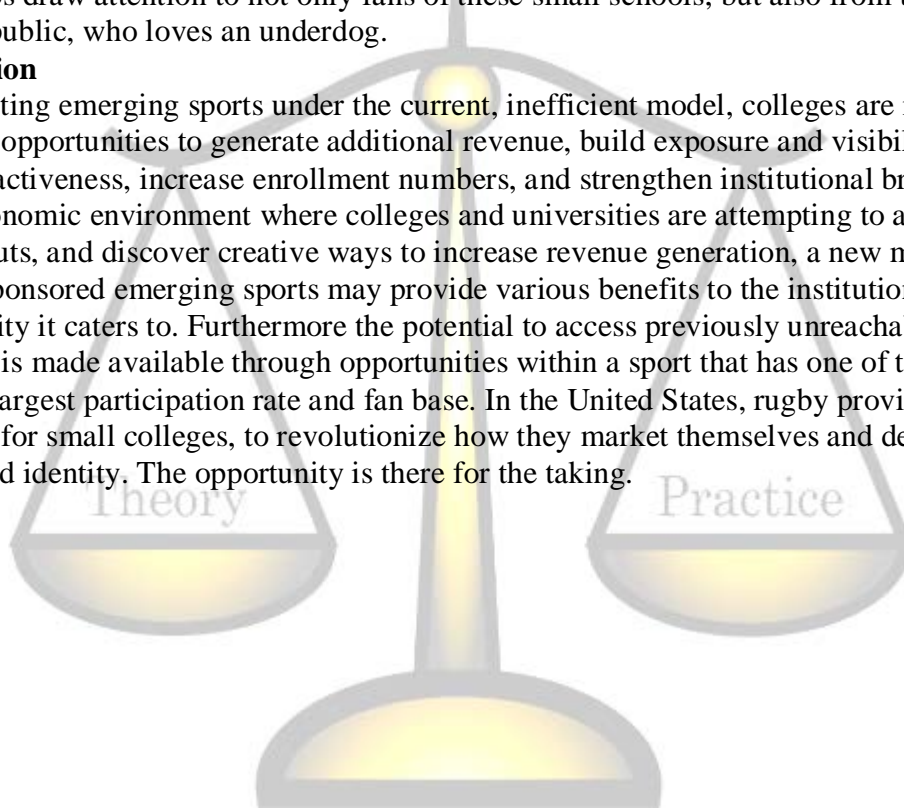
Roth (1992) states "Developing and maintaining a brand image is vital to any successful marketing and communication campaign." As athletics continue to grow in the marketing world, educational institutions see opportunity in selling the school's brand by using athletics as a vehicle. Frank (2004) states, big time athletic programs serve much like a national advertising campaign. Widely accepted as a method of growing a brand, athletics is used to advertise the school on a weekly basis sometimes in some cases in front of millions of people via television and other media. For large institutions the focus may be on continuing growth or sustaining the schools brand image, however smaller institutions can use the athletics domain to promote the academic side of the institution as well.

While many institutions use a depth strategy of basing the marketing of their image in one market to a "single set of consumer needs" (Roth, 1992, p.25) a broad marketing (breadth strategy) of brand name can also be effective. Many large institutions in the U.S use the depth strategy by primarily focusing on the likes of football or basketball. For small colleges the expansive market that a depth strategy of marketing could reach may be an effective way to reach markets that are relatively untapped. Rugby has a worldwide reach, with the most influential nations being New Zealand, Australia, South Africa, Ireland, the United Kingdom, France and Argentina. While (American) football is popular worldwide, the popularity of rugby union in these countries eclipses football (especially the collegiate game). For smaller colleges who are interested in international brand growth, rugby may be the ticket to access these foreign markets. By using a rugby as a vehicle to give exposure to these foreign markets, smaller colleges could expect to see an increase in enrollment of international students, a more globalized fan base or following and the institutional image to gain further prominence.

Domestically, there are opportunities to increase brand recognition, although instances may be more rare for smaller colleges. In 2007, Appalachian State University, a member of college football's second tier competition, Football Bowl Subdivision, defeated then #5 ranked University of Michigan. The spotlight which was put on the small college in Boone, NC and its 13,000 students was huge. Reports indicated that Appalachian State merchandise sales for the week following the game, reached over \$100,000, and the next week, the school sold out its first ever home game at Kidd Brewer Stadium. This opportunity for exposure and brand recognition proved extremely valuable for Appalachian State University, but the access to these types of marquee matchups are few and far between in major college athletics. However, within emerging sports in the United States, it's much more common for school sponsored programs such as small school rugby teams to get their chance against big, name brand schools. These types of matchups draw attention to not only fans of these small schools, but also from the general public, who loves an underdog.

Conclusion

By operating emerging sports under the current, inefficient model, colleges are missing valuable opportunities to generate additional revenue, build exposure and visibility along with attractiveness, increase enrollment numbers, and strengthen institutional branding. In an economic environment where colleges and universities are attempting to avoid budget cuts, and discover creative ways to increase revenue generation, a new model for school sponsored emerging sports may provide various benefits to the institution and the community it caters to. Furthermore the potential to access previously unreachable markets, is made available through opportunities within a sport that has one of the world's largest participation rate and fan base. In the United States, rugby provides a resource for small colleges, to revolutionize how they market themselves and develop a true brand identity. The opportunity is there for the taking.



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ABOUT THE AUTHORS

Nicholas Whitrow is currently studying Educational Leadership at the Doctoral level. He has a concentration of higher education and is in his first year of the program at Clemson University. Nicholas is an editor for the Coach and Athlete in Education publication and his research interests are related to student athletes in education and in particular the structuring of collegiate sports and the transgender athlete. Nicholas received his M.Ed from Grand Canyon University in 2013 and his Bachelors degree in Sports Studies from Lancaster University in the United Kingdom in 2003. Nicholas is also currently an adjunct instructor in the Athletic Leadership department at Clemson University where he teaches Coaching Soccer.

Justin Hickey is a 3rd year PhD student in the Educational Leadership department at Clemson University, with an emphasis in Higher Education. Justin's research interests consist of intercollegiate athletic administration and the student-athlete experience. Justin received his Master of Education in School Counseling from Grand Valley State University, and his Bachelor of Science in Business Administration from Central Michigan University. Justin is the head coach of the men's rugby team at Clemson, and also teaches Intro to Rugby for the Leisure Skills Department, along with coaching courses as an adjunct instructor for the Athletic Leadership program.

James Satterfield is an Associate Professor of Higher Education at Clemson University. His research agenda is the social and political context of intercollegiate athletics. He is the author of several articles related to intercollegiate athletics and the co-editor of the Journal for the Study of Sports and Athletes in Education.

Michael Godfrey is currently a lecturer in Athletic Leadership at Clemson University as well as a Certified Athletic Trainer. Michael received his PhD in Educational Leadership from Clemson University and his Masters in Exercise Science/Kinesiology from James Madison University. Michael's current research involves athletic development and team culture, organizational culture, and performance development.