



There's no way to avoid it — the global economic challenge is here, says David Crane/H4

BUSINESS TODAY

SMART MONEY

By Pamela Swanigan
SPECIAL TO THE STAR

Okay, non-sports fans, time for a surprise quiz.

Name the sport more Canadians and Americans play than any other, the sport whose world championships will be held in Toronto next year and whose professional league may have a Toronto team by 1995.

Some clues: In 1992 — the year the Toronto Blue Jays won the World Series — a team from this sport sold more apparel in Toronto than the Blue Jays did. An athlete from this sport recently knocked Wayne Gretzky from his longtime throne as the personality young Canadians admire most.

It is the only major sport whose television viewership is rising, and the one with the highest proportion of female viewers (over 40 per cent). Games of this sport were the first regularly aired U.S.-produced television shows ever broadcast in the Soviet Union. In a Chinese poll, an athlete from this sport was voted one of the two greatest men in history (the other was Chou En-Lai).

One of its athletes is the subject of an upcoming ABC mini-series; another has been the subject of three full-length videos and a cartoon show. The latter athlete made more money last year than any other athlete — \$35.5 million — and 12 times more of that money came from endorsements than from playing his sport.

The fact is, in inviting basketball here, Toronto is courting not only the fastest-growing and second-largest sport in the world but one whose athletes are well on their way to penetrating the mainstream and entertain-

A decade ago, the National Basketball Association was near bankruptcy, but a new commissioner, key players, profitable product endorsements and more appealing image have changed all that. If Toronto wins an NBA franchise, the city will get a piece of the world's fastest growing sport.

THE SELLING OF

Basketball

ment cultures like no athletes before them. Since the National Basketball Association was resuscitated from near-death a decade ago, it has set a new direction for the marketing of sports — one that emphasizes the athlete as personality and that has created ever-greater overlaps between sport and the entertainment industries.

Of course, sports heroes are nothing new. Babe Ruth, Muhammed Ali, Pele, Jesse Owens and others have gained international recognition and celebrity status.

What is new is the confluence of factors making basketball players household names long before they become legends. Those factors include a strong vested interest by corporations (notably the \$12 billion athletic footwear industry) in promoting individual athletes; an equally strong vested interest on the part of networks to do the same (broadcast rights for NBA and college basketball games cost NBC and CBS \$600 million and \$1.1 billion respectively); a willingness by league administrators to turn the sport into a form of entertainment; and a game and group of athletes capable of facilitating those goals.

As demonstrated by the self-perpetuating relationship between "supermodels" and multi-million-dollar cosmetics endorsements, the combination of suitable individuals and this level of financial motivation can lead to the near-spontaneous creation of a star machine.

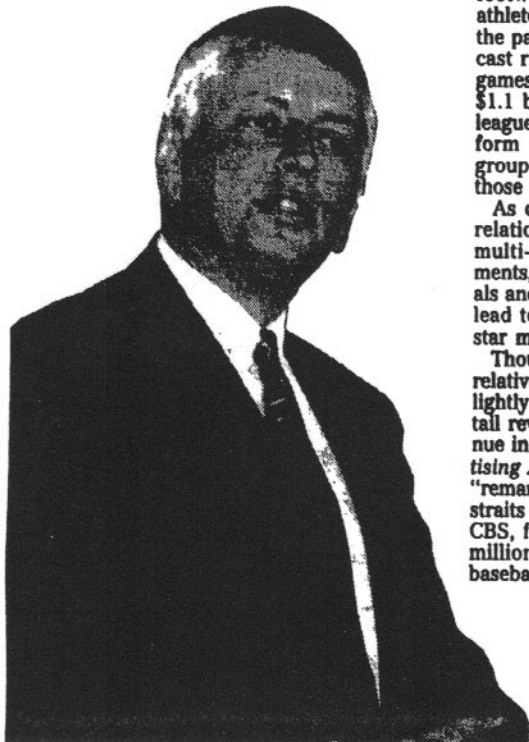
Though the selling of basketball has been relatively low-key, it isn't something to take lightly. The NBA made \$1 billion in non-retail revenue and \$700 million in retail revenue in the 1990-1991 season; and, as *Advertising Age* magazine says, basketball is the "remarkably clear-cut exception to the dire straits of TV sports." (And that means dire: CBS, for one, has lost approximately \$500 million on its contract with major league baseball.)

If this surprises you, it probably means you gave basketball up for dead quite a long time ago. You aren't the only one, and you weren't far from wrong. Only 10 years ago, professional basketball was facing bankruptcy. Disputes between players and owners had the league in upheaval, soaring salaries were sucking up what revenues there were, and dominance by black players continued to make the league unpalatable to advertisers. Sixteen of the 23 franchises were losing money, and a 1983 Toronto Star sports page headline spelled out what everyone in sports knew: "NBA heading toward financial ruin."

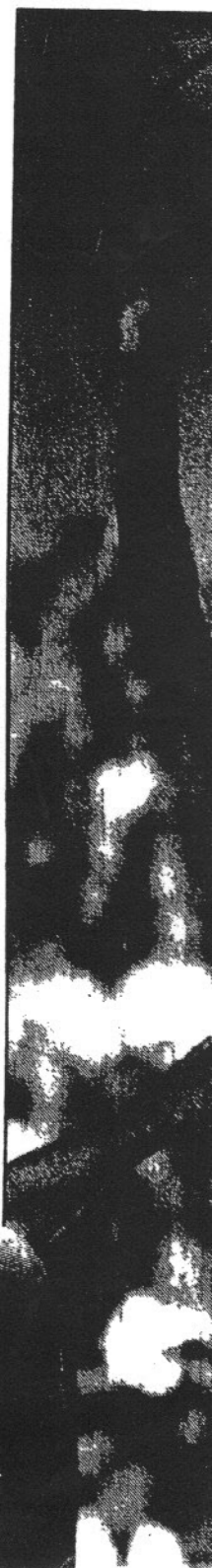
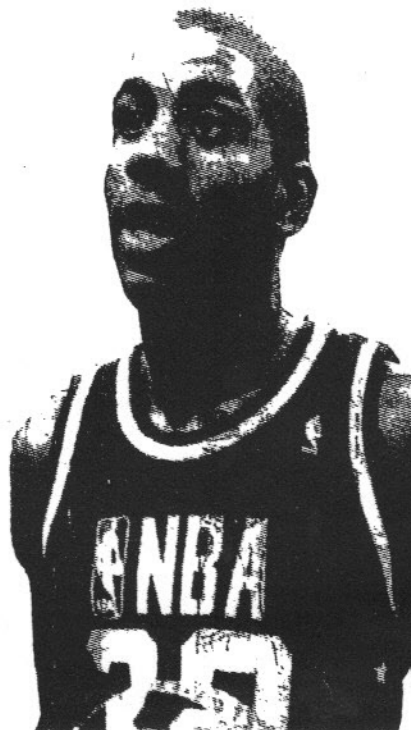
Then David Stern became commissioner.

In sports circles, Stern's turnaround of the

Please see NBA's/page H5



Commissioner David Stern, left, has turned around the NBA's fortunes with the help of the high-profile personalities Michael Jordan, far right, and Magic Johnson.



NBA's 'showbiz' athletes boost game's image

Continued from page H1

league has been much-heralded, and the numbers are, indeed, hard to ignore. Since 1983, the average worth of an NBA franchise has gone from \$20 million to \$65 million. Salaries have risen 170 per cent, despite a stringent salary cap. Average attendance has gone from 56 per cent to 89 per cent. Network TV fees have gone from \$22 million per year to \$150 million, and the broadcasts have been so successful that between the 1990 and 1991 seasons alone, the rate for ad slots during NBA games doubled, with a 30-second spot during the 1991 NBA finals going for \$275,000.

Stern has often been said to have wrought the miracle "single-handedly," and it is true that his visionary leadership has done much for the sport itself.

But back in 1984, basketball's image was as serious a problem as its reality. "There is a fair amount of discussion that the NBA is predominantly black," Stern was quoted as saying at one point, and that was understating the case. The perception of basketball in general as a marginalized urban black sport, and of pro basketball players as overgrown, overpaid black men flaunting their athletic superiority and spending their money on drugs, had Madison Avenue avoiding the NBA like the plague and the networks burying important games in late-night time slots.

What was needed was the kind of image rework that Berry Gordy and Motown did to soul and R&B music in the '60s. Someone had to find a way to defuse the tension, make players less threatening to non-black audiences, and then capitalize on the mystique and envy that underlies race relations in the United States.

In 1985, the year after Stern took over as commissioner, a major part of the solution arrived in the NBA, in the form of Michael Jordan.

Jordan couldn't have been more perfect if Stern had created him out of sheer wishful thinking. Urbane, articulate, handsome and immensely charismatic, he was also perceived as clean-living, drug-free and well-adjusted, and he proved remarkably unthreatening to white people, perhaps because his image was heavily marketed from the beginning of his pro career.

While Jordan may go down in the annals of basketball as the best player in the history of the game and the man who helped raise the sport's profile and attendance at a crucial time, he will be remembered in other versions of history as the athlete who re-



BASKETBALL stars such as Magic Johnson are regular visitors on talk shows like *Arsenio Hall*'s. Many are crossing the line from athlete to entertainer.

volutionized the ties between sport and industry with his endorsement of the Air Jordan shoe.

Nike created and named the shoe for Jordan in 1985, at the beginning of Jordan's rookie year, as the first step in its new basketball shoe line. The \$2.5 million paid to Jordan was in itself something of a breakthrough, it being among the first of the multi-million-dollar sports endorsement deals so common today. More important was that through Jordan, the footwear industry discovered the immense potential of the athlete-shoe association — a discovery that paved the way for such campaigns as "Bo Knows" and Andre Agassi's "Image Is Everything," which have begun to make athletes recognized independent of their sport.

Says Nike public relations manager Dusty Kidd, "Michael was the first athlete to be the corporate focus of a footwear product. He was also really the first athlete marketed on TV — before that most of the ads featuring athletes had been in print." In the late 1970s, Nike was a \$100-million-a-year company; in 1991 it grossed over \$3 billion in sales, \$200 million of which it attributes directly to Jordan. The first major cog in the star machine had been created.

Reebok quickly sprang aboard with a Patrick Ewing shoe; Nike expanded with a "Force" shoe endorsed by Charles Barkley and David Robinson and a "Flight" shoe endorsed by Scottie Pippen; adidas created a signature shoe for Dikembe Mutombo and Converse signed Larry Johnson. And of course, Reebok has now created The Shaq shoe for Shaquille

O'Neal — from which it expects annual sales in the range of \$25 million to \$40 million.

Not everybody liked the new level of athlete exploitation. Jesse Jackson said that Nike was promoting "an ethos of mindless materialism," and a writer for the London-based *Economist* pointed out, "Behind the search for (black) role models lies the assumption that only great men such as Martin Luther King, Malcolm X or Mr. Jordan himself are worthy of emulation... The veneration of sportsmen subtly denigrates more mundane but realistic goals — like getting a steady job."

In the process, however, the high-profile campaigns were making black athletes increasingly palatable to mainstream audiences, and the "too-black" sport was suddenly the color of money. In 1989, when CBS's \$88 million broadcast rights contract with the NBA ran out, NBC, knowing a hot property when it saw one, bid \$600 million to obtain them. The network became another major player in the NBA's expert manipulation of the cult of personality.

NBC director of sports PR Ed Markle says, "It's the NBA that has successfully marketed the players to be household names" — but NBC does its share. The network agreed to continue Stern's idea of individualizing the teams: where baseball touts a game between "the Jays and the Mariners," in basketball it's "Sir Charles (Barkley) takes on The Shaq (O'Neal)." Rivalries are played up in slow motion, with dramatic music and extreme facial close-ups.

The commentary isn't subtle, either. During the 1992 NBA All-

Star Game, Jordan's name was said 190 times, and O'Neal's 120 times, even though O'Neal sat on the bench for most of the game. Magic Johnson, who is now a commentator for NBC basketball, could be heard to say things like, "Michael's just not human — the things he does are impossible for the rest of us."

And of course, television has the perfect material to work with. Says Markle, "Basketball is played in a closely confined space — you can get the whole floor in one camera shot. The ball is big, so people can see it easily, unlike a hockey puck. It's played at a good pace, and the level of athletic performance is outstanding. The players don't have face masks, so you can see the expression on players' faces. In fact, the cameras can literally get into their eyes — and that's just good television, period."

This natural "telegenicity" is basketball's big edge over other major sports in the struggle to market sports in the modern era. Proof of its appeal to the video generation comes every Saturday morning at 11:30 — prime cartoon time — with *NBA Inside Stuff*.

Inside Stuff, produced by the efficient and prolific NBA Entertainment division, is a youth-oriented, off-court show that reflects and perpetuates the

increasing independence of athletes' images from their athleticism. Within a profile/news format akin to a pre-teen *Entertainment Tonight*, and with snippets of music incessantly played in the background, hosts Willow Bay and Ahmad Rashad begin turning NBA players into personalities.

Harold "Baby Jordan" Miner displays his singing voice at a sidewalk cafe; Karl "The Mailman" Malone comments on his role in a western movie; Lithuanian Sarunas Marciulionis sings a patriotic song and plays his guitar; David "The Admiral" Robinson plays saxophone with Branford Marsalis.

The "showbiz" slant is furthered, on a larger scale, by the new mainstream acceptance of athletes from an ethnic group that has already penetrated the entertainment industry. O'Neal has appeared several times on *Arsenio*; Michael Jordan starred in Michael Jackson's music video "Jam" and hosted *Saturday Night Live* (as did Magic Johnson); Dominique Wilkins was featured in Hammer's "Too Legit To Quit" video and will soon appear, with several other Atlanta Hawks players, in a Bobby Brown video.

And there will be more. As Stern continues his quest to make basketball the world's larg-

est sport, the players seek to capitalize on their cachet, the shoe companies and television networks seek to recoup their money and the current generations seek the sport that looks the most like a television show, the "killer crossover" between basketball and entertainment will intensify. Several basketball movies are already in the making; expect a proliferation of them. There will probably be more basketball players becoming actors and recording artists, higher visibility on television outside of game broadcasts.

All of which means that it may be basketball — not trade conventions or financial summits, not the Olympics, not tall free-standing structures — that takes Toronto where it is supposedly wants to go: into the big time.

(For those non-sports fans who didn't know the answers to the opening quiz, here they are: The Chicago Bulls helped sell more sports apparel in Toronto last year than the Blue Jays, while Chicago Bulls' Michael Jordan dethroned Wayne Gretzky as most admired by young Canadians. Jordan was also voted one of the two greatest men in history in a Chinese poll. An ABC mini-series will feature Magic Johnson's story, while Jordan has been the subject of videos and cartoons.)

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Banco Commercial Real	1%	1%	5,000	4 1/4	4 1/4	4 1/4	1,000	5.55	6.25	6.55	7.12
Bank of Commerce	1/4	1/4	5,000	2 1/4	3	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
Bank of Montreal	1	1	5,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
Bank of Nova Scotia	1/4	1/4	5,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
CIBC Bank	1.85	1.85	5,000	4 1/4	4 1/4	4 1/4	5,000	5 1/4	5 1/4	6	6 1/4
Hongkong Bank	1	1	5,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
Laurentian Bank	1/4	1/4	3,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
Manulife Bank	1	1.70	5,000	4 1/4	4 1/4	4 1/4	500	5 1/4	5 1/4	6	6 1/4
National Bank	1/4	1/4	5,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
Royal Bank	1	1	5,000	R.O.R.	3 1/4	3 1/4	500	5 1/4	5 1/4	6	6 1/4
Toronto Dominion Bank	1	1	5,000	2 1/4	3 1/4	3 1/4	1,000	5 1/4	5 1/4	6	6 1/4
AGF Trust	-	-	10,000	4 1/4	4 1/4	4 1/4	5,000	5.80	6	6.30	7.05
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