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America's Most Powerful Athletes

In today's sports world, power is about more than speed and strength. It's also about how to sell

By Adam Fusfeld



What is power? In athletics it is usually thought of as bulging muscles and dominating performance. But in sports today, power has a different meaning, as well: the earning potential of athletes, owners, agents, communities, and brands, ranging from breakfast cereal to beer.

Because so much money is at stake, the question for general managers and brand managers alike is, which athlete? There are dozens of potential candidates every year, some up-and-coming rookies, some fan favorites, and bona fide superstars. Which player will guarantee the best chance for winning? Will they behave themselves off the field? Can I trust them to give 100%? The ability to choose the right athlete is the difference between millions of dollars and a metaphorical cleat in the face.



To determine who the 100 most powerful athletes are on and off the field, *Bloomberg BusinessWeek* teamed with CSE, formerly known as Career Sports & Entertainment, an integrated sports and entertainment company that connects brands with fans, and *Bloomberg BusinessWeek* columnist Rick Horrow of

Horrow Sports Ventures and host of *The \$ports Take with Sports Professor Rick Horrow*, to create the 2010 version of the Power 100. Unlike previous <u>Power 100s</u>, this year's <u>ranking</u> would focus only on the athletes—not the owners, the agents, the commissioners, or the coaches. On-field metrics included

athletes who scored the best on the field (or the rink, the greens, or the court) over a two-year period. The more popular the sport, the more weight those achievements garnered.

Power 100 Methodology

Working with Horrow Sports Ventures and <u>CSE</u>, an integrated sports and marketing firm in Atlanta, Bloomberg BusinessWeek.com developed the methodology for the 2010 edition of the Power 100 ranking of the most powerful athletes in professional sports. The Power 100 rankings are based on a blended mix of athletes' "on-field" and "off-field" performance



to determine which athletes are having the greatest overall impact in the world of sports. On-field scoring is determined by statistically ranking each athlete's sports performance within his or her peer group over a two-year period. For each sport, key performance metrics include such measures as points scored, money earned, laps lead, and batting average, to name a few. This ranking is then adjusted by the overall popularity of the sport itself, based on an index of fan avidity and TV viewership. The off-field scoring is developed from hundreds of surveys on athletes and how the general public perceives them. The data was compiled by <u>E-Poll Market Research</u>, a leading provider of custom research services and products for entertainment and media companies, using their E-Score[®] Celebrity database. Athlete rankings are based on such attributes as awareness, appeal, trustworthiness, and influence. In addition, the amount of endorsement dollars each athlete earns rounds out the off-field ranking.

Athletes and Scandals

Pro sports is no stranger to scandal. Thanks to Tiger Woods, 2009 was slightly more embarrassing than usual. That didn't prevent Tiger from becoming a sports marketing pariah. According to an <u>E-Poll Market</u> <u>Research</u> survey conducted two months after the scandal broke, Tiger saw his "class" score fall 76% (from 25 to 6), his "appeal" score drop 63% (from 65 to 24), and his "influence" decrease 38% (from 37 to 23). Meanwhile, his "creepiness" rating skyrocketed 1,200% (from 1 to 13), and his "insincerity" grew by 833% (from 3 to 28). <u>Click to read the rest.</u>

The Preeminence of Tiger

Meanwhile, the off-field metric was broken into five components: In addition to total endorsement income, CSE used public opinion polls to analyze and evaluate the athlete's awareness, trustworthiness, appeal, and influence to calculate power off the playing field. We then worked with CSE to weigh and measure those factors and combined them to come up with a total Power Score.

The winner, the world's most powerful athlete, is, unsurprisingly if a little controversially, <u>Tiger Woods</u>. That's because, at least as of Thanksgiving



2009, the man dominated his sport, and by extension the endorsement business, like few others in history. The 34-year-old golfer smashed records on the course and inked deals with companies ranging from Accenture (<u>ACN</u>) and American Express (<u>AXP</u>) to Nike (<u>NKE</u>) and <u>Gillette</u> that totaled \$92 million in 2009. Indeed, even before his fall, Woods was expected to be the first athlete to make more than \$1 billion in career earnings.

Based on CSE's data, Woods' Power 100 ranking would have been No. 1 even if the rumors of his infidelity had surfaced earlier last year. The question remains whether he will continue to hold the top spot now that some of his sponsors have withdrawn their support and he has taken an indefinite leave from the sport. Already, data since late November indicate that his popularity and hard-won trustworthiness have suffered. What became a gossip journalist's dream is a sports marketing nightmare.

Who's the Next Tiger Woods?

In all seriousness, over the past decade, Woods has become one of the most recognizable figures in the world, a status that cannot be replicated overnight or even over the next year. According to <u>E-Poll</u> <u>Market Research</u>, Woods' 86% awareness is on par with the likes of George H.W. Bush and Tom Hanks. Few active athletes are even in his stratosphere, with Shaquille O'Neal the second most recognizable at 77%, and Michael Phelps a distant third at 60%. <u>Click to read the rest of the story</u>.

Stepping into the Gap

There is no questioning Woods' golfing ability, however, and the public persona he carefully cultivated created a strongly favorable impression among advertisers and audiences alike. Fortunately, plenty of other star athletes can help sop up the roughly \$897 million the *SportsBusiness Journal* estimates is spent each year on sports endorsements. Rounding out the top five after Woods are <u>LeBron James</u>, <u>Phil</u> <u>Mickelson</u>, <u>Albert Pujols</u>, and <u>Peyton Manning</u>.

The easiest route to a high ranking is competing in individual sports. While the NBA and NFL occupy the lion's share of the rankings—with 22 and 21 players, respectively—seven of the 20 most powerful athletes, and 34 of the Power 100, such as Woods, swimmer <u>Michael Phelps</u>, cyclist <u>Lance Armstrong</u>, and tennis player <u>Rafael Nadal</u>, avoided sharing glory or camera time with teammates. Athletes will also find that it doesn't necessarily take two years of dominant athletic performance to crack the top of the Power 100.Though it does take a lengthy, winning résumé. Longtime stars <u>Shaquille O'Neal</u>, <u>Kevin</u> <u>Garnett</u>, <u>Tom Brady</u>, and <u>Derek Jeter</u> were not top 35 performers in their own sports but fell within the range of the most powerful athletes. Meanwhile, up-and-coming NFL stars <u>Chris Johnson</u> and <u>Andre Johnson</u> (not related) and Jamaican sprinter <u>Usain Bolt</u> need more time in the limelight before their onfield success can translate into revenue in the business world.

Matching Image to Product

And athletes are the ideal celebrity. Phil de Picciotto, president of athletes and personalities at the sports marketing firm Octagon in McLean, Va., points out that many musicians or actors often command the spotlight only when they release albums or premiere movies. On the other hand, athletes have long seasons that catapult them into the public consciousness for substantial portions of the year, year after year. Additionally, many of them appeal to consumers regardless of region, sex, age, or income level.

Of course, there's more behind choosing an appropriate athlete than his or her approval ratings. The endorser's public persona must match the company's desired image, and the consumer must perceive that the athlete uses the product he or she is pitching. "For consumers, perception is reality," Delzell says. That's why all-American quarterback <u>Brett Favre</u> endorses Wrangler jeans, while soccer star and fashion plate <u>David Beckham</u> endorses Armani.

"We thought the industry should have the benefit of the most practical methodology applied in the most realistic circumstances," says Horrow. "As there have been numerous attempts to 'quantify' athlete influence and power, the analytics developed by CSE have produced a practical, proven methodology applied initially to on-field performers. This is a significant analytic breakthrough that could be applied to all aspects of the industry as they measure 'power' in the coming years: Executives, owners, college officials, international performers, athletes/entertainers, and others can be analyzed over time. It is a very quantitative way to measure 'power' and influence."

Some people may deplore the increasing commercialism of sports—and they may have a point. From ubiquitous corporate logos to stadium naming rights, business and sports have become inextricably linked. But there's an upside to that, too—because without all those corporate and advertising dollars, the sporting world would not be the revenue and employment behemoth it has become, with an estimated value of \$213 billion, twice the size of the U.S. auto industry and seven times the size of the movie industry, according to Sports Business Simulations in Oakland, Calif. It is the star athletes who put a human face on this relationship and get us not only out on the golf course or the basketball court, but also into the stores.

At least until they run into a fire hydrant.