Robby Ackles Sports 1 Marketing Friday, May 26, 2017

Article: United Airlines grabs Coliseum naming rights

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After searching for a naming rights contract since July of 2015, the Los Angeles Memorial Coliseum has finally locked up a deal with United Airlines for 15 years and more than \$70 million. This becomes the largest deal of its kind, with the 10-year, \$41 million contract between Alaska Airlines and the University of Washington's Husky Stadium being dropped to second. A significant factor in this deal being completed between the University of Southern California's home venue and United is the fact that the CEO of the latter group, Oscar Munoz, attended the Marshall School of Business at USC. The negotiation was facilitated through Fox Sports, which was responsible for selling the naming rights contract.

This agreement being recognized as the richest in all of college football should not come as a surprise, for USC's reputation and legacy on the gridiron is among the most storied in the game. However, this deal will not only affect the NCAA's FBS division, but the NFL, too. The Los Angeles Coliseum is currently a temporary home for the L.A. Rams as they transition from St. Louis to their future home in Inglewood, so United Airlines will definitely receive more monetary value than they would have if they had partnered with a stadium that only hosted a college team. This may explain why the deal was worth so much: the Coliseum will earn around \$4.6 million a year from United compared to the next most valued contract in Washington, from which Husky Stadium will earn approximately \$4.1 million a year from Alaska Airlines. While seemingly marginal when stacked up against one another on a yearly basis, \$500,000 a year - the difference per year between USC and UW's deals - can make a huge impact over the span of a decade or more.

I am curious to know why United Airlines was willing to invest so much money into a deal after the financial downturn that followed the viral incident between security and the passenger who refused to get off of the plane. United may be a multi-billion dollar company, but this recent move leaves me wondering if this was a strategic move to earn more money or instead an attempt to salvage their image. Regardless of their intentions, this was a smart decision by the LA Coliseum to capitalize on the opening that they had for a naming rights deal. Not only did they secure the largest contract in the country, but they partnered with a corporation that may have been desperate to put a dark scandal of the past behind them. United does own properties for a variety of sports teams such as the Chicago Blackhawks, Golden State Warriors, and San Francisco 49ers, but this partnership is its first in the world of college football. It would have been difficult for the venue to receive that much money from other companies, and as a result, I think this was a great deal for the Coliseum.