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In August of 1954, a new sports magazine featured a cover photo of Milwaukee Braves third basemen Eddie Matthews swinging mightily against a New York Giants pitcher (Wilson, 2023). Many readers thought that this was a joke, as the initial cover for this start-up magazine would be a third baseman few people know about, wondering how this could be the cover. For more than a decade this magazine failed to turn a profit, as many people assumed this magazine was a laughingstock and not interesting in the slightest. It only featured coverage such as a puff piece of the Duke of Edinburgh, and how to buy a puppy. It became erratic in a sense, as it began to favor elite leisure sports, over more popular sports during that time period.

(History.com, 2021)

Now, *Sports Illustrated* has risen as the most popular sports magazine to this day, capping an annual revenue of \$80M as of 2022. (Zippia.com) The magazine continues to cover a wide range of sports such as football, basketball, and baseball, but it also focuses on many niche sports such as skiing, surfing, and other extreme sports. It also covers events like the Super Bowl as well as the Olympics, providing readers with every detail and behind-the-scenes actions that go into planning and executing all of these important sporting events. (Kemper, 2023)

*Sports Illustrated* continues to feature legendary athletes on their covers who have been key figures in that timeline. For instance, when Muhammed Ali died, the magazine provided a young Ali ready-to box with a black background commemorating his career. Or, when rising baseball star Mo'ne Davis was electric during the Little League World Series back in 2014, as she

became the first female pitcher to win a game in the LLWS. The cover showed her throwing a pitch with her name in big letters with the caption “Remember Her Name.” (Slcovers.com, 2014)

*Sports Illustrated* also features a swimsuit edition every year during the winter months when few sports are being played. Managing editor at the time Andre Laguerre wanted to promote health and beauty in powerful females, but he also wanted to showcase the beauty of the world and take photographs of swimsuit models in exotic locations. The swimsuit edition however provided much criticism for its creation, as many readers didn’t want to have pictures of these models crawling into their homes, for the unfortunate delight of many teenage boys. In the end, *Sports Illustrated* wanted to create this nexus between sports and sex. Their argument is that there starts to be this positive connection between the overall appeal of these models and certain athletes featured in the main magazine. (Curtis, 2010)

*Sports Illustrated* is recently owned by Authentic Brands Group (ABG), as it bought the magazine from Meredith Corporation for \$110 Million back in May 2019. ABG wasn’t set after the magazine or the editorial operations, instead, it was focused on the business opportunities that could appear after it slaps the magazine’s logo onto new products or businesses. Before ABG took over, *SI* was losing millions of dollars due to poor advertisements. Now, Marc Rosen, the executive vice president of ABG, believes *SI* is now profitable as its earnings, before taxes and interest, have more than doubled since its acquisition.

One of the most important deals ABG has made for SI was its deal with *The Maven*, which is now *The Arena Group*, which paid ABG \$45 Million back in June 2019 for the right to the magazine's editorial operations, print the magazine, and include revenue share. *The Arena Group* is essentially an innovative technology platform and media company that features a cutting-edge playbook that transforms media brands. Approximately 60% of the revenue earned from SI's editorial operation comes from subscriptions while the other 40% comes from advertising. One of the most prominent opportunities that this partnership endeavored was *Sports Illustrated Studios* in a licensing deal made with production company, 101 Studios. (Barber, 2020). Rosen mentioned how editorial team members at *The Arena Group* would be involved in creating films, documentaries, television shows and long-term podcasts. Much of the transition to these deals stems from the fact that in today's world, classified advertising is nearly all gone as well as print subscriptions. Between 2004 and 2019, total weekday circulation declined by 45 percent, dwindling from 122 million to 68 million users. As these numbers continue to fall, many journalists are starting to lose their jobs. (Foreman, pg. 385).

Much of the company's revenue includes multiple licensing deals besides partnering with 101 Studios to create more visual content. Other opportunities that SI will expand into are hospitality and tourism with the addition of *SI Resorts*, which offers unique accommodations and experiences in significant sports destinations, as well as partnering with JC Penny to launch a performance-driven clothing line for men, women, and kids. (LoRé, 2022). However, many of these categories aren't sufficient enough to become money-makers on their own. Stu Seltzer, president of Seltzer Licensing Group references gambling as one of the bigger opportunities that

he sees for SI in the future. “It’s plausible to say that gambling might be a successful venture because those with more disposable income are 50-plus and they know and respect and trust the SI brand,” Seltzer said. (Barber, 2020)

Sports gambling has been such a national controversy for years as it has affected the lives of millions of fans who are addicted to putting money down for a prize which may or may not happen, and when not, the negative impacts could become substantial in the future. Much of the conversations surrounding sports have evolved to different types of gambling as well as the creation of esports. The idea that SI is focusing most of its revenue streams primarily on the gambling habits of individuals mostly in their 50s could be exploiting their financial situation. An ethical issue that is very much violated in this sense is the idea of showing compassion for those who are affected by news coverage, or how it receives its revenue. This issue sheds light on using a heightened sensitivity when dealing with victims who have been taken advantage of in the past. If SI wants to rely heavily on its revenue streams based highly on the gambling techniques of its top customers, it must understand how risky that is when they’re trusting the disposable income of middle-aged men to produce great numbers in terms of sports betting. However, this also potentially violates certain conflicts of interest, as they should disclose any unavoidable conflicts that cross their paths. (SPJ Code of Ethics) By wanting to acquire a majority of their revenue through SI BETS, the online sports betting platform generated by *Sports Illustrated*, they must take into account that these customers should be treated as fairly as customers who are using the corporation for different uses.

*Sports Illustrated* is expanding, focusing on clientele from all generations that are affected by the high intensity that sports provide. Much of its change of ownership recently identifies ways in which *SI* can contribute to the likes of the 21<sup>st</sup> century and for years to come in the future, as they try to modernize almost every aspect the magazine offers. While *SI* strives to focus on representing all of its customers, they are putting much of their luck in revenue on the gambling lives of wealthy individuals, which could factor in a huge risk when disappointment strikes.

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