

# The NIL Era: College Athletes Join the Creator Economy



As of July 1, 2021, the NCAA announced an interim policy that allows student-athletes to monetize their name, image, and likeness (often referred to as “NIL”). College athletes can engage in activities that include but are not limited to: autograph signing, personal appearances, social media endorsements, promoting a commercial product or service, and more.

The policy provides the following guidance:

- Individuals can engage in NIL activities that are consistent with the law of the state where the school is located. Colleges and universities may be a resource for state law questions.
- College athletes who attend a school in a state without a NIL law can engage in this type of activity without violating NCAA rules related to name, image, and likeness.
- Individuals can use a professional services provider for NIL activities.
- Student-athletes should report NIL activities consistent with state law or school and conference requirements to their school.

## How Brands Can Get in the Game

Brands will also be able to capitalize on this recent announcement. Let’s discuss the implications of NIL to help drive the conversation home.

In the midst of these critical changes, most argue that the new NIL landscape is here to stay. Schools have built extensive frameworks within which their athletes can maximize brand potential. Teams are advising their athletes on how to grow their personal brands online and open up opportunities in the influencer marketing landscape.

FOS and Facebook teamed up to deliver a curriculum that helps set up college athletes for success as the influence of student-athletes extend beyond the field of the game to their social media feeds.

**Open**influence



“The same way we see brands like Under Armour and Nike partnering with different athletes, we are going to see that starting to happen with college athletes now. Essentially it really opens up the talent pool for brand endorsements and brands to especially leverage the likeness of these athletes.”

**Eric Dahan**, Open Influence CEO



## Advantages of Partnering with College Athletes

NIL right now is “the Wild West” of sponsorships, yet brands have every incentive to get in the game early. Let’s dive into what makes college athlete partnerships so appealing:

- ✓ **They are cost-effective:** The current landscape presents favorable economics as college-athletes have not quite reached celebrity status. In addition, as of today, brands will most likely capitalize on their name and likeness rather than their content creation skills. This could change over time as the industry gains traction.
- ✓ **Hyper-local reach, National Scale:** Brands have already started to explore this untapped market and find opportunities to connect with these loyal niche audiences.

“To date, several partnerships have been market-focused, with local businesses in the area partnering with single players or groups of players where regional interest overlaps, driving brand advocacy to fans in that university’s surrounding area.”

- Diana Perlov, Open Influence Account Director

The hyper-local reach of these personalities is a goldmine for small and big brands seeking a national footprint, as consumers today demand personalized content and experiences. The massive potential of student-athletes, when applied on a national scale, shouldn’t go unnoticed.

- ✓ **College Athletes are tech-savvy:** College athletes didn’t just grow up playing their sport, but they grew up in the social media era. Tech-savvy students who recognized the opportunities early on have been investing heavily in their personal brands. They are taking over social feeds, building influence beyond the game fields, and reaping the benefits.

The first college athlete to make money from her likeness was actually a TikToker before she was a college volleyball player. She was scared at first that she might not be eligible for college sports since she was already making money off of her name, image, and likeness.

“I was actually the first ever paid college athlete in history,” Mitchell told Open Influence. Now, she advocates for thousands of other athletes to help them capitalize off of the new NIL legislation.

Her first sponsorship was with Smart Cups. She seamlessly wove this product into her famous DIY videos on her breaks to rehydrate in between the hard labor.



# When the Whistle Blows

## Restrictions & Guidelines

It is paramount for brands to be aware of the potential risks before diving head-first into college sports waters.



**✗ Inconsistency in state and school policies:** State laws and policies crafted by individual schools create an inconsistent variety of restrictions.

“Right now, the compliance office of each university’s athletic department will have the final say in approval for partners and campaigns that student-athletes can work with. That constraint will be a serious choke point as far as framing campaigns that are both NCAA rule-abiding and athletic department-approved. This means that simple, easy-to-digest campaign summaries will likely be a useful tool for compliance offices to be able to move through approval in a timely fashion.”

- **Diana Perlov**, Open Influence Account Director

**✗ Timing restrictions:** As individual athletic departments control the approval guidelines of student-athlete campaigns, rules will vary from school to school until the market begins to drive uniformity. It appears that athletes will likely be prohibited from participating in campaigns that interfere with team-related activities.

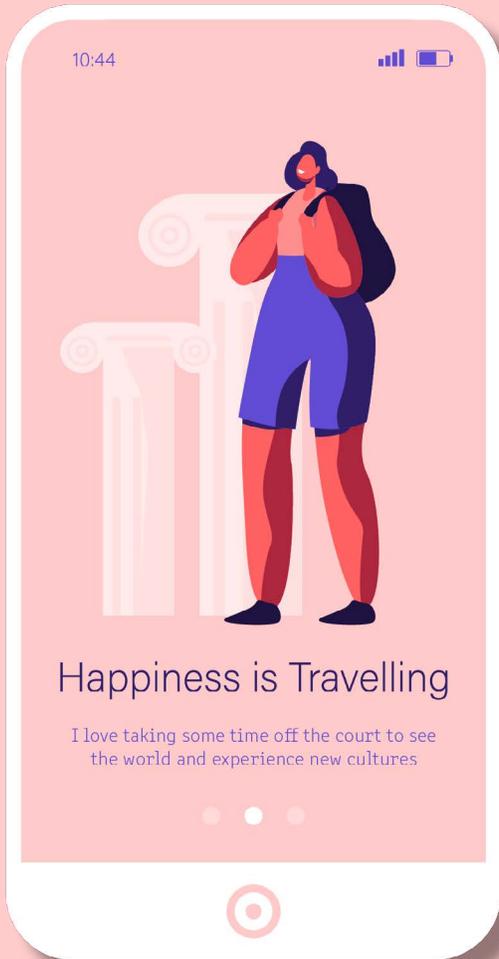
While sport activity doesn’t prevent an athlete from having time to participate in an influencer marketing campaign, the commitment to their team schedule will seriously constrain the depth of their involvement, depending on the time of year.

**✗ Banned and restricted product categories:** College athletes in most schools may not enter into a NIL agreement with any of the following industries:

- Distilled spirits (i.e. hard liquor)
- Tobacco products (including electronic smoking devices, vapor products or products or devices that consists of or contains nicotine that can be ingested into the body)
- Casinos or any entity that sponsors or promotes gambling activities
- Controlled substances
- Marijuana (including legalized or medical) products
- Medical marijuana cultivator, processor, lab, or retail dispensary
- Any business engaged in the sale, rental, or exhibition for any form of consideration

**✗ Limited use of copyright material:** The use of university trademarks, facilities, property, or affiliation will also be a point of concern that the company should clarify before executing. Trademark and brand affiliation is an issue that universities defend vehemently. Logo-blurring may not be sufficient to ward off legal issues in recognizable university spaces or situations.

**✗ Brand Safety:** Brands need to be cognizant of the potential risks of partnering with college students. While most universities have a student-athlete code of conduct that they have their students sign, marketers should be wary of potential pitfalls and be prepared to monitor closely.



As we enter the new NIL era, marketers should explore this untapped opportunity while keeping in mind that this is an ever-changing environment that requires deep expertise to navigate the space and protect brands from any possible pitfalls.

If you'd like to learn more, [contact us](#). Our team of talent specialists, social media gurus, and influencer marketing experts will be happy to help guide your next influencer program.



## About Open Influence

Open Influence is a global multi-award winning influencer marketing company focused on generating value for brands across all the major social media platforms.

Having been a pioneer in the influencer marketing space for more than 8 years, we have established a successful track record working with top brands from a variety of industries including fashion, lifestyle, automotive, entertainment, technology, CPG, pharmaceuticals, and more.