

SportBusiness^{INTL.}

HOW THE 'PEOPLE'S CLUB' CONCEPT DRIVES EVERTON'S TICKETING

Page 14

ITALY'S GAMBLING AD BAN THREATENS SERIE A CLUB REVENUES

Page 22

MILWAUKEE BUCKS' NEW ARENA TURNS TEAM INTO REAL-ESTATE COMPANY

Page 32

FAMOUS RACECOURSE DIVES INTO DATA TO DOUBLE DINING INCOME

Page 53



HOW A \$2 HOT DOG MADE FANS FALL IN LOVE WITH THE MERCEDES-BENZ STADIUM:

Atlanta's F&B pricing revolution

[PAGE 5]

JUDO SETS OFF FOR **TOKYO 2020** HOMECOMING



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Falcons
Atlanta's F&B pricing revolution



5

Opinion
The VAR opportunity



10

Everton
Ticketing and community



14

Sponsorship
The impact of Italy's gambling ban



22

US Major Leagues
Keeping audiences hooked



25

Formula One
Getting closer with FanFests



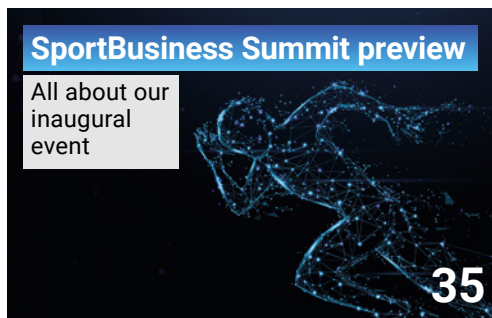
19

Bucks



32

SportBusiness Summit preview
All about our inaugural event



35

Ascot
Data-driven dining



53

ESP Properties
Is Sorrell's IMG dream dead?



60

International Champions Cup
How it came to 'the point of profitability'



63



7-12 SEP | SINGAPORE SPORTS MATTERS

"All That Matters, Asia's leading entertainment industry conference returns to the Ritz Carlton Millenia, Singapore from September 7-12, 2018. The region's premiere 'Business-2-Business-2-Fan' event experience is the gateway to Asia and continues to reflect the convergence of the entertainment industry."

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Registered address:

Park House, 116 Park Street, London, W1K 6AF

Printed in the UK by Pensord Press

www.pensord.co.uk

The paper used within this publication has been sourced from a Chain-of-Custody certified manufacturer, operating within international environmental standards such as ISO14001 and EMAS. This is to ensure sustainable sourcing of the raw materials, sustainable production and to minimise our carbon footprint.

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Falcons' concession-pricing trades small revenue loss for major goodwill gains

NFL franchise has reaped reward of slashing food and drink prices at new stadium

Mercedes-Benz Stadium infrastructure essential to deal with increase in volume of sales

Sports teams from US, Europe and China considering following suit – as are cinema chains



(Atlanta Falcons)

Bob Williams

When the Atlanta Falcons announced their 'fan-first' food pricing ahead of their move to the Mercedes-Benz Stadium in 2017, the NFL franchise immediately revolutionized the stadium concessions model. With \$2 (€1.70) hot dogs and bottomless soft drinks, \$3 pizza and \$5 cheeseburgers among the options, they were the lowest concession prices – by far – of any major sports team in the United States.

The Falcons' parent company AMB Sports & Entertainment (AMBSE) anticipated a 20-per-cent drop in concessions revenue on their final year in the old Georgia Dome stadium, and they were happy to trade this for goodwill

from their fans. As stadium concessions revenue is a fraction of income for NFL teams, it was a low-risk, high-reward strategy.

As it happens, the unexpectedly large 53-per-cent increase in volume meant revenues fell only seven per cent in year one at the Mercedes-Benz Stadium.

The move brought supplementary benefits. About 6,000 more fans per game entered the stadium earlier than they did in 2016, leading to shorter waiting times at the entrance gates, which improved security. And fans, feeling that they had more money in their pocket, spent 88 per cent more on merchandise on game days than in the previous year.

In the 2017 Voice of the Fan surveys, the Falcons and AMBSE's MLS franchise

Atlanta United – which also plays at the Mercedes-Benz Stadium – were rated number one in all food and beverage categories: quality, variety, speed of service and price-to-value ratio. For their last two years at the Georgia Dome, by contrast, the Falcons ranked 18th overall.

"In the grand, grand scheme of things, food and beverage is not a top-five driver of our bottom line," Greg Beadles, the chief operating officer of AMBSE, tells SportBusiness, "and so we pitched to our owner [Arthur Blank], 'Look we think this is going to cost us money, and this is the projection on how much we think it's going to cost in lost revenues'.

"But once we explained the ideas and how it tied in with his big-picture vision – of being in control of the fan

experience from driveway to driveway as much as we could – he supported us to pursue it from then on. After we really dug into it, our owner said it was the right thing to do.

“Not everything we do is driven by dollars and cents, we believe in our core values. This is one example where that trumps economics.”

On the back of the Falcons’ success, the Baltimore Ravens and Jacksonville Jaguars are following suit with cheaper concessions in the coming NFL season, while sports teams from across the globe – as well as US cinema chains – have contacted the franchise to find out more.

Fixing a ‘broken model’

When Arthur Blank, the co-founder of home improvement store Home Depot, bought the Falcons in 2002, he was hampered in his attempts to improve the fan experience at the Georgia Dome, their home from 1992 until 2016.

The venue, now demolished, was owned and operated by the state of Georgia, via the Georgia World Congress Center Authority (GWCCA). It meant that the Falcons, who were primary tenants, had no control over the price of concessions, the food quality or even the menu choices as GWCCA arranged its own concessionaire contract.

“When the beer was hot and the hot dogs were cold, the fans would not blame the state of Georgia, they would blame the Falcons,” Beadles says. “And in that particular relationship, our hands were really tied.”

When Blank initiated plans to build a new venue in 2010, he ensured that AMBSE would be its operator, in order to have better control over in-stadium revenues. The Mercedes-Benz Stadium, a private-public partnership built on the GWCCA campus, broke ground in 2014 and opened in 2017. It houses the Falcons and Atlanta United, who are also owned by Blank, and has hosted other major events such as the 2018 College Football Playoff National Championship Final. The 2019 Super Bowl will also be played at the Mercedes-Benz Stadium.

Prior to the stadium’s opening, Blank set about improving the fan experience. Concessions were “right at the top of



“When we talk to other teams and venues, we discourage them from just lowering pricing if they can’t make the infrastructure changes.”

Greg Beadles | chief operating officer, AMBSE

the list” due to the poor ratings the Falcons had received, both locally and nationally, from supporters.

“We started asking ourselves different questions,” Beadles adds. “Why is this the case that we have such terrible ratings across the board? Not just in pricing, but also quality, speed of service – across the board in the NFL we basically received failing grades from our fans.

“We brought in various businesses and concessionaires to present to us during an RFP [Request for Proposal] process and we asked them why we were failing. And we came to the conclusion that the economic model was broken.

“We were pointing the finger at the concessionaires and a couple of the finalists – quite rightly – pointed the finger back at us. They said owners and venues were greedy. So we said if we’re going to do this, we’re going to take it on our own and it will have to be our business.”

Most US major-league sports teams contract a concessionaire to take

control of the business, including choosing the menu and pricing, and revenues are shared. Revenue maximisation is the concessionaire’s only goal and profit margins on food and drink can be as high as 77 per cent.

By contrast, at the Mercedes-Benz Stadium, AMBSE pays supplier Levy Restaurants a fixed fee but keeps all the revenue. “They are paid on a strictly management-fee basis so we had to pay for all the investment up front – the equipment [typically a seven-figure investment] – but then that gives us the flexibility,” says Beadles. “We use their expertise on menu decisions and cooking innovations and all those sorts of things but we decide what the quality is, what the pricing is. Once we took control, then we were able to make the changes that we made.”

Cheap as chips

Having taken control over their stadium revenues and the concessions menu, AMBSE then decided to drop the price of food and drink at the Mercedes-Benz Stadium to unprecedented levels.

According to a Team Marketing Report, the average price of a hot dog at NFL stadiums in 2015 was \$5.29, soft drinks were \$4.79 and beer was \$7.42. At the Mercedes-Benz Stadium, with all prices including tax, a hot dog is \$2, a Coca-Cola with unlimited refills is also \$2, while a 12oz Bud Light is \$5. The team estimates that an average family of four can buy food and drink at the

MERCEDEZ-BENZ STADIUM 'FAN FIRST' MENU

**\$2** Coca-Cola Refillable Cup**\$2** Hot Dog**\$3** Waffle Fries**\$5** Bud Light Draft Beer**\$2** Dasani Water Bottle**\$2** Popcorn**\$3** Pizza Slice**\$5** Cheeseburger**\$2** Pretzel**\$3** Nachos w/Cheese**\$4** Souvenir Refillable Cup**\$6** Chicken Tenders Basket w/Fries*Source: Atlanta Falcons*

stadium for \$28 or less.

So why exactly did AMBSE drop prices to such an extreme? Its executives – taking some inspiration from the Masters golf tournament in nearby Augusta, where sandwiches are as little as \$1.50 – took a calculated bet that that it was a move that would appeal to the Falcons' fanbase with very little financial risk.

With only eight regular-season home games, concession sales are a tiny fraction of NFL teams' revenue. The Falcons have not released their numbers but, to illustrate the point, the Indianapolis Colts generated around \$5.2m in food and drink sales at Lucas Oil Stadium in 2013 and, like every other NFL franchise, received \$226.4m in national revenue for the 2014 season.

"In those low ratings from the fans and their verbatim responses [in comments sections], what we were hearing was, 'Look, when I come to the stadium I feel like a captive audience, that once I come in I can't go back out, that I'm forced to pay these prices that compared to what I can get in the street are an order of magnitude higher,'" says Beadles. "So our thinking was why are we treating our fans this way when they come in?"

The 'wow' items that are \$6 or lower – soft drinks, bottled water, pretzels, chips, pizza, cheeseburgers, chicken fingers – are considered fan favourites and what the team sell the most of, but the Mercedes-Benz Stadium also has

high-end food choices. Beadles says: "This isn't just about cheap food, it's about options – but they are all charged similarly to what they would be outside of the stadium."

Appropriate infrastructure

AMBSE predicted a 15- to 20-per-cent increase in volume of sales of concessions at the Mercedes-Benz Stadium. When the uptick was actually 53 per cent they were fortunate for the improved infrastructure of the new stadium.

This includes: 65 per cent more points of sale and 1,264 more beer taps than the Georgia Dome; just over half the stands having cooking capacity compared to less than a third; whole dollar amounts (including tax) to reduce transaction time; queue lines designed – with the help of Georgia Tech's Industrial Engineering programme – to maximize space and minimize waiting times; significantly more pantries and refrigerators; and self-service areas for soft drinks and condiments.

"There are seven, eight, nine different things that we tried to do to speed up the transactions by a few seconds each because when you aggregate them all it is considerable," says Beadles. "For the College Football National Playoff Championship Final, we broke the North American record on number of transactions for a sporting event (over 120,000) and yet we were still number one in terms of speed of service.

"This is a key thing when I talk to other teams and other venues, we actually discourage them from just lowering pricing if you can't make the changes that we were able to make that building a new building afforded us. If you have an old building and you can't get your back-end operations up to speed then it might be better to do this in increments than go the whole hog as we did."

One unexpected consequence was significantly more trash being created, in addition to the ice in the self-service soda machines and items in the condiments station running out much quicker than anyone imagined. "These were interesting bi-products that we didn't necessarily think about beforehand and we've had to spend more labour dollars to maintain and refresh the self-service areas and clean up the trash during events."

Supplementary benefits

On average, 6,000 more Falcons fans walked through the gates two hours before the game last season, which not only meant more time to sell food and drink, but also helped to ease waiting times at entrance games.

One question Beadles asked was whether or not "people, instead of stopping and eating somewhere along the way where they know they can get affordable food, would they come on down and avoid the traffic and come in earlier and eat here? We're definitely

seeing that. So we now have less of a push getting those 6,000 people in later, since they are already in the building, which helps with all the other fans coming in later to have a better arrival experience,” says Beadles. “We were number one in security screening and number two in arrival experience in third-party surveys that were done across the NFL and MLS.”

Gameday merchandise sales are also up 88 per cent compared to the previous season. “We think there is a correlation to people having a few more dollars in their pocket and the goodwill we’ve created,” Beadles adds.

The concessions model has not affected the stadium’s attempts to secure major events. If anything, it has proved a major advantage. “It’s one of our hallmarks with the business and the building, so when we made our initial pitch for the Super Bowl and every other

event like the College Football Playoff National Championship Final here – and hopefully in 2026 we’ll be a World Cup venue – in all these situations we have built into the bid that our pricing would be the same. We want to be consistent with that across the board. Now [the organisations we pitch to] are more receptive because they see the goodwill that that this concessions model has developed and it will extend into their brand.”

AMBSE has received global interest in its concessions model and the company is not holding any information back from interested parties. “We’ve had people from Europe and China here checking it out along with everyone you’d expect Stateside – hockey, baseball, basketball teams. We’ve been asked to present to all NFL teams and we’ve had one of the global management companies that manages hundreds of

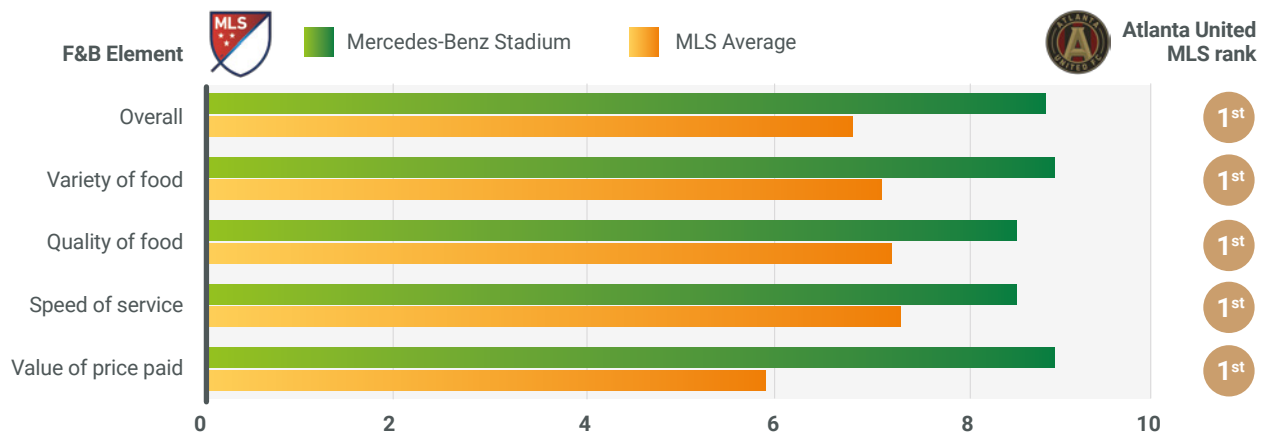
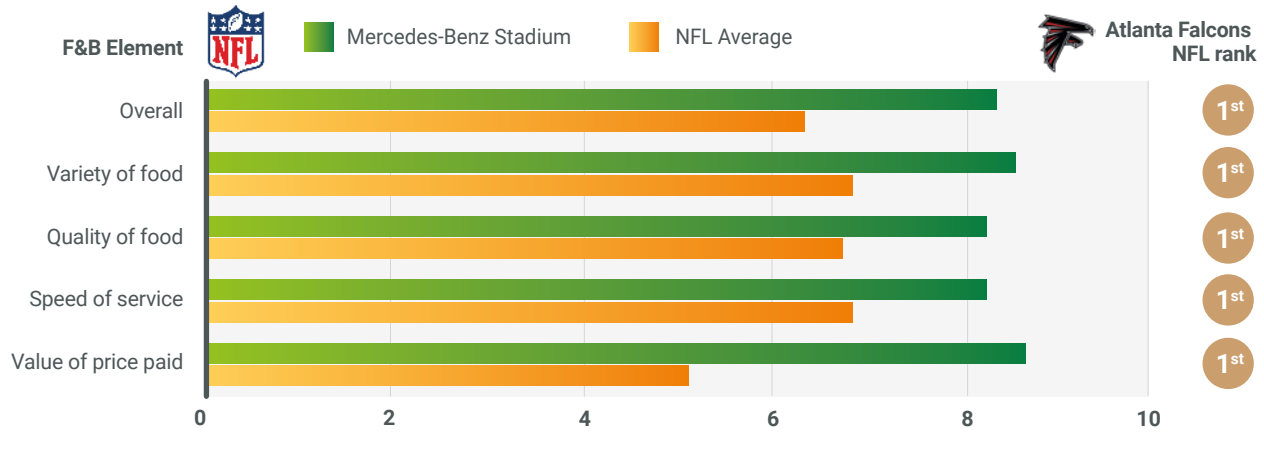
venues come in to visit us. There is even interest from movie theatres, maybe they’re in a similar situation and want to learn about how a programme like this could help them.

“We tell them we don’t have it figured out. A lot of people thought it would just be a marketing gimmick for the first year of our stadium but we are not raising any pricing in year two and in fact we are going to be lowering some pricing for the upcoming football season. We’re also trying to listen to the fans and make changes based on variety and quality.”

Replication challenges

Fellow NFL team the Baltimore Ravens are following in the Falcons’ footsteps by reducing the price of concessions at M&T Bank Stadium in 2018. Labelled ‘Flock Friendly Fare’, the new menu consists of the 21 most popular items on

MERCEDES-BENZ STADIUM IN THE 2017 NFL AND MLS VOICE OF THE FAN SURVEYS



Source: NFL and MLS



the team's concessions. No single item will cost fans more than \$9, while 13 of the items can be bought for \$5 or less.

The measure has been taken in large part to repair the relationship with a section of fans angered by players' national anthem protests – leading to no-shows at games last season – and also disappointed by a three-year play-off drought.

The Ravens estimate they will lose \$1.5m following this move but the franchise believe it is worth undertaking in their attempt to boost strained relations with some supporters.

"Concessions to us is less of a business attribute as it is a fan-experience attribute," Baker Koppelman, the Baltimore Ravens' vice-president of ticket sales and operations, tells SportBusiness.

"So we asked ourselves: 'if we start making a little less money in concessions, does it really matter?' We're not trying to scrape every dime we can from people. When you start looking at the money that we make from concessions coupled with complaints [over prices], why wouldn't we lower them and make our fans a little bit happier? It's a way of acknowledging that we want to address your complaints and fix something that is upsetting you in the context of your trip to the stadium.

"In the context of things, \$1.5m is meaningful but you could probably find many things that you are spending \$1.5m on that may or may not have value. I wouldn't call it a marketing expense but you can look at it as the cost of doing business. In the balance of revenue to fan satisfaction, we skew it to the fan

"Concessions to us is less of a business attribute as it is a fan-experience attribute."

Baker Koppelman | vice-president, ticket sales and operations, Baltimore Ravens

satisfaction side of things first and let the revenue take care of itself. We feel like if fans are happy then things will take care of themselves."

The Ravens began looking at reducing the cost of concessions two years ago and were heartened by the success of the Falcons. One of the team's concerns, however, is trying to react to a projected increase in volume of sales in their current facility with limited opportunity to redesign the stadium accordingly.

"The Falcons' model is something that everyone is looking at but it's hard to compare apples to apples. They were able to plan for it going into a new stadium but we are kind of retrofitting and that is a little slippery," Koppelman adds. "We assume volume will increase a little bit. We are putting our concessions partner [Aramark] to the test in terms of potentially having to deal with increased demand based on the pricing."

The Ravens plan to add more frying machines to deal with a projected increase in sales in french fries and chicken tenders. "Other than that there's not a whole lot that we can do. We can't build more concessions stands on the concourse. We expect increased volume and we're doing the best we can to keep up with it," Koppelman says. "It may take

us a game or two but hopefully we'll get into a groove at some point in relation to the expected increased volume."

The Ravens, not Aramark will bear the brunt of any losses. "I think they were pretty open to it – they were involved in helping us set the prices and build the model," says Koppelman. "I think they are intrigued about it as it is something new and they want to see how it goes. I think they will keep a close eye on it from a data perspective to see what they learn from it and how it might impact other clients they have."

Despite significant price decreases, the Ravens have not gone as far as the Falcons in terms of offering super-cheap prices. "It wasn't really scientific, it was more looking at an item and asking what is reasonable in the grand scheme of things and what will make fans say 'Wow, it's incredible that they did that'," says Koppelman.

"The average fan is going to make the comparison with the Falcons – we're both football teams and all that. But the fact that they've done it in a new stadium is a big factor. With us, we decided that this is what we feel comfortable doing, this is what we feel it should be."

Koppelman says fan reaction will be the appropriate measure of success. "Our first metric is how fans will receive it. We've had some good feedback already but obviously they want to see it in action and experience it. If it turns out that we end up making our money back or making more then so be it but it really boils down to our fans feeling like we've done something significant for them." ○

Handle with flair: VAR and sponsorship

Tim Crow reflects on the use of VAR in Russia 2018 and why – following their initial reticence – sponsors should considering it among the most important assets of future tournaments.

Ask the chief marketing officer of any sponsor with a campaign that's about to go live what he or she wants from it, and you will get two answers.

One, naturally, is business impact and value – enhanced brand image, increased sales and marketshare, and so on.

The other is 'talkability', that moment when a campaign goes viral: when consumers love it so much that they feel compelled to say so and share it with everyone. All great sponsorships provoke that reaction at scale.

One such example is Nike's immortal 'Airport' campaign from the run up to the 1998 World Cup in France. This was the moment when Nike stopped worrying about adidas' football heritage, realising that for their target audience Nike had also been around 'forever' and that what they loved and wanted was exhilarating football. And who better to evoke that than Brazil?

Another instance is Procter and Gamble's ground-breaking 'Proud Sponsor of Moms' Olympic sponsorship, first released in the build-up to the London 2012 Summer Olympic Games. This defied convention by focusing on the female half of the global Olympic audience that other sponsors had previously overlooked, telling stories around the understanding that behind every Olympian – and aspiring Olympian – there's a Mom.

Notice something about these two campaigns, and just about every sponsorship: they didn't come with built-in talkability. Yes, they came with an audience and they came with the usual bundle of sponsorship rights, but talkability has to be earned. And you can only earn it with an insight that evokes a powerful, emotional reaction in consumers and also has an authentic and meaningful link to your brand.

These are all the exceptions that prove the rule: earning talkability at scale is very hard. But sometimes a sponsorship comes along with



(Robbie Jay Barratt - AMA/Getty Images)

guaranteed talkability.

The Fifa World Cup was full of big moments – incidents that got the world talking, debating and sharing, before, during and after the match. And whenever these moments happened, thousands of brands tried, but mostly failed, to cash in on their virality.

But there was one big, and unexpected winner: VAR. VAR became the talking point throughout the tournament, regularly playing a crucial role – including in the Final itself.

Six months before the tournament, Fifa took VAR to market but couldn't find a sponsor for it, since it was an unknown quantity attracting a lot of fan and media criticism.

Add to that fears about Russia as a host, Fifa's legacy image issues, a punchy sponsorship price tag and the short lead time, that's a lot of risk. Which is why every prospective sponsor passed. But that won't happen again. Russia 2018 proved that VAR is a game-changer for football and football sponsorship.

It's not part of the sideshow, like ad breaks. And it's not low-voice media, like kit branding or perimeter ads, it's embedded in the game.

Fifa will have no problem in finding VAR sponsorship for the 2019-2022 cycle, and neither will club competitions, where VAR is rapidly becoming mainstream. As a result a new

era in football sponsorship is dawning, driven by a new, and very different type of asset with huge potential.

So what can rights holders and their first wave of VAR sponsors do to maximise VAR's potential? Three things in particular.

Embrace controversy. VAR will be forever controversial, because all big decisions in football are controversial. Even when the officials get it right, one set of fans always feels wronged. So if you're a brand that doesn't want to embrace controversy, VAR sponsorship is not for you.

Dive deep into the world of fans, their mindset, their language, their passion. VAR sponsorship will make you central to their world, so if you don't understand them, your sponsorship will at the very least backfire and at worst fail. Handle with care.

Take inspiration from other brands. For example, Specsavers has created such an entertaining and authentic link to its sponsorship of referees that it is now the dominant brand in fans' minds in this space. To maximise the potential of VAR, every brand that sponsors it will need to create that link too. Handle with flair! ○

Tim Crow is the former chief executive of Synergy. Follow him on Twitter @shaymantim

Optimising the game day experience

Nick Price, chief commercial officer at Legends Global Events and **Olly Hitchcox**, business development director of Legends' UK F&B partners Absolute Taste, deliver key insights into optimising the fan experience

Next only to the action on the field or the performance on stage, a venue's food and beverage (F&B) and retail/merchandise operations are critical to optimising the fan experience.

Delivering the optimal fan experience on a continuous basis and meeting the evolving demands and expectations across the full range of guests and ticketholders is fundamental to building a profitable business model.

Maximising the contribution of F&B and merchandising in both financial and brand-building terms is at the core of Legends' capabilities. Legends was founded in 2008 by the Dallas Cowboys and New York Yankees to ensure that their stadia offered fans a next level F&B and retail experience. Legends has since expanded beyond F&B and retail to provide a 360-degree approach to deliver optimal value and experiences at sports and entertainment stadia and arenas and visitor attractions.

In the US, Legends provides F&B experiences at more than 70 major venues, including AT&T Stadium in Dallas; Yankee Stadium and One World Observatory in New York; Banc of California Stadium and OUE Skyspace in Los Angeles; and nearly 40 Live Nation venues.

In the UK, Legends has partnered with Absolute Taste, and together they provide food and beverages at Manchester City's Etihad Stadium, Watford FC and at The View From the Shard.

Legends International has acquired the team responsible for delivering the onsite retail and merchandising operations at the London 2012 Summer Olympic Games, Rio de Janeiro 2016



Summer Olympic Games, the IAAF World Championships 2017 in London and now the Rugby World Cup 2019 in Japan. Stateside, Legends has produced record-breaking sales through merchandising partnerships with IndyCar and Super Bowl 50, as well as the successes of the world's largest Pro Shop at AT&T Stadium.

In the third of our white papers, Nick Price, chief commercial officer at Legends Global Events and Olly Hitchcox, business development director of Legends' UK F&B partners Absolute Taste, deliver key insights into optimising the fan experience.

FOOD & BEVERAGE

Ensure alignment of interests

In many respects the quality of F&B is defining the experience for fans and becoming part of the brand of a club, venue or event and is certainly an increasingly important revenue driver and profit point.

More than that, the value of F&B is

not measured in per-capita spend and profit alone – it is essential to recognise the critical role that high-quality F&B plays in the delivery of sustainable long-term revenues from the premium hospitality experience.

Establishing and sustaining levels of quality is critical to maintaining these revenue streams which produces a genuine partnership and alignment of interests between the club or venue owners and operators and the F&B providers.

Delivering a consistently high-quality F&B offering in a stadium or any other sports environment is a demanding and complex job. It requires specific skills, a huge reservoir of experience and expertise, and the commitment of the owners/operators to maintaining the standard of the product.

In practical terms, that means working to common goals and avoiding any temptation to squeeze margins at the expense of F&B quality.

Success is about clubs and venue owners working hand-in-glove in



partnerships which extend from design and build to operations, so that we can be sure what we deliver is commensurate with hitting all the key points and maximising quality and revenue.

Support the customer experience at every price point

The fact is consumers' expectations of catering have only increased in the past 20 years. Society has transformed into a culinary culture where people want it all – organic, locally-sourced, vegan options, gluten-free options, healthy options – all in a variety of foods with a variety of prices.

Fuelled by a competitive High Street casual dining market and the media's focus on food and wine, today everybody is a connoisseur and expects great quality at a great price. Naturally, those expectations are taken into sports arenas where F&B providers are charged with delivering a staggering variety of high-quality offers to meet a range of expectations and price points.

Legends and its partner, Absolute Taste – with its breadth of experience and understanding of the sector and changing customer demand – demonstrate a singular focus on delivering the highest-quality foodservice – often in venues not designed for the purpose.

And because back-of-house facilities at some sports venues are not optimised for excellence in F&B, the company has continued to invest in facilities which allow it to conduct elements of food preparation offsite, mitigating some of the challenges presented by working in a stadium environment and to reduce capital investment requirements and operating costs by, for example, reducing the need for huge kitchens and huge numbers of staff and chefs onsite for events.

We propose menus in styles which reflect the expectations of the clubs, venues and their customers. When customers are paying for a premium experience they expect the choice and

quality of the food and drink to match that which they would enjoy in a top restaurant.

Delivering quality of service

Great food alone is only part of the game day F&B experience. The other side of the equation is the ability to provide a service which meets the requirements of each customer group within a stadium, whether they are experiencing fine dining in the Tunnel Club at Manchester City or a burger in the Fan Zone.

One of the key challenges to consistently delivering high-quality service in stadium catering is usage.

On those 25 to 30 occasions per year, you may need 1,000 staff, and by definition a large percentage of this workforce are 'casuals'. This means that training and management are critical to delivery of the requisite quality of service. Unfortunately, many companies are reluctant to invest in recruitment, training and retention.

Legends and Absolute Taste have a significant advantage because they operate 365 days a year and have a constant requirement for staff. The upshot is they are able to offer people careers, not just casual jobs, giving employees the opportunity for growth. Investing in people provides an incentive and a level of engagement which reflects in service standards and the results benefit the clients and their customers alike.

RETAIL AND MERCHANDISE

Creating the best retail environment

The importance of sports merchandise is reflected by the store location and the incorporation of innovative product display and point of sale components throughout the overall retail environment.

Legends has a proven track record of creating the best possible retail environments, including the creation of the largest pop-up store in Olympic Games history at the Rio 2016 Summer



Olympic Games (45,000 sq. ft/4,200 sq. m); the largest stadium in the NFL, AT&T stadium, home to the Dallas Cowboys Pro Shop (16,000 sq. ft); and a 4m x 4m pop-up at the 2018 Berlin European Championships.

Whether they are in-stadium or external pop-ups, merchandise outlets are where fans come to immerse themselves in a love affair with their team or sport.

Legends' focus is on creating and maintaining the 'wow' factor by keeping the retail experience fresh and innovative. That doesn't simply mean displaying new products as they arrive but continually moving fixtures and fittings to make the visitor experience different and to keep fans intrigued, discovering and buying.

Legends developed a merchandising programme for Super Bowl 50, the most-watched annual sporting event in the world, which resulted in record-breaking results and set the standard for strategic planning at any sports or entertainment venue.



The event established a gross volume Super Bowl sales record at \$4.6m (€4m), employed over 900 team members and 75 managers, used eight mobile trucks to expand the sales footprint outside of the four walls, and had record gameday sales-per-capita at \$58.77. By every measurement it was extremely successful.

Understanding the customer journey

While many fans are happy to make their way to a central megastore, that is only part of the overall merchandise landscape. To maximise sales opportunities, it is necessary to develop an understanding of the ‘fan journey’ on match days to ensure that point of sales opportunities are optimised.

The pattern of fan movements in and around the stadium differs according to factors including the duration and dynamics of a particular event and the time of day it takes place.

That may sound like common sense, but the reality is that studying footfall and customer patterns and having the

experience to understand their impact on retail is something which results from years of experience of working in stadiums and at events worldwide and the knowledge to maximise revenues on behalf of clients.

One example is Legends’ partnership with IndyCar. After it saw a gradual decline in e-commerce sales for consecutive seasons, to boost sales Legends developed exclusive online driver merchandise utilising drivers’ social media followers and capitalising on the strong bond that fans have with drivers.

In 2016, the 100th running of the Indy 500 took place, delivering unprecedented merchandise sales serving more than half a million fans on race weekend and amassing record-breaking sales.

Maintaining control of the brand

An effective merchandise operation will not only drive revenue but create greater engagement with a sports brand – whether it is a club or an event – and encourage future investment.

Merchandising in today’s market requires a real depth of understanding of the customer. In many respects sports and events merchandise is a different kind of purchase, one that is a reflection of an emotional engagement with the brand and a desire to be part of its heritage, history and special moments. Legends’ approach to merchandising has been influenced by our experience at the Summer Olympic Games, which is considered the ‘Gold Standard’ in terms of where merchandising magic really happens. The Olympic Games represents the biggest stage in the world, and we like to bring that experience to bear for the benefit of all the clubs and events we work with.

Why quality matters

Just as controlling every aspect of the brand is vital, it is also important to ensure strict controls on the quality of all the merchandise in a range.

The focus on quality is also driven by

an understanding of the customer and the reasons they make a purchase. They are investing in something they love and are proud of the team, the country, city or event which is featured on the product.

If a product falls apart or fades the first time it is washed, it not only means that you have lost a customer for the future, but worse, the relationship between the customer and the sports brand is tainted. You must maintain a level of quality which reflects the sports brand in question and you can’t ever let the customer down.

Innovation and choice

While successful merchandise programmes are founded on brand and quality control, if they are to succeed they must also be innovative and exciting. That means creating and offering a range of products that give people a reason to buy even when they may be fans who are at the stadium routinely to watch their club.

In the case of a football club, the team kit is generally the main purchase but is likely to be a one-off. So it is important to ensure that fans have a reason to keep coming back to see what else is on offer, to see what else they can buy for themselves or as gifts for friends and family.

A perfect example is the Yankees cap – the most recognisable piece of sports apparel in the world. The iconic NY hat can be seen on all ages and genders ranging from devout Yankee fans to those who have never watched a baseball game in their life. Legends has operated the retail at the fabled stadium, winning MLB retailer of the year in 2009 and 2013, and earning the highest sales-per-capita in all of team sports. It has also garnered the Five Diamond Hospitality Award three times.

The fact the Yankees have won 27 championships and celebrities such as Jay-Z and Denzel Washington are regularly spotted donning the cap has helped it become a symbol of pop culture and fashion. ○

The 'People's Club' philosophy guides Everton's fan engagement strategy

Premier League club sees benefits of reducing ticket prices for young fans

Major engagement push with fanbase also boosts commercials

Tactics aimed at ensuring demand for tickets ahead of new stadium move in 2022



Richard Kenyon, director of marketing, communications and community, Everton Football Club (Everton FC)

Adam Nelson

prefer to call it reputation rather than brand”, says Richard Kenyon, director of marketing, communications and community at Everton Football Club, of the team’s ‘People’s Club’ positioning. “Because it’s something that’s been with the club since we were formed, and it’s built over many, many years and is difficult to change. Ours, if used in the right way, could be really powerful for us.”

The idea of Everton as the ‘People’s Club’ is something that guides every aspect of their public-facing work, Kenyon explains. “And it’s not just about being a local community club. It’s not a parochial expression. It’s about doing things the right way, it’s doing things in the true essence of the club. The work that we do with our fans, the

way that we open up to our fans, that we listen to our fans, I think all of these things are good messages and support that positioning of the ‘People’s Club’, but what it absolutely doesn’t mean is that we are parochial or not ambitious.”

Fan consultation, Kenyon says, has formed a cornerstone of his work since joining Everton in 2014. At that time, Goodison Park, the stadium in which the team have played home games since 1892, was regularly some way below capacity on match days. “We sold out for some of the big games and dates: the Merseyside derby [against Liverpool, Everton’s city neighbours], Manchester United, the opening day,” says Kenyon. “But we were never consistently at full capacity.”

Ticket-pricing strategy

Solving this problem was the number one priority for Kenyon after he arrived

at the club. Some of the issue lay with the team’s performance – Everton has not finished higher than fifth in the Premier League since 2005. He was also firm in his view that there was plenty more the club could do off the pitch to attract fans.

The first stage of this, he says, was a “major study and survey of our fanbase”, dedicated to understanding “who is coming to the game and perhaps more importantly who wasn’t, and the motivations for that”. Engaging with fan stakeholder groups, including season ticket-holders, the Fans’ Forum – who Kenyon describes as being “like MPs for the fanbase” – and the more recently-established Junior Fans’ Forum, Everton identified young supporters as a key growth area.

“Ultimately, we wanted to have more young people coming into the stadium,”

says Kenyon. “We know that if young people can get into the habit of coming, then they stay for a long time, so we created a number of initiatives to get them through the turnstiles.”

The initial step was to reassess the ticket pricing structure, with a two-fold goal: getting more young people into games and retaining them as they transition into adulthood. An under-11’s ticket a home game is just £5 (£5.60/\$6.50) per match and £95 for a season ticket – comfortably among the lowest in the Premier League. Eighteen per cent of the 31,000 season tickets the club sold for the 2017-18 season were held by junior fans.

Under-18s tickets are also competitively-priced, starting at £20 per game or £149 for the season – the Premier League average is thought to be about £235. According to research the club conducted last season, on average, one in four fans inside Goodison Park during the 2017-18 season were under the age of 18. This is compared with a Premier League average of one in six, according to the Premier League’s own figures. The group of under-18 season ticket-holders at Everton has grown 10 per cent since 2014-15.

Kenyon then looked at the leap in pricing from the young adult ticket to

the full-price adult ticket, where the club “was seeing quite a big fall off in attendance – those fans in their late teens and early twenties, fans we were obviously very keen to keep hold of and get coming back”.

Another consultation with the Fans’ Forum ensued, the result of which was the introduction of a second young adult category in 2016-17. Fans aged 18-21 now pay £299 per season, while a season ticket in the 22-24 age bracket costs £380, helping to stagger the price increase – previously, all fans over the age of 21 paid full price.

The Fans’ Forum, Kenyon says, “has been incredibly helpful, and they don’t just say what you might think – ‘tickets should be cheaper’ – or anything like that. They give us good insight and that, combined with the benchmarking we do against other clubs and the market research we perform, help us to make sure and that we’re charging the right amount for the right age groups”.

In the two years since the second young adult category was introduced, the retention rate in the 22–24 age group has risen to 92 per cent, from a previous five-year average of 74 per cent.

Despite worsening league performances – including consecutive bottom-half finishes for the first

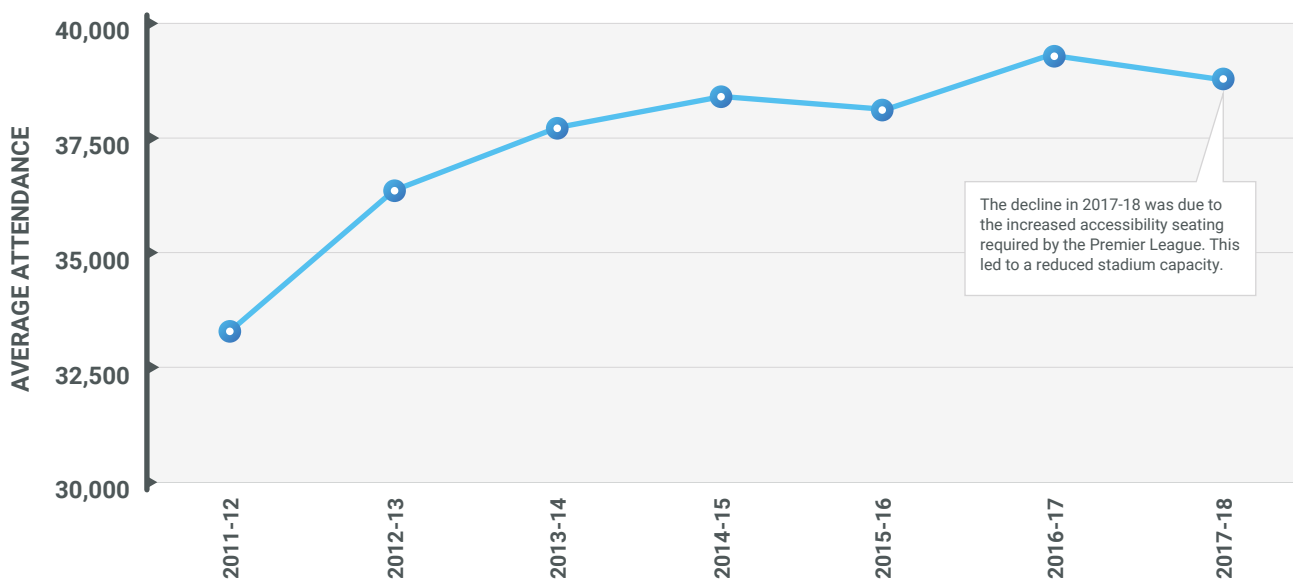
time in well over a decade – average attendances at Goodison have been on an incline since Kenyon’s arrival. From a low of just over 33,000 in 2011-12, the club’s average attendance for the 2017-18 Premier League season hit 39,494. In the previous campaign, for the first time in their history, Everton sold every seat for every home league game in the season. “Last season we hit our season ticket sales cap – the maximum number of tickets we could sell on a seasonal basis,” Kenyon adds. “We hit it for the first time, and we repeated it again for the coming campaign.”

Community engagement

The club has worked to engage more youngsters in the local area to come to games, by offering a range of incentives and experiences for junior season ticket-holders and fan club members. Alongside his position as marketing director, Kenyon is also the chief executive of Everton in the Community, the club’s charitable arm. This dual role, he says, has allowed him to see how charitable engagement programmes typically used by Everton in the Community could also benefit the wider club.

“Our community programme has always had a youth engagement

EVERTON AVERAGE ATTENDANCE, 2011-12 TO 2017-18



Source: Everton FC



(Laurence Griffiths/Getty Images)

strand out in schools, working with disadvantaged young people through Everton in the Community,” Kenyon explains. “What we’ve done off the back of that is invested in a program for junior schools, which came about from one school who told us that they had a group of Evertonians who used to just get together at lunchtime and talk about the club. So we thought, ‘well actually, why don’t you become our first junior supporters’ club?’ Just like we have adult supporters’ clubs, who go home and away and are very loyal fans, we thought, ‘why don’t we create these clubs in schools?’”

Since piloting the scheme in 2016, Everton now has 160 official junior supporters’ clubs – Kenyon explains that “we initially wanted to keep it low and make sure we could give each of these schools a really good experience, being able to send players along and really engage with each kid”. Most of them are in the Liverpool area, although some junior fan clubs have started to crop up overseas, with one as far afield as Australia.

“But it’s predominantly local children and we try to make it really engaging,” Kenyon says. “So when we go, we take first team players or people from the football side, as well as community coaches. We’ve helped them with tickets

for games and that kind of thing, just to try and keep the younger Evertonians hooked and also get some other mates to ‘turn blue’ as well. We’ve got some evidence that that’s been happening.”

“We know that if young people can get into the habit of coming, then they can stay for a long time, so we created a number of initiatives to get them through the turnstiles.”

Richard Kenyon | director of marketing, communications and community, Everton Football Club

Kenyon notes that engagement-led programmes, which are “the right thing to do and will give us a return eventually”, don’t always offer an initial revenue rise and could, as a result, be “hard to get past the financial director and chief executive”. This has become easier over time, as several of the recent programmes – particularly with regards to youth engagement – can now be mapped alongside the increase in young fans coming to the stadium on match days.

“Our hope is that these concepts will

lead to higher retention and greater loyalty,” he says. “Those things are hard to quantify in the short term, but obviously we understand the commercial gains that follow if we get it right.

“It’s really been an engagement strategy. The football is absolutely what it’s all about, and the biggest accelerant to growing a fan base is going to be winning trophies. But we do everything we can around that to improve the overall experience.”

New stadium on the horizon

One of the major reasons behind the timing of this engagement push is Everton’s proposed move to a new stadium at Bramley Moore Dock, on the banks of Liverpool’s River Mersey. The new venue is expected to open for the start of the 2022-23 season with a capacity of about 55,000 – over 15,000 more than Goodison Park. By creating significant over-demand for season tickets now, Kenyon hopes to ensure the new stadium is full from the first game.

“We will have more seats to sell but we’re in a good position because we’ve been growing steadily over the past few years,” he says. “We have an active waiting list now, so the demand is there, and what we need to keep doing is make sure we’re the sort of club that fans keep coming to, we want to make sure we’re still that same club so they’ll stay with us. If we can keep building on loyalty and the number of the fans we’ve got I’m very confident we’ll fill the new stadium.”

A major opportunity around the new stadium, Kenyon explains, will be the ability to have a more flexible range of prices on tickets: “You can sit in the stands at Goodison, halfway up, and still have a pillar in front of you. Some of the best areas of the ground still have some obstructions. It does mean it’s difficult to increase the ticket prices. We won’t have those challenges [in the new stadium] so we’ll have the opportunity to put the ticket prices up at the top end, but we’ll always want to maintain our commitment to affordable pricing. It will just be a bigger range than we’re able to have here.”

The BBC’s Price of Football report for 2017 found that Everton’s lowest-priced seat, at £38, was the second

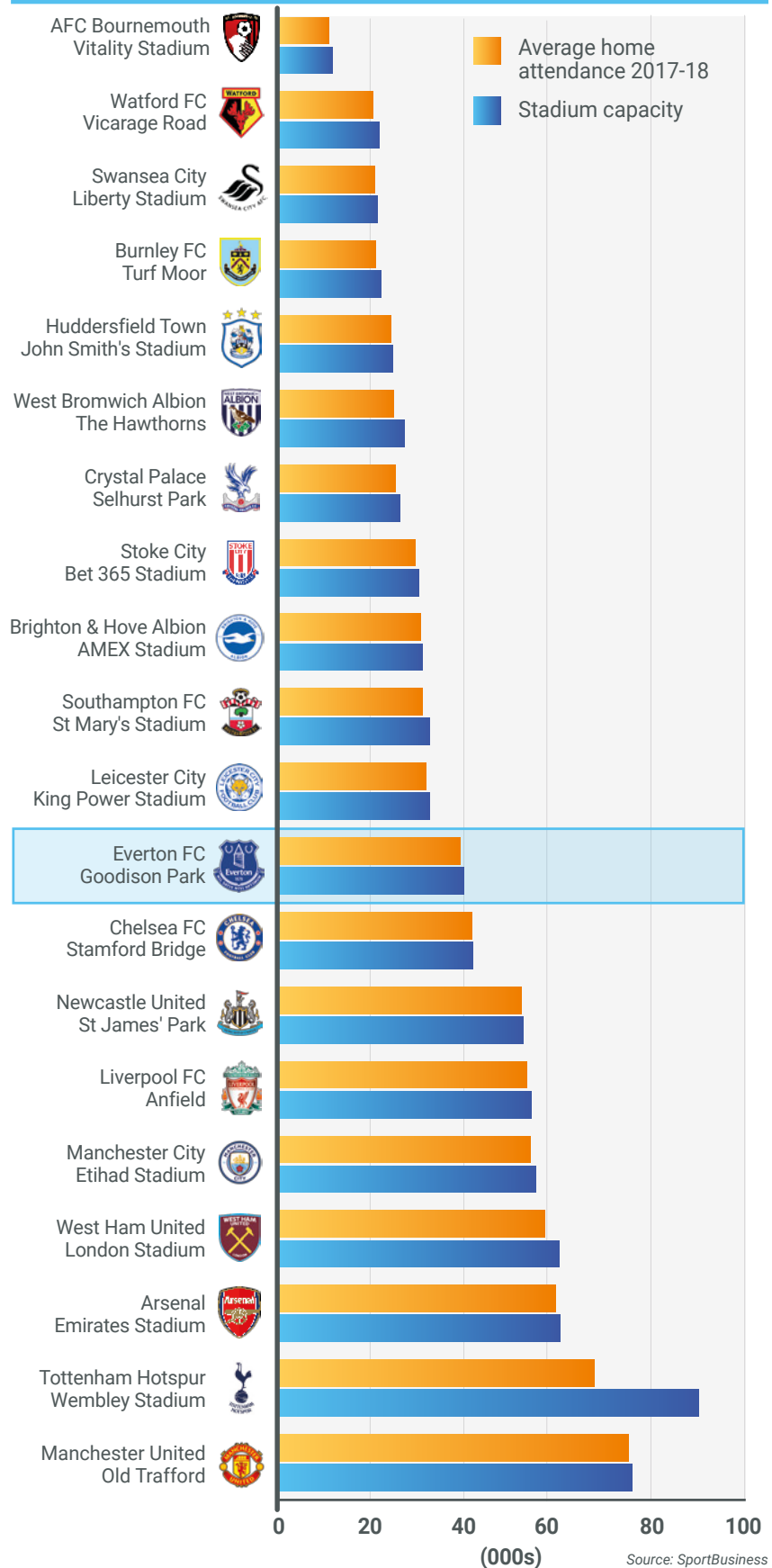
most-expensive entry-level ticket in the Premier League (after Chelsea FC). The club's highest-end ticket, however, is among the cheapest in the division, at just £11 more. "What we'll have at our new stadium is improved facilities, the opportunity for a greater number of premium seats and hospitality provisions, and I think there'll be the opportunity even in general admission to have a higher top-end ticket," says Kenyon.

This will follow another major period of research and benchmarking against other Premier League clubs – in addition to, Kenyon is keen to note, teams from other sports and disciplines. "It's not just the Premier League clubs that we look at, it's globally to look at what other sports clubs and organisations are doing to engage with their audience," he adds.

"So we've looked at the ways other clubs and leagues do things. We've gone to everyone – from the NFL and MLB in America to the Twenty20 cricket league in the UK – to look at how they do things, for example, how they put content on the big screens inside the stadiums. [However,] just because it's working well somewhere else doesn't mean it would be necessarily right for us. So we'll always come back in and bring those learnings to test them out and then discuss them with the Fans' Forum."

This is how the 'People's Club' approaches all fan-facing initiatives it intends to implement. "We look at every one on a case-by-case basis, and we talk to our fans," Kenyon says. "We might go with a tonne of research and a recommendation in mind, but if we listen to our Fans' Forum and they tell us something that's different to what we're thinking, then we'll either go back out and test it or we'll take their advice, because they've really helped us make what we think have been very good decisions in the last few years." ○

PREMIER LEAGUE AVERAGE ATTENDANCES, 2017-18



Source: SportBusiness



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Audience research drives F1 to bring fans in closer with city-based festivals

Global brand study suggested the sport needed to 'win cities' and get closer to fans

F1 London Live the largest non-race event in the 67-year history of the sport

Cities like Marseille using the events to promote themselves as tourist destinations



The first Formula One fan festival, in London, July 2017 (Formula One)

Ben Cronin

When Formula One brought its first Fan Festival to the streets of London last summer, the event appeared to be straight out of the NFL's marketing playbook.

F1 London Live, like the US league's Regent Street festival, which runs alongside the London series of NFL games, attempted to promote the sport beyond the confines of the British Grand Prix, taking place some 80 miles away at the Silverstone racing circuit the following weekend. Mixing music and entertainment acts with access to cars and drivers, this was a case of F1 taking itself directly to the masses as an audience of 100,000 people interacted with the sport in the UK capital's Trafalgar Square.

F1's new director of marketing, Ellie Norman, admits that the London events took some inspiration from the NFL but that the concept was primarily born of research her team has conducted into F1 audiences.

Because of the autocratic style in which the former chief executive Bernie Ecclestone ran the sport, Norman effectively became F1's first director of marketing and communications when she joined in May last year. Her first act as head of the new division was to conduct a brand study across fans in the UK, Europe, North America, Malaysia and China to find out exactly what people thought of the series. The need to 'capture cities', and bring the sport closer to audiences, was reinforced by face-to-face interviews with fans of differing degrees of avidity for the sport.

"Current perceptions were very much

centred around the sport being exclusive, inaccessible and very much focused on business-to-business," she says. "The Fan Festivals that we've programmed are about reversing some of those preconceptions and associations."

With the exception of a handful of city-centred races like the Monaco, Melbourne and Singapore Grand Prix, most F1 races take place on tracks outside major population centres. The advantage of the unticketed, city-based festivals is that they are easier for families to attend and allow fans much greater proximity to the cars and the stars of the series. Norman says they are designed to broaden the F1 fanbase, simultaneously serving to engage new fans and provide loyal fans with greater access to the sport.

"There is nothing more incredible than the sound of a Formula One car,

the smell of the rubber. You feel it through your body, it gives you goose bumps. And if we put that into city centres and touch as many people as possible without any ticket charges, we can start to really re-engage fans and bring in new audiences.”

At the festival

The London event was bolstered by the fact that 19 of the 20 drivers on the F1 grid attended (Lewis Hamilton was the only absentee), as teams sought to coordinate their marketing activities with Formula One Management. Norman argues this disproves the idea that the sport fails to activate its most valuable assets, the drivers and the teams.

“Since I’ve been onboard, at every other Grand Prix we will all sit down together with marketing and communications staff or employees within each of the teams,” she says. “We plan through what we’re going to put our shoulder behind and how we can all work together to essentially grow the sport, because if we all grow the sport it benefits us all.”

Attractions at the events include pit-stop challenges, slot car racing and reaction time tests. Norman says the inclusion of music acts Bastille, Little Mix and the Kaiser Chiefs at F1 London Live was designed to make the event appeal to a broader audience. But she says the other advantage of this type of scheduling is that it gives F1’s broadcast partners differentiated ‘lifestyle’ content that they can programme around their coverage of the race.

The presence of F1 personnel and representatives from motorsport engineering initiatives Formula Student and F1 in Schools to pass on advice and information to youngsters at the festivals is designed to engage a younger audience and draw on the sport’s standing as a pathway into the engineering sector.

The ‘Dare to be Different’ programme for increasing female participation in motorsport – set up by the Motor Sports Association and former driver Susie Wolff – also has a presence at the events and is a further example of the way the festivals are attempting to target specific demographics.



Formula One director of marketing Ellie Norman (*Formula One*)

Data-driven

The sport is now monitoring the success of its fan engagement activities during Grand Prix weekends and will apply the insights from this research to the Fan Festivals. The series has been working with real-time experience research and planning agency Mesh to collect spectator feedback about fan zones at races and monitor the natural movements of people around the circuit to see which activities they prefer.

“We’ve taken a lot of insight out of that to really understand what are the most engaging activations that we can take out of the fan zones within a race and take that into the Fan Festivals.

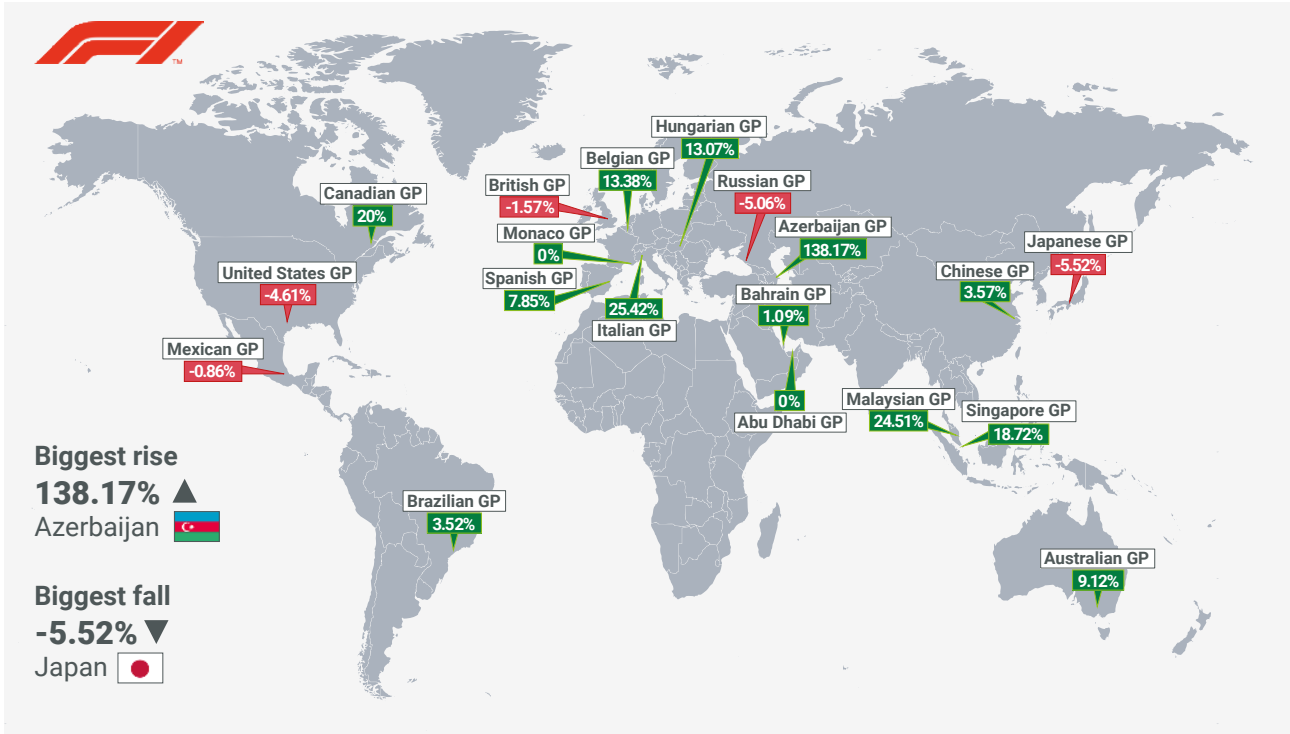
This data-informed approach appears to be bearing fruit. The 100,000 people who attended F1 London Live made it the largest non-race event in the 67-year history of the sport, despite the fact it was announced with just two days’

notice in an attempt to limit disruption and assuage the security concerns of the City of London.

F1 subsequently added four more festivals to its calendar. The first one this year took place in Shanghai in April; a second took place in Marseille ahead of the return of the French Grand Prix. A further one will take place in Milan, at the same time as the Monza Grand Prix in September while a final festival in Miami in October will coincide with the Grand Prix in Austin, Texas and go a small way towards offsetting the postponement of a Grand Prix in the city until at least 2020. The festivals will take place in different markets from year to year to expose as many people as possible to the sport although the location of the first four gives some indication as to where F1’s priorities lie.

“A big part of having a research function is audience segmentation

CHANGE IN FORMULA ONE RACE ATTENDANCES, 2016 TO 2017



Biggest rise

138.17% ▲
Azerbaijan 🇦🇿

Biggest fall

-5.52% ▼
Japan 🇯🇵

Source: Formula1.com

and clearly we've identified where our historic heritage markets are," says Norman. "For us those markets are the UK and Italy, which have had races on the calendar since the inception of the sport in the 1950s. They're really key markets to continue and maintain and serve a very passionate fanbase, and then we have new markets in China and North America where there is opportunity to grow that fanbase."

Necessary overhead

Although Norman won't reveal the exact terms of the hosting agreements for the Fan Festivals, she suggests that the events pay for themselves across the course of a season rather than generating an immediate return on investment.

"What we're seeing is, across the year, they are washing their faces," she says. "We're starting to see increases in race attendances, promoters selling out on tickets and TV viewing figures going up. I actually think all of the activity that we are now putting into market and activating through sponsors, marketing campaigns and Fan Festivals are all driving towards shifting the dial."

She adds that it is too early to

determine the exact numbers about the benefits of the festivals but success will be measured by ongoing research into how much fans enjoy themselves at the events and the overall growth of the F1 fanbase and the levels of engagement therein.

"Current perceptions were very much centred around the sport being exclusive, inaccessible and very much focused on business-to-business."

Ellie Norman | director of marketing, Formula One

F1 anticipates that the festivals will also help to boost the economic benefits that hosting a Grand Prix can bring to a host city or region. In the case of the Fan Festival in Marseille, F1 instigated discussions about bringing the event to the city but ensured that its own promotional objectives were aligned

with those of the host. As it transpired, representatives from the Provence-Alpes-Côte d'Azur region embraced the idea because it allowed them to promote the city of Marseille rather than the small village of Le Castellet where the Paul Ricard Grand Prix circuit is situated.

Norman suggests the festivals are treated as a bonus activation opportunity for its existing roster of sponsors and that they aren't expected to pay for the additional exposure. She adds that the degree to which sponsors and teams activate depends on the market.

"France is a massively important market for Renault, so they put everything into the Marseilles Fan Festival and they brought down and did live car runs through 120 years of the history of Renault with racing cars through the ages.

"Teams are very keen to be involved, and also our existing partners within the sport because it's an opportunity for them to be bringing activations and experiences to an audience that potentially they haven't been able to engage with at the race circuit themselves." ○

Gambling sponsorship ban threatens Italian rights-holders

Betting sponsorship clampdown to combat problem gambling

Serie A could lose €120m a year in revenues

Critics call government measures 'counterproductive'



(Getty images)

Andy Fry

Italy's Council of Ministers last month moved to ban all gambling sponsorship and advertising – threatening revenues of Italian rights-holders, including potentially wiping €120m (\$139m) a year from Serie A clubs' coffers.

It is a response to what is perceived by law-makers as a gambling epidemic. Italy's deputy prime minister, Luigi Di Maio, who is spearheading the Decreto Dignità (Dignity Decree), has called this a “social emergency that needs to be tackled immediately”. Twenty-five years after the first moves were made to deregulate the sector, Italy is now estimated by H2 Gambling Capital to be the world's fourth-largest gambling market and the largest in Europe.

Serie A has expressed its “extreme concern”. Like other major European football leagues, the betting industry is a major segment for sponsors

of its clubs. In a statement, it said: “Preventing companies in this sector from investing in promotion would cause competitive disadvantages to Italian clubs, diverting advertising budgets for our teams abroad.”

The ban represents a two-fold problem for Serie A. The first is that several of its clubs – including champions Juventus – have sponsorship links with betting firms. Take those away and Serie A believes it could drain €120m a year out of their collective coffers. The second is that a ban on betting advertising might decrease the value of Serie A's live broadcast rights – by creating a downward pressure on the cost of ad airtime.

David Peters, founder and director of consultancy The Value Xchange, expects the ban to hit Italian soccer pretty hard in the short term: “Gambling firms have massively inflated the cost of shirt sponsorships, so Serie A will be in this position where half the clubs are

scrambling around looking for sponsors from other sectors at the same time.

I think we could easily see the cost of shirt sponsorships drop by 50 per cent.”

Garry Dods, managing director of sponsorship consultancy Wearefearless, agrees the speed of the ban's implementation will be a problem for Italian sports. “This ban is being imposed so much quicker than the EU-wide ban on tobacco, which had years of notice and time to plan ahead. Valuable sponsorship agreements take significant time to land given they're constructed strategically and justified as part of a long-term brand strategy. Replacing this enormous revenue hole will not be a quick fix and could prove catastrophic in the short- to medium-term.”

While soccer is far and away the most dependent on betting sponsors in Italy, there is a potential secondary impact for other popular sports such as basketball, volleyball, rugby union and cycling, adds Peters. “Traditional soccer sponsors

that have been squeezed out of the sport by the betting firms may be able to find shirt deals. But that, perhaps, means there will be a smaller pool of sponsors for other sports.”

Legal options

Under the decree, a ban on gambling sponsorship agreements and “any other type of communication of promotional content” becomes applicable from January 1, 2019.

There is some leeway for pre-existing sponsorship deals, which can run up to mid-July 2019, though Di Maio has confronted clubs that are trying to secure deals with betting sponsors before the law becomes official. The deputy prime minister has said new partnerships, like those between Lazio and Marathonbet or AS Roma and Betway, are “not worth the paper they are written on”.

The Council is a powerful law-making body, so its decision to introduce the ban carries a lot of weight within Italy. But it does need to introduce the ban to the Italian Parliament over the next two months for approval.

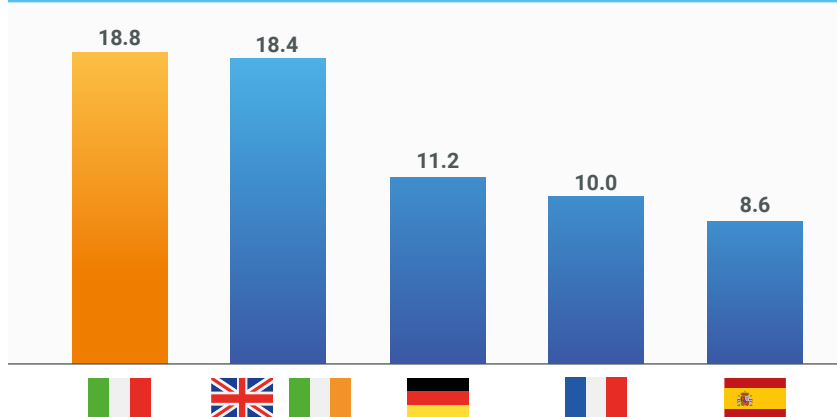
Opponents of the ban are weighing up their legal options. If nothing is done to modify the ban, they may challenge it as anti-constitutional.

In a recent blog from law firm Squire Patton Boggs, senior associate Alastair Pursell and trainee solicitor Jack Blakey argue: “The Italian constitution guarantees a freedom of enterprise, which enables licensed companies in Italy the ability to advertise in the country...the ban could breach Italian constitutional protections and thus gambling operators may be inclined to escalate this issue before Italian courts.”

There is also an argument that the Council should have given three months’ notice of the ban to the European Commission (EU Directive 2015/1535), so the ban may still fall foul of EU-level law.

If, however, the Decree does become law it may have some other notable knock-on effects. It might, for example, force rights-holders to reintroduce some rigour to the way they work with sponsors – rather than simply taking the gambling sector’s easy money. “Clubs,” said Dods, “will need to be

GROSS GAMING REVENUES BY COUNTRY, 2016 (€BN)



Source: H2 Gambling Capital

GAMBLING SPONSORSHIP & SERIE A



entrepreneurial about creating assets and rights that offer a unique advantage over competitive alternatives.”

It could also create opportunities for digital replacement technology, which would allow clubs to continue showing betting sponsors’ branding on broadcasts outside Italy.

Charlie Marshall, chief operating officer of leading virtual advertising technology provider Suppenor, says: “I think there are a couple of potential implications. Firstly, rights owners could still benefit from betting partner income by using DRT to appease their own market regulators by leaving in-venue and domestic broadcast perimeter boards free of betting sponsor content, whilst inserting betting partner branding

virtually for international audiences.

“Secondly, regulators could apply pressure on international rights owners to employ DRT in a blocking sense to keep their own markets free of content that is ‘unfriendly’ in a regulatory sense. This calls into question who would cover the cost, but it would be a very interesting debate to hear played out.”

Could clubs and sponsors see a way around the law? Pursell and Blakey conclude that it is unlikely: “The legislation will impose penalties of a minimum fine of €50,000 or five per cent of the value of the advertisement or sponsorship. However, the fine is imposed against ‘each violation’, which could accumulate a burdensome sum over the period of a season.” ○



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PRODUCED BY



US sports tweak rules and presentation to keep distracted audiences hooked

Leading US sports are tweaking their on-field rules as they tackle falling TV audiences

The NBA, MLB, NFL and Nascar are among the sports to introduce changes in the last year

Data is informing the changes, including new measures such as excitement ratings



(Rob Foldy/Getty Images)

Kevin McCullagh

When the NBA cut the number of permitted timeouts last season it joined the team of US major leagues tweaking their rules and presentation to keep hold of distracted audiences.

Driving these changes is the desire to keep fans watching. Underpinning them is the idea of today's fan as time-poor and distracted. Enabling them are new types of data being employed in increasingly sophisticated ways by leading rights-holders.

Nascar went much further than the NBA, significantly changing its competition format for the 2017 season in an effort to make races more exciting,

Changes included splitting races into three segments and awarding points to drivers based on their position at the end of each segment, to encourage drivers to compete hard for the full duration of each race. Nascar had been planning changes to its competition format for some years, but was reportedly prompted to move forward with them by broadcast partners Fox and NBC, who were concerned at the data they were seeing on declining television audiences.

MLB introduced a range of 'pace of play initiatives' in 2018, following a 2017 season which saw its highest average game time in history – three hours, five minutes. This figure has been creeping up over the years – in 1981, it was two hours, 33 minutes. The league hasn't,

however, been able to get any agreement from players for the most significant change it was considering: a 'pitch clock', putting a limit on the time a pitcher has to throw the ball.

Last year, NFL commissioner Roger Goodell went so far as writing a letter to fans to address complaints about the number of commercial breaks per match. NFL games take timeouts to allow the commercials to run. "I hate that, too," Goodell wrote in reference to the particularly heavy sequence of breaks that follow touchdowns and subsequent kickoffs. For the 2017 season, commercial breaks per game were reduced from 21 to 16, although they were extended in length to maintain advertising inventory. The league also introduced split-screen

advertisements – where ads air alongside a view of the action – for the first time.

The concern today is retaining audiences in a media landscape that offers more distractions and options than ever – often commercial-free. As Brendan Kirsch, vice-president, client consulting, at research firm Nielsen Sports says, tinkering with rules and presentation is “becoming more and more prevalent, based on the narrative that everybody hears about the changing consumption of consumers, narrowing attention spans, and competition coming with formats that are ad-free. The Netflix’s of this world aren’t hindered by having to go to commercial breaks. I think sports properties are really seeing that now, more than ever, they’re going to need to make some of these changes to align with these innovative formats that consumers seem to be preferring”.

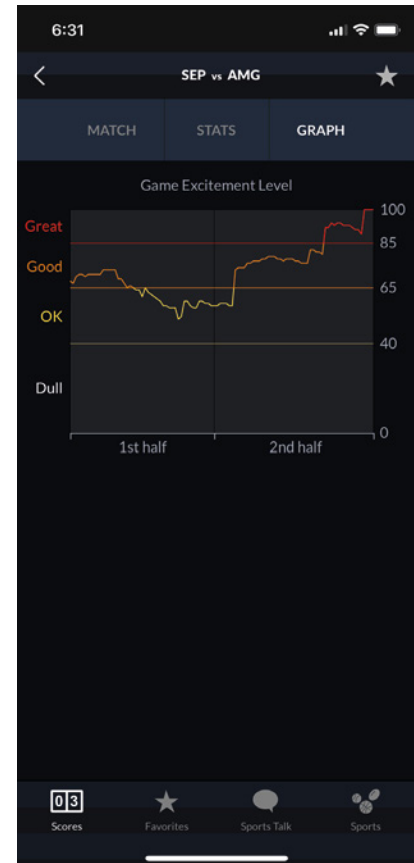
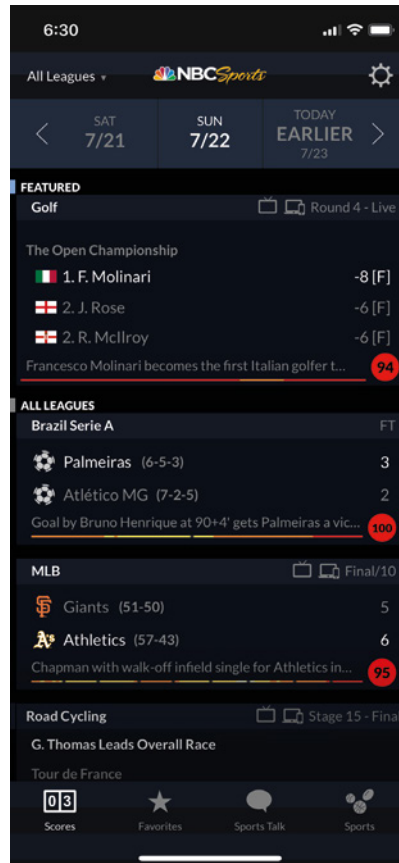
Data-enabled

Another contemporary twist to the tinkering is the extent to which it is informed by data. In some cases, brand new types of data have become available to guide decision-making. In April, NBA commissioner Adam Silver told *strategy+business* magazine: “With our online products, like League Pass, we’re able to monitor not just sales, but usage. We know how long people are watching those games, and what portions of those games. Through our over-the-top products and our direct-to-consumer relationships, we have ways of measuring interest that just don’t exist in our conventional television relationships.”

NBA fans had been complaining about the number of timeouts at the end of games for years. “Since I was a kid, that’s an issue people have been talking about,” Silver said.

Even though there was widespread acknowledgement of the issue, the league engaged its data analysis team to discover what was actually happening before making its move.

Evan Wasch, NBA senior vice-president, basketball strategy & analytics, says: “Trying to put quantitative support behind that, we worked with Jay [Kaufman, senior vice-



US firm Thuuz uses live data to create a measure of the excitement of sporting match-ups (Thuuz)

“I think sports properties are really seeing that now, more than ever, they’re going to need to make some of these changes to align with these innovative formats that consumers seem to be preferring.”

Brendan Kirsch | vice-president, client consulting, Nielsen Sports

president, global research & insights] and his team using...things like minute-by-minute ratings, the viewership on our League Pass product, even dial-testing to track enjoyment of different aspects of the games.” Dial-testing is a lab-based experiment where subjects watch a game and turn a dial to indicate their level of enjoyment.

“That data ultimately corroborated the initial basketball view going in that there was some diminution of the quality

of the product when you have that number of stoppages late in games.”

Armed with the data, the basketball team worked with the NBA’s competition committee – which included team owners, general managers, coaches, players, and referees – to figure out the changes. A big challenge was keeping television partners – who run commercial breaks during timeouts – happy. The final changes included reductions in the number of timeouts each team has in the last two minutes from three to two and in the overall number of timeouts from 18 to 14. The total amount of time available for commercials was maintained.

Audience measurement companies like Nielsen are offering increasingly detailed data, such as second-by-second ratings on linear television and OTT streams, and information on how audiences move from one channel to another.

“Both from an OTT perspective and linear television, data is becoming more granular,” Kirsch says. “We’re looking down at the second-by-second

level across both platforms...which hasn't been done historically. Linear TV ratings were historically at the minute-rounded level." This is allowing Nielsen and clients to "really isolate and attempt to understand micro-moments within the game that are impacting on audience retention...so [they are able to understand] what may be causing somebody to tune away, and how long they are tuning away for."

US sports have been testing viewer responses to games in laboratories in recent years. The dial-testing mentioned by the NBA above is an example. Last year, Bloomberg reported the NFL ran experiments tracking viewer eye movements as they watched games in mock living rooms. This is not an entirely new phenomenon – Kirsch says most major US sports will have at least experimented with such lab-based work in the last five or more years.

The NFL is also a client of Thuuz, a US company whose proprietary system aims to rate the excitement value of sporting events on the basis of the pace of the action, competitive balance, novelty, shifts in momentum, social buzz and the competitive context.

"Our service is based on delivering to the sports industry excitement ratings, headlines and notifications that drive tune-in, especially for casual fans and especially around events that fans were otherwise not planning on watching," says Thuuz co-founder and chief executive Warren Packard.

"Fans want to watch their favourite teams or the game that everyone thinks is going to be exciting, and then they often miss the games that are the most exciting. The approach we've taken to excitement is to actually model the sports themselves, and in real time pull in the information that describes the gameplay. We are taking an objective approach to measuring excitement by looking at what's happening in the game."

The NFL is Thuuz's first rights-holder client and is using the excitement rating in a different way: to help determine the quality of play during its games. The league already does this using other data – such as points scored, yards gained, accuracy of refereeing decisions, number of

fouls and their severity – as part of ongoing monitoring of how the game is developing.

Damani Leech, the league's vice-president, football strategy and business development, says: "This is the kind of thing we will use internally to better understand the state of the game and how the game is trending, and also to help us drive policy change.

"So if we see things trending in a certain way, we need to ask ourselves what sort of playing rules, what sort of policies, what procedures do we need to implement to make that number go a different direction. That's how we see ourselves using it once we feel like the underlying metric is in a good place."

As significant as the new data that's becoming available are the approaches to using that data within organisations. Industry leaders like the NBA are spending more time and resources analysing data and carefully building it into their decision-making.

Kaufman says: "Equally as important to the new data and tools that are associated with that...is the approach and mindset we are taking...in terms of becoming more sophisticated in analysing the data."

Wasch adds: "It's not necessarily that there is new data, but we are putting

more resources, time and energy against going through it and understanding what it says, so that we're able to turn around and make decisions that are beneficial to our products."

"Our service is based on delivering to the sports industry excitement ratings, headlines and notifications that drive tune-in"

Warren Packard | co-founder and chief executive, Thuuz

"It's a conversation that we'll always have about how far is too far when it comes to innovation on the court," he continues. "We don't want to push it too far to the point where we alienate our core fans who appreciate the traditional aspects of the game. But if you look historically at the game, a lot of the innovations that have happened have been pretty transformative. So, for example, the three-point shot, which we believe drives a ton of interest in our game today, the advent of the shot clock – those are all pretty significant changes to the game." ○



(Corey Perrine/Getty Images)



World Basketball Summit 2018 | Building China's basketball legacy

Leaders of world basketball and the business of sport will be in Xi'an, China, on October 3 and 4 to take part in the inaugural World Basketball Summit, a ground-breaking event which promises stimulating, thought-provoking and practical discussion on key issues around the sport as China prepares to host next year's Fiba World Cup.

According to Fiba secretary general Patrick Baumann, who will be among the keynote speakers, the World Basketball Summit will be an important part of China's Fiba World Cup legacy.

"Bringing the first World Basketball Summit to China underscores Fiba's commitment to supporting the growing Chinese basketball family and helping the Chinese Basketball Association in growing the sport in China. The event will emphasise the importance of China as a member of the global basketball family and is one of the legacy projects we are investing in for the future," he said.

NBA commissioner Adam Silver and deputy commissioner Mark Tatum will join Casey Wasserman (chief executive of Wasserman) and Philippe Blatter, (chief executive of Infront Sports marketing and vice-president of Wanda) among the high-profile speakers at the World Basketball Summit which sets out to explore ways of 'Building the Future of Basketball Together'.

"This is an important event for our sport and I am delighted that it is being hosted in Xi'an, one of China's most historic cities where the passion for basketball burns bright," said Baumann.

"This is a time of great opportunity for both Chinese and global basketball. The World Basketball Summit will capture the spirit of excitement around the sport right now and act as a forum for sharing knowledge and great ideas,



Wasserman chief executive Casey Wasserman will be among the high-profile speakers (Mark Runnacles/Getty Images)

which will help our federations and other stakeholders to achieve their development and business goals. That in turn helps grow the sport and makes it stronger worldwide. As the CBA pushes further the reforms in basketball, Fiba looks forward to bringing more knowledge and education to China to improve the level of players, coaches, referees and club managers.

"It is also a perfect prelude to the Fiba World Cup 2019, which is set to be the ultimate celebration of international basketball. With 32 teams taking part for the first time there will be 92 games over 16 days between August 31 and September 15 in world-class arenas in eight Chinese cities.

"The city of Xi'an and the whole of Shaanxi Province share China's national passion for basketball and I am grateful to the City for hosting the World Basketball Summit, which helps cement the strong relationship between the China and our sport," he said.

The Summit programme is built around eight complementary content blocks, each focusing on a group of issues at the heart of the conversation in

and around basketball.

It covers the role of the federations which are developing the sport; the responsibilities and opportunities for clubs which have a season-long media presence; sponsorship; the importance of technology in engaging with young fans; basketball's place in society and its power to change lives; and the emergence of 3x3 basketball as a powerful building block for the successful future of the sport.

"The programme has been designed to cover many of the subjects which are of the greatest importance to all those building the future of basketball in China," said Baumann.

"This World Basketball Summit will attract speakers and delegates from all continents. It is a truly global event which reflects the tremendous growth being experienced worldwide. The timing is perfect because at the next World Cup we will begin to see the positive results of changes we have introduced to our competition system to ensure maximum exposure for national teams and the primacy of the Fiba Basketball World Cup.

“National teams are key to the future popularity of basketball. They engage with fans and inspire youngsters to play the game more than anything else.

“At the same time, we are seeing the continuing rise of 3x3 basketball which has proved a major success since its introduction little more than a decade ago. It has its own World Cup, a World Tour and, in addition to being part of the Youth Olympic Games, is now part of the programme of the 2020 Olympic Games in Tokyo.

“It provides thrilling action which makes it a magnet for young people. In many cases it gives them their first taste of the game and allows them to develop essential skills as players.”

The role of federations and their national teams and the development of 3x3 are just two of the key subjects to be covered during the Summit, which also includes a programme of social and networking events for delegates.

“I am really looking forward to the opportunity to meet so many of the people whose expertise in fields ranging from technology and media to coaching and development are shaping our sport and ensuring that basketball continues to grow,” Baumann added.

“The 21st century sporting landscape is fascinating but complex and constantly changing. Basketball in China is proof thereof. By bringing these world-leading experts together with different stakeholders in our sport to discuss the opportunities and challenges we face, we aim to equip everybody with the insight and knowledge they will need to play a part in building the future of basketball together.”

ON THE AGENDA

Development

Representatives of national federations discuss effective basketball development strategies covering their roles; schools and colleges; expectations on governments; achieving the best ROI; and the development of young pro players.

Sponsorship

Successful commercial partnerships in sport are built on near-symbiotic relationships between brands and the competitions, teams and athletes they sponsor. Questions to be asked include: what can basketball properties worldwide do to build more productive, profitable and enduring relationships with sponsors, and how does the sport get a bigger slice of growing sponsorship budgets?

China

It’s no secret that China’s sports sector is growing spectacularly, and government policy is driving the growth. This session looks at how China’s basketball development program is creating sporting, commercial and social opportunities both in its domestic market and abroad.

Leagues and Clubs

National leagues and their clubs provide season-long engagement with fans and drive national media coverage. But with the cost of operating successfully soaring and growing competition for fans’ time and money, how can basketball build and maintain entertaining and competitive national leagues with strong and stable club brands that provide a talent pipeline for national teams?

Technology and fan engagement

Our experts examine how basketball gets ahead and stays ahead of the curve as young consumers look to new ways of watching sport and entertainment, focusing on the role being played by fast-developing media and technologies in maximizing engagement with the fans and, consequently, the next generation of players.

Society

A focus on basketball’s proven power to change lives, drawing on examples which illustrate the success of projects in areas where society is suffering

because of ethnic conflict, warfare or gang violence. The panel will discuss how the focus on basketball-related activity contributes to healing and resolution as well as personal development as an educational tool.

The Future

With 3x3 grabbing the imagination of a new generation, panelists discuss the impact of basketball’s exciting street variant, its future development potential and the relationship to the ‘Mother Sport’ in the years ahead. [O](#)

SELECTED SPEAKERS

Patrick Baumann Fiba Secretary General

Adam Silver Commissioner, National Basketball Association

Mark Tatum Deputy commissioner, National Basketball Association

Casey Wasserman chief executive, Wasserman

Philippe Blatter President & chief executive, Infront and President & vice-president Wanda Sports Group

Caitlyn Chen Vice-president, Tencent

Craig Zanon Head of Global Basketball, Nike

Erick Thohir President of SEABA (Southeast Asian Basketball Association)

Andrei Kirilenko Commissioner of the Russian Basketball Federation.

Fan Zang Controller, CCTV

Anti Zitting Chairman, Finnish Basketball Association.

Caroline Baxter Tresise Sport policy specialist, Unesco and co-ordinator, Asia-Pacific Youth and Sport Task Force

Karen Doubilet Managing director, Peace Players International

Vlad Constantinescu Founder, Sport Arena.

For further information go to www.fibawbs.com

Move to Fiserv Forum sees Bucks become a 'real estate and content company'

Thirty-acre site around new stadium designed to support calendar of concerts, festivals and events

Team transitions from a pure basketball operation to a 'real estate and content company'

Luxury suite inventory deliberately limited in new venue in order to increase demand



(Jeff Phelps/Milwaukee Bucks)

Ben Cronin

Adam Silver didn't waste any time putting the Milwaukee Bucks on notice as he prepared to take over as NBA commissioner in late 2013. Speaking at an event on the Milwaukee lakefront just five months before his succession, he let the team know exactly what he thought about its antiquated Bradley Center home.

"Compared to other modern arenas in the league, this arena is a few hundred thousand square feet too small," he said. "It doesn't have the sort of back-of-house space you need, doesn't have the kinds of amenities we need."

The conundrum for the Bucks' then-owner, Herb Kohl, was whether to stick or twist. Either he had to find the funding to develop a new stadium

in one of the NBA's smaller markets or face the prospect of moving the team. The Bucks' current president Peter Feigin explains how Kohl was lauded in the state for his solution in which he put the team up for sale on the condition its new owners didn't relocate – most likely forsaking a few hundred million dollars in the process.

"It was a requirement that anybody who purchased the Milwaukee Bucks would have to build the new arena and take on the responsibility of getting that passed through the legislature, being able to coordinate that and being able to finance that," Feigin says. "They did not want the team to flee to another state."

Kohl sold the team to New York hedge-fund investors Marc Lasry and Wes Edens in 2014, and gifted \$100m (€86m) of his own money to build the new arena, matching \$100m from the new

ownership group. When the Wisconsin Senate later approved a bill to cover the remainder of the new venue's \$524m cost, the team could start to think about how it could deliver on Silver's demands.

Basketball team to real-estate developer

That new venue – now called the Fiserv Forum following local fintech firm Fiserv's 25-year naming-rights deal – has been designed to overcome the economic handicap placed on the team by their geographical location and provide them with an asset they can sweat throughout the year.

It will support a calendar of concerts and events to supplement the Bucks' home games while the eight-acre plaza and entertainment district that surrounds it has been built to accommodate roughly 100 outdoor

festivals, food and beverage events, concerts, farmer's markets and an ice rink. In a further development, the team will also rent out residential and commercial properties on the wider site.

"We've gone overnight from being a basketball club to a real estate company and a content company and a footfall company," says Raj Saha, the new arena's general manager. "I think people are so sick of me saying two things: 'content is king and footfall is our friend'. We have to energise this district 365 days a year."

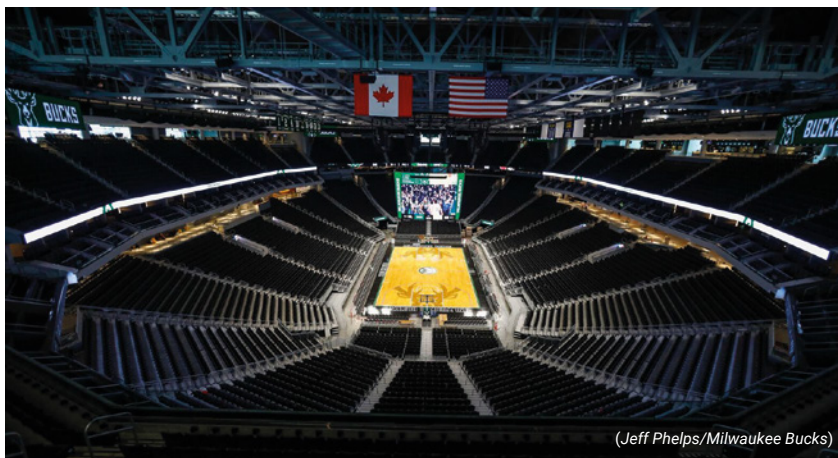
The Bucks rent the 30-acre site – including the stadium – from the state, albeit for a nominal fee of \$1m per year. Their lease runs for 30 years, with the provision for two five-year extensions. The team is responsible for all operations and maintenance expenses but retains all of the profits (or losses).

The Bucks' executive team worked with the CSL division of the Legends stadium consultancy to create a revenue model for the new facility that maps out potential sponsorship, event, seat and plaza activation opportunities. Key to the business plan is the ambition to create a universal entertainment space that appeals to audiences outside Milwaukee.

"We did a lot of research on travel times. One of the distinct advantages we have is we are about 40-50 miles from the border of Illinois and the outer counties of Chicago, which has a massive population we've never really targeted as a prospective fanbase or event participant base," says Feigin.

"We understand that if someone lives a six-hour drive away they might not come to 41 Bucks games but we can create fandom in a variety of ways," adds Matt Pazaras, senior vice-president, business development and strategy. "They might come to a handful of games, they might watch us on TV, they might buy merchandise and then we start to see results there."

Twenty concerts are so far scheduled for the main arena to attract both the local populace and this wider demographic, and the club has started an outreach programme with promoters to make the arena a destination for big touring acts. Pazaras estimates the venue will eventually be able to offer a calendar



of 40 such events annually – which he argues is a complete departure for a market that "has never seen more than 12 or 13 top-quality concerts a year".

"I think people are so sick of me saying two things: 'content is king and footfall is our friend'. We have to energise this district 365 days a year."

Raj Saha | general manager, Fiserv Forum

The Bucks will rent out 100 residential properties on the wider site and carried out social research into the sort of amenities that would encourage people to live in the district. "We've done a lot of due diligence about how we evolve these 30-plus acres into a neighbourhood," Feigin says. These studies informed the inclusion of a supermarket, gym and "safe public areas" in plans for the district.

Pazaras says the residential areas won't be a big revenue driver: their main function is to generate footfall in the 30-acre district. A further four city blocks are to be developed once an area housing the old arena and construction equipment for the new venue are cleared. Here the team hopes to attract commercial tenants to generate even more footfall.

"That, again, creates density on a day with no event on," he says. "People are coming and going to work, people are eating lunch – we need it to be active all the time."

The executive team considers the arena and the outdoor plaza as two separate pieces of property to activate, but on game day Saha says the most important thing is the connection between the interior of the venue and the district outside. Thus, the arena incorporates large areas of glass frontage and a mezzanine-level club lounge overlooking a giant internal atrium and the plaza. "It's all open and people will be intertwined between events, seats, concessions and other experiences," he says.

The decision to place food and beverage concessions on the outer walls of the arena has allowed for the construction of open concourses around the lower and upper seating tiers. "If you leave your seat and go out to the concourse you are still in the arena and can still watch, see, hear and smell the arena from the rail," says Feigin.

The distribution of seating reverses the Bradley Center's counter-intuitive seating plan, which incorporated 11,000 seats in its upper tier but only 6,000 seats in its more expensive lower section. The 17,500-seat Fiserv Forum flips this layout, including 10,000 seats in the lower bowl, 6,000 in the upper tier and 1,500 in a premium level. When the floor of the arena is used for concerts it will have an overall capacity of 18,000.

In addition, the new venue contains 34 luxury suites, down from 44 at the Bradley Centre – a deliberate choice by the Bucks to maximise demand.

"We wanted to create a higher premium on them, finish them stronger and create less of them, just to create demand," Feigin says. "One of the interesting things we found is whether



Milwaukee Bucks president Peter Feigin shows off the Fiserv Forum interior (Jeff Phelps/Milwaukee Bucks)

we think it's the most successful NFL football team in the country or NBA team, almost everybody overbuilt their suite product when they renovated their arenas or built a new arena. It's usually perfect for the first phase, whether they're five, seven or ten-year contracts, and then they're never the same."

He explains that Milwaukee's 600,000 population "places limits in terms of where your pricing can go" and that this led the team to take a more flexible approach to the design of club suites. The new arena features adaptable loft spaces with retractable walls which can be reconfigured to incorporate small groups of 20-30 people or much larger groups of 180.

Feigin recognises the debt to Manchester City's 'Tunnel Club' in the creation of an event-level club – open to about 450 people sitting in the first three rows of the arena – that features a long counter at the rear, located just steps from the locker rooms at the base of the player entrance. Fans who have paid even more will be allowed to form a human tunnel and interact with the team as they walk out into the arena.

Suites and club spaces for the new arena are sold out for the coming season. The team has sold 2,500 new season tickets, ranking it number one in the NBA for this metric, and is on

course to sell 10,000 full season tickets at a 92-per-cent renewal rate – a four-point improvement on last season.

Feigin says the new arena will generate 35 per cent more ticketing revenue than the Bradley Center.

“The building has so many more assets to leverage, whether it’s hospitality, whether it’s signage, whether it’s IPTV, whether it’s digital,”

Peter Feigin | president,
Milwaukee Bucks

Sponsorship assets

Pazaras explains that the new stadium and suite configuration offers partners new “physical core assets” to sponsor. A good example is the way BMO Harris Bank of Chicago, the naming rights partner for the team’s former arena, has sponsored the event-level club suite by the locker rooms and has a dedicated entrance to the stadium.

“They’ve said to me, people aren’t necessarily emotional about their banks but by partnering with hometown teams and giving access and other benefits, they can create that emotional

connection, so part of what they like to do is give special access to people that are customers of theirs.”

The bank is one of four founding partners for the stadium – the other three being Johnson Controls, Miller Coors and the Froedtert & Medical College of Wisconsin.

The Bradley Center’s lack of static and digital signage has been addressed with the installation of an Internet Protocol TV (IPTV) network in the Fiserv Forum. Pazaras says this allows the Bucks content team to “slice and dice” digital signage any way it wants, so the team could choose to play BMO messages, for example, in the club areas the bank sponsors. Equally, the concert and festival programme, both for the arena and the plaza outside, creates additional inventory.

“Before we were a tenant in a building, now we control all the content. That gives us much more physical space and also audiences. Now there’s partners that we work with that have said: ‘we like the Bucks but we also like family shows’ – it just gives them a wider demographic to market to, so we have a lot more people and space and time.”

The impact of the impending move on the Bucks’ commercial prospects has been stark: Feigin says annual

sponsorship income has doubled over the past two and a half years (work began on the arena in June 2016).

“The building has so many more assets to leverage, whether it’s hospitality, whether it’s signage, whether it’s IPTV, whether it’s digital,” he says. “The new arena actually gives us the content to be able to increase revenue against it.”

The cornerstone of the stadium’s contracted revenue is the 25-year naming-rights deal struck with Fiserv towards the end of July, just a month before the grand opening. The financial terms of the deal were not made public, but it has been reported at between \$6m and \$7m a year.

Although Fiserv is a local firm with offices in Brookfield, Wisconsin, Feigin thinks the deal rewards the Buck’s positioning of the arena as an international platform. “I think they feel that attaching themselves with a global NBA team is one of the next steps in awareness and growth around the world,” he says.

The firm’s technology is used by banks, merchants and billers to move money around and allows customers to check their balances online, which leads inevitably to questions about whether it will activate by streamlining the payment system in the new arena.

“That is really one of the things we’re looking forward to,” says Feigin. “How do we work with Fiserv and really use the arena, the retail, the food and beverage and our core businesses as pilot programmes and test labs for new ways to transact?”

The Fiserv brand will feature prominently on the exterior façade, playing surface, rooftop and throughout the facility. Feigin describes the company as the team’s pre-eminent business partner with access to all of team’s assets, including the players, buildings, hospitality, and, of course, branding on the team’s broadcast games. The ‘Fiserv Forum’ name is a nod to the fintech firm’s annual client experience event.

Contrary to some reports, the deal doesn’t include an option for Fiserv to move into the commercial district that the team plans to build on the adjacent plot of land now that work on

the stadium is complete. “Commercial real estate has nothing to do with this naming rights deal,” says Feigin. “As a group we’re always open to opportunities but as it pertains to Fiserv, we didn’t discuss anything, and we didn’t make it an element of the naming-rights deal.”

The deal does, however, make it more likely that the company will remain based in the region. The fact that the sponsorship comes less than a year after Wisconsin lawmakers agreed to give Fiserv up to \$12.5m in tax relief if it kept its headquarters in the state did not sit well with some who argued that the partnership represents a further state subsidy. “Maybe the state can sell naming rights on that new (Fiserv) headquarters and get some of the money back,” state senator Jon

Erpenbach told the USA Today network.

Feigin defends the building’s reliance on public subsidies by arguing that the multi-purpose nature of the new building will boost the state’s tax take.

“You’ve got people building and you’ve got land being developed, which are real estate taxes, and then you’ve obviously got income state taxes, primarily for the NBA players themselves who have a large payroll tax, as well as the 300 full-time employees we have and the 1,000 part-time employees.

“The maths in everything is keeping an NBA team in the city which obviously generates tens of millions of dollars in tax income in a given year.” ○

To read a Q&A with Peter Feigin about the naming rights deal go to the online version of this article.

FUTURE-PROOFING THE FORUM

Robert Cordova, chief technology officer for the Bucks, thinks the greatest difficulty in designing a new stadium is future-proofing it against changes in technology. In particular, he thinks the mobile industry is at an ‘inflection point’, where cellular networks and 5G will become of such a high standard that mobile operators will be able to offer unlimited data packages and end-users will begin to move away from using Wi-Fi.

“One of my main goals is to make sure that the technology in the arena is extensible,” he says. “We’ve taken great pains to make sure that we have a full distributed antenna system for cellular connectivity and also we have a full Wi-Fi network there as well.”

To cover current technology requirements, the technology team has integrated Wi-Fi antennas into the handrails of aisles around the stadium. Cordova prefers this to the solution of integrating them below seats because he is uncomfortable with the idea of having an RF transmitter so close to customers and because it will be easy to adapt when 5G becomes more mainstream.

“We can leverage all of the Wi-Fi antennas down the road to really become those 5G ones as well,” he says. “It’s important to think of this as an extensible thing so you don’t have to do a forklift upgrade of your technology footprint to accommodate

newer technologies.”

Key to the arena’s operation is its network of about 250 miles of fibre ethernet, says Cordova. “Over that same fibre we carry the wireless connectivity, we carry voice-over-IP calls, we carry the data for control, we carry all of the digital sign information that’s going up on the eight hundred-plus digital signs around the arena.”

The network will also transmit video from broadcasters and the Buck’s in-house production room and an adjoining AV data centre to screens around the stadium. Smartphones will have access via Wi-Fi or cellular networks to replays and other services through the team’s mobile app.

Cordova says the technology was so advanced at the time the team was designing the stadium that manufacturers hadn’t even started making the equipment yet. But it also represents a less fussy solution compared with the RF modulated coaxial cabling that broadcast video is traditionally carried over.

“There are actually fewer moving parts with this sort of all-IP-based design and system,” he says. “And with less moving parts there’s less mean-times-to-failure. In many ways it’s easier to debug and maintain and obviously during a live production event you want it to be as easy as possible to troubleshoot.”



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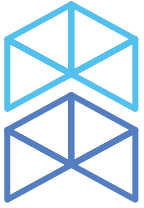
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A preview to SportBusiness Summit in Miami



DATA-DRIVEN OPPORTUNITIES IN GLOBAL SPORTS



The inaugural SportBusiness Summit marks another milestone in our organisation's entry into the North American market and the launch of a new standard of sports business data, news and analysis for the US market.

SportBusiness has served clients in the United States since its launch in 1996, but the opening of our office in Miami earlier this year and the appointment of US-based editorial staff responsible for tracking and analysing the development of the market is a watershed moment.

Historically, North America has always been a leader in the sports business. It is where game-changing decisions are made and ground-breaking deals are done. In terms of sports media and marketing, the US was generally celebrating a home run while the rest of the world remained at first base.

But the world of sport outside of the US, most notably within Europe, has caught up, and changing technology and economic development opens up fresh opportunities in new markets on every continent. The US remains dominant in



Ben Speight
Chief Executive,
SportBusiness

many respects, but its sports companies are no longer the only players in the game.

SportBusiness aims to help US-based sports businesses to perform even more effectively in an increasingly global marketplace by providing a trusted source of data and analysis from around the world. Our data helps businesses to make the right decisions at the right time. It helps businesses identify trends, understand how fans/customers differ from market-to-market and delivers financial data about completed deals

which provide benchmarks for the future.

The format of the SportBusiness Summit reflects our goals in the US: providing a global perspective with data-informed analysis – infused with insight from the key decision-makers.

Case studies of best-in-class business strategies can be taken from companies all over the world and we have amassed a stellar line-up of international sports executives to talk through a range of key issues affecting all stakeholders in the sports industry, including how to engage and grow fan bases; embracing the new broadcast platforms; understanding how technology is not only disrupting but enabling change; amongst many others.

We'll also be informing the discussion with exclusive data insights prepared by our expert in-house team using our own proprietary market-leading data from our product portfolio.

The next few pages preview the Summit. We look forward to meeting new and old clients in Miami and if you can't join us, we'll be sharing the key insights in our daily news and social media channels on the days of the event. [O](#)

KEYNOTE SPEAKERS



Javier Tebas
President,
LaLiga



Charlie Stillitano
Executive Chairman,
Relevent Sports



Terrence Burns
Executive Vice-President, global
sports, Engine Shop



Charles Baker
Partner and Co-Chair,
O'Melveny's Sports

The evolution of content



Streaming partnerships, OTT platforms and the promise of enhanced audience data; and how the US' legislation of sports betting has affected digital platforms.



MODERATOR:
Ben Cronin

Streaming partnerships with social media companies and the development of direct-to-consumer sports platforms

are allowing rights-holders to develop a two-way relationship with their fans, gather increased levels of consumer data and develop a much more nuanced understanding of their audiences.

This offers them the chance to tweak formats, evolve the way they present their content and target sponsorships more effectively.

In this panel Ben Cronin, editor of *SportBusiness Professional*, examines the

commercial opportunities provided by digital disruption and the evolution of the media landscape.

Laura Froelich, senior director, head of US content partnerships at Twitter, will talk about the social media platform's growing presence in sport and the powerful influence of social media on the sector. She will talk about Twitter's multiple relationships with major rights-holders like the PGA Tour, MLB and sports broadcasters like ESPN, and explain what the platform has learned from these partnerships. She will also talk about the way data is transforming sports presentation and marketing and the way sponsors activate around major events.

A senior executive from Sportradar will talk about the impact of US betting legislation on the way US sports are

being presented on digital platforms. They will also explain how betting data is being used to better understand audiences, refine the presentation of live sport and how betting data could be integrated into the sports content of the future.

Lastly, Wayne Sieve, executive vice-president at Thuuz will talk about how the company's data insights have helped rights-holders and broadcasters to market their content, automate highlights and refine their content offerings. Thuuz has worked with clients like the NFL to identify where their content fails to excite audiences leading the league to implement rule changes informed by its data. Most recently it worked with Fox Sports to create a fully-automated Fifa World Cup highlights generator. ○

SPEAKERS



Laura Froelich
Senior Director, Head of US Content Partnerships, Twitter

Laura leads US content partnerships at Twitter, bringing exceptional content from sports, news and entertainment publishers to the most receptive audiences in real-time, while driving reach and revenue for these strategic partners and Twitter.

Prior to joining Twitter in February 2014, she spent five years at CBS Interactive, devising product marketing and monetization strategies for premium sports content including NCAA March Madness, NFL and college football, the Masters, PGA Tour golf, as well as the suite of fantasy games from CBSSports.com. Her efforts led to multiple years of record-setting revenues for the properties.



Wayne Sieve
Executive Vice-President, Thuuz Sports

Wayne is executive vice-president at Thuuz Sports, an AI-based metadata and content curation platform for Sports content distributors. In this role, he oversees all commercial relationships including those with leagues, media networks, and production companies.

A native of Silicon Valley, Wayne has worked at the intersection of sports, media, and technology for the past 22 years with executive roles at EverSport, Ustream, 5to1, Yahoo, Foote, Cone, and Belding. During his tenure, he has worked closely with a variety of professional leagues, player associations, media networks, agencies, governing bodies, athletes, and content creators.



Sportradar
Senior Executive

The Sportradar group is an international organization, employing over 1,900 people in more than 30 locations around the world.

Its rapid growth is driven by technological innovation and an understanding of its clients' business needs, with a commitment that makes Sportradar the trusted partner of more than 1,000 companies in over 80 countries and occupies a unique position within the sports, media and betting industries.

Sportradar aims to empower its clients with sports data and digital content solutions, fueling the passion of sports fans across the globe.

Private equity in sports

What's driving current investment trends? How sustainable is PE's current appetite for sports? And what is the potential impact of investors' natural desire to minimise risk on the structure of sport?



MODERATOR:
Chris Lencheski

This panel briefing will provide a closer view on the outlook for sports teams; new leagues; sports-related tech; rights-holders; and

future media. We'll also be covering the implications for current and future investments by those who have been successfully negotiating for some of the largest private transactions and companies in sports, IP, licensing and media – covering everything from legal to M&A. Insight into this very exciting, yet exclusive community will afford a wider-lens on the next tranche of opportunities for all.

Attendees will hear from those executives in the field and hear answers to questions on: dealflow, geo-targeting and media arbitrage as a deal accelerator. Behind closed doors, this event will offer a deeper dive into what investors, owners and rights-holders need to know now before continuing or considering any investment format in the global sporting world.

In this panel, Chris Lencheski – a 20-year veteran of the sports and entertainment industry, with team ownership and c-suite roles at Comcast Spectacor, IRG and his own agency, SKI & Company, will distill the current private equity environment with these panelists, who are in the day-to-day management of M&A and deal-making across multiple leagues in many silos.

The panel will showcase their

experience with the need for alignment across all levels of equity participation. All too often, the major deals in business drive the larger narrative. However, frequently the smaller, yet more intricate transactions are providing greater returns across the industry, and this panel will also address these unique entry points as well.

Globally there exists an almost insatiable thirst for all manner of sports and social-oriented, mass-consumer gatherings. At the nexus of these opportunities are the private and public dollars that will fuel the growth. The actionable insights from this panel will afford attendees the privilege of advanced understanding, leading to better, more sustainable planning across the many silos in the sport-related tech ecosystems. ○

SPEAKERS



Bob Caporale

**Chairman and Co-Founder,
Game Plan**

Bob is chairman and co-founder of Game Plan, which has provided consulting, financial advisory and investment banking services to the sports industry since 1994.

Prior to founding Game Plan, Caporale had a substantial national sports and entertainment law practice, representing professional sports teams, team owners, leagues and facilities. He was part-owner of the Boston Breakers, one of the original franchises in the National Women's Soccer League.



Rick Perna

**Managing Director/Founder,
Greenwich Advisory & Company**

Rick's experience in the sports industry spans over 20 years, earning him industry awards including the Chairman's Award, ranking him among the top 20 bankers in North America.

Having specialized in sports lending and M&A, Rick brings deep transactional experience and high-level relationships across all major North American professional sports leagues such as MLB, MLS the NBA, the NFL, and the NHL as well as international leagues such as the Bundesliga, the EPL, Ligue 1 and Serie A.



Josh Empson

**Managing Director,
Providence Equity Partners**

Josh Empson is a managing director of Providence Equity Partners, a global private equity firm with \$50bn in assets under its management.

At Providence, Josh focuses on media, with a particular emphasis on sports and entertainment. He is also a current director of NFL/PEP Ventures.

Previously, Josh was a partner at NantCapital; and managing director at Forstmann Little & Co., where he led the firm's investment in IMG Worldwide.



Michael Goodman

**Founding Partner,
Granite Bridge Partners**

Michael D. Goodman is a founding partner of Granite Bridge Partners, a private equity firm that makes control investments in lower middle market companies.

Before forming Granite Bridge Partners, Michael was a managing director at Wafra Partners LLC and principal at Equinox Investment Partners.

Prior to that he was vice-president and senior originator of leveraged finance at Chase Manhattan Bank.

The US betting revolution

What are the opportunities and challenges created by the *de facto* legalization of sports betting in the US? How can clubs, leagues and others navigate this new ecosystem and sense the opportunities for growth?



MODERATOR:
Simon Greenberg

Arguably the most significant development in US sport for many years occurred in May 2018, just as the Golden State Warriors were whitewashing

the Cleveland Cavaliers in the NBA Finals.

Among the common phrases in US sport such as touchdown, three-pointer and home run, the acronym PASPA (the Professional and Amateur Sports Protection Act) did not probably figure very highly or mean much to US sports fans. But it has had a huge impact. It meant they could not place a bet on sports outside of casinos in Nevada and

other limited locations.

The repeal of PASPA by the Supreme Court heralded unprecedented speculation as to the effect of sports betting on US sport for years to come.

But no-one really knows what is going to happen or how big legal sports betting could be.

Mark Cuban, the owner of the Dallas Mavericks, claimed the value of NBA franchises doubled overnight, such was the opportunity presented by betting. Meanwhile, analysts and bankers can't agree how much it could be worth financially, with estimates ranging from \$5bn to \$10bn within five years.

There are many other open questions. Major US sports franchises have conflicting positions on the issue: some in favour, some against, some unsure.

Some states have embraced it but some will never allow it. The betting operators are about to enter an arms race for marketing and sponsorship spend for customers, but when will they actually make money? How will the threat to the integrity of US sports be dealt with? What role will technology play in placing bets, receiving winnings and protecting sport? What do the athletes themselves actually think? And what will happen to the illegal sports betting market, which is claimed to be worth \$150bn annually?

All this and more will be debated by our panel of experts at the SportBusiness Summit, offering insights, knowledge and predictions about how the US sports betting market will evolve. ○

SPEAKERS



Angela Ruggiero
Chief Executive and Co-Founder,
Sports Innovation Lab

Angela Ruggiero is a leading figure in the sports world, having served as an administrator, elite athlete, educator, advisor, board member, and investor in the world of sport.

She is the chief executive and co-founder of the Sports Innovation Lab, a technology and data-powered market research firm focused on the intersection of sports and innovation – with a focus on identifying trends and evaluating technology products and services driving the future of sport.

An Olympic Gold Medalist and member of the Hockey Hall of Fame, Angela has leadership positions at the highest levels of sport, including a role on the executive board of the International Olympic Committee, where Angela guides the strategies of major sports organizations.



Matteo Monteverdi
President, Sportradar US,
Sportradar

Matteo joined Sportradar in June 2018, bringing more than 20 years of experience in digital transformational initiatives for B2B and B2C organizations. Matteo oversees the strategic direction for Sportradar US and provides leadership for all US business units.

Prior to Sportradar, Matteo worked for International Gaming Technology (IGT), where he was senior vice-president, global digital products, and played a key role in GTECH's acquisition of IGT. He was instrumental in leading the product portfolio strategy for both companies and in forging new and successful business partnerships. Prior to IGT, Matteo was executive vice-president, sales and marketing services at Lottomatica.

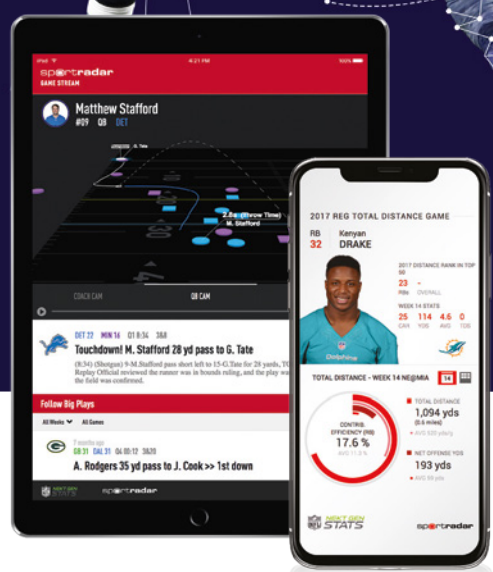


Jamie Shea
Head of sportsbook digital operations,
DraftKings

In July 2018, Jamie joined DraftKings as head of digital sportsbook operations after 10 years as a sportsbook and racebook director in Las Vegas. He is currently based in Hoboken, New Jersey.

DraftKings is an innovative sports-tech and media entertainment platform that is changing the way consumers engage with their favourite sports, teams and athletes by bringing fans closer to the game.

Previously, Jamie worked as a sport betting and playspot specialist at IGT; director at National Casino Marketing; regional sales director at Caesars Entertainment Corporation; and director of race/sports and poker with Station Casinos.



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over the world meet to network and learn from each other.**

Lessons of the global game



What is cutting-edge commercial practice at European football clubs, leagues and federations? How can these strategies and practices be incorporated into the management of US soccer bodies?



MODERATOR:
Frank Dunne

Germany's Bundesliga has enjoyed an accelerated commercial growth in recent years. Through its Bundesliga International arm, it has

driven the brand globally and increased its TV rights-income. In Germany, the league has worked to put 'fan experience' at the centre of all major developments. The Bundesliga, with 36 clubs across two tiers, has become a byword for innovation in everything from youth development to elite performance monitoring, through a willingness to embrace new ideas and technologies.

Meanwhile, the league is part of a governance culture which is unusual in

its holistic nature, effectively balancing the needs of clubs and national teams. Robert Klein became chief executive of Bundesliga International in November 2017.

Italy is one of the most successful football countries in the world, at national team level – including youth teams – and through it Serie A championship. Michele Uva, who was appointed chief executive of the Italian Football Federation (FIGC) in September 2014, has long been recognised in Italy as one of the country's most forward-thinking sports administrators. In 2016, the FIGC overhauled its 'Club Italia' concept – launched in 2002 to impose a coherent approach on national team development at all levels – to ensure that it was operating at the cutting-edge in four key areas: medical; match analysis; scouting; and performance and research.

Concacaf is the governing body for football in 41 countries in North and Central America and the Caribbean, including the US. On the back of one of its most turbulent periods, Victor Montagliani was elected Concacaf president in May 2016 as a modernising force in the game. In a short time, Montagliani has set about demonstrating the benefits of transparency, and has been working with major sports marketing agencies such as Lagardère Sports and IMG to help expand the footprint of Concacaf club and national team competitions around the globe.

Montagliani, Klein and Uva will discuss how the commercial and governance aspects of the game are evolving and how the European experience can provide models to help drive growth in North America, at both club and national team level. ○

SPEAKERS



Victor Montagliani
Vice-President, Fifa/
President, Concacaf

As a player and administrator, Victor Montagliani's passion for the game has led him to become a leader within the sport. Montagliani was elected Concacaf president and Fifa vice-president in May 2016 in the Concacaf XXXI Ordinary Congress held in Mexico City. He also serves as chairman of the Fifa Football Stakeholders Committee.

Montagliani served as president of the Canadian Soccer Association until May 2017. In addition to his vast knowledge and experience within the game, Montagliani has concluded studies in Political Science, Public Administration, French and Spanish.



Michele Uva
Vice-President, Uefa/
Chief Executive, Italian Football Federation

Michele Uva is a highly-experienced and respected sports administrator, with a 30-year career spanning several sports organizations.

He is currently chief executive of the Italian Football Federation, which oversees the Italian domestic leagues and national team. Since 2017 he has also been Uefa vice-president.

He previously held leadership positions at some of Italy's most prestigious clubs, including Parma and Lazio. He is also an associate professor at the Foro Italico University of Rome and frequently lectures in Italy and abroad.



Robert Klein
Chief Executive,
Bundesliga International

Robert Klein joined Bundesliga International in May 2017 as chief commercial officer. In January 2018, he took over the role as chief executive, becoming responsible for the internationalization of the Bundesliga brand, subsequently driving the Bundesliga to become one of the most innovative and exciting football leagues globally.

Before his career at Bundesliga International, Robert headed the sports rights department at Red Bull Media House, a globally distributed multi-platform media company, with a focus on sports, culture and lifestyle content.

Understanding your fan

What do sports businesses need to understand about local consumer culture, habits and preferences if they are to build strong brands and maximise revenues from overseas markets?



MODERATOR:
Simon Cory-Wright

When the international sports industry talks about benchmarks in fan engagement, one or more of America's major league franchises will inevitably be part of the conversation. From creating the ultimate match-day experience to innovation in social media engagement, American sport has long set the standard in many areas.

But how good are American sports at building fanbases beyond their own shores? Rapid developments in technology are changing the sports media landscape, offering more sport, more flexibly, to more people. This in turn is providing attractive

opportunities for leagues, franchises and clubs to develop new and lucrative fanbases overseas.

So just how difficult is it to engage fans in other countries? Data presented by SportBusiness at the SportBusiness Summit demonstrates how different fan profiles and behaviours are from market to market – that what drives fan interest in one market will not necessarily drive interest in another. So while a sports property may be a top-tier product at home, in other markets it may be considered second- or third-tier. How do we go about building awareness and engagement across such different market environments? How much of what we do at home can be replicated elsewhere? Is it a case of adapt and adjust, or must we treat each market as unique and start with a blank sheet of paper in each case?

International expansion presents sports rights-holders with the challenge of understanding and engaging a vastly more diverse and broad range of audiences than ever before, with issues such as language, culture and physical distance being just the beginning of the complexities to be navigated. So where do you start?

In this panel on Fan Engagement, we will be asking Lara Price and Chip Bowers to share how two major league franchises – the Philadelphia 76ers and the Miami Marlins – are meeting this challenge. Keith Bruce from QuintEvents will share the perspective of the truly global environment that is Formula One, plus we'll find out what fan engagement strategy looks like for sports outside the 'big four' major leagues, with Major League Lacrosse Commissioner, Sandy Brown. ○

SPEAKERS



Lara Price
Chief Operating Officer,
Philadelphia 76ers

Lara oversees the Philadelphia 76ers' business operations, corporate and team communications and public relations and community engagement. With 20-plus years' experience, Price acts as the team's primary intermediary with the league office and is the key liaison between the 76ers' business and basketball arms of the organization.

Lara is also a 2015 honoree of the Women in Sports & Events (WISE) Woman of the Year Award.



Chip Bowers
President, Business Operations,
Miami Marlins

Chip Bowers is a highly-experienced sports executive, having worked extensively in both the NBA and MLB. He currently leads business operations for the Miami Marlins, overseeing media and sponsorship rights, as well as its fan engagement strategy.

Chip was previously chief marketing officer at the Golden State Warriors, where he played a leading role in signing the Chase Center sponsorship agreement for the Warriors' new home in San Francisco.



Keith Bruce
President,
QuintEvents International and
Formula One Experiences

In July 2017, Keith was named president of QuintEvents International and Formula One Experiences, which houses the company's Formula One business. A veteran of the sports and event industry, Bruce works with all 21 F1 events across the globe.

F1 Experiences was launched in summer 2017. It provides fans and corporations with a full range of experiential, hospitality, travel and ticket packages for the entire F1 race series.



Sandy Brown
Commissioner,
Major League Lacrosse

Alexander "Sandy" Brown is the commissioner of Major League Lacrosse. He is the second commissioner in the 18-year history of the league.

Brown, who joined MLL in February 2018, is an accomplished executive with over 20 years of leadership experience, including spearheading the launch and growth of multiple sports media outlets. He was formerly the president and chief executive of One World Sports and president of Univision Sports.

New trends in media rights



What is the impact of the tech giants buying sports rights? What does it mean for rights-holders and traditional broadcasters? Which markets/territories are most likely to be affected?



MODERATOR:
Robin Jellis

For years, people said it was only a matter of time until the tech giants bought sports rights.

Google dabbled in sports rights

in the late 2000s/early 2010s but has been unwilling to pay the guarantees requested for premium sports rights. Apple has long been mentioned as a stalking horse. Twitter has agreed some content partnerships with rights-holders but has resisted the urge to pay big fees.

In 2017, the sports-rights ambitions of two huge companies became clear: Amazon acquired global NFL streaming rights to the 2017 season for \$50m in April; and in September, Facebook

unsuccessfully bid \$610m for digital rights to the Indian Premier League in the subcontinent over 10 years.

And while the tech giants have been plotting their assault on sports rights, entrepreneurs have been establishing OTT operations around the world – such as Perform's DAZN, while Eleven Sports has launched OTT-only in certain markets.

Perform's chief commercial officer John Gleasure will join me in this panel at the SportBusiness Summit to discuss the future for his company and for the industry more generally.

The launch of OTT operations and the growing pervasiveness of internet connectivity has led traditional broadcasters and media groups to adapt their strategies.

One such company is beIN Media Group, the dominant sports broadcaster

in the Middle East and North Africa. Although it has been facing concerted Saudi piracy of its content in the region, beIN has successfully become a global player in the sports-rights industry, with operations in France, Turkey, Australia, New Zealand, the US and Canada, as well as across Southeast Asia.

The company's senior vice-president of content strategy, Daniel Markham, will be an expert speaker on the panel, to discuss how beIN has adapted during the rise of OTT operators.

Uefa's club competition rights are among the most sought-after around the world. How well-positioned is the governing body to take advantage of the proliferation of digital players, and in which markets are such deals most likely to be struck? Marketing director, Guy-Laurent Epstein, will be on hand to provide the answers. **O**

SPEAKERS



Daniel Markham

Senior Vice-President, Content Strategy,
BeIN Sports

Daniel joined beIN Media Group in July 2014 and is senior vice-president of content strategy, responsible for content acquisition and group strategy. He is also the managing director of beIN Media Group's UK business.

Daniel joined beIN's team from the NBA, where he had several roles including senior vice-president of media distribution; managing director for emerging markets in EMEA; and joint head of that region.

Having worked for almost 25 years in senior positions in the sports and entertainment industry, Daniel is seen as one of the most experienced and highly-regarded executives in sports business.



John Gleasure

Chief Commercial Officer,
DAZN and Perform Group

John is one of the founders of Perform Group, which has set about changing the way the world consumes sport. He is currently the chief commercial officer of DAZN and Perform Group. Over the past 11 years, John has overseen all commercial partnerships and rights relationships and its international global expansion.

John has over 23 years' experience in the sports, entertainment and music industries, having worked as brand manager at Sky Sports, marketing director at Sportal and head of sport at Hutchinson Whampoa. He also held roles at EMI Records and Sony Pictures.



Guy-Laurent Epstein

Marketing Director,
Uefa Events

Guy-Laurent Epstein is the marketing director of Uefa Events SA, which was set up in 2009 as a wholly-owned Uefa subsidiary. It manages the marketing and commercial interests of Uefa.

In 2002, Guy-Laurent joined Uefa as TV and sponsorship manager and soon became head of marketing activities. In 2005, he created the Media Rights Unit, which is responsible for the overall sales of broadcast rights for Uefa competitions. In 2010, he was appointed marketing director, responsible for the ongoing development of all marketing and commercial activities, including brand, media and sponsorship across all Uefa competitions.

Partnerships beyond borders



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Where and how can US sports properties most effectively and profitably find new commercial partners worldwide? And how can US brands grow through overseas sports partnerships?



MODERATOR:
Matthew Glendinning

Last year, research by *Sports Sponsorship Insider* estimated that football clubs from the top-five European leagues made

more than \$1.7bn from their main shirt and technical apparel deals, with the English Premier League contributing around 42 per cent of the total.

Premier League clubs have a particularly strong appeal to international sponsor brands with the 'big six' of Arsenal, Chelsea, Liverpool, Manchester United, Manchester City and Tottenham Hotspur among the dozen or so elite European clubs able to drive growth through commercial revenue rather than broadcast revenue.

The increasingly global reach of the Premier League has been transformative to sponsorship income across the league. Three-quarters of the 20 clubs in the league had domestic main shirt sponsors in 2002. Today, international brands account for 90 per cent of main shirt deals, with half of these from Asia.

To understand the opportunities arising from international exposure, the SportBusiness Summit has invited Will Brass, head of sales and marketing at the Premier League, to the panel. Brass has been responsible for leading the digital transformation, commercial strategy, partnership sales, marketing and brand development.

In the US, the property that most-closely rivals the Premier League for international reach is the NBA. It is an ideal partner, in particular, for the Marriott International hotel group, which uses the NBA in its brand loyalty

programmes.

Joanna Todd, vice-president, global partnerships and strategic alliances at Marriott International, has defined the brand's overarching partnership development strategies that push revenue, support business objectives and drive value across 19 Marriott brands globally. How the brand engages with fans from all over the world across the NBA's marquee events is a lesson in how to leverage brand partnerships internationally.

The panel's aim is to identify the most effective practices that will help US sports teams reach out and get a greater slice of its revenue from overseas. With this in mind, we have Ari Mark, senior director, corporate partnerships the NFL's Miami Dolphins – one of the most admired and marketable US sports team brands – on our panel to discuss the hot issues. ○

SPEAKERS



Ari Mark

Senior Director, Corporate Partnerships, Miami Dolphins and Hard Rock Stadium

Ari is entering his first season leading corporate partnership sales for the Miami Dolphins and Hard Rock Stadium, a global entertainment destination and home of the Miami Dolphins; Miami Hurricanes; Miami Open; and Super Bowl LIV. He oversees new business across a wide portfolio of sponsorship assets and events.

Prior to this role, Ari spent nearly a decade in global business development at the NBA, securing domestic and global sponsorships across the NBA, WNBA, G League and USA Basketball. He was key in negotiating partnerships with YouTube TV, MGM Resorts, and Marriott International.



Joanna Todd

Vice-President, Global Partnerships and Strategic Alliances, Marriott International

Joanna leads the Maryland-based team that develops global partnerships and strategic alliances across all verticals including sports, music, film, culinary, fashion, travel and financial services. In addition, her team is responsible for multicultural marketing.

Joanna's prior positions at Marriott include vice-president, segment marketing, where she was responsible for the marketing strategy for key B2B and B2C customer segments including small business and sports, and global programmes and promotions.



Will Brass

Head of Sales and Marketing, Premier League

As the Premier League's head of sales and marketing, Will is responsible for all marketing and brand activities. He has also been responsible for building up a partnerships function.

Will started his career as a lawyer, before working at Rothschild as an adviser to various European football clubs, an experience which led to him joining Tottenham Hotspur as head of business development. He subsequently represented the interests of various high-profile sports teams and talent clients at Creative Artists Agency, prior to arriving at the Premier League in February 2016.

Harnessing the power of sport through Victoria's tourism drive

"Our goal is not to be recognised simply as an events organiser, but as a holistic events marketing company."
Peter Bingeman, chief executive, Visit Victoria

Melbourne's success in winning the Best Event Strategy and Best Large City Awards in this year's *SportBusiness* Ultimate Sports Cities Awards will have come as little surprise to those who have seen the Victorian capital triumph on many occasions since the awards were introduced back in 2006.

But this year's success has to be put into context and may have been all the sweeter as it was the first since the job of attracting major events to Melbourne shifted to Visit Victoria, the organisation responsible for all aspects of the State's tourism business.

Melbourne is, of course, a true 'sport' city. In any given year it hosts a glorious array of international and domestic sports events from Australian Rules football, which has its historical roots in the state, to the Formula One Australian Grand Prix and tennis' Australian Open.

Sport is part of the city's identity and its iconic stadia and grand prix circuit are known to fans around the world. In the highly-competitive tourism business, major sports events are a key attraction but, it should be stressed, are only part of the proposition for a city and state which prides itself on the range and diversity of events and attractions it has to offer.

It was the opportunity to pull these threads together which led Peter Bingeman to become the inaugural chief executive of Visit Victoria when it was launched in 2016. With a background in international fast-moving consumer goods marketing and a knowledge of Australia's neighbouring Asian markets, Bingeman says that while Visit Victoria's



Peter Bingeman, chief executive, Visit Victoria

predecessors Tourism Victoria and Victorian Major Events Company were "two teams each doing a great job", there was an advantage to be gained by bringing them together.

"We wanted to tell the story of Melbourne and Victoria through its events in a more marketing-driven and creative way," he said.

Tourism is seriously important to the Victorian economy and Visit Victoria has a target of generating A\$36.5bn per year by 2025 which Bingeman says is "well within our grasp."

"In fact," he says, "tourism is growing at twice the rate of the overall Victorian economy and has increased by A\$6.4bn in the last three and a half years."

"We have three target segments: the international market, Australia and Victoria itself," Bingeman explained.

"And we are seeing growth across all those segments, in particular internationally from India, China and South East Asia, where we have recently run targeted marketing campaigns."

The fact is that Visit Victoria has great raw material to work with. It's not only

a global sports hub but, as Bingeman puts it, "the creative and cultural capital of Australia and Asia".

"This is a 'to do' city where you can come out of your hotel and whether you turn right or left you'll discover a choice of things to do, from sport during the day to cultural events and great cuisine in the evening.

"Of course, we have a wonderful sports infrastructure and sport accounts for about 50 per cent of our major event-based tourism activity and spend. We pride ourselves on a calendar of events – both sport and non-sport – which stretches right across the year and adds to the tapestry of the city," he said.

Ensuring the Melbourne and Victoria product remains world class is a key element of the marketing story. A A\$1bn, three-phase project to enhance facilities at Melbourne Park, home of tennis' Australian Open and the adjacent Olympic Park which houses the 100,000-seat Melbourne Cricket Ground as well as the AMI Park, the 30,000-seat stadium which is home to the city's two soccer clubs, is currently underway. The result is a greatly-enhanced and more cohesive experience for visitors to either the Melbourne Park or Olympic Park areas.

Across town, the State government has pledged over A\$200m to develop the AFL-owned Etihad Stadium, extending the precinct to link it to the Central Business District.

According to Bingeman, the investments add value to the visitor experience and will help Visit Victoria to fulfil its objective of not simply hosting events but building long-term partnerships with the events and their owners.



(Michael Dodge/ Getty Images)

Q&A with Damien de Bohun, general manager, major events, Visit Victoria

How has Victoria's strategy toward major events developed in recent times?

Victoria is focused on acquiring the 'best of the best', to ensure that we maintain and develop our position as a major events city. We are committed to positioning ourselves alongside London, New York and Paris.

The Victorian Major Events Company was a world-leading agency and Visit Victoria's mandate expands on their work. We are both a major events company and a great tourism marketing organisation.

Our strategy now sees us not only secure and manage a world-class major-events calendar, but also to use those acquisitions to tell the story of

Melbourne globally, highlighting the depth and breadth of the experiences available to those that visit our great city and the state of Victoria.

How do you sum up the offer to sporting federations, event-owners and rights-holders?

We present ourselves as genuine partners to sporting federations, event-owners and rights-holders.

If you look back at the Brazil v Argentina football match two years ago, the upcoming Australian Boomers v Team USA basketball series and our formidable calendar of golf, you'll note that we are working collaboratively in everything that we do.

In 2020, Melbourne will host the men's and women's final of the ICC World Twenty20 at the MCG.

We are in regular communication with the local organising committee to ensure a hand-in-glove approach to developing marketing programs that ensure that their success is our success. This is the cornerstone of everything that we do.

A partnership with Visit Victoria not only provides you with access to some of the best sporting facilities in the world, it provides you with an extension of your communications and marketing team, dedicated to selling out your event to not only Melburnians, but

the thousands of visitors that come to our city from around Australia and the world every year.

How does Visit Victoria partner with sporting federations, event-owners and rights-holders to build their brand, as well as 'brand Melbourne'?

The most important thing to understand when working to build the brand of Melbourne, and that of our event partners, is knowing what sporting federations, event-owners and rights-holders are looking for through their relationship with Visit Victoria.

One thing that we do carefully is take time at the front end of the partnership to understand why they are bringing their event to Melbourne and how we can support achieving their desired aims.

Obviously, every event acquisition is predominantly commercial in nature, but nowadays they are also so much more than that.

It is about making our city their city. And when do that we see fabulous results for the event we are hosting and for Melbourne that relishes the outstanding contribution that major events make to our visitor economy.

What new events are in the pipeline and why are they exciting?

Melbourne is fortunate enough to have a number of, what we call 'pillar events'



(Visit Victoria)



(Visit Victoria)

and these continue to move from strength to strength.

The Australian Open Tennis Championships, the Formula One Grand Prix and the Melbourne Cup Carnival are three global events that feature on our calendar every year and their ongoing expansion and development continues to ensure the increase of their economic impact, which is wonderful.

These will be complemented in the near future by the Australian Boomers facing the USA men's national basketball team in 2019, at the purpose-built court at Melbourne's Etihad Stadium. It is soon to be renamed Marvel Stadium, and what a spectacle it will be to see our national basketball team take on the world's best as they make final preparations for the Fiba World Cup in China.

Melbourne is also set to host the 2018 World Cup of Golf, before the Presidents Cup returns here next year. This is a coup and complements the Melbourne Sandbelt, a stunning array of eight world-class courses on the fringe of the city centre.

The Australian Open of Golf returns to Melbourne in 2020 and 2022, with Melbourne fast becoming a home of golf in Australia for both professional events and those seeking travel experiences of the sporting variety.

Melbourne's major-event calendar

does not stop at sport either. Harry Potter and the Cursed Child will open exclusively here in February, direct from London and New York, before Come From Away takes to the stage at the Comedy Theatre in our East End Theatre District.

Of course, there are several other opportunities we are exploring, with exciting new announcements always on the horizon in Melbourne.

Are there any new facilities in the pipeline and how will they enhance Melbourne's offer to sporting federations, event-owners and rights-holders?

One thing that Melbourne has always been proud of is its sporting precinct and this array of stadia was recently recognised by your team at *SportBusiness*, via the Ultimate Sport Cities Awards.

We are not resting on our laurels though. The Victorian Government has for decades invested in the facilities that allow us to acquire the best events and this continues.

Our 55,000-seat stadium at Docklands, which is multi-purpose and enclosed, is set for a more than A\$200m upgrade that will ensure its continued position as one of Australia's best, playing host to regular Australian Rules football matches and special events

that can welcome up to 70,000 people when the field of play becomes available for seating. It will be technologically masterful, embracing the 'e-generation' event goer.

Melbourne Park is another example of continued rejuvenation. The Australian Open Tennis Championships, one of only four grand slam events alongside those held in London, New York and Paris, is now being revitalised to include state-of-the-art media and broadcast facilities; new dining options; pedestrian thoroughfares; and exciting new precincts that expand the footprint of events held at what was originally the 1956 Olympic Park.

What are Melbourne's event-hosting ambitions in the years ahead?

Melbourne is dedicated to maintaining its position as a global event city and we will continue to acquire events that support this.

That is everything from the Olympic Games to one-off opportunities that celebrate experiences unrivalled.

We are a global event city that embraces major events – both sport and creative – better than almost any city on earth and we are committed to being bigger, bolder and braver with the way we bring the events we have acquired to life.

In the words of our partners...

Matt Kamienski, vice-president, PGA Tour and executive director, Presidents Cup:

“PGA Tour have a longstanding relationship with Melbourne and the Victorian Government through the Victorian Major Events Company, and now, Visit Victoria. We’ve had the great pleasure of bringing the world’s best golfers to one of the world’s true major events cities, including the World Cup of Golf and the Presidents Cup – and both are set to return to the famed Sandbelt in 2018 and 2019 respectively.

“The efforts of Visit Victoria to collaborate with the PGA Tour in bringing our major events to life both in Australia and around the world make them an obvious partner. That’s why we have been here so many times, and why we will always look to come back.”

Nick Hockley, chief executive, 2020 ICC World Twenty20:

“Throughout the venue selection process, the team at Visit Victoria bought into the vision and opportunity to make the ICC World T20 a spectacular celebration that everyone can be part of.”

“They also quickly identified the importance of the women’s and men’s tournaments having equal billing, with both finals to be played at Australia’s biggest sporting stadium, the MCG. Melbourne’s track record for hosting and supporting major sporting events is a key part of the ambition to set a new world record for the highest attendance at a women’s sporting event.”

“Major events of this scale are all about teamwork. Visit Victoria has a key role to play in helping bring together key partners and the community as well giving a warm welcome to the many international visitors who will be coming to Australia in 2020.”

Anthony Moore, chief executive, Basketball Australia:

“To bring the USA men’s basketball

team to compete against our Australian Boomers on home soil is a bold move by Basketball Australia, and Visit Victoria is a major event agency daring enough to come on the journey with us. The event is now confirmed and less than one year away.

“Melbourne’s Etihad Stadium is the perfect venue for what will be a moment

in Australian sporting history and Visit Victoria have been a great partner as we make a concerted effort to develop, deliver, market and communicate a two-match series to the thousands of basketball and sports fans found in Melbourne, across Australia and around the world.” 

VICTORIA EVENTS CALENDAR 2019



January:

Australian Open Tennis Championships
Cadel Evans Great Ocean Road Race
Festival of Sails

February:

Harry Potter and the Cursed Child (theatre)
Jayco Herald Sun Tour (cycling)
Six-Day Cycling
FIM World Superbikes Championship
World Cup Gymnastics

March:

Avalon Air Show (aviation)
Formula One Australian Grand Prix
Virgin Australia Melbourne Fashion Festival
Melbourne Food & Wine Festival
Melbourne International Comedy Festival

April:

Rip Curl Pro (surfing)

June:

Melbourne Winter Masterpieces (art exhibition)

July:

Come From Away (theatre)

August:

Melbourne International Film Festival
Melbourne Writer’s Festival
Australian Boomers v USA Dream Team (basketball)

September:

AFL Finals Series (Australian rules football)
Melbourne Fringe Festival
Melbourne Fashion Week

October:

Melbourne International Arts Festival
Australian Motorcycle Grand Prix
Caulfield Cup Carnival (racing)
Cox Plate Carnival (racing)

November:

Melbourne Cup Carnival (racing)
Melbourne Music Week

December:

Presidents Cup (golf)
Boxing Day Test (cricket)



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Ascot digs into customer data to help double hospitality revenues in five years

Racecourse adopts a data-driven approach to fine dining sales

New 'data warehouse' developed to collate hospitality records

Hospitality revenue grew 98 per cent between 2014 and 2018



David Walmsley

Ascot's Royal Meeting is one of the high points of British horse-racing's flat season, with eight Group One contests among its 30 races and £7.3m (€8.1m/\$9.4m) in prize money at stake.

But it is just as well-known to the wider British public for its associations with the monarchy, the traditions of its dress code and its garden party atmosphere. That appeal means hospitality has long been a central part of the Ascot business model, especially since the Royal Meeting generates approximately 70 per cent of the course's annual revenue.

In 2006, the track completed a £230m redevelopment of its Grandstand to

provide the facilities needed to support its ambition of establishing itself as the finest racecourse in the world.

Over the next decade, the UK hospitality market went through a prolonged period of downturn following the 2008 recession, but has returned to growth in recent years. Ascot shared in that upturn, with sales in its fine dining business growing by about 10 per cent across all racedays between 2014 and 2015.

Industry forecasts indicated that higher rates of growth were possible, with the wider hospitality market projected to expand 15 per cent across the five years to 2019. As a result, Ascot's commercial team turned its attention to priming its business to match – or ideally outperform – the

wider trend over the same period and resolved to be guided by the numbers in doing so.

Chief commercial officer Juliet Slot says: "We could see fine dining hospitality had real potential to grow at a faster rate than it had been doing and we knew the impact that a data-led approach had had on other areas of the business – particularly ticketing – so it made sense to apply the same principles here too."

Data acquisition

Ascot had been working with sports marketing agency Two Circles since 2013 on a range of projects across sponsorship, conferences, events and ticket sales, and it extended the relationship into hospitality strategy.

Slot explains: “We started out with a strategy project aimed at identifying how data could help drive growth across a range of revenue streams. That led us to focus on using data to increase ticket sales, not just for the Royal Meeting but across all other racedays too, over the next two years. So when we wanted to target a similar uplift for hospitality we had a lot of pre-existing experience and evidence we could draw on straight away.”

The project began by targeting specific types of data to health-check the existing hospitality offer, identify the challenges it faced and pinpoint the elements it should prioritise as primary sources of future value and volume growth.

First-party customer data was drawn from the racecourse’s own sales records to build a picture of fine dining hospitality buyers and then segment that audience along lines of demographics, behaviours and purchasing patterns. Data points collated included: the type of buyer (individual, corporate or agency); spend; location; racedays purchased; type of products purchased; frequency of purchasing; and number of covers.

This quantitative data was supplemented by additional qualitative research conducted among Ascot hospitality customers through telephone and online surveys to gather feedback about their event experiences and understand any changes or additional facilities and services they would like to see.

A layer of third-party information was then added to create richer, more rounded customer records through income-profiling data – key information on individuals and companies such as turnover and employee numbers – supplied by specialist external agencies.

Finally, the project sought to add context to the information from these sources by building a picture of the wider UK sport and entertainment hospitality market, both to determine where the Ascot offer was (and should be) situated within it, and to identify other sports and venues which experiences the racecourse could relate to, enabling it to both pick up on any gaps in the market it could fill and highlight any product needs it was not already meeting.



Data collected in this phase included benchmarks established by Two Circles through their work with other rights-holders, hospitality businesses and market research conducted around the UK sports and entertainment market as a whole.

“We knew the impact that a data-led approach had had on other areas of the business – particularly ticketing – so it made sense to apply the same principles here too.”

Juliet Slot | chief commercial officer,
Ascot Racecourse

Analysis and insight

The data processing and analysis elements were managed by Two Circles, which began by creating a new Ascot data warehouse within which all records the racecourse had gathered on its fine dining customers were collated and then enriched with the additional income-profiling information bought in from external providers.

A visualisation and segmentation platform was developed alongside the warehouse to provide Ascot’s commercial teams with:

- The ability to segment audiences along demographic and behavioural lines to create more targeted marketing communications
- A real-time monitoring capability to track the impact of their sales and marketing processes.

The data warehouse contained three years of historic hospitality customer purchase records, giving the project team a rich seam of information to mine for insights that would inform the future shape of the Ascot fine dining offer and the way in which it would be marketed to new and existing clients.

Profiling and behavioural analysis were the two main processes applied to the data in order to benchmark past and current performances and identify key target areas for future growth. Benchmarking analysis focused on specifics such as enabling a comparison of consumer; corporate and agency sales by volume and value over time; and creating customer baselines around recency, frequency and value – i.e. when they last purchased, how often they purchased and how much they spent.

Development-focused analysis was led by efforts to build demographic and socio-economic profiles of the fine dining customer base to highlight key target groups for individual sales, and profile the types of businesses that buy Ascot hospitality and index them against the UK and local business universe as a means of identifying high-potential

customer groups the racecourse was not already serving.

As well as improving Ascot's knowledge and understanding of its customer base and highlighting priority groups for future sales and marketing efforts, the analysis phase of the project proved particularly valuable in identifying a number of challenges the racecourse needed to overcome in order to be able to present an attractive offer to the new and existing clients it would be looking to target. These included:

- A falling spend per customer – down nine per cent between 2014 and 2016
- Static customer retention levels
- A mismatch of clients to products that meant corporates of all shapes and sizes were buying inventory across the board
- Insufficient sales and marketing reporting tools
- Un-optimised sales teams and customer-sales targeting
- An over-reliance on agents
- Unsold inventory
- A wider shift in demand across the UK market toward a broader range of products, from formal to informal premium
- A corresponding need for a significant shift in range and pricing of products to deliver against market expectations for different offers at different price points.

Actions and outcomes

These insights highlighted a number of actions that Ascot could take to develop both its hospitality offer and the way in which it was marketed and sold. Slot explained: "The data gave us a much better understanding of what potential future customers of different types wanted from an Ascot experience. This was in-depth knowledge that we didn't have before and we

used it to inform the design of new and improved products. We also started by rebranding our high-end offer to being fine dining whilst still continuing to offer hospitality offers at the lower price points.

"We were also able to make sure those products were being marketed to the right groups, businesses and individuals in the right way, and having access to real-time data enabled us to set up some new systems and processes that allowed us to match results to actions and adjust our strategies according to what the data was telling us.

"The data gave us a much better understanding of what potential future customers of different types wanted from an Ascot experience."

Juliet Slot | chief commercial officer,
Ascot Racecourse

"So, for example, carrying out a more sophisticated analysis of our customer data improved the quality of our lead identification because we were able to profile potential clients and assign them to the appropriate segment and then point them toward the products we knew would have the most appeal to that particular group.

"We also recalibrated our marketing around the same sort of data insights to inform the timing and content of sales communications to maximise their appeal and potential response rates and were able to establish new evaluation and reporting

processes that now allow our sales and marketing teams to adjust their tactics during the sales process according to the results they are seeing in real time."

These actions had four key impacts on the racecourse's hospitality business:

1) Improved customer retention and acquisition leads

Being able to understand more about existing clients' purchasing habits and the interests of potential target groups enabled Ascot's sales and marketing teams to generate higher-quality leads by identifying which products and price points are most appropriate for which audience segments. Actions taken included:

- Using this improved understanding of the profile and characteristics of existing and previous purchasers to target lookalike customers through client acquisition tools like LinkedIn Sales Navigator
- The identification of the professional services, wholesale/retail and information technology sectors as priority acquisition targets in corporate sales
- A further focus for Ascot racedays' corporate sales on small-to-medium-sized enterprises, companies in lower-turnover bands and those based in the M4 corridor and London area as being most likely to buy at these racedays
- Prioritising individual retention and acquisition measures around younger, more affluent demographics.

2) More responsive marketing and sales processes

There were also a number of changes





on the supply side in the racecourse's sales and marketing teams that worked. In particular, changes were made to improve the efficiency of sales operations and enable resources to be concentrated in areas in which the data indicated they would generate the most value:

- Online self-service functionalities were introduced to the Ascot website to capture lower-value, smaller-scale bookings and free up sales personnel to focus on higher-worth opportunities
- Sales and account management teams were re-engineered to enable sales representatives to cultivate one-to-one relationships with the highest-value and most-likely-to-buy clients, while the marketing team was briefed to drive sales within the lower-value 'tail' of the customer base
- Sales teams were also restructured to reflect the data-driven, segmented nature of the business, working with targeted account management, relevant KPIs and customer-led incentivisation benefits and commission structures.

3) More effective marketing strategy and communications

Access to more-detailed customer data meant that Ascot's marketing team was able to communicate the racecourse's hospitality offer, not just in terms of targeting content and delivery, but in being able to adjust activity in real time according to results and react immediately to changes in customer preferences and market conditions. Measures implemented included:

- Bespoke marketing strategies for individual customer segments that dictated the channels through which they were targeted and at which times
- New campaign planning that enabled the team to dial marketing activity up and down across the year for each client segment
- The use of survey feedback to improve marketing messaging. For example, Royal Ascot was identified as being set apart by its sense of occasion, while new attendees are more likely than returning ones to see the meeting as unique, uplifting and exhilarating
- More sophisticated reporting of communications impacts on owned and third-party media, enabling better optimisation of marketing

messaging, platforms used, campaign timings and demographic targeting.

4) Refreshed hospitality product offering

The combination of customer feedback data with wider hospitality market intelligence pointed Ascot toward a number of improvements in some areas of the existing fine dining offer and to some more fundamental changes to the range of products available.

Examples of the former include improvements to parking facilities, signage and the food and drink in some specific facilities. Changes in the latter category included the removal of the entry-level Sandringham Restaurant; the expansion of the modern and more informal Lawn Club; and the repositioning of the Villiers Club as a more entertainment-focused product with a greater degree of informality.

Ascot's 2018 commercial results were well ahead of previous performances and predictions of growth the initial proposition had indicated were possible. Over the period 2014-18:

- Hospitality revenues increased 98 per cent
- Covers sold increased by 93 per cent

- Occupancy rates were up 19 percentage points, from 78 per cent to 97 per cent.

Customer retention rates also improved between 2015 and 2018, up to 43 per cent from 35 per cent for corporates and 36 per cent from 30 per cent for individuals, while average spend per client grew five per cent between 2017 and 2018 for corporates and 10 per cent for individuals.

Ascot has also reduced its reliance on agency sales, cutting the number of agents used by 52 per cent between 2016 and 2017 alone, while seeing a fall in revenue from agents of only 12 per cent over the same period.

Ascot's adoption of a data-driven approach to hospitality sales has a number of implications of its own for rights-holders with similar objectives:

The value of employing both quantitative and qualitative data.

Ascot had a rich set of customer information data to mine for insights, but many of the actual changes that were made to the hospitality offer were informed by the qualitative research and broader market analysis conducted alongside. Feedback surveys identified many of the product improvements that would prove most popular, while competitor analysis and market intelligence enabled the marketing team to consider what it had learned about its own client base in a broader context and identify some new gaps and opportunities as a result.

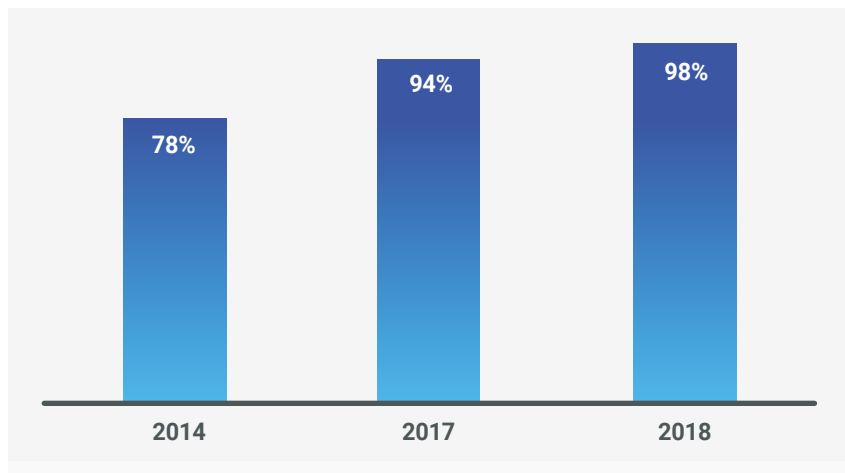
The importance of segmentation.

Audience segmentation is one of the basic building blocks of data-driven marketing but is no less important for it. Being able to segment the customer base along demographic and behavioural lines was essential to enabling Ascot's marketing team to build the targeted campaigns and communications that raised the efficiency and effectiveness of its sales performance.

A willingness to change processes as well as products.

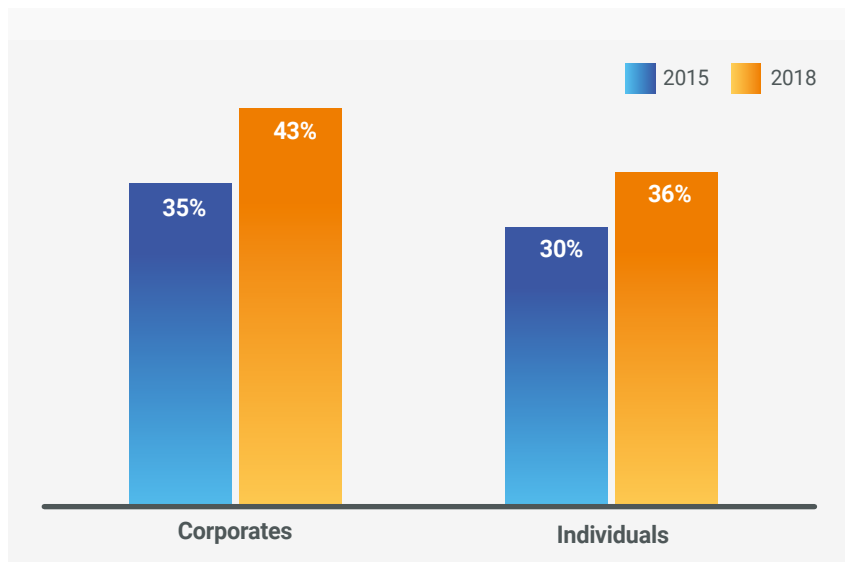
Ascot's data-driven approach did not stop at what the racecourse sold but informed how it did so too, using

ASCOT RACECOURSE HOSPITALITY OCCUPANCY RATES, 2014-17



Source: Ascot/SportBusiness Group

ASCOT RACECOURSE HOSPITALITY RETENTION RATES, 2015 v 2018




Source: Ascot/SportBusiness Group

real-time analysis to continually test its marketing and communications output to refine its effectiveness and allocate sales resources more efficiently by concentrating them on the areas in which they could deliver the most value.

Slot says of the overall impact of the data-led strategy: "Taking this approach to hospitality sales was a natural next step from the similar work we had already done in other areas of the business, so we were able to build on that approach and take a really hard look at all the implications of what the

data told us.

"The obvious answers are in what your audience looks like, which segments are the most valuable and what sort of offers these groups are most likely to respond to, but if you can drill down into that even further by asking them what specific changes they would like to see and look at those responses in a wider context than just what is happening inside your own gates, then you can generate some much deeper insights and make some really far-reaching changes to how you do business as a result." 

Feel the POWA

How a new sponsorship data and valuation engine could be set to become the industry standard

While it remains to be seen how Cristiano Ronaldo's €112m (\$130m) summer switch from Real Madrid to Juventus will affect the balance of European footballing power on the pitch, CR7's move has already had a significant impact on the commercial firepower of the two clubs.

According to the newly-launched POWA index from dataPOWA, Ronaldo's transfer saw a significant shift in the respective values of the two clubs as sponsorship platforms, with Real falling from top place in the index – to be replaced by the United States' NBA – and Juve shooting up the table to 11th.

So how do we know all this? The impact of Ronaldo's personal brand magnetism on the sponsorship appeal of a club is just one of the sponsorship subplots identified by dataPOWA chief executive Michael Flynn, using the system he and his team have developed to provide the sponsorship industry with an affordable tool which generates a host of digitally-derived data to guide better decision-making.

Launched in September 2018, by London-based dataPOWA, the POWA index delivers a live dashboard graphically displaying the sponsorship power of sports, clubs, leagues and events based on a massive basket of digital and social media inputs. The result is a detailed sponsorship picture of each listed property highlighting its performance across major social media platforms and websites, and delivering vital data around associated keywords and demographic analysis which identifies not only the age and gender of fans and followers but their locations around the world.

The output is produced by a process which begins with sourcing the data by combing trillions of data points across



Michael Flynn, chief executive, dataPOWA

60 unique data sets including Facebook, Twitter, Instagram, YouTube, sports media sites, broadcast output and financial information.

The results are then 'cleaned and categorised' before being analysed using advanced machine-learning techniques to produce the output streams which are delivered via real-time personalised dashboards that allow users to access, interrogate and compare the information they require.

At the time of writing, the POWA index displays the NBA as the world's most powerful sponsorship vehicle, ahead of Real Madrid, which is followed by the NFL, Barcelona, Manchester United, the Uefa Champions League and the English Premier League.

While the ranking of top clubs may not come as much of a surprise, it is the breadth of information offered by the POWA index, together with the

ability to make comparisons between different types of properties – such as clubs and leagues – which makes it such a valuable tool.

"We call it the Sponsorship Scout," explained Flynn, who has 30 years' experience in the sponsorship sector.

"It's there to provide a first point of reference and the assistance needed by those working in sponsorship to identify the properties which are the best fit to help them reach their objectives at the right price."

Flynn certainly knows his stuff. As director of sponsorship at the UK brewer Bass, he was responsible for Carling's award-winning sponsorship of the English Premier League, before moving on to explore and pioneer aspects of digital marketing through companies including Fast Web Media.

Beyond sport he and his team at Fast Web Media were responsible for

developing WeatherFIT – technology which enables online traders to sell products tailored to the weather in any part of the UK, allowing them to decide which products to promote – before going on to build and sell a company which developed software that matched second screen advertising to programming on mainstream television.

His love of sport, sponsorship and data is clear and in dataPOWA it appears he has found a way of bringing them all together.

“The use of data in sponsorship has always fascinated me,” he explained.

“It goes back to my days with Bass as director of sponsorship and handling the Carling Premiership.

“It was a fascinating sponsorship and after the initial years of working to make sure we achieved name recognition we switched focus to really getting closer to the fans. That’s when I became aware of the Opta Index which, for the first time, delivered really detailed data about what was happening in a football match and the performance of individual players.

“I was looking for social currency and the Opta scores from each game were becoming part of the conversation around every game. Our deal created the Carling Opta Index and it really broke new ground in the papers, on television...everywhere.”

With dataPOWA he appears to be breaking new ground once again with a product which delivers access to a broad range of essential live data about the sponsorship performance and value of clubs, leagues and sports, graphically presented in personalised dashboards.

“For years a lot of sponsorship has had a ‘hit and hope’ feel to it because the research and data which was available was difficult to access and extremely expensive for all but the wealthiest clubs and properties,” he said.

“We have deliberately made the POWA index really accessible with a price point of £2,500/\$3,500 because we want everybody to have access to the same level of information whether they

are Manchester United or Macclesfield Town. Multi-user license fees will be based on turnover.

“It is a very different product package from those offered by the major media monitoring and analysis companies.

“Our customers know their own business better than we ever can, so they are the experts...we are just providing a service which puts information at their fingertips and enables them to make comparisons and ask the right questions before making a decision,” he said.

The dataPOWA business model is based on volume of sales and Flynn says customers will be drawn from all sides of the sponsorship equation.

“For years a lot of sponsorship has had a ‘hit and hope’ feel to it because the research and data which was available was difficult to access and extremely expensive for all but the wealthiest clubs and properties.”

Michael Flynn | chief executive, dataPOWA

“The information we deliver is central to brands looking to identify the properties which will best deliver the engagement and audiences they need to reach. It allows them to compare the sponsorship performances not only of sports teams but to look at those against events and leagues so that they have all the information they need to make a decision.

“Naturally the agencies which advise brands will be able to use the POWA index to make better-informed recommendations to their clients and I feel the service could drive an improvement in the service offered by agencies which will be able to instantly look at a broader range of properties, helping to guide their in-depth research

and strategic thinking. Beyond that, I’m sure the next generation of executives will find intuitive ways to use this tool that we haven’t even considered yet.

“The POWA index also works for properties themselves as it enables them to compare their own performance as a sponsorship platform against their immediate competitors and against a wider range of opportunities. Our data highlights the areas in which a property is performing well or underperforming and enables them to take action to rectify any issues.

The POWA index additionally offers a bespoke service – delivered by experts who draw upon data generated by the system before applying a series of contextual cross-checks – which delivers an accurate assessment of the monetary market value of any given sponsorship.

“This is where we apply a necessary human element to support the technology and ensure that we deliver the most accurate figure possible,” Flynn explained.

“Together with all the other reference and comparison points delivered by the POWA index, this gives users the ability to negotiate deals more effectively.”

Flynn believes that the POWA index can change the sponsorship industry by making everybody working in it better-informed. It’s low price point puts timely, decision-critical information in the hands of all stakeholders in the sponsorship process, helping reduce the reliance on hunches and educated guesswork which has, to date, been an inevitable part of the process.

“This sort of information has never before been so widely available,” he said.

“We’ve lived in a world where supplying data on which decisions could confidently be made was the preserve of major research companies which charged big fees. That’s no longer the case and the POWA index has been designed to allow every subscriber to do their own effective desk research so that they can confidently focus on the big picture.” ○

GroupM shuffles the pack to make Two Circles flagship rights-holder facing agency

GroupM sells off ESP Properties and IEG in US and brings rights-holder business under Two Circles brand

Changes reflect evolution of the sponsorship industry towards a more digital, data-driven model

Restructure seen as scaling back of WPP's ambition to create a global sports marketing giant

Frank Dunne

The restructuring of WPP's sports marketing assets late last month suggests the world's largest marketing agency is no closer to achieving its ambition of creating a single, global sports marketing powerhouse.

In June 2015, WPP subsidiary GroupM launched ESP Properties with that objective in mind. A heavyweight management team was put in place, with former ISL, Kirch and Infront executive John Kristick appointed chief executive and former Football Association and Kentaro director Jonathan Hill brought in to run operations in Europe, Africa and the Middle East. WPP's sponsorship consultancy IEG, acquired in 2006, was folded into the business, as was the newly-acquired data-driven boutique consultancy Two Circles.

A key part of ESP's armoury was that it would be able to tap into WPP's constellation of advertising and marketing agencies to deliver brands to properties in a way few other agencies could.

"We have a very clearly positioned ESP Properties group to serve the rights-holder community on a global basis and it will be operated as a centralised business," Kristick told SportBusiness at the time. "We're the new kid on the block".

Kristick wouldn't say who ESP's rivals would be. But he didn't need to. WPP founder and chief executive Sir Martin Sorrell, who stepped down in April this year, had long made his ambition clear. "Effectively, there's an IMG within WPP," the man who started out as an account executive for IMG founder Mark McCormack had said. "If we pulled out everything we had in sport, we would have far more than IMG's revenues."



Founder Sir Martin Sorrell once dreamed of creating "an IMG within WPP" (Mark Runnacles/Getty Images)

Last month, GroupM sold IEG and the US operations of ESP Properties to Bruin Sports Capital's Engine Shop agency. The UK activities and few remaining employees of ESP Properties had already been folded into Two Circles last year. Kristick and Hill have been gone for a year and not replaced. GroupM will continue with the ESP Properties brand where there are existing client relationships in Italy and parts of Asia.

One independent sponsorship adviser said that "a very soft" sponsorship market had "put paid to ESP". He added: "There are a vast number of

sponsorship sales agencies out there and most of them are struggling, both for results and for differentiation. But Two Circles emerged when there was a sweet spot around data. It was a very smart business idea."

Phil Carling, managing director of football at the Octagon agency, owned by WPP's rival Interpublic, points out that while Two Circles has "the knowledge, the credibility and the clients" to continue growing as a specialist data-driven consultant, it is a very long way from being able to challenge the likes of IMG, Infront, CAA, Wasserman and Octagon. Its

turnover is thought to be in the low tens of millions of pounds. The revenues of the majors are measured in the hundreds of millions.

“As long as they are saying, ‘Two Circles are carrying the baton for us’, it means there is a short-term to long-term retreat from having a proper sports marketing player within the WPP portfolio,” he said.

Any interpretation of the restructure which includes notions of failure or retrenchment, however, is not one that the company shares. Dominic Grainger, the chief executive of GroupM EMEA and of the Sports Practice at WPP, sees it as natural evolutionary step.

“At GroupM, it was always our goal to give clients one holistic approach to how we work with sports rights-holders across the board and around the world – which is why we united our rights-holder facing businesses under the ESP Properties umbrella three years ago.

“In today’s data-driven environment we continue, through Two Circles, to help sports rights-holders in the US and Europe drive growth across every area of their business – including sponsorship, where our focus is helping rights-holders ensure they satisfy the demands of brands by delivering access to highly-engaged audiences effectively, and measurably, through rich digital channels.”

Tougher than expected

Michael Payne, the former marketing director of the International Olympic Committee, has been an adviser to WPP for over a decade and helped broker GroupM’s acquisition of Two Circles. Given the rapid growth of Two Circles since 2015 and its increasingly long list of blue-chip clients, Payne echoes Grainger’s view that to see the gradual phasing out of the ESP Properties brand as a failure is to misunderstand the nature of the company. But he does accept that creating a sports marketing monolith has proved tougher for WPP than many had anticipated.

“There is tremendous sporting knowledge and talent within the group but WPP has struggled to present a unified, coherent sports agenda. That’s partly because of the corporate structure, where the different units are competing against each other. People wouldn’t think

twice about putting IMG on a shortlist because of their wide experience. But a lot of clients don’t recognise the depth of sporting talent and knowledge within WPP. Part of the original vision of ESP was to be able to build that out. But with each of the agencies operating in their own silos, it proved more difficult than was expected.”

ESP’s struggle to leverage its relationships with other WPP subsidiaries has a precedent: Interpublic and Octagon. Launched by US advertising giant Interpublic in 1997, Octagon is now one of the established industry majors. But its first five to six years were fraught with difficulty. The word ‘synergies’ didn’t exist in those days but the much-vaunted benefits of being part of a constellation of advertising agencies simply didn’t materialise.

“There is tremendous sporting knowledge and talent within the group, but WPP has struggled to present a unified, coherent sports agenda.”

Michael Payne | adviser to WPP & former IOC marketing director

Octagon’s Carling explains why: “It all comes back to P&L. There is no way that you will get those big agencies to pay you money or allow you to share in the money that is being paid by a client because it affects their P&L. We found that pretty rapidly we were frozen out. The notion that you will create collaborative ventures always fails when it comes to dividing the money up.”

Some basic differences in how advertising agencies and sponsorship agencies work also became apparent. “The planning and buying model that has been built over the last 100 years is based on media commissions. There are established commission structures in everything from outdoor through to magazines and television. There is not a remote possibility that a planning and buying agency is going to want money coming out of traditional and linear media and going into things like

sponsorship, which don’t operate on the same kind of commission basis. It messes up their business model.”

He suggests that the lesson from the Interpublic experience, and from similar issues that WPP has faced, is: “Don’t go there unless you have worked out how everything gets paid for and you can create a collaborative environment in which everyone shares clients and provides the best possible solution for those clients.”

Two Circles

Two Circles is one of the success stories of the industry in recent years, a fact underlined when it was crowned agency of the year at last year’s BT Sport Industry awards. Founded in September 2011 by Matt Rogan and Gareth Balch, it set out to be a new kind of sports marketing agency: digital first and driven by data. It didn’t take long for the company to come across Payne’s radar.

“When I first saw what they were doing, it was the first company I had come across that had begun to properly identify the potential depth of digital mining and how to turn that into tangible products for sports bodies, connecting the dots and helping them to understand what it all means. My advice to WPP was that this is very much the direction the industry is going,” he said.

Expansion in North America will be helped by the launch of a Los Angeles office later this year, to add to the existing New York base. The agency has doubled its staff in London, from 50 to 100, since the takeover. But it is understood that GroupM has no plans to morph the company into a full-service agency by adding new disciplines to those areas where it has identified a successful niche business opportunity.

The new kid on the block turned out to be Two Circles rather than ESP Properties, at least as far as brand identity goes. It will be one of WPP’s multiple sports assets, alongside TSE Consulting, which is owned by WPP subsidiary Burson-Marsteller, and strategic stakes in companies Bruin Sports Capital, CSM Sport & Entertainment and the Mediapro agency.

Multiple, but separate. Sorrell’s dream of creating a new IMG from within WPP remains elusive. ○

Relevant Sports' International Champions Cup reaches 'the point of profitability'

Securing control of sponsorship and media rights crucial to organizer's commercial fortunes

Repeat business with stadiums and training centres leads to more favourable deals

Organizer says ICC is a money-spinner for clubs and a chance to leverage power over Uefa



Relevant Sports executive chairman Charlie Stillitano (Jan Kruger/Getty Images)

Bob Williams

Relevant Sports' International Champions Cup – founded by Miami Dolphins owner Stephen Ross and organized by veteran American soccer promoter Charlie Stillitano – has changed the face of the football off-season.

Consolidating series of club-organized mini-tours and one-off friendlies – and expanding upon US-based predecessors ChampionsWorld and the World Football Challenge – has created a global tournament in which Europe's elite now spend every summer.

The ICC attendee list reads like the Champions League last 16 and the tournament has become so desired that Turkish club Fenerbahçe offered to pay to take part this year.

According to Stillitano, the ICC is now “at the point of profitability”, though Ross's financial backing remains crucial to its success. Ross has invested over \$100m – “a good deal of money,” he told Time magazine in 2017 – over six years to keep the event going. “But I really believe that in the long term, this is what America wants to see,” Ross added.

The ICC replaced the World Football Challenge after Creative Artists Agency sold the rights to the tournament to RSE Ventures, Relevant's parent company, in 2012. Investment vehicle RSE was co-founded by billionaire real-estate developer Ross and his business partner Matt Higgins, a former New York Jets executive.

The competition has developed significantly since its 2013 launch, reaching a high with last year's El Clasico Miami, just the second staging

of a Barcelona-Real Madrid derby outside Spain (the first a largely-forgotten friendly in Venezuela in 1982).

Eight teams contested the first ICC across seven venues. This year's event included 18 teams in 23 venues over three continents (Asia, the US and Europe). A women's and boys' tournament have been added while next year there will be a girls event.

The ICC has always taken place in the US, with Asia staging matches since 2015. Europe has hosted four tournaments while Australia provided venues in 2015 and 2016. Clubs are willing to travel further during years when there are no major competitions such as the World Cup or European Championship. Last year there were seven games in Asia and none in Europe; this year, following Russia 2018, there were three matches in Asia and seven in Europe.

2018 ICC PARTICIPANTS BY POSITION IN THE DELOITTE FOOTBALL MONEY LEAGUE

1 st  €676.3m	2 nd  €674.6m	3 rd  €648.3m	4 th  €587.8m	5 th  €527.7m	6 th  €487.6m
7 th  €486.2m	8 th  €486.2m	9 th  €424.2m	10 th  €405.7m	11 th  €355.6m	12 th  €332.6m
13 th  €272.5m	15 th  €262.1m	21 st  €198.3m	22 nd  €191.7m	24 th  €171.8m	30 th  €157.6m

Source: Deloitte Football Money League 2018

The format has also changed over the years, moving from a group-stage competition with knockout rounds (2013-14) to a continental league-based competition (2015-17) to, this year, a single-league format with every team, for the first time, contesting three matches. Tottenham Hotspur won on goal difference after finishing on the same points as Borussia Dortmund and Inter Milan.

Some match-ups are specifically arranged, like the Manchester derby in Houston and El Clasico Miami, both in 2017. But the fixture list is largely determined by the continents and cities in which the clubs want to play, as well as the timing of their summer tours.

Participation the key cost

Participation fees are the majority of the ICC's costs, with clubs earning from \$3.425m (€3m) to \$6.85m a game. Clubs are paid different rates according to their stature and popularity, with Real Madrid and Barcelona getting more than Benfica or Lyon.

"You pay more for the Rolling Stones than you would for a smaller band," Stillitano tells *SportBusiness*. "It can be broken down to: the more popular the team, the more people will pay to go see

them and then they get paid a higher fee than their colleagues.

"Everyone fights for the rights of their own team and there are healthy, honest disagreements because a team may be widely popular in Japan but less popular in the States, and some teams are more popular in the States than others.

"It's candidly based on the history of the club, the legacy, what players they have now, how they are doing – it's our own model that's evolved over time, I don't want to pretend it's a computer model at all. Now we say, 'you're an A+ level team, you're an A level team, you're a B+ level team'. There's no one really lower than that and it all has to do with what translates to ticket sales and TV sales. It's not always easy to determine but the parameters are pretty easy ones."

Clubs' contracts contain a number of clauses that punish teams for not bringing their best players, and the clubs buy into this agreement in the main. "We try to always bring the best team available," says Bayern Munich chief executive Karl-Heinz Rummenigge.

Relevant no longer pays clubs' hotel and travel costs, but this is mitigated by greater participation fees. Stillitano says: "We still arrange the hotels, the

meals, the airline, their flights – we do everything. One of the benefits we have is because we are local and in a different market – the US or Asia – we will get hotel deals for them. We will show them three hotels and they will stay at the Four Seasons, the Ritz-Carlton or whatever and we will negotiate the fee for them. It's full service."

Stadium rental is the secondary cost. Relevant now enters into multi-year agreements with a number of stadiums and training centres, and the repeat business has led to more favourable deals. This year the ICC repeated four US venues from 2017 – the MetLife Stadium, Levi's Stadium, RedBull Arena, Hard Rock Stadium – plus five from 2016 that did not participate last year – Michigan Stadium, StubHub Center, Bank of America Stadium, Soldier Field and US Bank Stadium.

Stillitano adds: "Trust is a big part of it. We have become a very good client to the different venues: for training centres, hotels, et cetera, we are repeat customers. With the stadia, we have different relationships in that Mr Ross, as an NFL owner, has partners in different NFL stadiums.

"Because we are an annual event, we are treated more like a fixture on the

calendar. That helps as we've been able to cut better deals as they know we're going to come back every year. We now have a lot of cities that are interested in us and the visitors' bureaus go out of their way to help us."

On top of paying rent for the stadiums, in many cases Relevent will have to share match-day revenue with the venue owners as well. "In some stadia you will share concessions, in some you won't. Some you will share parking, some you won't," says Stillitano. "It depends on the different stadium deal and I would say they have got better over the years."

The ICC was noted for a dearth of sell-out games this year – partly due to number of stars resting after the World Cup – with Tottenham v AC Milan achieving an attendance of 31,264 in the 66,655-capacity US Bank Stadium in Minneapolis, and 29,195 fans coming to see Bayern Munich v Manchester City in the 65,326-capacity Hard Rock Stadium in Miami.

Relevent does its best to react appropriately to ticket demand by, for example, this year moving Manchester United v AC Milan from the Rose Bowl to the smaller StubHub Center in Los Angeles. But often the company's hands are tied by the demands of the clubs and host cities in which stadiums they play, as well as the multi-year venue deals.

"This is a World Cup year so we have our challenges," Stillitano concedes. "You always have to look at where the market's going, what year it is, what players are here – but it's really driven by where the manager and commercial department want to be and what the city is offering us. Sometimes they will say they want us at a certain stadium. It may seem to make more sense to be at a different size stadium but the city wants you somewhere specific."

Adding to Relevent's costs are sanctioning fees that must be paid to the United States Soccer Federation, set at five per cent of the gross gate receipts of every ICC match.

The 2012 ruling that the USSF has authority over foreign national and club teams playing in the US – and the right to charge organizers sanctioning fees – eats into Relevent's income.

"The sanctioning fees do affect your bottom line. I would be lying if I said it doesn't affect us," Stillitano says.

Relevent's revenue drivers

Having shelled out for the participation fees, stadiums and training centres and other related costs, Relevent has three main sources of income: ticket sales, media rights and sponsorship.

Ticketing delivers about two thirds of the ICC's income, and is by far the biggest income stream. A precise figure for total revenue is not available because of the complex income-sharing agreements in place with some stadium owners. However, Stillitano told *The Guardian* in July: "There were 492,000 [tickets] sold in 2013, 642,000 in 2014, 985,000 for 2015, 964,000 in 2016 and 903,000 for 2017. And we think this year we're on track for 1.1m."

"The most important thing is that Relevent is showing Fifa and Uefa that the clubs, together with a private company, can do the job maybe better than them."

Karl-Heinz Rummenigge | chief executive, Bayern Munich

Tickets often cost more than \$100, which has led in part to the lack of sell-outs. Stillitano defends the price points, saying: "Ticket prices are high compared to European games but they're not high compared to a Knicks ticket or a Broadway show. As we grow sponsorship and TV that will make it easier to pay the teams and it won't just be based on tickets. That's been the big shift over the years."

Sponsorship and media-rights revenues have risen since Relevent took control of these rights in 2014. In the first year of the tournament, 2013, teams retained the media rights in their home countries, with Relevent's remaining rights "not worth much" according to Stillitano. *SportBusiness* research suggests they were worth about \$600,000.

Relevent bought these rights from the teams the following year in return for

higher participation fees. By 2017, the tournament was generating closer to \$20m in media-rights revenue.

Stillitano says: "As our reputation grows we're getting better and better national TV deals. We've gone from six-figure incomes to good seven-figure incomes for national TV. It's changed drastically over the years. The fees have probably tripled over the past couple of years. As our reputation grows we're getting better and better national TV deals."

Greatest interest comes from European countries where the participating teams are located, and the US. "The rights fees in the States have come strong," he says of the deal with ESPN, which ran from 2016 to 2018 and was worth about \$1.5m in its final year.

"Before we almost bought time on TV – they were decent deals just to get the games on a good network, now we have several networks pushing to get the games and that obviously pushes up the fees."

"It's better that there's one company that makes deals with the TV stations," says Stefan Mennerich, Bayern Munich's director of media, digital and communications. "If Charlie is able to sell many matches to the TV stations in each respective region that helps to have negotiating power. That improves the income again."

Relevent tries to strike one-year deals for ICC rights, backing its ability to grow their value year-on-year. Multi-year deals are usually at the broadcaster's urging and come with steep escalators.

Participating clubs with their own channels, such as Manchester United and Liverpool, are given the option to buy rights.

Clubs, too, can also buy back sponsorship inventory in the stadiums, such as perimeter advertising, as Manchester United and Bayern Munich do for their respective partners Chevrolet and Audi. Rummenigge says: "In our case we have to involve Audi in perimeter sponsors at the games as our tour is called the Audi summer tour."

This year the ICC has 13 sponsors, with Heineken the main 'Presenting Partner' – having replaced Guinness in 2016. Avocados from Mexico, Hertz,

Hennessy, Konami, LaLiga, Mastercard, McDonald's and Rakuten, are the eight new 'Official Partners' for this year. As the tournament has matured, the ICC has been able to secure multi-year deals, with Ally, Gatorade, Vivid Seats and XYIENCE continuing as 'Official Partners' from 2017. Sponsorship revenue rose to around \$23m in 2016, an almost four-fold increase on 2014.

Stillitano says the ICC format itself has increased sponsorship revenue for summer friendlies. "Thinking back to the model when clubs toured not as the ICC but as a team, a lot of sponsors would say, 'we need you to do games in Malaysia or the US or China' wherever that might be and the club would go out and create a tour around that sponsorship," he says.

"When we bought all the home territory rights for TV, we bought all the sponsorship rights, too. That has really changed the dynamic of the tournament. Before it was a hodgepodge of club sponsors, ICC sponsors...now we can go out and monetize that. Heineken is a good example. They didn't have an interest in single games but because now it's a tournament and each team play three games and we're tied together between Asia and the US, Heineken is now interested."

From next year, Relevent will try to help some clubs with their overseas commercial endeavours via a subsidiary called Relevent Plus, providing activation for teams and their sponsors.

Stillitano says: "We found that a lot of clubs would hire outside agencies that would provide watch parties or sponsor events. Relevent Plus is an opportunity for the clubs to hire us to do the actual events. It makes a lot more sense as we can do it cost-effectively and we can integrate it into our marketing. We want to give more to the teams than just taking care of them in pre-season, we want to give them activation around their sponsorships and brand. It's been very well-received thus far."

Power to the clubs

There are several advantages to major clubs participating in the ICC, of which the fees are only one.

It also takes some of the effort out of planning summer tours. "It's

much better to have someone who co-ordinates everything: the dates, the stadium, the organization here in the country," says Bayern Munich's president Uli Hoeness.

Stillitano notes: "When you are running a tour yourself...and you are in a new territory, it's never easy. We're able to work with their people and give them some comfort, and that comfort leads to trust."

Almost immediately after one tournament ends, the clubs let Relevent know which continent they intend to play in the following summer, generally Asia or the US. Only then can a preliminary fixture list be formulated.

Relevent also arranges summer friendlies outside of the ICC, such as Manchester United's matches against Club América at the University of Phoenix Stadium and against San Jose Earthquakes at Levi's Stadium.

"Some managers, like Jose Mourinho, will ask for two games outside the ICC. We still arrange that and take the risk on that. That's almost a courtesy to the manager and the club," says Stillitano. "You don't want those teams putting on a game in a market where you're going to be so you may as well deal with the logistics of those games too."

Playing in the ICC also increases Europe's top clubs' leverage with Uefa, the continent's football governing body.

Plans for a European Super League date back to 1998 and rumours of a breakaway have continued ever since. Stillitano and Ross play a small but significant role in this ever-evolving situation. In 2016, to much controversy, Stillitano held talks in London with representatives from Arsenal, Chelsea, Liverpool, Manchester City and Manchester United – nominally to discuss the ICC but the formation of a super league was also on the agenda.

It wasn't long after that Uefa made life easier for the top clubs of its top four leagues – England, Germany, Italy and Spain – by making qualification easier and giving greater payouts for long-term success.

Stillitano insists Relevent maintains "a strong relationship" and "good friendship" with both Uefa and Fifa but he admits the ICC helps maintain a sense of "collegiality and camaraderie

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between the big European teams".

Bayern, for one, agree, with this sentiment. "The ICC is thinking in the same direction as the big clubs," Rumminge says. "The international clubs like each other – there are big friendships. So it doesn't matter which club you play because most are friends of ours and it's nice to meet them in a convenient way without the pressure of playing each other in the Champions League.

"The most important thing is that Relevent is showing Fifa and Uefa that the clubs, together with a private company, can maybe do the job better than them."

Hoeness adds: "Sometimes it's not so bad to have a second option in your pocket." ○

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