



Back on track?

NASCAR SEARCHES FOR THE
ROUTE BACK TO RELEVANCE



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New EU Copyright Directive leaves rights-holders and platforms dissatisfied

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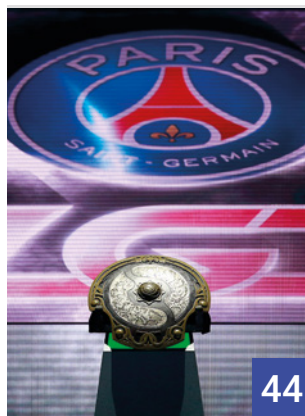
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05-10 MAY | GOLD COAST SPORTACCORD

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worldstadiumcongress.iqpc.ae

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Nascar searching for new ways to return to relevance after decade of decline

Organisers admit they 'lost their way' by alienating the racing series' core fanbase

TV ratings and attendances down significantly, while many sponsors have left

Changes in schedule and sponsorship model among initiatives to revive series



(Dylan Buell/Getty Images)

Bob Williams

Nascar is at a crossroads. Faced with declining attendances, lower television ratings and an exodus of corporate sponsors, the stock-car racing series' organisers are desperately looking to arrest the alarming slide in its popularity and commercial fortunes. It is an enormous challenge with an uncertain outcome.

Recent statistics make for grim reading. In 2017, ticket revenue at Nascar's three publicly-listed track operators – International Speedway Corp, Speedway Motorsports Inc and Dover Motorsports – dropped for the 10th consecutive year, to \$215.1m (£190m). Since 2007, when their

combined ticketing revenue reached a high of \$467.4m, it has fallen 54 per cent.

Last year, the showpiece Monster Energy Nascar Cup Series averaged 3.3 million viewers across 33 races on NBC, Fox, NBCSN and FS1, down from 4.1 million viewers in 2017 and 4.5 million in 2016. Overall, TV ratings are down 45 per cent since 2005.

Sponsors, meanwhile, are jumping ship and those that remain are paying far less than they used to. In 2016, Monster Energy paid a reported \$20m a year to become Nascar's title sponsor, far less than predecessor Sprint, whose original 10-year deal was worth up to \$75m annually.

Last year, home improvement chain Lowe's shocked the sport by announcing it would no longer sponsor seven-time

champion Jimmie Johnson and was leaving Nascar altogether. Meanwhile, Furniture Row Racing, the team of then reigning Cup Series champion Martin Truex Jr., announced it would cease operations at the end of the season after 5-hour Energy revealed it would not renew its sponsorship for 2019.

Other corporate giants who have withdrawn in recent years include Aaron's, Best Buy, Dollar General, GoDaddy, Great Clips, Home Depot, Subway, Target and UPS.

Amid declining attendances, sportswear retailer Fanatics last year brought an early end to a 10-year deal to sell Nascar merchandise at race tracks. And in January 2019, Nascar laid off 50 employees in order to cut costs.

Much like Major League Baseball's

national attendance decline, there is no definitive problem and, in turn, no single fix. Among the varying reasons given for the downfall are: the recession of 2008-09, which badly hit the discretionary spending of its core fanbase; the retirement of big-name drivers Jeff Gordon, Tony Stewart, Carl Edwards, Dale Earnhardt Jr. and Danica Patrick over a three-year span; the alienation of traditional fans by constant tinkering with the format and NASCAR's expansion away from its Southern roots to new markets like Las Vegas; and a general struggle to attract the coveted 18-34 demographic.

There has been trouble at the top, too. Chief executive and chairman Brian France has been on indefinite leave since August 2018 after being arrested on charges of drunk driving and drug possession. His uncle, Jim France – the youngest son of NASCAR's founder Bill France Sr. – has taken over his responsibilities in the interim.

The France family – which has run NASCAR for 71 years – has asked Goldman Sachs to explore a sale of its holdings and made a reported \$1.9bn offer to buy ISC, which operates 13 active tracks, to facilitate this move.

NASCAR's media rights remain a bulwark against the decline elsewhere. Its broadcast deals with Fox and NBC,

which are worth \$8.2bn over 10 years, do not run out until 2024. But it is clear the clock is ticking as NASCAR looks to turn its fortunes around.

“We let it get too fancy...we took the twang out of the banjo and that really hurt us.”

Humpy Wheeler | former president and general manager, Charlotte Motor Speedway

NASCAR president Steve Phelps recently admitted that organisers “probably lost our way” by ignoring the needs of hardcore fans. “We have to change this perception that’s out there, ‘Hey, NASCAR’s best days are behind it,’” Phelps told the *Daytona Beach News-Journal*. “We’re not going to make everyone happy. We can’t. With that said, at its core we need to make sure we’re taking care of our longtime fans. That’s critical for us.

“Our philosophy – which was wrong – was ‘hey, don’t worry about it, the hardcore fan is going to be there regardless, so let’s change our brand and try to do things differently that might make it feel more modern’. We were chasing a different fan that was outside of this core base. What we need to do

today is make sure we’re giving those core fans what they want.”

Glory days in the rearview mirror

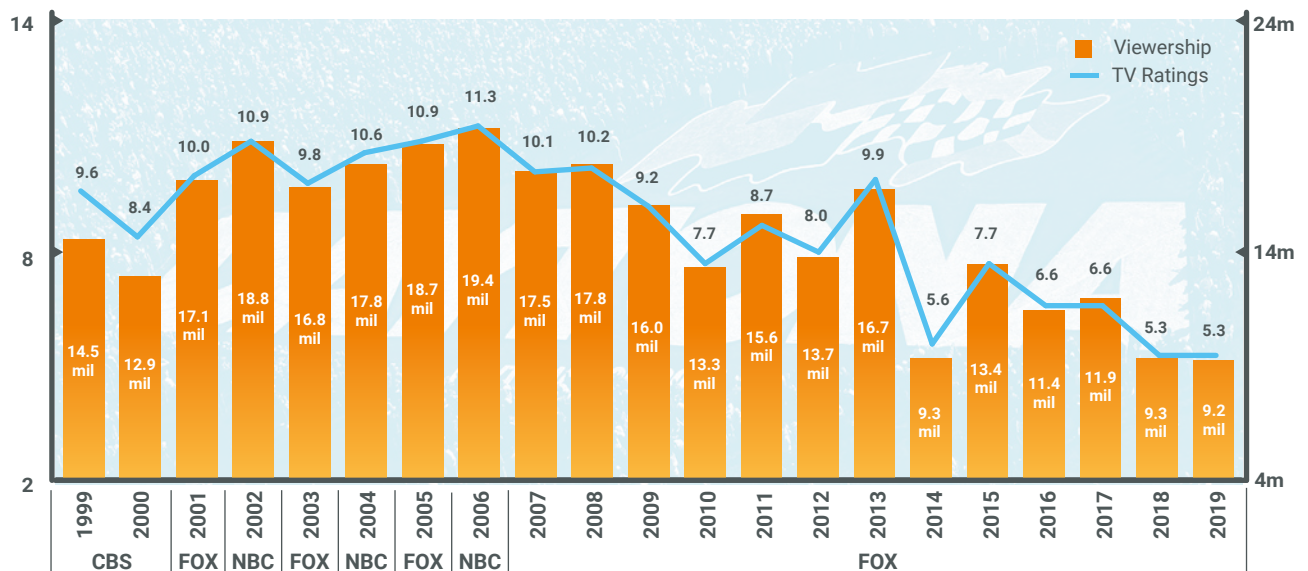
NASCAR – officially the National Association for Stock Car Auto Racing – reached its peak in popularity in the mid-to-late 1990s and early 2000s, fuelled by the intense rivalry between Gordon and Dale Earnhardt Sr.

The latter’s death – in a final-lap collision in the Daytona 500 on February 18, 2001 – badly rocked the sport but did not irrevocably harm its growing national popularity and move into the mainstream.

In 2005, NASCAR was named ‘America’s Fastest Growing Sport’ by Fortune magazine. A year later, the Daytona 500 – regarded as the most important and prestigious race on the NASCAR calendar – had its highest-ever TV audience with 19.4 million viewers.

Between 1997 and 2007, Brian France expanded NASCAR into big-city markets such as Chicago, Dallas-Fort Worth, Los Angeles and Miami, but the search for new fans didn’t pan out as intended. The Auto Club Speedway in Fontana, California [outside Los Angeles] lost one of its two races in 2011 amid sagging attendances, while in 2014 its grandstand capacity was reduced from 92,000 to 68,000.

DAYTONA 500 RATINGS AND VIEWERSHIP TRENDS 1999-2019



Source: Fox Sports



Fans pack the stands April 18, 2004 to watch the NASCAR Advance Auto Parts 500 (Messerschmidt/Getty Images)

More significantly, this initiative began to alienate Nascar's core audience, predominately working-class families based in the South and Mid-West. "The sport has tried very hard and diligently to grow itself. For about 50 years it was a very regionalised sport, being based in the South-East. The decision to grow and race in new markets was the right one but along the way the sport has not been able to convert new fans," Ramsey Poston, Nascar's former managing director of communications, tells *SportBusiness Review*.

"During this expansion, the sport somewhat got away from its roots and shied away from its Southern heritage. Jack Daniel's is an iconic American whiskey from Tennessee, and it has the same goals as Nascar – it wants to expand its brand. When Jack Daniel's sells its brand in New York, Chicago or Los Angeles it doesn't pretend not to be not from the South: it is unmistakably from Tennessee. So people all across the country and the world drink Jack Daniel's because of its brand.

"I think in some way Nascar got away from its brand. Nascar was created by outlaws from the South and that's

an important part of the brand that should be brought back to get people's attention again and get excited about the sport."

"...Nascar got away from its brand. Nascar was created by outlaws from the South and that's an important part of the brand that should be brought back."

Ramsey Poston | former managing director of communications, Nascar

It is an opinion shared by Humpy Wheeler, former president and general manager of Charlotte Motor Speedway. "Racing was a home-grown sport born in the South, looked upon by the everyday person as their sport, and quite frankly we let it get too fancy," Wheeler says. "We took the twang out of the banjo and that really hurt us. We got a bunch of people in management who didn't realize you need to leave a bit of country in what we were doing."

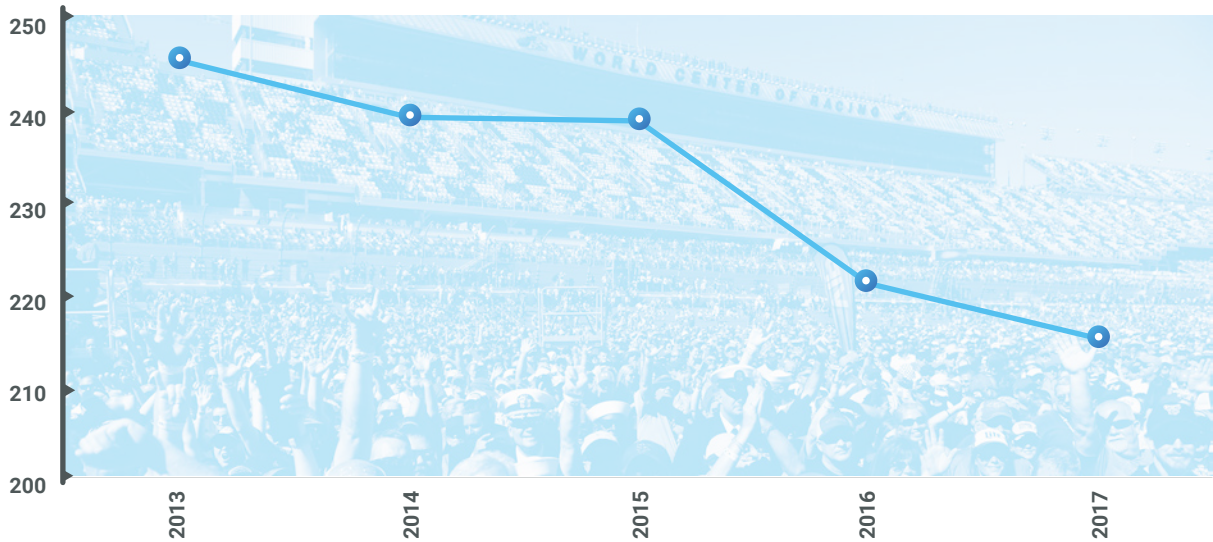
The economic downturn of 2008-09 represented a turning point in Nascar's commercial fortunes: the recession hit fans hard and many were left without the disposable income – to pay for hotel rooms, petrol and food costs – to attend races. According to 2009 Nielsen figures, 35 per cent of Nascar fans earned less than \$40,000 a year, compared with 21 per cent for the NHL and 26 per cent for the NFL.

Nascar stopped its policy of tracks providing estimated attendances after the 2012 season, when it became clear that crowds were significantly shrinking. According to Nascar estimates, attendances declined from a high of 4,670,400 (129,733 per race) in 2005 to 3,518,000 (97,722) seven years later.

As a result, track owners significantly cut their capacities – tearing down thousands of seats at venues such as Charlotte, Dover, Daytona, Michigan, Talladega and Richmond – to minimise the number of empty grandstands.

In an attempt to turn things around and win fans back, Brian France began to tinker with the rules, regulations and formats. This included: stage racing, in which each race is broken down into

TICKET REVENUE AT NASCAR'S MAJOR TRACK OPERATORS (\$M)



Source: Based on figures provided by Nascar's three publicly-traded companies: International Speedway Corp, Speedway Motorsports Inc and Dover Motorsports.

three points-scoring segments; and The Chase for the Championship post-season, which has undergone numerous tweaks after being introduced in 2004.

“There were generations who made Nascar a lifestyle and made it a choice to plan their vacation and off-time to attend events. In the downturn in 2008-09 the people who were hurt the worst were the socio-economic demographic that Nascar attracted,” says Mark Coughlin, a former motor sports marketing executive.

“When those incomes were threatened and the downturn came, these people had to make hard choices

which were not spend their money and time on race weekends. And then at the same time they didn’t like what was happening with rule changes.

“A lot of traditionalists were turned off by The Chase and then coupling that with stage racing. While it creates excitement, I think the hardcore saw it as artificial and manufactured excitement rather than straight-up competition. I don’t think this was the edge-of-the-seat thing that fans were calling for.”

Compounding Nascar’s woes, a star-power vacuum was created following the retirements of many of its leading

drivers in close succession and a failure to successfully market its new stars. “A lot of sports have ups and downs [and] with racing it’s a simple matter of stardom,” adds Wheeler. “What we need desperately right now is a Muhammad Ali, a Joe Namath, someone who can come in and get those people in the grandstands rocking. Unfortunately, we don’t have that person today. We may have them but they haven’t blossomed yet.”

Plans to turn the corner

Nascar cannot make any structural alterations to its marathon 36-race, February-to-November schedule until 2021 at the earliest, when several pre-existing contracts with track owners expire. But it appears that wholesale changes are on the way, including double-headers, midweek races, a tightened schedule, shorter races, and even a potential shared event schedule with IndyCar.

“I think there will be some meaningful changes our fans will like,” Phelps told the *Arizona Republic* in March. “What it looks like in 2021 and beyond, everything’s on the table. Do I think we potentially could end our season earlier? I do. Is it to avoid the NFL? The NFL is a big player and they drive (TV) ratings and our ratings are typically a little lower during that



The retirements of Danica Patrick (left) and Dale Earnhardt Jr., among other drivers, hit Nascar hard and left a star power vacuum (Jerry Markland/Getty Images)

time. There are a lot of crossover fans between Nascar and the NFL. Could we look at a pull-up? It's something that we would entertain."

Many Nascar experts believe that less is more, not least because of changing media-consumption habits. "We need to cut the length down of the races. The public today, in particular the young public, is not into long-distance anything. We've got to get into the new century," Wheeler says.

Potential cuts to the races and the schedule are likely to affect commercial opportunities, however. "When you start cutting laps out of a race you cut out potential advertising revenue. That is the pause people give but I do think less could be more," says Poston.

"It seems to me that if they were able to lose 10 races and get to 26 races you might be able to get more bang for your buck that way. There are ways of trimming the sport in a few ways that would make sense such as running fewer races and not competing with the NFL."

Until then, several Nascar tracks are trying to get creative in order to improve the fan experience and keep people returning. Michigan International Speedway, for example, recently announced it would entertain

"I think one of the challenges Nascar has is that all entertainment venues are about the fan experience. That is key."

Ashlee Huffman | general manager, CSM Sport & Entertainment

race fans with: a human cannonball, duelling pianos, face painting, a magician, an aerial act, a trampoline show, a lumberjack show, bingo, a cornhole tournament and strolling street performers.

Improving the fan experience is long overdue, says Ashlee Huffman, general manager of branding agency CSM Sport & Entertainment. "I think one of the challenges Nascar has is that all entertainment venues are about the fan experience. That is key. You see all these venues making updates and all these stadiums being built with the newest technology and focusing on the fan experience," Huffman says.

"Where Nascar is at a disadvantage is a lot of its facilities are older and while they've done a good job on making improvements on those that need updates, it is huge investment to

integrate those different technology points and fan experience opportunities. They could put more focus on what fans want to get that better experience."

On the sponsorship front, Nascar plans to entirely revamp its strategy from 2020. Out will go the title-sponsorship model – Monster Energy signed a one-year extension until the end of 2019 – with the premier circuit likely to be called simply the Nascar Cup Series. In its place would be a multi-partner, multi-tier approach.

Nascar is looking for around five top-tier partners but this will be dependent on agreeing the central sale of assets – such as individual race title sponsorships – currently sold separately (by the tracks themselves, in this case).

If so, Nascar will be able to offer several more expansive partnerships that include broadcast integration, track title rights and camera-visible signage, the use of Nascar logos on products, a digital and social-media presence on Nascar channels and at-track activations.

With additional inventory offering companies more consistent exposure over the series, Nascar hopes to earn far more from the top-tier than the \$20m annual sum it currently earns from Monster Energy. A tier-one





package – for new sponsors at least – is expected to be offered for \$20m annually, including \$15m worth of assets across the league and tracks, plus a minimum \$5m media spend.

Coca-Cola, one of the most visible partners in the sport, is considered a prime candidate to land one of the top-tier spots, along with heavy spenders Monster, Sunoco and Mobil 1. Under the plan there would be up to five tiers, with lower-tier partners getting less valuable assets.

“In the past it has been really hard to aggregate the rights you need across the landscape to put your best activation plan forward,” says Jimmy Bruns, senior vice-president of client services at GMR Marketing, who has 14 years of NASCAR marketing experience. “Nascar [changing the model] will simplify the process to help new sponsors to come into the sport in a more simplified way and to really leverage their entrance.”

In its attempts to engage current fans – and gain new interest – Nascar has tentatively embraced the new sports betting landscape in the US. It has allowed teams to take sponsorships from sports betting companies and has partnered with Sportradar Integrity

Services to develop a comprehensive gambling policy intended to protect the sport from cheating scandals.

Dover International Speedway – which has an alliance with the adjacent Dover Downs Hotel and Casino – became the first track to host on-site betting last October, following the legalisation of sports betting in Delaware. Track owner SMI and EquiLottery Games, meanwhile, announced plans in February for Car Clash, a three-number lottery draw game based on race results.

Nascar’s fanbase is among the oldest of any American sports property, with an average TV audience age of 58 in 2017, up from 49 in 2006. It is partly for this reason that the series has embraced esports in an attempt to attract younger fans to supplement its older core.

In December, Nascar partnered with Race Team Alliance and *Nascar Heat 3* publisher 704Games to launch the eNascar Heat Pro League, which features 14 teams, with two competitors each, owned and operated by prominent Nascar race teams.

There is some skepticism over the effect this initiative will have. “Every traditional sport is trying to tick the

box with esports. It will bring in a very small trickle of fans,” says Mark Coughlin, chief revenue officer at Envy Gaming, which runs Overwatch League team Dallas Fuel.

“If you look on Twitch and look on what games are there, all of the traditional games were less than one per cent of viewing hours. And EA has spent millions on trying to make *Fifa* and *Madden* work, but they haven’t gotten anywhere. I think you have to check that box and make an offering, but it is not going to cure your ills. I don’t think a driving game is going to attract a kid into your sport.”

As part of its content and marketing strategy, Nascar is also investing more in emerging formats such as augmented reality and 360-degree video, which gives viewers a look inside the race cars of various drivers during races. Nascar also aims to increase its production of content for social media platforms from 18,000 pieces last year to more than 25,000 this year.

With the media-rights contracts running out in 2024, Nascar’s owners and teams need to turn things around before then to ensure its commercial prosperity in the longer term. “The TV renewal will be very important to the health of the sport moving forward. When you look at the broadcasters, I doubt they think they are getting the return on the investment that they wanted, so they may take a new look at how the sport is broadcast in the future,” says Poston.

In February, Jim France reaffirmed his family’s commitment to Nascar. But with reports that Boston Red Sox owner John Henry is exploring buying a minority stake in the series, Nascar’s future is likely to be largely shaped by whether or not the France family decides to sell some or all of its stake. Their silence on the matter has fuelled uncertainty and speculation.

Despite all these problems, there remains a quiet belief in Nascar circles that the issues are not terminal. “Are the crowds anything like they were in the 1990s and early 2000s? No. Is the top-of-mind awareness where it was back then? No,” says Coughlin. “But I think many are hopeful [it will be possible] to stop or slow the bleeding.” ○

A top-of-the-league career pathway

Greg Sullivan, director of Ohio University's Professional Master of Sports Administration, believes courses need to be flexible, timely and adapt to the busy lives of their students if they are to flourish in a competitive space.

Amid the explosion of sports management-related courses worldwide in recent years, Ohio University's Professional Master of Sports Administration (PMSA) has consistently stood out as an international benchmark.

In 2018, for the sixth time in seven years, the US university emerged at the top of the overall SportBusiness Postgraduate Course Rankings.

According to Greg Sullivan, director of the university's PMSA, institutions worldwide need to focus on the structure of their degrees if they are to offer students a credible vehicle for boosting their career aspirations in sports administration.

Flexible structure

"There are varying levels of quality for graduate sport administration degrees, particularly for online programs," he says. "Many offer the quickest path to a master's degree and don't differ very much in content from many undergraduate programs. There are other programs that stand out in what they can offer to graduate students and we strive to be one of those programs.

"We are constantly modifying and adjusting our curriculum to ensure that our students earn a degree that is useful and directly applicable to their current positions. At Ohio University we are very fortunate that we have a very active and engaged alumni base that assists us in providing cutting-edge information and applied projects in such areas as esports, data analytics and sports gambling."

The online program's flexible approach is centred on the knowledge that many of the students are already working in the sports industry and therefore have pressing existing commitments.

For example, for students who



Greg Sullivan

work with the NCAA Men's Basketball Committee, the course leaders make a conscious effort to shift the bulk of their workload away from the spring semester, when March Madness – the pre-eminent college tournament of the year – understandably monopolises their time.

"Without sacrificing academic rigour, we understand the demands of working full-time in sports," Sullivan says.

The university has embraced online resources as a key part of its strategic plans, but in-person experiences continue to play a vital role.

"Improvements in technology have made online learning a rich academic environment, offering adult learners the flexibility to earn a degree from the oldest and most established sports administration program in the world," Sullivan adds.

"Certainly, that opportunity would not exist for many of our students without an online program. However, the need to connect with others in more tangible ways shouldn't be ignored. Throughout our 21-month program we offer residencies on campus that provide the

opportunity for students to bond with each other and our on-campus students."

Motivation

Sullivan adds that there is always the potential for a student's motivation to wane as they juggle a multitude of personal responsibilities. However, those behind the program are keen to ensure the right foundations are in place to minimise the chances of such a scenario.

"The research regarding student motivation is very robust and focuses on the satisfaction of three very important needs," Sullivan says. "The first is the need for competency. Students need to perceive themselves as being capable of doing quality graduate-level work. Our instructors provide quick, meaningful feedback to our students to highlight what they have done well and with strategies for continued improvement.

"Secondly, students need to perceive themselves as being autonomous. We allow our students a voice in how the program is run, the projects on which they work and the academic and social content of our residencies.

"Finally, there is the need for belongingness. Despite being located all around the United States and the world, our students feel like they are part of a group and they are not working in a silo. Group work is encouraged in most of our classes and, of course, the residencies are as important for their social aspects as for their academic goals."

Underpinning the university's feeling of belonging is its unrivalled network of graduates – many of whom are now sports industry leaders.

"It is unlike any other network in the sport industry and cannot be duplicated by any other sport administration program," Sullivan says. "It is truly Ohio University's competitive advantage." ○

“We signed off a \$125m deal in just four weeks” | Stephen Duval, 23 Capital

Ahead of his appearance at the Sports Decision Makers Summit in Miami on May 7, 23 Capital co-founder **Stephen Duval** discusses how a creative approach to finance has opened the door to funding in the sector.



Kevin Roberts

Many words have been used to describe the finance sector over the years but ‘creative’ has rarely been among them – except, perhaps, in a pejorative way.

But at the central London headquarters of 23 Capital they take a different view.

“Creativity is an important aspect of so many elements of business so why shouldn’t it be applied to finance as well,” says Stephen Duval, who co-founded the company four years ago and has overseen its stratospheric growth.

“When we talk about creativity, we are talking about creating new IP that we can monetise and about structuring deals in ways which have not been thought of previously.”

That’s important at a time when the fusion of sport and digital technology has left the sector ripe with commercial possibility.

According to Duval it is an area that the traditional finance sector still tends to be wary of. Too often the deals and opportunities fall outside tried and tested frames of reference and, by custom, practice and instinct, many institutions are reluctant to take the path less trodden.

“It’s a world that, by and large, traditional lenders don’t understand,” he says.

And even if they do take the trouble to learn, he believes they are simply not nimble enough to meet the demands of the market.

All of which has helped 23 Capital carve out a position as a leading

provider of finance to the sports and entertainment sectors. Since its launch the company has advised and funded \$2.7bn (€2.4bn) of deals with many more in the pipeline as it prepares to celebrate its fifth anniversary. Duval was at university when he wrote a business plan based on monetising athletes’ assets. It was, he explains, based on the idea that, if it is possible to issue bonds on behalf of an artist or a new stadium, why not take the principle to the next stage and look for additional ways of monetising receivables?

Post-university, Duval joined the Sydney 2000 Olympic Games Organising Committee team before going on to work for IMG and others, acquiring the deep insight that has enabled him and co-founder Jason Traub to develop their distinctive offer to the sector.

“Those lenders have never really been in this sector because they like to look at EBITDA, years and years of data and tangible assets that they could sell tomorrow like a mortgage,” Duval said.

“Sports, music and entertainment have never been culturally aligned to finance in the way that we are. To be a lender to the sector you must understand the sector and that allows us to structure deals in ways which may not have been thought about previously,” he says.

It is, he says, a liberating place to be right now.

“People come in here to talk about a deal and their eyes don’t glaze over. They don’t have to go through unnecessary approvals and processes and, in fact, I’m proud of the speed we move at.

We signed-off a \$125m deal in just four weeks, which is unheard of.”

So how does it work?

23 Capital, which lists Quantum Partners LP, a private investment fund managed by Soros Fund Management, among its shareholders, has access to a reservoir of capital provided by a range of institutions and will lend against identifiable revenue streams. And that’s where the deep sector knowledge and experience comes into play.

“If a football club is building a new stadium and looking to raise finance from a traditional lender, typically they will look at the value of the property or other fixed assets. At 23, we understand a club’s ability to drive commercial value through other revenue streams such as IP and sponsorship, and these can provide an asset base which we would look to lend against.

“For me, as co-founder, it is exciting to build a brand which opens the door to capital to our clients. We are at the frontier of finance here and although we are not the first [in this space] we are the first to have structured our brand around it.

“We have access to capital from senior debt right through to equity and the ability to offer reasonably-priced capital makes it very liberating,” he says.

Some 70 per cent of 23 Capital’s business is in football and, across the board, most is based on transfer fees and broadcast rights.

These are, says Duval, exciting times to be working in sport. The company

focuses only on the top end of the market – ‘Premier League or equivalent’ – and has become one of the biggest cross-border lenders in football.

“Sport has changed. Because of Financial Fair Play and the more professional way that people run their businesses there is more ability for investors to come in. While lending in the sector has not become commoditised – like credit cards – there is security and systemic protection in the market now. Revenue from an IP rights deal with, for example, the NBA is locked in at the top level and that’s AA corporate protection,” he says.

There is also a level of resilience in sport and entertainment that isn’t evident in other sectors.

“During the last recession trillions just fell off a cliff but the sports and entertainment industries didn’t,” Duval says.

“Premier League TV rights grew through the last recession and it is often said that, when times are hard, the last thing people get rid of are their football season tickets and TV subscriptions. In hard times people want to escape and sports and entertainment are key to that.”

Duval sees the power of technology and the impact that has on the commercial power of players as an engine driving the sports sector and the company has already completed deals on behalf of the major US leagues’

players associations.

“With the explosion of technology and social media the power is certainly going back to the players who are able to communicate directly with their fans,” he explains.

Duval and 23 Capital have already made a significant move in this area with the launch of Otro, a ‘digital fan club’ featuring some of the biggest names in world football including Messi, Neymar and Dele Alli along with the likes of David Beckham, Zinedine Zidane and even Eric Cantona. Its roster of 17 current and former players have almost a billion social media followers and with an app successfully launched and more players due to come on-stream he is confident it is a compelling offer for fans.

“The idea came to me when I was watching a Champions League quarter final in Barcelona. I sat there watching all these great players on the field and wondered what had happened to ‘old school’ fan clubs which took you not just behind the scenes at clubs but into the lives of players.

“Otro delivers highly-created content to provide a shared experience that fans simply won’t get anywhere else and a monthly subscription [currently \$3] gets you access to all the players,” he explains.

“Technology in all its elements is unbelievably exciting for sport right now and is creating real growth through fan engagement.” ○



Eric Cantona on set for ‘digital fan club’ Otro, one of 23 Capital’s major investments (Gareth Cattermole/Getty Images)

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Eurovision Sport, a division of the

European Broadcasting Union, has contracts with 30 summer and winter sport federations covering over 200 events per year. “We are ready to partner with federations and events to take their sport to the next level. Our acquisitions and portfolio development team work together with our partners to develop an overall strategy with a long-term vision of growth. And not to forget, we guarantee an attractive financial perspective as well as a reliable and stable income!” Kürten explains. “Top quality broadcasting with a wide audience reach is always at the core of our offer but don’t think we are only first screen. We work on all platforms including radio, alongside powerful digital solutions. Through a combination of exclusivity and partnerships with other players when needed, we are able to operate on all levels subject to the specific needs of the sports.”

Fundamental to realizing this potential is the 360° range of services that are available for Eurovision Sport’s federation and event partners. “In order to grow audiences, all platforms

and opportunities to engage audiences need to be utilised,” Kürten says.

“Content and Servicing is a key pillar of Eurovision Sport and our experienced team advise on many areas, including digital strategy development and community management in support of broadcasting. Working closely with our partner Eurovision Services we are able to offer VR applications, OTT solutions and content sharing platforms amongst many other services.”

“We are operating globally, don’t be led into thinking we only cover Europe,” adds Stefan. “We have a proven track record expanding sports worldwide.

Our specialist Sales team seeks out partnership solutions in Europe, both broadcast and social media solutions, and manages deals with leading broadcasters in China, America, Australia, South America, Japan, Africa and Korea amongst others. This opens up the whole world for federations and events to explore, so there really is no limit to where we can take you.” www.ebu.ch/eurovision-sport www.eurovision.net

Clubs have 'massive' room to improve in driving merchandising via social media

Research suggests clubs across the UK need major rethink of how they convert social engagement

Social media allows granular segmentation of audience and targeted retail marketing

Somerset County Cricket Club achieve biggest gains through clear brand definition



(Craig Mercer/MB Media/Getty Images)

Adam Nelson

Increasing social media reach and engagement has become a huge priority for sport rights-holders in recent years. Many properties have taken a long-term approach to reaping the rewards from social media, but there are more immediate gains to be had – gains which sports clubs across the UK are currently struggling to make, according to recent research from marketing agency Red Hot Penny.

“Most, if not all, sports clubs now have a retail arm in some form or another, but we found that very few were using their social channels adequately to direct followers to spend money directly with their club,” says Red Hot Penny’s head of marketing Russ Powell, who oversaw the research behind the Social Scorecard report. “Diversifying revenue streams has

become a priority for all levels of sports teams, who are now not just selling replica shirts and scarves, but leisurewear and fashion pieces as well. From our research, we feel there are still massive improvements to be made in the way clubs are promoting these product lines.”

The report analysed the Instagram, Facebook and Twitter profiles of 80 professional sports clubs across the UK and Ireland, from the behemoths of the Premier League to much smaller outfits in the Elite Ice Hockey League. Teams were ranked according to various factors, some fairly standard social media measures – such as average post engagement and overall engagement rates – and some novel to this report, such as followers per seat, which measures how many times over a team could fill its home stadium. It then performed a qualitative analysis over

the ‘Black Friday’ weekend – one of the busiest shopping periods of the year – looking at how clubs were using their social channels to direct fans to a retail site or to make a purchase.

Retail in need of revolution

While Powell says there were several surprises to emerge from the research, the biggest was simply the lack of focus clubs have placed on boosting retail revenues through social media.

“It’s really one of the areas that clubs are falling down at the moment, in that they’re not placing much emphasis on driving sales despite often having these highly-engaged audiences,” he says. “There were very few club profiles that linked to a retail site. And even when clubs were posting retail-type posts to promote a new kit or new bit of merchandise – which were few and far between – even those often weren’t

going directly to a shoppable site.”

Many clubs operate extensive retail operations – either independently or in collaboration with a licensed merchandise partner like Fanatics – but the lack of sophisticated strategies for transitioning fans from social engagement to actually making a purchase means a majority of sports teams are leaving money on the table, says Powell.

A more cohesive approach to retail can provide a crucial revenue driver throughout the calendar, both during the off-season and in between matchdays. “Obviously, clubs aren’t retailers, per se,” he says. “But they are retailing, and they need to start shifting towards a retailing mindset. There’s no point going big for a kit launch and selling all your kit in that two-week period, and then doing nothing for the rest of the season. It’s about driving consistent retail returns throughout the season. The holy grail for sports teams is driving online, non-matchday purchases. Clubs need to rethink their retail approach to be able to do that more effectively.”

Jon Ford, a senior consultant at digital sports agency Seven League who has worked extensively with Tottenham Hotspur – placed third on the Social Scorecard ranking – says a major part of the problem is simply that the sport business is playing catch-up to how the public is using social media platforms and mobile devices.

“Traditionally, social media has not been the key driver for your last-click conversions to sales,” says Ford. “Social media is typically consumed on mobile, and we are only a few years into a world where people are willing to make purchases without question on a mobile phone.”

There is still a tendency to see social media as something that “is great for building awareness and showing people products that they might then purchase on a desktop,” he says. “Until those mobile user journeys become slick and easy, whether it’s things like mobile payments or just navigation and browsing, the potential of social as a retail platform isn’t going to be realised.” Social platforms are starting to provide this functionality, with



“Traditionally, social media has not been the key driver for your last-click conversions to sales.”

Jon Ford | Senior consultant, Seven League

Instagram offering an in-app sales platform, but it is up to clubs to take advantage of these features, something Ford says they aren’t doing presently.

Social media activity around retail can roughly be divided into proactive and reactive efforts, Powell explains – that is, regular posts which remind fans of the opportunity to buy merchandise, and those which push specific product lines in response to recent or forthcoming events. While most clubs do both to some extent, the teams that came out highest in the rankings – Somerset County Cricket Club, Scottish Premiership champions Celtic and Spurs were in the top three positions – were those “that are filling the gaps between fixtures effectively.”

“Rather than just posting ‘around game’ content, they were putting posts out that are pulling on the history of the club, profiling players, looking at community activity, competitions, stuff that effectively fills the gap between fixtures in terms of content and ensures that the club brand stays front of mind and in people’s news feeds throughout the week,” says Powell. “On top of this, they were relating that content back to the retail opportunities.”

In terms of reactive content, Powell says clubs need to start thinking “like

retailers promoting sunglasses and swimsuits in a heatwave” when it comes to responding to major events in the course of a season. “If Spurs are going to be in the FA Cup final, for instance, that’s naturally going to lead to higher engagement on their channels,” he says. “They should then be pushing retail, promoting those one-off commemorative items like scarves as well as shirts.”

Even away from such exceptional occurrences, Powell says clubs can take a proactive approach. “If the team has a brilliant result and Harry Kane scores a hat-trick, why would clubs not be issuing a retail call-to-action saying, ‘buy the new kit, get Kane’s name on the back’, and offer deals on that kind of thing? It’s really about that shift in mentality, away from ‘build it and they will come’ to being much more proactive about engaging fans.”

Understanding your brand

The model is of sports clubs building better social media strategies to drive custom to major existing retail operations, but number-one club Somerset has done it the other way around.

The cricket club didn’t even operate its own retail arm when the the Social Scorecard research was carried out – it used a third-party affiliate, Somerset County Sport, that focuses more on sporting equipment than official merchandise.

Such was its success at directing customers, the club has recently taken the decision to launch its own leisurewear and merchandise range, which will be managed by an in-house retail department.

Its social media power is no accident: Somerset was among the first county cricket sides to appoint a dedicated employee – digital marketing and communications executive Ben Warren – and it has since led the way in the sport, with higher average engagement rates and more followers per seat across its social channels than any of its rivals.

What can other clubs – from within cricket and across sport – learn from Somerset’s approach? Warren says it’s all about brand.

“We’re at a point where the brand

of Somerset County Cricket Club has never been stronger,” he says. “Our new chief executive, Andrew Cornish, is very brand-centric, and he’s asked us to look at exactly what it is that we see as the ‘Somerset brand’, with very strict guidelines about how we present ourselves.”

Taunton, where the team plays its home fixtures, has a population of just 60,000, but Somerset as a county traditionally has a large cricket fanbase and lacks other high-profile professional sport teams. So for Somerset, the brand is community, and the club has turned a former weakness into a strength.

Warren explains: “We’ve become something of a community hub for the area, and for a while that was hurting us,” says Warren. “We were doing so many things, we were saying to people not just ‘come to the cricket’, but ‘come to a concert here, come buy a coffee, come to this show, come shop here, host your wedding here. It was too much messaging; we were saying too much. But what we’ve done is turned that into a positive for the club and led with the fact that we are at the centre of a community.”

“We’ve been working really hard on social media for a few years, which has allowed us to shape that brand very precisely and directly to fans. I think the shop that we now own plays into that, and the major benefit is that we control everything. It gives us that opportunity to grow Somerset through our own channels.”

Running the store in-house, in combination with the data Somerset can gather from its social media channels, will allow the club to do “very concentrated campaigns on each audience segment”, says Warren. “The shop will be interesting for us to really nail down and look at what people want, what ranges are popular, what times are most popular and what sort of campaigns we can run digitally to make it successful.”

The community feel has been baked into the club’s retail offering, which focuses significantly on the players who, while not being high-profile influencers in the way that Premier League superstars might be, fit in well with Somerset’s market positioning. “Cricketers are very accessible and attainable as people,” Warren says.

“There’s a more direct, human relationship between players and fans, it’s more of a one-to-one connection, and we find that having [former England opening batsman] Marcus Trescothick, for instance, appear in an endorsement still carries a lot of weight for us.”

Powell notes that while not all sports clubs will share the same advantages as Somerset, they will all have some advantage they can leverage to strengthen their brands: “What works for Somerset is not going to be what works for [British Basketball League side] the Bristol Flyers or [Pro14 outfit] Ulster Rugby, but they will all have something that they can find that’s a hook, and then it’s about relating your retail efforts back to that.

“Are they the outsider that that no one likes, them against the world? Are they the heart of the community? Are they all about youth development? And it’s about harnessing that unique personality that a club has as well and using that to engage fans.”

Understanding your audience

Grasping the unique appeal of a club’s particular brand is crucial to the success



(Julian Finney/Getty Images)

of social media retail efforts, says Ford, who notes that “without high-quality content that has a distinctive tone of voice, with the long-term objective of being market-leading, none of this really works. You can keep banging the drum of trying to get people to buy products, but firstly you have to engage them, get them to buy into what it is the club stands for and is trying to achieve.”

Furthermore, says Warren, a nuanced understanding of the makeup of your audience is crucial to tailoring a social retail strategy. Cricket in particular, he believes, has held itself back by holding onto some demographic stereotypes, and actually has more growth potential than most other sports because of clubs’ reluctance to enter the digital game.

“We’ve seen a massive shift in the perceptions of our audience in the last five years,” he says. “Our members tend to be of an older demographic, who perhaps wouldn’t have touched social media back then. But now they’re on Facebook, they’re on Twitter, and we can see how our audiences on those platforms break down and make informed decisions about what we’re



“Diversifying revenue streams has become a priority for all levels of sports teams.”

Russ Powell | Head of marketing, Red Hot Penny

trying to sell, where, and to who.”

Ford notes that in a crowded marketplace, using paid promotion on social media, rather than relying purely on organic reach, is an even

more effective way of capitalising on that data, but is something clubs have been reluctant to do, having enjoyed unfettered access to their fanbases until recent algorithm changes by the platforms.

“Historically, clubs have been incredibly lucky,” he says. “You become a fan of the club based the postcode that you’ve been born into. It’s only at the point at which sports entertainment has become a global business and the land grab for those previously neutral fans, has meant that clubs have to understand better how to market and position themselves around the world.

“When it comes to retail, I think clubs are lucky that they have large, devoted fanbases. But in a world where organic posts on social media may only reach one per cent of your fanbase, it would be unwise to assume that you couldn’t drive greater value out of those channels by utilising paid to reach a targeted audience, which is then all about understanding the segments and understanding who is most likely to buy and at what time and via which channel.” ○



Catriona Matthew
2019 European Solheim Cup Captain
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Wavemaker takes five, M&C Saatchi wins best agency at UK Sponsorship Awards



Media agency Wavemaker picked up the Sponsorship of the Year 2019 Award for its Evian Wimbledon 2018 campaign

Evian's Wimbledon 2018 campaign was named Sponsorship of the Year at last month's 25th UK Sponsorship Awards.

The campaign, entered by agency Wavemaker, also picked up three other awards in the Sport, Brand and Branded Content categories.

In other categories, M&C Saatchi Sport & Entertainment was named as the best Large Agency of the Year, and Wavemaker was named as the best Media Agency of the Year.

Jamie Wynne-Morgan, chief executive at M&C Saatchi UK, said: "The feedback we got from our clients last year was just incredible.

"We really pushed our creativity to produce brilliant work, and the culture we have in the business and with our clients right now is probably the strongest it's ever been, which is why we were brilliant to work with in 2018."

The O2 Arena won the prestigious Silver Award – a one-off accolade to celebrate the best sponsorship of the last 25 years – beating iconic campaigns such as Carling and the English Premier League; Natwest and the England and Wales Cricket Board; British Airways and the London 2012 Olympics; and Sainsbury's and the London 2012 Paralympics.

This year's 'Champions of Sponsorship' award-winners – in recognition of individual excellence and dedication to the industry – were Octagon's Phil Carling, AEG Europe's Paul Samuels, and diversity campaigner Polly Shute.

Bright Partnerships took the Sponsorship Innovation of the Year Award – its first agency category win – for its DHL x ESL 'Moments that Deliver' campaign.

Rosemary Sarginson, managing director of the UK Sponsorship

Awards, said: "The last year has been a challenging one for businesses, with uncertainty surrounding Brexit and continued media and technological disruption.

"Yet again, however, our winners and finalists showed that the sponsorship industry has been able to raise its game.

"Through a combination of innovation, creativity and sheer hard work, they drive economic value while also supporting sports and cultural institutions and offering life-changing experiences. Congratulations to every single participant."

The 25th UK Sponsorship Awards was held at the London Marriott Hotel Grosvenor Square and hosted by BBC royal correspondent Jonny Dymond. The ceremony was attended by about 500 sponsorship industry decision-makers.

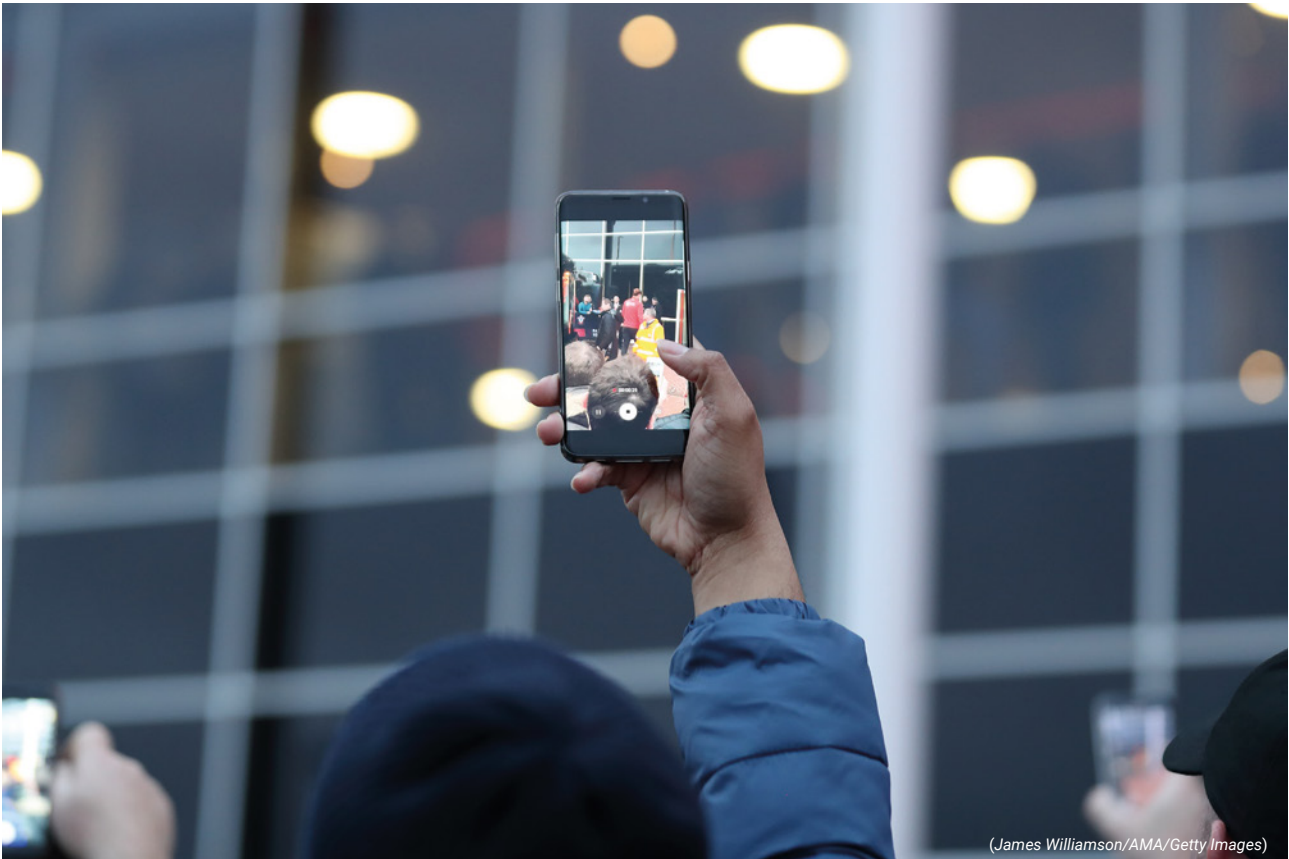
SportBusiness is a commercial partner of the UK Sponsorship Awards. ○

The new EU Copyright Directive has left rights-holders and platforms dissatisfied

EU Directive was designed to shift power (and revenue) to content creators, away from platforms

Sports bodies lobbied for legal recognition of their status as rights-holders but failed to get it

Unauthorised content-sharing under threat but sport is unlikely to earn additional revenues



(James Williamson/AMA/Getty Images)

Frank Dunne

The new EU Copyright Directive is one of the most controversial pieces of European legislation ever passed, pitting content creators like record companies, film studios and sports rights-holders against social media platforms and free-speech campaigners. Few democratic processes outside US elections have seen such sophisticated and expensive lobbying from both sides.

The Directive is designed to make European law on copyright, last changed in 2001, fit for purpose in the digital

age. In particular, it aimed to close the so-called 'value gap' by changing the balance of power between content creators and platforms like YouTube and Facebook, which carry and store vast amounts of copyrighted material.

The European Parliament voted in favour of the Directive on Copyright in the Digital Single Market on March 26 and it was approved by the EU Council of Member States on April 9. Member states now have two years to bring their national laws in line with the Directive.

The final wording inevitably contained elements of compromise. It appears to have left both sides unhappy. And many experts say it will change

very little for sport and direct no new revenues toward the industry.

News and networking site Twitter told *SportBusiness Review* this week that it had "concerns" about the Directive. "Twitter has been engaged in the debate on the #EUCopyrightDirective from the beginning," the company says. "We retain our concerns about the implications of the vote for the open, creative, and conversational nature of the internet. We will continue to engage with EU member states and civil society as the implementation process evolves."

Facebook declined to comment but is understood to believe it already has in place cutting-edge measures to help

rights-holders protect their IP on the platform through tools such as Rights Manager, which allows for voluntary filtering and blocking of content by rights owners.

Google-owned video-sharing platform YouTube has been one of the most vociferous opponents of the law. Google has invested \$100m (€89m) in building a content identification system for the platform that allows sports rights-holders, and other owners, to block, track or monetise their copyrighted content.

Start-up football streaming platform MyCujoo also has concerns. The company says: “The protection of content authors is key to businesses like ours but there are concerns that the Directive may inadvertently create new barriers to legitimate content creators and distributors – particularly to the type of long-tail authors we work with. Because of that, we are evaluating the impact for us and our partners and plan to educate them about the laws we are likely to see. Where we can [we will also work] with policy-makers so they understand our model as they implement the Directive.”

The Sports Rights Owners Coalition, a representative body for over 50 sports bodies, said it was “pretty disappointed” in the Directive, which was “a missed opportunity for sport”. The body said the Directive left the law unchanged in terms of helping rights-holders protect themselves against piracy.

The coalition had put forward an amendment to the legislation, Article 12a, which was pulled from the draft late in the process. It would have established for the first time ever in European law that the organiser of a sports event owned the media rights to that event.

Article 12a

One of the most vocal critics of 12a was German MEP Julia Reda, who argued that by mandating that no one but the organiser of a sports event would have the right to make available [publish, share, present], reproduce or record an event, it would become a copyright infringement to take photographs or make short films at a sports event with a phone or camera. Everything from fan

vlogs to selfies with the crowd in the background would be caught by the law, she argued.

Reda’s camp won and Article 12a did not make the cut. It was replaced with a Commission Statement, which reads: “The Commission acknowledges the importance of sports events organisations and their role in financing of sport activities in the Union. In view of the societal and economic dimension of sport in the Union, the Commission will assess the challenges of sport event organisers in the digital environment,

in particular issues related to the illegal online transmissions of sport broadcasts.”

John Enser, a partner in law firm Cameron McKenna Nabarro Olswang, says that the removal of the article meant there was now nothing new in the law about the ownership of rights. “There is an odd Commission Statement that was endorsed as part of the approval process. It has a similar relationship as the Political Declaration on Brexit has to the Withdrawal Agreement – i.e. it has no impact in law.



German MEP Julia Reda was a vocal critic of the proposed Article 12a amendment (Sebastiaan ter Burg)



Mark Lichtenhein, chairman of the Sports Rights Owners Coalition, which was "pretty disappointed" in the Directive (Andrew Redington/Getty Images)

I suspect that this was the Commission saying: 'we will drop Article 12a, but we want some kind of acknowledgement of the issue'."

Sharing culture under threat?

Until now, there has been a grey area about who is liable if someone uploads copyrighted material, for which they have obtained no rights, on to a social media platform. Platforms have generally benefited from 'safe harbour' provisions that say they are neutral carriers of information and cannot be responsible, in the same way that a phone company should not be legally liable for the content of a private telephone conversation between two individuals.

The big social media platforms have strenuously resisted any attempt to define them – and therefore regulate them – as media companies. Yet they earn billions from selling advertising and data around the media content they carry, in much the same way media companies do.

Under the new Directive, the law is

"We retain our concerns about the implications of the vote for the open, creative, and conversational nature of the internet."

Twitter statement

clear: policing copyrighted content is the responsibility of the platforms and if they fail to do it, they will be held liable. Under Article 17, platforms must first seek a licence to carry copyrighted material.

The Directive continues:

If no authorisation is granted, online content-sharing service providers shall be liable for unauthorised acts of communication to the public of copyright-protected works and other subject matter, unless the service providers demonstrate that they have:

- (a) made best efforts to obtain an authorisation, and
- (b) made, in accordance with high industry standards of professional

diligence, best efforts to ensure the unavailability of specific works and other subject matter for which the right-holders have provided the service providers with the relevant and necessary information, and in any event

(c) acted expeditiously, upon receiving a sufficiently substantiated notice by the right-holders, to remove from their websites or to disable access to the notified works and subject matters and made best efforts to prevent their future uploads in accordance with paragraph (b).

The Directive makes exceptions for short extracts of copyrighted content used in quotation, review, criticism, caricature and parody. To ensure that start-ups in social media are not penalised, the provisions only apply to companies over three years old, with annual revenues of more than €10m and services with over five million unique monthly users.

As Enser points out, under the new law, none of the following activities would be treated differently:

- A fan vlog, posted on social media, featuring short scenes of an actual sporting event taking place
- A fan using Twitter's Periscope or Facebook Live to stream part or all of a live sports event to a personal account
- A fan filming a key moment of a sports event (a penalty in football, for example) and posting it to their own personal social media page (on Facebook, Twitter, Instagram, Snapchat et cetera)
- A fan taking a selfie with event action (e.g. players celebrating a goal) in the background and sharing via social media
- A fan vlog featuring scenes from inside the arena/stadium but only of the crowd or other scenes not related to the actual sporting event.

"If the fan is in the stadium there is no copyright involved, just breach of the admission rules", Enser said. "If it is a grab of a TV feed, then the broadcaster in theory has more leverage against the social media operator to get it taken down, and whether they bother to do so depends on the sport and the broadcaster. The social media operator only has to try to pre-clear if they are receiving enough of this sort of clips to realise there is a systematic issue."

However, the concern of critics is what is about likely to happen in practice. The law does not say that platforms must employ content filters at the point of upload. But it is the only way for platforms to ensure copyrighted material for which they have not obtained a licence does not get on to the platform.

With the platforms now facing a greater degree of legal liability, the argument goes, they will naturally err on the side of caution and filter out anything that could possibly be copyrighted, keeping out lots of 'innocent' content too. This will hit a whole area of fan engagement, that which involves user-generated content from goal clips to mash-ups and memes.

Enser said there was a theoretical

risk that the content-sharing culture could be affected but that "Google/YouTube have been playing up this risk in lobbying terms". He argued that it was hard to see what sort of upload filter could be put in place that would stop the kind of sharing that happens already. "The obligation to try to license material will presumably be easily countered – because the rights-holders will say no – and upload filters cannot recognise, say, a clip from a Premier League game in the same way as they can easily recognise a Radiohead track through fingerprinting."

"Protection of content authors is key...[but] the Directive may inadvertently create new barriers to legitimate content creators and distributors."

MyCujoo statement

The two faces of UGC

In the media industry, the view is that user-generated content is beneficial for sport rights-holders – within limits.

For Gareth Capon, chief executive of real-time digital content producers Grabbyo, it has become an essential part of the overall content mix, especially in terms of drawing in younger sports fans. "The whole UGC area might be a net positive for the economics of sport

by engaging a new generation of fans. My son got his love of football from two things: YouTube and watching the World Cup on television: a mixture of UGC on a social platform and the passion of the live experience on television. The short form drives you to the live.

"A lot of content, like mash-ups and best goals, only exist in that kind of environment. The TV proposition doesn't give you that experience. If you take all that away, that is definitely a net negative for the sports industry. But it is only fair that the original creator of the content has a way of monetising it."

Daniel Ayers, consulting partner at digital rights consultants Seven League, argues that some UGC uploads are more innocent than others. "For reasons known best to the Facebook algorithm, my personal Facebook Watch feed has been dominated by clips and highlights from channels that specialise in 1990s Premier League highlights, or are from streamers with lots of Uefa Champions League highlights," he says. "They clearly haven't licensed that footage, and they are monetising it with ad breaks. That's definitely not right, and if it needs Article 17 to force it to be dealt with then so be it. I think that's a world away from something like Crap90sFootball on Twitter, which is not directly monetised, is regularly amusing and, in my opinion, contributes to fan culture." ○



A still from a United We Stand fan video - fan reporters fear such material could be blocked under the Directive



Elevating the fan experience

The FEI's partnership with SAP, the Official Analytics Sponsor of the FEI Dressage World Cup Series, has led to the creation of innovative fan engagement tools.

(©FEI/Lizz Greg - Laura Graves - Verdades)

The FEI, the global governing body of equestrian sport, has long focused on bringing fans to the heart of the action.

In October 2018, the international federation expanded on this strategy with the launch of the new FEI eLeague Dressage, an innovative tool designed to bring followers closer to the discipline than ever before.

For the first time, spectators are able to grade competitors' performances on a virtual basis, comparing their scores with the judges whilst simultaneously competing against fellow fans.

Following on from the successful launch of the Spectator Judging app, the state-of-the-art mobile application that enables fans to get in the judge's seat, the FEI eLeague Dressage was the next

logical step in the FEI's quest to drive digital engagement in equestrian sport.

Digital engagement

The new initiative has offered fans an added incentive to engage with the action, with real-time scores and rankings providing a competitive twist on the traditional viewing experience.

There is something for fans young and old, whether they are new to equestrian sports or not. For established followers, they may prefer to score each movement during individual dressage tests, while more casual fans – or perhaps children being introduced to the sport for the first time – can simply submit their score following the end of the test.

The FEI eLeague Dressage debuted

at the opening leg of the FEI Dressage World Cup series 2018-19 in Herning, Denmark back in October. Since then, fans have been collecting points using new gamified ranking functionality, with the platform available both at home and on site. Live leaderboards on the app and the FEI website allow fans to see how they rank against their friends and competitors around the world.

Points mean prizes

The first-ever winner of the FEI eLeague Dressage was mum-of-two Claudia Meyer, who lives in Peru. Meyer received an all-expenses-paid VIP package to the recent FEI Dressage World Cup Final in Gothenburg, Sweden, where she was one of 76,094 people in attendance over the four days.

Amassing a total of 16,116 points, Meyer raced her way to the inaugural winner's medal, picking up 4,000 more points than second place. "I read about the eLeague game on the internet and decided already before the first World Cup leg to be part of this fantastic experience," she says.

"Because of my interest in judging I considered it an excellent opportunity to train my judging abilities. I really appreciate the opportunity to compare my results to the official results of the [top] judges."

Meyer was given the chance to meet the judges she had been virtually measuring herself against as part of the prize, which also included behind-the-scenes access and introductions to riders.

Bridging the gap

The company tasked with creating this cutting-edge technology was enterprise application software company SAP, the Official Analytics Sponsor of the FEI Dressage World Cup Series.

With the FEI keen to work with its partners on innovative activations and projects, SAP's task was to create an experience that is not only engaging for fans, but shareable among friends and fellow enthusiasts.

"Our aim as a partner is to bring innovation," says Henrike Paetz, global head of the equestrian program at SAP. "Together with the FEI we set out to provide fans with a distinct new event experience leveraging our technology to open new ways for the audience to receive relevant insights and become more closely involved."

"The FEI eLeague Dressage is a perfect example of how our cooperation is bridging the gap between the physical and digital world, adding a new dimension for the fans and allowing them to enjoy their sport even more."

SAP first created and launched the free-to-download Spectator Judging app, which was followed last year by the FEI eLeague

Dressage. SAP's initiatives have been a hit, with around 20,000 overall participants on the Spectator Judging app during the 2018-19 FEI Dressage World Cup season.

It is not just fans who have been impressed by the innovations. The FEI has received positive feedback from riders and judges, too, who feel the Spectator Judging app and the FEI eLeague Dressage provide an insight into judging and educate spectators on riders and horses.

The next level

The technology has significantly enhanced fan engagement in the FEI Dressage World Cup circuit and its versatility – which enables users to participate whether watching on television or in the seats just yards from the action – is key.

"The SAP Spectator Judging App has fulfilled its brief to enrich the sports experience for dressage fans and we are pleased with the level of success that it has experienced this first season," says FEI commercial director Ralph Straus.

"The feedback we have received from fans around the world has been very positive and this first season has set the foundation for subsequent seasons. The Judging App has been a key fan engagement tool and provides a unique way of allowing people to participate in the sport. We look forward to taking our collaboration with SAP to the next level in the years to come."

Having been downloaded some 65,000 times since it was launched, the app has certainly proved a hit, with 25,000 of these fans using the app on a regular basis across the season, demonstrating the depth of the active community of fans with an appetite for 'competitive viewing'.

Women have proved to be especially interested in the app, accounting for 70.5 per cent of the users. The most popular markets so far have been Sweden, Germany and the USA.

From screen to saddle

The FEI recognizes that it is vital to stay relevant in the digital age, and the opportunity to work closely with a partner to stay ahead of the curve has been hugely rewarding.

The FEI may have been established nearly a century ago, in 1921, but its latest initiatives, such as those with SAP and the FEI eLeague Dressage, demonstrate its desire to engage future generations of followers.

With equestrian sports engagement for many youngsters set to begin on a digital platform, where they are comfortable and confident, there is no reason why a journey that begins with the screen cannot one day end up in the saddle. ○



(©FEI/
Christophe Tanière
– Isabell Werth
– Weihegold Old)

Roma and the Bundesliga bring the banter to win fans and engage people on social media

Clubs and leagues using a more 'human' tone on social media to engage fans

Strategy is evident in overseas markets, with clubs seeking to differentiate from competitors

Data shows it leads to significantly increased engagement, improving value of clubs



Italian club AS Roma has been at the forefront of the 'banter' approach to social media (AS Roma)

Adam Nelson

In April 2018, the top three social media posts by any football account worldwide all came from one club: Italian side AS Roma.

That month had seen Roma come back from 4-1 down against Champions League favourites Barcelona, winning 3-0 in Rome to progress to the semi-finals. The most popular football tweet of the month was the club's official response to the full-time whistle of that game, which read:

*"DAJEE
EEEEEEEEEEifefefbejfwjofnwjfnwjfbruf-
bwfubweufbwfuewbewbfwejfwjlfjfwjlf-
wfbjfbwfbwfbwjofwjfnewjofnewjofnwjfn-
weAHHHHHHHHHHHHHHHHHHHHHHHHHHHH-
HH!!!!!!!!!!!!!!!!!"*

The tweet generated 182,000 retweets and 320,000 likes in the days after it was posted. It was arguably the culmination of a strategy set out several years earlier by the club to 'humanise' its social media channels in an attempt to win over new followers. It has meant things like heavy use of memes, cultural references and interaction with other official football accounts – as well as outbursts of raw emotion – and is part of a growing trend that has crested in the past year, with more and more football properties adopting the 'banter' style.

As Lewis Wiltshire, consulting partner at digital agency Seven League, puts it: "There has been an awakening in the last few years across football, as clubs have realised the potential for social media to be something more than

a platform for press releases. Clubs like Roma have offered a greater motivation to the rest to take risks with their tone of voice, and it's something that we're only going to see more of."

The attention economy

Roma was an early adopter of the lighter, more humorous tone to official content. Paul Rogers, Roma's head of social and digital media, joined the club in 2015 and spearheaded its push in this direction. He says the foundations of the approach were to "be as engaging as possible, be fan-first, be entertaining, and ultimately be human."

As Rogers saw it, social media had transformed quickly over the early years of its existence, from egalitarian communications platforms that allowed

people to coalesce around shared interests to something that had been “hijacked by brands who started to use it more like television: a one-way medium where you have a faceless corporation speaking at, not with, people.”

The first step in changing how Roma looked at its own social media was to “think of ourselves as being in the entertainment business”, says Rogers. Rather than using the club’s social media accounts to “push corporate messaging”, he encouraged the club to devise ways to make people actively enjoy following its accounts.

“It’s become a cliché, but it’s true that attention is now the most valuable asset brands are looking for,” he says. “If no one pays attention to them, brands are technically dead. Content that we put out has to be engaging, it has to be something that makes people stop when they’re flicking through Instagram or Twitter.”

When Roma first adopted this strategy in 2015, banter offered a way to differentiate one football feed from another and “carve out a unique voice”, as Rogers puts it. He notes that a list of the most-followed clubs on social media would feature most of the same names as a list of the most commercially and sportingly successful.

“If we just do exactly the same as all the other clubs, which have a history of success and more money than us, then that gap between us stays exactly the same,” says Rogers. “I think one of the reasons people like our content is that we don’t win every week, and we acknowledge that, and have some fun with it. We have to do something different to be noticed, we can’t necessarily rely on that on-pitch performance every week to build a fanbase.”

Tapping into people’s emotions – whether that’s after a victory or a defeat – is a crucial part of the strategy, he adds. “How do we make people feel closer to the team? How do we make them feel more involved? How do we move them emotionally? Everyone is drowning in information, but when you attach an emotion to that information, I think people retain it, it sticks with them, and they come back for more.”

Evidence supports his claims. Two months after the Barcelona tweet, in

June – during the Fifa World Cup, a month in which Roma played no competitive first team fixtures – the club’s English account broke new ground in engagement, with its posts announcing several new signings over the course of the month hitting an average engagement rate of 290 per cent – that is, Roma’s tweets were interacted with by almost three times as many people as actually follow its accounts. Its closest rival globally, Turkish side Fenerbahçe, hit an average engagement rate of 28 per cent that month.

“It’s true that attention is now the most valuable asset brands are looking for.”

Paul Rogers | Head of social and digital media, AS Roma

International focus

The battle for attention is even more pronounced when rights-holders are attempting to communicate with

new fans in international territories. Germany’s Bundesliga is another football property that has made banter a core part of its social media strategy and has placed social media at the centre of its push to win fans outside its domestic territory.

“Social media for the Bundesliga is really all about building the brand,” says Andreas Heyden, chief executive of DFL Digital Sports, the arm of German football’s governing body that handles social and digital activity. “But in Germany we have a challenge: 1.5 billion people in the world speak English, 600 million speak Spanish. Only 150 million people speak German. So the question for us is: how do we get a 17-year-old Thai school boy with a €200 Android phone excited about and engaged with the Bundesliga?”

Like Rogers at Roma, Heyden and the Bundesliga’s solution was to engage fans with a more humorous, more human tone, tailoring their efforts by using local cultural references in “key trigger markets”.

“The approach we found best is that



Roma’s summer 2018 transfer announcements hit an average engagement of 290% (ASRomaEN)

it's not about just translating content, it's not about internationalising content," Heyden says. "It's about creating locally relevant stories, in the local language. That means using local agencies, having as much local knowledge as you can gather, and especially using data from past efforts. The best thing about social media is that it's instant feedback: if a piece of content gets likes, it's working. If it doesn't, it's not. Then you go back and start again and look at the data we get."

The Bundesliga looks at multiple data points from each piece of content – not only how much engagement a post got, but what kind of users it attracted, in which geographical territories, in order to streamline and improve its strategy and land upon the right tone and kinds of content.

There are several reasons banter content has tended to be more visible on international platforms than native-

language accounts. The first, Heyden explains, is simply that international accounts allow clubs and rights-holders the chance to experiment away from their core audience, to try new tones of voice and kinds of content.

"Here, the German language is our advantage," he says. "Everything the Premier League says can be heard around the world. But if we put something out in English or in Japanese, those messages will never be seen by the German market; there is a lot of banter we are doing that is never seen by a German fan. We can see what works and what doesn't in different environments." On platforms which allow it, such as Facebook and YouTube, content is often geo-blocked so that users in Germany, Austria and Switzerland can't access it at all.

Furthermore, international growth is a – if not *the* – key objective for major football rights-holders whose exposure

is often at saturation domestically. Bundesliga champions Bayern Munich, for example, plays it relatively safe with its German- and English-language accounts, but has established a separate US-focused Twitter presence, operated from its office in New York, that is notable for its conversational tone.

"The US is the most competitive sports and entertainment market in the world, and while the sport is growing, interest is still low," says Rudolf Vidal, Bayern's president of Americas. "It doesn't matter how many titles we have won in Germany, we need to do something to distinguish ourselves against all the sports leagues and other forms of entertainment that are all competing for the attention of fans. In tactical terms, that means adopting a more humorous, interactive and real-time approach."

Learning to 'speak social'

It is difficult for purely match day-related content to break out beyond the typical Bundesliga audience, says Heyden, unless something truly exceptional happens on the pitch. When Bayern striker Robert Lewandowski came off the bench to score five goals in nine minutes, it drew the eyes of football fans – and even non-football fans – from around the world. "But something like that is rare, and we can't rely on Lewandowski performing miracles every week to boost our engagement," says Heyden.

The problem with match-day content, he says, is that "you only reach the audience who are already looking for that kind of content, who already know about the game or have already seen the game".

Banter content, on the other hand, appeals to a far wider spectrum and can draw in social media users who wouldn't usually be interested in the Bundesliga, or even in football content.

A recent example from the Bundesliga's Twitter feed involved the use of a famous sketch from the British comedy show *That Mitchell and Webb Look*, lampooning the constant barrage of football pushed to viewers by pay-TV channels.

The series of posts earned retweets, replies and likes into the tens of thousands, on an account with about



Germany's Bundesliga also uses non-traditional content on its social media channels (Bundesliga)

800,000 total followers. It was suggested, Heyden explains, by one of the US-based agencies DFL Digital Sports works with, which had noticed the popularity of the sketch among football fans online.

Fluency across multiple platforms and knowledge of the language of the internet is key to any successful social strategy, but particularly when a rights-holder wants to achieve an authentic, human voice.

“It’s absolutely key that we all use social media in our personal lives,” says Rogers. “We don’t turn off when we leave work and we don’t turn on when we come in. We’re constantly engaging with social media and digital media in our own ways. The way people use social is constantly evolving so we need to keep up with that. I don’t want to name any names, but you see some clubs on social media trying to do ‘banter’ and it doesn’t work because they’re not posting how people actually post.”

Heyden adds that it is crucial to have young people who “speak social” on your team. “It’s important to have talent, but it’s also important to understand the language,” he says. He reels off a diverse list of platforms, some established, some new and emerging – Reddit, 4chan, 9gag, TikTok, among others – which he says DFL Digital Sports staff regularly use, “just to get a sense of the tone and the new emerging memes. One thing you don’t want to do is use memes that your target audience are bored of or which have played out – that’s a sure sign you’re not doing it authentically”.

Wiltshire says there is significant evidence to suggest that an authentically human approach to social media posting results in increased engagement – which, more than reach, is the ultimate goal of clubs and rights-holders.

“Of course you want reach as well as engagement, but one without the other is pointless,” he says. “Social media companies put the follower number in great big numbers, front and centre, on your account, as a kind of live public score, but it’s actually one of the worst metrics possible. Reach without engagement is like having people queuing up outside your shop, but no one is coming in to buy anything.”



Roma has a large Nigerian following on social media, and has leant into it by becoming the first European football club to offer a Pidgin account on Twitter (AS Roma)

Wiltshire notes that posts from Seven League client Tottenham Hotspur’s Twitter account tend to attract far higher levels of engagement than those of Manchester City, for example, despite the English champions having more than double the total number of followers. “And that’s all down to tone of voice and targeting of content to an audience,” he adds. “Even though they’re a ‘top six’ team and maybe didn’t need to do it, Tottenham took a risk on their social strategy, and we can see that it’s paying dividends now.”

“Tottenham took a risk on their social strategy, and we can see that it’s paying dividends now.”

Lewis Wiltshire | Consulting partner, Seven League

Engagement into revenue

Once that higher engagement has been won, the challenge becomes converting it into revenue – although Rogers notes that, while revenue growth is ultimately the aim of everything a professional football club does, “it’s not something I need to sit here and think about. We know that, in the long term, engaged people pay off.”

He points to Roma’s recently-launched Pidgin account. “We interact with lots of Nigerian fans through our English account, they were asking for a Pidgin account and it’s quite easy for us to offer that,” he says. “And now those

fans are engaged in a much stronger way than they would have been, and already we’ve seen some of them saying, ‘this is unreal, I’m going to buy a Roma jersey’. We haven’t done anything to direct them to do that, but simply by providing a service, by showing some respect to those Nigerian fans, we’ve seen some commercial gains in the first few weeks after launch.”

Roma has a large Nigerian following on social media, and has leant into that further by becoming the first European football club to offer a Pidgin account on Twitter.

Adds Wiltshire: “There’s no harm in just building a large audience, even if you don’t see any direct revenue from it...you build a large and engaged audience that sponsors then notice.”

For the Bundesliga, which lacks any direct-to-consumer sales channels, social media is at the heart of its international marketing. Heyden explains: “Every marketing activity that we’re doing right now is a bet that in one to four years, whenever the next rights cycle comes, we have reached more users, those users are more engaged, they’re driving value in the local market, and the value of our brand and our media rights has grown.

“Social and digital is the chance for us to fire up new markets. If we can grow interest in a territory where football is popular but the Bundesliga has low recognition – US, Mexico, Indonesia, South Africa, Philippines for example – and show this to broadcasters, then we have done our job.” ○

SportAccord keeps GC2018 afterglow shining on Sunshine State

Just a year on from welcoming the world to Gold Coast for the 2018 Commonwealth Games, Queensland is building a post-event legacy that will support its sporting efforts for years to come.



Women's beach volleyball at the Gold Coast 2018 Commonwealth Games at Coolangatta Beachfront (Mark Kolbe/Getty Images)

The Gold Coast 2018 Commonwealth Games elevated the global reputation of Queensland as a sports event-hosting destination to unprecedented levels.

And a year on from the Games, which were widely hailed as the best ever, the glow of the post-event legacy in the Sunshine State is showing no signs of dimming.

This year, representatives of those sports that relished their experience at the 2018 showpiece will return to Gold Coast for the 2019 edition of SportAccord – the annual gathering of all international federations and sports organisations that sit at the heart of the international sporting movement.

Queensland has a sporting heritage that is as embedded in the fabric of the state as its beautiful beaches, Great Barrier Reef and countless attractions.

The state is home to major rugby league, rugby union, football and cricket teams, as well as the Sunshine Coast-based Australian Cycling Academy, which launched in 2017. Throw in golf's Australian PGA Championship, the Supercars motorsport category, a plethora of mass participation endurance sports and the new ATP Cup tennis tournament and there really is something for everyone.

Impact

It was last year's Commonwealth Games, though, that propelled Queensland into the global sporting consciousness.

In the six months directly following the Games in April, more than 320 events were held in venues either built or upgraded for the Games, generating some A\$61m (€39m/\$44m). More than 90 major events are already planned for

newly-constructed and upgraded venues throughout this year.

When asked what impact the Games have had on the City of Gold Coast, mayor Tom Tate says: "In one word, incredible."

Tate adds: "Importantly, we continue to maximise the legacy benefits GC2018 presented our city. Our volunteering ranks have never been so strong, with thousands of locals registered to volunteer at future sports and cultural events. That is happening now so we have a strong, active and engaged city."

"Apart from the A\$2bn-plus investment in new infrastructure the Games brought, we enjoyed tens of millions of dollars-worth of free-to-air publicity across the globe throughout 2018. It wasn't just the 11 competition days, as social media tracking showed that the city trended highly on key platforms throughout 2018.

“Post-Games, our major sporting venues are fully booked, many through until June 2020.”

Tourism and Events Queensland has used the profile of the Games to drive interest in both the event and the state. “TEQ saw the opportunity to leverage the Commonwealth Games from a couple of standpoints,” explains chief executive Leanne Coddington.

“From a leisure tourism standpoint, we launched a new campaign to coincide with the Commonwealth Games that immediately saw it reach millions of people nationally in Australia but also internationally. The campaign aims to dramatically increase Queensland’s share of domestic and international tourism and early results from the campaign

show it reached nearly 13 million Australians in its first four months.”

Legacy

One year on from the opening ceremony of the Games, Queensland premier Anastacia Palaszczuk detailed the ongoing boost to major events and tourism, transport and community infrastructure in the state, with Griffith University estimating that the event will deliver A\$2.5bn Gross State Product over nine years – an increase of A\$500m on 2017 estimates.

The Games also proved popular with visitors, with 87 per cent of spectators stating that they were likely to return and 85 per cent saying they would bring family and friends.

“I think when we are talking about Queensland being truly regarded as a world class major events host, the Commonwealth Games was probably the crowning moment,” says Coddington.

Following last year’s successful staging of the Commonwealth Games, the next major sporting event on the horizon for Queensland is SportAccord Gold Coast 2019, which will take place from May 5-10.

The Queensland Government attended last year’s edition of SportAccord in Bangkok in partnership with the City of Gold Coast. The visit was designed to leverage the success of the recently-concluded Commonwealth Games, with Queensland’s tourism

Rugby League magic in Brisbane

One of the highlights on this year’s sports calendar in Queensland will be the inaugural NRL Brisbane Magic Round.

Scheduled for May 9-12 at the city’s Suncorp Stadium, it will feature eight matches held across four days in what will mark a historic event for the rugby league competition.

The event was secured by Brisbane City Council via Brisbane Marketing and the Queensland Government via Tourism and Events Queensland. Having held double-header events at Suncorp Stadium in the past, the NRL saw Brisbane as the perfect setting for its inaugural Magic Round.

More than 100,000 fans are expected at the 52,500-seat stadium over the course of the four days for what promises to be a festival of rugby league. The event is also set to deliver a major economic boost for the city.

“Brisbane’s commitment to attracting major events has a significant impact on our economy, creating jobs right across the city and injecting more than A\$150m into the city’s economy each year,” says Krista Adams, Brisbane deputy mayor and chair of the Finance and Economic Development Committee.

“The four-day event is set to deliver flow-on economic benefits for Brisbane’s



(Ethan Rohloff Photography)

tourism, retail and hospitality sectors by filling hotel rooms and boosting the local hospitality, retail and service industries.”

Suncorp Stadium is the home of six-time NRL Premiership winners the Brisbane Broncos. It is accustomed to staging major events, having hosted the Rugby League World Cup final in 2008 and 2017, British & Irish Lions Tour test matches and the WBO Welterweight Championship fight between Manny Pacquiao and Jeff Horn.

On what fans can expect from the four-day extravaganza, Adams adds: “The gameday experience in Brisbane is like no other.

“NRL Magic Round Brisbane will provide fans more to see and do and a chance to enjoy the city’s wide variety of food and hospitality precincts, as well as neighbouring Caxton Street, which delivers the exhilarating pre-game atmosphere you would expect in spades.”

industry development minister Kate Jones delivering a keynote speech to discuss the state's position as a global sports destination.

Five months later, Gold Coast was announced as the host of SportAccord 2019.

"SportAccord is the most significant meeting of international sport representatives held every year and securing it for the Gold Coast will help to stamp the city's reputation as a world-class event destination," Jones says.

Opportunities

It was always the hope that hosting the Commonwealth Games would open doors to other events such as SportAccord, and so it has proved.

"SportAccord is a great legacy of the Commonwealth Games," Jones continues. "We wouldn't be able to secure the world's leading sports conference without the Games.

"SportAccord will offer a chance to engage with sporting codes, federations and sports representatives about opportunities in Queensland.

"Bringing those representatives to the Gold Coast is the next step in securing major international events for the city and our state, with the benefits of securing events potentially setting us up over the next 10 years.

"We're working hard to make the most of the Commonwealth Games to ensure this event continues to deliver a great legacy for Queensland."

SportAccord is expected to generate more than A\$6m for the local economy, along with 10,000 visitor nights. Securing the event was a collaborative effort thanks to a partnership between TEQ, Tourism Australia, Gold Coast City Council and Destination Gold Coast.

Gold Coast will provide a new experience for SportAccord delegates and Mayor Tate says they can expect a warm welcome. "I encourage delegates to look beyond our natural attractions and built-form infrastructure.

"The civic pride in our city is incredible. Last month, we ran a city-



Women's triathlon on day one of the Gold Coast 2018 Commonwealth Games (Michael Dodge/Getty Images)

wide survey of residents with 96 per cent of those surveyed reporting they were proud of the city and its surrounds.

"Any successful city needs strong social fabric and we have that in spades. In many ways, we're the lifestyle capital of Australia, with beautiful beaches, idyllic weather and the stunning hinterland, but our community pride is contagious and I hope delegates get to experience that."

Queensland is keen to ensure that it builds on the success of the Commonwealth Games and SportAccord, and with the existing sporting infrastructure of the state there is every reason to believe this will be the case.

Economic momentum

As Tate explains, the "economic momentum" on the Gold Coast has been underway for at least six years. "In a way, the Games were an additional coup for our city," he says. "Today, we have in excess of A\$10bn in private sector investment either underway or planned."

Previous hosts of major events have suffered from 'white elephant'

syndrome, with venues often being left unused post-event. However, with a sound legacy plan in place, Tate says there is "not a white elephant in sight" in Gold Coast following the Commonwealth Games.

Owing to its reputation as a holiday destination with an attractive climate and scenery, Queensland has hosted a range of mass-participation events such as the annual Noosa Triathlon – regarded as the largest Olympic distance triathlon in the world – the annual Gold Coast Marathon, the bi-annual Pan Pacific Masters Games and the 2018 ITU World Triathlon Grand Final.

"We've recently secured the Volleyball Australia Schools Cup and Gymnastics Australia National Clubs Carnival due to the sporting venues we've acquired as a result of GC2018," Tate adds.

"We are also a city that is attracted to action sports, whether it is WSL Championship Tour surfing, skateboarding, parachuting or motorsport. Looking further ahead, an international hockey tournament would showcase our amazing hockey facilities

so there are many opportunities we would be keen on exploring.

“Similarly, we are keen on expanding our presence as a training destination for international or national teams looking to acclimatise before their chosen competitions.

“We have seen international football teams stay here for weeks as they

prepare away from the spotlight while using the best facilities in Australia.”

Coddington believes that Queensland stands out in a competitive Australian sports scene due to its diversity.

“We believe we have significant competitive advantages as a host destination state for major sporting events,” she says. “If you compare

Queensland with other Australian states such as New South Wales and Victoria, we’re not just about our capital city.

“We’re a diverse state with major event-hosting capabilities that goes well beyond Brisbane. Cairns, Townsville, Gold Coast are all proven national and international sports event hosts.” ○

Sport at home on the Sunshine Coast

The Sunshine Coast, a stunning and well-equipped destination for sport, is home to elite athletes from around the world and across Australia, including the Australian Cycling Academy.

It also boasts back-to-back national netball champions the Sunshine Coast Lightning and many other Olympic and Commonwealth Games athletes.

With high-quality sports facilities, the A\$5bn Sunshine Coast Health Precinct and the University of the Sunshine Coast, the region was a key destination for pre-2018 Commonwealth Games training camps, having been used by nine nations and more than 500 athletes and officials across 16 different sports.

USC offers a High-Performance Student Athlete programme and Sports Elite and Education Dual Stream – the first dual para-sport and academic programme to be offered at an Australian university.

Seventeen USC High Performance Athletes were selected for the 2018 Commonwealth Games in swimming, netball and cycling, picking up five gold medals.

Since its inception in December 2017, the ACA has gone from strength to strength, putting the Sunshine Coast on the international stage with its Pro Racing Sunshine Coast team riders amassing 73 wins and 126 podiums in 10 countries, including four Gold Coast 2018 gold medals. This year it introduced its first ever women’s elite National Road Series development team.

The ACA is currently preparing for the annual Velothon Sunshine Coast event in July, offering an all-inclusive three-

day camp for cyclists seeking a real challenge and rewarding professional cycling experience.

With national or international-standard training facilities on the Sunshine Coast for 39 sports and more than 50 major

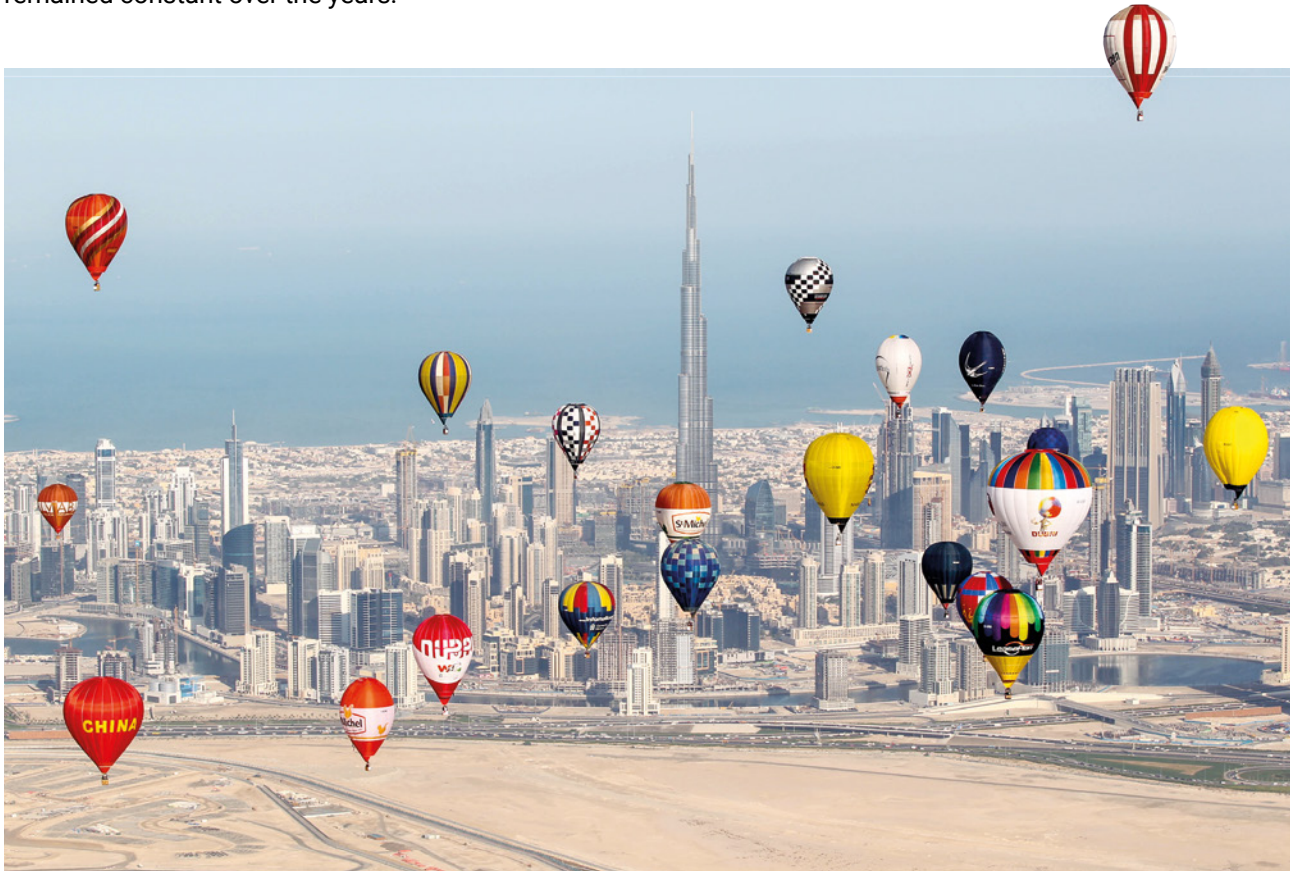
events, the region is also known for its natural assets, while visitors can also meet highly experienced sports professionals to see how the region can provide assistance across a variety of sporting and business objectives.



(Beardy McBeardy)

Annual fixtures and eclectic one-offs help Dubai diversify from oil to tourism

Dubai may have a reputation as an ever-changing metropolis but its carefully-crafted sports events strategy has remained constant over the years.



The 2015 FAI World Air Games takes place against the Dubai skyline (Dubai Sports Council)

Rory Squires

Dubai changes so quickly that even the relatively recent past is barely recognisable.

Its unashamed opulence and other-worldly landmarks – from the man-made Palm Jumeirah archipelago to the sky-scraping Burj Khalifa – inspire awe among onlookers, who only 50 years ago would have been standing in a humble fishing port.

One landmark, the Burj Al Arab hotel, has become known worldwide as the setting for high-profile sports publicity events. Global superstars like Tiger Woods, Rory McIlroy, Andre Agassi and Roger Federer have all appeared on its rooftop helipad since

its opening 20 years ago.

But the emirate's sports strategy has been built on deeper foundations than photo opportunities. It is underpinned by recurring annual events that have been carefully nurtured over many years to adapt to an evolving demographic landscape.

The Dubai Sevens, Dubai Desert Classic, Dubai Tennis Championships and Dubai World Cup have all been regular fixtures on the sports calendar since well before the turn of the century.

This consistency provides the blueprint for the emirate's future event-hosting strategy, which since 2005 has been steered by the government-funded Dubai Sports Council.

Changing with the times

The Dubai Sevens rugby competition, the longest-running annual sports event in the Middle East, was first held way back in 1970, when Dubai's population was just 100,000. Nowadays, the tournament attracts more than 40,000 spectators each day through the turnstiles of its modular host venue.

Other events have moved with the times while retaining links with the past. The Dubai Tennis Championships first took place in 1993 in front of temporary stands at the Aviation Club. It is now a permanent fixture at the 5,000-seat Dubai Duty Free Tennis Stadium.

Golf's Dubai Desert Classic, the first European Tour event to be staged in the Arabian Peninsula, was launched

back in 1989. Twenty years later, the DP World Tour Championship was unveiled as the climax of the European Tour's Race to Dubai.

Meanwhile in horseracing, the Dubai World Cup – now the world's richest race – was held at the Nad Al Sheba Racecourse from 1996 before moving to the state-of-the-art Meydan development in 2010.

While the settings and surroundings may have changed, Dubai's key sport events present a picture of stability. But stability doesn't mean stagnation and new events continue to be added to the calendar, such as the Dubai 24 Hour motor-racing event (since 2006), the Beach Soccer Intercontinental Cup (2011) and the season-ending World Series Squash Finals (2016).

Ambition

While Dubai's real estate and construction industry continues to grow – the Burj Al Arab is one of 70 skyscrapers above 200 metres to have opened over the past two decades – the emirate still has no publicised plans to build a permanent outdoor stadium capable of holding in excess of 30,000 spectators, despite being advised in a 2015 Deloitte white paper that “among Dubai's sports stakeholders it is felt that the emirate's sporting offering would benefit greatly” from such a facility.

“As for a permanent 30,000-plus capacity outdoor stadium, there will be some announcements in the near future,” says Nasser Aman Al Rahma, DSC's assistant secretary general. “That is all I can tell you for now.”

Al Rahma points out that another key recommendation from the report – “the addition of a purpose-built indoor 10,000 to 15,000-capacity multi-purpose arena” – has not only been fulfilled but surpassed.

“The Coca-Cola Arena, a 17,000-capacity indoor arena, is ready for action. Besides, the Hamdan Sports Complex is a multi-purpose indoor facility that can seat 15,000 and has already hosted many international events, from aquatics to tennis, volleyball, basketball, badminton, table tennis and others,” he says.

“We have some amazing sports facilities in Dubai. The Meydan



“Our event-hosting strategy is about making every member of our community feel at home.”

Nasser Aman Al Rahma | Assistant secretary-general, Dubai Sports Council

Racecourse and the Hamdan Sports Complex are among the most spectacular venues you will find anywhere in the world. We have more than 100 sports facilities in Dubai, indoors and outdoors, catering to virtually every possible sport, from shooting to motorsports.”

Dubai's sports strategists certainly

could not be accused of a lack of vision. In November, four Para snow sports events were all held at Ski Dubai, an indoor resort in the desert.

“Being a young nation, we are fortunate to be free of legacy thinking,” Al Rahma adds. “We will need to adapt and embrace change, build smart stadiums and make use of technologies like augmented reality, artificial intelligence and blockchain to develop our sports sector.”

Measured approach

Even back in 2011, when rumours of an Olympic bid were rife after Dubai hosted the SportAccord Convention, the UAE National Olympic Committee was insisting that “there is a need...to get people into sports in the next few years if Dubai is to host the Olympics...[and] we want to do it professionally and not just host the event.”

There was further evidence of this measured approach when DSC pulled out of talks to host SportAccord in 2016, citing the emirate's focus on delivering hosting obligations for a series of upcoming events, including the Fina Swimming World Cup, Badminton World Federation World Super Series Finals and the Dubai Tour.

By positioning itself as a reliable partner for international federations' top-tier events, Dubai's credibility has undoubtedly been boosted.



The annual Dubai Tour (Ansa/Claudio Peri)

Forty-six of these championships helped to generate a total of \$250m (£223m) in gross expenditure in 2014, according to the most recent report from Deloitte – approximately 35 per cent of the total across Dubai’s sports events portfolio that year. Dubai’s seven biggest events of the year – the Dubai Marathon, Dubai Tennis Championships, Dubai World Cup, Dubai Sevens, Dubai Desert Classic, World Tour Championship and cycling’s Dubai Tour – accounted for 57 per cent of the total.

The remaining seven per cent of gross expenditure was generated by local events, with Al Rahma highlighting the growth of “homegrown” additions to the calendar in recent years.

“Having enjoyed our hospitality at the 2009 Fifa Beach Soccer World Cup, the beach soccer fraternity wanted an event that would keep bringing them back to Dubai every year and so the Intercontinental Cup was born. The Al Marmoom Ultramarathon and the World’s Ultimate Strongman are among the other homegrown events,” he explains.

Eclectic mix

Between 85 and 90 per cent of Dubai’s 3.2 million population are expats, with the emirate home to more than 200 nationalities, with a significant proportion from the UK and western Europe, as well as across Asia.

As a result, DSC – with the support of the country’s rulers – has pursued a schedule of one-off events that is necessarily eclectic, from the 2012 Asian Futsal Championships to the 2013 Asian Senior Men’s Volleyball Championship and the 2014 Fiba U17 Basketball World Championship.

“The stated vision of DSC is to create a distinguished and happy sports community, and our event-hosting strategy is based around this singular principle,” Al Rahma says. “Our focus at DSC is to serve every member of this community so our sports calendar includes events that appeal to every segment of our community, from a star-studded fortnight of tennis to rugby, cricket and even dragon boat races.”

Depending on the event, bidding processes involve various stakeholders,



The Al Marmoom Ultramarathon is the world’s longest desert ultra-run (Dubai Sports Council)

including “government entities, sports federations, sports councils and even private financiers”, he adds.

The thriving private sector looks certain to play an increasingly significant role in the future as the introduction of the so-called ‘Pledge Law’ two years ago made it easier in principle for companies and event-organisers in Dubai to secure financing for major projects.

That is likely to encourage private companies to commit to delivering events which are helping drive the Dubai economy as it continues to diversify.

The success of diversification efforts is highlighted by data from banking group Emirates NBD which shows that, in February, Dubai’s non-oil private sector expanded at its fastest rate since January 2015, stoked by record tourism activity.

Although Dubai’s economy was initially built on oil, sales of petroleum and natural gas now account for less

than five per cent of the emirate’s gross domestic product, with tourism flourishing in its place.

Dubai’s Department of Tourism and Commerce Marketing reported 15.79 million international visitors in 2017, with the vast footfall opening up possibilities beyond the scope of traditional ‘sports tourism’.

For perspective, according to DSC’s recently-published 2019-2039 events guide, only 56 per cent of ticket holders for the 2018 Professional Squash Association World Series Finals travelled to Dubai for the primary purpose of attending the competition. Twenty-six per cent of them were in Dubai on holiday, while 18 per cent were there on business.

Legacy

The reputational value of hosting global and internationally-renowned sports events should not be underestimated for a destination that considers tourism and associated business and trade

opportunities as key to its economic future in a region that is packed full of aspirational rivals.

However, Dubai’s rulers are also well aware that has an important part to play in public life in knitting together its disparate communities, improving general fitness levels and reducing the burden on health services.

Back in 2015, obesity rates in the UAE were double the global average. However, childhood obesity in Dubai declined from 10.1 per cent to 8.9 per cent between 2015 and 2017, according to a new study published by the Dubai Health Authority.

Multiple factors will have contributed towards this improvement, but in an

attempt to build on the momentum, public participation in sport continues to be a priority post-event goal for DSC.

“Legacy is always an important consideration when we are making decisions about events,” Al Rahma says. “Take cycling, for example. The Dubai Tour has put this sport and the facilities available for it at the forefront. Now you can see thousands of people on their bicycles, using the cycling tracks that have been built around the emirate.

“The Fina Swimming World Cup and the Badminton Super Series Finals have also left a lasting legacy: Thousands of kids are now playing badminton in Dubai’s schools or have

taken to swimming.”

Drawing up a profile of the average Dubai resident is difficult, given that the emirate is a melting pot of different nationalities and demographics. That has shaped this flexible approach to hosting and promoting sports events which is given direction by the unswerving focus on the goals of enhancing Dubai’s international reputation as a tourism hub and the need to deliver opportunities at grassroots level.

“Our event-hosting strategy is about making every member of our community feel at home,” Al Rahma says. “Whatever their sports craving, we want to deliver.” ○

IN RECENT YEARS DUBAI HAS ADDED TO THE CALENDAR...



BWF Super Series Finals
(badminton – 2014-17)



World Series Squash Finals
(squash – 2016-18)



AFC Asian Cup
(football – as part of UAE event, 2019)

THE EMIRATE’S REGULAR EVENTS INCLUDE...



Dubai Sevens
(rugby union)



Dubai Tennis Championships
(tennis)



DP World Tour Championship
(golf)

Sports law under spotlight at LawAccord

Expanded programme will give SportAccord delegates greater insight into vital sports law issues.

Over the years, LawAccord has become an essential gathering for sports lawyers, administrators, event hosts, cities and regions and, especially, international federations seeking to be kept abreast of the latest legal developments and trends.

This year, LawAccord, which will take place in Gold Coast during SportAccord on May 6, will take on extra significance.

Reflecting the conference's increasingly prominent role during SportAccord, and the importance of sports law issues in the industry as a whole, the LawAccord programme will run for a full day for the first time, with a top-tier line-up of speakers focusing on 'Key Opportunities, Challenges and Threats to Institutional Sport – From Within and Without'.

As LawAccord Steering Committee member Ross Wenzel explains, expanding the timeframe will provide an opportunity to delve into topics from more viewpoints than ever before.

"Dedicating a full day to LawAccord allows us to explore the topic of governance from a number of different perspectives including, for example, the structural and regulatory reforms of governing bodies and the current challenges in the fight against doping in sport," says Wenzel, a partner and solicitor of senior courts of England and Wales at Kellerhals Carrard.

"We have also introduced different formats to the debates including presentations, panel debates and 'fireside chats' with eminent individuals such as World Anti-Doping Agency president Sir Craig Reedie and Court of Arbitration for Sport general secretary Matthieu Reeb.

"In order to make the debates as lively and constructive as possible, we have secured speakers – Australian and international – from different sides of the

debate and, in particular, representing the institutional and athlete perspective."

Wenzel acknowledges that the issue of governance has become central in the sporting world following a number of high-profile crises involving corruption, match-fixing and doping.

"This has led to a recognition that structural and regulatory reforms need to be introduced to reduce the risk of such abuses and to be able to prosecute them adequately where they do occur," he says.

"More generally, my sense is that the world of sport is becoming increasingly litigious and the disputes ever more complex. Those disputes pervade all areas of sport from field-of-play, through disciplinary and ethical issues to commercial claims."

Wenzel believes sport's stakeholders are beginning to heed critical warnings by taking proactive steps in this area, especially by "rigorously enforcing vetting rules for their administrators" whilst endorsing more robust ethical rules.

"Sports federations are increasingly willing to devote resources to investigate and prosecute abuses such as doping and match-fixing that threaten the level playing field, which is the essence of sporting competition," he says.

"The voice of athletes is also increasingly being listened to and given formal recognition within governing bodies. This is a positive development that will provide a new perspective and facilitate improvements in governance going forward."

At LawAccord, the presence of speakers with hands-on governance experience including, for instance, the two lawyers that led the governance reforms of Fifa and the IAAF, will provide valuable viewpoints as the sporting world prepares for future challenges.

Malcolm Speed AO, the former chief executive of Cricket Australia and the International Cricket Council, will be among the others to speak about ongoing governance issues in sport. ○



Creative solutions on CityAccord agenda

CityAccord speakers will analyse past examples to define effective event-hosting strategies for the future.

New sports and formats are set to disrupt the established event-hosting format in the coming years, with SportAccord delegates at CityAccord set to discover the latest opportunities and challenges with a packed programme.

Taking place on May 7 in Gold Coast, CityAccord will offer a unique opportunity to hear from some of the world's foremost experts on various aspects of hosting major events.

"CityAccord's value stems from its emphasis on issues affecting cities, regions and sports commissions. It's an invaluable opportunity to network and to learn how your peers in other cities are handling issues you and your city may very well be facing," says CityAccord co-chair David Simon, a senior adviser to the Los Angeles Sports Council.

A key driver for change in event hosting is a continuous effort to become ever-more creative – a topic that several speakers will explore during the

conference, which will take place under the umbrella theme, 'Mindful event hosting – respecting the past with a view to the future'.

"The proliferation of new sports, combined with the addition of new events or disciplines within existing sports, has presented host cities with both challenges and opportunities," Simon says.

"When cities are deciding which events to pursue, their job is made more complicated by having a longer menu of events from which to choose."

Simon expects more events to take place in unusual venues in the coming years, as well as more winter sports events taking place in warmer locations and more major events being staged in Asia and the Middle East.

Paul Yeomans, PMY Group's founder and managing director, will provide a keynote address on the 'Rise of the smart stadium', while Nitro Circus president Andy Edwards, EventScotland director

of events Paul Bush and Visit Victoria's general manager of major events, Damien de Bohun, will tackle the topic of destination branding through sport.

Queensland has, of course, enjoyed a huge boost to its brand following the Games in Gold Coast last year, with the afterglow of the multi-sport event set to bring in visitors from around the world for many years to come.

Meanwhile a series of 'Tool box sessions' focusing on innovative ticketing strategies will feature the likes of Ticketmaster Australia and New Zealand managing director Maria O'Connor and former deputy chief executive officer for the Gold Coast 2018 Commonwealth Games, Brian Nourse.

David Desmarchelier, Olympic Games security adviser and programme director at Boartes, will be among the panel members for a discussion about spectator safety management techniques, while Kate Jones, Queensland's tourism industry development minister, will also take to the stage a year on from the successful Games to offer a perspective on why SportAccord is just part of the state's post-event legacy.

However, whilst looking beyond the Games is important, Simon says it is also vital to focus on the pre-bidding phase, to ensure all relevant stakeholders are on board – another key point of debate and discussion for SportAccord delegates at CityAccord.

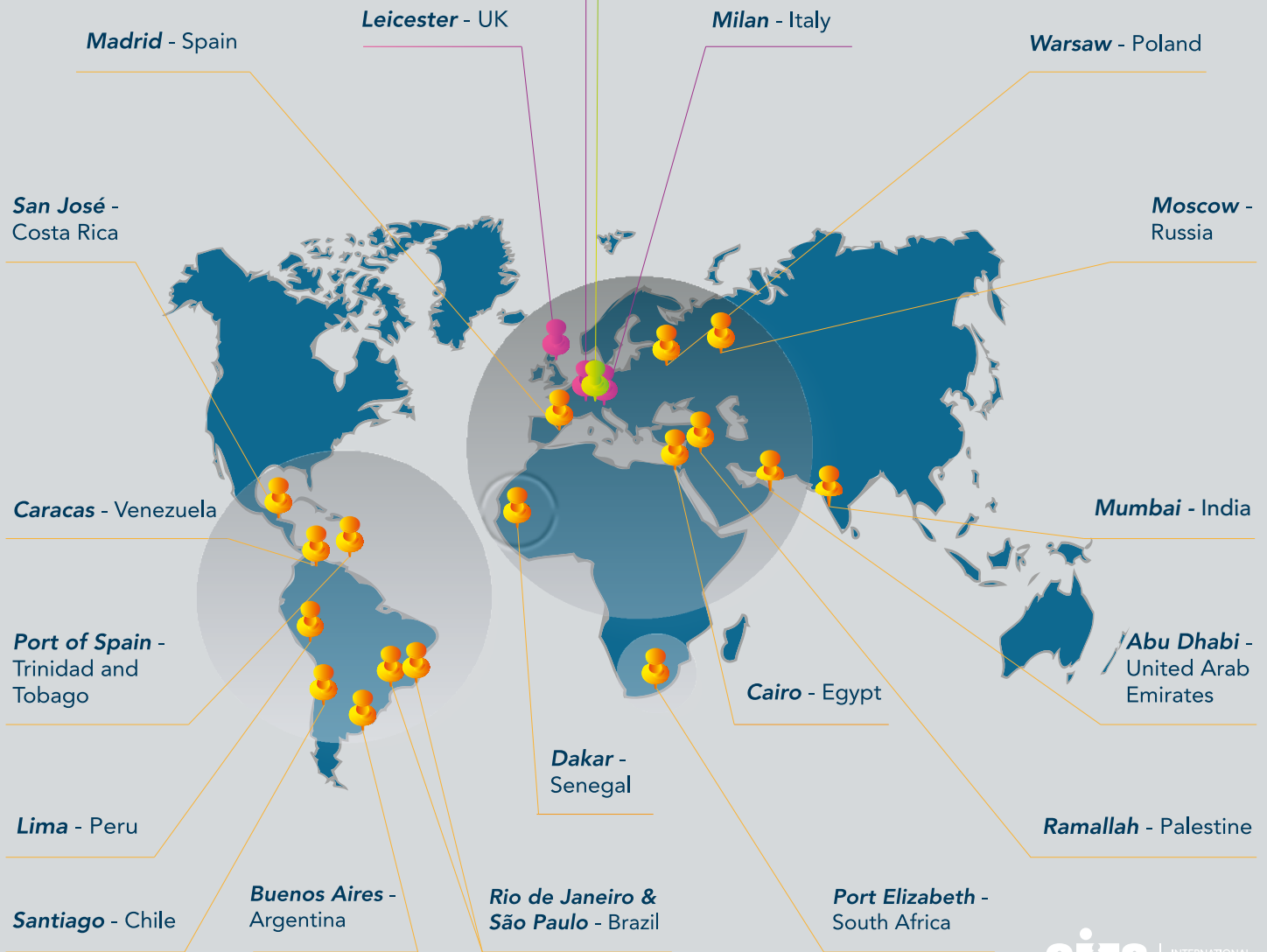
"At a time when bidding for events is more closely scrutinised than ever before, it's incredibly important to be able to articulate clearly to your community the benefits of hosting major events," Simon adds.

"Cities need to be able to engage in constructive dialogue with rights-holders in order to ensure that both sides are on the same page before potentially expensive bids are launched." ○



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Francisco Porras Lima, Director of Governance and Institutional Affairs, International Equestrian Federation (FEI) and FIFA Master Alumnus

ADVERTISING FEATURE

The Spaniard Francisco Porras Lima is yet another example of a successful professional leaving a positive mark in the sports world who has come from the ranks of the FIFA Master in Management, Law and Humanities of Sport. A lawyer by trade, he is currently the Director of Governance and Institutional Affairs at the International Equestrian Federation (FEI), in Lausanne, Switzerland. Francisco graduated from the 8th edition of the course in 2008 and joined the FEI very soon afterwards. "It was just two weeks after completing the FIFA Master that I joined the FEI, where I've had the opportunity to hone my skills and develop my professional career for the past eleven years", he recalls.

Good governance of international sports federations is a high priority in today's sports world agenda, and it is Francisco's role to ensure that the FEI continues the work initiated over ten years ago and maintains the highest standard of good governance in the Federation's structure and daily functioning.

"There are number of actions taken in 2018 that have contributed towards enhancing and strengthening the governance of the FEI", Francisco explains. "Among these I can highlight the adoption of the FEI Safeguarding Policy against Harassment and Abuse, the adoption of the FEI Code on the Prevention of the Manipulation of Competitions, the activation of the campaign "Be true, Be you, Believe in Equestrian" at the FEI World Equestrian Games and the modification of the FEI Statutes to include important statutory provisions such as gender equality or the promotion of a safe sporting environment."

Francisco actively contributes to the current public debate about governance of international sports federations through different initiatives such as the International Partnership Against Corruption in Sport (IPACS). "Working hand in hand with the IOC and the Association of Summer International Olympic Federation (ASOIF) towards a better governance of international sports federations, setting and harmonising the highest standards of good governance, is a really rewarding job".

What is the thing that you love about your job?

First and foremost, I love the FEI team. It is an absolute pleasure to work at the

FEI where, over the past few years, we have built a remarkably professional, talented and friendly team. This is complemented with a group of volunteers that populate the FEI decision making bodies and the different Committees with their in-depth knowledge and expertise. Servicing the equestrian community worldwide is also a highly satisfying task. Likewise, my work allows me to travel around the world, meet extraordinary people and interact with so many different cultures which is definitely enriching.



Do you still remember why you did the FIFA Master?

I surely remember! I wanted to work in sport management at an international level and the FIFA Master was the perfect route to achieve this goal. The FIFA Master was extremely valuable, both at personal and professional level. On a professional level, the FIFA Master gave me the necessary tools and confidence to develop my career in the sports world whilst also providing me with a strong network which is a precious asset in any industry. On a personal level, it allowed me to fulfil my childhood dream of working in the sport industry. It also allowed me to find a number of life-long friends.

Are you still in touch with classmates or other alumni? How important is that network for you?

Yes, I am still in touch with many alumni, not only with classmates from my edition but also from other editions. I am convinced that the alumni network is one of the greatest assets of this course. I cannot think of any other sport institution, academic or not, that has over 500 people working in more than 100 top international and national sports organisations. It is also really comforting to know that they are just one click away and you can contact any of them at any moment.

How important was the FIFA Master for your career?

Tremendously important. I am sure I would not be enjoying my current job if I hadn't done the course.

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PSG and Schalke 04: The football clubs imagining a future without football

PSG and Schalke pioneer football club involvement in esports

PSG targeting Asian youth, Schalke broadening European brand

Both clubs believe gaming is the future of entertainment



The Aegis of Champions trophy in front of the PSG.LGD esports team logo during on Day 3 of The International 2018 Dota 2 Championships (Jeff Vinnick/Getty Images)

Callum McCarthy

During the 15th minute of a Swiss Super League match between Young Boys Bern and FC Basel, a PlayStation controller was hurled onto the pitch. It bounced off the turf and landed among the tennis balls that had been thrown a few seconds earlier.

Host broadcaster SRF, innocently seeking to provide its audience with some context for the delay, zoomed in on the controller. A pithy message, written in English, was daubed upon it in silver marker pen: “FUCK E-SPORTS.”

The fans were angry about a report claiming the Swiss Super League was

going to deny Super League licences to clubs that didn’t have an affiliated esports team. The SSL wants to follow the English Premier League and the German Bundesliga in creating a virtual version of its own league on FIFA 19, the world’s most popular football game.

In a statement explaining their actions, the Ostkurve Bern fan group responsible for the protest complained that: “In today’s society, children often sit at home in front of their consoles instead of playing sports with friends.”

Fabien Allègre, director of merchandising and diversification at Paris Saint-Germain, and Tim Reichert, Schalke 04’s head of esports, probably wouldn’t agree with Ostkurve Bern on much. But they all have very similar

visions of where the entertainment world is going.

“The young generation, are they going to watch a real soccer game for an hour and a half? Or are they going to play games during it?” says Allègre who, alongside PSG Esports’ chief gaming officer Yassine Jaada, has turned PSG into the most aggressive esports investor in football.

“Modern football fans are driving a shift away from the old ways of doing things, and esports fans are a part of that, too,” he says.

Reichert, himself a former professional footballer, agrees: “I expect young people, and the younger generation in general, to be less interested in traditional football. I still expect them to

love playing football, here and there. But a football match? For 90 minutes? Young people, somehow, do not have that kind of mindset.”

For Reichert, Allègre, and just about any other executive at a top-level football club, the debate over whether esports and football can mix is over. Convergence has already happened and is gathering speed. The question that interests Reichert and Allègre is: ‘how far can we push it?’.

Stuck on Fifa

Whether Ostkurve Bern like it or not, we now live in a world where every major European football club now has its own Fifa 19 team.

The Premier League and the Bundesliga have their own Fifa leagues, with every constituent club represented. Bundesliga club Hertha Berlin went a step further, opening their own Fifa academy in January 2018. And Italian Serie A club Roma has its own ‘Fifa house’, a three-storey gamer’s paradise in North London, in which the members of its competitive Fifa team reside.

PSG’s Fifa team boasts one of the best players in the world, Lucas ‘DaXe’ Cuillierier, and Allègre believes being active in Fifa esports is an excellent marketing exercise. “Fifa is the most famous game in France, Europe, perhaps even the world,” Allègre says. “Even if I didn’t want to go only into Fifa when we launched the esports team, the objective was also to make esports connected to the soccer team, and the superstars of PSG. Neymar is a Fifa ambassador, so it’s very easy to make the link between esports and the soccer team.”

“I expect Fifa to get bigger,” Reichert says. “It’s already much bigger than I thought it would be in 2016. I underrated Fifa as an esports a lot. A lot.”

Regardless of its growth, Fifa is small fry in the grand scheme of esports. Its high watermark in the all-time prize money rankings is 6th. This was achieved back in 2003, by which time Fifa tournament participants had taken home a whopping \$165,000 (€147,000) – a figure considered serious money during esports’ equivalent of the Jurassic period.

Times have changed. Fifa publisher EA handed out just over \$2.2m in prize

money to professional Fifa players last season, but this was still \$400,000 less than *Dota 2* team Evil Geniuses earned for a week’s work at The International 2018, where they finished third overall.

Fifa is not an esports that gives football clubs a direct return on investment, but it does provide them with a valuable marketing platform via which they can engage with young fans – many of whom would rather play for 10 minutes than watch for 90.

“Maybe in five or 10 years, it’s more interesting for young people to just watch the Fifa games,” says Reichert. “There’s a target group of people who love Fifa, playing Fifa and watching content around Fifa, but don’t watch football too much anymore. If you go into a football stadium, you will see

“[Fifa’s] already much bigger than I thought it would be in 2016. I underrated Fifa as an esports a lot. A lot.”

Tim Reichert | Head of esports, Schalke 04

most of the people are older than 35.”

Fifa prize money will almost certainly increase over the next five years, but the amounts will still be a small fraction of what’s available to teams competing in *Dota 2* and other popular esports. *Dota 2* teams have earned \$210m in prize money since professional play began in 2013.

Yet there are few football clubs venturing outside of the virtual recreation of their core product. In terms of top-level, professional, non-football esports competition, just three football clubs have invested in a serious manner: PSG, Schalke 04, and Danish Superliga club FC København, which co-owns *Counter-Strike: Global Offensive* (CS:GO) team North.

If multi-sport clubs in Spain, Greece and Turkey lose millions of euros each season operating basketball teams – all for the sake of tradition and reaching a slightly younger audience – why are so few clubs investing in esports?

Taking the plunge

Josh Watson, head of esports at game developer Psyonix, says: “I wouldn’t say it’s surprising, given the nature



Paris Saint-Germain director of merchandising and diversification Fabien Allègre (Takashi Aoyama/Getty Images for PSG)



Rocket League replaces footballers with rocket-powered cars (Psyonix)

of the business. Esports enthusiasts in traditional football clubs have the sometimes-difficult task of educating other members of these organisations about the benefits and reach of esports, as well as the economics of this emerging industry.”

Psyonix created *Rocket League* in 2015, a 3-on-3 football game that replaced players and pitches with rocket-powered cars and futuristic low-gravity arenas. On paper, the game’s similarity to football, non-violent nature and the relatively low cost of running a team make it a perfect starting point for clubs branching out of Fifa.

Thus far, PSG is the only football club competing in *Rocket League*’s esports scene. It is thought several other top European clubs have held discussions with Psyonix but ultimately chose not to enter. Schalke was one of the clubs that kicked the tyres.

“Yes, you can attract a new and different audience, but it’s not all about just reaching out to new audiences,” Reichert says. “It needs to be a business case. We don’t see it as a business case that works for us right now. There will be the time where we enter *Rocket League*, maybe when it’s a bit more advanced, or the publisher develops the

esports scene a bit better.”

Most esports operate on a prize money system where there is no guaranteed revenue. In *Rocket League*’s case, a total of \$4.3m in prize money has been awarded to teams since the inaugural tournament in 2015. Most clubs believe the potential gains are simply too small to risk an investment.

Schalke’s cautious approach to *Rocket League* isn’t symptomatic of its wider esports strategy, as the club began its esports operations in May 2016 with the boldest of moves. Reichert, who was originally hired by Schalke to explore the potential of hosting esports events at the club’s Veltins-Arena, managed to convince the club to enter a team in the European League of Legends Championship Series (EU LCS), the top-tier of European competition. At this point, Schalke was yet to establish a Fifa team.

The club paid what Reichert describes as a “small, six-digit number” to join the EU LCS. At that time, the EU LCS had promotion-relegation, and the prize pool for each 10-week season was just \$100,000. “Back in the day, you just bought a slot,” Reichert says. “You could get relegated. And we did.”

Steep learning curve

Schalke were promoted the next year, and as an existing participant in the league, paid the discount price of €8m (\$9m) for a franchise in the newly-formed League of Legends European Championship (LEC), which began in January 2019. New teams looking to enter the single-tier franchise league were charged €10.5m. For Reichert, the investment is already paying off.

“Within the *League of Legends* community, we’re recognised as an esports organisation,” he says. “A lot of young people do not even know that we’re a soccer club because they’re just not interested.

That’s super important for attracting young people throughout our brand.”

He continued: “That’s the big difference with Fifa. Fifa fans, we consider them to be football fans.

It’s likely almost all of them have a preferred football club, and we don’t expect too many of those kids to convert to Schalke. They are anyway, or they won’t be.”

Reichert knows what it’s like to get in on something at ground level. His personal interest in esports began 22 years ago, when he co-founded the Schroet Kommando gaming clan with brothers Ralf [now chief executive of tournament organiser ESL] and Benjamin. The clan has since grown into professional esports organisation SK Gaming, which has earned \$5.6m in prize money to date, largely thanks to its dominance of the professional *CS:GO* scene in 2017.

PSG was also an early adopter of *League of Legends*, paying \$70,000 to enter a team into the 2017 EU League of Legends Challenger Series. Like Schalke, PSG made business-critical errors in its first season. Unlike Schalke, PSG’s error turned out to be irreparable.

Sensing that the winds of change were blowing, PSG initiated conversations over the future of professional *League of Legends* competition in Europe with publisher Riot Games in the summer of 2017. The club deduced that instead of a franchise system – in which PSG would have clear revenue streams and pan-regional exposure – *League of Legends* would

localise in a similar fashion to football, with domestic leagues and a Champions League-style competition with merit-based qualification.

“The fact that Riot wanted to be more oriented on the local – a French, English and German league, et cetera – didn’t match with us, really,” Allègre told The Score Esports website in October 2017. “Even if it’s not official from their side. It’s just a discussion we had. They want to move from a European competition to a European-plus-local, but the focus will be much more local-oriented.”

Based on that assumption, PSG dissolved its *League of Legends* team on October 7, 2017. After Riot announced the creation of a franchise league for 2019 – complete with a transparent revenue-sharing system – PSG partnered with existing team H2K, who applied for a franchise in the new league. The application was rejected. The consensus opinion across the esports community is that PSG’s reading of the market cost it a golden opportunity.

In the present day, Allègre somewhat sticks by the decision: “One of the reasons we moved from the game was because of the revenue split. Two years ago, it was not really clear for us what percentage of the incomes each team would earn. We did not have specific rules for that. And that’s very important.”

Reichert, on the other hand, is glad Schalke took the opportunity while it was there. “We had a big, big opportunity when we made that investment as we already knew all about the business model, the costs and the revenues. Building up that business case for us was not that hard compared to a football club that’s new to it.”

He continued: “Nowadays, if you want to go into esports, how many opportunities or options do you have? There is *CS:GO*...but most football clubs cannot do that,” he says of the first-person shooter esports, in which a team of terrorists must successfully plant and detonate a bomb in order to win.

“There is *Overwatch*, which asks for an absolutely insane amount of money, and is still a shooter. You have *Dota 2*, which is almost unknown in Europe – interesting for internationalisation in Asia but operating a *Dota* team in Asia



The Schalke 04 esports team in action (FC Schalke 04 Esports)



Schalke 04 head of esports Tim Reichert (Karsten Rabas)

as your first step would be very hard. And then, there is *League of Legends*.”

Look and learn

With their *League of Legends* opportunity gone, Allègre has decided to take, in Reichert’s words, the “interesting” route. In February, PSG Esports expanded their investment to mobile games. It invested in Rex Regum Qeon, an Indonesian esports team that competes in the *Mobile Legends: Bang Bang* Indonesia Professional League, renaming it PSG.RRQ.

Mobile Legends is remarkably similar to *League of Legends*. So similar, in fact, that the chief executive of *Mobile Legends* developer Montoon was ordered to pay \$2.9m to Riot Games for copyright infringement. However, Allègre’s decision to invest wasn’t due to its similarity, but its popularity – particularly in Indonesia, where there are 22 million active players.

Dota 2 – like *League of Legends*, a multiplayer online battle arena (MOBA) game – is by the far most popular and lucrative esports in Asia, and China in

particular. With limited experience of direct marketing in the region, Allègre convinced the club to invest in an existing team based in China, LGD Gaming, and create a new joint venture team named PSG.LGD.

While some esports executives have their doubts about PSG's joint venture strategy in Asia, the results for PSG.LGD have been instant. The team has earned well over \$5m in prize money since its formation in May 2018, and its grand final appearance at The International 2018 immediately made PSG a recognised esports brand in the region.

It has also enabled the club to work alongside experienced Chinese and Southeast Asian marketing teams well-versed in communicating with young audiences across the region. This feeds into the football club's bank of knowledge, which in turn helps PSG's head of Southeast Asia and Oceania, Gerald Heng, who works closely with PSG's esports operation to both guide and learn from its activities.

For Allègre, these partnerships are an essential first step toward learning about the esoteric ways in which Asian youth and esports communities communicate, without having to make all-or-nothing investments that could

severely tarnish the brand.

"We go into each project step by step, and we certainly believe that if you want to talk to this community of esports fans, you need to have a specific language or communication style," Allègre says. "It's quite early for us to say 'oh, now we know'. We learn month after month how to manage the communication.

"As soon as we can make a bridge between esports and the main pillar, football, we will do it. But you need to respect the way the esports community communicates, especially in Asia. You're talking to people who don't have exactly the same cultures, and also have their own specific ways of communicating about esports. You need to know a little bit more about each game, and how the audience accepts each kind of message. It's a good way to learn, month after month, and increase our credibility in the esports world."

Speculative investment

PSG Esports either partly or wholly owns six esports teams. As well as PSG.RRQ and PSG.LGD, it operates its own *Fifa* and *Rocket League* teams. In China, PSG again partnered with LGD to create a *Fifa Online* esports team.

Fifa Online is a browser-based version of *Fifa* popular in China due to the country's historic ban on console gaming. The ban was lifted in 2015, but there are still very few console games available compared to the rest of the world. *Fifa Online* is also massively popular in South Korea, due to the country's high internet speeds and gaming café culture, where gamers play socially on PCs, not consoles.

PSG's latest venture is a wholly-owned team competing in *Brawl Stars*, a mobile-only game reminiscent of Nintendo's blockbuster 'melée' game *Super Smash Bros*. PSG is one of the only esports teams competing in it so far, as *Brawl Stars* was only released in December 2018. It is the most popular mobile game in the world but still has a very limited esports scene.

PSG's decision to aggressively enter the *Brawl Stars* esports space is a direct result of the lessons it learned from its *League of Legends* experience: if you have the chance to be an early adopter in a massively-popular game, take it, and hang on for dear life.

Allègre's job is, for now, one of largely speculative investment. He is tasked with driving esports fans into PSG's 'ecosystem' – one that now spans





PSG.LGD fans celebrate as they watch a match against Team Liquid (Jeff Vinnick/Getty Images)

football, fashion and entertainment – while also establishing PSG as an authentic esports brand for the current and next generations of competitive gaming fans.

“We need to talk to everyone, not necessarily only to the soccer fan,” Allègre said. “The objective was not to go only into Fifa, because our vision of esports is not only linked to soccer. It’s a separate, real sport division.”

What’s stopping other football clubs following in PSG and Schalke’s footsteps?

“The biggest risk is not to have enough insight and knowledge to build up successful teams. I mean, even we weren’t prepared well enough,” says Reichert, calling back to Schalke winning just three matches out of 18 in its first *League of Legends* season. “The risk of failing at the beginning is always there, but any new business requires risk and investment, so this isn’t the biggest problem.

“To be absolutely honest and fair here, most football clubs don’t have the proper kind of consulting or employees to develop that vertical and bring it into the club. I still think there are not too many really good businesspeople in esports. This is the problem.”

Long-term vision

For Allègre, the primary problem is a lack of immediate profitability, with little visibility over whether the investment will pay off in the end.

“We can’t only be a big window of exposure for the publishers,” he says, referencing the fact that most publishers use esports as a marketing exercise and make significant losses on their tournaments. “Who is paying the salary at the end of the month? The club. But I think some of the publishers are starting to understand that now. I think many of them have started sharing our vision.”

Centralised revenue sharing is the new phenomenon in top-level esports – offering traditional sports-style revenue sharing among franchises guaranteed a place in any given league. But opportunities for teams to drive sponsorship income remain few and far between. Asked whether PSG Esports’ sponsorship is comparable to the prize money it earns, Allègre laughed.

“We have the chance to win The International tournament and win \$11m. Yeah, that’s it. You have the answer! And usually, the majority of this prize money will go into the players’ pocket.”

So why do it at all?

“At the beginning, no one cared about soccer in Asia,” Allègre says. “But Manchester United and Arsenal invested in a long-term vision. And now we know all about their presence in Asia. We are in the beginning, and we’re one of the first to go into esports in a professional way.

“In the coming years, who knows what kind of consummation will take place between soccer and esports? I don’t know. We don’t know. But what I do know for sure is that esports will be a part of it.”

Allègre dreams of a day when PSG Esports can attract global partners across all of its esports teams, but concedes that this may be a long way away. “The sponsorship market is not yet a mature market, and I don’t know if you spoke to the guy from Schalke... but I think he has a similar vision. It will take a long time.”

“I’m talking and talking about working business models and working business cases...” Reichert laughs. “But the most important thing is that we are convinced that gaming and esports will most likely be the biggest entertainment business in the world. In fact, it really already is. But it’s going to get even bigger with a new demographic that’s growing up. This is a long-term vision.” ○

“Sports that successfully engage with betting control their data at every step”

Genius Sports managing director **Steven Burton** answers five key questions on the opportunities betting offers for leagues and federations, and how they can capitalise on them with confidence.

1. How has the attitude of sports governing bodies toward betting changed in recent years?

Historically they have kept the betting industry at an arm’s length.

Motivated in part by potential integrity or reputational concerns, many have deliberately shied away from addressing betting on their competitions. Others have been unaware of the huge advances in online and mobile sports betting and remain genuinely surprised that their games and matches are attractive to sportsbooks.

But in recent years, we’ve noticed a significant change in sports’ attitudes. As a company that sits at the intersection of the two industries, we’re seeing more and more leagues and federations wanting to engage with betting to extend the reach and profile of their sport and exploit new revenue opportunities.

2. What is driving that change?

The recent legalisation of betting in major sports markets such as the US and Brazil has helped raise the profile of the betting sector. Heightened media interest, increased regulatory controls and technology have led to an improved public perception of sports betting and it is now seen as an engaging, interactive form of entertainment.

The major US sports are also playing a central role in this global shift in sports’ attitudes, with the NBA, MLB, NHL and PGA Tour positioning themselves at the heart of the ongoing regulatory debate. Their much-publicised advocacy efforts, official data agreements and investments in new technologies have encouraged other leagues and



Genius Sports managing director Steven Burton

federations to consider the potential benefits betting can provide.

Sports are also waking up to the fact that, whether they engage or not, people will bet on their events. They know they face a simple choice: ignore the fact that sports betting takes place, cede control, visibility and revenue opportunities or adopt a proactive stance that drives new revenue, expands their global audience and protects the transparency of their games.

3. What do you see as the upside from a well-thought out, thorough engagement strategy with betting?

Our experience shows that, with the right technology and partners, sports can drive significant revenue and increase fan interest.

In the short-term, this enables sports to benefit from lucrative partnerships across data and streaming licensing as well as new betting sponsorship and advertising opportunities.

Sports will be tempted to generate immediate short-term revenues by accepting the highest financial bid for their rights. But a successful strategy must also answer key long-term questions about how an exclusive licensing model can provide greater product innovation over time or the negative impacts sponsorship agreements with offshore sportsbooks can pose.

While the prospect of new revenue streams is attractive, our partners and others tell us they are particularly enthusiastic about betting’s potential to engage new fans and deepen their relationships with their existing fan base.

Modern sportsbooks have customers around the world, enabling sports to use betting to reach new markets and interact digitally with untapped audiences. Like fantasy football, betting enables sports to give their fans a competitive outlet to engage with teams or players while harnessing new and exciting innovations.

In January, alongside the NHL and the Golden Knights in Las Vegas, we showcased how cutting-edge new tracking (‘puck and player’) technology can enhance the real-time betting experience for fans. By placing chips in each player’s shoulder pads, the NHL can offer new and exciting betting markets such as the speed of the next shot or total skating distance for individual players.

Sports bettors are the most engaged category of fan and potentially the most valuable to leagues and federations. According to a Nielsen Sports study commissioned by the American Gaming Association, sports bettors made up 25 per cent of the NFL’s television audience

but accounted for 47 per cent of all minutes viewed.

On average, bettors also watched 19 more NFL games a season than those who didn't bet at all, providing a potential solution for sports looking to reverse falling TV audiences and maintain lucrative broadcast deals.

4. What's preventing more sports from taking advantage of the upsides offered by betting?

Often it's an outdated fear that engagement with sports betting will increase the threat posed by match-fixing and betting-related corruption. The logic is understandable: match-fixing only exists because of betting and if there's no betting there's no threat.

While that argument might have been justified five or 10 years ago, it isn't today, because betting will continue regardless and the interests of sports and legal sportsbooks are aligned. Neither wants or benefits from match-fixing.

By proactively working alongside licensed sportsbooks and regulators, sports can protect themselves by implementing basic preventative measures such as information sharing agreements and joint investigations.

Building robust integrity programmes is a critical form of betting engagement and sports have an increasing number of solutions and experts at their disposal. They can now combine measures to identify, prevent, combat and investigate any threats to their integrity with 24/7 monitoring software, comprehensive educational services and full-scale reviews of their integrity rules and procedures.

Without visibility or cooperation through engagement, sports can inadvertently render themselves powerless in protecting their own integrity.

5. How does a governing body go about developing a strategy for betting with confidence and what are the key building blocks?

Having the right technology infrastructure is vital. Fans' insatiable demand for stats-driven content means being able to collect and distribute fast data is already critically important to most sports.

However, there is a major difference between providing data to fans and supporting the needs of a sportsbook which handles millions every day on individual betting markets. Sports have to ensure their data is fast, accurate and reliable, meaning their technology needs to be robust and able to support split-second distribution to sportsbooks around the world.

A robust integrity strategy is pivotal, alongside an approach to data that puts sports in charge. Every odd and market provided by a modern sportsbook is powered by data, making it the crucial link between the sports and betting industries.

Sports that successfully engage with betting are in full control of their official data at every step. This means ensuring, they can provide the fastest, most accurate supply available, disrupting unofficial feeds and determining which sportsbooks are granted access to their official data.

With full control, sports can enhance their integrity measures by preventing markets which may be more susceptible to manipulation – e.g. youth team competitions or the number of yellow cards – from being made available.

Until now, sportsbooks have been far more concerned with a data feed being fast or accurate than who supplied it. But as public scrutiny on the quality of data grows and betting regulation spreads, sportsbooks need complete security of supply.

In-play betting is still relatively new but as the industry matures, being able to offer and settle bets with the most accurate and reliable information will become vitally important. So to unlock betting's clear benefits, sports must adapt by creating and protecting an official data product that benefits all parties. ○



The NBA has granted Genius Sports the rights to distribute official betting data to licensed US sportsbooks (Jonathan Daniel/Getty Images)

'Team Yorkshire' builds £100m-impact event on Tour de France legacy

The race is the most-attended annual sporting event in the UK, with 2.6 million spectators in 2018

After hosting the 2014 Grand Départ, the legacy event was created in partnership with ASO

UK's largest county aims to add Giro D'Italia and Vuelta a España starts to its future roster



Ryan Herman

In the four years since its 2015 inauguration, the Tour de Yorkshire has grown to become the UK's most-attended annual sporting event, attracting 2.6 million spectators in 2018, with an estimated economic value just short of £100m (€116m/\$131m).

The event, which is held over four days around the first weekend of May, is run in partnership between Welcome to Yorkshire – the body that promotes tourism across that region – and Tour de France owner-operator Amaury Sport Organisation.

It was built on the back of Britain's largest county hosting the Tour de France Grand Départ five years ago.

Speaking to *SportBusiness Review*, Welcome to Yorkshire's commercial director Peter Dodd says: "It's easy to get carried away, but the Grand Départ was the greatest event in Yorkshire's recent history and it was a gamechanger.

"But we didn't want to just host

the Tour. It had to be the start of the journey. We knew it was a huge opportunity for Yorkshire PLC. Our vision was to make Yorkshire 'The Cycling Capital of Europe'."

An agreement between Welcome to Yorkshire and ASO to create a legacy event was signed 100 days before the Grand Départ in 2014.

Dodd adds: "Externally, there was a slight nervousness that the Tour de Yorkshire would be the same operational scope as the Tour de France. But because it's a partnership between us and ASO, you can be more proactive.

"Welcome to Yorkshire is responsible for the marketing, securing locations, the routes. ASO will come over to do a route check. Then, on race week, the full ASO team comes over. We have the same race director as the Tour de France."

Exposure and impact

A large chunk of the value is in the exposure the race gives to Yorkshire, and the race has had complete live coverage

since 2016, when Welcome to Yorkshire "twisted arms" at broadcasters Eurosport and ITV.

The promise of exposure is one of the ways Welcome to Yorkshire has been able to guarantee the support of local authorities across the county, who have had to justify the costs involved in staging the race at a time when councils across the UK have been struggling to deal with cuts to their annual budgets.

"The public sector faces huge challenges, with austerity, budgets, closures," says Dodd, "but it also has to find ways of generating revenue."

He cites the example of Scarborough, on the North Yorkshire coast. In 2017, the town spent £100,000 for the right to host a stage of the Tour de Yorkshire, plus another £50,000 in operational costs. The economic impact on Scarborough's economy was valued at £750,000.

Demand to stage the Tour de Yorkshire comfortably outstrips supply – there were 18 bids to be one of eight host towns for 2019.

Dodds adds: “Brexit also presents many challenges. But Yorkshire is the only county in the UK that is consistently increasing its number of visits and total spend.”

In 2018, the data – conducted by market research firm Grasp and Leeds Beckett University – suggested total consumer spending linked to the race reached £98.3m: £41.1m spent on accommodation and £56.8m on food, drink, transport, shopping and souvenirs, plus £383,670 spent by athletes, journalists and officials.

The race was extended from three to four days last year, leading to a 57-per cent spike in total spend.

History

The idea of staging a major cycling event and effectively using it as a Trojan Horse to promote tourism was first floated back in 2010 when Welcome to Yorkshire was looking for a grand project to raise the region’s profile on an international scale.

Dodd explains: “We weren’t going to get the Olympics or the Champions League Final. But we’ve got the topography, from the coast to the cities to the dales. We’ve got the Peak District and we’ve got the North Yorkshire Moors. Put that into a sporting context, then why not go for the Tour de France?”

The bid to host the Grand Départ was underpinned by a wider vision to promote cycling.

“Right at the beginning, we said we wanted Yorkshire to be the first place where no child didn’t have access to a bike. Yorkshire Bank bought into that and we’re into the sixth year of the Yorkshire Bank Bike Libraries with 60 donation stations and over 60,000 donations to date, with 75,000 children getting to ride a bike who wouldn’t have otherwise been able to afford one.”

2019 and beyond

The profile of this year’s Tour de Yorkshire has been heightened by the appearance of four-time Tour de France winner Chris Froome, coupled with the debut of Team INEOS (formerly Team Sky), something that has sparked controversy given the petrochemical firm invests in hydraulic fracking, which has faced stiff opposition across Yorkshire.

However, the build-up to this year’s event has also been overshadowed by the departure of Welcome to Yorkshire chief executive Sir Gary Verity. Officially, he stood down due to health reasons, but it followed allegations of bullying. Verity also agreed to pay back a five-figure sum following misuse of expenses.

It was a swift fall from grace for a man who, only a couple of months ago, was being touted as Richard Scudamore’s potential successor as football’s Premier League chief executive.

And the reputation of Welcome to Yorkshire has inevitably been tarnished.

Although it is a private company, 50 per cent of its £4m annual income comes from the public sector, and the fallout from Verity leaving has put Welcome to Yorkshire under intense scrutiny to show that it has got its house in order.

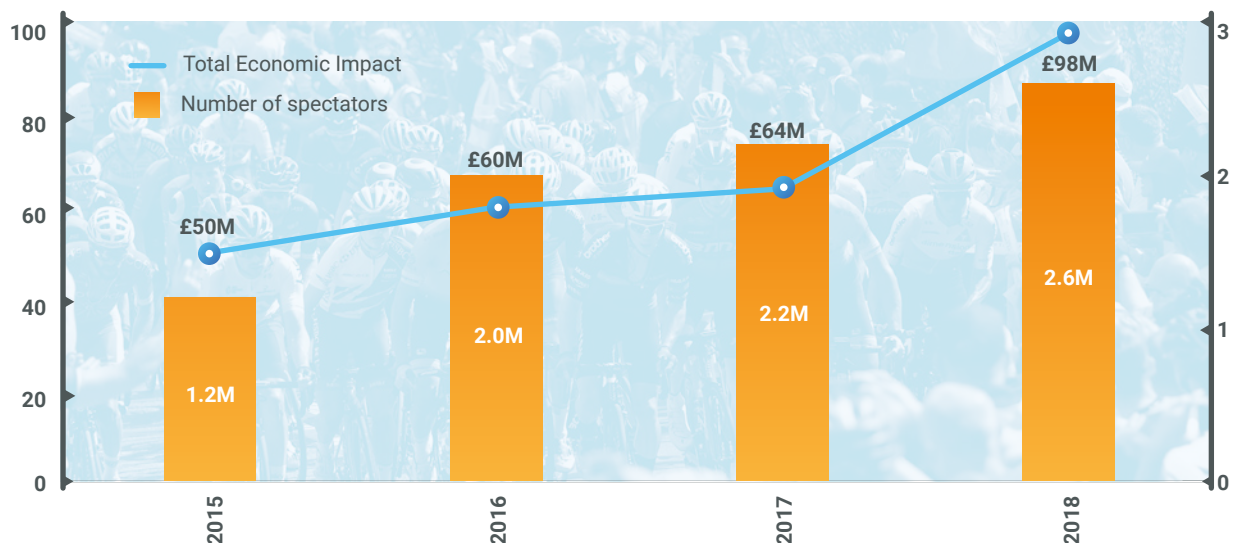
But the show will go on. Indeed, cycling continues to be exceptionally durable in the face of scandal. Also, the cliché that ‘no person is bigger...’ seems apt, given how important the sport has become to the people of Yorkshire in such a short space of time.

Dodd concludes: “This is about Team Yorkshire. So, whether it’s about the team here or the wider environment, it’s about relationships, it’s about attention to detail. We’re out there, we’re visible and we’re pushing a positive story.”

Next for the firm is hosting the 2019 UCI Road World Championships at Harrogate in September, raced on part of the Tour de Yorkshire circuit. It will be the first time Britain has hosted the World Championships since 1992. Dodd called it ‘the logical next step’ after the Grand Départ and the Tour de Yorkshire.

Hosting the Vuelta a España, along with another Tour de France Grand Départ, are the next two items on the cycling agenda. Dodd confirms: “Touch wood, it’s a matter of when, not if, for the Vuelta. With events like that or the Giro D’Italia or the Tour de France, it’s about being flexible, as opposed to saying we want to host it in a particular year.”

THE RISE AND RISE OF THE TOUR DE YORKSHIRE



Source: Welcome to Yorkshire

“We are not interested in the discussion of integrity fees” | Keith Wachtel, NHL

Ahead of his appearance at Betting on Sports America, *SportBusiness Review* spoke to the NHL’s chief revenue officer and executive vice-president, global partnerships, Keith Wachtel, about its approach to sports betting.

Ben Cronin

When will the technology be ready to introduce puck and player tracking data in the NHL?

We have been developing the system over the past three years. It’s very difficult to track a puck that travels a hundred miles an hour and players that skate 30 miles an hour, so it’s taken us a long time to figure that piece out. We successfully tested the technology at [trade show] CES; we did a live demonstration at the All-Star game. It is extensive hardware, puck manufacturing and all of that that needs to be done. We will be rolling that out in all 31 arenas next season, with the hope of launching the system sometime towards the second half of next year. It could be next year’s All-Star, it could be next year’s playoffs, but we do intend to implement the system league-wide in some fashion next season.

What betting markets will that create?

The amount of data that we will have is significant. It’s going to be able to provide data points that we’ve never been able to accumulate. The market for prop bets in the United States – outside of really the NFL, and even that is primarily Superbowl-focused – is very limited. If you look at the operators, they tell you that they think it’s certainly going to be an important part of the betting landscape.

I certainly think the marketplace will dictate what makes sense, but we see [betting on] things like hardest shot, fastest skater, distance travelled, the ability to look at who’s going to score the next power-play goal.

The NHL now has three betting partners: MGM, William Hill and



FanDuel. Which betting markets are they most interested in developing?

MGM is very interested in social and predictive gaming – not only to provide that for betting markets but for NHL or sports enthusiasts in general who might want to play against their peers. Obviously, peer-to-peer gaming has been successful in Europe. From that standpoint, we are interested in doing more with this data, whether with MGM or at some point developing it ourselves, where the NHL will have an in-play game that can be enjoyed by all of our fans. We see these new data streams not just from a betting standpoint. Really it’s all about engagement, and that’s why we’re so excited about the development of the system.

NBC Sports Washington recently introduced predictive gaming into a Washington Wizards NBA

broadcast. Can you see NHL teams doing something similar?

[Washington Wizards owner] Ted Leonsis is [also] one of our owners and extremely progressive. He’s been instrumental in helping us craft what our strategy should be. Given also the progressive nature that we’ve taken in the space, I think we have a greater opportunity, quite frankly, to grow the handle in the sport of hockey. We’re seeing tremendous numbers in the growth of hockey, ever since the Golden Knights came to Las Vegas. Like I said, we’re being much more progressive at this point in time than the other major professional leagues in the US, so we see it as a great opportunity to explore all of these types of integrations.

NHL commissioner Gary Bettman has not called for an integrity fee to be levied on bets on the NHL. Why

are you less keen on these fees than other leagues?

We are the league that is not interested in the discussion of integrity fees. We are not legislating for that and don't believe that that is a place for us. If that's something that happens, then fine, but we are not out there calling for it. We believe in commercial relationships, which is why you see us having three partnerships [with betting companies].

We have no interest in forcing the value of our data on someone if they're not interested in it. There are lots of ways to engage with the NHL and our fanbase, so we are receiving financial benefits from our partners simply for the rights and benefits that we're providing. We are not involved in the handle whatsoever. There are so many difficulties in doing so from a regulatory standpoint that we believe, at this point in time, with the limited number of states that have legalised it, we're better engaging and entering into partnerships. If we can increase the engagement and increase viewership, whether that's through television or digital products, that's really where the big opportunity is for all of us – not in trying to secure small integrity fees, or even these commercial relationships.

How important was the new Vegas Golden Knights franchise in securing the MGM partnership? And how influential was the NBA's deal with MGM?

We were talking to MGM way before the NBA. The Golden Knights' arena is partly owned by MGM. Once we brought the Golden Knights to Vegas, it gave us an opportunity to spend a lot of time with operators. First of all, the operators saw the potential of gambling on a sport that has been underserved by the gambling community.

Two, the unprecedented run of the Knights meant we spent a lot of time in Las Vegas, cultivating relationships and listening to what they wanted out of the category from the sports marketplace. I think our progressive approach – not having the discussion about integrity fees and data leading it – enabled us to ingratiate ourselves with the community much more quickly.

What sort of impact did the success of the Golden Knights have on the amount of betting in Vegas?

If we use the William Hill sportsbook, our partner and the leading sportsbook in Vegas, the handle grew 80 per cent or so in the first year that the Knights were there.

How does your MGM partnership differ from the ones with William Hill and FanDuel?

We have the agreement with our players association to chip the players. MGM saw the benefit of that and wanted to make sure that this was a system that they were going to be able to take advantage of. Right now, they are the only one of our three betting partners that we have granted the rights to puck and player tracking. They saw the tremendous value in the short-term with puck and player tracking data, whereas the others want to see what it is first. If you talk to Scott Butera [MGM president of interactive gaming], I think he will tell you that the way they look at this is as a way to engage fans and MGM customers, no matter where they live.

Did the current CBA with the players allow for the collection of this data?

It's not included in our current collective bargaining agreement. We did a separate agreement with them. The players have been great as far as understanding the importance of the engagement factor and what that can lead to in the future for the players. They have been very willing participants and it was an additional agreement for us to be able to do that.

The American Gaming Association predicted the legalisation of betting in the US would be worth an additional \$216m in revenues for the NHL. Do you think that's accurate?

It's difficult to tell. I think the majority of those predicted revenues are indirect revenues. We don't really take stock in it, other than we know there is some money to be made on a commercial basis. But for sports leagues it is minimal compared to the rest of their business. That's why our approach is to do partnerships with big leading brands that see a vision of fan engagement. The revenues are nice to have, they're new, but the significant

revenue streams are not from these commercial relationships. Remember, there's only a few states that matter right now in the landscape of sports betting. Vegas and New Jersey really are it because of the amount of handle and because of the way they're set up, especially in New Jersey with mobile betting. As states legalise and more states enable that type of betting infrastructure, the value of those commercial deals with operators goes up significantly, and then there's a waterfall effect.

Why are most of your deals with sportsbook operators short-term?

The next two to three years, for us it's really about establishing these relationships with the operators and learning, seeing what the marketplace wants and then we can reassess in a few years when more states are legal. Who knows? Some of the broadcasters that we've talked about, they might get in the game. I think you will start to see the traditional broadcasters and the digital companies start to look at sports betting in a different way.

Are you hamstrung by the fact that sports betting is only legal in a handful of jurisdictions where there is an NHL team?

Our clubs are allowed to take camera-visible signage opportunities with gaming operators, even if gambling is not legal in the state. There are two opportunities for clubs: one in states where sports betting will become legalised, where they're confident that it will be – it's an opportunity to get in the door early and start to build some awareness. Secondly, we see it as an opportunity for states that are bordering jurisdictions where gambling is legal. In New York, the New York Rangers could accept William Hill or FanDuel advertising and put William Hill or FanDuel on a camera-visible dashboards because New Jersey is right around the corner. Certainly, in states that are legal there's going to be a much better opportunity for our franchises, but we want to see this as an opportunity for all of our clubs to see a benefit. We are being much more progressive in how we look at it because we want everyone to start engaging, not just at the national but also at the local level. ○

Capitals' inaugural Stanley Cup triumph leads to commercial uplift 'across board'

NHL team broke e-commerce and in-venue merchandise records after first title in franchise history

TV ratings and digital streaming minutes on NBC Sports Washington up significantly

Franchise to host viewing parties at Capital One Arena for all away post-season games this season



(Scott Taetsch/Getty Images)

Bob Williams

The Washington Capitals' historic Stanley Cup success in 2018 has had a profound effect on the franchise's commercial fortunes, impacting almost every revenue stream.

Last June, the National Hockey League team – which is owned by Monumental Sports & Entertainment – defeated the Vegas Golden Knights to win the first Stanley Cup in the franchise's then 44-year history.

It was also Washington DC's first title in the major four professional US sports since 1992, when the Redskins won the Super Bowl.

The play-off run to the Stanley Cup

finals and the Capitals' efforts since to capitalise on the team's glory has impacted the business "across the board", according to Jim Van Stone, the Washington Capitals' president of business operations and chief commercial officer.

"Every metric that we look at – whether it's ticketing, sponsorship, corporate hospitality and suites, merchandise and even our gameday [per-capita sales] with food and beverage – are significantly higher than they've ever been."

According to *Forbes*, the Capitals earned a record \$194m (€172m) in revenue last year – aided by an additional 11 play-off games at Capital One Arena – while the franchise rose in value by 16

per cent year-on-year, to \$725m.

"It was the most special time that the organisation has experienced," adds Van Stone. "It was something that captured the marketplace's attention for the better part of two-and-a-half months so it was an amazing opportunity for us."

"We had a lot of success from a brand development stage, both on the consumer and corporate side. It was really a rallying cry for the greater Washington region."

Rises in merchandise sales, TV ratings and sponsorship revenue

According to league and team merchandise partner Fanatics, the Capitals broke the record for both e-commerce and in-venue retail sales for

a Stanley Cup champion since it began tracking such data in the mid-2000s, while the victory was in the company's top-10 championship merchandise sales across all major sports.

The growth in merchandise sales was aided by the popularity of star player Alex Ovechkin, who had the NHL's best-selling jersey in the 2018-19 season. According to the *Wall Street Journal*, the Capitals' championship merchandise sales rose 276 per cent in Ovechkin's native Russia year-on-year during the post-Finals period. Sales of Capitals merchandise in Sweden were also up 60 per cent over 2017, largely due to the presence of Nicklas Bäckström in the squad.

"The biggest area where we saw an unbelievable growth was on the merchandise side," Van Stone says. "Certainly, you had the lead into the Stanley Cup and the post-events but the demand really carried through into the following season in terms of the demand for our merchandise products.

"Our portfolio of products was enhanced; we added a lot more products into the mix. We saw increases in both online and in-store sales. We were prepared to take advantage of that opportunity, so we had a really good game plan in place."

Linear TV ratings on regional sports network NBC Sports Washington – which Monumental part owns – have also risen year-on-year. The average audience during the 2018-19 regular season was up 30 per cent and 124 per cent in the Washington DC and Baltimore markets respectively. For live streaming on MyTeams and the NBC Sports app, the average minute audience increased 149 per cent in this time frame.

According to Van Stone, the Capitals had already sold 90 per cent of season tickets for the 2018-19 season by the time the play-offs started but there have been increases in individual ticket and new business sales. "Our season-ticket numbers have always been high," he adds. "I wish we had another 2,500-3,000 seats in the building to be able to build on it.

"We've seen some solid numbers, but it's been really consistent with the way it's been. But the demand on the secondary market for individual

tickets has been higher than we've ever experienced in franchise history."

The Capitals have also enjoyed a growth in sponsorship revenues. The NHL added four new in-ice advertising positions at all games, in each of the rink corners, from the 2018-19 season. These partnerships were taken up by Capital One – which also has the stadium naming rights – and LiUNA!, the Laborers' International Union of North America.

Following the Stanley Cup victory, the Capitals held a victory parade in the city, which was attended by an estimated 700,000 people. Seven corporate partners were brought in as Presenting Partners: Capital One, Giant, Budweiser, Ford, M&Ms, the *Washington Post* and Red River.

Van Stone adds that the Capitals have engaged in talks with European companies over potential long-term partnerships and that the franchise is in a stronger position to gain new partners following the Stanley Cup success.

"Our partnership revenues are up pretty significantly from a percentage standpoint so that's been a really great growth opportunity," he says. "[Winning the Stanley Cup] puts you in a better situation...the demand when you are reaching your accomplishments certainly gives you a lot more runway."

Expansion of viewing parties for away games

One successful initiative from last year's play-off run, which the Capitals are continuing and expanding, is holding viewing parties at Capital One Arena for away games in the post-season.

Last year, the Capitals held these viewing parties for the deciding Game 7 of the Eastern Conference Finals against the Tampa Bay Lightning, and for Games 1, 2 and 5 of the Stanley Cup finals against the Golden Knights.

Entrance to these events – which were held in partnership with Capital One – was free but the merchandise store and concessions stands were open, leading to healthy sales in both departments. The team's mascot Slapshot, cheerleaders the Red Rockers and additional Capitals personalities were also in attendance to help build the atmosphere.

From this year, the Capitals are hosting these viewing parties for all away games in every play-off round.

"We have a great foundation of what we learned from winning the cup," Van Stone adds. "A lot of what we've learned, and where it's helped prepare us, is fan development and engagement and keeping people very excited about the brand and property itself." ○



The Washington Capitals raise the 2018 Stanley Cup Championship banner at Capital One Arena (Patrick Smith/Getty Images)

49ers draw on SAP partnership to improve fan experience in real time

Levi's Stadium is first US venue to install venue-management platform Executive Huddle

Team previously spent days poring over matchday data, now they can do it within seconds

Half of 32 NFL teams, plus MLB, NBA and NHL franchises, interested in analytics tool



The Executive Huddle suite at Levi's Stadium (Meg Williams)

Bob Williams

The 'Executive Huddle' – the SAP-powered venue-management platform at Levi's Stadium – has put the NFL's San Francisco 49ers at the forefront of fan experience management and shows how far partnerships between tech companies and rights-holders can go beyond simply sponsorship.

Launched in the NFL pre-season last August, the Huddle pulls data from nine streams – including attendance, parking, food and beverage, retail, ticketing and social media – to interactive dashboards in a specially-outfitted suite. It allows Levi's Stadium executives to visualise every aspect of stadium operation and

respond to issues or opportunities in real time.

And it was directly because of an existing relationship – SAP became a founding partner at the stadium in 2012 – that the 49ers became the first professional sports team in the United States to install this platform, which builds on the German software firm's connected-stadium experiences at Bundesliga teams Bayern Munich and TSG Hoffenheim, as well as German ice hockey team Adler Mannheim.

"The whole partnership space is changing, especially on the technology side," says Mark Lehew, SAP's global vice-president of sports and entertainment industry solutions. "If you look back a couple of years ago,

it was the traditional partnership. Sports teams would do partnerships with technology companies for the revenue, just as they would with other partnerships.

"But I think the technology companies, like us, changed our model and said, 'we don't want to have a partnership with you just to put our brand around your venue or in a box, we want to solve authentic business problems for you using our software, so when you showcase it and talk about it, you're not only using our technology but you're talking about the impact that it's made on your business.'

"I think a lot of forward-thinking clubs that are doing partnerships with technology firms are doing it for

that case. They are all looking at it as another lever to pull to get an edge on people. When you look at the fan, any sports team, any entertainment park, all are competing for discretionary spend. How do they stand above the crowd and win that dollar? If they can find a way to creatively use technology to win that dollar, they are better off for it.”

The 49ers previously spent days after games poring over data to analyse the fan experience at Levi's Stadium, whereas now they can do so within 15 seconds. SAP, meanwhile, has engaged in talks with around half of the 32 NFL teams about installing a Huddle, and has had approaches from a number of NHL, NBA and MLB teams as well.

From fan surveys to real-time data analysis

Analysing and, in turn, improving the fan experience at Levi's Stadium has been one of primary goals for the 49ers ever since the team moved to the \$1.3bn (€1.14bn) venue in Santa Clara, California, from Candlestick Park in 2014.

The team's business strategy department initially focused on fan

surveys and focus groups to gather feedback, going from 500 annual surveys – which quickly expanded in size to get more granular detail – to 30,000 within a few years.

Meanwhile, matchday data from numerous sources, such as ticketing information from Official Ticketing Partner Ticketmaster, was painstakingly collated into a report and shown to key executives on Wednesdays after games in a multiple-hour presentation. “At the time [it] was an NFL best practice in terms of the turnaround time,” says Brent Schoeb, the 49ers' chief revenue officer.

Over 200 improvements have been made at Levi's Stadium as a result of these assessments, at the cost of approximately \$10m, but this wasn't enough for 49ers team president Al Guido, who in 2016 charged his staff with exploring real-time changes.

Immediately, 100 HappyOrNot kiosks – which measure customer satisfaction via four smiley-face buttons ranging from very happy to very sad – were installed next to specific amenities, such as restrooms and concessions stands, around the

venue. HappyOrNot traditionally sent out reports the day after responses were received, so the 49ers worked with the Finland-based company to create a real-time reporting app.

Satisfied that the 49ers could capture real-time data and organisationally react to it, Moon Javaid, the team's vice-president of strategy and analytics, looked to take the next step. He approached various technology companies in early 2017 about whether they could combine the 49ers' nine data streams – including HappyOrNot – into a single platform that would track changes in real time and be easy to visualise.

“I evaluated 20 or 30 vendors that were out there and didn't think there was anyone was capable of doing it in a way that we wanted,” Javaid says. “No one was doing it effectively and I didn't think anyone had the wherewithal to do it in a [suitable] time frame.”

This was where the 49ers' relationship with SAP paid dividends. “Nikki Hawkins, who is our director of partnerships, went to Germany and saw a solution from SAP [on a tour of their venues],” recalls Javaid.



Fans stream into Levi's Stadium before a game between the San Francisco 49ers and the Chicago Bears (Noah Graham/Getty Images)



(Meg Williams)

“We had been chatting about me looking for a solution randomly a few weeks prior to this and I asked if any of our partners had something like this. Nikki came back from Germany and showed me a tool that they were using over there [an app version of the Huddle] and it was exactly what I wanted.”

It was “happenstance”, observes Lehw. The 49ers set up a formal meeting with SAP in November 2017 and signed a contract in January 2018 to install what became known as the Executive Huddle.

The biggest hurdle to overcome was getting all the data directly from source to be able to visualise changes in real time. “The technical challenges that SAP overcame were really significant,” says Javaid.

“Because we don’t own the data, we had to reach out to all of the companies to get permission to go straight to the source and grab the information from them.

“So we had to build a pipe to all these separate companies to get their data. We had to go to the source directly because

“The technical challenges that SAP overcame were really significant.”

Moon Javaid | Vice-president of strategy and analytics, San Francisco 49ers

we wanted to have this information update within minutes, so it couldn’t go from one server to another server and then come to us because it wouldn’t have happened in a timely fashion.

“Those were challenging conversations to have, for people to open up their data streams for us to pipe into, but SAP had those conversations and were able to get that for us.”

From there, the 49ers redesigned a suite at Levi’s Stadium – it now includes a giant touch screen, a four-panel wall and three additional televisions – for executives to observe and analyse changes in fan experience in real time.

“SAP not only pulled in that software but did it up in an intelligent fashion that was visually appealing so not only could business intelligence and analytics

departments read the data, but it was in a digestible format so if anyone from the executive team walks into the room they can understand what’s going on pretty quickly as well,” says Schoeb.

Plans to take Huddle 'predictive'

The Huddle’s first season has primarily been a “learning year”, says Javaid. “We need to learn how to interpret the data, we need to learn how to communicate to the rest of the organisation that these things are happening in real time and we need to change them,” he says.

It has proven an initial success. “Early on we had a pretty good case study where looking at some of the parking data we could see one of the lots was going to overflow, so we were able to capture that in real time and tell our parking team operations to change one of the signs to move folks from one parking lot into another,” Schoeb says.

The 49ers are not divulging how much the Huddle – which is also available to staff via a mobile app – cost to install or how much they have generated as a direct result of it. But the team believe the investment to



HappyOrNot kiosks at Levi's Stadium (Meg Williams)

keep fans happy on matchdays will pay off in the long run.

“The challenges that we’re solving... we’re not moving mountains. If a cashier is not trained, a restroom is dirty, we’re out of food at a stand, a refrigerator is broken at a stand,” says Javaid.

“These are small things that can be solved quickly that can really improve the customer experience. If you solve one of these issues, you are affecting hundreds, if not thousands of fans, who are going to the same concession stand or the same restroom. Our goal is to solve as many of those small hurdles as possible on gameday to ensure that every fan has a great experience from the time they leave their door to the time they get back home.”

He adds: “It’s really hard to measure ROI [return on investment] on fan engagement and fan happiness. There has to be a belief that you want to have the best customer service and we have that goal. It’s an investment in your customer experience and your lifetime value of your customer.

“For us, we renew our season-ticket

“This is an analytics platform that no one really has right now.”

Moon Javaid | Vice-president of strategy and analytics, San Francisco 49ers

holders at about 98-99 per cent a year and we want to keep those rates high. Our team performance hasn’t been quite as good as some of our fans would like in the past couple of years but our fans keep coming back and hopefully some of this is attributed to the fact that we’re working to make their experiences as strong as possible.”

The plan is for the 49ers is to go predictive with the Huddle in two-to-three years, and anticipate when problems will occur – such as hot dogs are about to run out or entrance gates are getting too crowded – rather than react to them.

“This is an analytics platform that no one really has right now. It allows us to do crazy things in the future that will be super interesting,” Javaid adds.

“This is only feasible with the platform SAP has given us.”

SAP has benefited as well, with many sports teams across various leagues showing interest in installing the Huddle in their venues. “Everyone struggles with the same problem: you outsource so much of the business,” says Lehw. “You have one business running concessions, another doing ticketing, someone else running merchandise and then parking...you have data shot-gunned everywhere. Everyone wants it pulled together and in real time so they can visualise it and take action during the game while the fans are still in the building.

“Either people are looking from a viewpoint of efficient venue operations or people are looking at a, ‘let me better understand who is in the building so I can personalise their experience better’ [viewpoint]. One of the problems people have is that they know very few people who are in the building. You have one person buying four tickets and you have no idea who the other three people are. This is a kind of solution to that problem.” ○



Learning on and off the mat

The International Judo Federation's educational initiatives are contributing to significant changes in the lives of youngsters around the world.



(IJF)

For schoolchildren worldwide, judo is helping to drive real change. At the start of April, just before the Antalya Grand Prix, Turkey became the latest country to sign up to the International Judo Federation's groundbreaking Judo In School initiative.

As just one of the IJF's educational schemes – alongside Judo For Children, Judo For Peace, Judo For Refugees, Judo For All and the IJF Academy, as well as gender equality and refereeing seminars – the programme gives youngsters a taste of what the IJF now believes is widely recognised as “more than a sport” by embedding it within the educational curriculum.

Judo In School, like the associated Judo For Children initiative, is just part of the umbrella Judo For The World

development scheme which, according to the IJF, “contributes to the development of a more just society.”

Youth goals

The main goal of the scheme, often used in conjunction with Judo For Children, is to teach children aged between five and 12 years old the social, educational and physical skills that can be developed through judo.

“The IJF supports national federations to implement the programme at the national level by providing knowledge, structure, material, advice and finances,” says Marius Vizer, the IJF's president.

Vizer was joined by Turkish Judo Federation president Sezer Huysuz and Turkey's minister of youth and sport, Dr Mehmet Muharrem Kasapoğlu, in

making the announcement.

“Long preparatory work” had taken place between the government, IJF and TJF, demonstrating the depth of planning behind the programme.

With Turkey having adopted the initiative, 20 schools initially will incorporate judo into their curriculum. Each of the schools will be provided with a training tatami and 50 judogi for children.

The programme contributes towards the monthly salaries of coaches, while giving them access to courses at the IJF Academy, with a particular focus on those dedicated to Judo For Children.

The objectives are to enhance access to judo in and out of school hours, as well as promoting cooperation between schools and judo clubs, strengthening partnerships between local, regional,

governmental organisations and sponsors. At the heart of the strategy is to promote the values of judo to as large a youth audience as possible.

“The new contract for 20 schools is part of a global development plan and we believe that Turkey has great potential,” the federation says.

However, the IJF has high hopes for the initiative on a global basis, with Judo in School having already introduced tens of thousands of youngsters to the sport and its ideals in countries from France to Morocco.

In 2005, Dutch judoka and former world champion Ruben Houkes launched an extensive programme in his homeland, with several hundred schools signing up. The IJF built on the initiative by expanding it onto a global scale.

The concept was reviewed last year and given a fresh push, with 30 nations having now adopted a Judo In School or Judo For Children programme, with the contracts agreed between the IJF, the national association and the country’s ministry of education.

“It is clear that the first goal is to work on education, but once that is set up, having more people taking part in the sport at a young age has a direct impact on the level of sport in the country,” the IJF adds. “Quantity and quality are directly linked.”

Direct support

The Judo in School programme allows the IJF to provide support in a broad range of areas, including guidance for logistical challenges, advice in creating a judo session calendar, and assistance with online and communications projects. Simultaneously, the IJF is conscious of coordinating the scheme with resources available via the IJF Academy, which provides professional education in all sectors of judo.

On a practical level, the aim is to ensure there are solid foundations in place for the sport to grow at the grassroots level, with sustainable and continuous development being the aim.

“In coordination with the educational

authorities, the school masters and the teachers, judo sessions are organised during school time, as well as outside school time,” the IJF added.

“A good cooperation with local judo clubs is also necessary. Judo is then considered as a sporting activity that also teaches values and skills for life. Sequences of judo sessions are held with clear objectives to be achieved by the pupils, as well as by the teachers and coaches.

“Evaluation processes are set up, but the key factor for the children is to enjoy themselves and have fun while learning skills for life.”

Given its flexible structure, there are no geographical restrictions to Judo In School, with the programme adapted to suit the requirements and needs of each specific curriculum.

“The IJF’s national federations are the key partners, together with the relevant educational authorities,” the IJF says. “The system is adapted to fit each country in the best way.”

There are a number of variable factors that are considered by the IJF when, in collaboration with the national federation, a programme is put in place, including the size of the country, the prevalence of judo across the nation, the structure of the national body and the number of available coaches.

In the Netherlands, for example, the programme is now present in 500 schools.

“Judo For Children and Judo In School can be developed anywhere and we encourage any federation to set up the activities,” the IJF adds. “Nevertheless, priority educational zones, places with social disorders and social issues are main targets. Primarily we are looking for places where there are already existing judo clubs, as it helps to kick-start the programme and means that, step by step, it can expand.”

According to the IJF, the positive outcomes of the Judo In School programme have been spectacular.

As a result of the programme, the IJF

claims that its partner countries have noted significant improvements in the children’s behaviour and academic performance, as well as a sharp increase in the number of youngsters joining a local judo club to build on their interest in the sport.

“The hope is that every single federation will develop a proper and structured programme,” the IJF says. “By doing this, judo and its values can be brought to every single child.” ○

Life-long learning

It is not just children that the IJF is keen to take on its educational journey.

The sport’s leading referees, of course, will not only be very familiar with the ideals of judo, but also the rules. However, having adopted changes in regulations that were designed to enhance the sport as a spectacle following the Rio 2016 Olympic Games, the IJF used the build-up to the 2019 Antalya Grand Prix to bring together referees from around the world for a refresher training session in Turkey.

With the 2019 World Championships and 2020 Olympic Games – both in Tokyo – on the horizon, the IJF says that such gatherings are vital to ensure all referees are applying the rules consistently.

“For many years, the IJF has been working on developing rules that makes judo more spectacular and easier to understand and appreciate,” the IJF explains. “The main actors of those new rules are the referees who need to apply them. It is crucial to gather them regularly outside of competitions to discuss the rules and work practically on them.

“IJF referees, as well as IJF experts and members of the judo academy, meet on a regular basis on and off the tatami to discuss the evolution of judo. All referees have to be on the tatami every week in order to practice judo.”

ESPN's X Games using licensee model in second push at global growth

Since 2016, ESPN has operated a licensing model for X Games outside the US

Focus this year is on Shanghai and a yet-to-be-announced city to host a winter X Games

ESPN's international hosting strategy is to target hosts rather than wait for bids



(Sean M. Haffey/Getty Images)

Dominic Bliss

Back flips in motocross, front flips in BMX, a triple cork 1620° in skiing...fans of the X Games love athletes to take enormous risks. Yet when it comes to the hosting strategy of this extreme sports event, organiser ESPN errs on the side of caution.

While in the US, ESPN has always operated the X Games from hosting to broadcast [it is on its 19th edition in Aspen and its third edition at the US Bank Stadium in Minneapolis], before

2016, international events – in Phuket, Kuala Lumpur, Shanghai, Mexico City and the French ski resort of Tignes, for example – were operated as joint ventures with local events companies.

“Typically, we would get into some type of joint partnership with another group in the region,” explains Tim Reed, vice-president, X Games, ESPN. “For example, when we did our [winter] events in Tignes, we worked with Canal Plus on that deal. There wasn’t a full licensing – it was more of a joint venture; a type of collaboration between companies where they shared

a risk and shared revenues with us.”

Over the years, ESPN gradually added to its roster of X Games outside the United States. Its biggest international expansion was in 2013, when there were games in Shanghai, Barcelona, Munich, Tignes and the Brazilian city of Foz do Iguaçu. But the following year, it pulled back, saying: “The overall economics of these events do not provide a sustainable future path.”

“I think we learned a ton going through what we did,” Reed adds. “We retrenched and thought about what our long-term strategy was.”

And since 2016, every X Games event outside the United States has been licensed out to local event organisers. “There’s definitely less risk involved for us this way,” Reed tells *SportBusiness Review*.

Since the switch to local licensees in 2016, there have been X Games in Norway and Sydney. The former (in both the capital Oslo and ski resort Hafjell) were licensed out to sports event company SAHR Concepts. In Sydney the licensee was huge Australian media company Seven West Media. Both countries and cities are in discussions to host events again this year.

Breaking China

But when it comes to global expansion, far more important are the two games planned for this year in China – a summer edition in Shanghai (“tentatively slated for June 1-2”), and a winter edition later in the year, still waiting on a host city. Asian sports event company RENextop Entertainment will be the licensee for both games.

X Games interest in China is easily understandable. Just under 30 per cent of Chinese (about 425 million people) are aged under 24 years, well within the X Games target demographic of 12 to 34 years. Sports featured at X Games currently include BMX, motocross, skateboarding, e-sports, skiing, snowboarding, snowmobiling and snow-motorcycling, all of which primarily appeal to younger audiences.

It also allows ESPN to tap into a Chinese appetite for extreme sports being stoked by the Chinese establishment ahead of the 2022 Winter Olympics in Beijing.

A recent report from China’s General Administration of Sport explained that there were plans to lure 300 million Chinese people into winter sports between 2018 and 2022. And the Bank of China, an Official Sponsor of the Beijing Winter Olympics, has pledged CNY 30bn (€3.97bn/\$4.46bn) to Chinese winter sports.

“The push for action sports is the reason why it makes sense in China,” Reed says. “There’s a halo effect for everyone involved in action sports.”

The work of the licensee RENextop, whose experience lies in Asian surfing and boxing events, will be key to the success of the Chinese X Games. RENextop will negotiate on behalf of ESPN with Chinese contractors, broadcasters [currently Tencent for the Chinese market] and government officials. “They’re going to plan, produce and operate the events, and we’ll be there to guide and support them,” Reed explains.

Choosing host cities

While bids occasionally come from cities wishing to host X Games, the normal procedure is for ESPN to target host cities where they know there’s a proven culture of and appetite for action sports.

“Rather than go out there with a bid process, we’ve been trying to work with our regional offices [around the world],” explains Reed. “[We want to] talk to sponsors and TV networks and work out strategically who the right partners are. Is there a relevance for the sports and athletes, for example?”

He cites the example of X Games

Norway, and how many top action-sports athletes hail from the Nordic countries; or X Games Sydney, which attracted so many of the top skateboarders, BMXers and moto-cross riders from across Australia.

That said, Reed is always keen to

“The push for action sports is the reason why it makes sense in China. There’s a halo effect for everyone involved in action sports.”

Tim Reed | Vice-president, X Games, ESPN



discuss hosting bids that come out of the blue. “There is a second path where cities may reach out to us and say, ‘Hey we’re interested in hosting the event. Here is what it could look like’. We keep ourselves open to those discussions and potential developments. If it’s a city that isn’t on our initial target list of where we would want to go, we remain opportunistic.”

X Games’ agreements with local licensees vary from city to city. The local production gets a portion of the profits, as does ESPN. “The [local] production company solicits funding from sponsorship and other ways to drive the revenue they need to support the event,” Reed says. “Typically

it’s on the licensee to then figure out how they’re going to establish potential revenue resources and cover operating costs of the event.” The local production company is encouraged to use its local knowledge to run the event and foster a fanbase.

However, ESPN is always on hand to advise on business strategy, logistics, production and brand guidelines. “We make sure the brand lives up to what we’ve built it up to, to date,” Reed says. “So we act as an executive producer over the event.”

Reed believes that cities benefit enormously from being allied to the X Games’ youthful brand. Back in 2015, for example, Oslo vice-mayor Hallstein

Bjercke said: “The X Games is a young brand with a young audience and is the perfect platform to show not only our sporting side, but also our cultural and urban qualities to the world...Oslo is the fastest-growing city in Europe. We want to reach young people because we need to attract future professionals.”

“One thing Aspen has seen [as a host city] is that X Games brings in a totally different, younger audience,” Reed adds. “When they get [an X Games fan] to come, the potential for that visitor to come back is really strong. It’s the same with [other cities]: if you show the city as a fun, young, vibrant place, you’ll attract a younger, different demographic.” ○



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