



# Moving on up

WHY THIS BIG SUMMER OF WOMEN'S SPORT IS THE NEXT STEP ON THE COMMERCIAL LADDER



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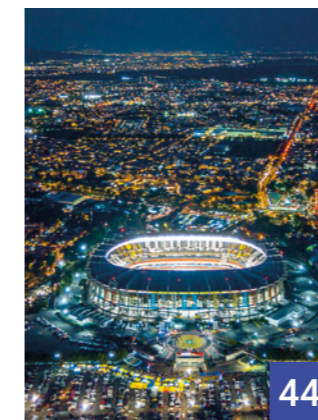
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# Governing bodies have plans for women's football but are they doing enough?

Fifa and Uefa have both unveiled strategies for the long-term development of women's football

Uefa considering expansion of centralised rights to Women's Champions League

Critics say women's game is still under-funded and federation commitment patchy



## Frank Dunne

A quick glance at the result of the Uefa Women's Champions League final on May 18 – Lyon's 4-1 victory over Barcelona – might have induced a feeling of *déjà vu* in the average fan. This was Lyon's fourth consecutive title – with the same scoreline as last year – and sixth overall. But for those involved in the promotion of the women's game the match was significant. It was the first time the final venue had been separated from that of the men's Champions League final.

Yoking the women's final venue to that of the men's had not had the desired effect of leveraging interest across from the bigger event. It had arguably diminished the women's final, turning it into another of the 'add-ons'

the local organisers had to think about.

In December 2016, Uefa opened a bidding process for the hosting rights for May's match. The federations of Spain, Scotland, Lithuania and the Czech Republic expressed interest, but in the end the bidding came down to Hungary and Azerbaijan. In September 2017, Uefa awarded the final to the Groupama Arena in Budapest.

"We are making sure that the people who host it, want it", Uefa's director of marketing Guy-Laurent Epstein points out.

"If it's distributed on the back of the men's Champions League, that remains the main event. The bidders for the Women's Champions League in isolation really want to do it and will put all their resources behind it. They will focus all their resources on that one event, so that will become the major

event. This first event was very positive. The stadium was sold out and there was a very strong push from the federation in Hungary," he adds.

In the Groupama Arena, just under 20,000 fans watched the game, up on the 14,000 that watched the 2018 final in the Valeriy Lobanovsky Stadium in Kiev. In France, the average live television audience was 1.3 million, split across the Canal Plus and TMC channels, with a further 500,000 watching live on the Barça TV and Gol channels in Spain.

The stadium initiative was one of several that Uefa has put in place in the last three years to develop women's football. Others include the unbundling of sponsorship rights to its competitions from those of the men's events and increasing the funding from its Women's Football Development Programme to national associations,

from €100,000 (\$112,000) per year to €150,000 per year by 2020.

### Five-year plan

This month, Uefa unveiled 'Time for Action', its five-year plan to double participation in the women's game by 2024. In tandem with the wider developmental objectives of increasing participation, improving playing standards and increasing the representation of women on Uefa bodies, the strategy contains some specific commercial commitments. These include:

- Creating innovative solutions, commercial revenue and media-rights models with sponsors, partners and broadcasters
- Doubling the reach and value of the Women's Euro and the Women's Champions League.

Most rights-holders who have properties in a development stage of their evolution put reach first and look for revenues later. But Epstein argues that a natural symbiosis between the two is possible as the technical and tactical quality of the football improves.

"The viewership of women's football is growing organically. The audiences on free-to-air in some markets are very significant for the Women's Euro and the Champions League final. This is something we can monetise today in a way that wouldn't have been possible in the past. If it is delivering audiences, the revenue will grow with that.

"You can increase reach and revenue at the same time by improving the quality of women's football. With better quality, you'll get bigger audiences and more revenues. With more established products there is a trade-off between reach and revenue. But for women's football it is compatible because we were starting from further away," he says.

Uefa is also looking at changes to the format of the Champions League and is considering extending the central sale of media and sponsorship rights to the competition, which currently only applies to the final.

### Fifa

The Women's World Cup in France from June 7 to July 7 will undoubtedly

have a massive impact on the growth of the women's game globally. Fifa is expecting a cumulative global television audience of over a billion, up from the 750 million who watched part of the 2015 event in Canada.

In June 2015, Fifa launched its Female Leadership Development Programme, aimed at increasing the number of women leaders and role models in football. In 2016, it established its own Women's Football Division.

Last October it unveiled its own strategy for the women's game, based on three objectives:

- Increasing the level of female participation in football globally to 60 million players by 2026
- Shaping new revenue streams and

optimising existing ones around women's events

- Creating a more sophisticated women's football ecosystem and encouraging leadership roles for women to modernise management of the game.

Fifa has also doubled prize money for the Women's World Cup from \$15m to \$30m.

### Patchy and unequal

Fifa's former head of women's football, Tatjana Haenni, broadly welcomes the Fifa and Uefa initiatives but argues that the confederation zeal is not translating into the same kind of action across all associations.

"National federations like the

Football Association in England or the FFF in France invest a lot and have had a lot of success but there are many that just pay lip service. In Europe, the federations are generally doing OK with supporting women's football. But in Africa, Asia, South America and the Caribbean some countries are far away. Women's football is not respected. There is progress all over the world. The question is how fast and in what relation to the men's game."

As a consequence of this patchy commitment, she points out, there is still a two-speed World Cup. "You have the likes of Germany, the USA, England and France, with top professional players who work in a proper environment. Then you have countries

like Jamaica and Thailand and others who do not compete on the same level. It's ridiculous that these federations cannot create a proper structure and environment for women's football."

Haenni believes that two underlying problems are lack of representation – not just of women, but of experts in women's football – and under-funding.

"From Uefa and Fifa development programmes you have at least a minimum of funding that each association must put in. But if that is, let's say \$100,000 out of \$1m, it is not fair. It cannot be that only the amount earmarked as the minimum for women's football goes to women's football and all the rest goes into men's football. This funding to the federation is for

development work. So whatever money goes in should be 50:50. Right now, there is a minimum for women's football and for the rest it is up to the federation, so you get a huge difference in the level of investment from country to country. You will never close the gap if you don't invest more in women's football."

Haenni, who is currently head of women's football for the Swiss Football Association and has been president of FC Zürich women's club since 2000, accepts that female representation has increased in recent years but believes women's "football know-how and expertise" is still not adequately represented.

"There have to be proper women's football structures at the associations and Fifa and the confederations have to insist upon this. This is the biggest issue. Take women's football seriously, which means proper structures and experts in the decision-making bodies. As long as women and women's football experts are not sitting on the decision-making table it will only develop in little steps."

Haenni does not go as far as demanding equal pay for men and women representing their national teams – an issue she describes as "a very delicate and sensitive topic that has to be looked at in a pragmatic way" – but there are others that do. In March, all 28 members of the USA women's squad that will start among the favourites to lift the World Cup filed a complaint in the District Court of California accusing the United States Soccer Federation of gender discrimination.

The complaint said: "Despite the fact that these female and male players are called upon to perform the same job responsibilities on their teams and participate in international competitions for their single common employer, the USSF, the female players have been consistently paid less money than their male counterparts."

For Haenni, it ultimately boils down to a question of respect. "Women's football needs to be treated fairly and respectfully. Every federation has to decide what that means in practice. There is so much more money in men's football, that it might be legitimate that prize money is different. It's a



(Brad Smith/Isiphotos/Getty Images)

different market, and my first instinct is that you can't expect it to be exactly the same. But what can't be accepted is the conditions for female players representing their country being inferior to the conditions for men. That is not right. There are so many areas in which there is shocking discrimination against women players."

### Unbundling working

If driving greater revenues directly from the women's game is a key plank in closing that wealth gap between the men's and women's games, one prong of Uefa's strategy which does appear to be delivering immediate results is the unbundling of sponsorship rights.

"It enables us to identify brands that want to be associated with women's football, that really want to support women's football, that have a drive for it, to help improve the quality and the story-telling around it, and that will put resources behind it," Epstein says.

In December, card payments services brand Visa became a partner of Uefa's main women's football properties in a seven-year deal, from 2018-19 to 2024-25. The deal is worth over €2.5m per season, according to research by *SportBusiness Sponsorship*. The deal covers the Women's Euro at full national team, U19 and U17 levels, the Champions League and the Women's Futsal Euro.

This was followed in March by a three-year deal with US sportswear manufacturer Nike, under which Nike will become supplier of the official match ball across all women's competitions.

"Visa have a strong willingness to push women's football. We have Nike, a partner we don't have in any other competition and who came specifically to support the women's game. We also have other brands joining us, where we are about to finalise the contracts," Epstein says.

He says the response generally from the market has been "very positive" and vindicates the decision to unbundle. "The growth in participation in women's football reflects wider changes in society and commercial entities are clearly prepared to attach themselves to this movement to push it further."

Visa is also a long-standing partner of Fifa and for many observers its commitment to spend the same amount of money activating around this summer's Women's World Cup as it does around the men's World Cup is one of the clearest signs yet that the women's game is finally starting to punch at a higher commercial weight.

**"Women's football needs to be treated fairly and respectfully. Every federation has to decide what that that means."**

**Tatjana Haenni** | head of women's football, Swiss Football Association

Rival credit card company Mastercard has also thrown its weight behind the women's game through a series of deals with clubs, including Lyon and Arsenal, and top players including Lyon's 2018 Ballon d'Or winner Ada Hegerberg, Lyon team-mates Kadeisha Buchanan, Saki Kumagai and Wendie Renard, former England captain Alex Scott, Wolfsburg striker Pernille Harder and Sam Kerr, the Chicago Red Stars forward and Australia national team captain.

Banking group Barclays became the first ever title sponsor of the FA Women's Super League in a three-year deal, from July 2019 to July 2022. As part of the deal, the bank also becomes Lead Partner of the FA Girls' Football

Schools Partnerships – a player development scheme that will roll out in 100 locations across the UK.

Phil Carling, managing director of football at the Octagon Worldwide agency, believes that the brands are not looking at these investments as traditional sponsorships based on media value and exposure but in terms of values.

"All the traditional metrics that apply to sponsorship don't currently apply to the women's game. It doesn't do the numbers of the men's game and there are more efficient ways of reaching the kinds of audiences that women's football delivers than sponsoring women's football.

"However, there is a whole different reason why brands want to be involved and that has to do with values. Many brands are trying to find ways to be good corporate citizens, promoting diversity and inclusion and equality in the workplace. If you think of women's football as a metaphor for how you drive those values, that is the basis on which you are seeing all this investment. That's not to say that events like the Women's Champions League final don't get an audience but it doesn't stack up as an opportunity from that perspective.

"But from the values perspective, it's very good value. Increasingly, consumers are asking brands to stand for something. Diversity and inclusion – what CEO in the world doesn't have that on their agenda for their company?"



(Daniela Porcelli/Getty Images)

# Investment grows but sustainability still an aspiration for most women's sport

Women's sports are attracting more brands and greater commercial value

Some mainstream brands remain reluctant to invest in women's sports because of a lack of data

Rights-holders are becoming increasingly creative in packaging properties as standalone entities



### Rory Squires

If insurance company Vitality's record-breaking sponsorship renewal with England Netball is a guide, the halo effect is happening in women's sport.

The high-profile commercial deals sealed by the likes of Fifa and Uefa in women's football ahead of major tournaments such as this summer's Fifa Women's World Cup have been well documented, while tennis has produced commercially-attractive female superstars for decades.

However, it was in netball where "probably the largest female team sport sponsorship in the UK" was struck last year, according to England Netball chief executive Joanna Adams, with the

undisclosed value of the partnership having doubled.

The deal reflected a wider trend within women's sports.

According to data provider Nielsen, the number of women's sports sponsorship deals rocketed by 47 per cent between 2013 and 2017, with the average value of the partnerships rising 38 per cent.

### Sustainability

Whether the properties themselves are commercially self-sustainable yet is another matter. As Adams outlined following the Vitality extension, England Netball is still 64-per-cent funded by government-backed Sport England, with the goal being to flip the ratio – to 64-per-cent self-funded – in

the next two or three years.

"I'm feeling pretty positive about the increasing commercial value of women's sports properties, but I think we're a long way off financial sustainability," says Sally Horrox, managing partner of the women's sport-focused Y Sport agency.

"Professional sport is expensive and multi-million-pound investment is needed over several years if commercial partners are to help edge a sport, competition or event towards sustainability.

"We are only just seeing deals of that sort of value and duration being done in Europe, and still predominantly in women's football, prompted by the 2019 Fifa Women's World Cup. Tennis and football occupy such a dominant position in terms of global appeal,

infrastructure and fanbase, it's difficult for others to compete."

### Formats

Despite the challenge, international federations are investing more time and resources into developing female-facing initiatives, from tailored marketing campaigns to new competition formats, often on the back of expanding corporate social responsibility strategies.

The International Cycling Union (UCI), for example, is introducing a new Junior Women category in cyclocross for 17- to 18-year-olds, while equal prize money is being implemented across various disciplines and minimum salaries will be in place for riders in UCI Women's WorldTour teams from 2020.

Similarly, World Rugby chief executive Brett Gosper recently spoke of new underage tournaments as part of the governing body's launch of the 'Women in Rugby' brand identity, which will spearhead its long-term strategy to engage more women and girls in the sport.

"The development of women in rugby is the single biggest opportunity for our sport to grow over the next decade," said Gosper, before adding that, from a commercial perspective, the goal is to "grow the commercial value of the women's game as fast as we can".

This, he suggested, will require a new commercial approach.

"Historically they [women's rugby assets] have been bundled with

the men's game, but as we see the commercial possibility of these assets standing on their own two feet and earning greater value, separation is a natural phenomenon," he said. "The tendency from now will be for the women's game to be marketed far more on its own merit, rather than bundled with the men's game."

**"Multi-million-pound investment [in women's sport] is needed over several years."**

Sally Horrox | Managing director, Y Sport

### Patience

Long-term vision and patience are needed, says Horrox.

"My educated guess is that new women's properties will still need to be underwritten with core investment for at least a four-year and perhaps an eight-year commercial cycle to break even or turn a profit," she says.

Catherine Bond Muir, chief executive of the W Series women's motorsport competition, acknowledges that commercial viability remains "inexorably linked with broadcast coverage, even in today's mobile digital world".

Speaking broadly about women's sports, she adds: "I believe the key opportunities you are likely to see probably lie with brands that cannot reach the financial threshold of the leading male sports, and specifically

want nuanced alignment with women's athletes, and, of course, access to broadcast coverage.

"In 10 years' time, if not before, you are likely to see greater recognition of women's sport in the media which will pull some of the more established mega-brands across into this space. Sadly, it may mean the smaller brands are priced out and go looking for other, more affordable platforms."

According to Nielsen, out of people in the UK who are interested in at least one women's sport, 51 per cent are female and 49 per cent are male. Across all sports fans in the country, 65 per cent are male versus 35 per cent female.

Clark adds: "With women influencing 80 per cent of consumer purchasing decisions, I foresee more brands identifying this opportunity [in women's sport]. The onus is on sports to understand and connect brands with this dynamic."

### Frustrations

There are still lingering frustrations with brands that are reluctant to take the leap.

Adams told *SportBusiness Review* in March that "a lot of brand managers and sponsorship managers don't want to jeopardise their jobs by doing something they might not get an immediate return from".

She added: "We've sat in front of a lot of female brands for whom you'd think it's a complete no-brainer to be involved in women's sport."

Adams namechecked Gillette, Dove and L'Oréal as brands that have a significant presence in men's sports but are "missing open goals" in women's sports.

England Hockey commercial director Jonathan Cockcroft told *Marketing Week* last year that there are not enough marketing directors and CMOs who "have the imagination, the bravery and the gut instincts to go for something that's slightly less mainstream". He also said that an insufficient number of agencies put non-mainstream properties in front of big brands.

### Data

According to Jo Bostock, co-founder and joint chief executive of the Women's

Sport Trust, a lack of data is often cited by CMOs as a reason for not taking the risk of investing in what they perceive to be an immature market.

Although it does not fully justify their stance, it could be argued that these CMOs have a point when it comes to long-term data.

Several sports have experienced a surge in female participation in a relatively short period of time. World Rugby has reported a 28-per-cent increase in registered female players since 2017, while according to England Netball, since England won gold at the 2018 Commonwealth Games, more than 130,000 women have taken up the sport or started to play more often.

There is also a long-term issue surrounding the talent production line for girls versus boys in sport, with female participation falling off a cliff in the teenage years.

In a study of 2,000 youngsters aged between eight and 18 last year, data measurement company One Poll found that just 57 per cent of girls play some kind of sport outside school or college, compared to 79 per cent of boys.

This drop-off in female sports participation is a headache the world over, even though, according to Nielsen data, people between the ages of 16 and 24 are most likely to be interested in women's sports.

In New Zealand, the government last year released a new 'Strategy on Women and Girls in Sport and Active Recreation', highlighting the need for "collective action", according to Jennah Wootten, general manager of partnerships and communications at Sport New Zealand.

"Without a doubt the biggest challenge is addressing the rapid decline in participation that occurs during teenage years, and from which at present there is no recovery during adult years," Wootten says.

### Relevance

One poll found that more than a third of girls blame their lack of sports participation on feeling like they are not good enough to take part, while 18 per cent said they were too shy.

The Women in Sport organisation's 'Reframing Sport for Teenage Girls'



(Messerschmidt/Getty Images)

**"In 10 years' time, if not before, you are likely to see greater recognition of women's sport in the media."**

Catherine Bond Muir | chief executive, W Series

study, which was released in April, outlines how sport can be adapted to be more relevant to girls' lives.

"There are so many pressures on girls today that even the most active are at risk of stopping playing sport as they hit the teenage years," Women in Sport chief executive Ruth Holdaway says. "Sports organisations need to get to grips with the way teenage girls live their lives; their hopes, fears and aspirations. Sport must be relevant to the complex and busy lives these girls lead."

England Netball chairman Colin Povey adds that the progress of women's sports will be measured in the future by "capturing youngsters at an early age, finding ways to keep them engaged in the sport, and providing them with content that remains relevant to their lives".

He says: "We need to continue to build 'independent identities' for the women's games and capture the spirit of independence that underpins so many of the modern social trends amongst girls, young females and the more mature."

### Personalities

In the immediate term, though, Horrox believes women's sports properties and rights-holders should leverage the "power of the personality" to become more commercially attractive and "focus on the professional presentation of the sport and its development as an entertainment product".

She adds: "The deals that have been done [in women's sport] this year are higher in cash value, longer term, and with much greater activation spend. In women's sports, the brands currently investing see the value of increasing visibility with great content, powerful personalities and accessible role models.

"From a reputational point of view, women's sport gives a brand the opportunity to demonstrate its commitment to equality and to make a social impact – beyond simply increasing market share.

"This is incredibly relevant socially and commercially right now as consumers seek out greater corporate and social responsibility and social purpose from the companies with whom they spend their money."

More brands than ever before are recognising the potential of an association with women's sports.

However, despite some notable exceptions, financial self-sustainability for women's sports properties remains an aspiration rather than an achievement for the majority. ○



(Scott Barbour/Getty Images)

# Brands backing women's sport is wonderful – but they are followers, not leaders

**Richard Gillis** on why we should avoid the trap of projecting a moral compass on to multinationals, or thinking that brands take a leading role in important societal issues.

**R**ejoice! The sports marketing industry has officially recognised half the population of the world. This wonderful news comes just 91 years after British women got the right to vote. These really are heady times.

Barclays' decision to sponsor the FA Women's Super League led the news agenda in March, allowing the bank to

breathe the rarefied air of the moral high ground. Who knew that restoring a corporate reputation could be so easy, and so cheap? For the price of a trader's bonus, Barclays is now mentioned in sentences that also include words like 'brave', 'fearless' and 'brand purpose'. The last time they were on News at Ten they were being fined £1.4bn (€1.6bn/\$1.8bn) for fraudulently selling

residential mortgage-backed securities that helped cause the financial crisis.

Taken along with announcements from Visa, Boots, adidas and Budweiser, the Barclays deal has been hailed as a new dawn, and there's talk of momentum in the air.

"Deals valued at hundreds of thousands of pounds – more of it value in kind than cash – are being replaced

by multi-million-pound investment from household name brands making a long-term commitment," says Sally Horrox, managing partner at Y Sport. "We are starting to destroy old myths around women's sport – and it's not just football."

I really, really hope this is true. I have a daughter and I want her to see women in positions of power, doing incredible things, whether that's in sport, science, politics, fronting the news or leading FTSE 100 companies. Whatever works, I'm all in.

But we should avoid the trap of projecting a moral compass on to multinationals or thinking that brands take a leading role in important societal issues.

With very few exceptions, sponsors

don't lead, they follow. And as with the case of gender equality, they are often bloody slow to do so. For all the talk of thrilling disruption, the sport sponsorship market is mostly a ponderous, bovine presence. They'll be all over women now because that's where the rest of the herd is going.

Yet for years we were told the numbers for women's sport don't add up, that they didn't support the investment required to build a credible marketing platform. Now suddenly they do.

The chronic under-investment in women's sport was always just about personal prejudice: someone, somewhere high up just didn't fancy it, and then used the numbers to post-rationalise. A benefit of data analytics is that it allows career bureaucrats to hide

their bias behind the fake certainty of the spreadsheet.

Of course, the entry of big brands is great news, and it's right they should pay through the nose for the opportunity to signal their virtue. But they aren't the heroes of this story.

Let's instead focus on the people who've cajoled and bullied the rights-holders into taking women seriously, to create properties that can be properly commercialised, and who have pushed the media to build platforms fit for a whole new cadre of sporting heroes. The back-breaking grind that got us here has been carried out day to day by people such as Kelly Simmons, Liz Nicholl, Ruth Holdaway, Sue Campbell, Tanni Grey-Thompson, Katherine Grainger, Sally Hancock, Anna Kessel, Charlotte Atyeo...this is just the start of a long list of genuine thought leaders who've done something important: they made it no longer acceptable to simply benchmark women's football, cricket, golf, hockey, tennis and rugby against the men's versions. These sports are doing a different job, and they stand and fall on their own merits.

It's for this reason my mind goes to Nora Ephron, who waged a parallel battle in the film industry. Before her death, the writer and/or director of hits such as *When Harry Met Sally*, *Silkwood* and *Sleepless in Seattle* wrote a collection of essays that included two lists, entitled *What I Will Miss* and *What I Won't Miss*. In the latter she wrote: 'Panels on Women in Film'.

She was bored of the handwringing, and instead wrote parts for women that were "as complicated and interesting as women actually are", rejecting Hollywood's inclination to use female characters as mere adornments to men. In this way, Ephron's films always passed the writer Alison Bechdel's acid test for assessing the presence of women in fiction:

1. Does it include at least two women?
2. Who have at least one conversation?
3. About something other than a man or men?

More than half of films still fail this test, but the ones that pass make more money. It's a lesson the sports business may yet learn. [O](#)



# 2020 T20 World Cup splits events to create year-long spectacle of cricket

Next year will see the men's and women's events take place separately for the first time

Tournament CEO is aiming to attract a more diverse "non-traditional audience"

Women's final at the MCG is expected to break attendance records for a women's event



(Michael Dodge/Getty Images)

## Adam Nelson

Attracting a more diverse audience is "absolutely key to cricket's future", says Nick Hockley, chief executive of the ICC T20 World Cup 2020. "Not just here in Australia, but around the world. That's the approach we've taken to the organising of this tournament, and that's the philosophy with which we've taken many of the decisions around this World Cup."

We should be talking about World Cups, plural: Australia 2020 will represent the first time that the men's and women's twenty-over tournaments have been awarded to one country but

held separately, as independent events. The 2018 T20 Women's World Cup took place in the West Indies, but no corresponding men's tournament was held that year.

"In previous editions, the women and men have played in a double-header, in the same venues, in the same cities," Hockley says. "What that ends up looking like is that the women's event is a curtain-raiser for the men's, with matches played while people are still at school, still at work, and really paying less attention to the tournament."

In 2020, the two events aren't just being held separately, but across two summers, either side of the southern hemisphere winter: the women's in

February and March, the men's not until October and November. "It means that the women's event is given its own space entirely," Hockley says. "It's not in the shadow of the men's tournament, it's its own thing completely. It's an ambitious plan, but it's one that we think is necessary to continue growing cricket and engaging new audiences."

## Diversifying cricket's audience

The realisation of that ambition will come on March 8 next year, International Women's Day, when the T20 Women's World Cup will host its final in the iconic Melbourne Cricket Ground, which organisers hope will

hold the biggest audience ever for a women's sporting fixture. The world's largest cricket stadium will open its full 90,000 capacity for the day, and Hockley is confident of a sell out.

"It's a massive shift and a huge target," he says. "But we're not going to leave any stone unturned in our efforts to get there. We could have said, 'let's play in a 10,000, or a 20,000-seater stadium', and we'd have sold out very quickly. But you're not going to create genuine change unless you really try to set new benchmarks. We're unapologetically bold, but it's really an opportunity to change the image of cricket and safeguard the future of this sport."

"Look back less than 10 years, Australia hosted the women's Cricket World Cup in 2009, and we had a crowd of 2,500 at North Sydney Oval. We're trying, in the space of 10 years, to go from that to the highest attendance ever for a women's sporting event."

Hockley says he and his team have "gone to great lengths" to distinguish the Women's T20 World Cup from the men's, sharing knowledge with previous tournaments and looking further afield than cricket for inspiration on everything from ticketing strategy to host city and venue selection.

"We've really studied the demographics in Australia, looked at data from India in 2016 [the last T20 World Cup] and the 2015 ICC Cricket World Cup [co-hosted by Australia and New Zealand]. And we looked at a range of other major events – the Netball World Cup in Sydney in 2015 and the Fifa Women's World Cup in Canada, which was an absolutely massive event," Hockley says. Many of the lessons learned have been around marketing and how to appeal to as wide a base as possible. "The audience we're looking for is everyone," he says. "Women, men, boys, girls, from across all cultures. We want this to be a celebration of multi-cultural Australia."

The Big Bash League, Australia's domestic T20 competition, has also helped to pave the way, with its women's matches attracting significant

audiences both on television and in-stadium. It too has specifically targeted families; and done so by offering a range of activities aside from just watching the game, encouraging parents to bring their children for an evening at the cricket in the hope of developing a new generation of fans, something Hockley says the World Cup will build on. While no announcements have been made at this stage, the plan is for concerts and other performances to form a significant part of the draw for both the men's and women's World Cups.

Particularly for the Women's World Cup, a major push has been made to attract "non-traditional audiences",

*"We could have priced the tickets higher...but we didn't want to risk putting off that non-traditional audience."*

**Nick Hockley** | Chief executive, ICC T20 World Cup 2020

people from demographics who may not usually be interested in attending live cricket but want to be part of what the final, on International Women's Day, represents. "We want to make it bigger than just the sport itself," Hockley says. "We're calling on people from the cricket community, from around Australia, and from around the world to be in that venue and help us celebrate everything that's great about an equal society."

Tickets have been priced affordably, "because we'd rather get people in, enjoying the cricket and hopefully convert them to the sport than just sell to those who are already going to come anyway", says Hockley. Seats at the Women's World Cup are available for A\$20 (€12/\$14) for adults for every fixture, while children's tickets are priced at just A\$5 throughout the entire tournament, including the semi-finals and final. "We could have priced the tickets higher, certainly at the lower end, but we didn't want to risk putting off that non-traditional audience."



ICC T20 World Cup 2020 chief executive Nick Hockley (Michael Dodge/Getty Images)





(Michael Dodge/Getty Images)

### Celebrating “multicultural Australia”

T20, Hockley says, has become “the pinnacle of the women’s game” in Australia, where its popularity outstrips Test and one-day matches. The format is also the most egalitarian and competitive version of cricket, with all 105 ICC member countries holding full T20 International status as of the start of 2019 – against just 12 nations granted Test status.

This, Hockley hopes, will also help to bring a more diverse and multicultural audience to next year’s tournaments. There are still two spots available for teams to qualify for the women’s World Cup, and six for the men’s, “and all of those different competing teams are really well represented with expat populations in Australia,” he says. “Nepal’s men’s team, for instance, is currently ranked 11th in the world. There are 90,000 Nepalese expats living in Australia. If they qualify, that would be a real opportunity to bring different communities together and bring them into cricket. It’s a growth vehicle for the game globally.”

*“The principle has been to take the teams to as many of the cities and as many of the fans as possible.”*

**Nick Hockley** | Chief executive, ICC T20 World Cup 2020

This kind of ethnographic research played into the city and venue selection, as well as the decisions over where each team will play. India’s men’s team, for instance, will play their first four games of the T20 World Cup in Perth, Melbourne, Sydney and Adelaide respectively, racking up over 3,000 miles of travel in just ten days – but in doing so will play in front of a large proportion of the 700,000 people of Indian heritage living in the country.

“The principle has been to take the teams to as many of the cities and as many of the fans as possible, so they can see their heroes play,” says Hockley. “We looked for ways that we could take as many of the competing

teams as possible to each host city. There was a census in 2016 and that has helped to inform some of our decisions about where to go and about where to place which teams.”

The T20 World Cup, he adds, should also not be viewed in isolation, but as part of a continuation of Cricket Australia’s strategy for growing the game that also included 2015’s ICC World Cup. For the host cities and venues, 2020 is an opportunity to “revisit and re-engage with” the huge success of that event.

“We built really strong relationships and partnerships with each of the host cities then [in 2015], and I think they all saw a fantastic dividend in terms of the numbers of international visitors it brought to Australia,” he says. “Out of just over a million attendees across the event, 145,000 were from overseas, which was a huge boost to those host cities. We’ll be looking to see if we can go better than that, so a lot of our focus is on engaging really broadly across the eight host cities and thinking about how we can promote them overseas,

get people to come for the cricket but hopefully to stay for other reasons and bring tourism dollars into the country.”

The T20 World Cup will be played in 13 different venues across eight cities – seven for the men’s and six for the women. Canberra, the Australian capital, will host only women’s matches, while Geelong, near Melbourne, and Hobart, the Tasmanian state capital, will stage men’s fixtures only. That geographical spread is not just a chance to get players in front of fans, but to allow sponsors and commercial partners the greatest opportunity to activate in front of different demographics, says Hockley.

### Commercial opportunities

While the two events are being held independently, there has been no corresponding change to the way the local organising committee is set up, or the way it sells media and sponsorship rights for the T20 World Cups. That approach means that broadcasters and partners are effectively getting “two events for the price of one”, Hockley says, though he argues that far from leaving money on the table, this offers a continuity and value-add for partners that has helped to boost those rights far more than selling them independently would have done.

“They’re buying one event, but they’re getting two World Cups across almost a whole calendar year,” he says. The final of the men’s tournament will take place on November 15, a full ten months after the first ball is bowled in the women’s on February 21. “But it’s even more than that when you look at it. We’ll start to pick it up after the ICC World Cup [the final is on July 14] and sponsors will get their first opportunities to activate later this year, in the summer, when we’ll do a trophy tour culminating in the women’s final. And then almost as soon as that finishes, we’ll be building towards the men’s final throughout the winter of 2020.”

Despite a “pretty full roster” of existing ICC commercial partners for the event, Hockley’s local organising committee will be looking to fill in the remaining sponsorship categories over the coming months with national

companies. The ICC does not have a banking sponsor, a vertical Hockley believes could prove lucrative in the Australian market. The likes of Nissan, Emirates and Coca-Cola, the ICC’s top-tier partners who buy a full package of events over a four-year period, will turn their attention to Australia after the conclusion of the one-day World Cup in England and Wales.

*“Our real priority is to ensure that we’re playing in front of packed stadiums, to as wide a range of fans as possible.”*

**Nick Hockley** | Chief executive, ICC T20 World Cup 2020

School programmes and other youth initiatives designed to encourage greater rates of participation, particularly among young girls, will also give sponsors the chance to activate throughout the calendar, and to a younger demographic.

“Our real priority is to ensure that we’re playing in front of packed stadiums, to as wide a range of fans as possible, and that the sponsors are getting the full opportunity to leverage their partnerships with the tournament,” says Hockley. “We’ll look to do that by selling tickets, of

course, but also through our school programmes and really getting the sponsors engaged with fans right down throughout all the activities that take place around the World Cup, not just in the stadiums during the fixtures.”

The women’s final, he adds, will be a huge opportunity for commercial partners as well as for the sport more generally. A stadium full of 90,000 fans, on International Women’s Day, for a women’s cricket game, will be “an incredible platform for brands to attach themselves to”, he says.

“It’s about demonstrating, in a very positive way that, the world that we aspire to is that there’s absolutely gender equality, in sport and in society. If you think about that image, of the biggest cricket ground in the world full of 90,000 people, beamed into parts of the world where there’s still some way to go on that journey...that’s a very powerful symbol, particularly for the minds of the next generation, to say ‘absolutely, actually, yes, cricket is a game for women as much as it is for men’. I think that’s something that will deliver incredible value for our partners.”



(Michael Dodge/Getty Images)

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## Twenty things we learned at SDMS

The first Sports Decision Makers Summit – from SportBusiness and Sportel – was held at the W South Beach in Miami over 6-7 May. After the event, our moderators shared the most interesting learnings they took home.



### 1 European Super League would also hurt MLS

“[MLS commissioner] Don Garber has done the best job [among the US major leagues] of building a brand” – the words of billionaire entrepreneur and AS Roma co-owner James Pallotta, who opened the conference with a Monday keynote. But there was a kicker: “While I think he’s done a great job, I think I’ll be dead before it becomes anything I think is significant.” Why? Pallotta believes that the resurgent possibility of a European super league is a particular threat for MLS – many of whose consumers are fans of both a domestic and a European club – because it would look to play matches on weekends, chopping off the engagement growth of the US league as surely as it would for the remainder of domestic leagues in Europe.

### 2 Follower count is a limited metric...

It’s not hard to do brand deals for a major star who has millions of followers. But, as Jennifer van Dijk, Wasserman’s executive vice-president of marketing, told the conference, “it’s a different proposition to look at athletes who have 10,000 or 100,000 and how you market

that”. As a result, she said, Wasserman has ‘flipped the model’: the absolute size of an athlete’s social media following is no longer the be-all and end-all – the company now spends significantly more time and resources analysing “who’s engaging and what you can tell about them, than in how many you have of them” when trying to secure sponsorship partnerships for their athletes.

### 3 ...but some followings really do move the needle

When Cristiano Ronaldo left Real Madrid last summer, the club’s Instagram lost a million followers; the club he joined, Juventus, added 4.7 million. “What would it cost,” Terrence Burns, executive vice-president of global sports at Engine Shop, asked the crowd on Monday morning, “to add almost five million people to your Instagram? I don’t know – I don’t know how you do that. That’s an example of where athletes are extraordinary.”

### 4 Brands need clever strategies for 2026-28

“The world is coming [to the US] in 2026 in the context of football; and it’s coming in 2028 in the context of the

Olympic movement,” said Terrence Burns, and any consumer-facing brand – “and a lot of B2B brands, frankly” – should already have a strategy for these events. But what can brands do when they lack the \$400m to partner with Fifa or the IOC? One option is sporting bodies like the US Athletics Federation but the other, Burns was at pains to point out, is athletes: “everybody with a phone is a media outlet, and athletes are using theirs.”

### 5 Profiting from sports betting requires patience

Gambling is still one of the hottest topics in the American sports business sphere, but a little patience is required, according to William Hill US digital president Ken Fuchs. The progress of state-by-state legalisation is a “slow roll” and the general public is still warming up to the idea. “Think about fantasy sports in like 1996...we’re at this baseline with a core, avid person who has bet before, but the core sports population has never done that.” Montana became the ninth state to legalise sports betting just before the conference began; Tennessee, Iowa and Indiana are expected to be next in line.

## 6 ...and state law will hugely influence the eventual landscape

"People think every sports betting company is making billions," said Adam Davis, chief revenue officer at Harris Blitzer Sports & Entertainment, "but the margins are actually pretty small". The implication is that the specific rules each state sets will have a huge influence on the shape of the market. Davis cited New Jersey – no entry fee for operators and a 14-per-cent tax on each bet – and Pennsylvania – a \$10m entry fee and a 36-per-cent tax – to note: "think how much more valuable I am as a New Jersey resident than I would be as a Pennsylvania resident."

## 7 Stadia should cut back on retail space

Stadium operators should drastically cut space for offices and retail stores at their venues in order to maximise the commercial footprint, according to San Francisco 49ers president Al Guido. "You will see retail shops becoming smaller... you'll see more in-demand retail," Guido told the gameday experience panel. "There's always a need to have retail, but I think how big those spaces become is interesting...I don't see a lot of reason for us to continue to have brick-and-mortar retail outlets."

## 8 Esports' growth should worry traditional rights-holders...

About a third of esports fans don't watch any traditional sports. The average NFL viewer is 50 years old, the average baseball viewer is 57. Bobby Sharma, founding partner of the Electronic Sports Group, says this should worry traditional sport. "If I'm invested in traditional sports and I see a massive, growing global audience and I see my asset, and the league in which it plays getting older and fast...I have some concern". But the backbone of esports' growth will be rather traditional, even if the platforms aren't: media rights. That said, the industry isn't there yet – as Lance Mudd, founding member of the



US eSports Federation pointed out, the business model right now is more like entertainment, given the short lifecycle of the top players, their teams and even the games they play.

## 9 ...and even college sports?

The debate over college athletes, and whether they should be paid directly for their labour, is the most furious in US sport right now. So far, collegiate conferences are holding the line on amateurism – but could esports also be a wedge issue here? Tyler Schrod, chief executive and founder of the Electronic Gaming Federation, describes his idea for the organisation as "something that looks very similar to the National Collegiate Athletic Association [NCAA]"

but "we don't believe in things like amateurism; we want our players to get paid". That means, for example, identifying when a university team is creating content on Twitch and "making sure they are compensated".

## 10 The Olympic movement needs to reconnect to youth

Another property with an aging fanbase is, perhaps surprisingly, the Olympic Games. As bid expert Terrence Burns pointed out, the Games' most avid fans "look like me – they're white and over 50". "I don't care what product you sell, if your core consumer is white and over 50 you've got a problem. This race to be relevant to 18-to-34-year-olds isn't just a thing for brands like Coca-Cola or for the NBA whoever, it's for the IOC."

## 11 Barcelona's plan for a NWSL team remains in limbo...

Xavier O'Callaghan, managing director of FC Barcelona's US office, told the summit that the club's long-term sponsorship deal with Nike – which covers all versions including the women's team – remains the hold-up. The NWSL currently has a central commercial partnership with Nike but could move to a rival in the future. Should that happen, Barcelona would have to leave the NWSL – a situation the club wants to avoid. "It's not so easy to do it, to make it real. We are asking for [a sponsorship] exemption – but it is not in our hands," O'Callaghan said. "We believe we can boost the competition but if there is no way to do it then we will not take part in it."

## 12 ...as does the long-planned LaLiga USA game

"It's one of the best tools to promote the game and the league," added O'Callaghan. "We have to see that game as a tool to present what soccer could be. This is what we have to explain to the organisations who are not allowing us to play abroad." The contretemps between LaLiga and Spain's football federation, the RFEF, was a "big handicap" to that, and overcoming this – and opposition elsewhere – will require "pedagogy" on the part of the clubs.

## 13 Not everyone is a fan of incentivised partnerships

Data was a theme of the summit, and on the marketing panel the question was how it could bring clarity to the

always cloudy ROI of sponsorship deals. And after AB InBev's Eelco van der Noll had spoken in favour of clear incentive-linked partnerships, Fenway Sports Management president Mark Lev was asked if he thought the same way. Not so much: "We feel that with iconic brands like the Red Sox or Liverpool [both owned by Fenway Sports Group] there's real value delivered by having an association."

## 14 Media platforms need to 'come together' to fight piracy

To deal with the twin threats of changing consumer behaviour and piracy, sports media needs to take more combined action and create more unique content. Antonio Briceño, deputy managing director, US & Canada, beIN Sports, told the conference that piracy required a more coordinated response: "It took the music industry 10 years. I think we have to be much faster than that, because we don't have 10 years." He found agreement from Eli Velazquez, executive vice-president, sports content, NBCU Telemundo Enterprises. Velazquez said: "I like Antonio's idea – we should come together and attack these challenges – but also as content providers we should be working harder to create content that makes people not [want] to do those things? How much special access content can you create, around this IP, that is must-see?"

## 15 Costly stadia unlikely to be the right home for esports

Lance Mudd of the US eSports Federation argued that investments in physical esports stadia were unreasonably high. "When I see these \$50m esports stadia coming online," he said, "it's kind of difficult to see how they are going to make the revenue to have a physical stadium and drive enough events to succeed. I do know [casual esports friends] want to go to an event once in a year; I don't know if they'll want to do that every week." The opportunity, he argued, was in

(all images Melina Pardo)

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temporary stadia, like in Formula One or the 2018 IeSF World Championship in Kaohsiung. “I don’t know if the NFL model, which it seems like Blizzard is doing, is going to be the sustainable model for sports.”

### 16 Tech companies will eventually ramp up sports investment

George Pyne – founder & chief executive of major sports investment group Bruin Sports Capital – said he was convinced that tech companies will scale up their investment in sport. In his keynote, Pyne predicted that the tentative movements into sport taken by Amazon, Facebook *et al* would give way to serious engagement. “Eventually you are going to see them come in because sport is so valuable it’s hard not to invest,” he said. “Eventually these tech companies are going to be the next Rupert Murdoch, and they are going to want sport.” Drawing on the experience of media companies in the US, Pyne said: “What was the Fox network before it acquired the NFL? Not very relevant. Look at CBS after they lost the NFL. They were less relevant.”

### 17 One thing about European soccer still terrifies investors

“They look at the relegation risk and it just can’t be stomached.” Chuck Baker, O’Melveny Sports partner and co-chair,

said that promotion and relegation was still the big turn-off for US investors when it came to spending on European football clubs. “Relegation is really a very scary proposition for US investors who have a lot of trouble getting comfortable with that concept.”

### 18 Budweiser ‘super-excited’ about teetotal Qatar

Qatar has strong restrictions on the consumption of alcohol, but this hasn’t stopped Eelco van der Noll – the head of partnerships & experiential marketing for AB InBev – getting “super excited” about the 2020 Fifa World Cup in the country. Budweiser, an AB InBev brand, has been Fifa’s official beer for over a quarter century. Speaking at the Sports Decision Makers Summit in Miami, van der Noll said the country’s laws weren’t a problem, because the actual location of the World Cup is not the chief focus of Budweiser activations – “wherever the World Cup is being played, it helps our activations around the world.”

### 19 Pac-12 seeks investment to keep up with college rivals

Pac-12 commissioner Larry Scott opened up about his collegiate athletics conference’s call for investment. In partnership with the Raine Group, the Pac-12 is seeking a \$750m investment, of which \$50m will go toward a new entity that will manage

the conference’s media rights and the Pac-12 Network. The Pac-12’s current broadcast rights deal with Fox and ESPN – worth \$3bn over 12 years – isn’t up until 2024, but the conference believes the addition of a strategic partner now will help it improve the product for greater impact then. “We know we are sitting on a lot of growth in value [of our TV rights],” Scott said. “Our schools are interested in monetising the value sooner and invest in programming and new businesses and acquire new rights [for the Pac-12 Networks] so our rights are more valuable in 2024.”

### 20 F1 wants new races in the US & China

Formula One under Liberty continues to look beyond its European heartlands. F1’s managing director of commercial operations Sean Bratches closed the conference by saying the series was “acutely interested” in adding new grands prix in each of the US and China, shifting the balance away from Europe, which hosts 10. And he was optimistic that one would be in Miami – “from a destination standpoint, it probably aligns with the Formula One brand as well or better than any city in the world in which we race” – despite past setbacks in that attempt. “I’m an optimist but I’m also a realist: these are complicated things but we’re working on it.”

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# ECB, FA and Ocean Race win dual awards as Octagon scoops Agency of the Year

The England and Wales Cricket Board, Football Association, and Ocean Race were double winners and Octagon scooped Agency of the Year at last month's BT Sport Industry Awards, held at Battersea Evolution in London.

The annual showcase began with a speech by former prime minister Tony Blair paying tribute to the work of his friend and former colleague Tessa Jowell, who, as Olympic Minister, played a key role in securing the legacy of the London 2012 Games.

Blair went on to award the Dame Tessa Jowell Social Impact Award – renamed in honour of the late former

minister – to Ocean Race for its #TurntheTideonPlastic campaign.

Mr Blair was followed on stage by Baroness Amos, the former UN Under-Secretary-General for Humanitarian Affairs, who announced The FA and the England Men's World Cup Squad as winners of the Leadership in Sport Award.

The outgoing and incoming chief executives of the FA, Martin Glenn and Mark Bullingham, were joined on stage by England men's national team Manager Gareth Southgate to receive the trophy.

Southgate then presented Raheem Sterling with The Integrity and

Impact Award founded by Dow Jones Sports Intelligence. The presentation recognised the England and Manchester City star's powerful use of his platform to speak out on a range of important societal issues including racial abuse and discrimination.

Outgoing UK Sport chief executive Liz Nicholl was also honoured with the Coutts Lifetime Achievement Award in recognition of her role in transforming the UK into a global sporting power.

Nicholl was presented with the trophy by her colleague Dame Katherine Grainger, now chair of UK Sport, who recognised the impact of Nicholl's work on her earlier sporting career.

Dame Katherine said: "I have had an amazing time as an athlete being part of the incredible system Liz built and I have had the most incredible privilege over the past two years working alongside her and seeing first-hand not just the phenomenal professionalism that she brings and the respect she has everywhere, but also the heart and the passion and the excitement of working in high performance sport that is there every day."

The FA was successful in both the Communications Award and Film Content Award categories, while the ECB won the Diversity & Inclusion Award in association with BT Sport and the Fan Engagement Award in association with Socios.com.

The Ocean Race added to its early success by securing a further win in the Cutting Edge Sport category.

The evening concluded with

International Campaign of the Year in association with YouGov Sport going to Visa for its Zlatan Ibrahimović-fronted Ultimate Fifa World Cup FOMO.

Meanwhile, the UK Campaign of the Year category, in association with Smart Group, was won by Paddy Power's Rainbow Russians campaign.

Brand of the Year in association with Wiggin went to adidas, while Event of the Year, in Association with Miller, was awarded to The European Tour for the Ryder Cup 2018.

Sport Organisation of the Year, in association with AXA XL, was presented to England Netball, with judges praising the governing body's smart long-term strategic approach that delivered an impressive commercial performance as well as fantastic results from grassroots to elite level.

Three-times shortlisted MATTA was named Young Agency of the Year

in association with Getty Images. The judges were impressed by MATTA's abundant client roster, impressive financials, and a very good pitch/win ratio – all underpinned by a strong culture and identity of its own.

The final award of the evening saw Octagon successful for the first time in the coveted Agency of the Year category.

The judges recognised the clear step change the agency has gone through over the last year. Boasting an enviable client roster, the judges said it scored consistently highly across every touchpoint with quality of work, happy clients and happy employees.

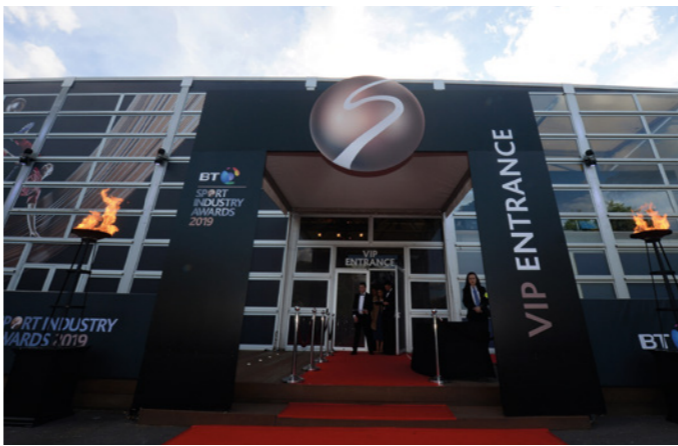
The Goat Agency, a former winner of Young Agency of the Year, was also Highly Commended in the Agency category, with judges highlighting its position at the forefront of a changing industry and impressive rapid growth.



Agency of the Year winner – Octagon



Experimental Marketing Award winner – Samsung



# Premier Lacrosse League aims for mainstream audience with touring model



(Sam Brettschneider)

Major League Lacrosse faces challenge from new pro league backed by high-profile investors

## Bob Williams

Within just seven months, Paul and Mike Rabil – the co-founders of the Premier Lacrosse League – have completely transformed the image and commercial potential of professional lacrosse in the United States.

Announced in October 2018, the start-up league has gained the backing of a number of high-profile investors, including Creative Artists Agency, the Raine Group, the Chernin Group, Blum Capital and Alibaba billionaire Joe Tsai. PLL has also secured a broadcast deal with NBC Sports Group and an apparel deal with adidas. Many other commercial partnerships are being finalised.

The PLL features 160 players on six teams competing in a tour-based model, which will travel to 12 major-market cities over 14 weeks throughout the summer. During the 10-week regular season, which starts

Players will receive full-time salaries, health benefits and an equity stake in the organisation

on June 1, three games will be held over a weekend at each venue, with fan festivals and sponsorship activations to help draw in supporters.



The league is directly competing with the 18-year-old Major League Lacrosse for players, fans, commercial partners and media attention. But the PLL is bullish about its chances of success.

Thanks to a generous compensation package, the PLL has secured many players from its rival outdoor summer league. Participants will earn on average four times the salary of their

Commercial partnerships with NBC and adidas indicate potential of new summer property

counterparts in the semi-professional MLL, according to the PLL, as well as health benefits, an equity stake in the league, the opportunity for personal branding on PLL social-media platforms, plus the chance to play in superior venues and on national television.

Lacrosse is still a niche sport in the US – its strongholds are elite East Coast universities and the prep schools that feed them – but it has grown significantly in popularity in recent years. Nationwide participation at the youth, high school, college, professional and post-college level, for men and women, rose from 253,931 in 2001 to 826,983 in 2017.

According to governing body US Lacrosse, it has been the fastest-growing US team sport at the high-school level for at least the past two decades. The number of high-school players doubled from 162,021 in 2006 to 324,689 in 2017. At the college level, the men's game has

grown from 56 NCAA Division I teams in 2008 to 73 in 2019, while over 380 men's and women's college teams have been created over the last decade.

Meanwhile, the International Olympic Committee granted provisional recognition status to the Federation of International Lacrosse last November, which represented the first step towards inclusion at the Olympic Games.

## Splitting from MLL

After leading Johns Hopkins University to national championships in 2005 and 2007, Paul Rabil spent 11 seasons as a star player in MLL, winning multiple individual and team awards while playing for the Boston Cannons and the New York Lizards.

The 33-year-old Maryland native was the first lacrosse player to earn more than \$1m (£897,000) in endorsements. But he was extremely frustrated with the pay and working conditions overall in MLL, in which the average salary was \$8,000-\$9,000 last year, forcing almost all players to take second jobs.

"When I was playing with my peers in Major League Lacrosse, we just felt like we weren't making the right strategic decisions to help our sport grow," Rabil tells *SportBusiness Review*. "Examples would be: the venues we were playing at, the distribution we didn't have from a network capacity, the timing of the season...So over the past couple of years, [with] my brother Mike, we decided to look critically at the opportunity to build a professional league that can take the sport to the next level."

The Rabils initially explored acquiring MLL and converting it into a tour-based model but decided it would be easier and quicker to build a new league from scratch. "In the case of most mergers and acquisitions, nine out of 10 at least in Silicon Valley fall through because of differences in valuation, differences of opinion of which business model might work," Rabil adds. "You have owners and operators who think they are doing a great job and don't need support and you have potential acquirers who are thinking the opposite."

"M&A is difficult and for an amalgam of reasons it didn't work, but for Mike and I the most important aspect of this project was timing. We felt that we

didn't have the luxury to spend two or three years figuring out the economics of purchasing MLL and we felt that the timing right now has never been as powerful as it has been to start a league, which is why we took [that route]."

Rabil – who will also play in the PLL – concedes there are some risks in creating a league that will rival an established sports property but believes they are worth taking.

"Certainly there is a competitive element when you are launching a new league and there is an existing league but we view the marketplace as far more expansive than what has been tapped into," he says. "We believe that with the right model we can tap into that fanbase and we also feel with the right strategy we can build support and fandom from new sports fans."

"We think less about competition and more about our product, how we can improve it, and how we can get lacrosse and our players in front of our current fans and new fans."

MLL has responded to the PLL

challenge by eliminating three of its nine teams this year – the Ohio Machine, the Florida Launch and the Charlotte Hounds – and reacquiring all its media rights in order to explore broadcast options that could offer greater reach. There will also be a 51-per-cent increase in the salary cap, expanded schedules and rosters, along with a comprehensive, league-wide rebrand.

Is there room in the US for both the PLL and MLL? "I guess we'll find out," says Rabil. "In the short term, it's been massively beneficial [to the sport] that we've come in and accomplished what we've done since the six short months of announcing. But I think in the long term for the health of any industry you need one professional league that is top in at least that market."

## Challenge of starting from scratch

After deciding to go it alone, the Rabils put together a business plan to take to potential investors, a process which began almost two years ago and was



(Sam Brettschneider)



(Sam Brettschneider)

initially funded out of pocket.

“Before Mike and I were able to ever secure capital we had to build a runway for this business,” says Rabil. “We had to create our business model, we had to back it with case comparisons with other sports, we had to bring on our first set of employees which we funded out of pocket, we had to build contracts for players...so we have this proof of concept by which you can take to investors and raise money off of.”

The Rabils targeted venture capital firms that could offer expertise and connections in the sports and media industries as well as just finance. Terms of two rounds of financing thus far have not been disclosed.

Rabil says: “The value of raising venture capital versus private equity or friends and family or even taking out debt from a bank is that venture capital knows you are in a 10-year process of building out something that has ideally a large multiple on the return. These

are the type of strategic investors that understand and have the patience to build enterprise value across all the revenue streams that we’ve sculpted.”

The investment firms clearly liked what they saw. “We have looked at lacrosse and invested in lacrosse for many years because of the trends in the sport,” Colin Neville, the managing director of Raine Group, tells us. “We have seen in the US very significant growth in the sport at high-school level, at college level and historically the outside game had not been presented in the way that it should. We like the general trends, we like investing in a new sports league and ultimately we believe that Paul and Mark Rabil are the guys to get it done.”

The initial financial investment led to the NBC broadcast deal, which includes 16 games on NBCSN, three on the main NBC network and 20 on subscription service NBC Sports Gold. “NBC supports us from a production, talent,

music, graphics standpoint. We share in revenue for them and we feel like the television inventory they’ve given us is unlike any other non-core sports league,” says Rabil.

The NBC deal, in turn, led to the partnership with adidas, which became the official athletic footwear and apparel brand for the league in a multi-year deal. “Every partnership that we build from here on out provides more validation and entices more people to join us,” says Rabil. “We’re really close with a beverage company, a financial services company, hospitality, transportation, alcohol...there are a lot of companies that are at the goal line with us but getting our venture capital partners was important to getting our NBC partner to feel like, ‘this is a validated concept that’s in it for the long run’, so every partnership dating back to securing the partners secures the next.”

The inaugural PLL College Draft on NBCSN, NBCSports.com and the NBC Sports app had a cumulative average of 168,500 viewers, according to Nielsen.

#### MLS stadiums targeted

In choosing the cities to play in, the PLL began with a long list of 300, which was then boiled down to 30. “We looked at trends such as participation numbers in market, available venues in market, household viewership numbers when lacrosse is on television in specific markets, and then we also looked at data census on household income, likelihood of sports fans and willingness to go out to an event,” says Rabil.

From there the Rabils began conversations with various stadium operators to determine which venues would be best suited for the league. It is no coincidence that the PLL is playing in nine Major League Soccer stadiums: Avaya Stadium (San Jose, California), Audi Field (Washington, DC), Banc of California Stadium (Los Angeles, California), Dick’s Sporting Goods Park (Commerce City, Colorado), Gillette Stadium (Foxborough, Massachusetts), Mapfre Stadium (Columbus, Ohio), Red Bull Arena (Harrison, New Jersey), and SeatGeek Stadium (Bridgeview, Illinois), with the championship game at Talen Energy Stadium (Chester, Pennsylvania).

The other facilities are Homewood Field (Baltimore, Maryland), Georgia State Stadium (Atlanta, Georgia), Tom & Mary Casey Stadium (Albany, New York) and Tim Hortons Field (Hamilton, Canada), which is the only game outside of the US.

“MLS, most specifically over the past decade, has ownership that has invested hundreds of millions of dollars into these venues that sit 20,000-25,000 people. So they are world-class venues that are a good fit for the attendance of a non-core sport,” says Rabil.

“We have multi-year deals with many of the venues and in subsequent years we’ll look at where we saw some success, where we could potentially go to see more success and have that ability to be agile.”

The PLL will share in revenue at the venues based on metrics such as attendance numbers. Ticket sales are rather complex, as each venue has its own unique relationship with a ticket provider, which the PLL must navigate. “We have an entire ticketing team working on that process,” Rabil says.

Alongside the games, there will be events inside and outside stadiums – such as live music, games, player meet-

and greets – to encourage fans to come and allow corporate partners to activate.

The touring model was set up in large part because it made more financial sense, especially in regard to the rental of venues. “Where the current team sports model can be problematic for non-core sports is that you don’t own venues so the PLL previously

**“A start-up league can generate a lot of exposure and capture a ton of attention and can be really exciting.”**

**Paul Rabil** | Co-founder, Premier Lacrosse League

was playing at college stadiums and sometimes high school stadiums, which isn’t optimal for the player or fan experience when you are talking about pro sports,” says Rabil.

“Also as a result of being like a low-priority tenant on a lease at a venue you can’t optimise your schedule fully for available programming windows with a distribution network. By going tour-based...we are picking the best venues

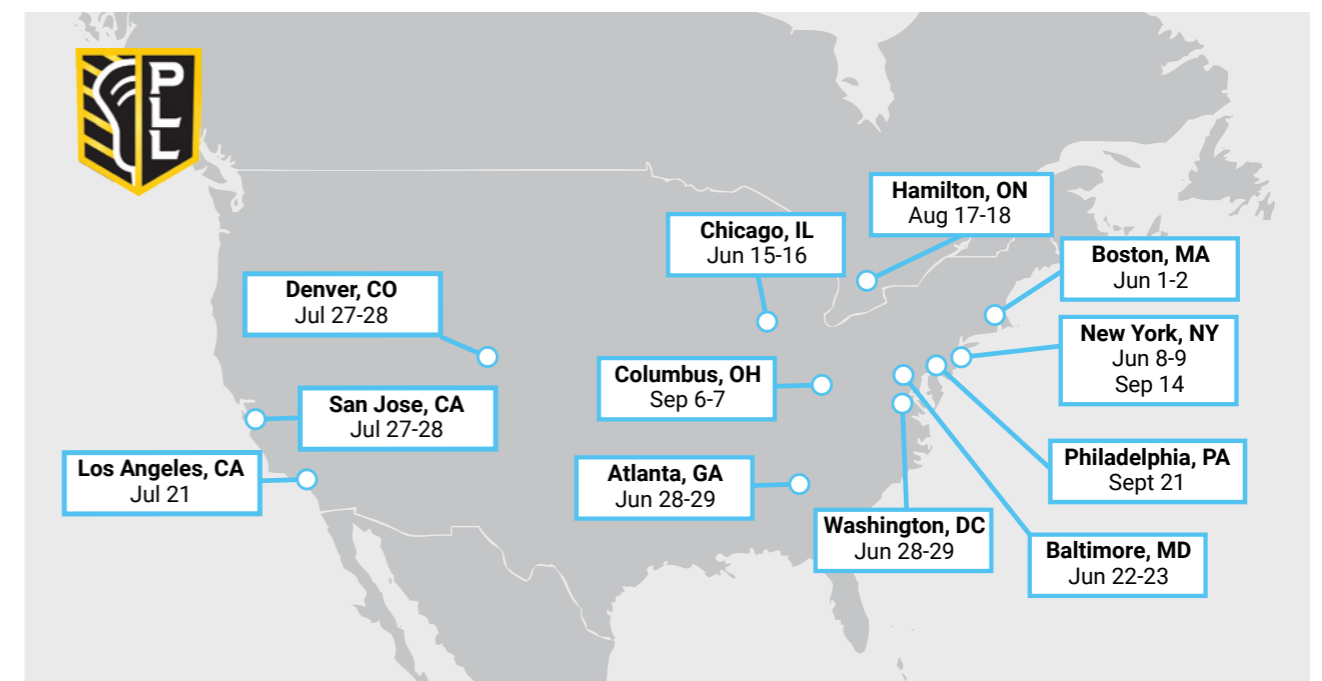
and we also have the agility to create our game times around network windows that are available.”

Due to the touring model, the PLL did not want to create team names that were associated with specific cities and make them localised. As such, the league’s first six teams have been called the Archers, Atlas, Chaos, Chrome, Redwoods and Whipsnakes. After the first season, it will be decided whether to add more teams.

The most recent start-up professional league in the US, the Alliance of American Football, collapsed after just eight weeks of its inaugural season. Rabil believes there is much to take from the AAF’s experience, both good and bad.

“We learned that a start-up league can generate a lot of exposure and capture a ton of attention and can be really exciting,” Rabil said. “We also learned and know that sports are expensive, and you have to be stewards of your capital as co-founders and make sure that you have a very tight plan in understanding partnerships. This is why we are spending so much time with NBC and the corporate partners that we’re bringing on.” ○

#### CITIES AND DATES OF THE FIRST PREMIER LACROSSE LEAGUE SEASON



Source: Premier Lacrosse League

# 'Ambitious' \$2.5bn LA 2028 forecast is in reality deeply conservative

Ex-Synergy chief executive Tim Crow argues that LA 2028's \$2.5bn sponsorship revenue forecast – hailed as ambitious in the press – is in fact deeply conservative, and predicts that the final tally will break \$4bn.

**A**mbitious. That was how the mainstream and sports business media universally described LA 2028's latest forecast of \$2.5bn (€2.2bn) for domestic sponsorship revenue when LA published its revised Games budget in late April.

Really?

I don't buy it.

Just as I didn't buy it when in late 2016 LA forecast \$1.9bn from domestic sponsorship in its bid for the 2024 Games, which ultimately won it the 2028 edition after the IOC's unprecedented dual award of 2024 and 2028 to Paris and LA respectively.

Of course, everyone in the Olympic sponsorship business knows how these things work. Olympic bids always low-ball their sponsorship forecasts (and much else besides, but that's another story).

Back in 2016 the LA bid admitted as much, describing that domestic sponsorship estimate of \$1.9bn as conservative.

Fast forward to today, and OK, let's pay that extra \$600m the respect it deserves. It's anything but small change.

Neither should anyone blame LA 2028 for spinning that the revised forecast is ambitious. Much better to emulate the strategy of Peter Ueberroth, architect of LA84, who under-promised and over-delivered to such an extent that he resurrected not just Olympic sponsorship but the Games itself after the disasters of Montréal and Moscow.

Yes, LA 2028 is up against big competition for the big dollars from American sports, the 2026 Fifa World Cup, and everything else.

But make no mistake: \$2.5bn is still conservative. Whether by volume or value of sponsors, LA 2028 will smash

that target and deliver \$4bn if not more.

Here's why.

Let's start with the strong correlation between the size of economies and host nation domestic Olympic sponsorship revenue.

London 2012 generated over \$1bn. Tokyo 2020 has generated over \$3bn and counting. Japan's GDP is almost twice as big as the UK's.

US GDP is almost four times bigger than Japan's.

And the GDP of California alone makes it the fifth-biggest economy in the world.

Then there's the undeniable fact that Corporate America loves the Olympics.

It is by far the biggest IOC investor, in the shape of NBC Universal's \$12bn American Olympic broadcast contract and six – almost half – of the IOC's global partners.

Right on cue, LA 2028 appears close to agreeing its first sponsorship, with Nike, the biggest American sports sponsor of them all, in a deal reportedly running well into nine figures that will as such take a big chunk out of that \$2.5bn.

With LA 2028 still nine years away.

Those nine years are another reason

why that forecast is so conservative.

Up until the IOC handed LA the Games, Olympic organising committees had a seven-year event horizon. LA's is eleven and there are still ten to go.

That gives it unprecedented time to innovate the Olympic sponsorship offer and prepare and operationalise its go-to-market strategy.

We've already seen the first example of that with the recent deal with NBCU, which has not only de-risked LA's budget but also added significant value to what will become LA 2028's top-tier sponsor pitch by integrating into it an NBC media buy.

I expect more of the same when it comes to innovating the sponsorship offer itself, as there is plenty of scope to re-invent the dated, category-driven Games rights package by creating new platform- and content-focused rights around the huge range of themes and stories that an Olympics presents, way out from the Games.

Chances of that happening in the city that gave the world Hollywood and the country that pretty much invented sports marketing? I'd say high.



There's one other factor that convinces me above all that LA 2028 will deliver an historic number.

The power of the Games to unite a country, and the power of the Olympic

brand to evoke and inspire the best in human spirit.

That's a pretty powerful pitch anywhere, but particularly in America, where consumers love the Olympics – hence all that NBCU money, which wouldn't be there if they didn't – and which hasn't staged the Games since 1996.

But in an America that is more divided than it has been for fifty years, with all the challenges that creates for businesses and brand marketers, it's the most timely, relevant and above all unifying mass marketing opportunity bar none.

And LA 2028 will be taking all that, drenched in California sunshine and wrapped in the Team USA flag, to market.

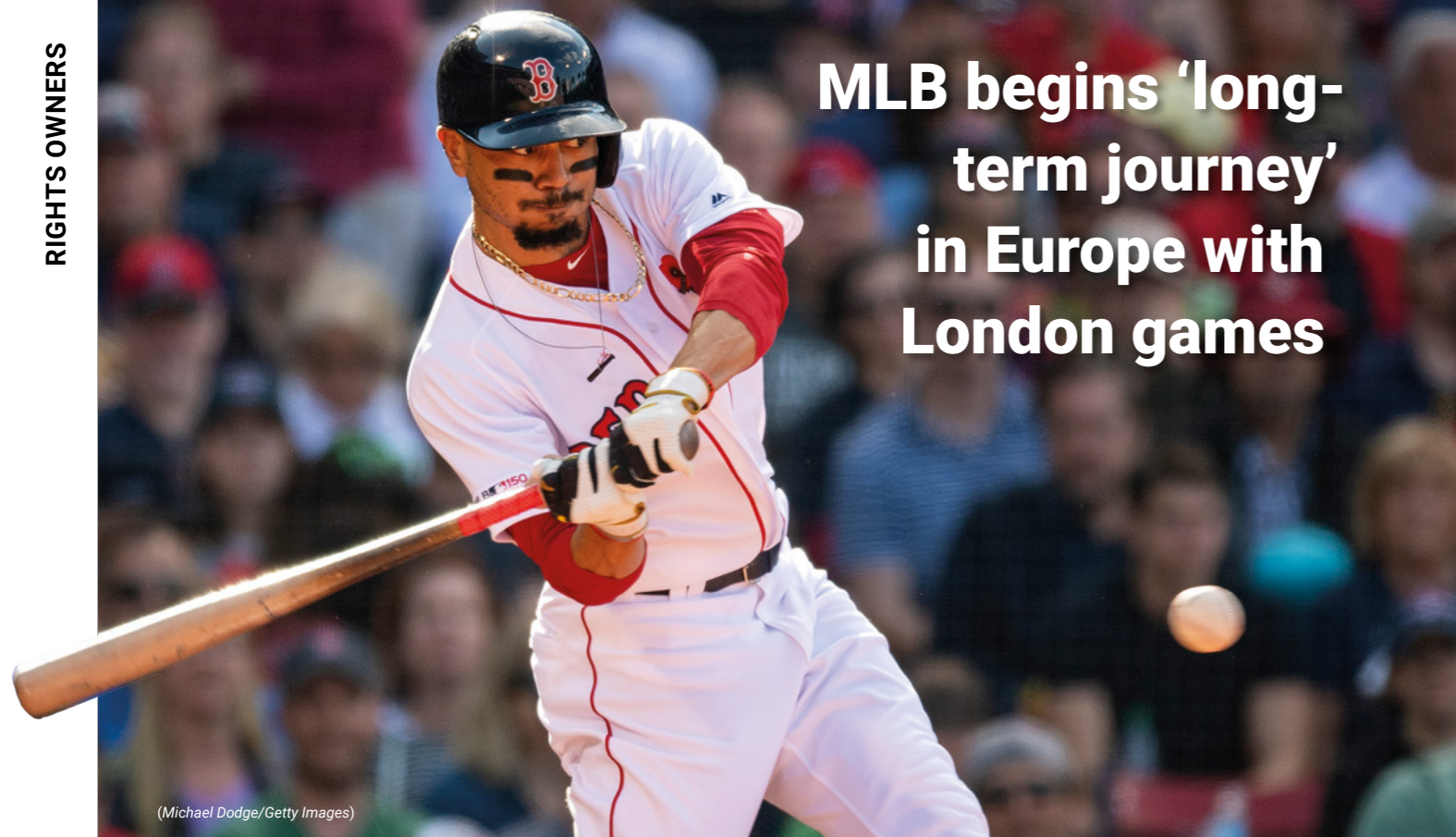
I wish them well, and I think they'll have no shortage of takers. [O](#)

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





# MLB begins 'long-term journey' in Europe with London games



(Michael Dodge/Getty Images)

MLB wants to develop a new talent base in Europe in order to grow the game

Two games to be played June 29-30 at London Stadium on an artificial pitch

League's aim is 'to be considered part of the established sporting calendar' in Europe

## Eric Fisher

The concept of a British Invasion is well established in American pop culture, beginning with The Beatles' arrival stateside more than 55 years ago and since applied in numerous other contexts.

Major League Baseball's upcoming pair of games in London, marking the league's first-ever contests in Europe, will essentially attempt a similar notion in reverse, with the league hoping for some version of a baseball Beatlemania by bringing its biggest rivalry to the United Kingdom.

The league playing regular-season games outside its established team locales in the continental US and Canada is nothing new, with contests staged in sites such as Mexico, Japan, Puerto Rico, and Australia dating back to 1996. But unlike many of those visits to established

baseball hotbeds, the June 29-30 games at the Olympic Stadium involving the New York Yankees and Boston Red Sox at once present an active level of involvement by MLB sponsors and media partners and the league's biggest push yet into a long-problematic area on its international map.

"For so long, these games have been theoretical, but now it's finally becoming real," says Charlie Hill, managing director of MLB Europe. "But the long-term thinking is what's key here. Having these games is great, but that in and of itself it doesn't create a business. We really need to think of these games as a European-wide proposition and merely the beginning of something much bigger here."

Building that European business, however, will be far easier said than done. Though MLB has long shown live games in the UK and elsewhere in Europe through broadcasters such

as BT Sport and Fox Sports Europe, there is not a prominent pro baseball league on the continent to mirror Japan's Nippon Professional Baseball or Mexico's Liga Mexicana de Beisbol. Europe is also not currently a fertile source of MLB talent, and baseball is not the most popular sport among fans in most parts of the continent.

Rather, MLB will be seeking to export its product to a 'soccer-mad' part of the world just before the July 1 start of the 2019 Wimbledon Championships.

"We ultimately want to be considered part of the established sporting calendar here at this time of year, along with Wimbledon, the Champions League and so on. Getting that kind of foothold is a big goal for us," says Hill.

## Games long envisioned

It was against this uphill climb that MLB's European games were first envisioned nearly a decade ago, years

before then-MLB commissioner Bud Selig was succeeded by Rob Manfred in early 2015. On the field, the Yankees and Red Sox are baseball's most storied rivalry, intra-division combatants that have played more than 2,200 games over the past century, battled several times for or in the post-season, and in 1920s were involved in perhaps the sport's most famous player transfer ever with the Red Sox sale of Babe Ruth to the Yankees, creating for Boston what was known during a subsequent 86-year championship drought as 'The Curse of the Bambino'.

Off the field, though, the current owners and executives of the Yankees and Red Sox are friendly with each other, are often brainstorming on new business initiatives that could be mutually beneficial, and serve together on various MLB business committees.

Red Sox president and chief executive Sam Kennedy describes a steady conversation about playing in London over the last several years that also involved his team's principal owner, John Henry, along with Yankees managing general partner Hal Steinbrenner and president Randy Levine.

That ongoing discussion was further amplified by the soccer interests each team has, with the Red Sox being a sister holding to Liverpool of the English Premier League through Fenway Sports Group, and the Yankees being a partner in Major League Soccer's New York City FC with City Football Group, the parent of reigning EPL champions Manchester City.

"These games are something that Randy and Hal and John and I have been talking about playing going all the way back to the Selig days," Kennedy says. "Having this subplot of our competing soccer interests only heightened our interest in participating over there that much more. Give credit to Rob and [deputy commissioner] Tony Petitti for finally getting this done. We see this as an incredible showcase for our brand."

Getting that deal done not only required a two-year commitment, with another set of games planned for the 2020 season, but starting with MLB's premier rivalry. That marquee matchup contrasts sharply with the often sub-par pairings the NFL has staged for its

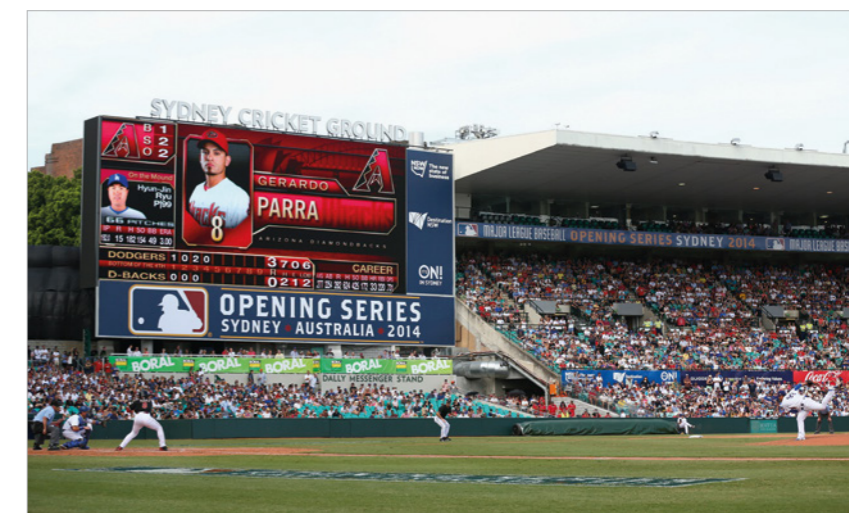
London games in recent years. The Red Sox also agreed to give up two of its home games at Fenway Park to be the home team in London, though they will be compensated financially for those games by the league.

"It's been a constant dialogue among all of us," Levine says. "For months, it's at worst weekly conference calls, often more frequent than that. But it's created a deep level of collaboration. And we started from a strong place because MLB made what I believe to be the right decision to put its best foot forward and enter a new market like this with its premier franchises and premier rivalries."

## Stadium work

The two London MLB games will be played at London Stadium, main venue for the 2012 Summer Olympics and current home to the EPL's West Ham United. Like many special event games played both domestically and abroad, an MLB crew led by longtime field consultant Murray Cook has planned out a rapid, three-week conversion of the stadium to baseball, including the construction of dugouts, backstop, foul pole and the batter's eye.

The league also opted for the installation of a synthetic turf field for the games, with both the short lead time to construct the field and the ability to



The Arizona Diamondbacks batting during the 2014 MLB Opening Series against the Dodgers in Sydney, Australia. (Cameron Spencer/Getty Images)



The London Stadium will host this summer's games (Jason Hawkes/Getty Images)

use the turf again next year driving that decision. Though several other MLB clubs play their home games on synthetic turf fields, the decision means the London games will be the first between the Yankees and Red Sox not played on natural grass.

“It’s a fabulous stadium, but it’s not built for baseball,” Hill says. “That’s required a lot of creativity, but the good news is that Murray and his team are deeply experienced in these sorts of field conversions.”

Tickets for the two games quickly sold out last fall, despite pricing that topped out at £385 (€436/\$487) per ticket for premium seats, £320 for non-premium inventory, and some outfield corner seats going for £220, costs far higher than regular-season MLB games in most US markets. Low-end general admission tickets started at £30, and season ticket holders for the Red Sox and Yankees were given a presale opportunity in November to buy seats.

The quick sell-through prompted MLB to seek, and ultimately receive, permission from local officials to boost capacity for each of the games from 57,000 to slightly more than 60,000. The two games have also stood as the most popular games on the entire league schedule for StubHub, MLB’s official ticket resale partner.

“The level of demand we’re seeing is directly representative of the historic nature of this event and the appeal of the two teams involved,” Hill says.

#### Support events

MLB will supplement the two London Stadium games with a series of fan engagement and youth development events around the city aimed at expanding the reach of the event beyond the 120,000 total ticket holders. A three-day baseball festival called London Yards will be held at East London’s Truman Brewery featuring music, virtual-reality stations, cuisine from New York and Boston, and live screenings of the two games.

The league will also stage near London Stadium a local version of Play Ball Park that will serve as a center of youth-focused baseball and softball activity with a temporary diamond,



(Al Bello/Getty Images)

batting cages, and pitching tunnels. Part of the league’s broader Play Ball youth participation push, MLB will also stage both a Little League tournament and a larger elite-development tournament for top teenage players.

The efforts carry two primary goals: allow anyone who is interested in the event and in London that weekend to be part of it in some fashion, and help develop a wave of European player talent that could ultimately funnel its way to the big leagues.

“There is playing talent in Europe, and we want to support it as much as we can,” Hill says. “You look at what happened with the NBA in the continent once [German-born] Dirk Nowitzki came to the league and thrived. Ultimately, we want Europe to be more entrenched in our sport. That happens in multiple ways, and supporting the development of players across multiple age groups is certainly an important part of it.”

Though the London games will essentially be standard, midseason regular-season contests, they are being operated, sold and managed

by the league in a manner similar to the postseason. MLB is managing all sponsorship sales for the event, with a presenting deal sold to existing business technology and communications partner Mitel and other agreements said to be in the works.

Fox and ESPN, the league’s two national broadcast partners in the US, will each get a piece of this for domestic broadcast, with Fox showing the first game and ESPN the second, and both networks using their lead broadcast talent teams.

Before the 2019 London games happen, the league is already deep in planning for the 2020 event, with another prominent baseball rivalry, the Chicago Cubs and St. Louis Cardinals, strongly rumored to be the participants. A formal announcement of those games is expected before the end of June.

“This is a long-term journey for us in this part of the world, and it has to start somewhere,” Hill says. “But ultimately what we’d like is for something like this to be a regular part of our calendar each season. We want a portfolio of live game opportunities.”

## London calling: How deep data is helping fuel MLB’s fan engagement drive

When Major League Baseball (MLB) pitches up at London’s Olympic Stadium this month, it will not only serve as a vehicle to help grow the game in Europe but also offer insight into the contrasting approaches to sports and data either side of the pond.

Defending World Series champions Boston Red Sox will take on the New York Yankees at a sold-out Olympic Stadium, but the cultural approach behind an elite level ball game and the usual Premier League fare from tenants West Ham could scarcely be more different.

Traditionally, US sports have tended to lend themselves more to stats and data than their transatlantic counterparts – they have long been an intrinsic part of the fabric of how the States watches the likes of MLB, the NBA, NFL or NHL.

Earlier this year, MLB agreed to a wide-ranging, multi-year partnership with leading sports data intelligence provider Sportradar to enhance and expand the distribution of the league’s real-time game statistics across the globe.

As well as opening up potential avenues around the emerging US betting market, the provision of a platform by which to proliferate content and drive engagement is one MLB has been savvy to seize upon, according to Sportradar’s Managing Director of Group Operations, David Lampitt.

“Data-driven content and the engagement that brings is a great tool for leagues and federations such as MLB, when it comes to attracting new audiences

and building relationships with current ones,” explains Lampitt.

“What we’re also seeing over in the US space in particular – and this is something that remains key to our ethos as a company – is the growth of automated data-driven insights. You see it with our Radar360 platform and how that drives output for publishers and media houses, but increasingly what will become the norm is automated, personalised, targeted content that allows organisations to better monetise their product.”

The legalisation of gambling in the US may only have been a recent development for leagues, bookmakers and punters but the size of the country, coupled with its primary sports and their compatibility with betting, means the opportunities are vast.

Part of the aforementioned agreement will also see MLB and Sportradar collaborate on new

products and services, using the former’s Statcast data and Steve Byrd, Head of Global Strategic Partnerships at Sportradar, says the level and depth of such stats can be a unique tool for both media outlets and betting operators.

“The international market is ripe for development for MLB,” said Byrd. “We believe an increase in betting markets internationally, as well as other media opportunities that our data can help provide, will further engage existing audiences and bring in brand new fans.

“Statcast data means deep, advanced insights including perceived velocity, spin rate, and exit velocity. This quality and depth of data adds a new level of intrigue and engagement for audiences and bettors, meaning they can get under the skin of the game in new ways.”

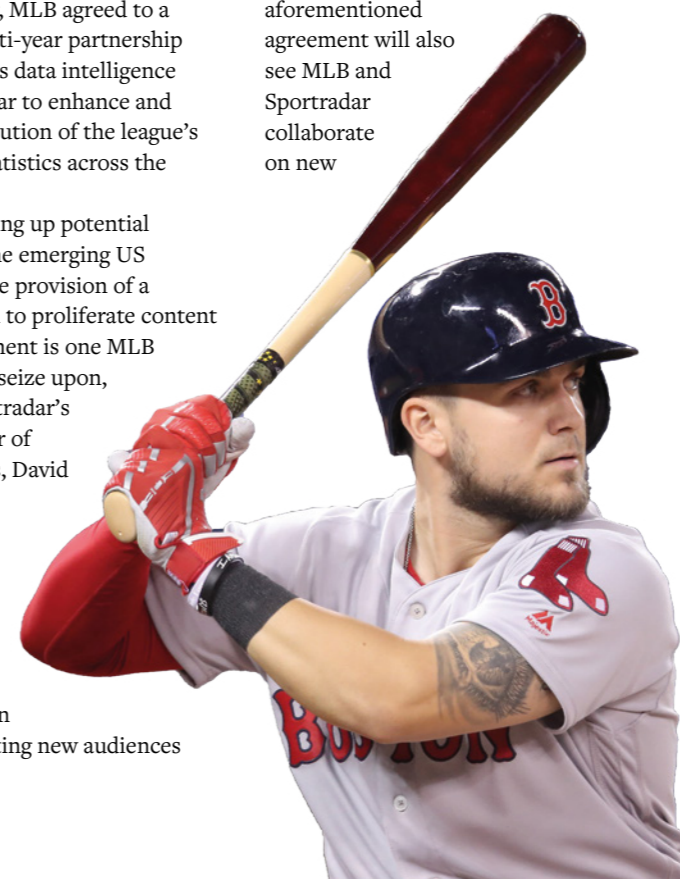
The UK has embraced in-play markets as part of its football consumption and Byrd believes MLB is ideally positioned to capitalise on similar opportunities among betting audiences in the States and overseas.

“With the speed and accuracy of our data, the possibilities are endless,” he continued.

“Fans will be able to bet on a host of interesting and increasingly in-depth markets which helps keep fans more engaged throughout the game and increases excitement for new fans.”

Whether it’s via the betting market or engaging media content, data is the fuel many organisations – including MLB – are using to create fan engagement and open new audiences.

While many spectators and fans will have a keen eye on fantasy-defining stats like home runs and pitches, plenty at boardroom level will be keener on engagement figures, interaction data and follower numbers as organisations like MLB look to get ‘on base’ in new territories around the world.



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**SPORTS MEDIA & TECHNOLOGY CONVENTION**



**Hyped television deals of 2018 have masked business-as-usual in boxing**

US media-rights deals struck in 2018 came with promises to make fan-friendly fights

Instead, boxing is more divided than ever, with six promotions spread across four platforms

Platforms looking beyond pay-per-view, but fighters and promoters don't seem ready



Deontay Wilder and Tyson Fury fight to a draw at LA's Staples Centre on December 1, 2018 (Harry How/Getty Images)

**Callum McCarthy**

**T**here is no order in boxing. There are forces that attract and repel – money, pride, ego, hatred – but ultimately only chaos. There are five international governing bodies with very little power between them. There are over 60 world champions but just one of them is undisputed. The best do not have to beat the best in order to be the best. Nothing seems to make any sense.

After a brief burst of optimism last year – generated by a series of high-profile, big-money deals between fighters, promotions and broadcasters –

boxing is moving as slowly as it ever has. In every weight class, there are obvious fights that would make huge amounts of money. In almost any other sport, these matches would be inevitable. In boxing, they're a privilege.

The era's best middleweights, Saul 'Canelo' Álvarez and Gennady 'GGG' Golovkin, have already faced each other twice in two evenly-matched, high-earning bouts. They now have exclusive deals with the same US platform, DAZN, which aims to use a third fight between the two to push its subscription numbers to over a million. Despite this, neither fighter seems in any rush to complete the trilogy.

The era's best heavyweights – Anthony Joshua, Deontay Wilder and Tyson Fury – are affiliated with different broadcasters and appear a long way from agreeing to fight each other in 2019.

Wilder and Fury fought in 2018 and looked almost certain to agree a rematch in 2019, until Fury signed an exclusive deal with ESPN via his US promotion, Top Rank, which immediately claimed the fight couldn't happen because of broadcast conflicts. Top Rank now says the bout will happen in 2020 "at the earliest". Joshua's promoter, Matchroom, has also said that broadcast conflicts will prevent him from fighting his rivals in the near future.



Anthony Joshua talks to the media ahead of his September 2018 fight against Alexander Povetkin (Justin Setterfield/Getty Images)



Eddie Hearn, group managing director of Matchroom Sport and Simon Denyer, chief executive of DAZN Group (Bill Tompkins/Getty Images)

Three of the world's top four welterweights – Keith Thurman, Errol Spence Jr. and Shawn Porter – compete under the Premier Boxing Champions banner and share a manager in PBC owner Al Haymon. They all fight on the same US broadcasters, Fox and Showtime, but only Thurman and Porter have faced one another, back in 2016.

Terence Crawford, the other top welterweight, competes exclusively on ESPN. Crawford has never faced any of his closest rivals at welterweight, and it seems unlikely he will do so any time soon.

Last year's agreements between

promotions and broadcasters were accompanied by plenty of claims that they would bring boxing back to its 1970s and 80s glory days, when the best fought the best and pay-per-view was a rarity. Instead, they have left boxing more divided than ever, with few blockbuster bouts to look forward to.

**Enter DAZN**

For a while, things looked rosy. Money seemed to be pouring into the sport, and streaming platform DAZN led the charge. Its 'billion-dollar', eight-year joint venture with Matchroom Boxing, agreed in May 2018, was advertised as

the deal that would finally bring the world's best fighters under one banner to compete against one another, all for \$9.99 (£8.90) per month.

By joining forces with Matchroom – a UK promotion with no roots in the murky world of US boxing politics – DAZN hoped to take the US boxing scene by storm. It promised to eliminate pay-per-view – boxing's standard distribution model for the biggest fights – by locking in fighters with large guaranteed sums and building a critical mass of subscribers.

"If you don't have a promotional contract and you're a world class fighter, you need to call me asap. I've got exactly what you need," Eddie Hearn, group managing director of Matchroom Sport, said when it launched in May 2018.

"Within 12 months, we will have by far the strongest stable ever seen in world boxing."

Hearn added: "All the promoters in the US want us to fail. Everyone will say it's a new platform and it might not work. And I could see the argument, but not with the amount of money I have to spend."

Unfortunately for Hearn, he was right – all the promoters in the US wanted it to fail. And they all had money too.

**An opposite reaction**

Sensing that DAZN and Hearn were targeting fighters that competed in Premier Boxing Champions, US pay-television broadcasters Showtime and Fox – which had aired the series from 2015 to 2018 – convinced PBC owner Haymon to agree a co-exclusive three-year deal to continue the series. The broadcasters were reported to have promised Haymon a combined \$130m per year to stave off Hearn's advances on his fighters.

ESPN was next to move, locking down its exclusive relationship with the Top Rank promotion – which is in turn affiliated with Queensberry, Matchroom's rival in the UK – until August 2025. ESPN says the deal is worth \$90m per year.

With these paths to success blocked off, DAZN switched to Plan B. Outside its joint venture with Matchroom, it struck direct deals with Golden Boy Promotions and GGG Promotions, acquiring the rights to Álvarez and

Golovkin respectively. It now charges \$19.99 per month.

In the words of Joe Markowski, DAZN's executive vice-president, North America: "Sometimes, as a broadcaster, you're dealing with global superstars and they prefer to be handled that way. It's not as clean as buying a set of rights from a rights-holder."

After all was said and done, six different promotions were spread across four different platforms. Collectively, the platforms were promising 134 boxing events per year at an annual spend of about \$450m.

As is often the case in boxing, the figures were grossly exaggerated. Each purported rights fee – the '\$1bn' DAZN was to pay Matchroom; the '\$130m' PBC was set to earn; the '\$90m' per year ESPN was to pay Top Rank – was in reality an approximated 'maximum spend'. In most of these deals, the conditions required to fulfil that maximum spend were either improbable or entirely impossible. The number of events relating to each deal also represented projected numbers rather than concrete commitments.

As a source close to more than one of these deals told *SportBusiness Media* in November: "There's a lot of money being promised but not a lot being spent. All these deals are predicated on commitments, not actual spends. These numbers relate to contingency funds."

Another source close to multiple deals said: "There has been a PR race for presentation of these deals, exaggerating the value, volume and length of deals. I'm not convinced there are 120 quality fights out there next year.

"A little bit of this is about setting a target to reach for, but the pace of licensing and programming is different to the totals announced. All the structures have some flexibility because that number of events is not going to be reached."

**Little bang for the broadcast buck**

Despite the inflated headline figures, last year's flurry of deals saw DAZN, ESPN, Fox and Showtime provide huge budgets to their respective partners in the hope they would feel comfortable enough to take risks with their fighters and make the most lucrative bouts possible.

Instead, with the knowledge that these budgets would be guaranteed for years to come, the promotions have dug their trenches deeper. With few exceptions, the promotions are protecting their best fighters' reputations and preventing them from fighting their closest rivals, even when they share the same platform. In boxing, one loss can be the end of a fighter's earning power.

The exclusive deals between promoters and broadcasters have contributed to the slowdown, but Stephen Espinoza, president of Showtime Sports, believes exclusivity clauses are being used as a convenient excuse for why we aren't seeing the biggest fights get made.

"I believe that much of the criticism and angst in these situations is misplaced, simply because there is so much misdirection in the parties' [promoters and fighters] public statements," Espinoza says. "Network conflicts are an easy scapegoat for a promoter to explain why a fight isn't happening. It's an easy scapegoat for a fighter, too."

"There's no question in my mind that the biggest fights can happen," Espinoza says. "It's all a question of desire and intention."

**Pay-per-view still preferred**

Espinoza's frustrations are also relatable to the unfolding situation between Álvarez and Golovkin. The two have already fought twice, in 2017 and 2018. Now they both have exclusive deals with DAZN, a third fight should be an inevitability.

DAZN is paying Álvarez a guaranteed \$27m per fight over the course of a 10-fight deal, which could increase to \$35m per fight should subscription growth and churn targets be met. Golovkin is set to be paid a minimum of \$80m over the course of his six-fight deal and potentially more than \$100m if certain conditions are met.

But the two fighters are not contractually obliged to face one another, and it is up to DAZN to incentivise them to make the fight. Despite the guarantees and escalators, it appears that both fighters believe a third fight between them is worth more than DAZN is currently paying.

**NUMBERS**

**\$1bn**

The publicised value of the deal between Matchroom and DAZN, which later transpired to be an approximated budget for the project. DAZN will now commit much less than this to the joint venture.

**\$60m**

per year

Minimum amount DAZN will pay Golden Boy Promotions for exclusive rights to Saul Álvarez's next ten fights, plus up to 10 other Golden Boy events per year.

**\$90m**

per year

ESPN's self-reported value of its exclusive deal with Top Rank, which relates to a maximum spend.

**\$100m+**

The amount Gennady Golovkin could stand to earn from his six-fight deal with DAZN in the US, should certain conditions be met.

**\$130m**

per year

The supposed combined value of Fox and Showtime's investment in Premier Boxing Champions over the next three years. The figure relates to the combined total of both broadcasters' maximum spends. Both broadcasters will compete against each other for events, so neither maximum spend can realistically be reached.

*“Network conflicts are an easy scapegoat for a promoter to explain why a fight isn’t happening. It’s an easy scapegoat for a fighter, too.”*

**Stephen Espinoza** | President, Showtime Sports

In each of their two previous bouts, Golovkin and Álvarez generated over \$100m in pay-per-view revenue. Even if both fighters earned the maximum for a single fight under their deals with DAZN, this would likely be less than what they earned in each of their previous two bouts.

Speaking to the *Los Angeles Times*, DAZN Group executive chairman John Skipper described the platform’s relationship with Álvarez as “one of trust”. “We both have some leverage, but if we each don’t want to do something, the outcome is stalemate,” Skipper said. “We have to figure out how to do something that is beneficial to all...it’s mutually-assured destruction if we don’t make it work.”

“Both Gennady and Canelo are above needing a title at this point in their career,” Golovkin’s promotional partner Tom Loeffler said in a press conference. “I think the third fight will come down to economics.”

**Platform bouts**

Even between the platforms, there is division. Showtime, Fox and ESPN are happy to continue distributing fights on pay-per-view, as this is the tried and tested way of incentivising top fighters to compete against one another. It almost always ensures the fighters receive the maximum possible earnings for their bout, and helps to bridge gaps between broadcasters, promotions and fighters. If all parties have an equal (or near-equal) share in an event, it provides them with a shared process that leads to a common goal: earning as much money as possible.

DAZN, on the other hand, has vowed never to put boxing on pay-per-view. A 30-second ad promoting Álvarez’s first fight on the platform saw the world’s most famous ring announcer, Michael



Floyd Mayweather Jr. throws a left at Manny Pacquiao during their welterweight unification championship (Al Bello/Getty Images)

Buffer, say that as a result of DAZN’s new subscription model, pay-per-view was “screwed”.

DAZN’s commitment to a subscription model makes it much harder for it to work with other broadcasters and promotions. Without the indisputable metric of pay-per-view buys, third parties would have to put faith in DAZN’s accurate reporting of metrics such as subscription growth related to the fight, total number of watched hours and subscriber retention.

Speaking about how DAZN might

navigate these problems, Markowski said: “The devil will be in the detail. If a two-fight deal is being discussed between two fighters [where two platforms each receive exclusive rights to one fight each of a two-fight series] we’re very open to those conversations. We’ll happily work across the aisle, even if we don’t have formal relationships right now. We have a window at the back of the year to make a major heavyweight fight, and there are ongoing conversations around that. I think that would end my year on a positive note.”

The “ongoing conversations”

Markowski mentioned relate to a potential heavyweight title unification bout between Anthony Joshua and Deontay Wilder. DAZN holds first option and matching rights over Joshua’s US media rights, while Wilder recently signed a one-fight deal with Showtime to compete on May 18. After that, Wilder is a free agent, and could feasibly sign a deal to fight Joshua later this year.

Espinoza, who signed Wilder to that one-fight deal in the face of competition from DAZN and ESPN, has trouble believing that fight will be made this year.

“A close examination reveals that the actions don’t match the stated intentions,” Espinoza said. “It doesn’t seem anyone was offering Wilder a big fight. They were leveraging their assets in order to get him to sign a long-term deal for their network.”

**Money makes it work**

Historically, even the biggest divides in boxing have eventually been bridged. The late Jay Larkin, former executive producer at Showtime, famously said in 2000 that “pork chops would grow on the trees in Tel Aviv before Mike Tyson

fights on HBO”.

Two years later, HBO and Showtime shared pay-per-view rights to Tyson v Lennox Lewis, an event that amassed over \$100m in pay-per-view revenue.

Floyd Mayweather Jr. and Manny Pacquiao found themselves in a similar situation earlier this decade. The era’s two best welterweights had exclusive deals with Showtime and HBO respectively, and their fight took six years to put together. Again, hundreds of millions of pay-per-view dollars shared between the fighters, promoters and broadcasters greased the wheels.

In 2017, Mayweather’s pay-per-view blockbuster against UFC fighter Conor McGregor was also facilitated by Showtime, generating another nine-figure sum.

Money is, and has always been, the most powerful force in boxing. Despite the well-publicised ‘war-chests’ available to them, the fighters and promoters believe that, at the present moment, there is more money to be made from the waiting game than the fighting game.

History tells us this is probably true. Public consensus is that both Tyson v Lewis and Mayweather v Pacquiao happened too late. None of the fighters were in their prime and both fights were deemed disappointing from a sporting perspective. But those delays did nothing but make the public even more excited, and this was reflected at the box office.

For fighters like Joshua, Fury and Wilder – 29, 30, and 33 years of age respectively – time is on their side. From a promotional standpoint, as long as they keep competing and winning against other opponents, the appetite for them to compete against one another can only grow. Whether they are still in their prime years when those fights do eventually happen is of no concern. The numbers at the box office are ultimately all that matters.

Despite the public pleas of willingness from platforms, promoters and fighters, it could be a long time before anyone crosses the aisle to work together. And only money will heal the divisions created by boxing’s latest landgrab.

Lots and lots of money. ○



## SportAccord 2019 wrap-up: Raffaele Chiulli leads GAISF into new era

The unanimous election of Raffaele Chiulli as the president of the Global Association of International Sports Federations (GAISF) wrapped up SportAccord 2019 in Gold Coast, Australia.

Confirmation of Chiulli's appointment at the GAISF general assembly on the Friday of SportAccord week came after the International Powerboating Federation president had outlined his vision for the future of the association.

Chiulli's agenda focuses on supporting the growth of youth development programmes and social responsibility initiatives, as well as strengthening the role of GAISF as a services-based organisation.

"Whilst I am loyal to the traditions, values and principles of GAISF, I also believe that we must be a modern

and forward-thinking organisation," said Chiulli, who will serve a two-year term as president of GAISF and also SportAccord.

Chiulli, who has served as the president of the Association of IOC Recognised International Sports Federations since 2013, had been expected to stand for the GAISF presidency at the 2020 general assembly in Beijing.

However, the death of GAISF and SportAccord president Patrick Baumann last year brought forward Chiulli's election.

For many SportAccord delegates, the absence of Baumann – who had been significant presence at last year's gathering in Bangkok – was very noticeable.

Delegates stood in silence to remember Baumann, not only in various meetings, but also at the start of the

United Through Sport Festival, which returned for a second edition following its successful debut last year, giving thousands of children opportunities to try out different sports.

### IOC presence

As an illustration of the strengthening relationship between GAISF and the International Olympic Committee, the Festival, as well as the SportAccord opening ceremony, was attended by IOC president Thomas Bach, who also took part in a number of meetings with umbrella organisations over the week.

At one of the meetings, with the Association of Summer Olympic International Federations (ASOIF), Bach was told that some members are unhappy with the current revenue-sharing agreement that was reached with the IOC after the London 2012 Olympic Games.

ASOIF president Francesco Ricci Bitti, who reminded members that the matter cannot be reviewed until after the Olympics next year, did urge them to liaise with the Tokyo 2020 delegation in Gold Coast over a number of concerns about the Games.

Successive IFs raised issues including transport, quality of athlete accommodation and the look of the Olympic sites amid reports of cuts of 80 per cent to some budgets.

At the association's general assembly, Marisol Casado was re-elected to the ASOIF Council and two new members – Ingmar De Vos and Morinari Watanabe – were elected to replace Baumann and José Perurena. Casado's election came just days after she had proposed during an ASOIF Council meeting that a new consultative advisory group on gender equality and diversity should be established by the association following the recent publication of its Future of Global Sport report.

Meanwhile, at the Association of International Olympic Winter Sports Federations (AIOWF) general assembly, members received presentations via

video link from both candidates for the 2026 Winter Olympics – Stockholm-Åre in Sweden and Milan-Cortina in Italy – ahead of the final decision on June 24. AIOWF members also received an update from the organising committee for the Beijing 2022 Winter Games ahead of the first test events early next year.

In a meeting with the IOC, AIOWF members discussed preparations for the Lausanne 2020 Winter Youth Olympic Games and also the candidacy process for the Winter Olympics through to 2030, as well as the 2024 Youth Olympic Games.

There were also significant developments for individual federations at SportAccord. World Archery and the International Ski Federation signed agreements with the Court of Arbitration for Sport, delegating adjudicatory powers for the determination of anti-doping rule violations and the resulting sanctions to the new CAS Anti-Doping Division.

The International University Sports Federation also sealed a partnership with the International Powerlifting

Federation for the inaugural University World Powerlifting Championship to take place in 2022 in Moscow, Russia.

Hosting rights for several other events were awarded: The World Games 2025 will take place in Chengdu, China, following ratification at the International World Games Association's annual general meeting, while the International Masters Games Association confirmed that the 2023 European Masters Games will take place in Tampere, Finland.

GAISF also announced that Nur-Sultan, the capital of Kazakhstan, will host the inaugural World Combat Games in 2021.

The meetings took place against the backdrop of a bustling exhibition hall and, as ever, a busy conference programme.

For the first time, the conferences were split into five distinct sub streams, comprising an expanded LawAccord, as well as CityAccord, HealthAccord, MediaAccord and the SportAccord Summit, at which former United Nations secretary-general Ban Ki-moon provided the opening address. [O](#)

# Mexico City's illustrious history of major events gives way to uncertainty



Aerial view of Mexico City's Azteca stadium  
(Hector Vivas/Getty Images)

Mexico City's Sports Institute has nurtured a diverse portfolio of sports events in recent years

City's stadium infrastructure is outdated and facing competition from Monterrey

Political upheaval at a local and national level leaves the city's event-hosting direction unclear

## Bradley Rial

**M**exico City is steeped in sporting history, but its future direction as a major event host is unclear.

The first Latin American city to host the summer Olympic Games, in 1968, the Mexican capital can count Formula One, the NBA and the NFL among the global sports properties it has welcomed in recent times.

A packed calendar over the past couple of years has included sizeable homegrown events, such as the Mexico City Marathon, as well as an eclectic collection of international offerings, including the World Archery Championships, World Para Swimming Championships, World Para Powerlifting Championships and UIPM

Pentathlon World Championships.

In 2017, it added the high-profile WGC-Mexico Championship golf tournament to its portfolio, while it has staged a leg of the Formula E electric car-racing series since 2016.

Meanwhile the iconic Estadio Azteca is poised to create history by becoming the only venue to have staged matches at three different Fifa World Cup tournaments, when the 2026 competition is co-hosted by Mexico alongside the US and Canada. The Azteca hosted two of the most famous World Cup finals in history – in 1970, when Brazil beat Italy 4-1, and in 1986, when Argentina overcame West Germany 3-2.

But despite its illustrious history, serious challenges lie ahead for the capital and its Sports Institute,

the body that has been primarily responsible for identifying and attracting events in recent years.

## Challenges

The city's major facilities include the 87,000-seat Azteca, the 72,000-capacity Estadio Olímpico Universitario and the Estadio Azul, which holds 33,000.

The 20,500-seat Estadio Alfredo Harp Helú, the second largest ballpark in the country, opened this March, but it is the only significant sports development in the city since the Foro Sol multi-purpose venue opened more than a quarter of a century ago.

Meanwhile the three largest sports venues in the city are showing their age. The most recent significant renovation work at the Estadio Olímpico Universitario, which hosted

the Pan American Games seven years after the 1968 Olympics, took place 33 years ago. The Estadio Azul is being lined up for demolition, although a project to build a new home for local football club Cruz Azul – which moved out of the venue and into the Azteca last year – has stalled, with little sign of progress.

The Azteca, meanwhile, suffered the indignity of being dropped as a host of an NFL International Series game last year, with the league switching the Los Angeles Rams v Kansas City Chiefs contest to the Los Angeles Memorial Coliseum amid concerns that the state of the Mexico City stadium's playing surface presented “unnecessary risks” to player safety.

The annual NFL fixture is set to return to the Azteca this year, but its long-term future as a host of the American football league's high-profile series looks far from certain.

## Rival

The city of Monterrey, located some 500km north of Mexico City, has emerged as a rival to the capital.

With a population of nearly five million and GDP per capita nearly double the national average, Monterrey has forged a cosmopolitan and cool reputation. It is a stone's throw from the Texas border, reflected in a culture that is widely seen as Americanised.

Its 55,000-capacity Estadio BBVA Bancomer, which opened in 2015, is streets ahead of any of Mexico City's biggest facilities in terms of comfort, sightlines and technology.

**“Mexico needs a new national stadium and it won't be in Mexico City.”**

**César Esparza** | chief executive,  
Monterrey International Stadium

Meanwhile the figures behind the proposed development of a new state-of-the-art Monterrey International Stadium have made no secret that they will lobby intensively to bring the NFL and national football team games to the new facility when it opens. They are also optimistic of securing a permanent NFL franchise in the city in the coming years, which would continue to shift the balance of power north from Mexico City.

Monterrey International Stadium chief executive César Esparza summed up the north-eastern city's bullishness when he said in 2017: “Mexico needs a new national stadium and it won't be in Mexico City.”

The political mood music has also been less than encouraging for Mexico

City's event-hosting prospects in recent times.

The city's race deal with F1 expires after this year's grand prix in October. Earlier this year, it emerged that the \$21m (€19m) usually reserved for hosting and promoting the race would instead be spent on a new rail project in the south of the country.

The timing could not have been worse for advocates of Mexico City's place on the congested and competitive F1 calendar. Mexico City Sports Institute director Horacio de la Vega expressed his concerns at the time, saying that “there is no other event that compares to it”.

## Changing times

The F1 announcement symbolised a degree of political turbulence that could have serious implications for the capital's event-hosting credentials.

Last year, Mexico held elections at local and federal level, with president Andrés Manuel López Obrador assuming office in December. Following the elections, a review of the leadership and management positions at the publicly-funded Mexico City Sports Institute took place.

Andrés Vergara, who resigned from the institute in December after serving since 2014, explains to *SportBusiness Review* that the new administration did not consider his role – as commercial



Mexico City's hosting agreement with Formula One expires after October's grand prix (Clive Mason/Getty Images)

and strategic partnerships director – to be “part of their strategy”.

A shift in the national sports development strategy also appears to be underway. López Obrador is a passionate baseball fan who became a global ambassador of the sport in February following a meeting with the World Baseball Softball Confederation (WSBC). Mexico City staged Major League Baseball games in 2016 and 2018. This year, the league opted for Monterrey.

In March he pinpointed boxing and walking, alongside baseball, as priority activities for the general public and suggested that most of the available budget being ploughed into sports development programmes from government coffers would be allocated for his favourite sport.

Some fear that such a focus on boosting participation in a small number of disciplines could be the wrong approach. Critics also wonder if

such a strategy could be at the expense of attracting and hosting major international events.

### Strategy focus

In the context of administrative changes, Mexico City’s sports strategy is clearly in a transitional phase.

“The sports strategy from 2013 to 2018 had four main focuses: high-performance sport, community sport, sports infrastructure and sporting events,” Vergara says. “The vision was to transform Mexico City into a global sports capital, positioning it as the leader in sports at the national level, but also internationally.

“Mexico City is well known around the world as a tourist destination, but we also wanted to make it a sports destination and achieve results beyond tourism. Hosting major sporting events allowed the city to accelerate positive outcomes that impacted sports infrastructure, event

management knowledge, workforce professionalisation, community physical activation, operational innovations, international networking and more.

“It is very important to stress that Mexico City’s success was in large part thanks to its partnerships. There was a great effort made to align with the federal government and the private sector, notably sponsors and promoters, and the outcome was the hosting of more than 35 international events per year that added up to the more than 450 sporting events organised in the city annually.”

Vergara cites the Mexico City Marathon as an example of how the Sports Institute elevated the city’s status. The race did not feature on the Association of International Marathons and Distance Races’ 300-strong ranking list in 2012, but by 2018 it was ranked eighth in the world, attracting an impressive 32,645 runners.

Under de la Vega, the Sports Institute started to document the economic impact of sport on Mexico City as part of a partnership with research company SMG Insight spanning 2015 to 2018.

The report found that the total economic impact of sport on Mexico City during this period was \$5.37bn, including \$1.24bn of visitor spend and \$430m of media value.

The economic impact rocketed by 18 per cent year-on-year from 2015 to 2016 before increasing by 13 per cent and six per cent in the following two years, respectively. Visitor spend in relation to sports events increased by \$360m year-on-year in 2018 – just over \$100m more than the total rise in 2015.

### Partnerships

Vergara underlines that the city’s successful event-bidding projects have been traditionally supported by a collaborative process involving input

from various parties.

“Bidding always involves a mix of stakeholders,” he says. “There is not one single event that the Mexico City Sports Institute organised without a partnership. It would always depend on the event, as international federations have a defined structure for bidding, as do various other events, but many times the initiative to bid came from the institute.”

According to Vergara, Mexico City’s former mayor Miguel Ángel Mancera, who served from December 2012 to March 2018, prioritised the role of the institute. It remains to be seen whether Mancera’s successor, Claudia Sheinbaum Pardo, attaches the same importance to the organisation.

“He always ensured that the Mexico City Sports Institute led all the city’s efforts regarding sport,” Vergara said, referring to Mancera. “This was really beneficial as it allowed us to have a complete picture of the sports scene

in the city, instead of delegating it to tourism or other entities who we worked with closely.”

In relation to the events portfolio that was established by the institute before the management upheaval, he adds: “Regarding the decision on which events to bid for, it was also a matter of those events that aligned with the city’s vision, but we always tried to have a diverse offer of sports.”

With a solid recent track record of local and national events in a range of Olympic and non-Olympic sports, but also with facility and administrative challenges, Mexico City is at a crossroads with its sports strategy.

With the dust seemingly yet to settle on the upheaval locally and nationally, it appears that sports rights-holders seeking to take their events to the gateway of the Americas will have to be patient as Mexico City’s decision-makers figure out what is desirable and sustainable in the long run. ○





# Learning from LaLiga

LaLiga's global academies initiative is opening up opportunities for young footballers and their coaches to develop their skills worldwide, with a possible pathway into professional football on offer.



(LaLiga)

LaLiga's top clubs and players have been a source of inspiration for youngsters the world over for many years.

But since 2015, LaLiga's global academies initiative has gained irresistible momentum in building a genuine grassroots development platform for the ideals and skills of Spain's top football league.

The initiative may have only launched four years ago to coincide with LaLiga's expanding global outlook under progressive president Javier Tebas. However, the growth has already been spectacular.

More than 450 Spanish coaches have already been posted worldwide by LaLiga to work on various sporting projects spanning established and

emerging football markets, helping to take LaLiga's style of football to more children than ever before.

## Momentum

"The initiative was conceived in 2015 as it was decided that LaLiga would increase its internationalisation efforts. This led us to build stronger working relationships with local leagues and federations and begin an exchange of best practices," Hugo Blanco, LaLiga's director of sporting projects, says.

"Our approach is to help strengthen football at a grassroots level around the world, because we think it will lead to stronger local leagues, more pathways into football for young players, more football fans and therefore greater visibility for LaLiga. Ultimately where

football succeeds, we succeed."

The league's ambitious approach has, predictably, presented significant challenges. In keeping with LaLiga's other international initiatives, such as its Global Network – which has stationed 45 of the league's representatives in specific markets worldwide to build engagement and interest in the league – establishing a credible and successful presence worldwide requires a carefully considered strategy.

"The biggest challenge is to adapt it to each territory and context," Blanco says. "For this, we created a common methodology when the department was created in 2015, to unify the patterns of our clubs in terms of grassroots development. It is a continuous process

of improvement, based on the daily reports of our coaches and our personal experience in executing the different training programmes."

## Methodology

At the heart of the initiative is the 'LaLiga methodology' – essentially teaching youngsters the right way to play and enjoy the game.

"To begin with, our coaches develop a style that is based on the Spanish game – including decision making, lots of time on the ball, adaptability to the player's characteristics – and then adapting this with local footballing styles in collaboration with local coaches," Blanco adds.

"As for the experience of players, we provide physical, technical and tactical training from a holistic perspective. The most important part is for players to learn to enjoy football, which is central to our values. We make sure players of all abilities have lots of touches of the ball and are given the chance to compete. By doing this we help them to

develop a healthy and long-term interest in the game."

The initiative itself is led by LaLiga's Sports Projects Department.

"Every day we review the programme through our online platforms by setting up meetings with all our coaches to review the training sessions and programmes and adapting them to the different circumstances of that day and week," Blanco says.

"It takes collective intelligence to help the programme improve every day. At the end of each season we evaluate the whole programme, defining potential changes from many different perspectives."

A significant amount of effort is put into identifying the right coaches to take LaLiga's methodology worldwide.

Uefa Pro-certified coaches with more than five years of grassroots football experience in Spain and abroad are recruited, while most of them also have a bachelor's degree in sport science. Before they are welcomed to the programme, the coaches are introduced to the

relevant methodology and reporting methods at LaLiga's headquarters.

## Progress

With regard to the ongoing development of the initiative, a great emphasis is placed on monitoring progress and enhancing the programme wherever possible.

"We have different key performance indicators relating to each project, including the satisfaction of the players, partners, adherence to training practices and impact on the community," Blanco says. "After that we receive continuous feedback through our online meetings platform, such as technical and personal reporting and evaluation forms."

The training programmes themselves vary from region to region. Sessions are held on up to five days per week, while LaLiga also hosts football camps that last up to three weeks, as well as offering single-day sessions and summer camps of around 10 days in a fixed location.

In addition, many of LaLiga's academies are now entering



(LaLiga)

international tournaments to offer a chance to compete against players from different backgrounds.

LaLiga also organises scouting camps for selected players in Spain, where they can test themselves against some of the country's strongest youth clubs.

"As it occurs outside of typical school schedules, the programme is more intensive and allows us to focus on all aspects of player development, from football theory to IQ tests, fitness programmes and technical skill," Blanco says.

"These camps usually have scouting processes attached to give the different institutions feedback about their players. We also provide different masterclasses for local coaches that help in their daily work throughout the whole year."

### Support

LaLiga's teams are vital partners in the programme, even though traditionally football clubs are very protective of their talent-scouting strategies.

"The main objective of LaLiga is to serve its clubs," Blanco adds. "No matter their other activities, we offer clubs the chance to join us in many different projects and will work to introduce or consolidate their image in

different territories.

"Often this will help clubs in their internationalisation strategies as we can open more doors for them. We continuously learn from clubs and we never share anything that is not approved in advance."

LaLiga also links up with partners in each territory to develop its academies, from leagues or associations to specific companies with local experience.

"It depends on the needs of each territory and its own football structure," Blanco says. "We choose partners based on their brand values, their promoting of the LaLiga image and logistical capabilities that will help us to be successful in our mission."

"We work closely with local leagues, governments and federations who support the initiative. In China, it has been a huge advantage to work with the Ministry for Education as they have been making sure that football is a strong part of physical education. We have been sharing strategies on football coaching methods for over three years now."

### Chinese partnership

China has represented a significant success story for the initiative.

In December 2018, LaLiga and the Chinese Football Association put in place

plans for a permanent training base in Madrid as part of a strategic alliance.

The permanent base will build on an extensive partnership between the two organisations, with more than 120 LaLiga coaches having already visited China and about 500,000 children having taken part in training programmes of varying durations.

In May this year, LaLiga, China Sports Futurity Investment and the governments of the city of Kunming and the county-city of Anning announced that the Spanish league will establish its first permanent academy in China as part of a 10-year memorandum of understanding.

The academy, which is expected to open in the second half of 2021, will include schools, sports training camps, a specialised medical centre and a football museum.

In addition, the inaugural edition of the Hope Cup – a new under-16 tournament that will feature Barcelona, Sevilla, Espanyol, Deportivo Alavés, Valencia and Atlético Madrid, as well as six Chinese clubs – will take place this summer.

"This project is a big step forward in LaLiga's strategy in China and shows our commitment to the development of football in the country at all levels," Tebas said at the announcement. "For years we have been collaborating with Chinese football, its clubs, institutions and academies."

### Global prospects

With regard to LaLiga's global grassroots development prospects, Blanco adds: "We hope to create more permanent training bases as we continue to increase the appeal of our programmes and recruit more coaches. We will go step by step. The most important factor is to ensure the high quality of our programmes."

"We already have projects running in 33 countries around the world and while we expect to continue this expansion, our priority is to keep improving our methods to the benefit of local players.

"As far as future academies are concerned, we have just opened two academies in North America – in Miami and Toronto – and will be focused on growing these in the coming months."

LaLiga's Global Network has also helped to make connections in countries such as Angola and Nigeria, where strong working relationships with local associations, clubs, leagues and broadcasters have been forged, providing a platform for the academies scheme.

"We have strong partnerships with local federations in Nigeria and Angola designed around the development of young talent and work closely on coach training projects in both countries," Blanco adds.

"The objective is to strengthen football at a local level. We work in close partnership with local governments, leagues and federations, who of course have the same objectives as we do."

"What we offer is a high-quality, Uefa-accredited form of training that will help players to enjoy football and reach their potential. The visibility of LaLiga is an added bonus for us. As these are LaLiga programmes, there is exposure to scouts from Spanish clubs but local clubs are involved too."

The impact of the programme has been truly global.

A new partnership with US Club Soccer will expand support for coaches, with more than 1,500 having already received training. Meanwhile in the Middle East, LaLiga has created academies and high-performance centres in Dubai and Abu Dhabi.

Two youngsters from the Du LaLiga High Performance Centre in Dubai were recently taken on trial by LaLiga club Levante – and the talent pathway will continue to expand.

"Players from various academies have been invited to train at clubs around the world and some have also been awarded professional contracts," Blanco says. "We are excited to see this develop in the future." ○

## LaLiga Football Schools in India



For many sports, India, with its rich heritage in cricket, has been a tough market to gain a foothold.

However, there are positive signs that the LaLiga Football Schools project is establishing the right foundations for future growth in the second-most populous country on Earth.

The initiative is growing rapidly across the nation, with LaLiga having opened 36 centres for children between the ages of five and 18 since late last year.

Ongoing training is being provided to around 2,700 students at the centres and a total of more than 12,000 boys and girls have participated so far in the programme, which has been designed by LaLiga alongside its team of Uefa Pro-certified coaches.

"Our approach offers a mix of physical, technical and tactical development, but most important is that players of all abilities learn how to enjoy football, with lots of contact with the ball and chances to compete," LaLiga Schools technical director Javier Cabrera says. "This is essential to making sure that our values are shared and that children can develop a healthy and long-term interest in the game."

Cabrera, together with two of LaLiga's Uefa Pro coaches, Saúl Vasquez and Jon Diaz, provide co-ordination and training to 48 coaches who are stationed across

the schools.

In order to drive a long-term legacy, LaLiga has teamed up with India On Track, an organisation dedicated to developing India's sporting culture, to teach students values such as discipline, commitment, dedication, effort, fair play, respect and teamwork.

"Mixing social and sporting education is how you inspire the next generation of footballers," Diaz adds.

Students also have the opportunity to take part in international training tours and can visit Spain to immerse themselves in the LaLiga experience, learning about the different clubs and their various training methodologies.

Vasquez says: "When I see the kind of talent and passion Indians have for football, I am convinced that we will see global stars emerge from this country. It is a huge source of pride to provide the platform where they can be discovered."

Hugo Blanco, LaLiga's director of sporting projects, adds: "The immediate focus in India is to work with local coaches to develop their skills and by extension, help local players to improve."

"We have found an approach that works with some great local partners and we are confident that in the not-too-distant future we will begin to see a new generation of playing talent come through."





1075774622, Matthias Hangst

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## IMG Arena bets that golf is a 'sleeping giant' for sportsbooks

Lack of in-play betting markets on golf blamed on difficulty of data collection

IMG Arena to employ between 75 and 80 data scouts for European Tour events

Data distributor to bundle streaming rights to two par-3 holes per round into data product



Marcus Kinhult of Sweden poses with the trophy following his victory in the Betfred British Masters. Betfred's sponsorship of the tournament shows its appetite to encourage more betting on the sport (Andrew Redington/Getty Images)

### Ben Cronin

Side bets on the longest drive or the player nearest the pin might be standard fare in the average club fourball or corporate golf day, but until now the ability to wager on professional golf has been a lot more limited.

Sportsbook operators have tended to offer customers the chance to place pre-event bets on outcomes like the outright winner of the biggest tournaments, but have generally stopped short of offering more detailed in-play markets. Analysis by

H2 Gambling Capital and IMG Arena suggests 95 per cent of the gross win [sportsbook revenues before operating expenses] on golf is derived from pre-event betting – a figure that compares unfavourably with tennis and football.

The greatest impediment to a wider array of gambling opportunities in golf has always been the complexity and expense of capturing the enhanced data on which bookmakers depend to price their live markets.

“Unlike a basketball court, or a tennis court or indeed a soccer pitch, which are all environments that are relatively standardised

between the different venues and are all environments which are reasonably easy to control in terms of the variables, every [golfing] venue you visit will be different,” says Max Wright, senior vice-president, commercial, IMG Arena.

The recently-launched sports betting content division of IMG Media, formerly known as IMG Gaming, is taking a calculated gamble that it can change this, having acquired the worldwide data rights to the both the PGA Tour and European Tour earlier this year. For it to succeed in commercialising them, it will have

to develop a data capture system for the 40-plus events on each calendar that will be sufficiently streamlined to keep costs low, while simultaneously satisfying the demand from bookmakers for fast and accurate data. Sportsbook operators will in turn have to trust that they will be able to create enough demand for in-play markets on golf to justify buying the data in the first place.

#### Volume and a shot-by-shot format

The number of tournaments and the duration of play in golf is both a strength and a weakness for a data distributor like IMG Arena. Betting companies favour sports with high volumes of content in which multiple match actions are taking place simultaneously because they offer the opportunity to create a larger range of instant betting markets. The most successful example is tennis, which provides a huge number of matches to bet on year-round and a shot-by-shot format that is appealing to sportsbooks.

“When you compare the suitability of certain sports to a live betting format, golf stacks up incredibly well,” argues Wright.

“Sports like tennis have proved

themselves hugely popular for live betting because every time a point is contested it throws off the rapid creation and settlement of a fresh batch of betting markets and customers can have their bet settled and their stakes returned to them almost instantly. This has led to a huge growth in the contribution of sports like tennis to the overall sportsbook revenue make-up.”

*“When you compare the suitability of certain sports to a live betting format, golf stacks up incredibly well.”*

**Max Wright** | Senior vice-president, commercial, IMG Arena

But whereas data capture is the job of one or two data scouts at most tennis events (often the umpire acts as the scout, inputting match information into a tablet), many more staff will be required to collect information in golf – at least where European Tour events are concerned.

Although Wright says IMG Arena is still in ‘an R&D phase’ to create an efficient data capture system for

the latter tour, he estimates about 75-to-80 data scouts, operation and management staff will typically be required at each tournament on the European calendar.

“Every hole needs to have a number of scorers who are placed strategically to ensure that we’ve covered every possible scenario,” he says. “If you take a par-4 hole, we will have a data scout behind the tee box, we will have another data scout in the landing zone where the majority of the drives will end up, and we will also have another data scout behind the green.”

For the PGA Tour, the company plans to reduce data collection overheads by upgrading the tour’s pre-existing ShotLink system. This a proprietary data capture solution powered by cloud computing solutions provider CDW that has been providing media outlets with data about shots that have taken place, live conditions, and distances for upwards of 20 years.

“ShotLink is fantastic but it hasn’t been at the levels of speed required for the sports betting sector,” says Wright. “One of the things we’ve been doing with the PGA Tour since we signed our agreement last year is working with them in ensuring their processes are as efficient as possible, working with them on things like workflow and at what point their scouts will enter in different pieces of data, helping them with ideas around the design of the software and use for that data capture, positioning of scouts on certain holes to ensure they are in a position to be able to deliver against certain service levels that a sportsbook would expect from a live data service.”

For both tours, IMG Arena will supplement manual data collection with GPS technology and greenside cameras to provide an additional layer of data capture. Wright says the greenside cameras digitally plot the area of the green and are able to pick up incoming golf balls and then track their movement around the green in real time. Providing distances which are accurate to less than the width of a golf ball, they are designed to track and measure all activity on the green and provide that information instantly within the scoring feeds to facilitate



Rory McIlroy celebrates with the trophy after winning The Players Championship. The tournament is included in the PGA Tour data rights package (Gregory Shamus/Getty Images)

live betting on putts. He stresses that data scouts located alongside the greens will provide an extra layer of scrutiny on the data points created by the additional technology.

#### Expense

Add the travel, subsistence and accommodation expenses for each member of staff to the technology overheads, and the costs in providing a data service for golf increase rapidly in comparison with sports like tennis and football. This is especially the case for the European Tour, where no data-gathering infrastructure currently exists. The question for IMG Arena is whether it can encourage enough bookmakers to invest in its golf data to justify its outlay on the data rights and data gathering operation.

The company was not willing to reveal how much it paid for either set of data rights, but one data-rights expert contacted by *SportBusiness Review* gave a qualified guess that

*“We have been talking with all of the major championships about bringing their rights into the solution.”*

**Max Wright** | Senior vice-president, commercial, IMG Arena

the fee for the PGA Tour’s betting data would not have been significant. IMG already has a broad, ongoing relationship with the PGA Tour and the person in question thought the data deal ought to be viewed as the two companies exploiting an additional niche in their cooperation rather than as a sizeable deal in its own right.

The default pricing mechanism for selling betting data to sportsbooks is a rate card concept based on the cost of collecting the information. If IMG is using the same mechanism for golf, that means some of its overheads would inevitably have

to be passed on to bookmakers. An additional assumption is that the price a bookmaker would pay for the data would be based on the scope of exploitation, so a pan-territory or global operator would pay more for the data than one operating in a single territory. Bookmakers that have pre-existing deals with IMG Arena might also expect to be offered a discount.

Wright is also reluctant to discuss the price point for its golf data, saying only that all of its agreements with betting operators will be “structured in such a way as to incentivise all parties to grow the reach and appeal of golf as a betting sport”.

He adds that the company is still in the process of developing its golf data collection service, with plans for the first relationships with betting operators to go live in 2020. In the interim, the company is engaging in discussions with sportsbooks to help them understand its offering.

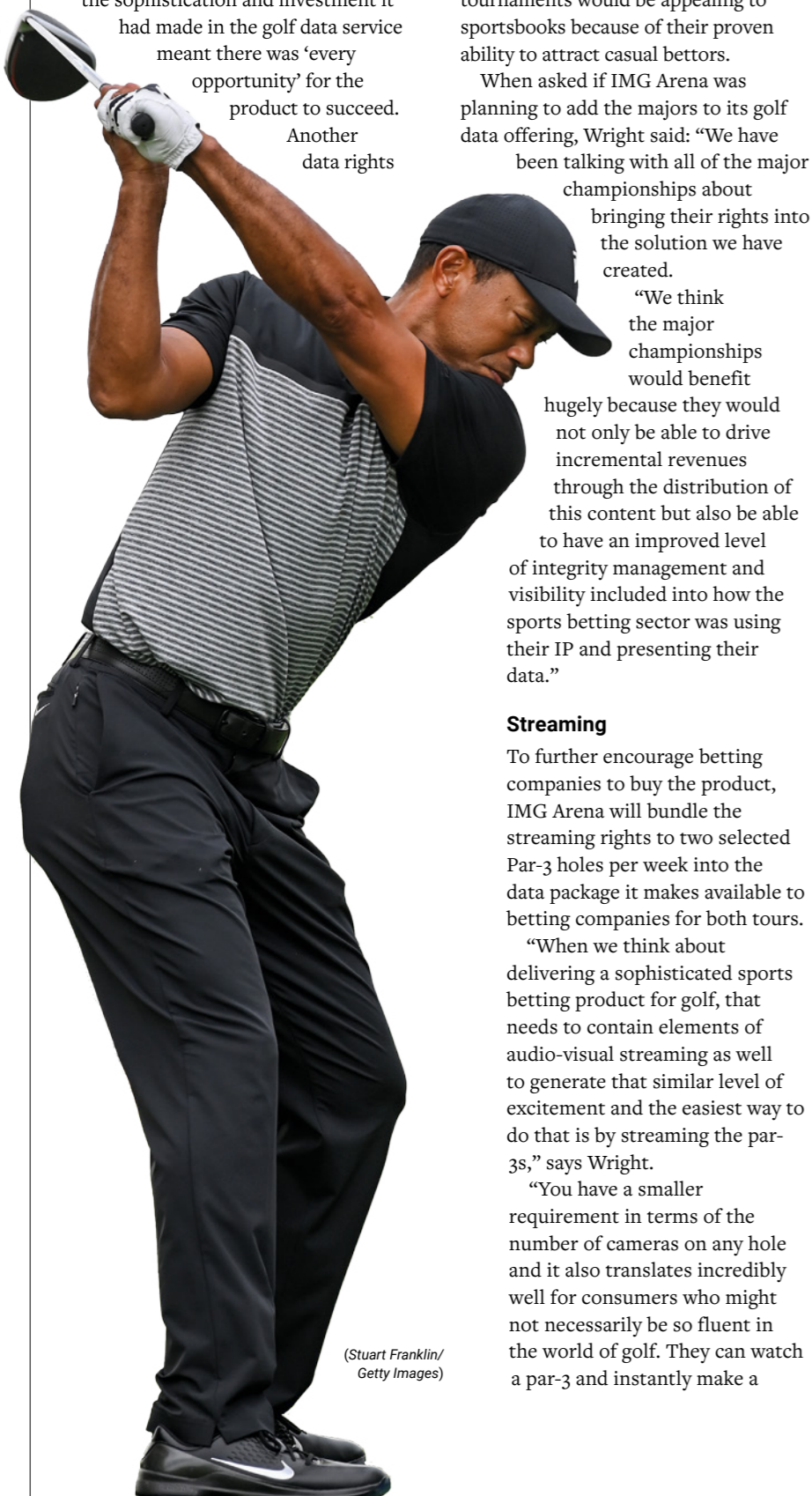
One sportsbook contacted by



IMG Arena will provide bookmakers with detailed information about ball lies and on-course conditions to help them price in-play markets. (Patrick Smith/Getty Images)

*SportBusiness Review* said it had held early conversations with the company about the service but was yet to discuss the pricing of any deal. The operator said IMG's status as a trusted data distributor in tennis and the sophistication and investment it had made in the golf data service meant there was 'every opportunity' for the product to succeed.

Another data rights



(Stuart Franklin/Getty Images)

specialist said an "aggressive" price point and the absence of the data rights to the four golf majors had so far deterred any bookmakers from purchasing it. He thought the ability to offer in-play markets on these leading tournaments would be appealing to sportsbooks because of their proven ability to attract casual bettors.

When asked if IMG Arena was planning to add the majors to its golf data offering, Wright said: "We have been talking with all of the major championships about bringing their rights into the solution we have created."

"We think the major championships would benefit hugely because they would not only be able to drive incremental revenues through the distribution of this content but also be able to have an improved level of integrity management and visibility included into how the sports betting sector was using their IP and presenting their data."

### Streaming

To further encourage betting companies to buy the product, IMG Arena will bundle the streaming rights to two selected Par-3 holes per week into the data package it makes available to betting companies for both tours.

"When we think about delivering a sophisticated sports betting product for golf, that needs to contain elements of audio-visual streaming as well to generate that similar level of excitement and the easiest way to do that is by streaming the par-3s," says Wright.

"You have a smaller requirement in terms of the number of cameras on any hole and it also translates incredibly well for consumers who might not necessarily be so fluent in the world of golf. They can watch a par-3 and instantly make a

judgement about whether a player is more likely to hit their ball nearest the pin."

The coverage will be hosted on the IMG Arena's Golf Event Centre, a front-end digital environment which can be white-labelled by each betting operator to curate the fan betting experience. This will offer digital graphical rendering of each of the holes at every event and the ability to favourite specific players, follow specific groups or watch a particular hole as different groups of players come through.

One of the bookmakers contacted by *SportBusiness Review* said the speed and accuracy of the IMG data would be the primary concern for betting operators, but the value-added features of the event centre were a compelling addition. He thought bookmakers would most likely integrate this product into their own apps to give a trusted and seamless experience.

As with the legalisation of betting in certain US states, the consensus is that the creation of more in-play markets will help to increase fan engagement around PGA and European Tour events and give fans and non-fans a greater incentive to watch more holes.

"The idea is to generate interesting markets that provide golf fans with a new way to engage with PGA Tour events," says David Miller, vice-president & assistant general counsel at the PGA Tour. "We expect to see live betting markets for every shot in PGA Tour competition."

### Integrity

Miller estimates the illegal market for betting on golf to be in the range of \$1bn to \$2bn a year in the US. The hope for the relationship with IMG is that those revenues can be directed back to the sport.

To protect the value of its data rights, and help IMG's ability to monetise them, the organisation continues to lobby for bookmakers in the US to be required to purchase official data as sports betting is legalised in certain states.

But even without such legislation, Wright thinks the complexity and size of the operation needed to gather data at golf tournaments will dissuade

unauthorised data scouts from trying to provide a cheaper data product to bookmakers.

"There are pieces of information that we are able to deliver that you simply cannot get without that inside-the-ropes access of the data scouts," he says. "As the players are walking up to their balls, our landing zone scorer is able to find the ball for each of the players and plot an accurate GPS coordinate of where it is but also to note down incredibly detailed lie positions, and that information is incredibly valuable from the betting operators' point of view."

"That's just information that you wouldn't be able to get – either from the broadcast or an unofficial data service – where you have people standing outside of the ropes trying to second-guess."

In spite of these difficulties, Miller says that the PGA Tour has already caught unofficial 'scouts' gathering data at its events and that its on-site security teams have been briefed to monitor this type of activity.

"It's a violation of our on-site policies, and potentially a criminal activity depending on the jurisdiction, so we remove the individual from the premises, investigate, and coordinate with the local authorities," he says.

IMG Arena's experience of operating data products in tennis will also alert it to the threat of 'courtsiding', a phenomenon which has regularly reared its head in the sport, particularly in lower-tier tournaments.

This is where a spectator sat courtside passes on, or uses, information which leads to bets being placed on in-game markets before the bookmakers receive information from the official data scout and has the opportunity to change the odds due to the in-play happening.

In some instances, courtsiders have bribed umpires to delay inputting scoring data long enough for them to place a bet on a point that has already taken place.

Another imperative will be to prevent match-fixing by players. To defend against this, the European Tour and PGA Tour will both use Genius Sports' bet-monitoring system, which coordinates with bookmakers and regulators to identify irregular betting

activity. The system compares real-time odds movements from global betting markets with predictive algorithms, providing automatic alerts for any irregular activity.

**"We've been calling golf the 'sleeping giant' of sportsbook products and...it's easy to see why."**

**Max Wright** | Senior vice-president, commercial, IMG Arena

The PGA Tour's deal with Genius stretches back to 2017 and has included a full-scale review of the tour's rules around betting and the development of a digital education module that tour professionals and caddies have to take.

Genius Sports' relationship with the European Tour is more recent and does not include such a significant player education component because the European Tour's Golf Integrity Unit is taking the lead on this element.

"Our primary responsibility is to our players. We will educate and support all professionals to ensure they have the right guidance and understand the latest golf betting regulations," said European Tour chief operating officer Keith Waters when the deal with IMG Arena was announced.

The likelihood of a match-fixing scandal is reduced by the fact that

lower-tier golf events are not included in the scope of IMG's data deals with either tour. An Independent Review of Integrity in Tennis published last year indicated that betting issues were much more common in the development base tier of the ITF World Tennis Tour, where the lower prize money makes it easier to corrupt players.

### Margin

There are other respects, however, in which golf might want to follow the path created by tennis. After initial scepticism, in-play betting on the sport has grown to the point where it provides the third-most lucrative live market for bookmakers after football and basketball.

Sportradar's five-year deal with the International Tennis Federation, from 2017 to 2021, worth about \$14m per year, offers a benchmark for the European and PGA Tour's ambitions. The endpoint for golf will be to build the appetite for in-play betting and increase the value of its data rights to the point where it can command similar fees.

"We've been calling golf the 'sleeping giant' of sportsbook products and when you consider all of these characteristics it's easy to see why," says Wright. "In the coming years, having this market-leading solution for golf will be a major factor for sportsbooks in sustaining customer interest and we fully expect the product to more than pull its weight as a customer acquisition and retention tool." ○



(Kevin C. Cox/Getty Images)

# After teething troubles, Big3 basketball league begins to find its feet

TV ratings and attendances for Ice Cube's three-on-three league have grown steadily

League expanding number of teams and cities, while players have shown more interest

Early issues included lawsuit against Qatari investors and sacking inaugural commissioner



(Ronald Martinez/BIG3/Getty Images)

## Bob Williams

After suffering growing pains, the Big3 basketball league appears to have found its feet ahead of its third season.

Founded by hip-hop star-turned entrepreneur Ice Cube and his business partner Jeff Kwatinetz, the professional three-on-three half-court basketball league is expanding from eight to 12 teams and, in its touring model, will visit 18 cities in 2019, up from 10 last year.

Matches will now take place on two nights per weekend instead of one, while there will be three games a night instead of four. Meanwhile, in an effort to expand the player pool and to engage with its young fanbase, the eligibility age for players has been lowered to 27, with professional international experience

being allowed for the first time. In the first two seasons, the league was limited to just former NBA players who were at least 30 years old.

The head coaches have real star power, with NBA legends Julius Erving, Gary Payton, Michael Cooper, Rick Barry and George Gervin on the sidelines. The Big3 has also stolen a march on the NBA by naming two female head coaches: Nancy Lieberman and Lisa Leslie.

The league, which aims to provide basketball fans with a fix during the NBA off-season, has shown signs of commercial growth. Average attendance was 14,000 last year, up from 11,000 in 2017, the league's first season. On TV, average game ratings across Fox and Fox Sports rose from 191,000 to 395,000. The network's coverage of the second Big3 championship game recorded just over a

million viewers, up from 632,000 in 2017.

With innovations such as a four-point line and a 14-second shot clock, the league has proven attractive to a younger audience. The median age of the Big3 TV audience is 44, younger than that of every major league and collegiate sport except for the NBA (42) and Major League Soccer (40), according to Nielsen data.

Commercial partnerships have followed. In April 2019, the league announced a sponsorship deal with Toyota and a jersey-patch deal with cbdMD following the league's use of cannabidiol for pain management. Adidas became the league's official outfitter in 2018, in a three-year deal, while the two companies have partnered to start Young3, a three-on-three youth basketball initiative. Meanwhile, 2K Sports and EA Sports have reportedly

expressed interest in creating a video game based on the league.

The introduction of three-on-three basketball at the 2020 Summer Olympics in Tokyo is also likely to increase interest. "More exposure to the sport is always a good thing. The fact that three-on-three basketball is so popular globally is only positive for our league," Big3's chief executive Amit Bajaj tells *SportBusiness Review*.

The next step is to go international: the Big3 plans to make an announcement this year with regards to taking the league overseas.

"There are other things that we potentially have our eyes on, and you shouldn't count us out because we've got a compelling product and some great partners," adds Bajaj. "And as Cube and Jeff have shown in the past, they can get almost anything done."

## Bumps in the road

The path to stability has been far from straightforward. Kwatinetz tells *SportBusiness Review*: "It was difficult because a new league hasn't succeeded in 20 years or so since UFC, so you have to get people to buy into it. No one thinks a first-year league is going to succeed. In the second year they think, 'maybe the first year was a fluke' and by the third year they start to think, 'wow, this thing is really going to work'. Establishing the league as a real, credible, professional league rather than a novelty play, that was the most crucial thing."

One of the biggest issues the league had was finding a broadcast partner for the first season. According to the *LA Times*, every network but ESPN passed on meeting Ice Cube and Kwatinetz when they were first pitching the league.

Eventually Fox agreed to televise the league, in a revenue-share deal. The other terms of the deal have not been made public. "We were lucky that we got Fox...it's hard to get a first-year broadcast deal of any type," says Kwatinetz.

Unsure of the quality of games and how long they would take, Fox decided to broadcast the games on tape delay on cable channel Fox Sports 1 on Monday evenings. Kwatinetz says the decision "saved the league".

He explains: "The first event took five-and-a-half hours and to be on a three-hour window that would not have been good. We were able to cut that down after the first week, making [games the first to] 50 points instead of 60 and the way we handled time-outs and other things. It gave us the opportunity to make mistakes that we could correct. By the end of the season, we were ready to go live. When we did the championship game live, people said it looked like we had been on the air for 30 years."

Fox aired games live in the second season, while one game a week was also streamed on Facebook, but the network decided not to renew its contract. The Big3 has since moved to CBS, which will broadcast the 2019 season opener and title game on its main channel, while cable channel CBS Sports Network will carry up to 25 hours of live action throughout the 11-week season.

## Funding the future

The search for investment has caused the Big3 some major problems. "We do have a good group of investors who have been very supportive, additive and strategic, we don't just take money from anyone. The league is well-financed," says Kwatinetz, without adding details.

However, in April 2018 Ice Cube and Kwatinetz sued a group of Qatari investors in the league for \$1.2bn (€1.1bn), claiming they broke their promises to fund the Big3 and then tried

to push out the founders. The group, Sports Trinity, pledged to invest \$11.5m for a 15-per-cent stake, with \$9m more in sponsorship money over three years, but only \$7.5m was paid by the group.

The lawsuit reportedly cost the league millions of dollars and its commissioner, Roger Mason Jr., was sacked in part because of his relationship with the group. Former NBA player Clyde Drexler has since replaced him.

To take the next step, the Big3 will most likely have to land a superstar player and organisers have long courted LA Lakers legend Kobe Bryant. But fitness and a willingness to compete are as valuable as name recognition. The league seemingly secured a coup in landing Hall-of-Famer Allen Iverson as a player-coach in 2017, but he barely played and pulled out of appearing in Philadelphia, where he starred for the 76ers for most of his career. He was also suspended for a no-show in Dallas.

Interest in participation has grown, with 132 players competing for 31 roster spots at this year's Big3 Combine. Players are believed to earn \$100,000 a season while there is a reported revenue-share based on final team standings.

"If you look at the data around the players who participated in the combine despite not having a great chance of being drafted, that speaks for itself," says Bajaj. "I think we've realised that the ceiling for this league is quite high and we've had to meet that interest." ○



Co-founder Ice Cube poses ahead of the Big3 Draft (David Becker/Getty Images)

# Virtual advertising technology unlocks split sponsorship inventory for F1

Digital replacement technology is 'cleaner and more cost-effective' for the motorsport

Sponsorship and data rights partnership with ISG 'predicated' on the technology

Production team have also overhauled world feed to reinforce dynamism and speed of sport

Ben Cronin

Formula One is likely to step up the use of digital replacement technology (DRT) in its global broadcast feed following last September's sponsorship and data rights partnership with Interregional Sports Group (ISG).

DRT allows sponsor logos and graphics to be represented 'virtually' on advertising boards and other trackside assets and creates the potential for split sponsorship inventory in F1 coverage. The technology creates the potential to sell the same assets multiple times depending on the region where content is being viewed. More contentiously, it can also be used to make sponsor messages more impactful by integrating them into architecture or other blank spaces in the broadcast feed.

Speaking at the Sport Industry Breakfast club in early May, Sean Bratches, F1's managing director, commercial operations, said the introduction of DRT was instrumental in the partnership with ISG. Under the deal, ISG will have the right to sub-license betting partnership rights to select betting brands around the world. F1 will offer the ability to sell regionalised on-screen graphics and physical and virtual trackside signage.

"It was predicated on their ability to go to specific regions and sell to betting parties in those particular regions," said Bratches. "I'm not sure if they've signed any deals yet. They may have, but we haven't started activating it. But from a technological standpoint we're delivering the requisite feeds."

## Customised feeds

The sport has been experimenting with virtual technology for some time and



(Charles Coates/Getty Images)

has built out its expertise in delivering customised feeds to different regions. Its favoured solutions provider is Vizrt, a company that has developed an unobtrusive DRT solution that does not require any additional lenses to be put on cameras for it to work.

"We've been doing virtual advertising for a long time and most people don't really know because it's so good," F1's director of broadcast and media, Dean Locke tells *SportBusiness Review*. "It was originally used to put advertising where you couldn't put advertising, but it became such a reliable process that actually it was cleaner and more cost effective [than static trackside advertising]."

F1 employed Vizrt technology

to superimpose an image of Bernie Ecclestone onto the track during the former chief executive's tenure to promote a drink driving safety campaign as part of Heineken's worldwide partnership with the sport.

F1's implementation of the technology has already forced broadcast regulators to revisit the rules around product placement in sports programming. The motorsport stood accused of taking its use of DRT too far at the 2016 Singapore Grand Prix when it superimposed the image of a giant watch face from worldwide partner Rolex onto the Singapore Flyer – the giant ferris wheel that sits alongside the Marina Bay circuit – during the qualifying session for the race.

Ofcom, the British broadcast regulator, deemed that the graphic was in breach of rule 9.5 of its Broadcast Code, which prohibits products, services or trademarks from being given 'undue prominence' during programming and placed the British broadcast rights-holders, Sky and Channel 4, under investigation. Sky called for leniency, arguing that its contract with F1 stipulated that it had to broadcast the world feed live, while Channel 4 argued that the time between the live broadcast and its highlights show left no room to edit the Rolex image out of its coverage. Ofcom cleared Sky but found Channel 4 in breach of its code.

The regulator said both broadcasters also raised concerns to Formula One Management (FOM) about the appearance of the Rolex image in the world feed and no sponsor image has been shown so prominently since.

## Global feed

F1 began the process of taking its production operation away from local broadcasters in 2004 to deliver a more consistent media product. It has been providing a global feed to all of its media partners since around 2008.

After Liberty Media acquired the sport, it has moved to differentiate this feed for specific markets. It now produces three regional feeds: one to the Asian marketplace, one to the Americas and one to Europe, and also offers an international feed that goes out as an overlay in the event that it is needed.

Locke said the only limitation on a more extensive deployment of DRT were the difficulties involved in setting up the technology in a sport where no event is the same from a production perspective.

"Stadium sports are generally a lot easier to do," he says. "You can put a camera on a ledge that doesn't really move. With us, we are building it, taking it down, all within four or five days under huge time pressures."

But one virtual advertising expert contacted by *SportBusiness Review* felt it was easier to make the signage appear natural in a F1 setting than in football. This is because views of the large run-off areas and trackside assets on most circuits are rarely impeded by passing cars whereas football players regularly pass in front of pitchside virtual assets, which can create an unsettling halo effect for the television viewer.

*"We've been doing virtual advertising for a long time and most people don't really know because it's so good."*

Dean Locke | Director of broadcast and media, Formula One

## Multi-lingual graphics

A further benefit of DRT is that it will allow F1 to tailor the language of its on-screen graphics to specific audiences. At the moment, F1 is able to provide its graphics in four different languages, but it is close to being able to put local graphics into every single market where its races are shown.

Locke says the changes are consistent with attempts to overhaul the world feed and make the sport more accessible to new fans, while not losing sight of its more knowledgeable core audience. To this end, F1 has employed the services of an emoji designer to create new, on-screen symbols that explain race events

and team strategies intuitively.

His production team have also experimented with new camera positions and techniques to give a greater sense of the speed and dynamism of the sport.

"It's really hard, I've spent 21 years trying to do it," he says. "The camera does seem to kill the speed of the cars. Sometimes it's the way you cut it.

"Some of our cameramen are actually almost too smooth through some of the shots and actually it's a question of making it look a little bit more violent. Just waiting for the pan until the car's completely in frame and then snapping it around."

He added that some of the on-screen footage of Ayrton Senna racing in the 1980s and 1990s that reappeared in Asif Kapadia's 2010 documentary about the Brazilian driver had put his team under pressure to make the modern coverage appear as exciting.

"Our head of onboard cameras hates that clip," he says. "Unfortunately, the cars aren't that violent [anymore]. But we've done things like taking the dampening out of cameras, looking at the actual lenses, cropping in a little bit tighter."

The impact of all of the new graphics and camera techniques on F1 audiences are tested by the sport's new in-house research team. "Never before have we had access to this research department that we have now. That is a real game-changer for us because we can test things out and we can get feedback quite quickly," says Locke.

The sport broke new ground at last year's British Grand Prix at Silverstone when it conducted a biometric study of 60 fans to identify their emotional responses to its TV coverage. ○



An example of a race with and without the use of virtual advertising.

# Heineken calls for Uefa to 'nurture' UCL sponsors with more free-to-air coverage

Brand sponsors events rather than individuals to avoid connection between alcohol and performance



Small number of Champions League sponsors helps brand to amplify its messages



(Jason DeCrow/AP Images for Heineken USA)

## Ben Cronin

Champions League sponsor Heineken has renewed calls for Uefa to make the competition more widely available on free-to-air television to 'nurture' its eight official sponsors and give them more brand exposure.

In recent years the governing body has favoured pay-television broadcasters in its media-rights negotiations and is now behind a paywall in the top five European television markets. Although this has delivered increased revenues, it has also limited audiences for the showpiece club event.

"As a marketer I think you have a brand and you need to nurture that brand," Heineken director of global sponsorships, Hans Erik Tuijt, tells *SportBusiness Review*.

"You need to make sure that you have broad reach. I understand that the world

is moving on, but I still believe getting the right balance between broad reach and income is something that you need to have. Otherwise the last viewer is going to pay for everything, and I don't think that's the right thing for the sport, nor for the sponsors."

Tuijt thinks it is "too soon to say" if the smaller television audiences are having an impact on Heineken's association with the event and questions whether the growing social footprint of the tournament will help to compensate brands for any shortfall.

"Is social making up for the loss of viewing? I don't have the answer; we'll have to see in that area," he says. "We have concerns, we're looking at it, we're working through it. For example, in Brazil, Facebook has the rights to the Champions League and there's still some work to be done to get that back to the [audience] levels we are used to. There are definitely challenges, let there

be no misunderstanding."

Heineken International is in the first year of a new three-season deal, from 2018-19 to 2020-21, to be an Official Partner of the Uefa Champions league. The drinks brand is one of the competition's longest-serving sponsors and celebrates a 25-year association with the event this year. Between 1994 and 2005 it supported the competition through its Amstel lager brand before its flagship Heineken product took over.

The company seeks to engage with audiences around the globe through their passion points – music, sports and film. Aside from football, it sponsors Formula One, the Rugby World Cup and will partner with the forthcoming James Bond movie.

## Events rather than teams

Heineken sponsors events rather than teams or individuals because it doesn't want to make a connection between

alcohol and sporting performance. "There's nothing wrong with fans watching football and having a nice Heineken, so our activations are always around events and fans getting together," says Tuijt.

For this year's Champions League final, the brand activated its sponsorship rights by offering fans opportunities to watch the 'unmissable' event during a 'green month' of promotions in pubs, bars and supermarkets. It is estimated the brand had point-of-sale promotions in 20,000 supermarkets worldwide offering opportunities to win tickets for the final. For the 2019 final it gave away an additional 16 tickets to consumers in Germany through the Kaufland supermarket chain.

The brand also activated alongside the other eight event partners at the Champions League Festival, a four-day event across four venues in Madrid. Heineken organised watch parties for fans outside of Spain, including large events in Nigeria and the Democratic Republic of Congo, where the favourable time zone allows for concurrent evening events.

"In the Congo we have a viewing party of 8,000 people," says Tuijt. "We claim the final is unmissable and so we really try to make sure people don't miss the final and have a great viewing experience around the world."

Champions League sponsors have come under pressure from supporter groups to release a greater share of tickets after it emerged that fans



Clarence Seedorf (centre) and Luis Figo (right) at a Heineken Champions League activation (Heineken)

from the two finalists, Liverpool and Tottenham, were only allocated 17,000 seats each out of the 68,000 capacity in the Wanda Metropolitano host venue.

"The final is never big enough," says Tuijt. "If you do it for 100,000 people you will still have a shortage. Maybe we should look at live viewing events in the cities that are participating. If you had a 100,000-capacity stadium, you'd have the same problem as if you had a 200,000-capacity stadium."

## Beer ban

Those fans who made it to the Wanda Metropolitano were not able to enjoy the official beer owing to a Spanish law which forbids the serving of alcohol at sports events.

"We do have pouring rights in the stadium but as it is in Spain, we will be serving Heineken 0.0 [the company's

alcohol-free beer] to fans in the stadium," says Tuijt.

Tuijt says digital activations are playing an increasingly important role in Heineken's partnership with Uefa. It will send a creative unit and media buying and digital execution teams to the final so that it can respond instantaneously to the digital conversation around the match.

"It is important that you are digitally present when it matters, and so we need to talk about the Champions League in the few days around the Champions League and produce content around that," he says. "The Champions League final is one of the big digital conversations around the world, so we want to make sure Heineken is part of this conversation."

For all of the concerns about the diminished reach of the tournament on pay-television, Tuijt feels that the Champions League remains a powerful sponsorship platform.

"What I like about the Champions League is that it has only eight brands that activate against it. It is one of the tournaments with the smallest number of sponsors.

"We enjoy the branding on the pitch. The nice thing about the Champions League is that you get the break bumpers as part of the package as well – that's in-programme advertisement, match bumpers and that helps. But more importantly, next to that, there's all the activities in Madrid, the Champions Festival and we have of course the right to bring it to life." ○



Hans Erik Tuijt, director of global sponsorships, Heineken



# Crystal Palace aims to challenge rivals as sponsors' 'club of choice' in London

'Nimble' platform allows Palace to work with wider range of partners than most Premier League clubs

Club offers sponsorship packages starting with a single match and looks to upsell from there

Longest spell in the top flight has helped Palace treble commercial income since promotion



(James Williamson/AMA/Getty Images)

## Adam Nelson

Having consolidated its place in the Premier League over the past few seasons, South London football club Crystal Palace is a model for aspirational second-tier teams dreaming of the riches of the top flight.

The side's four previous spells in the Premier League all ended after a single season and, until its current stay, it had never spent more than four consecutive years in the top division of English football. Recent victory over Arsenal confirmed its place for the 2019-20 campaign, a seventh successive year of Premier League football.

The club's commercial director, Barry Webber, was appointed in 2016, having previously worked in similar roles at Premier League sides Newcastle United

and West Ham United. He has overseen growth of sponsorship and advertising revenues from £4.3m (€5.0m/\$5.6m) in the 2015-16 season to £9.5m in 2017-18. Overall commercial revenues – taking into account hospitality, conferencing and banqueting, retail and related areas, in addition to sponsorship – broke the £15m mark for the 2018 financial year, more than trebling income over a five-year period.

### Nimble platform

"The next three to four months will really make or break our financial year," says Webber. The commercial growth he has overseen has been driven by a strategy which means the spring and summer months are an especially busy time at Palace. Due to a preponderance of relatively short-term deals, the club spends this period dealing with

renegotiations, renewals and bringing in new business – a strategy, Webber says, which means he and his team "have to work much harder", but which offers "huge incremental gains".

On joining the club, Webber designed a corporate partnership structure to meet the challenges Palace was facing, the first among which, he explains, was simply "that we weren't really known, from a commercial perspective".

"Brands and agencies and media that might have wanted to work with us just didn't know how to get in touch, or we weren't front-of-mind and considered because we hadn't established ourselves at the top level," he says. "So early on, we spent a lot of time networking with the big agencies, the big media buyers, just putting ourselves out there and trying to really show what Crystal Palace can offer to partners."

From there, Webber constructed a "nimble, flexible commercial programme" that allows the club to work with partners from various backgrounds, with varying budgets, and for varying durations.

There is, Webber feels a "massive void" that exists in the partnership structure of other top-tier clubs, which tend to be quite rigid and focused on retaining long-term, big-ticket partners.

"I wouldn't quite call it an 'arrogance', but there is certainly a feeling in the Premier League, outside the top six that, 'we're in the Premier League, so our price point is X'," says Webber. "You've got a top-tier premium partner paying £30,000-£40,000 per executive box for the season, and then nothing until you become an official partner paying £200,000. So one of the things I wanted to bring in was a stepping-stone tier, and to build a local partner platform that allowed us to work with anyone on two conditions: 1) that they actually wanted to work with Crystal Palace and 2) that they had a budget of some kind. It needs some budget, but I never wanted to lose business because of someone telling me they couldn't afford it. I just wanted to start working with partners, and then we up-sell them from there."

And though the strategy was built to suit Palace at a time the club was building a Premier League reputation, it has continued to prove effective.

*"I think the days are gone where you get major brands signing up for four or five years."*

**Barry Webber** | Commercial director, Crystal Palace

"With the uncertainty in the economy, I think the days are gone where you get major brands signing up for four or five years," says Webber. "But a lot of global brands are working with Palace because they've got a product launch with a 12-month marketing strategy, and they want to get some traction in the marketplace, and the shorter-term contracts work for them. We're seeing that now at a level where we're working with brands on just three- or four-match campaigns, brands who are launching a product or promoting a movie release, and they just want the visibility in the month of October or November. The platform we've created means we can offer that."

Every aspect of each partnership is tailored, he says, with no "bog standard box of rights, 'this is the set fee'" approach to negotiations. Depending on the time of year, the matches in question, the inventory acquired, the availability of televised home matches and a host of other factors, a four-match campaign

could cost "anywhere between £25,000 and £50,000", says Webber.

### Getting brands on the 'conveyor belt'

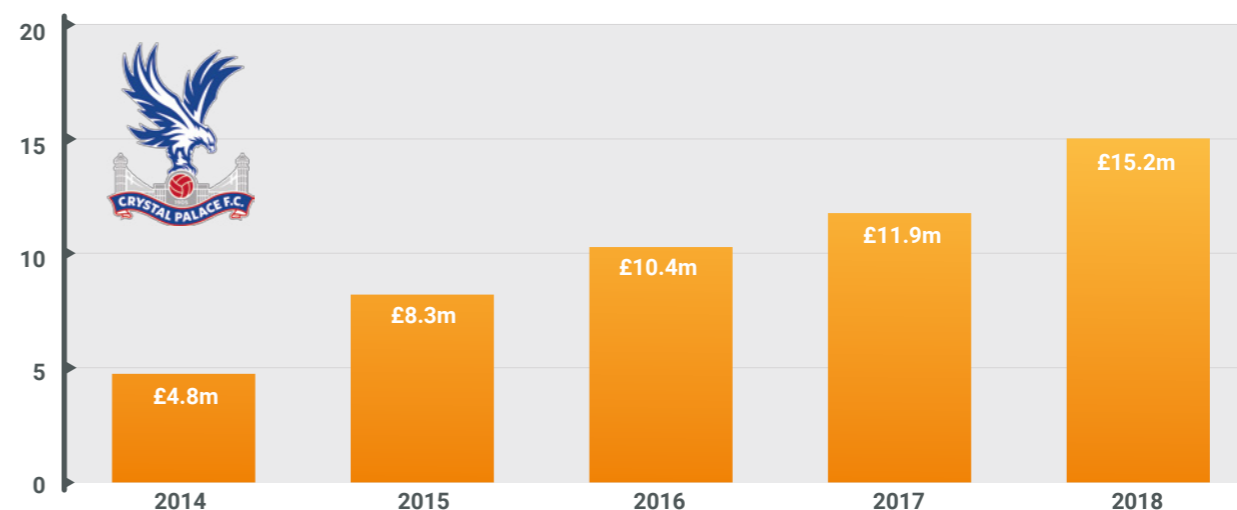
Having brought brands in on short-term deals – usually a single-season contract but often shorter – Webber's goal is then to show partners what Palace is able to offer and up-sell them into longer-term, higher-value renewals. His goal, he says, is to make Palace "the club of choice for brands in London".

That is no small ambition given the club shares the capital with Champions League regulars Arsenal, Chelsea and Tottenham. While Webber doesn't expect to compete with the big six sides for major sponsorship briefs, he feels that for most brands hoping to capitalise on the visibility of the Premier League, Palace's offering is second to none.

"When you start ticking off the boxes that the top media agencies will look for when placing spend, I think we're in a really strong position," he says. "We're a recognised Premier League outfit now. Our LED system in the stadium is one of the best in the division. We're 20 minutes from Canary Wharf, so the location is great for corporate hospitality. We have a huge, engaged fanbase and offer a fantastic match-day experience. If we can show brands these things, we've seen that they will want to keep working with us."

He points to the example of Utilita

## CRYSTAL PALACE ANNUAL COMMERCIAL REVENUES, 2014-2018



Source: Crystal Palace FC

Energy, which now works with several Premier League clubs but was in the early stages of its football sponsorship strategy when it first worked with Palace in 2016. That partnership began as a short-term, ad-hoc arrangement, and has since expanded. Utilita is now the front-of-shirt sponsor for the Palace academy and women's teams, provides the energy for the Selhurst Park stadium, and is a key partner of the Palace for Life foundation, the club's charity arm.

"And that's grown out of a simple 'let us show you what we can do' arrangement," says Webber. "It was a short-term, local deal that has grown into a really important club client. The key to our strategy is that we just want to get brands working with us, then we'll move you through the conveyor belt."

Local partnerships have also played an important part in Palace's commercial development and offer an opportunity to bring brands in on a short-term basis to show the kind of ROI Palace can offer.

The "South London and proud" mantra of the fans is one the club has worked hard to turn into a wider identity, striking deals with South London businesses and supporting the local economy. A partnership with the Croydon Boxpark – the pop-up shopping centre built out of shipping containers close to Palace's home stadium – is "so on-brand" for the club, says Webber. Taking advantage of its location and reputation as a meeting point for a young, diverse demographic, Crystal Palace has hosted several takeover events at the Boxpark, giving fans the opportunity to meet with players, chairman Steve Parish, and club legends. That deal, Webber confirms, is also renegotiated on an annual basis.

Similarly, the South London-based University of Roehampton came on board as a local partner at the beginning of the 2018-19 season and, after just a few months of collaboration with the club, expanded its arrangement to become the sponsor of Crystal Palace's highlights packages across all digital platforms. The university's logo is now displayed whenever fans watch goals using the official app or the website.

The strategy means Palace has to be



Crystal Palace has made South London a key part of its commercial identity, with local players such as Aaron Wan-Bissaka, pictured, forging close relationships with fans and sponsors (Dan Weir/PPAUK for cpfc.co.uk)

more proactive than most major clubs, especially as it is not asking for large investments up front and can pitch to a wider range of brands than many clubs' partnership structures allow. "It's very rare in the marketplace, in my opinion, where a rights-holder will go to a brand and say, 'here's some ideas, here's what we're doing. How do you think you can plug yourself into this? Where do you see value in this?'"

"We want the opportunity to show local brands, national brands, global brands what we can offer on a match day and non-match day, what our digital ecosystem looks like, what kind of personalised campaign we can create to promote your brand to our fans and to football fans generally."

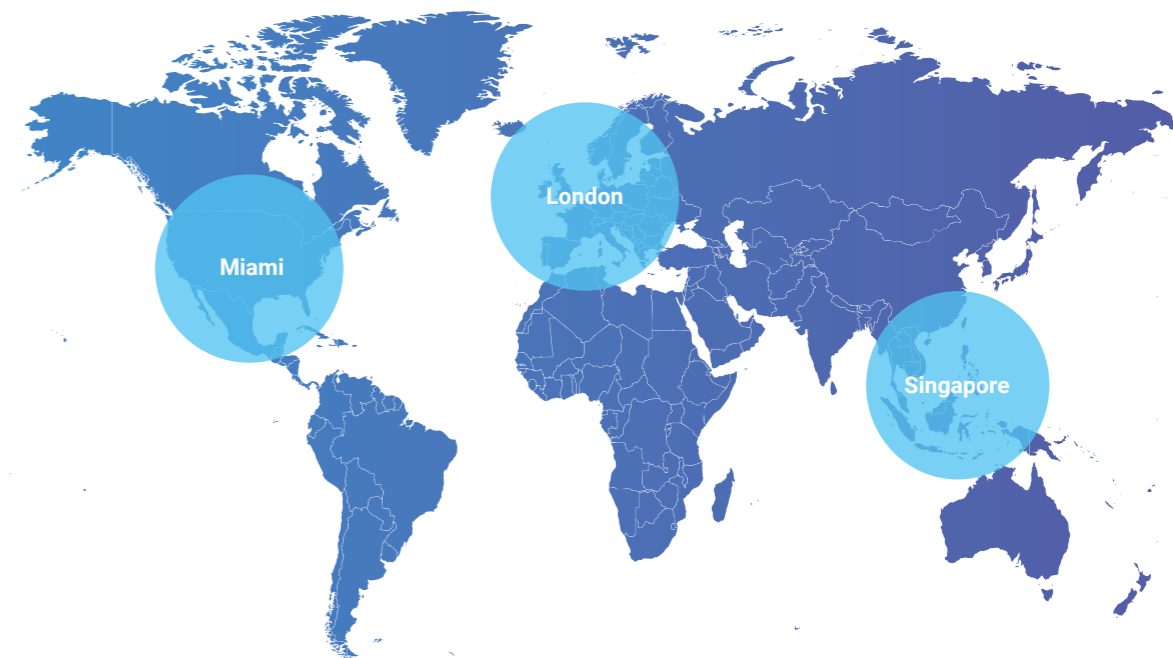
As well as proactively pitching for new business, part of the Crystal Palace "conveyor belt" is how closely the club continues to work with a sponsor through the duration of a partnership, constantly adjusting and fine-tuning the

arrangement to ensure maximum value for both parties.

"Shorter-term deals really challenge us to improve and review what we're doing," Webber says. "We sit down regularly with the brands, and those meetings are led by us. Obviously, they've got key stakeholders asking 'is this sponsorship working?'; and they do, because we give them reports across media, across digital, a cut-through exposure report. We help brands move through that initial 12 months together, and then hopefully it's a seamless renewal process at that point and they want to continue working with us."

"For a club of the size of Crystal Palace, I think it's quite a rare ecosystem to plug yourself into as a partner, as a brand. We're really proud of some of the campaigns and some of the activations that we've done working with brands. But it's all about the funnel, it's all about, let's show you how we're different." ○

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