



## Rugby's Asian adventure

WHAT RUGBY WORLD CUP JAPAN 2019  
MEANS FOR THE COMMERCIAL FUTURE  
OF THE SPORT



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the next Premier League  
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### Editor

Ben Cronin  
[ben.cronin@sportbusiness.com](mailto:ben.cronin@sportbusiness.com)  
+ 44 (0)20 7265 4232

### Deputy Editor

Adam Nelson  
[adam.nelson@sportbusiness.com](mailto:adam.nelson@sportbusiness.com)  
+ 44 (0)20 7265 4234

### US Editor

Eric Fisher  
[eric.fisher@sportbusiness.com](mailto:eric.fisher@sportbusiness.com)

### Asia Editor

Kelvin Tan  
[kelvin.tan@sportbusiness.com](mailto:kelvin.tan@sportbusiness.com)

### Head of Content

Richard Welbirg  
[richard.welbirg@sportbusiness.com](mailto:richard.welbirg@sportbusiness.com)  
+ 44 (0)20 7265 4233

### Editorial Director

Kevin Roberts  
[kevin.roberts@sportbusiness.com](mailto:kevin.roberts@sportbusiness.com)

### Senior Designer

Alex Smith  
[alex.smith@sportbusiness.com](mailto:alex.smith@sportbusiness.com)

### Production and Distribution Manager

Craig Young  
[craig.young@sportbusiness.com](mailto:craig.young@sportbusiness.com)

### Head of Media Sales

Robin.Hume@sportbusiness.com  
+ 44 (0) 2072 654182

### Subscription/Information Sales

Max.Frew@sportbusiness.com  
+ 44 (0) 2072 654178

### Head of Key Account Development

Paul.Santos@sportbusiness.com  
+ 44 (0) 2072 654183

[www.sportbusiness.com](http://www.sportbusiness.com)

### Published by:

SportBusiness, a division of SBG Companies Ltd, New Penderel House, 283-288 High Holborn, London WC1V 7HP  
T: +44 (0) 20 7265 4100  
F: +44 (0) 20 7265 4220

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# State of the Union

World Rugby chief executive Brett Gosper tells Kevin Roberts about his hopes for the impact and legacy of the showpiece 2019 Rugby World Cup in Japan, at the tail end of a year when plans for a global Nations Championship foundered on the rocks of resistance from the sport's established nations.



(David Rogers/Getty Images)

## Kevin Roberts

**T**here's a huge image on the wall of Brett Gosper's Dublin office of what he describes as "possibly the most significant try in Rugby World Cup history".

It shows Japan's Karne Hesketh scoring the last minute try that earned his team an historic victory over former world champions South Africa in the 2015 Rugby World Cup. To say the result was a shock hardly does justice to the scale of the achievement. But it also had an impact way beyond the field of play and the record books. The result lit a fuse that Gosper expects will detonate an explosion of local passion when Japan, as hosts, get the 2019 Rugby World Cup underway against Russia in Tokyo on September 20.

According to Gosper, the former senior advertising executive who took over as chief executive of what was then the International Rugby Board seven years ago, the upset created "a little bit of folklore" and helped pique the interest of those who had never previously been hooked on rugby.

It not only gave a boost to a 2015 tournament in which hosts England had failed to inspire, but drove a massive and immediate spike in interest in Japan, helping set the stage for this year's first Asian World Cup.

"We saw a huge uplift in Japanese TV audiences as a result," says Gosper. "They went from around 1.5 million for the previous game to 25 million on free-to-air TV for their game against Samoa – five million higher than the previous record, for the 2011 World Cup final

in France. Now we are expecting a 40 million domestic television audience for the opening game in September."

These are interesting times for rugby union, and for Gosper as he looks ahead to his second World Cup at the helm. In his seven years he has overseen the rebrand of the governing body as World Rugby, seen Rugby Sevens debut as an Olympic sport, run a commercially successful World Cup in England – which with France is the sport's biggest TV market – and had the organisation's plans to grow the game around the world stopped in their tracks by some of the senior members of the rugby club.

Rugby has played a central role in Gosper's life. He played for Melbourne and Victoria back in Australia and was selected for the national U21 side. When his advertising career took him to Paris



he played – and was player of the year – at Racing Club de France and turned out for the French Barbarians.

A stellar advertising career saw him working for leading agencies in Paris, New York and London where, ahead of his appointment by World Rugby, he was chief executive (EMEA) for McCann and a member of the company's worldwide board.

So how was the transition from the entrepreneurial and somewhat mercurial world of advertising to the traditionally staid and more conservative environment of the governing body of a major sport?

“Some of the skills from my previous career have come in handy but there are always surprises,” he says.

“Two things that I may not have foreseen are the national politics, fervour within the sport and the layer of politics around the elected members and the sensitivities around that.

“The reliance on committees and the number of people you have to bring with you to reach decisions is complex and voluminous and that is certainly different to an advertising agency, which is a more maverick environment.

“The other major thing I discovered is the public dimension to the role. What you say is heard and opinions are formed in the media. You are very aware

of the public and fans in everything you do and say.

***“Other Asian countries are appropriating this World Cup as their own and using that to promote the game at home.”***

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“Twitter has helped give me a handle on the court of public opinion and, while you can't let that rule your decision-making, it provides quite a useful context in the world of rugby, which is very fan-centric and where there is a major layer of emotion.”

Gosper has also served under two presidents; first the Frenchman Bernard Lapasset and now former England captain Bill Beaumont.

“They have very different styles and they are facing different issues,” Gosper explains. “Under Bernard we had to deal with player welfare concerns and issues like correctly addressing concussion, a subject where I feel we really got ahead of the curve. Then there was friction between club and country and the ECPR [European Professional Club Rugby].

“Under Bill our focus has been on the creating a global calendar that works

and developing the plans for a Nations Championship.”

And in this World Cup year it is rugby's inability to find consensus on a competitive structure that can marry the desire to grow the game in keeping with World Rugby's objectives with the specific interests of established nations that stands out as an example of the pressures facing this and other governing bodies in sport.

World Rugby's plan for a model designed to promote ‘the broader interests of the world game’ was abandoned in July.

Backed by investment from the Wanda-owned sports agency Infront, the plan was to roll up a bundle of rights including the (European) Six Nations and (Southern Hemisphere) Sanzaar nations to create a world league with promotion and relegation between two divisions. This, argued World Rugby, would have created more meaningful matches and increased exposure for emerging rugby nations.

The issue was, to say the least, complicated by the Six Nations' ongoing discussions with private equity firm CVC Capital Partners – former owner of Formula One – which made a bid for 30 per cent of the business with an upfront payment reported to be close to £500m (€543m/\$602m).



Victorious New Zealand players perform the Haka to after the 2015 Rugby World Cup Final against Australia (Phil Walter/Getty Images)

Though that deal had not been concluded at the time of writing, it remains on the cards and – while various other reasons have been tabled for failing to buy into the World Rugby vision of the future – it is likely the prospects of a major upfront payment and enhanced future revenues driven by a proven and highly active investor played their part.

“At the end of the day they [the Six Nations and Sanzaar] made calls in the interests of their organisations,” says Gosper. It’s with more than a touch of understatement that he describes the outcome as “a disappointment”.

“We generated a significant uplift in values over a 12-year period, negating the need to sell off equity in any property in the rugby world.

“That’s not to say in the future something may not happen. We are hopeful that even if the CVC arrangement moves forward there will be a return to a discussion of the merits of some of what we were proposing,” he says.

In the meantime, a back-up plan is being formulated.

“It’s being looked at right now with the aim of ensuring high levels of competition between Tier 2s and with Tier 1s. Of course, we don’t have the money to finance these in as significant

a way as we would have done [if the Championship concept had been realised] because we had a very big backer.”

For the time being at least, the focus remains on the Rugby World Cup as the major driver of global attention for the sport and as the engine for development.

“We will continue to develop the Rugby World Cup brand and business to ensure we can continue to invest in these areas. It is probably a good thing that the World Cup falls now so we can get on with that.”

Gosper is hugely excited about the prospects for Japan 2019, both during the competition itself and its legacy.

“The culture in Japan is different of course but that’s all part of going to a new country. This is the biggest event the country has hosted for 17 years and there is massive excitement. We are pretty sure of a sell-out and 80 per cent of the country is aware the World Cup is happening,” he says.

“We’ve not seen ticket demand like this for any World Cup. People from around the world are saying this is my trip of a lifetime and a great reason to visit Japan.

“If Japan performs above expectations it will be brilliant and they seem to be heading in that direction.”

On the legacy front, the World Rugby Impact Beyond programme reached its target of achieving a million new players across Asia by May this year, with some 200,000 of them in schools in the Japanese host cities.

But, says Gosper, the impact is not restricted to Japan.

“Other Asian countries are appropriating this World Cup as their own and using that to promote the game at home. The context of a World Cup in an Asian time zone projects an affinity with the local markets and shows this is not just an event for European and Commonwealth markets,” he says.

“Commercially, rugby is quite reliant on the French and UK broadcast markets, although in recent times that has been diluted by the rising power of the Japanese market. This time the Japanese market doesn’t sit far behind them and it is our job to sustain that after the World Cup.

“The Asian context is important so that when people from the USA, Germany, Brazil et cetera see a World Cup in Japan, it creates a global aura that confirms it as a global event and a valuable global property.”

The immediate future of the Rugby World Cup seems assured. Commercially, Japan 2019 is likely to outperform initial expectations and

beyond that there is the return to the stronghold of France to look forward to in 2023.

“We always forecast that Japan would be 20-25 per cent under the commercial level of England 2015, which was a record windfall for the game. But in fact, we will pass those revenues. The issue is that the costs are higher and that will produce a lower surplus,” Gosper explains.

“We are confident of revenues in France because, in the bid process, we auctioned-off the secondary sponsorship and supplier tiers along with the hospitality and those revenue promises have to be underwritten by the government. That’s a low risk to the government because of the track record of the competition.

“Without factoring in broadcast, France as a World Cup host is forecast to produce a surplus of £370m, compared to England 2015 (£160m), and New Zealand 2011, which was £80m.

“That’s down to the methodology of the bid process, which was required to give us uplift and certainty to be able to invest in the game going forward. We’ll be pushing through the next threshold.

“The economic activity the RWC generates allows governments to feel good about underwriting a low risk event. Japan will generate some \$2.97bn in economic activity. It goes on for seven weeks and attracts high-earning, high-spending travellers without imposing high-risk infrastructure costs.”

What about the next time around? Will World Rugby take a punt on another fresh host once the dust has settled on France 2023?

The US has long been considered a land of promise for rugby and Gosper doesn’t rule out a joint US-Canada bid, despite acknowledging the added complexity of a multi-nation approach.

“What’s interesting is whether you put one or two World Cups up for bids. When you put two up you are more likely to get a strategic approach. That was the case when following the comfort of England with Asia. I do think there is an appetite for that approach, in which the decisions are as strategic as they are commercial.”

Reflecting on seven years in charge, Gosper believes the sport is in good shape. “It’s not down to me but World Rugby is in a strong situation with

strong leadership. The game is on a commercial revenue wave with money invested back into the sport which is great for the future. Our Olympic connection is proving to be a terrific developer of the sport across the globe and we are making good progress on player welfare issues.”

Equally important is his belief that, more than two decades since the dawn of the professional era, the sport retains the spirit on which brand rugby has been built.

“The ethos of rugby has been preserved,” he says. “Professionalism does create pressures the amateur game didn’t have but we’ve worked hard to ensure that doesn’t undermine the ethos of the game.

“Our off-field discipline has evolved, and we have positioned rugby as a character-building sport. World Rugby is clearly seen as the voice of brand rugby. Maybe in the public’s mind the IRB may have been separated from the sport – World Rugby is more of a movement and the values remain a critical part of the sport and that is something demanded by our sponsors and the fans.” ○

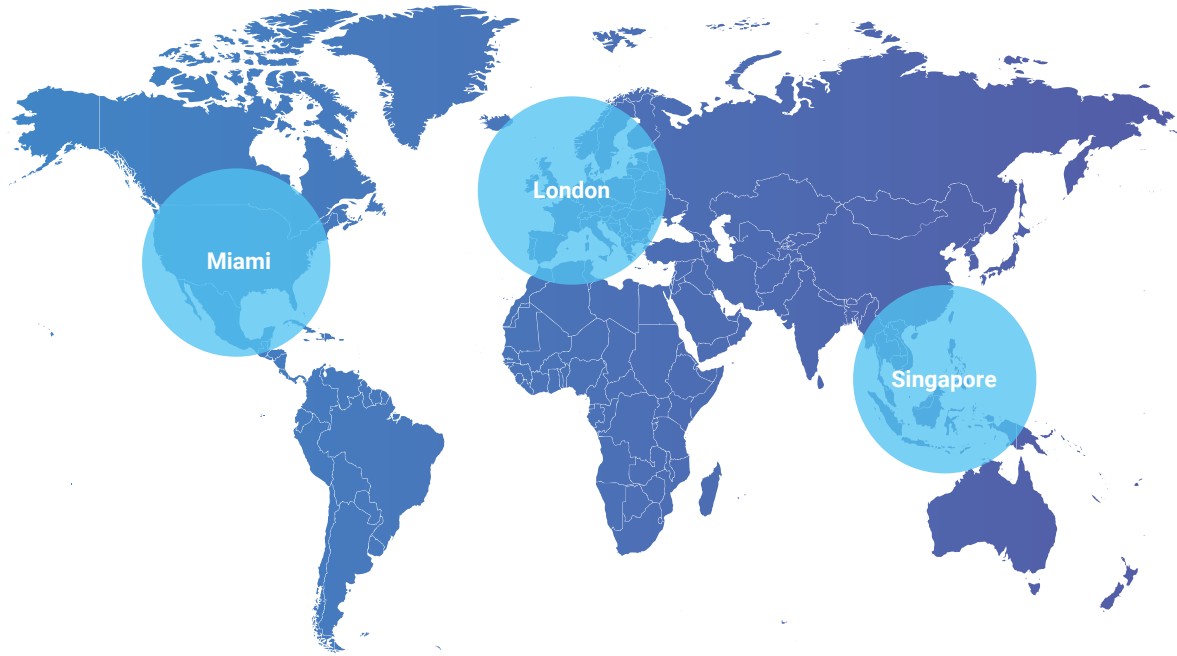


Ren-G, mascots for the 2019 Rugby World Cup, pose for photographs at the official mascot unveiling in Tokyo on January 26, 2018 (Koki Nagahama/Getty Images)





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# Dual award of 2015 and 2019 World Cups helped mitigate risks of hosting in Japan

World Rugby bundled some media rights to 2015 and 2023 events together with 2019

Japanese media rights have increased more than tenfold in value since 2015

Japanese agency Dentsu bought out 2019 official sponsor and supplier categories for £18m

## Ben Cronin

**W**hen World Rugby, or the International Rugby Board as it was known at the time, voted to award the 2019 World Cup to Japan, it was perceived to be taking a commercial gamble. The unfavourable time zone threatened to undermine media-rights sales for the competition in the lucrative French and British markets, while the comparative weakness of the host team had the potential to limit domestic interest and the local commercial programme.

The governing body chose to ignore the obstacles, believing that it would be neglecting its global mission if it continued to overlook the country's hosting aspirations. Japan had also bid for the event in 2011, losing out to New Zealand, another host in a less than favourable time-zone but with a greater rugby pedigree.

"You can't keep going around the usual suspects if you're truly interested in developing the sport," World Rugby's chief commercial officer Tom Hill tells *SportBusiness Review*. "Japan was a departure from traditional rugby markets, but given it's got the third, if not the fourth-biggest playing base in the world, and Asia's got more fans as a territory than any other part of the world, with over 112 million, it really was just a question of time before we came."

To increase the challenge, the preceding Rugby World Cup in England provided the governing body with a sizeable yardstick. SportBusiness data indicates the 2015 tournament generated roughly £265m (€289m/ \$322m) in commercial revenues for World Rugby, some £120m more than New Zealand in 2011. The record-breaking figure was comprised of £140m in



World Rugby chief commercial officer Tom Hill

media-rights income, around £65m in sponsorship revenue, £10m in licensing and merchandise revenues, with the remaining £50m coming from hospitality sales.

Contrary to expectations, Hill says Japan 2019 is on track to surpass the 2015 figure, with more revenues due to come from its hospitality and licensing programmes.

"Originally we were cautious about how well we thought it would go with

regards to commercial and broadcasting, but it's been more positive in terms of growth than we'd ever anticipated," he says.

"Commercial revenues are up. Broadcast revenues are up. Ticket sales are better than 2015. Sponsorship revenues are up. We were thinking potentially it wouldn't be as attractive for sponsors as 2015, given the time zone, but that certainly hasn't been the case."

**Dual award**

Hill credits the decision to announce the hosts for the 2015 and 2019 tournaments at the same time, and in some cases package the media rights to the 2019 event with either the 2015 or 2023 tournaments, for helping to overcome broadcaster misgivings about the first Rugby World Cup in Asia.

“I think partners would prefer to have much greater visibility of the long-term, so a number of our broadcast deals were dual deals, including 2019 and 2023,” he says.

The bundling strategy looks to have paid particular dividends in France, where broadcaster TF1 is thought to have overpaid in acquiring the rights to Japan 2019 for £41.9m in order to secure an option for the rights to the tournament in France in 2023. In the UK, ITV paid a combined £100m for the rights to the 2019 and 2023 tournaments, allocating roughly £40m to the Japanese event.

“People appreciate that once they’re in and they’ve secured the rights, they don’t want to let them go, because they know they’re so popular that someone else will take them. You can’t sort of flit in and out of being a partner or a broadcaster because you’re going to struggle to secure rights again in the future,” says Hill.

**The 80/20 rule**

Global Rugby World Cup television rights are sold by Rugby World Cup Limited, the tournament organisers. RWCL is a wholly-owned subsidiary of World Rugby and is advised on its media-rights sales by the IMG agency. After RWCL and IMG agree on a sales strategy for a respective market, IMG negotiates with local broadcasters and drafts licensed media agreements. RWCL remains the signatory to all deals.

“It all ends up being about relationships,” says Hill. “They [IMG] have better relationships with some broadcasters and we have better relationships with others, but together we get it done.”

Eighty per cent of the Rugby World Cup’s media revenues come from just 20 per cent of the 207 territories in which it is shown. The biggest deals are

those with TF1 in France and ITV in the UK.

The decision to host the event in Japan – combined with the country’s surprise victory over South Africa in the 2015 tournament – has helped deliver a more than tenfold increase in the value of the Japanese domestic rights. Japanese agency Dentsu paid roughly £1.3m (€1.6m/\$2m at the time) for the 2015 tournament but this increased to £16.1m (€18.1m/\$20m) for 2019, making Japan the third-most valuable broadcast market for this year’s event.

“That infamous game against South Africa in Brighton was effectively the most valuable game in rugby’s history because the broadcast rights jumped

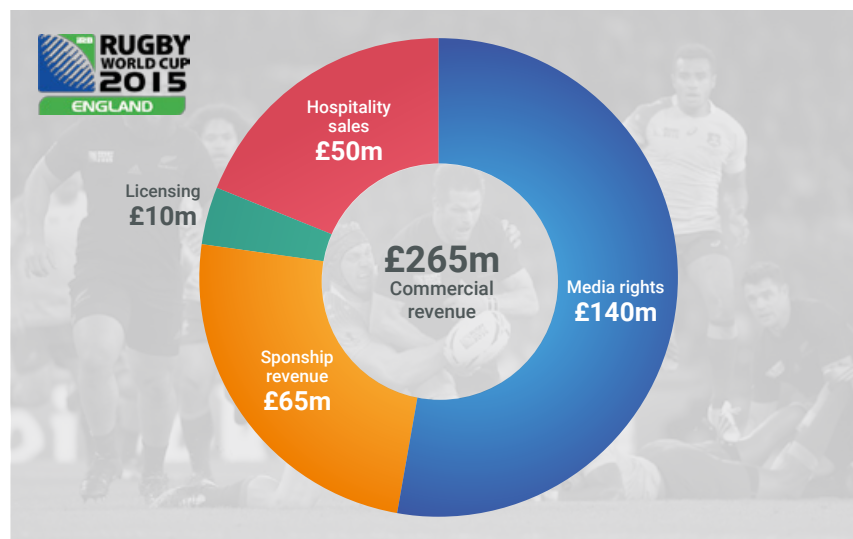
significantly from 2015 to 2019,” says Hill. “The Japanese realised they were capable and able, and they knew the tournament was coming to Japan, and therefore the broadcasters wanted to secure those rights.”

Hill says he would like to reduce World Rugby’s overreliance on a small number of media markets. He says he was disappointed by the performance of the rights in Australia, which served to offset some of the gains made in Japan. *SportBusiness Media* data indicates Fox Sports and Network Ten paid just £10.8m for the 2019 rights, compared with the £37.3m Fox Sports and Nine paid for the combined rights to the 2011 and 2015 tournaments, sold when the



(Koki Nagahama/Getty Images)

**COMMERCIAL REVENUES, RUGBY WORLD CUP 2015**



Source: SportBusiness data

market was more competitive and the Australian team was performing better.

Taking World Rugby's allocations for the split of media revenues between 2015, 2019 and 2023 into account, *SportBusiness Review* estimates Japan 2019 will generate around £142m from its most significant media markets.

Like many a rights-holder, the organisation is looking to Asia and the US for the next wave of media-rights growth, although Hill says Rugby Sevens or women's rugby might prove more appealing to broadcasters in some markets. As it stands, World Rugby earns about 85 per cent of its revenues from the fifteen-man World Cup and 15 per cent from the HSBC World Rugby Sevens Series. But this ratio might change, with Rugby Sevens part of the schedule for the 2020 Tokyo Olympics and the US team beginning to perform well in the shorter format.

The year will be the first time World Rugby provides a world feed to its broadcast partners through International Games Broadcast Services, IMG Media's joint venture with Host Broadcast Services. The company has previously partnered with events like

*“You can't keep going around the usual suspects if you're truly interested in developing the sport.”*

**Tom Hill** | chief commercial officer, World Rugby

the Asian Games and the Winter Asian Games, helping them to provide more consistent broadcast coverage. Hill says the move will ensure control, continuity and quality. “You know exactly how it works and what it's going to look like and you're not cringing or wincing if shows you a different angle or an area of play that you wouldn't want to be highlighted,” he says.

### Sponsorship sales

IMG's relationship with World Rugby, which stretches back to the early 1990s, also includes the sale and delivery of worldwide partner rights to the World Cup.

The agency has succeeded in filling World Rugby's quota of six Worldwide Partners, having renewed deals with

Emirates, Heineken, Land Rover, Mastercard, Société Générale and DHL after the 2015 event. Hill says the fact the majority were also renewals from 2011 demonstrates that the property is delivering on sponsor expectations.

*SportBusiness Review* understands the going rate for a Worldwide partner was between £7.5m and £9m for the 2015 World Cup in England. A 2017 report by *SportBusiness Sponsorship* indicated that Land Rover and Société Générale then paid between £10 and £11m to renew their Worldwide Partner rights for 2019. It was thought the brands were prepared to pay the 25-per-cent uplift to ensure they protected their position for the next edition. Although the 2023 host had not been announced at the renewal stage, the tournament was guaranteed to return to a Europe-friendly time zone with France, South Africa and Ireland bidding.

### Dentsu rights buy-out

World Rugby opted to sell all of its second- and third-tier Official Sponsor and Official Supplier sponsorship rights to the 2019 tournament to Japanese agency Dentsu and its partner the Japan



## RUGBY WORLD CUP 2019 SPONSORS

## WORLDWIDE PARTNERS

Value between £9m and £11m

Fly  
Emirates

Heineken

SOCIETE  
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## OFFICIAL SPONSORS\*

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## OFFICIAL SUPPLIERS\*

Gilbert Tudor Toppan Printing Canterbury NTT Docomo EY  
Japanese newspaper conglomerate Suntory Holdings Limited Aggreko

\*Official Partners &amp; Official Supplier sponsorship rights sold to Dentsu and JRFU for £18m

Rugby Football Union for £18m to help the organiser with the running costs for the event. One well-placed source said the agency was likely to make a significant margin on its acquisition given that it was asking for substantial increases on the £2m to £3m World Rugby was charging for the Official Sponsor rights in the previous cycle. *SportBusiness Review* understands Canon, an official sponsor in 2015, was dismayed to learn Dentsu was asking for three times the amount commanded by the last event.

The governing body has given no indication it is dissatisfied with the rights buy-out model, having opted for a similar approach in 2023. *SportBusiness Review* understands one of the principal reasons France secured the tournament was its ability to guarantee certain revenue streams, including those for the Official Sponsor and Official Supplier rights.

Sources say the approach makes commercial sense given that these categories have tended to attract regional sponsorship budgets and

local organising committees are better placed to sell to existing supporters of rugby in their respective markets. It also makes the event a more appealing commercial proposition to putative hosts, who have previously complained about the difficulties in making money from the event. The Rugby Football Union has argued that the only way for a local organising committee to monetise the World Cup was through cutting costs, while New Zealand Rugby threatened to boycott the 2015 World Cup after it made a £6.6m loss hosting it in 2011. One of its complaints at the time was that a union was not allowed to mention its sponsors during a World Cup because of conflicts with the tournament's backers.

The Official Sponsor roster for 2019 is made up exclusively of Japanese companies. Communications company HITO filled the seventh slot out of eight in the category when it signed a deal in early August to sit alongside Canon, Toto, Secom, Taisho Pharmaceutical, Mitsubishi Estate and NEC.

The Official Supplier tier is filled

by nine companies: Gilbert, Tudor, Toppan Printing, Canterbury, NTT Docomo, EY, a conglomerate of newspaper companies, Suntory Holdings Limited and Aggreko. These deals are a combination of cash and value-in-kind commitments. Rugby ball supplier Gilbert's deal, for instance, has sponsorship, licensing and product supply elements. These deals were estimated to be worth between £500,000 and £2m in 2015, although the ratio between cash and value-in-kind varied significantly from one deal to the next. It is unknown how much Dentsu is asking for the packages this time.

All of the top-tier Worldwide Partner rights expire at the end of this World Cup, which leaves Hill to end with a sales pitch for the event in France.

"If there is a brand that wants to get involved for 2023, now is their time to say they're interested," he says. "Previously there have been dual or quad deals and the rights have been tied up. Obviously, France is a very attractive market for all of the current partners." ○

# Ice cream and Kimekomi dolls | Developing a licensing programme for the RWC

IMG has been appointed master licensee for both the 2019 and 2023 Rugby World Cups

Licensees have to pay 60-70 per cent of predicted revenues as minimum guarantee

Legends appointed to run on-site retail stores in 12 of the tournament venues



(Koki Nagahama/Getty Images)

## Ben Cronin

IMG Licensing says it has secured contracts with 25 Japanese licensees and 21 global licensees to design, produce and distribute products and merchandise for this year's Rugby World Cup in Japan.

World Rugby appointed the agency as its global master licensee in 2017, in a deal that included this year's event and the 2023 World Cup in France, as well as the Women's Rugby World Cup, World Rugby U20 Championship and the World Rugby brand.

With a month to go to the start of the tournament, Mickael Andreo, vice-president, licensing at IMG, says the 2019 programme has surpassed the licensing revenues generated by

the 2015 World Cup in England, when Elite Sports Properties was the master licensee. IMG's target is to exceed the 2015 figure by 30 per cent. *SportBusiness Review* understands the 2015 event generated around £10m (€11m/\$12m) in licensing revenues.

Although Japan has a strong character licensing market, Andreo says the lack of major sports events in the country meant there was less of a culture for sports licensing when IMG first began approaching prospective licensees.

"The challenge and the success we had, was really to engage with licensees that are not used to doing those events because rugby was never in Japan before," he says. "The last major event was the football World Cup in 2002."

## Business plan

Before working with a licensee, IMG asks the prospective partner to write a detailed business plan for the category in question. If the business plan meets its requirements, the agency asks the licensee for a minimum guarantee calculated as roughly 60-70 per cent of the revenues predicted in the business plan. This serves to keep the licensee engaged in bringing the licensed products to store. IMG and World Rugby then take a royalty on sales that exceed the minimum guarantee.

Because of the idiosyncrasies of the market, Andreo says some of the Japanese licensees differ from the companies World Rugby works with globally. "I would even say that we have two programs to manage here, the one

in Japan and the one in the rest of the world,” he explains.

Globally, 60-70 per cent of World Rugby’s licensees are in apparel categories. Traditional licensed products such as keyrings, magnets, footwear and glassware make up most of the remainder of its licensed product offering. But in Japan, IMG has also engaged with food licensees, including an ice cream brand, a confectionery company and a cookie partner in addition to the more customary apparel licensees.

The dual approach is also reflected in its e-commerce strategy. Japanese company – and World Cup Official Sponsor – Hito runs the Rugby World Cup online store in Japan, while Sportfolio runs the global online store.

**On-site retail**

IMG appointed US agency Legends, to operate on-site retail stores in 12 of the tournament venues and selected fan zones. The company will also operate 73 official merchandise stores across Japan, the centrepiece of which is a 1,000 square metre megastore in the Shinjuku district of Tokyo, which sells the entire licensed product range.

“They do things in a in a big way in

the US and the on-site business in the US is a bit more mature,” says Andreo of the company.

In addition to the licensed product range, the megastore and the online stores will also sell most of the jerseys of the 20 competing unions. In some cases, IMG has agreed deals with the union to produce a whole range of apparel and accessories which bear the Rugby World Cup logo and the union logo. Sales revenues for these products are divided equally between World Rugby and the union in question.

Next to this, World Rugby has an unbranded apparel offer which only carries the 2019 World Cup logos. World Rugby’s official apparel provider Canterbury also has a strong online presence in Japan and all of the big rugby markets and is also licensed to sell the co-branded products.

Outside of the core apparel products and the food categories, there are additional lines based on local Japanese products such as traditional Jimbaori coats and Kimekomi dolls. “We try to make sure the local customers can engage with the programme and also that fans that travel to Japan could come back with a product that they wouldn’t find in Europe,” says Andreo.

Although the licensing programme does not account for a significant share of Rugby World Cup revenues, Andreo thinks it has an important role to play in marketing rugby to a wider audience. IMG is working with the governing body to build a customer database and create more continuity in its marketing efforts from one tournament to the next.

“It’s more about how you spread the message. How do you control your brand?” says Andreo. “How do you make sure you can speak to a target audience that is not core fans and go a bit further to make sure we can gather more for the sport of rugby in general?”

“You have core fans that are spread over the world and you need to be able to address them. How do you do that with the licensing program? It’s clearly through the online store and the real strategy behind that.”

IMG has had an office in Japan for 25 years and has worked in various capacities with the Rugby World Cup since the early 1990s. The agency has developed licensing programmes for Pepsi, *Fortnite*, Pink Panther, Aston Martin, NFL, Juventus FC, Uefa Euro 2020, *Tetris*, Li Na, *The Simpsons*, *Sesame Street* and National Geographic in Japan and the wider Asia region. ○



Clockwise from top left: A range of toys based on the World Cup mascot Ren-; branded traditional Jimbaori coats; wafers, cookies and dumplings



# Tokyo time for judo

The 2019 World Judo Championships in Tokyo will not only be the showcase event of the year in the sport; it will also provide a perfect launchpad for athletes, officials and fans ahead of the 2020 Olympic Games.



(IJF)

**W**ith less than a year to go before the Tokyo 2020 Olympic Games, there is no doubt that the 2019 World Judo Championships is an event that has captured the imagination of the public in Japan and beyond.

Several weeks before the start of the August 25-31 event, the International Judo Federation revealed that all premium seats had sold out, with the rate of sales suggesting ultimately a complete sell-out across all categories.

Meanwhile interest from around the world has been increasing ahead of the World Championships.

The International Judo Federation's innovative 'Throw to Tokyo' initiative led to more than 1,000 entries from across the globe. "It was a really successful competition," the IJF's chief media and marketing officer, Vlad Marinescu, says.

"All judo fans were asked to send in a video with a nice, funny, technical or spectacular ippon. We received so

many great videos and, after a vote, the winners – 10 in total – were invited to attend the competition to see it live from the venue and to have access to the athletes.

"We will launch another one for Tokyo 2020. It is fantastic to see how many people have participated, their imagination and creativity."

## Engaged audience

Throw to Tokyo underlines how the IJF is determined to maximise the opportunity to use the World Championships as a launchpad for various initiatives that will roll on seamlessly to the Tokyo 2020 Olympics.

With judo's two biggest showcase competitions taking place just months apart in Tokyo, the IJF has a unique opportunity to leverage the sport's historic links with Japan and its capital.

Judo was founded in Tokyo by Jigoro Kano back in 1882 and the sport's debut at the Olympics came when the city hosted the Games in 1964. There is a

strong feeling of the sport returning to its roots, even as it expands its horizons further than ever before.

"There is a strong tradition of judo in Japan and a strong tradition of organising events," the IJF's media coordinator, Pedro Lasuen, says. "The professionalism of the organising committee and the regular exchanges that we have with the All Japan Judo Federation (AJJF) and the Kodokan in Japan guarantees that everything will be ready for the World Championships.

"The teams in place are very professional and absolutely ready to organise an event of the scale of the World Championships. The extra motivation comes also from the fact that the event will be an extraordinary rehearsal for next year's Olympic Games."

## Practical tests

The World Championships will act as the ideal test event for the Olympics, as well as the year's biggest judo event in



its own right.

This year's showpiece will take place at Nippon Budokan, the venue that hosted judo's introduction to the Olympics 55 years ago, and the same arena that will stage the sport's competition at the Tokyo 2020 Games.

Nicolas Messner, the IJF's media and Judo for Peace programme director, says: "The venue is perfectly suited for a judo event and, in the few days before the World Championships, we are only working on small details to make sure everything will run smoothly, which we know will be the case.

"The AJJF, together with the IJF, have been working non-stop to organise the best ever World Championships. The IJF is in constant contact with the World Championships organising committee, as well as the Olympic Games organising committee.

"All information will be shared and analysed to identify what needs to be improved or changed. The arena will then enter its final stages of alterations for the Olympics after the World Championships."

The opportunity to use the World Championships as a rehearsal for the Olympics, though, extends beyond ticket sales and arena logistics.

"We will be looking at everything," Messner says. "Of course, the success of the World Championships will depend on the level of competition, which is guaranteed to be extremely high.

"However, it also depends on all aspects of the organisation, from the airport, where delegations will be welcomed, to the competition arena itself.

"We will also judge the success of the World Championships on the media coverage. We have received an impressive number of media accreditation applications, which shows that judo is a significant focus for media organisations across the world."

A detailed review of the World Championships will take place following the conclusion of the event, encompassing a variety of perspectives,

to ensure the IJF and its organising committee partners can work towards continuously improving all aspects of judo's biggest events.

### Innovations

The IJF has also introduced a number of innovations in order to enhance the spectacle. In partnership with the AJJF, the sport's global governing body announced in March that a new set of colours would be used for the tatami competition mats in Tokyo.

The IJF's official supplier, Taishan Sports Equipment, has produced the new tatami – with a blue inside area and red outside area – that the IJF hopes will prove to be more viewer-friendly for spectators both at the venue and watching remotely.

"It is something new – an evolution," Marinescu says. "All sports must change and improve, and judo is not an exception. We are trying our best to make our sport more appealing.

"For the first time, we are also introducing a 360° replay system, meaning that fans will be able to see the action from all angles. This project involves implementing 110 synchronised cameras in order to offer replays from

every point of view. It's a massive step forward for judo and we want to offer what is best for our fans."

The striking new mats will provide an appropriate platform for the sport's top competitors. According to Lasuen, the multi-year schedule of competitions introduced by the IJF, building up to this year's World Championships, as well as next year's Olympics, has helped to ensure that judo's best athletes are performing to higher standards than ever before.

"We are in the heart of the Olympic qualification process, with events taking place every month," Lasuen says. "The World Championships represent the flagship event of the IJF, but we have many Grands Prix, Grand Slams and a World Masters that will maintain the momentum.

"In judo, the World Championships are happening every year, so there is a lot of pressure on the athletes to maintain their performance.

"Competition is immense across all categories and there are potential champions everywhere. That is why it is so special, because all of them must be at their very best level every year, without exception." ○



# What will the Rugby World Cup in Japan mean for the sport in the region?

The best rugby players on the planet are heading to Japan for the first Asian Rugby World Cup, but what impact will it have on the fanbase and playerbase across the continent, as well as the game's commercial prospects?



Karne Hesketh of Japan scores the winning try during the 2015 Rugby World Cup Pool B match between South Africa and Japan (Charlie Crowhurst/Getty Images)

## Kelvin Tan

According to a report from Nielsen Sports in August 2018, there were 112 million rugby fans – defined as a person who says they are ‘very interested’ or ‘interested’ in the sport – in Asia.

Those numbers are among the reasons why, in July, beIN Sports Asia Pacific picked up World Cup broadcasting rights for Cambodia, Indonesia, Hong Kong, Laos, Malaysia, Philippines, Thailand, Timor-Leste and Singapore.

BeIN are going big on the competition. All 48 matches will be available on a dedicated channel – beIN Sports Rugby – which will support live coverage with analysis, highlights and special features.

According to Mike Kerr, the broadcaster's managing director, Asia,

the competition could kick start the sport in the region and the company's investment is putting corporate money to back that hunch.

“The Rugby World Cup is our first major rugby acquisition for Asia, but we have been investing in rugby content globally,” Kerr tells *SportBusiness Review*.

“The World Cup is coming at the perfect time. It will be a game-changer for the sport, and we will be looking to expand our rugby offering in future to fuel the appetite of under-served fans in Asia.”

For the Singapore Rugby Union too, the World Cup represents a moment of maximum opportunity to promote the sport and build on relatively small year-on-year participant growth.

“Having the World Cup in what is almost the same time zone will see a

lot more Singapore fans engaged in the tournament, it will give the sport a lot of visibility here and it will just get a lot more people interested,” says Douglas Danapal, head of commercial and partnerships at Singapore Rugby.

Japan famously defeated powerhouse South Africa at the 2015 edition and similar results this time would help the cause. “If Japan do well that can't hurt as it will help make it a more successful and exciting tournament, which is what we all want to see,” he adds.

Singapore has a special connection with this Japan team. The city state shared hosting duties with Tokyo for the Sunwolves, Japan's Super Rugby representative, which have met top teams from South Africa, New Zealand and Australia on a regular basis, though the team will fold next year.

“We’ve had a long relationship with Japan that we have built over the years,” says Danapal. “We had the Sunwolves for the past four years. This helped Japan build a high-level competition for their players and this helped our programs and helped us to get our community to understand that you have to pay to watch top level rugby.”

An economic impact study undertaken earlier this year estimated that there could be a total tournament output of around \$3.6bn (€3.2bn). It remains to be seen if the rest of Asia can share in the riches with the host nation. “There is no direct revenue boost but indirectly there could be with fund-raising events and partnerships with global rugby partners. We can also take advantage of teams and personalities passing through en route to Japan,” Danapal says.

BeIN Sports is looking forward to the 2019 edition breaking viewing records for the Rugby World Cup.

“With kick-off times optimised for Asian fans, we are anticipating this to be the most-watched Rugby World Cup in the region,” says Kerr. “Also, since Japan is only a few hours away,

Asian attendees will form a large part of the crowd at RWC 2019. As such, the influence of the ‘f-factor’ – friends, family, followers and fans – will unlock growth for rugby like never before.

**“We will be looking to expand our rugby offering in future to fuel the appetite of under-served fans in Asia.”**

**Mike Kerr** | managing director, Asia, beIN Sports Asia Pacific

“We are in the business of sports, and we are continuously looking to expand our offering. We believe there is a gap in the sports content offering here and rugby is one sport that deserves wider coverage. Through our extensive distribution on different platforms we believe we are optimised to help rights owners increase their fanbase.”

Naturally the broadcaster hopes that the money will follow on the heels of the impact created by the World Cup. There are a number of plans to make the

most of the tournament with marketing activities that include consumer flyaway contests, on-ground live screening parties, partnerships with affinity groups and more.

“While rugby is not at the level of football in Asia, we take a long-term view on expansion,” says Kerr.

As well as growing fanbases there has been a push to use the World Cup to increase the player pool in the region, something vital to improving standards and increasing the chances of other Asian nations qualifying for the Rugby World Cup.

“The Rugby World Cup being based in Japan has opened people’s eyes to the opportunity Asia has to offer with its huge population,” Asia Rugby president Aga Hussain tells *SportBusiness Review*.

“Our ‘Asia 1 Million’ program surpassed its target goal on new players introduced to the game in just three years,” he says.

“With a year-on-year multiplying fanbase and the existence of established [rugby-related] CSR initiatives, there is enormous potential for any investor. Asia has six per cent of the world’s youth.” ○



Fiji celebrate after winning the final against France on day three of the Cathay Pacific/HSBC Hong Kong Sevens (Hannah Peters/Getty Images)

# Why bookmakers should fine-tune their advertising tactics



**A**mong the flurry of transfer rumours and club tours to far flung destinations in the pursuit of new territories and fanbases, one of the standout talking points of football's close season was Paddy Power's 'unsponsoring' of several UK football club shirts.

The topic of football clubs and their reliance on gambling sponsors is nothing new but the bookmaker's campaign, which split opinion both inside and outside the industry, put the issue front and centre once again.

"As a sponsor, we know our place, and it's not on your shirt," Paddy Power's managing director, Victor Corcoran said when it was confirmed that the now infamous Huddersfield Town kit launch had been a hoax.

The involvement of sponsors 32red.com in Wayne Rooney's transfer from Minnesota United to Derby County also generated plenty of discussion but, regardless of which side of the fence you come down on, it's irrefutable that the goalposts have shifted when it comes to gaming sponsorship and football.

Many operators should now be questioning whether they're getting enough bang for their buck with shirt sponsorships and what else can be done to supplement their marketing spend.

Apart from the negative publicity that can accompany clubs and their betting sponsorships, it's vital operators aren't just blinded by the lure and razzmatazz of seeing their logo on the front of a football shirt. Instead, sponsors have to be smart and ensure they're activating

deals digitally as well as utilising the latest AI and Machine Learning technology to properly tailor their marketing efforts.

When we speak to operators about ad:s – our holistic marketing solution for bookmakers – these are key aspects we highlight because they are what will help companies stand out in what is clearly now a saturated marketplace.

More than half the teams across the Premier League and the Championship now have betting companies as their shirt sponsors, forcing organisations to come up with all-encompassing, strategic plans if they are to maximise their investment and convert audiences into revenue.

Whether it's clients such as Real Mallorca and Sporting in Gijón in

Spain or Enyimba in Nigeria, the global impact of using football as a vehicle for advertising is undeniable. Different countries and continents will have nuanced relationships when it comes to betting on the sport but the beautiful game's proclivity to gambling has been decades in the making.

It is why football shirt sponsorship will always be a popular choice for betting operators as it puts their brand right in the thick of the action, in front of a primary target market. However, what Paddy Power may have inadvertently highlighted for many bookies is the importance of activating partnerships away from jerseys.

In contrast to Paddy Power's slogan, many operators do still see their place as being on the front of a shirt but also increasingly want to add to that presence digitally or in stadiums.

In a crowded, diverse and international marketplace, bookmakers should be leveraging social, digital and broadcast potential as well as other physical opportunities such as perimeter and stadium advertising if they are to enjoy big returns on their investment.

While 32red.com's financial backing for Rooney's arrival at Pride Park may not necessarily be mirrored too much elsewhere and is likely to add weight to the 'Against Modern Football' bandwagon, it has captured attention and most likely gained new subscribers.

Both social and digital advertising offer the chance to connect more closely with fans globally and also bring more opportunities to engage with users away from matchdays. Digital and social marketing is also more conducive to measurable, tangible results when it comes advertising efficiency, another area where we believe ads can play a role.

With the use of industry and user data, programmatic advertising is designed with the aim of efficiency in mind.

Being able to target advertising to users based on the content, sports and teams they are interested in can

dramatically alter the way betting operators advertise themselves to both new and existing customers.

By analysing both behavioural insights and conversion data as well as using Machine Learning to adjust bidding strategies, bookmakers can fully optimise their campaigns in real time.

Throw in the ability to prospect and retarget potential customers and bookmakers have the opportunity to drastically improve their marketing spend and ultimately improve their bottom line.

***“Football shirt sponsorship will always be a popular choice for betting operators as it puts their brand right in the thick of the action, in front of a primary target market.”***

A recent BCG market evaluation showed the gross gaming revenue globally to be around €30 billion, with that expected to be bolstered by \$4bn from the US market by 2022. Around a quarter of that is spent by operators on marketing and advertising meaning targeting and increased efficiency can help bring substantial savings.

The debate around betting advertising – and how much is too much – will run and run, as will the wider discussion around social responsibility and gambling. While Paddy Power's move has undoubtedly stoked those fires again, operators need not start from scratch.

Front-of-shirt sponsorships have always been, and will remain, prime real estate.

However, new opportunities are emerging, bringing the chance to better target spend as well as make bigger moves into previously uncharted territory.

Being able to back up your glitzy, eye-catching football shirt deal with targeted, data-driven marketing to improve your advertising efficiency is something that should appeal to bookies of all shapes and sizes.

In fact, rather than it being a case of saving shirts, saving money will always be the slogan of choice for the majority of operators. ○



**Felix Geyr,**  
Managing Director  
of Sports Media,  
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# Hopes of hosting a Rugby World Cup in the US rise with Major League Rugby plans

United States planning a bid to host either the 2027 or 2031 Rugby World Cup tournaments

Strategic partnerships with USA Rugby and AEG Rugby aim to expand commercial efforts

MLR and World Rugby are developing the US domestic game for future tournaments

## Bob Williams

**A**head of an expected bid by the United States to host the 2027 or 2031 Rugby World Cup – and a desire by global governing body World Rugby to tap into the North American market – Major League Rugby is seeking a sustainable approach to ensure it has its own long-term staying power and can play a role in helping to secure the major tournament.

MLR is specifically looking to avoid the mistakes made by its short-lived predecessor, the Professional Rugby Organization (Pro Rugby), which began play in April 2016 but ceased operations just nine months later amid reported financial problems and a series of clashes between owner Doug Schoninger and national governing body USA Rugby.

Established in 2017, MLR officially kicked off in April 2018 with seven teams – Austin Elite, Glendale Raptors (Denver), Houston SaberCats, New Orleans Gold, San Diego Legion, Seattle Seawolves and Utah Warriors (Salt Lake City) – which competed in regular-season matches before a four-team playoff.

Two more teams were added for the 2019 season – Rugby United New York and Toronto Arrows – and the league will expand to 12 teams in 2020 with the addition of New England Free Jacks (Boston), Old Glory DC (Washington DC) and Rugby ATL (Atlanta). To help with travel costs and to help build local rivalries, MLR is switching to two six-team conferences next season.

A Dallas team is scheduled to join in 2021, while there are talks with a prospective ownership group in Los Angeles. The goal is to reach 16 teams.

Like Major League Soccer, MLR



(Major League Rugby)

is a single-entity league, with no promotion or relegation. Expansion fees have reportedly increased from approximately \$500,000 (€449,000) to \$4m now.

Attendances have been sluggish and have varied according to the local market. Crowds averaged around 2,000 per match in 2019, but a capacity attendance of 6,000 for the MLR championship game between hosts San Diego Legion and Seattle Seawolves in June offers the league optimism for the future.

In multi-year partnerships, MLR has signed a 13-game linear broadcast deal with CBS Sports Network and an 18-game digital deal with ESPN's direct-to-consumer platform ESPN+. CBS is reportedly not paying a rights fee for the deal that puts select games on cable channel CBS Sports Network. However, it gave the league significant national exposure when the main CBS broadcast network aired this year's championship game, gaining an audience of around 510,000.

On a regional level, AT&T Sports Networks has the linear rights to

a 17-game package for six MLR teams, including Austin, Glendale, Houston, New Orleans, Seattle and Utah. Meanwhile, a partnership with subscription streaming service RugbyPass in the 2019 season gave the league access to an international audience via delayed full replays of selected games, highlights, player interviews and other features.

MLR – whose headquarters are in Salt Lake City, Utah – has three league-wide commercial partnerships: Ram Rugby (official ball partner), XBlades (official apparel partner), and a sponsorship deal with British-based luxury apparel brand Barbour, its lone non-endemic partner.

With teams having an annual salary cap of \$450,000 – compared to \$9.06m (£7m) in England's Gallagher Premiership – interest from international stars has been understandably quiet thus far. But Rugby United New York (RUNY) pulled off a significant coup by signing France centre Mathieu Bastareaud for the 2020 season, when he will join another big name, former England fullback Ben Foden.

Elsewhere, former European player of the year Steffon Armitage has signed with San Diego for next season.

MLR has attracted some interest from international investors, too. The Scottish Rugby Union has a 30-per-cent stake in Old Glory DC, while RUNY secured a minority investment from Pierre Arnald, the former director general of French Top 14 club Stade Français.

### Building a strong foundation

Despite the slow but steady progress made under commissioner Dean Howes – the former chief executive of MLS team Real Salt Lake – there have been reported murmurings of discontent in his leadership among some team owners, who want more rapid and expansive growth that more closely resembles the strong overseas fan interest in rugby.

MLR team owners all have seats on the Board of Governors, which oversees the planning, expansion and other activities for the league. But Howes is sticking by his long-term approach and has reassured the league’s need to remain “organised and disciplined” in its commercial aims.

“We just finished our third year [in existence] and second year playing, and I think between our media deals and everything else we’re just on a better foundation than we were three years

ago,” Howes tells *SportBusiness Review*. “Our owners are new owners so they have to learn how to be owners of a professional sports team. We still have a long way to go on just tightening up how all of this works administratively and contractually.

“The real foundation is how are you set up as a single entity, who are the new partners that you are bringing in and what are they bringing to the table, how are you doing in terms of managing player contracts and things like that. We’re getting there but it is a heavy lift that takes time.”

According to Howes, the league has “a long way to go” in regards to bringing in new sponsors. But he says he is in multiple conversations with potential commercial partners for 2020.

Howes admits that MLR is not making any money from its broadcast deals with CBS, ESPN and AT&T Sports Networks, as the league is paying for its own production costs. But he says the investment is worthwhile. “We’re at the very start of this [process] and it takes a little while before you start making enough money with sponsor partners to offset those costs,” says Howes.

### Strategic partnerships with USA Rugby, AEG Rugby

Howes has specific long-term goals, namely: growing the available domestic

player pool; expanding to 16 teams; increasing average attendances to at least 5,000; and improving the value of media and sponsorship deals.

To help MLR reach its aims, the league has forged a strategic partnership with USA Rugby. Establishing a framework for long-term collaboration, it covers initiatives such as player welfare and safety, the release of US men’s national team players for international duty, and shared marketing initiatives.

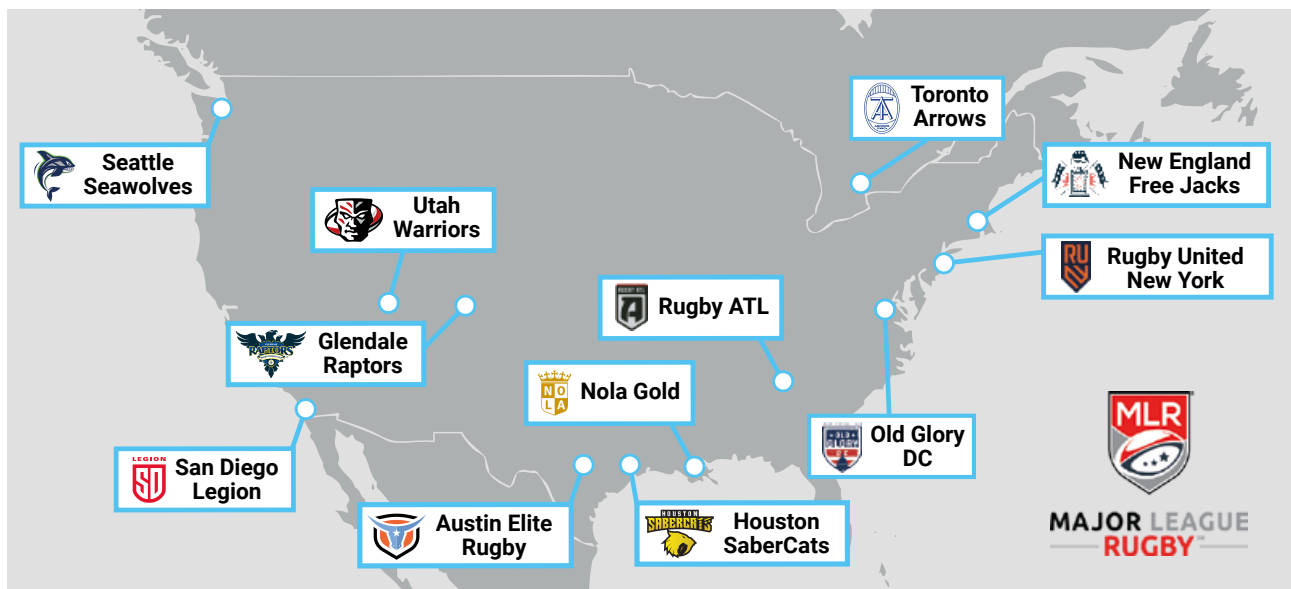
USA Rugby also believes this relationship will be mutually beneficial.

“It opens up a lot of opportunities for us to have commercial conversations and explore opportunities together,” Mark Griffin, USA Rugby’s commercial director, tells us.

“The obvious ones in the commercial landscape are the fact that combined we can offer a lot more to a national-level partner. Lots of these big brands, in the retail space at least, want some local activation so for us to partner with MLR where they are building up fanbases in some core markets would appeal to a retail brand.

“It makes it more appealing for USA Rugby and MLR to have a conversation with a brand because we can provide a high level of national visibility and a more robust level of activation so that combination is a great fit.”

## MAJOR LEAGUE RUGBY TEAMS IN THE 2020 SEASON





The league has also created a commercial arm – Rugby United Marketing – as a separate legal entity, with team owners as its board members and controlling voice. Its aim is to negotiate future commercial deals and potentially sell equity in the league to outside investors.

MLR is also working with AEG Rugby – a subsidiary of sports and entertainment conglomerate AEG – to help grow in the content and facility space.

### New York team lost \$1.4m in first season

At the club level, RUNY's majority owner James Kennedy, who is also the chief executive of New York-based construction company Murphy Kennedy Group, offers a number of revealing insights into the realities of running an MLR team.

RUNY played its first season at MCU Park in Coney Island, also the home of New York Mets-affiliated Minor League Baseball team Brooklyn Cyclones. But Kennedy is searching for a new venue for next season after struggling with attendances at the Brooklyn venue.

In addition, the team made a loss of \$1.4m in its first season, having recouped just \$1.6m of a total operating budget of \$3m.

“Overall it isn't that bad and we did spend some bad money as well,” Kennedy tells *SportBusiness Review*. “In my heart it's three years [to break even] but with my head it's five years.”

On the team's financial struggles, Kennedy concedes he made a number of mistakes as a new owner in professional sports. “We selected the wrong venue. I think everybody would agree with that. But at the same time, it was the only actual venue available in the city. Maybe I wrongly thought it was important to be actually in the city in the first year,” Kennedy admits.

“We also made mistakes on where we spent some of the money on marketing. We spent wisely on a [New York City] subway campaign but we didn't spend wisely on the social media spend,” he says.

Kennedy adds that the team did not engage aggressively enough with expat communities, who come from countries with a strong rugby union background



RUNY's erstwhile home in Coney Island (Major League Rugby)

such as England, Australia, New Zealand and France. High-school and middle-school visits, which proved popular with children, were also started “way too late” he adds.

RUNY's ticket sales were “very bad” for the majority of games, Kennedy admits. The team was aiming for 2,000 fans a game at MCU Park, but achieved 1,500-1,600 for its better-sold games. Kennedy says the team made a “massive mistake” by not engaging in ticket sales until Christmas 2018, just a month before its inaugural game.

Going forward, Kennedy is targeting venues in New Jersey and upstate New York for next season, which could include playing at multiple stadiums in the tri-state area.

Despite the financial losses, next season the team's budget will rise to \$4.5m. “\$1m of that will go to facilities and player welfare and some better player housing,” he says. “We're already spending the most in the league, but a lot of that is reflected in doing the cost of business in New York.

### Bastareaud signing 'a statement of intent'

For all the teething troubles, Kennedy has seen reason for optimism.

Merchandise revenue has been healthy, he says.

“I am trying to find merchandisers, designers that will push the boundaries on merchandise and try and have some fun with it and get away from typical sports and rugby apparel and move into new areas, driven by the New York brand.”

Kennedy is also engaged in talks to play an official MLR game overseas. RUNY has a number of corporate sponsors, including Motion PT Group, Bawnmore Irish Beef Jerky, Hospital for Special Surgery and Elastoplast.

“The sponsors are all upscaling next season, which is fantastic, and we're going to announce soon some blue-chip [company] sponsors,” Kennedy says.

The team has struggled to gain a meaningful media presence in the crowded New York sporting landscape – despite local broadcast deals with SportsNet New York (SNY), NBC Sports Washington and NBC Sports Philadelphia+. But Bastareaud is likely to help the cause.

“It's a statement of intent [that he joined the club], it draws attention to MLR, it attracts other players and there's been massive reach-out since Bastareaud [signed],” Kennedy says. ○

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# Stills life

Getty Images' Michael Regan tells Kevin Roberts why sport photography is more important than ever



In an age when video is omnipresent, it may come as something of a surprise to learn the art of sports photography is not simply alive but well and truly kicking, and playing an enhanced role in sport's commercial ecosystem.

In fact, says Getty Images' senior football photographer Michael Regan, "still photography has never been more important".

Regan, who started his career with a photographic agency in his home town of Leicester, has been with Getty Images 10 years, during which time he has covered thousands of games across the world for clients including Fifa, Uefa, the Football Association and its England teams and the Premier League.

His portfolio is a joy for any football lover, from the director's box to the cheap seats. His ability to capture moments that tell a story, to crystallise the drama of a split-second's action

and to convey the personalities and emotion of the sport's major characters have won him admirers wherever the game is followed.

During his career he has seen massive changes in the world of sports photography. Technology has changed, cameras themselves have changed, and so has the speed with which images can be delivered to end users. That, in turn, has created new demand for the output and new relationships with stakeholders, including players and athletes themselves.

"People are more receptive to photography than ever," Regan says.

"There was a time in football when the industry seemed to want photographers to back away. But times have changed, and social media has been one of the driving forces. It has contributed to a greater demand for photography than ever before because rights-holders have come to realise the value of their

photographic archives while every player has their own social media channel and wants great images for it.

"Today photographers are not simply shooting to capture an image for the next day's papers. We are photographing to create assets that can be monetised.

"Professional photography will always stand out. Nothing gets a story out there quicker or more effectively than a good picture. It freezes time and the very simplicity of a still picture somehow makes it more compelling," he says.

The job itself has also changed.

"It's no longer about going to a game and getting the single best shot for tomorrow's papers. The demand from clients means that it's about the best shot from the last three minutes," Regan explains.

"I am not just covering the match but the entire event. I'm on the look out for interesting shots in and around the stadium ahead of kick-off and they



(Michael Regan/Getty Images)

appear as part of the build-up coverage on media websites around the world.

“We are shooting and transmitting pictures that feed the appetite created by constantly updated match coverage on media, club and league websites as well as social media channels. The entire business has changed. Technology has meant that pictures have a shorter lifespan than ever before.”

While providing photography for media organisations still accounts for around 35 per cent of Getty Images’ revenues from sport, the client-focused side of the business continues to develop quickly and has grown ten-fold in the past decade.

The company employs some 120 sports photographers worldwide and roughly the same number of freelancers. In addition to Fifa, Uefa and the Premier League it lists the International Olympic Committee and the NBA among its high-profile clients.

“Over last 10 or 15 years, rights-holders have realised they need a legacy of content. In 30- or 40-years’ time they will have high-quality content usable across all formats that can be passed on to their sponsors, partners and licensees. It gives them more of an asset,” Regan explains.

“The content we shoot works for editorial use as well of course. We are putting it on our platforms and generating revenue which comes back to the rights-holders.”

But in a changed environment, the brief from many rights-holders has been extended. For example, Getty creates the photographic record of every player in the Premier League in home and away colours ahead of every season, shots which will be used by broadcasters, media and Panini stickers.

That might seem like fairly mundane work, but Regan and his colleagues have seized on the limited time with the players to develop new ways of

capturing their personalities.

“We did player shots for Fifa ahead of the World Cup in Russia and decided we had to make the best use of the players time and encourage them to express themselves. They were brilliant and we had them in some fantastic poses which said something about them as individuals. Cristiano Ronaldo even broke through a background screen for the shot with us. The players like doing it and they love the shots for their social media output.

“Football has led the way in this respect, but now other rights-holders are seeing what has been achieved and are going the same way,” he says.

Sponsors too are increasingly appreciating the power of photography in new ways. “It used to be that they just wanted a shot of their board during a game but now it’s about the whole event and capturing it for social media,” Regan explains. ○

# The challenge facing the next EPL chief executive: media-rights growth has stalled

EPL global rights sales appear to confirm the view of the experts: the market has already peaked

About half of the league's 35% growth in international income was due to weak pound

It is thought a radical new approach may be needed in the next rights cycle



(Dan Istitene/Getty Images)

## Frank Dunne

**E**arlier this summer, the English Premier League made a tactical substitution, replacing Spencer Stuart with Russell Reynolds. Not up-and-coming talents in the league's Asia Trophy showcase tournament but head-hunting firms tasked with what has turned into a surprisingly difficult search for a new chief executive.

Replacing the outgoing Richard Scudamore, who announced over a year ago he was stepping down, was probably never going to be easy. And after two favoured candidates – Discovery's Susanna Dinnage and the BBC's Tim Davie – backed away, that hunt may have been made even more difficult by the results of the latest cycle of global media-rights sales.

Recent analysis conducted by *SportBusiness Media* revealed the extent

to which the once unstoppable force of the Premier League has hit the immovable object of the market. And, as someone once said, you can't buck the market.

Overall cycle-on-cycle growth for the league, including domestic and international media rights, was eight per cent, from £2.907bn (€3.174bn/\$3.538bn) per season in the 2016-17 to 2018-19 cycle to £3.143bn per season in the 2019-20 to 2021-22 cycle.

Domestic revenue dropped 7.8 per cent, to £1.686bn per season, in the 2019-22 cycle. This was driven largely by the drop of 9.6 per cent in the value of live rights, to £1.548bn per season. The value of domestic live rights had grown by 70 per cent the last two times the league came to market. The international increase expressed in sterling was to £1.457bn per season, up from £1.079bn per season, or 35 per cent.

Most sports bodies can only dream of earning \$10bn-plus in a three-year cycle. It leaves the English league comfortably out of reach of its rivals in Spain, Italy, Germany and France.

But the numbers mask an important fact: while international growth compensated for the domestic drop, half of that growth was due to the depreciation of sterling in the wake of the UK's June 2016 vote to leave the European Union.

Without the sterling dip, growth would have been around two per cent. Or put more brutally, close to flat. And if the Premier League is struggling for media-rights growth, what does that mean for everyone else?

As Phil Carling, managing director of football at the Octagon agency, puts it: "The significance of these numbers is that the English Premier League is the bellwether for the market as a whole and is comfortably the most

sophisticated in terms of its approach and development. The key issue is the decline of the subscription-based pay-TV model, which is being eroded by piracy and digital alternatives, especially in the under-35 demographic. The EPL broadcast machine has been wholly reliant on the success of this model.”

Carling is not alone in seeing difficulties ahead. Consultant Phil Lines, who headed up the league’s international rights sales division for eight years, from 2002 to 2010, argues that monster deals in China and the US also help hide a worrying underlying trend.

“If they had to negotiate deals now in the US and China, they wouldn’t get the same value,” he says. “I think those two deals distort the current picture. The figures seem to show a little dip on domestic but it’s still going well on international, but I don’t think that’s the way sports media rights are heading. The deals in China and the US were done at the height of the rights market, probably the peak – around 2015-2016 – but I don’t think deals will be repeated at that level.”

He adds: “If I were a club, I wouldn’t be going out setting record transfer fees. If the TV rights peaked in 2016 and the transfer prices are still going up, that’s a problem isn’t it?”

And while a weak pound helps boost the sterling numbers, it is not – overall – a blessing for the league’s 20 member clubs. They still have to buy many of their players in euros and pay salaries that are competitive with those in other economies. In recent weeks, the pound has slumped to a 28-month low against the dollar and the Euro as a result of growing expectation that the UK – under new prime minister Boris Johnson – will exit the EU in October without a negotiated withdrawal agreement.

**Other concerns**

There are other concerns for the league when surveying global markets ahead of a next round of sales, from 2022-23 onwards.

1. The FAANGs didn’t bite. With pay-television markets maturing in many parts of the world, rights-holders have

been praying the big tech and social media companies will spark the next platform wars that drive up values. But there were no international bids from Amazon, which dipped its toe gently into the domestic rights market with a handful of matches. Facebook agreed deals in Thailand and Vietnam that fell through after unforeseen problems emerged when negotiating the long-form agreements. And that was it.

2. Five markets account for almost half of global revenues and in four of those markets – China, sub-Saharan Africa, the Middle East and North Africa and France – there are strong reasons to doubt whether the league can continue to grow.

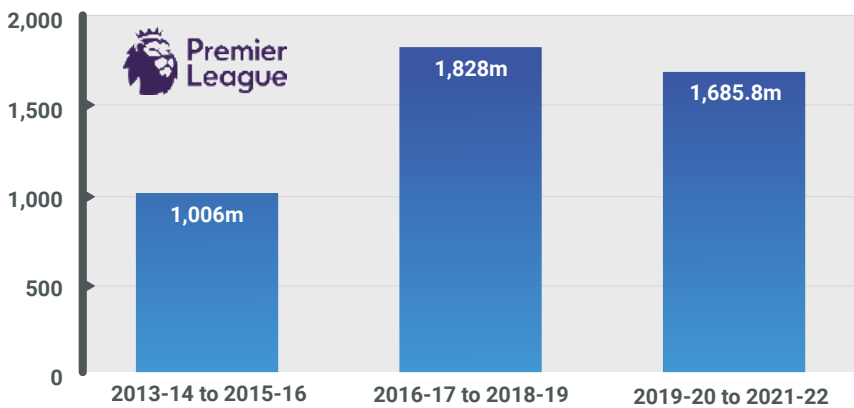
In China, the league struck at the perfect time, with the market overheating, but that moment has passed. In Mena, league rights-holder beIN Media Group is being crippled by

piracy and is cutting its spending on rights. In sub-Saharan Africa, the league rights-holder SuperSport is facing a major regulatory squeeze that could hit the broadcaster’s investments in rights. And in France, a period of fierce competition in the market has been replaced by a more collusive culture.

The other market with a big deal is the US, where the league sold its rights for six seasons to NBC in 2016. Here, there are arguably more grounds for optimism. With the US co-hosting the 2026 Fifa World Cup, and the all-conquering women’s national team hogging the headlines on and off the pitch, the signs for future growth are positive.

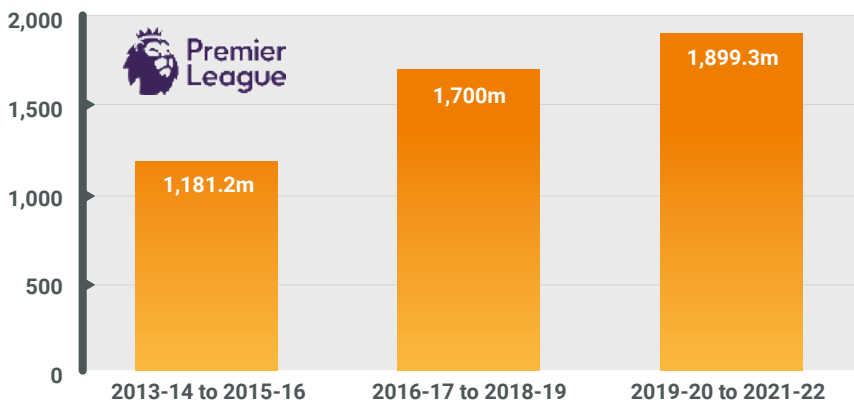
3. The Asian rights boom is over. The expanding Asian market has been one of the biggest drivers of growth for the league over the last two decades, but in the new cycle four of the five biggest

ENGLISH PREMIER LEAGUE DOMESTIC RIGHTS, 2013 TO 2022 (£ PER SEASON)



Source: SportBusiness Media Rights Tracker

ENGLISH PREMIER LEAGUE INTERNATIONAL RIGHTS, 2013 TO 2022 (\$ PER SEASON)



Source: SportBusiness Media Rights Tracker

| TOP FIVE % DECREASES FOR EPL IN 2019-20 TO 2021-22 CYCLE |                          |            |
|--|--------------------------|------------|
| Territory  | Buyer                    | % Decrease |
| Caribbean  | Caribbean Premier Sports | -61.5      |
| Hong Kong  | PCCW                     | -51.5      |
| Thailand, Laos, Cambodia                                 | TruVisions               | -50        |
| South Korea  | SpoTV                    | -42.9      |
| Japan  | DAZN                     | -34.5      |

Source: SportBusiness Media Rights Tracker

percentage drops anywhere in the world came in the region. These were in Hong Kong (a 51.5-per-cent drop), Thailand (50 per cent), South Korea (43 per cent) and Japan (34.5 per cent).

**New thinking**

The league came very close this cycle to launching its own OTT platform in one market – Singapore – but the clubs got cold feet and decided to go for a traditional broadcast deal, despite a fall in value of over 30 per cent in its renewal with telco SingTel.

The league has been looking into OTT for some time. As reported exclusively by *SportBusiness Review* in November 2018, the league brought in consultants Alvarez & Marsal to advise on an OTT strategy from 2022-23 onwards.

Other rights-holders now consider it essential to have some kind of direct-to-consumer OTT option in their armoury, at very least for the ‘dark markets’ where they have struggled to secure value from traditional broadcasters. The IMG agency has been using this twin-track approach – launching an OTT platform while continuing to negotiate with broadcasters – with some success in its distribution of Serie A rights.

For Lines, a future strategy will not take shape until a new chief executive is appointed. “They might think they can see the way this is going and decide they need to launch their own direct-to-consumer global service. That would be extreme, but we just don’t know. If they stay true to form, they will continue to go with who offers the most dollars. I think there is unlikely to be any increase in the domestic market so there could be more pressure to go for

*“The good news for the EPL is that its intrinsic product remains strong...the problem is one of platform not content.”*

**Phil Carling** | managing director of football, Octagon

the bigger dollars overseas.”

Carling points out that, fortunately for the league, its challenges are not caused by any decline in interest among fans. “The good news for the EPL is that its intrinsic product remains strong; in many people’s view the best. Consequently, the problem is one of platform not content.”

A new strategy would probably involve working across a combination of platforms, he argues, and may even see the return of free-to-air coverage “in markets where audience scale tops rights fees”.

The next cycle will be critical. “It will be pivotal in defining the new era for elite sports content, with the Premier League still leading the way”.

Taking the UK as the most mature EPL market, the increase in football rights fees over previous rights cycles has resulted in Sky cutting back on its investment in a broader portfolio of rights, while at the same time raising subscription costs.

This has created the double whammy for subscribers of less content costing more. With less packaged content, the risk is that subscribers become more open to building their own more flexible OTT portfolio, helped by the fact Sky now allows them to dip in and out of their favourite sport content. Sky’s latest results suggest Now TV

growth is starting to cannibalise its own long-term subscriber base.

What does this mean for the long term? Apart from long-term downward pressure on subscriptions, daily or weekly Now TV purchases start valuing sport as events or matches, rather than as an annual package or portfolio of rights. The EPL will continue to sell its rights collectively over the medium term, but if the data demonstrates a Man United game is worth many multiples more than say, an Everton game, the way Sky sells the rights could continue to evolve toward a match-by-match approach, ultimately putting pressure on the way the EPL sells those rights.

This disruption of traditional subscription models will impact competition in another way. The traditional telcos such as BT, who have dipped their leg in the well of sports content, are beginning to realise that strategically it makes no sense bidding up the rights value when it is far cheaper distributing third-party content. BT is likely to evolve over time into a content gateway, offering OTT and subscription TV on behalf of others. This is the route the FAANGs will also take. It is hard to see any strategic benefit to Amazon in spending billions on the EPL when it can make a margin on selling third-party channels.

Sky is likely to resist selling its content on Amazon, as that would further erode both its long-term subscriber base and its control of the subscriber relationship. But if BT exits the acquisition market, and the FAANGs are not interested, where does that leave the EPL? The obvious answer is the threat, or partial launch, of its own OTT service.

Amazon’s experience in the UK with its own EPL service will help inform the EPL, and Amazon’s marketing and distribution potential would make it the perfect partner for any EPL OTT service. The threat of taking EPL content elsewhere should hold up Sky’s rights fees in the medium term. There is too much value wrapped up in the EPL for Sky to become too aggressive in lowering its bid.

But the days of the mega increase would seem to be over. ○

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# Euroleague Basketball's great leaps forward

Changes to the format of the top-tier EuroLeague – and the joint venture with IMG – has unleashed growth in every aspect of the business, especially media and sponsorship.



(Aitor Arrizabalaga/EB via Getty Images)

**E**uroleague Basketball has been the pinnacle of European club basketball for almost 20 years. Since its inception in 2000, it has allowed the clubs the opportunity to become stakeholders in their own success, but it's over the past three seasons that the competition has truly come into its own.

Since the 2015-16 season, when Euroleague Basketball agreed a joint venture partnership with IMG, the competition's commercial growth has exploded. Overall revenue has more than doubled, growing by 2.3x in three years.

In 2015-16, the Turkish Airlines EuroLeague changed format, from a tournament comprised of a group stage followed by a knockout phase, to a round-robin league followed by post-season playoffs. The positive response from fans and commercial partners has made it the second-fastest growing top-tier sports property in the world, according to research by SportBusiness.

This is visible in all areas of the business – media, sponsorship, live events and hospitality – but the change seen across media and sponsorship has been transformative from both a revenue and an audience perspective.

The competition has massively increased revenue in both core and development markets, but has particularly thrived in Spain, Greece and Turkey – markets in which other premium properties have struggled.

Television and live audiences are both growing. Overall attendance-per-match has grown by about 10 per cent across all EuroLeague Licensed clubs – those with a permanent place in the competition – since the joint venture began. Thanks to the change of format, each club is playing a significantly greater number of EuroLeague fixtures per season, boosting revenue for the clubs.



“Our opinion is that the change of the format was fundamental,” says Euroleague Basketball president and chief executive officer Jordi Bertomeu. “The joint venture was at least of the same importance, but without the change of the format it would have been very difficult to tell a new, improved story to our partners.”

The competition expands to 18 teams in 2019-20 – the first of several territorial expansions planned for the coming years. With expansion across western Europe already under way and a UK franchise on the horizon, Euroleague Basketball is set to become premium sports property across every major market across the continent.

### Media growth

The biggest driver of revenue for Euroleague Basketball over the past three years has been media rights – particularly via new deals in Spain, Greece, Turkey and Israel. The deal in Spain with streaming platform DAZN has cemented Euroleague Basketball as a top-tier property in the country, while consecutive renewals with Greek pay-television broadcaster Nova have brought strong increases each time.

Turkish broadcaster beIN Sports has enjoyed the excellent performance of Turkish clubs over the past four seasons, and Euroleague’s popularity surge in the country is showing no signs of slowing down. Turkish clubs have appeared in the final for the past four seasons.

“I think that the fact that we have probably fared a little bit better than other properties is the consequence of the growth of basketball in the country,” Bertomeu says. “In the last five years, Turkey has been the country where basketball has been growing in the most significant way.”

Lucrative deals are also being struck in development markets such as France, where broadcast partner RMC Sport covers every game played by ASVEL, the team backed by Olympique Lyonnais football club. ASVEL is guaranteed to

compete in the next two seasons of EuroLeague alongside fellow wildcard team FC Bayern Munich, which played in last season’s EuroLeague via domestic qualification.

According to Nielsen research, 1.6 million people in France are very interested in the EuroLeague, with the number rising to two million in Germany. The profile of these consumer is very interesting: wealthier and younger than that of most competing major sports. There is a far greater number of general basketball fans in each country who could potentially become Euroleague fans, providing an excellent foundation to build upon in the two territories.

“Our sales process has been about trying to show the value of Euroleague for different partners,” says Xavier Bidault, commercial director of basketball at IMG. “We’ve done research about what fans think about our clubs, what they think about the Euroleague, how they value Euroleague as part of their pay-television subscription, how it influences their decision to pay for subscription packages. When we’re in the sales process, we can go to different partners and say, ‘this is what we feel is the value of the property’.”

Along with revenue, audiences are also growing. Cumulatively, 1.3 billion people watched the competition on television during 2018-19, and a further 1.8 billion either watched or read about the EuroLeague. The combined 3.1 billion cumulative viewership is eight per cent higher than in the 2016-17 season.

On the digital side, Euroleague Basketball amassed almost 900 million impressions across all social platforms during 2018-19 and had a greater engagement rate than the Uefa Champions League, Premier League, LaLiga and the NBA.

### Sponsorship growth

Euroleague Basketball now has 26 different marketing partners spanning food and beverage, IT, insurance, clothing, banking, tourism, motoring, travel and collectibles. Since the creation of the joint venture with IMG and the launch of the new league format, sponsorship revenue has almost doubled.

The rapid growth of the sponsorship and marketing programme is due to three main factors: adopting a more data-driven approach; switching from a platform-based offering to one based on targeting specific demographics;



Jordi Bertomeu, Euroleague Basketball president and chief executive officer (Boris Streubel/Getty Images)



(TF-Images/Getty Images)

and bringing in staff with the relevant expertise.

“We have a wide variety of sponsors, both on the pan-European scale and on the national scale, and to be able to service those partners, we needed a different structure – a structure that had more resources, more manpower to service those accounts, but most of all had the right expertise. And that’s where

we’ve seen a very, very important shift.” says Jose Luis Rosa-Medina, Euroleague Basketball’s senior director of corporate partnerships and licensing.

“On a conceptual level, we changed the way we sold sponsorship from a platform model to demographics model. That has been the most important change,” Rosa-Medina says. “To be able to do that, execute on a sale and deliver

accurate activation and integration between different departments, we needed different knowledge and different people.”

This new approach has helped Euroleague Basketball service its partnerships far more effectively, bringing a brand’s desired demographic to them in any way possible – be they international brands or local start-ups. It has also enabled the continued expansion in the number of partnerships it can agree while ensuring its marketing platforms don’t become cluttered.

Rosa-Medina adds: “We’re giving every respective client a space within the demographic they were looking to engage. A 40-year-old woman is going to consume differently from a 25-year-old basketball player, right? We’ve created the platforms, chosen relevant games and relevant programs that engage with that specific demographic, and we give that tailored package to our partners.”

### A stable platform for expansion

The expansion of media and sponsorship programmes is all built upon Euroleague’s new-found stability. From 2016-17 to 2018-19, 11 of the 16 EuroLeague clubs held 10-year licences, guaranteeing their participation in the competition. This has enabled broadcasters and brands to feel confident in increasing the scale and duration of their investments.

The 50-per-cent fee increase paid by DAZN from 2019-20 is due to the streaming platform’s confidence that the competition will be strong in Spain each and every year. Real Madrid, Barcelona and KIROLBET Baskonia Vitoria-Gasteiz all possess Licences, ensuring at least three Spanish teams competing every season.

“This has been the main reason why we have been successful in growing the business,” says Bertomeu. “With the knockout system, it’s always about seeing if the clubs are lucky, or who they get in the draw. We could have spent five years without watching a single match between Real Madrid and Panathinaikos.”

Because this match-up is guaranteed every season, the EuroLeague can offer a stable package to broadcasters and brands looking to reach audiences across Europe of all ages and genders.

This stability is also attractive for investors and future franchise owners. The opportunity to guarantee participation in EuroLeague makes owning a team in a major European city an enticing prospect.

Negotiations to open a franchise in the UK have been ongoing for years, and the competition is talking to different investors from the UK and other markets while evaluating where this franchise will be based and when it will join the EuroLeague. Any team created in London will slot straight into the EuroLeague and will likely not play in the country's domestic league.

The UK is Europe's biggest media market, and the potential for a basketball team is huge. Nielsen research suggests that basketball has higher participation rates than cricket and rugby, and that 2.1 million people in the UK would be interested in a UK team playing in EuroLeague.

"Our main priority in the UK at this moment is creating a team in London," says Bertomeu. "This is where we are more focused in this moment, but we are not closing doors. We believe Manchester could be another interesting destination. We are conducting our research together with Nielsen and other partners to help us in taking the right decision and establish a franchise where we believe will be more successful in terms of the financial and market conditions."

### Standing on their own two feet

As centralised revenues are growing consistently, Euroleague is now beginning to focus on helping its clubs integrate into the competition's ecosystem and provide tools and advice that can boost their revenues.

The Business Operations and Club Services department (BOCS) is dedicated to helping clubs reform

financial practises, boost revenue-earning potential and increase social media presence, among other things.

The Euroleague Basketball Business Summit, held in July, was attended by more than 90 business professionals from clubs across the EuroLeague and second-tier EuroCup competitions. The event helped clubs share their success stories and spread commercial knowledge throughout the family of clubs, and furthered the philosophy that EuroLeague stakeholders are only rivals on the court. Off the court, they are business partners looking to achieve the same goals – increased revenue and eventual profitability.

"We believe it is absolutely fundamental to help the clubs to grow their business activities," Bertomeu says. "We're trying to help the clubs to develop commercially by establishing and sharing best practices with the clubs and acting as consultancy services for them. BOCS helps them with strategy around selling tickets, optimizing the revenues on game days, digital strategy, packaging sponsorship – all these different verticals of the business. BOCS is not working for us but working for the clubs."

To speed up this process, Euroleague Basketball is continuing to strengthen its Financial Stability Fair Play Regulations. Shareholder contributions were capped at 65 per cent during 2018-19, and this will be gradually reduced to 40 per cent by 2022-23.

Clubs that exceed the maximum shareholder contribution will face a penalty of between 10 per cent and 180 per cent of the overspend, depending on the severity of the violation. Commercial partnerships will be evaluated to prevent inflated valuations of deals involving the outside interests of shareholders.

Euroleague Basketball's vision is of a competition that spans the entirety of Europe, with increased parity the result of successful, profitable clubs with solid business foundations. Improved business conditions will lead

to a higher standard of basketball and greater potential for clubs to invest in their communities, simultaneously growing basketball from the top down as well as from the grassroots in every major European market. ○



(Francesco Richieri/EB via Getty Images)



# Gain a competitive edge in your career

**Josh Keiles**, vice-president of business development at the National Sports Forum, is one of many sports industry executives to benefit from the renowned student and alumni network of Ohio University's PMSA.

In an industry built on connections, Ohio University's Professional Master of Sports Administration (PMSA) student and alumni network serves as an outstanding launchpad for executives seeking to take their career to the next level, according to Josh Keiles, one of the industry's rising stars.

In 2018, three years after graduating with a bachelor's degree from Columbia University, and having secured a firm foothold in the sports industry by rising through the ranks to lead the National Sports Forum's business development department, Keiles was looking for a competitive edge.

Like many ambitious professionals who are already working in the sector, Ohio University's PMSA provided an enticing opportunity.

## Strong relationships

"During my two years with the NSF, I'd been privy to the power of the Ohio University network and also been able to develop some strong relationships with school faculty and alumni, several of whom are on the NSF Steering Committee," Keiles says.

"I had long considered some type of post-secondary education. However, I was at the point in my career where I was getting in a nice groove in my professional life and the idea of taking time off to focus solely on school seemed more and more unrealistic the longer that I went in my career."

The flexibility of the programme is a particular attraction for students, many of whom have been working in the sports business for several years.

For example, course leaders make a conscious effort to shift the bulk of the workload away from months and semesters in which a student already has significant work commitments



Josh Keiles

in the industry. In addition, online resources are readily available, offering an adaptable solution to students based remotely or on the move in their day-to-day job.

The collaborative nature of the programme, with alumni encouraged to support students, ensures that valuable face-to-face connections are also established.

Scheduled in-person residencies, for example, bring together students four times each year to provide outstanding networking opportunities for like-minded peers, as well as a vital learning experience.

"You'd be hard-pressed to find a school that does as much to help facilitate connections between students and alumni," Keiles adds.

"Throughout the programme, the administration and alumni do such a great job drilling in the importance of giving back to those who came through the programme before them.

"As a result, it winds up being very easy to connect with and meet alumni at every turn.

## Competitive advantage

"The ability to take a look at the Ohio University directory at any given time – and feel very confident that if you reach out to someone in there, they're more than likely going to get back to you and give you some time to connect – is something that you can never take for granted, but you should absolutely take advantage of," Keiles adds.

Keiles believes that the PMSA has taught him the value of mentorship in professional development – and how it goes hand-in-hand with continuing education.

Moreover, in an ever-expanding industry, being able to broaden horizons beyond a specific area of focus to encompass other knowledge strands is increasingly important.

"I'd say the biggest thing that the programme has helped with is exposing students to different areas within sports business that they may not be familiar with," he says. "For me, in my role at the NSF, I focus on sponsorship, marketing, revenue generation and so on, but I'm not necessarily exposed to as much in operations and logistics, facilities, sports law, analytics and other areas. This programme helps to 'even out' that base of knowledge across the industry."

Keiles is convinced that the PMSA will continue to provide the foundations that will help him to progress further in the sports sector.

"Moving forward in my career, I think this will serve me well. Ultimately, I'd like to wind up on the agency side, where I could work with various brands on developing their strategy for sports sponsorships. But I would be okay doing anything that allows me to continue to develop relationships across the industry, because at the end of the day, relationships are what it's all about!" ○

# MiLB seeks to drive sponsorship to “biggest levels in the market”

Affiliated Minor League Baseball leagues have added more than a dozen new sponsors since 2016

Ongoing alliance with tech company ISM Connect is bringing smart displays to MiLB ballparks

Copa de la Diversión is a key element of MiLB's outreach to the Hispanic market, driving its revenue up



After more than three years of steady growth building a national sales operation, the affiliated minor leagues of baseball have growing ambitions

## Eric Fisher

**M**inor League Baseball's national sponsorship effort, which began in earnest just a few seasons ago as a self-described “white space” in the North American sports sponsorship landscape, is now big-game hunting.

Flush from several seasons of steady growth picking up more than a dozen new corporate partners – in many cases regional brands looking for their own national presence – in categories such as snack foods, airlines, and power tools, baseball's affiliated minors now have their sights set squarely on top-tier sponsorship sectors such as soft drinks, financial services, and telecommunications, as well as international opportunities.

“We believe we can play at some of the biggest levels in the market,” says

David Wright, MiLB chief commercial and marketing officer. “We have big ideas of where we want to go, and we are well positioned to get there. There's been a level of education out in the market that we've had to go through. But now we're getting past that and we're hitting our stride.”

Such ambition, however, is still a rather unlikely story for a property obviously not at the top level competitively in their sport, but also one historically existing as a loose federation of locally-oriented clubs.

That prior inward focus, as well as the lack of a regular presence on national TV, for many years made it difficult for MiLB to construct a meaningful national sponsorship business. But change first began to foment in 2008 with the pooling of the 160 affiliated clubs' digital rights to create the Baseball Internet Rights Co. (BIRCO) in

partnership with MLB.

That development led to the live streaming of what is now most minor-league games, and more critically, advanced the “Power Of One” notion repeatedly championed by MiLB president Pat O'Conner and helped instruct local club owners on the untapped commercial opportunities existing beyond their individual markets to create new shared revenue.

That success gave way to the introduction of Project Brand, the formal name of MiLB's national marketing and sales effort, in late 2012. But even with that expanded mindset, it wasn't until Wright's arrival to MiLB in early 2016 that corporate sales truly began to escalate.

A former senior executive with Major League Soccer and its commercial arm Soccer United Marketing, Wright landed deals with agricultural machinery



The Copa de la Diversión, a key element of Minor League Baseball's outreach to Hispanic audiences, has driven meaningful boosts in both attendance and merchandise sales

giant John Deere and Uncle Ray's, a Detroit-based, regionally-focused potato chip brand, within a matter of weeks of arriving at MiLB's St. Petersburg, Florida, headquarters.

Prior to the MiLB deals, John Deere had been aligned with the PGA Tour and Uncle Ray's had dabbled in motorsports sponsorship. But neither brand had previously been active purchasers in the sports sponsorship market.

"We are competing against some very large brands in our category," says Lori Rader, vice-president of sales and marketing for Uncle Ray's, whose rival chip brands include giants such as Pepsico's Frito-Lay and the Kellogg's-owned Pringles. Uncle Ray's chip bags around the US now feature the MiLB logo, and the deal was last year extended through 2021. "But our partnership with Minor League Baseball has allowed us to expand our geography and position ourselves in the marketplace as a family, value-based brand. It's certainly worked well for us."

Uncle Ray's would go on to post double-digit percentage sales increases, far higher than the potato chip category overall, according to IRI, a Chicago-based market research firm. It would be the start of a flurry of dealmaking for MiLB that also brought alignments with companies such as Allegiant Air, power

tool maker Echo Inc., baked beans brand Bush's, and security solutions provider Guardian Protection, among many others.

Financial terms have not been disclosed, but collectively the set of agreements has resulted in "very substantial revenue growth" for MiLB and its member clubs, Wright says.

Now, armed with advancing digital technology, a marked willingness to deviate from tradition in the name of new ideas, and the three-plus years of demonstrated success, MiLB is seeking to move to a higher level in its corporate dealmaking.

"We now have a big opportunity to lean even more into the attributes that make us uniquely us," Wright says.

#### A particular set of factors

Organised professional leagues exist at the minor league level of competition in many other US sports. The National Basketball Association in particular operates its own minor league, the G League, and is tightly linked to the rest of their operations and is also quickly growing in stature.

But no other minor league property in the US holds the same kind of scale and historical roots as MiLB. Existing since 1901, the organisation operates 160 teams in the United States and Canada,

offering a level of geographic market reach unrivaled by any other American pro league, either in major or minor league competition.

Many of those teams exist in cities with fewer than 100,000 residents, and often much smaller than that, with a primary goal of helping groom prospects to be able to play at the MLB level. But collectively, MiLB combines to draw about 42 million people per year, far more than any American pro sports property except for Major League Baseball, with an organisational goal to raise that annual figure to 50 million by 2026.

A key element to that attendance draw, and MiLB's brand image generally, is its heavy focus providing affordable family entertainment. The average cost for a family of four to attend a MiLB game with tickets, parking, and concessions is below \$70, a fraction of the prices charged in the US major leagues, where a comparable family cost figure can easily surpass \$200.

That relative affordability, along with a propensity for more extreme promotional campaigns and food offerings, has become a fundamental component of MiLB's overall brand. The property has routinely topped various fan surveys as providing the best value and most family-friendly option in US sports.

"There are two constants in the marketplace," Wright says. "Everybody has a Minor League Baseball story of some sort, whether it be the first game they attended, some type of personal connection, or something else. Everybody has a story. And everybody also has a positive impression of MiLB. That provides us an incredible foundation on which to build."

MiLB has also sought over the past two years to make Hispanic audience outreach a core tenet of its operations. The organisation last year introduced the Copa de la Diversión (Fun Cup), a Hispanic-themed element of its broader "It's Fun to be a Fan" marketing campaign. The effort, expanded significantly for 2019, involves nearly half of MiLB clubs using temporary Hispanic-themed nicknames and visual identities for selected games that offer more authenticity and local engagement than simply placing a "Los" in front of



their existing monikers.

The dedicated Copa games last year generated a 12.6-per-cent attendance jump compared to their calendar equivalents in 2017, and a 24-per-cent higher average attendance compared to non-Copa games in 2018. Robust merchandise sales around the Copa push also helped fuel MiLB to an organisation record \$73.9m in retail merchandise sales in 2018. And Echo Tools has since signed on to be the official outdoor power tool of the ongoing campaign.

“The inclusivity piece has been critical to who we are and where we’re going, and it’s a core value for us,” Wright says. “Our ballparks need to look like each of their communities.”

### Future views

With traditional media distribution never going to be a primary element for MiLB, the organisation is now seeking to invent new forms of content exposure for itself and its corporate partners.

MiLB last year struck a deal with ISM Connect, in which the Pennsylvania-based venue technology company will spent at least \$15m – and likely much more – to develop and install a network of video display screens at participating team ballparks.

Those screens, operating as a more nimble version of a fixed digital billboard, will include a series of interactive experiences, team content,

digital marketing, and sponsor integrations.

Allegiant Air has signed as the title sponsor of the newly-created media network, which this year involves more than 300 smart displays at nearly 30 ballparks, with many more planned for subsequent seasons.

“Already, we’ve built the only smart network of fan engagement technology, developed and published captivating content, and added a new dimension to the fan experience,” says Kent Heyman, ISM Connect’s chief executive.

MiLB, meanwhile, is also working with Octagon, the global sports and entertainment agency, to develop an overarching media and content strategy that takes full advantage of ongoing US media trends that are showing rapid growth for over-the-top digital video

delivery, social media, and mobile-based content. The engagement with Octagon, relative to MiLB’s history, represents a new push by the affiliated minors to create a long-term, systemic, and research-driven vision.

“We’re trying to get a much better understanding of our entire portfolio and what our opportunities are,” Wright says. “The brands are pushing us to be better, which we welcome, and part of that is coming to market with a much more comprehensive and organised set of offerings.”

In the coming months, MiLB also expects to seek out an increasing presence in the gambling space, similar to the fast-growing collection of official data partnerships and sponsorships struck by US major leagues since last year’s US Supreme Court ruling to allow US states to legalise sports wagering.

O’Conner, on deck to remain MiLB president for a fourth term, says he remains keenly concerned about protecting minor league players, umpires and scorers from falling prey to game fixing, particularly given the lower pay scales at that level. MiLB has leaned heavily on its MLB counterparts for webinar content and guidance helping to instruct its personnel on organisation rules around gambling, most notably a blanket ban around betting on baseball.

But those issues will not stop MiLB from also seeking to commercialise certain components around legal sports wagering.

“I fully expect that we’ll do a data deal in this space,” O’Conner says. ○



Minor League Baseball’s alliance with venue technology company ISM Connect has brought a series of smart displays to ballparks



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# MLB aims to ‘democratise’ esports with inclusive push of Home Run Derby VR

MLB has already staged three formal competitions around virtual home-run hitting competitions

League has drawn audiences from numerous demographics for its esports events

Game has represented a key success story for frequently debated virtual reality technology



Primed to swing at the 2019 Home Run Derby Virtual Reality Championship

## Eric Fisher

**T**he scene inside Major League Baseball’s Play Ball Park, the fan festival held in conjunction with the annual All-Star Game, looked at first glance much like many other esports event.

Staged inside Cleveland, Ohio’s Huntington Convention Center at the booth for the league’s *Home Run Derby Virtual Reality* (HRD VR) game, there was a live video production being streamed on Twitch, an enthused in-person crowd growing toward the tournament finals, and plenty of heated competition throughout, including a walk-off home run to clinch the title.

But that is essentially where the similarities to most esports competitions end, particularly those staged or hosted by other major US stick-and-ball sports

leagues and venues.

There was nothing near the \$30m (€27m) prize pool doled out last weekend for the Fortnite World Cup finals at the USTA Billie Jean King National Tennis Center, with winners instead getting a MLB All-Star Game merchandise prize pack, a Tiffany-made trophy, and tickets to the All-Star Game events.

Unlike the National Basketball Association’s NBA 2K League based on the series’ simulation-based video game title, *NBA 2K*, there are no city- or team-based franchises for baseball’s *HRD VR* competitions. *HRD VR* players are not elite professional talent, but instead come from all walks of life and often veer far from the college-aged male demographic currently dominating esports at large by drawing heavily from women and children.

Unlike most esports events like

Electronic Arts’ Madden Championship Series, based around the *Madden NFL* game franchise, the baseball esports competitions are not stand-alone events. Rather, they are held adjacent to real-world events such as the All-Star Game and Little League World Series.

And unlike the heavy strategy and PC-based gameplay often dominating the first-person-shooter titles common in many esports events, *HRD VR* is a simple and intuitive yet immersive grip-it-and-rip-it home run-hitting contest, where players use a video game bat and try to hit as many simulated homers as possible within the given time. Compared to many other sports video game titles, not to mention those in other game genres, *HRD VR* is heavy on direct player agency and relies far less on artificial intelligence.

Such is MLB’s esports business strategy, as it seeks to be much more

inclusive and participatory and also help feed other existing tentpole events rather than forge its own elite-oriented path in the emerging space. And by doing that, league executives believe they can ultimately reach a far wider audience and also serve existing revenue sources.

“We want to make sure we are entering the market in a way that has the largest and widest growth opportunity,” says Jamie Leece, MLB senior vice-president of games and VR, and the league’s point person for its esports strategy. “We see *HRD VR* as a way to democratise esports.”

### Organic growth

MLB’s original path toward esports was not about esports or organised competition at all. The league originally debuted *Home Run Derby* in 2013, a consumer-oriented video game that featured avatars of real-life Derby participants and MLB ballparks.

That title was then expanded in 2017 to a virtual reality version, extending an industry-wide trend in which the immersive media format has proven far more successful in a gaming context than it has as a distribution avenue for live sports broadcasting.

The league that year to great success introduced fan engagement-based, non-competitive versions of *HRD VR* at that year’s All-Star Game in Miami, at the MLB Battlegrounds fan festival in London, and started the first of what is now 19 MLB ballpark-based deployments that fans can play while attending a real-world game.

At some of those initial events, wait times to play extended beyond two hours and drew a wide demographic swath, serving as something of a lightbulb spark for Leece and his colleagues.

“We got everybody, really,” Leece said. “Moms, dads, kids of all ages, boys and girls, older folks, people from all different walks of life. It really opened our eyes.”

Those initial forays were also boosted by the increasing integration of MLB’s real-world Statcast technology and realistic renderings of every MLB team’s stadium into the league’s suite of video games, which includes the other flagship title *RBI Baseball*. The Statcast data, used in actual MLB and Minor League Baseball games, provides a series of advanced metrics including exit velocity, launch angle and distance traveled for hits – all critical data that was infused into *HRD VR*.

“Every iteration, every improvement of what we do is a benefit across the entire portfolio,” Leece says. “The development we do on other games fuels *HRD VR*, and vice versa. So it accelerates our path across the board.”

Still, there had to be a first step from moving from strictly a consumer product and fan experience element into a competitive arena. And that step came at last year’s All-Star Game in Washington DC, where after months of planning the league expanded its batting cage-style setup from Miami the prior year and established two rounds of formal competition. A series of open qualifiers yielded a set of the top 32 scorers, who then squared off in a bracket-style competition.

And again showing the game’s marked demographic divergence from other forms of esports, not to mention general sports fandom overall, the four semi-finalists in that first event were all younger than 12, and the competition was won by a nine-year-old from Staten Island, New York.

“There’s such an easy accessibility and inclusivity about *Home Run Derby VR*,” says Jamie King, executive vice-president of esports for Engine



A production of a Home Run Derby Virtual Reality competition streamed live on Twitch and hosted by MLB Network and NHL Network broadcaster Jackie Redmond alongside influencers ‘Shelfy’ and ‘Fuzzy’ (Maureen MacGregor/MLB)

Shop, the Bruin Sports Capital-owned experiential marketing agency. King and Leece previously worked together at video game publisher Take-Two Interactive, and Engine Shop has helped MLB develop and stage the *HRD VR* competitions and corresponding live productions.

“There’s been research that suggests that at much as 70 per cent of video game players consider themselves competitive players. Not competitive in the sense that they’re going to be professional and this is going to be a career, but still competitive against others. So there’s a huge audience out there that can still be directly engaged in and around esports, and this is a property that can be really appealing to that audience. There are really no barriers to entry to playing this game,” King says.

That ease, in turn, makes *HRD VR* and its related competitions a key element of the league’s broader goal to attract new fans, in part to stem an ongoing attendance decline, and like every other sports property to lower its average fan age.

“We see this connecting beyond baseball,” Leece says. “We want to help remain our audience of who we are in part through this game, but we also want to grow awareness of the sport more generally.”

### Markers for success

That initial *HRD VR* competition in Washington drew more than 120,000 concurrent viewers on Twitch, good enough for the top live streaming video on the popular site at the time. This year’s event in Cleveland, Ohio, drew a total of 617,000 unique viewers, again ranked as the top live streaming video on Twitch. The peak concurrent number for Cleveland was about 85,000 viewers, showing a drop from Washington, but MLB still found improvement across a variety of engagement measures.

Additional data from Nielsen showed MLB’s competition at last year’s Little League World Series, which was held roughly a month after the All-Star Game event in Washington, drew a total viewership of 362,000 on ESPN, representing the third-largest esports



draw on US television for all of 2018.

MLB will be returning with the *HRD VR* competition and a companion video production to the Little League World Series in August in Williamsport, Pennsylvania. There are also continued international ambitions, both for *HRD VR* and the league at large, and there will be fan experience booths for the game this fall at a baseball road show planned for this fall in China that may ultimately lead toward formal competitions outside of the US.

The league has not released financial results from the *HRD VR* efforts to date. But in these early stages, the immediate push for MLB remains less about on-site financial profits and more about growing fan engagement and participation, and also supporting existing efforts such as the larger events the gaming tournaments are part of.

Also critical for the league is building up the storytelling around each tournament and focusing heavily on the backstories of the competitors, even if they are children and don’t yet have much of a backstory. This particular portion is where Engine Shop has been most heavily engaged with MLB.

“What makes for good esports for the observer is when there is a narrative you can follow and interest in the outcome,” Leece says. “These are the elements where we have been really focused.”

Leece also promises that *HRD VR* will not be baseball’s only foray into esports. But further entries will follow along the same core principles of accessibility and inclusion.

“There will be other esports experiences from us beyond *HRD VR*,” he says. “You can count on that.” ○

# Football clubs have woken up to the power of FIFA and Pro Evolution Soccer

Game publishers' obsession with realism has transformed the licensing landscape

While elite clubs and leagues are taking advantage, licensing business is messy lower down

Decentralisation favours the top clubs, but prevents leagues from realising potential



## Callum McCarthy

**W**hile difficult for many from older generations to fully understand, virtual recreations of real-life sports have become just as popular as the real thing among people under the age of 25. The EA Sports *FIFA* franchise had 45 million unique players during 2018, while the player base for Konami's *Pro Evolution Soccer* series was an estimated five million strong.

Over half of those players have invested hundreds of hours into the game, meaning that much like its real-life counterpart, football video games are a multi-billion-dollar industry. Enjoyable, immersive gaming experiences are shaping millions of young lives in ways that music and film

can no longer achieve.

This cultural shift has given sports leagues and teams the marketing platform they've been looking for – the 50 million active players across *FIFA* and *PES* give rights-holders the opportunity to 'reach the unreachable' for hundreds, sometimes thousands of hours per person each year.

For the game publishers, achieving commercial success is no longer purely down to an accurate recreation of the sport itself. A sports game must also offer players a chance to feel what it's like to be a professional sports superstar – to play like the world's best players and provide the feeling of playing the world's most famous sporting arenas.

In order to do this, publishers spend hundreds of millions of dollars to license intellectual property, and many

more millions to digitally recreate it. As a result, football games have become so realistic that the bonds that develop between young people and the digital forms of players, clubs and leagues are incredibly strong, and directly transferrable to the real world.

## Big business

For the past 25 years, EA Sports has consistently spent more than Konami on licensing and partnerships with clubs and leagues, often tying them down to exclusive contracts. The continual expansion of its licensing programme has made *FIFA* the undisputed market leader over the past decade. *PES* once rivalled *FIFA* in the sales charts, but its historic failure to invest in licensing has massively reduced its market share.

Well-placed sources say EA Sports

spends between \$100m (€90m) and \$150m on partnerships and licensing each year, plus a large royalty fee to Fifa for the use of its name. Konami spends considerably less – between \$30m and \$40m on licensing and partnerships.

EA Sports' lead partner deal with the English Premier League, from 2019-20 to 2024-25, is understood to be worth well in excess of \$30m per season. The partnership began over two decades ago as a simple licensing deal but has now expanded to include patches on referee and assistant referee uniforms, sponsorship of in-broadcast stat overlays and LED time in Premier League stadiums.

The partnership continues to include a licensing deal covering all 20 Premier League clubs, but the amount of IP included in that licensing deal has exponentially increased since the original deal struck in the mid-90s.

EA's new deal includes the right to have every Premier League club's name, kit, crest, and stadium in its *FIFA* series. All 20 Premier League stadiums appear in painstaking detail, and each Premier League team has its anthems and songs recorded live at a stadium so that their appearance in the game is authentic.

The deal also includes exclusive rights to the ePremier League – the esports

version of England's top-tier league – which will be based on the *FIFA* game until at least the end of 2024-25.

Aside from its licensing and royalties deal with world football governing body Fifa, EA's partnership with the Premier League is its most important and most expensive partnership. It is also one of its most straightforward.

***“This market is muddy and non-linear. It basically depends on each country.”***

**Jonas Lygaard** | senior brand director, Konami

### Complex business

EA Sports' deal with the Premier League is unique in that all the intellectual property it could ever want from the league can be secured in a single deal. Premier League clubs agree to sell all their video game licensing rights as a collective, with virtually no intellectual property excluded. The Bundesliga is also organised in a similar fashion, with only its stadiums excluded from its collective licensing deal.

Most other leagues and competitions are far more difficult to pin down. Many

prominent clubs and leagues rely on the zeal of game publishers to appear in football video games, and many don't appear at all.

“You can't always do a league-wide deal where everybody steps in line,” says Peter Moore, now chief executive of Liverpool Football Club but formerly president of EA Sports. “Football deals are a little bit different (to American sports), and so there's been instances where they're a little bit more challenging to get them done, but I wouldn't characterise any of them as awkward. They're just not as simple.”

It is fair to say Moore is being charitable. One EA Sports employee tells *SportBusiness Review*: “We had a situation where we asked the teams, the players, the league: who has rights to the player names and likenesses? And they all said they did. Our legal department couldn't believe it.”

For US sports, this licensing process is simple: a single publisher agrees an exclusive deal with the league and the players' union, thus receiving every piece of intellectual property it could possibly need to recreate the authentic experience of an NFL, NBA, MLB or NHL game.

But to create the level of universal authenticity needed to garner sales in the tens of millions, football game





publishers must acquire rights in individual and collective deals with hundreds of clubs, leagues, agencies and player associations; as well as deals to use branded sports equipment such as branded football boots and balls.

Completing a set of licensing rights for a league can be an arduous process, often involving middlemen and agencies. The most prominent example of this is in Italian football, where licensing Italian club competitions and their constituent clubs requires deals with the national federation, Lega Serie A and each individual Italian club.

Brazil's national team was filled with fake players on the 2018 version of *FIFA* due to the non-renewal of an agreement enabling the Brazilian football confederation to license Brazilian players' image rights.

Similar problems with player names and likenesses prevented the German

*“In some countries, where there is no centralised league structure, every single club needs to be signed individually.”*

**Jonas Lygaard** | senior brand director, Konami

and Dutch national teams from appearing in *PES* and other football games. For years, neither country was a full member of FIFPro, the international players' union, which has a mandate to sell name and likeness rights on behalf of every player from a member nation.

Jonas Lygaard, senior brand director at Konami, has had years of experience working on football games, having worked at EA for five years before arriving at Konami. Lygaard has managed to secure deals with

every single Serie A club for Konami's upcoming *eFootball PES 2020* and, most recently, a deal with the league itself. The deals have taken over a year to complete.

“This market is muddy and non-linear. It basically depends on each country and how they have structured their rights – either centralised or decentralised,” Lygaard says. “Italy is the prime example of a decentralised set up where the league doesn't hold any rights to the clubs' intellectual property. They hold rights to the Serie A tournament logo, the competition, the structure and the trophy, but they do not own anything else besides that. That is why we needed go out and sign each club individually.”

### Who owns what?

In most cases, FIFPro holds rights to player names and likenesses. In cases where a country is not a member of FIFPro or has a special arrangement with the union, player names and likenesses are either held by the individual players themselves, their clubs, the league their club belongs to, or the national federation.

Player likenesses are different to image rights. For a football game to exploit the image rights of players – using their real-life image in a promotional context – it must either need a specific agreement with their club or with the individual player. It does not acquire these rights via deals with a league.

A game publisher can acquire collective image rights to players from a certain club and exploit them by displaying multiple players in their club kit. If a player is to appear alone, an individual image rights deal is required with that player.

For example: from 2019-20 to 2021-22, EA Sports is the official video game partner of Liverpool Football Club. It had already received a licence to put Liverpool in *FIFA 20* via its partnership with the Premier League. Aside from LED space and digital activations with Liverpool, EA acquired collective image rights and the right to access players for marketing material.

After this deal was struck, EA signed an individual image rights deal with

Liverpool defender Virgil Van Dijk, who will appear on the cover of the *FIFA 20* Champions Edition. The deal with the Premier League licenses the club in the game; the deal with Liverpool enabled EA to use Liverpool players in marketing material; and the deal with Van Dijk enabled him to appear on the cover. Without EA's club partnership, however, Van Dijk would not have been able to wear his Liverpool kit on the cover.

In countries where professional football leagues are separate commercial entities, acquiring licences to have official leagues and clubs appear in a game is generally a simpler task. Of Europe's top-five leagues, only Italy's Serie A has not collectivised its video game licensing rights.

In South American countries, it is far more common for top-tier leagues to be operated by the football federation in that country. This generally makes licensing clubs and leagues a much more difficult task, as the federation's ability to collectively bargain relies on clubs continually voting to do so.

In many cases, the federations and the clubs give their video-game licensing rights to agencies without too much thought. Figuring out which agencies have the rights they need – and whether those rights will be enough to fully

license a club or a league – is a constant headache for the publishers.

"It adds this extra layer of complexity in these conversations," says Lygaard, who is trying to limit Konami's use of agencies to acquire licensing rights. "In some countries, where there is no centralised league structure, every single club needs to be signed individually. There is a massive amount of work required to secure smaller clubs in specific countries. And for that, right now we are outsourcing that to some agencies."

Whether centralised or not, clubs and leagues hold distinct sets of licensing rights. This has given clubs the opportunity to strike deals with either EA or Konami, regardless of the deals completed by the league they belong to. Some clubs are braver than others – deciding to agree exclusive deals with Konami and not appear in *FIFA*.

#### Decentralisation and competition

When Juventus agreed its exclusive partnership with Konami, the club added to the long list of brave decisions it has taken over the past three years.

Signing Cristiano Ronaldo for €100m; changing the club's crest to an angular 'J' based on the club's famous black-and-white stripes; promptly ditching

those stripes for monochrome blocks separated by a single salmon pink stripe; and now, this.

Because Serie A clubs agree licensing deals on an individual basis, Juventus had the freedom to sign exclusively with whichever company it wanted. Its exclusive deal with Konami was agreed last summer, prior to the finalisation of Ronaldo's transfer.

The partnership includes Juventus's exclusive video-game licensing rights. This means the club is only authorised to appear in *PES* only for the next three seasons. From 2019-20 to 2021-22, Juventus's name, kit, logo and stadium will not appear in *FIFA*; in its place will appear 'Piemonte Calcio'. It will be the only Italian Serie A club that does not appear in the game.

Konami will also become Juventus's Official Video Game Partner, replacing Cygames. Cygames is understood to have paid between €5m and €6m per season during its deal, and it's thought Konami will be paying a similar amount.

The deal is a huge coup for Konami, but Juventus and its other sponsors will lose reach to as many as 45 million young people for the next three seasons. It will also be unable to compete in any form of *FIFA* esports.

The Konami deal represents a big risk



*“Football is more than just a game taking place in the stadium every weekend or every second weekend in your own ground.”*

**Andreas Jung** | chief marketing officer,  
Bayern Munich

for the club and sets them apart from Europe’s elite, as it’s a risk they didn’t necessarily have to take. The competition between Konami and EA – as well as the complex licensing landscape – is enabling clubs to split their marketing efforts across both games.

### Clubs feel the power

As technology and video games have advanced, clubs have become more and more impressed with the level of realism offered by both EA and Konami. The near-perfect digital recreations of players, kits and stadiums have made the matchday experience on both games near-identical to a high-level TV production.

Clubs have fallen in love with this, and especially with the faithful recreations of their home stadiums.

“There are crews that travel the world – the job I always wanted – with digital cameras and go to every football stadium in the world and, of course, be granted access because the club wanted their stadium to be meticulously detailed in the game,” says Moore. “They’ll take hundreds of photographs of every angle of every stadium that they can get access to.”

“They are using very special, state-of-the-art cameras,” says Andreas Jung, chief marketing officer at Bayern Munich. “The Konami team travelled to Munich from Japan and they spent a lot of time – more than a week – scanning all the parts of the arena: the pitch, the stands, the players in the tunnel, the mixed zone, everywhere. They made incredible pictures and you will see that in the game.”

This reverence of clubs’ home stadiums is something that executives and gamers appreciate on a similar level. As a result, *FIFA* and *PES* are in a constant race to provide the most true-



to-life experience possible. Top clubs have realised that every single piece of intellectual property they own has value to the publishers, and that exclusivity doesn’t have to be blanketed across every single piece of IP.

### Spreading the love

Bayern Munich will appear in both *FIFA 20* and *eFootball PES 2020*, both as part of the Bundesliga’s deal with EA and a specific club partnership with Konami. Because Bundesliga stadiums are not included in the league-wide licensing deal with EA, Bayern decided to license its Allianz Arena home stadium to Konami on an exclusive basis, boosting the value of the partnership.

Jung took full advantage of the ability to reach both *FIFA* and *PES*’s audiences – something he believes is increasingly

important as Bayern’s fanbase becomes ever-more global.

“Football is more than just a game taking place in the stadium every weekend or every second weekend in your own ground,” he says. “The fans around the globe are looking for new ways and opportunities to give their support and engage with their favourite team and with their favourite players every day. And if you see that only 75,000 spectators have the chance to attend the match in the Allianz Arena, so many more do not have the opportunity to make their way to Munich once in a lifetime.”

Paris Saint-Germain is another club that will appear in both games this season. It will appear on *eFootball PES 2020* via the Ligue de Football Professionnel’s deal with Konami, as well





as *FIFA 20* via the LFP's licensing deal with EA. However, the club has had an individual partnership with EA for the past three seasons and has renewed for another five seasons from 2019-20.

PSG has made video games a key part of its marketing strategy, from activations in the game to an esports presence across multiple games and continents.

"The partnership includes licensing rights to Paris Saint-Germain IP and the collective use of our players, but also a broad range of sponsorship rights, including extensive digital rights," says Marc Armstrong, chief partnerships officer at PSG. "EA Sports also work with us to produce high-quality 'game-inspired' content to promote key events for the club, such as player announcements or major kit launches,

*"I think our persistence helped to build the modern licensing infrastructure for soccer in Europe."*

**Marc Aubanel** | former executive producer, EA Sports

including the initial Jordan launch last year and our recent home kit launch."

#### **Licences make the difference**

Liverpool recently gave up their partnership with Konami and have gone back to EA. The club was partnered with EA from 2013-14 to 2015-16, before signing a partnership deal with Konami from 2016-17 to 2018-19. Having had extensive experience

working at EA, Moore believes that the difference in demographic between *FIFA* and *PES* is negligible and is thus comfortable with appearing on EA's game exclusively.

Speaking about the game's demographics, Moore says: "What you've got between *Pro Evolution Soccer* and *FIFA* is deep-rooted likes and dislikes – classic video game fanboyism."

He continued: "What *FIFA* has done well is provided a level of authenticity through its licences over the last 10-15 years that has separated the two games."

As much as the top clubs have woken up to new possibilities, the fact that video-game licensing is a nine-figure industry is a minor miracle. Marc Aubanel, who worked as an executive producer for EA for over 13 years from 1993 to 2006, remembers how it all began.

"When we first started licensing, none of this was commoditised. There was no player union where we could collectively license an entire league. I don't think any of us were expecting it to be so legally complex. So for us, we were wondering...how can they work like this? This business doesn't even make sense! They can't license collectively! It was a real shocker. But I think our persistence helped to build the modern licensing infrastructure for soccer in Europe – all because of the video game."

Along with the modernisation of licensing, video games have provided football with an entirely new way to bring young people into the sport. Millions of children are spending more time playing video games than playing or watching sport, and games like *FIFA* and *PES* are ensuring many of them remain interested in football as they enter adulthood.

"If I look at my eight-year-old son, who two years ago started to be a superfan of football, the reason why he's such a big fan of football now is because he played *FIFA*," says Ralf Reichert, co-chief executive of esports tournament organiser ESL. "He had watched it on TV and had been to the stadium, but the real hook was playing the video game. Any sport federation, or anyone who owns a sport: if you don't have a video game, you're toast." ○



# #SupportYourLeague fights ECA/Uefa proposals that threaten domestic football

European Leagues, the organisation that unites 36 professional leagues, is joining with an increasing number of football leaders to battle plans they believe would have a devastating impact on football across the continent.

**M**omentum is building against plans to overhaul the Uefa Champions League as a semi-closed competition from 2024, with European Leagues, its members and other stakeholders, including clubs and fan organisations, leading the fight against the dramatic changes.

The proposals by the European Club Association (ECA) and Uefa, European football's governing body, include the creation of a promotion-and-relegation system between three Uefa Club Competitions (UCCs) – the Champions League, Europa League and a third-tier competition, which would be introduced from the 2021-22 season. Crucially, the semi-closed access to the Champions League, proposed to begin in 2024, would kill the long-held principle of qualification through domestic leagues and threaten to relegate domestic football to an irrelevancy, according to critics.

Uefa and the ECA, a body that represents many of Europe's biggest clubs, argue that the new structure would offer greater commercial certainty to clubs participating regularly in UCCs.

However, an increasing number of critics, from leagues and clubs all across Europe, claim that the changes would widen the gap between the richest clubs and the rest, leading to a harmful imbalance in income and uncompetitive domestic leagues. They believe European football would become more elitist, instead of for everyone, and destroy the dreams for clubs – outside a small group – of ever advancing to the Champions League.



The level of opposition has forced advocates of the overhaul to go back to the drawing board, with Uefa postponing a planned September meeting with ECA and European Leagues as it continues to receive feedback from across Europe. European Leagues, with the support of its allies, believe their own proposals would safeguard the future of club football on the continent.

## 'Unacceptable' plans

An increasing number of football clubs,

fans and leagues across Europe are adding their voices to the debate over the future of the UCC structure.

The European Leagues organisation, which represents more than 900 clubs from 36 professional football leagues and associations, is leading the defence of what it believes is the competitive integrity of domestic competitions across the continent.

This has positioned the organisation against UCC proposals that are endorsed by Uefa and the ECA.

"The vast majority of European clubs

(LaLiga)

believe in our ideas and principle,” says the European Leagues’ deputy general secretary Alberto Colombo, who is also the man behind the #SupportYourLeague campaign.

“The current proposals are supported by a very small group of elite clubs. This group of elite clubs is composed of a few giant European clubs from some big leagues plus those dominant clubs that consistently win their respective domestic championships in a few medium and small countries.

“We do understand that these clubs aim to grow more at international level. Nevertheless, we have the responsibility to defend domestic football and protect the financial and sporting development of all clubs in Europe, including those clubs who do not participate regularly in European competition and all those clubs with no chance at all of qualifying for UCCs.”

### In favour of innovation

Colombo insists that European Leagues is open to new strategies and structures when it comes to the continent’s club competitions. However, such alterations have to be for the good of the whole football community.

“European Leagues is in favour

of innovations in football, including evolving UCCs,” Colombo says. “However, these must be under the condition that any changes contribute to the growth of professional football as a whole and not just for a very few.”

European Leagues has concerns about several aspects of the proposals.

Colombo says that the changes would close access to European club competitions for many clubs from many leagues – thereby trampling on the “essence of our football system, whereby clubs qualify for UCCs based on their performance in domestic competitions”.

He adds that “interest, development and growth” would be shifted from domestic to international competitions. He argues that this would devalue domestic tournaments and the vast majority of clubs due to the increased number of matches and matchdays in an already congested calendar, as well as an enlarged competition structure in Europe that would increase the value of the continent-wide tournaments at the expense of domestic leagues.

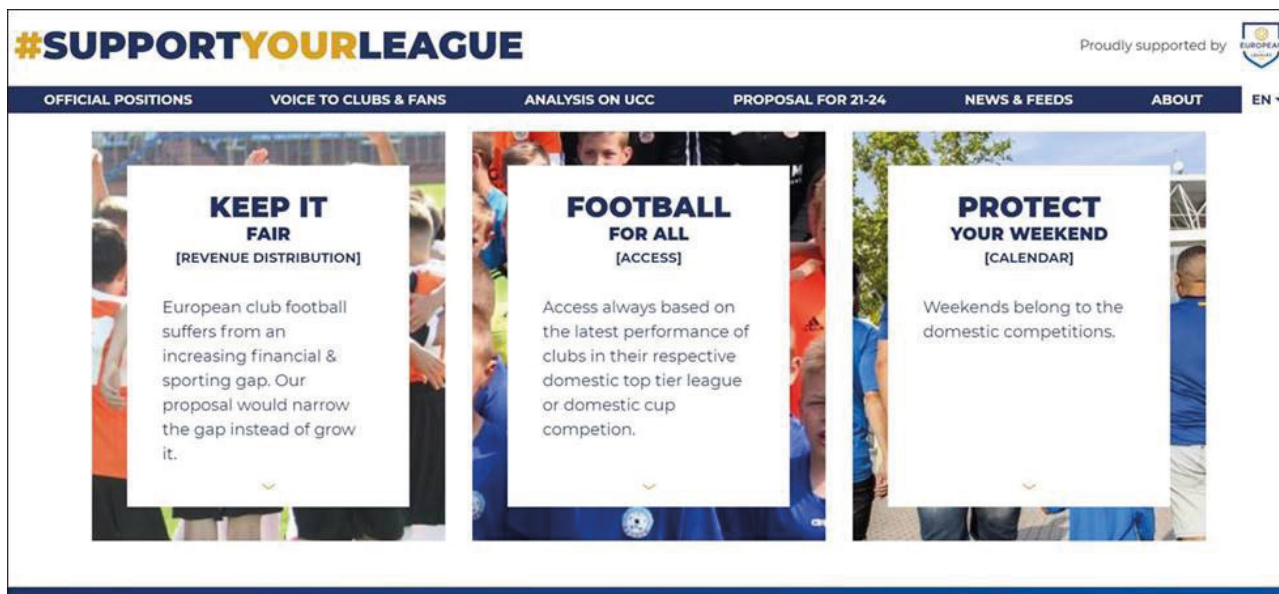
Additionally, Colombo says that the changes would lead to a wider gap between the elite clubs and the rest across many leagues. This would have a negative impact on the “excitement

and predictability of matches and competitions which drive the passion of football fans,” he says.


Colombo adds: “The discussed concept presented by Uefa and supported by the ECA would have unacceptable consequences for all small, medium and big leagues in Europe and should therefore not be implemented in this form.”

Strong opposition comes from leagues around Europe, including LaLiga, and the 20 teams in the English Premier League also adopted a joint stance against the proposed changes, as did all clubs from the Bundesliga. Italian Serie A clubs and French LFP clubs have also voted in favour of a measure to halt the proposals.

In fact, European Leagues’ efforts to protect and enhance the competitive balance across league competitions have drawn support from across the continent, not only from the top leagues. The professional leagues in Denmark, Sweden, Israel, Scotland, Latvia, Switzerland, the Czech Republic, Russia and Belgium – and even non-top tier leagues such as the English EFL and Italian Serie B and Lega Pro – have already issued resolutions and statements rejecting the proposals.



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### SupportYourLeague.com

With the future direction of European club football at stake, illustrating the depth of opposition to the proposals championed by Uefa and the ECA has been important.

As clubs, fans and leagues increasingly speak out against the proposals, European Leagues has launched a visual platform to underline the widespread level of antipathy towards the plans.

The SupportYourLeague.com website will be a key driver in the #SUPPORTYOURLEAGUE campaign, calling on football's stakeholders and decision-makers to understand and recognise the key role domestic football plays in the development of the sport and society as a whole.

According to Colombo, it will be a "living platform" that will evolve and be updated constantly, giving leagues, clubs and fans a voice about their ideas for the sustainable development of European club football.

Animated maps will also provide a striking visual lesson of "how strong, consolidated and geographically wide the opposition is towards the current

proposal", Colombo says.

"This project is aimed to inform, educate and engage all football stakeholders, such as fans, clubs, players, domestic leagues, national associations, press and media, broadcasters and other commercial partners about the impactful evolution of UCCs and the threats posed to domestic European leagues and the vast majority of professional clubs by the current proposals for 2024 onwards."

### Fresh proposals

The platform will also help to push European Leagues' own proposals for the future of UCCs beyond 2024 and ideas to adapt revenue distribution from 2021.

Colombo underlines three areas in which the "vast majority" of European clubs would benefit from his organisation's distribution plans.

Firstly, there would be a more equitable distribution ratio of centralised income between the three UCCs and between the clubs themselves, avoiding any concentration of revenue for Champions League clubs.

Secondly, Uefa's club coefficient

ranking – which takes into consideration historic results from previous years for revenue distribution, and therefore favours the bigger, more established clubs – would be scrapped.

Thirdly, European Leagues is calling for a substantial increase in the solidarity payments to clubs, and in particular to non-participating clubs. This step would be "imperative" if the long-term interests of clubs across Europe are to be protected, according to Colombo, who highlighted how teams in smaller leagues currently can become overwhelmingly dominant in domestic competitions relatively quickly due to the imbalance of revenue distribution from the European governing body.

Colombo adds: "European Leagues' main goal is to enhance and protect competitive balance in league competition.

"European Leagues believes that it is in the interest of all domestic leagues, all national associations and the vast majority of European clubs to defend and strengthen the competitive balance of football – for the good of the game, the players, the fans and the clubs."

## Q&A: Javier Tebas, president, LaLiga

### Do you accept that some change in the structure of European club football is necessary?

**JT:** We listen to clubs and the vast majority tell us that structural changes are not the immediate priority. Uefa has just implemented new access changes for European competitions, so I think they should be given a chance to settle before new changes are brought in.

But in the long-term, clubs need more help to reach the top level of European competition. That requires significant changes to the outdated coefficient model and a review of revenue distribution. It is the direct opposite approach to what is currently on the table.

### On what grounds do you oppose the proposed changes currently under discussion?

**JT:** The proposals would kill domestic leagues. We are talking about a Champions League competition that is closed to all but the elite few clubs and will draw investment away from domestic leagues. It will inevitably lead to these elite clubs prioritising their European league status over domestic standing, creating a wealth gap that could be terminal for some clubs and leagues.

Creating two expanded competitions beneath the Champions League adds yet more fixture congestion to domestic calendars and, due to the wealth gap, will encourage more and more teams to

prioritise European competition over anything else. This is bad for all leagues, but particularly for some of Europe's smaller leagues that already have limited visibility and restricted access to European competition.

### If adopted, what impact would the proposals from Uefa and the ECA have on football in Spain?

**JT:** We would see the ratio of wealth between biggest and smallest clubs, which we have reduced from 13:1 to a maximum of 3.5:1 since 2013, shoot up again. That new wealth gap would affect the development of football within all but the very top clubs.

We have seen similar proposals have

very damaging effects in other sports. In cycling for example, the decision by the UCI to create the ProTour has meant that an exclusive group of 20 top teams has access to the best competitions and others have been left to starve. The number of Spanish teams competing in the Tour de France is down to one, meaning all others no longer have access to good funding or sponsorship, which threatens their existence.

**Specifically, what would be the economic impact and who would suffer most?**

**JT:** We conducted a study with KPMG to assess this. Spanish football's contribution to national GDP would decrease from 1.37 per cent to 0.925 per cent after just one year of the new model and 50,000 football-related jobs could be lost. This is the real cost to Spanish football and the effect would be the same in any other league. Communities and livelihoods are built around national football competitions all across Europe. This is what we're working to protect.

**How do you assess the potential cultural impact? After all, LaLiga is part of the nation's heritage.**

**JT:** Football is part of Spanish identity and is one of the first things people associate with the country. It is a huge part of our tourism industry, which increases as we give visibility to clubs on the world stage. Weakening domestic football would threaten local industries across the country and devastate part of this cultural identity.

**How would the changes affect fans – and how would the fans react?**

**JT:** I think one of the key emotions would be boredom. European nights are special for fans because of their rarity. If they are more commonplace, the picture changes. Part of the experience of being a European football fan is sharing a local rivalry with friends, family or colleagues. There are no rivalries between European



(LaLiga)

teams that create the same emotion as a local derby. You can't just erase this mentality, so I think fans would quickly find the concept of a European league unappealing.

**What are the next steps for LaLiga and other bodies and organisations?**

**JT:** Looking at EU competition laws, it seems pretty clear that these types of changes would counter their rules. But right now, we need open and transparent dialogue between Uefa, the ECA and all clubs, not just the few that are represented by the ECA. There is opposition to these proposals from all corners of Europe, from clubs of all sizes, and these concerns need to be heard.

We need to talk about economic distribution: how much does Uefa expect to collect from this competition and how would it distribute that money? European Leagues has

developed a strong proposal that would improve revenue distribution from European competitions among smaller leagues. This is the type of reform we should be discussing.

**What is La Liga's vision for the future of European club football?**

**JT:** We want the highest levels of European competition to be accessible to all, so that more clubs can experience those rare and exciting moments. Supported by strong and competitive domestic leagues, we want to see tight championship races with many different names winning titles and therefore qualifying for Europe. We want to see Spanish champions, of course, but under a better revenue distribution model whereby the success of one club benefits the league from which they came. That creates a continuous cycle of strengthening football at a domestic level. ○



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# Tokyo 2020 aims to drive technological innovation as it prepares to host Games

Tokyo illustrates the city's resurgence as an event-hosting destination with the Olympic and Paralympic Games

Innovations such as driverless taxis are expected to be in widespread use during the Games

Despite initial setbacks in the lead up to the Games, the city hopes to create a long-lasting post-event legacy



Work continues on the new National Stadium, the main stadium for the upcoming Tokyo 2020 Olympic and Paralympic Games (Carl Court/Getty Images)

## Bradley Rial

Even by the rollercoaster standards of the Olympic and Paralympic Games, Tokyo's preparations for sport's biggest showpiece in 2020 have been unusually tumultuous.

Rarely has a Games host had to contend with such a multitude of issues, from accusations of plagiarism that forced a redesign of the official logo back in 2015 through to the administrative upheaval earlier this year when Japan's Olympics Minister and the head of the Japanese Olympic Committee left their roles under a cloud.

However, of greater interest to the international federations invested in Tokyo 2020 has been a well-documented drive to lower costs, leading to a substantially revised venue plan.

At this year's SportAccord on the Gold Coast, members of the Association of Summer Olympic International Federations queued up to complain about perceived issues relating to transport and athlete accommodation, with many expressing concerns about the depth of Games budget cuts.

Organisers, though, argue it would be ridiculous to claim that Tokyo is doing things on the cheap as it prepares for not only the Olympic and Paralympic Games, but also the numerous test events ahead of next year's showpiece and the prospect of legacy events post-2020.

The approach, they say, is with an eye on sustainability, whilst shining a spotlight on Tokyo's many strengths, including its status as the home of state-of-the-art technology and an arguably under-sold connection with nature.

It should also be remembered that

prudence tallies not only with the ideals of the International Olympic Committee's Agenda 2020 efficiency guidelines, but is also entirely understandable in the context of intense levels of public scrutiny of government spending, with the national economy edging towards recovery after having been relatively stagnant for nearly three decades.

The most conspicuous example of long-term planning over short-term extravagance is the new National Stadium, originally slated as a venue for both the 2019 Rugby World Cup and the 2020 Olympics.

Following a public outcry over escalating costs, Prime Minister Shinzō Abe announced in 2015 that the original design by Zaha Hadid would be scrapped.

The replacement design by Kengo Kuma is smaller in capacity and



(Matt Roberts/Getty Images)



(Matt Roberts/Getty Images)

footprint, with no retractable roof and more modular seating, making it much easier to convert into a legacy facility after the Games. At ¥154bn (€1.12bn/\$1.25bn), it is also about 40 per cent cheaper than the previous design.

### Turnaround

The symbolism is an important part of Tokyo's plans to showcase the true nature of the city during its spell in the global sporting spotlight.

Despite its status as one of the world's most spectacular and populous locations – with nearly 14 million inhabitants – Tokyo's track record as a major sports event host is unremarkable.

In the IOC's 'Group A' sports of aquatics, athletics and gymnastics – which receive the largest slice of Games-related income, Tokyo has only ever hosted flagship global events on two occasions – the 1991 IAAF World Championships and the 2011 FIG Artistic Gymnastics World Championships.

The city even missed out on hosting matches during the 2002 FIFA World Cup, which Japan co-hosted with South Korea.

When Tokyo entered the race to host the 2016 Olympic and Paralympic Games, it was in hope rather than expectation. The city finished a distant third, nine votes behind second-placed Madrid in the second round.

But by the time the bidding contest for the 2020 Games had entered the final straight, the landscape had changed.

The city flipped that nine-vote deficit to Madrid into a 16-point advantage over the Spanish capital in the first round and then prevailed comfortably in a head-to-head with Istanbul.

Nick Varley worked on four successive winning summer Olympic Games bids spanning the 2012 to 2024 editions. His business, LookUp Communications, is working on a number of Tokyo 2020-related projects.

Reflecting on the reasons for Tokyo's resurgence, he says: "The biggest single lesson learned [following the 2016 bid] was the need for a 'why?' I don't think anyone doubted that Tokyo had a great venue plan, strong government support and all the other must-haves for a winning bid.

"What it lacked, which was crucial for a bid in that era, was a compelling answer to why it wanted to host, and why anyone would want to go there rather than, to pick the obvious and winning example, Rio."

### Discover tomorrow

Using the Games to reinvigorate parts of Tokyo and transform the city's appetite for major events beyond 2020 has been a key focus since the hosting rights were secured. As part of this, avoiding an unwelcome financial burden is vital.

Whilst costs have been trimmed, a survey by the Tokyo Metropolitan Government found that the Games will deliver economic benefits totalling ¥32.3tn across Japan, creating some 1.94 million jobs.

However, planning for the future can bring challenges in the present.

The decision to go back to the drawing board for the National Stadium design, for example, left World Rugby "extremely disappointed", with the governing body stating at the time that the move would have a "significant impact" on the overall ticketing capacity and tournament budget for the Rugby World Cup.

Yokohama Stadium, host of the 2002 FIFA World Cup final, will step in to stage the tournament final, while Tokyo's smaller Ajinomoto Stadium will host the opening match, among other fixtures.

Additionally, in December 2017, plans were announced to reduce the total capacity of Tokyo 2020 venues by more than 30,000 as part of efforts to reduce the Games budget by ¥150bn, to ¥1.35tn.

"Every single winning bid goes through venue changes as the plans evolve and improve," Varley says. "The big difference with Tokyo was that its victory coincided with the rise of the IOC's Agenda 2020 strategy, and so the city had the imperative and opportunity to rethink in a wholesale way – to try to improve efficiencies and save money.

"It does mean that some sports – for example, cycling – are more distant from the centre of the action than they're used to. But all sports are going to have to get used to that idea of a more distributed venue plan as the IOC has made it very clear it prefers that to unnecessary new venues."

It appears to be paying dividends in





(Matt Roberts/Getty Images)



(Toru Hanai/Getty Images)

terms of delivery, with all eight of the new Tokyo 2020 venues on schedule for completion and the IOC Coordination Commission having praised the progress on its most recent visit in July.

Work on the Musashino Forest Sports Plaza finished nearly two years ago, while the archery, rowing and canoe slalom venues opened recently. Construction work at the Aquatics Centre is 75 per cent complete, while the Gymnastics Centre and Ariake Arena, which will host volleyball and wheelchair basketball, will open next July. About 90 per cent of accommodation facilities for the Games have been finished.

Concerns have been raised in some quarters that the city will not be able to accommodate all of the Games' visitors after a study by the Mizuho Research Institute claimed there could be a shortfall of 14,000 hotel rooms, even though capacity in the city will have rocketed from 30,000 in 2017 to 170,000 next year following a construction boom.

However, Tokyo 2020 points out that there are about 300,000 rooms when the neighbouring Kanagawa, Chiba and Saitama prefectures are taken into account.

### Upheaval

Political support for the Games has been consistent from those in power, although there has been a degree of turbulence in terms of sports governance.

In March, Japanese Olympic

Committee president Tsunekazu Takeda resigned amid bribery and corruption allegations linked to the Tokyo 2020 bid. Less than a month later, Japan's Olympics Minister Yoshitaka Sakurada resigned after making a series of controversial remarks, to be replaced by Shun'ichi Suzuki.

"The allegations will erode trust in the organisations involved in the bid, and in the awarding process, which may impact future bids," says Iain Edmondson, director at Legacy Delivery and the former head of major events at London & Partners. "However, the product of the sport itself is so powerful that I don't think it will stop the Games being a success."

Tokyo 2020 spokesperson Masa Takaya adds: "All host cities face common goals in the lead-up to Olympic and Paralympic Games, such as budgets, timelines and event locations. However, we are enjoying overcoming these challenges and we are on track to deliver the most innovative Games in history."

### Breaking records

Central to these plans to confirm Tokyo's reputation as a world-leading hotbed of innovation is Tokyo 2020's robot programme, under which four different types of machines will be deployed to help spectators, athletes and officials at venues.

The robots will display human-like movements such as hand-shaking, waving and a variety of facial expressions, while facial-recognition

cameras will be mounted on their foreheads so they can recognise when people are nearby.

Driverless taxis are also expected to be in widespread use when the Games begin.

"The technology utilised at the Games will be deployed after they are over in various ways for the benefit of society and will represent one of the Games' legacies," Takaya says.

With Tokyo as the primary driver, Japan's role in supporting the Olympic movement has also been underlined. Of the 13 official worldwide Olympic partners, three are from Japan, including Bridgestone, which has its headquarters in Tokyo, while 13 of the 15 gold partners for the Games also have their head office in the Japanese capital.

The IOC confirmed in June that the Games had already generated record domestic sponsorship revenue of more than \$3bn – almost three times more than any previous edition.

In another example of Tokyo 2020's efforts to innovate, a Waterfront City concept will transform an area around Tokyo Bay into a "sophisticated urban environment". Pollution levels will be reduced by enforcement measures that ensure only fuel-efficient passenger cars will be allowed in the city.

To boost the visitor experience further, an army of 110,000 volunteers will be on duty during the Games, with Edmondson noting that the authorities have invested in the success stories of London 2012's volunteer programme,

which continues to deliver community benefits seven years on.

Various Games projects have also been launched to support areas that were devastated by the 2011 Great East Japan earthquake. The Olympic Flame will be displayed in areas that were affected, while the Miyagi and Ibaraki prefectures will host football matches and the Fukushima prefecture will stage baseball and softball.

### Diverse offering

Baseball, which like softball is returning to the Olympic programme after a 12-year absence, is hugely popular in Tokyo.

The city's two professional baseball franchises – Yakult Swallows and Yomiuri Giants – compete at the 38,000-seat Meiji Jingu Stadium and 45,000-capacity Tokyo Dome respectively. For the second consecutive edition, Tokyo will stage games this year during the Premier12, the World Baseball Softball Confederation's flagship quadrennial international competition.

The city's diverse offering includes Tokyo's top-tier J1 League football club, FC Tokyo, which plays at the Ajinomoto Stadium – the site for the Rugby World Cup opener.

Meanwhile the Japan Open Tennis Championships 500 Series event is the longest-running ATP Tour tournament in Asia, dating back to 1970, although the city lost out to Turin in a bid to host the season-ending ATP Finals from 2021 to 2025 earlier this year.

Tokyo will also host a new PGA Tour



(Matt Roberts/Getty Images)

golf tournament later this year, with Tiger Woods and Rory McIlroy having already committed to competing at the Zozo Championship.

Other events this year have included a Fina Swimming World Cup meet and the UIPM Modern Pentathlon World Cup Final, which served as an official test event for Tokyo 2020.

Non-Olympic sports are also prevalent, with Tokyo, a regular host of One Championship martial arts events, recently announced as one of the first destinations for the promotion's new esports series, alongside Singapore and Jakarta.

Looking forward, Edmonson stresses the need for the city to establish "sustainable projects".

"I know Japan is experiencing huge growth in tourism and it is expected to continue further as a result of the

Games," he says. "There is a particular focus on overcoming the language barrier for visitors and I know many cities have established new sports commissions to capitalise on the opportunity presented by the Games, both for tourism and community engagement."

Varley expects the city to follow in the footsteps of former Olympics hosts Beijing and London by targeting the IAAF World Athletics Championships.

"I'm sure it will follow the model of other Olympic host cities and try to usher in a decade or more of hosting," he says. "I'm sure the World Athletics Championships 2025 will be high on the wish list in the new Olympic Stadium.

"Given Japan's previous success as champions [in 2011], I also imagine the Fifa Women's World Cup in 2023 will be a priority. Then there will be multiple examples of other sports that will want to build on the Tokyo 2020 experience and success to deliver their world championships in Tokyo or a number of other Japanese cities.

"Tokyo is like no other city I've ever visited, and that's where the opportunities and benefits lie. I'm not sure there's any major world city in Asia that can offer the same level of effectiveness and efficiency in terms of staging and strong local support across any event – albeit somewhat mired in bureaucracy.

"I think the Rugby World Cup this year and the Olympics next are both going to make any organiser sit up and say, 'I want to be going there'." ○



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# Sarai Bareman | “Women’s football is about much more than what happens on the pitch”

SportBusiness speaks to Fifa’s chief women’s football officer about the 2019 Women’s World Cup, and how the organisation plans to use the success of the tournament to grow the women’s game.

## Adam Nelson

In July, Fifa confirmed it would follow the success of the 2019 Women’s World Cup in France by expanding the next edition to 32 teams, as it continues to focus on the growth of the women’s game, both commercially and on the pitch. *SportBusinessReview* spoke to the governing body’s chief women’s football officer, Sarai Bareman, to get her reflections on France and hear how she is hoping to leverage the momentum from that event to further develop women’s football around the world.

### How did the 2019 Women’s World Cup in France measure up against Fifa’s pre-tournament expectations?

It was the first World Cup I’d overseen since I’ve taken up this role at Fifa and since the women’s football division was established, and it completely blew away all my expectations. In terms of fan engagement, it was incredible – in the stadiums, around the host cities in France, but also online in terms of the digital following and engagement. The TV viewership was incredible, really strong in some surprising markets.

The highlight for me was actually the football on the pitch. The level of the game has improved so much since the last edition [2015 in Canada]. And it was beautiful to watch. The thing that stands out for me the most in that respect is, speaking to a lot of my male colleagues, some of those who maybe weren’t so keen on women’s football in the past, how this Women’s World Cup and the football being played has really changed their perspective.

In concrete terms, we were targeting at least one million tickets sold, and at final count we hit 1.16 million. If you do a comparison exercise to Canada, the numbers are a bit skewed because this



Bareman speaks during the inaugural Fifa Women’s Football Convention in Paris earlier this year (Fifa via Getty Images)

is actually the first Women’s World Cup where we’ve moved away from double-headers. In Canada the attendance was more than 1.3 million, but a vast majority of those tickets sold were double-header matches, so there was a double count.

I advocated that we should move away from double-headers for the

Women’s World Cup, so seeing that we were able to still maintain high levels of audience attendance was really important and really pleasing to me personally. In terms of audience participation and people actually showing up to the stadium to watch the matches, it was also really high and really positive. The average attendance

was 75 per cent of capacity.

On the broadcast side, we were aiming for a billion viewers globally. That was to build on the 750 million we were able to reach in 2015. We are still finalising some of the numbers from certain territories, but we have definitely exceeded the one billion mark. I know that in 24 of the territories we had already had 850 million viewers across all platforms even before the final, so that was a good indication.

In Brazil we saw some incredible figures. For the France v Brazil match, we had more than 35 million viewers in Brazil. I think Italy for me was a standout. The previous high in terms of viewership there for a women's football match was 468,000, and for their match versus Brazil we went just over 7.3 million. It's a football country. They love it, and we may have benefited from the men's team maybe not performing so well in recent times. I think that it's quite a lovely story, how the women's team has really carried the pride of the nation, and that's evident through those viewership numbers.

#### **Italy's game against the Matildas drew a bigger audience in Australia**

#### **than the National Rugby League fixture that was on that same afternoon. That must have been pleasing.**

It's massive. Particularly coming from that region – NRL is massive, so to see a stat like that is amazing. I think England as well was impressive; England v USA recorded in excess of 8.8 million on the BBC, in a country where the previous high [for a women's football match] was just short of 2.8 million. We saw similar things in France when they played the USA. Their record previously was 4.1 million and we were able to exceed 11.5 million for that game. The figures have been great. For me, the comparison from those previous records has shown that when the big broadcasters invest and actually show it, there is a big audience out there that is willing to consume it.

#### **Is that a strategy you'll continue to pursue? Would you eschew higher media-rights fees in order to ensure the Women's World Cup remains on free-to-air television in as many territories as possible?**

One of the best things we can do to increase the popularity of the game,

and in turn participation and raising the profile of our players, is to get more eyeballs on the game. And free-to-air is the best way to do that. The engagement in the UK was one of the standout success stories of this World Cup, and it showed a clear benefit of making football available free-to-air, on major channels. It has a big, big impact in terms of popularity, viewership and just creating that buzz – the same kind of buzz you would see linked to major men's competitions we saw this summer linked to the Women's World Cup. Performance obviously has a big part to play in it, but the fact that anyone and everyone could watch it on free-to-air also made a big difference.

#### **How are you working to ensure the fans you picked up this year stay engaged with the women's game throughout the next four-year cycle?**

I think you've touched on what is indeed the biggest challenge for us now. We have the momentum, we have this high level of interest, so how do we sustain that across the World Cup cycle? Our president [Gianni Infantino] has spoken about introducing new competitions at international level, including a



Italy and Australia were two of the biggest media markets for the 2019 Women's World Cup (Catherine Steeneste/Getty Images)

Club World Cup and a World League for women. I think that will be key. At the moment, when you look at the competitions landscape for female players, the opportunities to play at the highest level are very low when you compare it to the men, particularly in regions like Africa, the Pacific, and in South America. Introducing new competitions at the highest level to give more opportunities for our players to be seen – and therefore to be seen as role models – and to continue to keep the sport in front of those fans that we were able to engage at the World Cup, will make a big impact.

In addition, we have to look at specific communication and marketing campaigns for women's football. Women's football is about so much more than what happens on the pitch. You see the conversations that come around the game, around women's empowerment, gender equality, equal pay: all these things are part of a bigger movement for women's empowerment that has been happening globally. And I think it's incredible that women's

football can embody that, and our players really become proponents and role models for that movement. I think that's something that is really important that we can leverage between the major competitions to keep that engagement.

And for that we need to think outside the box. We need to look at very specific communication and marketing campaigns that are different to what we do on the men's game. We want to get 60 million women and girls playing by 2026. And now it's a particularly important time to drive those participation numbers higher. At the moment, we have approximately 13.7 million who are playing organised football.

Something that we gave a massive push to [during the World Cup] was increasing digital engagement and the number of followers we have on our platforms. And that for me was another area where I think we did amazingly well.

The way that our fans and the target market are typically consuming the game is quite different to the traditional

model. We know that young girls, aged from 12 through to 15, the way they consume is very much around their smart phone and using mobile devices, and we were able to see some awesome numbers also coming out of the digital side in terms of engagement. We had more than 1.2 billion content views across all of our platforms. We were able to increase our followers [to Fifa's official Women's World Cup channels across platforms] by 25 per cent, to 2.2 million. Video views since the Women's World Cup began are at 200 million by the last count, and this is continuing to grow as the videos remain online.

**Is that digital audience even more important to the women's game than the men's, because you're targeting a younger and more digitally-engaged demographic?**

I think so, yes. But it's also about being able to monitor the women's football landscape. It's evolving so quickly, it's important that we're able to capture that, see that data, and follow the game as it evolves so that we can adapt



Bareman is hoping to create more opportunities for women's footballers in territories like Africa (Craig Mercer/MB Media/Getty Images)

accordingly. The men's game is, you could argue, saturated in terms of global viewership and popularity. It's the biggest sport in the world. The women's game in comparison is still relatively young and continually growing. And I think these kinds of numbers that come out of the big competitions are important for us to track because it also shows us, over time, how the women's game is evolving.

**We've now had confirmation that the Fifa Council has approved the expansion of the 2023 World Cup to 32 teams, bringing it in line with the men's tournament. What impact do you hope that will have?**

Obviously having more teams participating will engage more countries. It'll make a big difference in terms of participation. So right now, when you look at the number of teams that are participating in the qualifying pathway for the Women's World Cup and you compare that to the qualifying pathway for the men's game, the numbers are very low, and there are many reasons for that. But I would say that increasing the number of slots that are available for teams to compete in at the World Cup level will have a really positive impact in that respect.

I can give you an example: in Africa, 24 out of the 54 African nations entered into the qualifying pathway for the Women's World Cup, as opposed to 53 out of 54 who did the qualification process for the men's World Cup. Offering more opportunities to play in a World Cup will hopefully reduce that disparity. I think creating new playing opportunities like the World League, introducing a Women's Club World Cup, having a real focus on the grassroots level and improving the domestic leagues in combination with expanding the World Cup, those things combined will definitely help to make an impact. But even if you just look at it on its own, the 32-team World Cup will have a direct impact just on the number of countries competing and playing football.

**Do you have specific methods for measuring the legacy of the 2019 World Cup, in France and beyond?**



Megan Rapinoe and her USA teammates lift the 2019 Women's World Cup trophy (Marc Atkins/Getty Images)

*“The engagement in the UK was one of the success stories of this World Cup; it showed a clear benefit of making football available free-to-air.”*

The legacy for us is really important. Within France we've invested more than €1m into legacy programmes that we've been working on with the French Football Federation for the past two years. That's something that we've been doing very directly as a women's football division together with the FFF. Fifa will also make a contribution of €3m toward an ongoing legacy programme to the FFF now that the Women's World Cup has finished.

It's about leveraging the momentum that hosting a mega event will have in that country. There's going to be increasing amounts of interest,

particularly from new participants, in the women's game. It's important that we support the FFF to be able to engage and retain that new level of interest that the Women's World Cup has generated.

We have programmes like the Fifa Forward programme, our flagship development programme, which is how we offer the member associations money to grow football in their own countries. We'll put a big focus on communicating with the member associations now, post-World Cup, on looking at ways that they can invest their Fifa Forward funds into the women's game.

We are launching also a football for schools programme, to increase the level of kids playing football; for me, the big focus here is obviously on young girls. These are all programmes that are ongoing for Fifa. What we do now, with the momentum of the Women's World Cup, is we double down on our efforts to encourage our members to invest in women's and girl's football. ○



# The Transformation of the Fiba Basketball World Cup

The FIBA Basketball World Cup 2019 is set to thrill a global audience and help build a new generation of fans thanks to a strategy built on positive partnerships

**T**he Fiba Basketball World Cup 2019 is set to change the way the world views basketball's premier international competition and provide a boost to the sport itself.

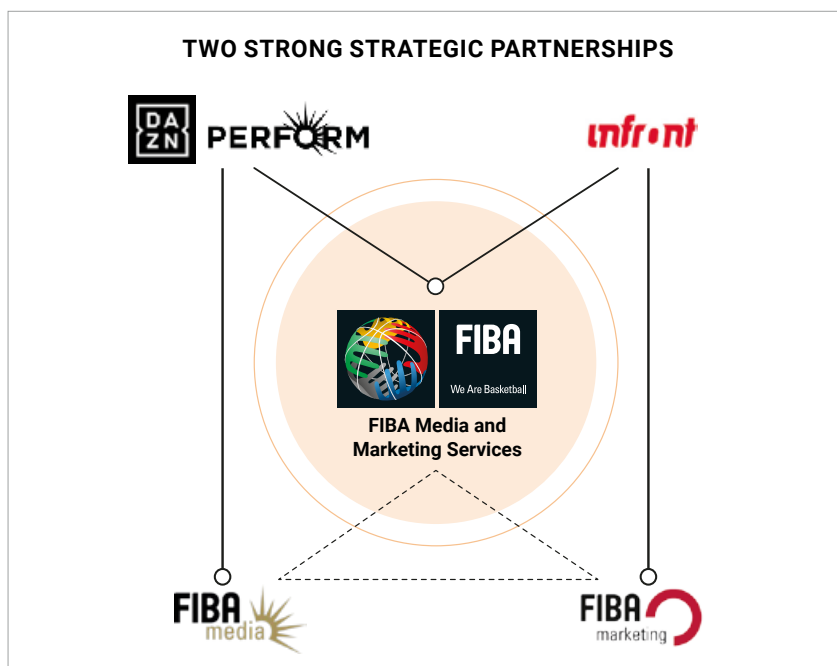
This transformation is being driven in large part by a sophisticated, long-term marketing and media strategy designed to maximise commercial and fan engagement worldwide.

The competition, being played out across eight Chinese cities from August 31 to September 15, features 32 national teams for the first time. The extended line-up is one of the results of a new-style qualifying competition that ensured every team played home and away, in a move designed both to build engagement with fans and the brand of the tournament itself.

This ground-breaking edition of the World Cup is the fruit of an extensive and exhaustive process of rediscovery and reinvention which began some years ago, under the late secretary general Patrick Baumann, and is seamlessly carried through under the leadership of Andreas Zagklis.

From the outset the objective has been clear: to create a competition which would give basketball a championship in the top tier of world sports properties, and to use the locomotive of passion for national teams to drive fan awareness and engagement around the world.

The foundations for the commercial success of the current World Cup were laid with two highly significant agreements, both announced in 2016. In the first, Fiba teamed up with what is now the DAZN Group to create Fiba



Media, a joint venture “committed to increasing the value of the basketball fan experience” and delivering “maximum exposure, on multiple platforms, providing fans with unprecedented access to content”.

The agreement, which also includes Fiba properties such as the Women’s World Cup, sees the partnership taking on production, sales and distribution related to Fiba media rights for four World Cup cycles through to 2033.

In a parallel deal, Fiba and the Wanda-owned Infront agency created a joint venture – Fiba Marketing – to handle strategic marketing aspects, including sponsorship sales and management.

With these two agreements, Fiba’s Media and Marketing Services – led by its director general Frank Leenders and

Thomas Klooz – brought the resource and expertise of two of the world’s most experienced and successful commercial sports organisation into the team, all sharing the same vision.

The moves created the stability required to focus on the long-term rather than immediate gains, and the media and marketing programmes for the 2019 edition for the World Cup provide a plethora of evidence of the success of the programme to date.

This special feature looks at the way effective marketing and media programmes are powering the Fiba Basketball World Cup 2019 toward its goals and how the enthusiastic engagement of Global and National brand partners are playing a key role in the transformation.



# How partners become game changers

**T**he marketing programme powering the 2019 Fiba World Cup has had a “transformative impact” on the property and the sport, according to Frank Leenders, director general of Fiba Media and Marketing Services.

Delivered by Fiba Marketing, a co-operative venture between Fiba and the Infront agency that runs until 2033, the programme has delivered a significant increase in revenues while ramping-up visibility and engagement to elevate the property to a new level.

Fiba Marketing is the exclusive commercial rights partner for the main Fiba events and provides comprehensive marketing initiatives and services in strategic marketing, sponsorship sales, account management, commercial event and venue management, hospitality, merchandising and licensing and branding. Head of Fiba Marketing David Nivelles manages the partnership day-to-day.

For the Fiba Basketball World Cup 2019, a Joint Management Committee was set up between Fiba Marketing and Infront China to organise and operate a comprehensive domestic commercial program, including sponsorship sales and the licensing program. Infront China also worked as advisors to the Local Organising Committee on ticketing sales and the development and management of a global hospitality programme, the first of its kind around basketball in China.

Infront China has unique expertise in basketball in the host country and built its reputation by helping take the game to a new level during its 13-year partnership with the Chinese Basketball Association, through its professional local knowledge, extensive global network and rich international experience.

With nine Global Partners and three Global Suppliers signed at the time of writing, along with an additional cadre

of event partners, event sponsors and event suppliers delivered as a result of the domestic sponsorship programme, the level of corporate support for basketball’s global showcase has reached new heights.

“Marketing has been a real game changer in business terms,” said Leenders.

“This business is about results and we have made transformative developments. The success is not simply about having a bigger group of partners but lies in the kind of partners they are. We have welcomed major corporations

*“We have reached a level of partner engagement and activation that is unprecedented in the world of FIBA.”*

**Frank Leenders**

from China, the United States, Europe and Japan whose status and global nature reflects that of the event itself.

“In this business a very important thing about partners is not simply that they pay a fee but that the brands are of a stature that adds something to the event and that they are focused on activating to maximise the benefits of their involvement.

“I am delighted that this group of partners remains so deeply engaged. We have held two highly successful sponsors’ workshops, each attended by more than 150 people. At the workshops they showed their determination to activate in impactful ways, which creates a win-win.

“These workshops were not just about providing information; they inspired the partners and put them on their toes. As a result of this and their own determination to make the most of the opportunities we have reached a level of partner engagement and



(FIBA)



activation that is unprecedented in the world of Fiba.

“They say that, in business and in life, you are judged by the company you keep, and we are in very good company with these brands.

“We have seen an amazing range of really thoughtful and creative activations across the board. They go from Nike, a long-term partner that created huge interest with the high-profile launch of the official team uniforms, and which has leveraged its own brand presence and those of its own athlete ambassadors to raise the profile of the World Cup, through to Ganten, the official water partner, which is promoting the event in many ways including branding on millions of bottles.”

According to Leenders, the marketing success has been achieved as a result of a significant change in strategy driven by Fiba Marketing. It has involved a move away from the sale of standard packages to the creation of bespoke opportunities according to the needs and objectives of the partner brand.

“It’s about doing what we can to support the partners and working with them to identify and create

opportunities. With all our partners there has been a good deal of individualisation. We want to help them achieve their objectives,” he said.

“We also felt it was important that we had a collection of global partners rather than relying entirely on Chinese or American brands. That in itself reflects the truly global nature of the Fiba Basketball World Cup and positions us well for future editions.”

Here is a snapshot of some of the partner activations which have contributed to the success of the World Cup.



#### **Nike – Harnessing Player Power**

Nike is a brand with basketball in its DNA and its partnership with Fiba underscores its determination to play a role in growing the game worldwide.

The brand has embraced the opportunities presented by the Fiba Basketball World Cup 2019 and has been instrumental in providing access to top level players whose positive media

presence has helped promote the World Cup, and national team basketball in general, to a new level.

Nike athletes Kobe Bryant and Dirk Nowitzki have played key roles since being announced as World Cup Global Ambassadors along with Yao Ming, making public appearances across China, and acting as powerful and influential spokesmen for the competition.

Nike also facilitated interview access to an extensive line-up of its top NBA player talent, representing countries from around the world. The legendary LeBron James was joined by players including Rudy Gobert of France and Joe Ingles of Australia, both from the Utah Jazz, and the Dallas Maverick’s Tunisian star Salah Mejri, to talk to the media about the importance of national team basketball and representing their country at the World Cup.



#### **Wanda’s Little Champions**

Global partner Wanda teamed up with

Fiba to launch ‘Little Champions’, a programme designed to inspire the next generation of kids by giving them the unique opportunity to step onto the court during the World Cup and join their idols as player escorts before every game. Wanda recruited more than 1,000 youngsters from around China for the programme.

The launch event saw the Fiba World Cup Trophy taken to Danzhai in Guizhou province, where it was unveiled by 36 Little Champions joined by Burton Shipley, president of Fiba Oceania and chairman of the Coordination Committee of the Fiba Basketball World Cup 2019, Xu Minfeng, vice-president of the Chinese Basketball Association and former NBA star Stephon Marbury.

Danzhai had been of China’s poorest counties before Wanda instigated a programme of tourism-led development and investment that has helped the county climb out of poverty two years ahead of schedule.



### Tissot – Keeping Perfect Time

Official Timekeeper Tissot ushered in the Fiba Basketball World Cup 2019 with a nationwide roadshow across China, getting underway in Guangzhou in late July before rolling-out to Shanghai, Nanjing and Beijing.

The brand provided fans with the chance to get up close and personal with the sport through a series of 1 on 1 and 3x3 challenges that had a special edition World Cup themed Tissot watch as the prize for the finalists in each challenge.

Tissot also played a major role in promoting the World Cup with a series of ceremonies to inaugurate Countdown Clocks in each host city, starting 365 days from tip-off and making a major contribution to creating a sense of excitement and anticipation as tip off day neared.

The launch events, held in city centres

to maximise impact and visibility, were unique to each host city and attracted not only fans and media but high profile guests from Fiba, Tissot, the Chinese Basketball Association, the Local Organization Committee, the Local Organizing Committee for each host city, together with provincial and local government officials and special guests.



### TCL – Unveiling a New Sports TV Experience

TCL, one of the world’s biggest consumer electronics brands, celebrated its partnership with the

Fiba Basketball World Cup 2019 with the launch of a range of official products including the outstanding TCL 8K QLED TV, which uses Artificial Intelligence to enhance the sports experience for fans.

The range was launched at the 2018 IFA in Berlin: the world’s leading trade show for consumer electronics and home appliances. The company has added to its line-up by launching the official Fiba Basketball World Cup 2019 fridge, washing machine and air conditioner.

The products, which are available in some 30,000 stores worldwide, are shipped and sold in specially branded packaging featuring the World Cup logo.

TCL has been supporting the





development of basketball since 2009 and has partnered the China men's national team and the CBA league.

For the World Cup, TCL will name and present the Player of the Game Trophy for each of the tournament's 92 games.



### Ganten – Keeping the Fiba World Cup Refreshed

Asia's leading mineral water brand Ganten has been making a splash across China and beyond to support its Fiba Basketball World Cup partnership.

The brand, which also partners global sports events including tennis's Australian Open and Italian soccer club Juventus, has run promotions in grocery stores in more than 23 provincial capitals and other cities in China, and teamed up with Wanda to promote the event in Wanda Malls nationwide.

The promotion included designing a 2.8-metre tall vending machine that acted as a focal point for activities including quizzes in which fans

answered questions to win prizes of World Cup merchandise, official Molten balls and, of course, Ganten water.

Ganten is also supporting its partnership through TV commercials and product displays in the studios of Chinese TV channels covering the World Cup, as well as a wide-ranging internet media promotion across channels including Tencent, Youku, iQIYI and Tiktok.

At the World Cup itself Ganten will be represented by a squad of Water Angels – selected through a social media campaign – whose role is to keep players supplied with bottled water.



### Aeroflot – High-fliers take the Trophy to the World

Russian flag carrier Aeroflot played a major role in creating global buzz around basketball's showcase as presenting partner of the first Fiba World Cup Trophy Tour.

The Tour saw the Naismith Trophy – named after the inventor of basketball, Dr James Naismith – set off from Beijing

on May 24 on an epic journey taking in 33 different cities in 24 countries.

Basketball legend and World Cup ambassador Kobe Bryant has been working with Aeroflot to promote its Global partnership, which includes presenting 'Best Flying Moments', a celebration of the most spectacular action from the competition. Best Flying Moments will be featured across all Fiba's digital platforms.



### Tencent – Supporting Basketball by Supporting Cities

Social media giant Tencent Sports' innovative City Supporters programme played a key role in promoting the World Cup host cities.

Working with eight Chinese celebrities, Tencent ran an online campaign asking fans to share with the world the great reasons why they should visit the cities.

The programme created tremendous levels of social media debate and discussion with more than 462 million engagements in just three weeks across May and June.

# Licensing and retail – setting new standards

**F**rom T-shirts to game jerseys and technology to fashion, the Fiba Basketball World Cup 2019 brand is featured on a wide range of merchandise and collectibles designed to delight fans and keep the event front of mind.

The licensed merchandise and retail operation is the biggest, most adventurous and sophisticated ever devised by Fiba and is a clear indication of the determination to elevate the World Cup into the elite group of global sports properties.

From the outset the goal was to ‘up the game’ on merchandising to create a programme that will not only drive local and global revenues but help position the FIBA Basketball World Cup brand as fresh and truly innovative.

Fiba, in collaboration with Infront China, has joined forces with Promotional Partners Worldwide and Beijing Sinocraft Culture Development Co to develop a range of merchandise that celebrates this pivotal event.

The programme includes products in a range of categories including apparel, headwear, toys and games, plush, fan items, souvenirs, accessories, stationery, homeware, luggage, books and precious metal – particularly important in the domestic Chinese market.

“The licensing programme is complex, sophisticated and critical to the success of the event,” explains head of Fiba Marketing David Nivelles. “Branded merchandise helps raise the visibility of the event and provides fans with cherished souvenirs of some of their greatest shared moments.”

Hong Kong-based PPW has been appointed as Global Master Licensee and has exclusive rights to sub-license, produce and sell official licensed products as well as manage retail operations.

BSDC is exclusive licensing agent

for precious metals, stamps and commemorative coins, a key category in the Chinese market.

Products are widely available through

*“The licensing programme is complex, sophisticated and critical to the success of the event.”*

**David Nivelles**

the official online store operated by Tencent Sport, from fan shops at Beijing airport and more than 100 points of sale at each of the eight World cup arenas, in fan zones and fan houses in each city.

Specific products will be available from specialist retail points including jewellery from China Gold, stamps from branches of China Post and precious metal products from the Bank of Communications.

Outside China, licensed products are available on Amazon Prime.





# Taking the Basketball World Cup to a global audience

*"It will be the first Basketball World Cup since Spain hosted the 2014 edition and therefore the first since Fiba Media was established through a 17-year partnership running from 2017 to 2033."* Frank Leenders

**T**his year's Fiba Basketball World Cup will mark a momentous change in the coverage, presentation and multi-platform availability of the sport's flagship international tournament.

For the first time in the competition's 69-year history, China is the host, offering FIBA an unprecedented opportunity to build on basketball's status as the most popular team sport in the world's most populous country.

The scale of the event and its reach is reflected by the meticulous strategy that has been devised by Fiba Media, the joint venture between basketball's global governing body and sports media company DAZN.

## Bigger and better

"From our perspective, it will be the biggest production and distribution of content we've ever done," says Fiba Media managing director Paul Stimpson.

"This is the biggest single event China has hosted in multiple provinces and will therefore be bigger than any other sporting World Cup this year."

State-owned broadcaster CCTV and internet giant Tencent will be joined by international production teams to provide the host broadcast services and Fiba Media has retained overall control by effectively managing the production operations and will also supply specialist staff to support the process.

Both CCTV and Tencent are two years into nine-year partnerships with Fiba Media, with the long-term agreements ensuring "continuity" of basketball coverage in China, according to Stimpson.

"We want long-term partners on board



so they can get used to our product and also help us to improve it," he adds.

However, it will be a truly cosmopolitan production effort at the Basketball World Cup.

Aside from the technical crew members, who are based in different territories worldwide, the production teams for the eight different host venues dotted across the country have been hired from various countries.

Whilst CCTV will provide production teams for two of the arenas and Tencent will spearhead production in another one, Spanish teams will take the lead in two other locations, while teams from France, Israel and Latvia will be producing coverage at three other sites.

"All of the directors have been covering international basketball events for Fiba for many years and we have had various Production Workshops with everyone and utilised the online FIBA TV Academy platform," Stimpson explains.

Fiba Media's second-by-second running order for the different production teams will ensure consistency in the output, with graphics also created in-house.

## Heart of the action

The live coverage will take viewers closer to the action than ever before.

Preliminary-round games will feature 20 cameras, including a rail-cam and super-slow-motion filming technology, at each venue. From the quarter-finals onward, there will be 25 cameras at each contest, with ultra-slow-motion and Spidercam technology.

From the semi-finals, the coverage will be supplemented by augmented-reality graphics, using the tournament's visual identity to create striking team introductions and statistical insights during breaks in the play.

For the first time at the tournament, the referees will wear microphones

that will be opened up to viewers when they head to the review table to check an incident.

“These are all innovations for the FIBA Basketball World Cup 2019 and we will be introducing camera angles that have not been seen in basketball coverage before,” Stimpson says.

“However, we will only use technology that has been tested by us, either to produce content that has been available to us internally or used during coverage of tournaments like last year’s Fiba Women’s Basketball World Cup in Spain.”

With the support of a team of production specialists provided by Fiba, two host feeds will be available to rights-holders.

Alongside the standard world feed, which will begin 10 minutes before the start of each game and offer a standard opening sequence including an introduction to the host city and the national anthems, there will be a ‘Super Feed’ – a new initiative for the tournament.

The Super Feed will be available from forty-five minutes before the start of each contest and will cover aspects of the game-day experience such as team arrival, the warm-ups, as well as replays that are not available on the world feed, offering an additional layer of support for broadcasters.

Both feeds will show live coverage, with eight separate two-person teams stationed at each arena to provide English-language commentary of all 92 games.

### Content plans

Moreover, Fiba Media has produced – and will continue to produce through the duration of the tournament – additional content in support of the live coverage.

“The actual content used in a live game production probably only accounts for about 20 per cent of the total content produced for a game,” Stimpson adds.

“Live coverage is still king, but we have content such as team profiles, interviews, clips, stories and a documentary programme about the history of the World Cup to supplement it. During the event, we will produce even more content, not only to review games but also to preview the next round of contests.

“We’re also taking that content and slicing it into different segments to push it out on Fiba’s social media channels. We will have influencers in China, including videographers and the likes of our ambassadors Kobe Bryant and Dirk Nowitzki, who will produce content on-site to be shared across both FIBA’s own social media channels as well as third party partners and publishers around the world”

Any Fiba Media-curated free-to-view content that is released on social media, such as footage of the teams arriving at an arena, will be used as a signpost for live coverage in territories where rights deals are in place. However, broadcast partners with the appropriate rights may simulcast coverage on their own social channels.

Meanwhile WSC Sports, an established partner of Fiba Media, will provide an automated clip-creation service through its artificial intelligence technology, creating short-form footage that can be shared with partners, influencers and national federations.

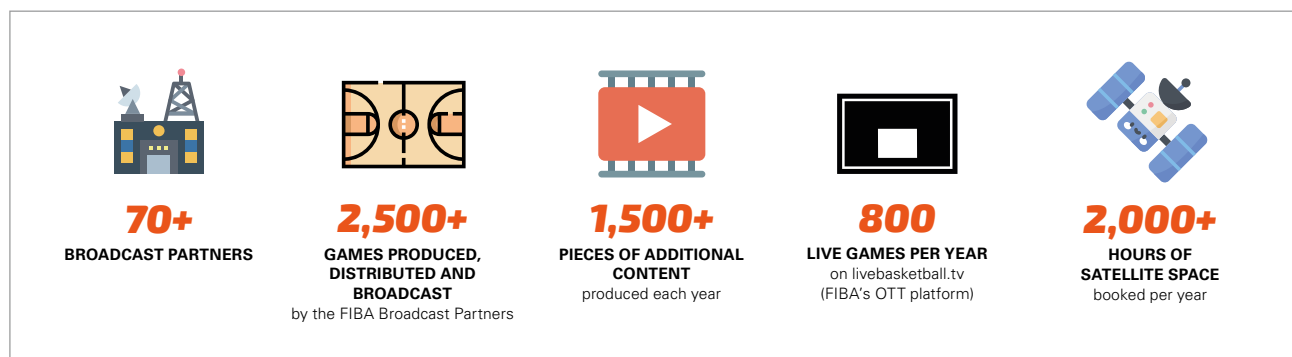
### Global coverage

Some of sport’s biggest broadcasters are slated to offer in-depth coverage of the tournament via linear and OTT platforms, including ESPN in the US, Mediaset and DAZN in Spain, Canal Plus in France, Magenta Sports in Germany and Fox Sports in Australia.

More than 60 media partners have signed up to provide coverage of the event to at least 160 countries, while Fiba Media’s own Livebasketball.tv platform will offer subscription-based coverage in territories that are not covered by existing rights deals. Prices to access the platform’s coverage will vary, depending on the market.

The breadth and depth of the media coverage strategy for the Fiba Basketball World Cup 2019 has led to lofty expectations in relation to viewing figures all around the world. China on its own, will deliver record breaking audiences.

“We’re talking multiples in comparison with Spain in 2014,” Stimpson adds. “When Fiba has staged an Asian Championship in China before, seven of the top-rated programmes on CCTV that year were games from the tournament featuring the home nation. There will be an enormous audience in China alone.”



# PGA Tour Superstore revolutionises sports retail sector as Home Depot of golf

AMB Group-owned chain has expanded from 10 stores in 2010 to 41 locations in 16 states

Experiential retail approach has enabled the company to thrive as its rivals have gone bankrupt

Multi-faceted partnership with minority owner PGA Tour has proved mutually beneficial



(PGA Tour Superstore)

## Bob Williams

**G**olf equipment and apparel chain PGA Tour Superstore has leveraged its partnership between majority owner AMB Group and the PGA Tour to become a rare success story in the brick-and-mortar retail industry in the United States.

Following the spectacular rise of Amazon and other e-commerce companies such as Fanatics, a number of US sporting goods chains have fallen into bankruptcy in recent years including Sports Authority, Golfsmith, Sports Chalet, MC Sports, Eastern Outfitters, Total Hockey and Gander Mountain.

By contrast, the PGA Tour Superstore has expanded at a rapid rate, growing from 10 locations in 2010 – when Home Depot co-founder Arthur Blank’s AMB Group took over the company – to 41 stores across 16 states at present. Six stores have opened already in 2019, including Sarasota and Plantation (both Florida), two in Boston (Massachusetts), Austin (Texas) and Denver (Colorado). The goal is to expand to 60 locations in three years time and eventually internationally into Canada.

In 2018, the company posted overall sales growth of 14 per cent, while over the past decade sales have grown by more than 300 per cent. More than 7.5 million customers visited the PGA Tour Superstore last year, exceeding the

total attendance at PGA Tour tournaments.

Such is the interest in the retailer that earlier this year almost 600 customers waited in line for the doors to open at the new store in Austin, while, according to Forbes, one individual showed up a full two days ahead of the launch of the new branch in the Boston suburb of Braintree.

But it is not just casual players who are fans of the PGA Tour Superstore. After struggling with his putting at the start of this year’s PGA Tour Champions, former Masters and Open champion Mark O’Meara decided to buy a new putter from the store in Delray Beach, Florida, immediately after the first round of the the Oasis



Championship in nearby Boca Raton.

After buying a Odyssey White Hot putter for \$108 (€97), O'Meara quickly returned to form and won the Cologuard Classic three weeks later at Omni Tucson National, his first victory in over eight years on the senior golf tour.

"I hadn't been in there [PGA Tour Superstore] in forever. There were like 10,000 putters. It was like a kid going to Disneyland. I started grabbing them all," O'Meara, 62, recalled in April.

### Adapting the Home Depot model

The PGA Tour Superstore is operated by Golf & Tennis Pro Shop, a subsidiary of AMB Group, which also owns the Mercedes-Benz Stadium, the National Football League's Atlanta Falcons and Major League Soccer team Atlanta United. Founded in 2004, Golf & Tennis Pro Shop was fully taken over by AMB in 2010. The Group had been an investor for four years.

The retailer offers in-house custom club fittings and repairs, along with lessons from certified teaching professionals. Other attractions include practice hitting bays, high-tech swing simulators, putting greens and chipping areas. Merchandise includes clubs, accessories, footwear, and a wide variety of apparel for men, women and juniors.

Last year, at all of its stores – which range in size from 25,000–60,000 square feet – associates conducted more than 100,000 custom club fittings, gave about 50,000 golf lessons, and re-gripped more than 750,000 clubs.

Much of the PGA Tour Superstore's success lies in the same operating strategy that has made home improvement chain Home Depot a dominant player in that retail category: a wide assortment of products, well-trained staff, and a commitment to a high-end customer experience. But it is the added experiential, interactive component that makes the golf retailer stand out from the crowd.

"The experience that people have inside the four walls of our stores is so important. It's transactional in most other businesses...it's a relationship in our business," Dick Sullivan, PGA Tour Superstore's president and chief executive, tells *SportBusiness Review*. "The trust factor that we build with our

associates, you can't build that online. The experiences inside the store and the services we offer are so different.

"The distribution model [of golf retail] helps because there are some manufacturers who don't want to ship to Amazon because if someone buys a golf club and it doesn't fit properly for them and they play badly with it, then it hurts that brand. We get that benefit on that side," Sullivan says.

But Sullivan is still quick to point out the key separation between the PGA Superstore and its Home Depot connections. "It's the technology inside our stores that differentiates us – even more so than at Home Depot," he says. "When you come in, we'll be able to measure your distance, your ball speed, your launch angle...all those things that are important to your personal game...the shaft weight, the types of shaft...so we can really hone in on what you are looking for. We can really fine-tune that and no one else really can.

"Think of all the sporting goods businesses that [collapsed] recently, they didn't allow that level of customer service inside of their stores and that's what we do and that's what makes us different," he says.

In terms of choosing new store locations, a number of factors go into consideration. Namely, the the amount of golf courses in a 15–20 mile radius and specific demographics such as

household income, which tends to be higher in the golfing community.

"It's great if there's a PGA Tour event [nearby], but they tend to move around so we don't hone in on that," says Sullivan, who is also chairman of the National Golf Federation's board of directors.

The company has also gleaned some opportunity from the 2017 bankruptcy of Toys 'R' Us and Babies 'R' Us, buying a number of that chain's stores at auction – including in Chicago, Indianapolis and Boston – and converting them into PGA Tour Superstore locations.

"We spent a long time last year in auctions competing against a lot of retailers in the US trying to pick off these leases. We got some good deals, some inexpensive leases, so that helps the business model," Sullivan says.

In regards to expansion, Sullivan says "there is no limit on capital" but the company is wary of over-expansion in order to keep the customer experience at a high level.

"We have to be very sensitive to the human resources capital, not the financial capital, so we have to make sure we have well-trained people which is the most important part of our business," he says.

Despite its rapid growth, the PGA Tour Superstore has so far captured just 10 per cent of the market share in



the overall golf retail industry, with 50 per cent of golf-related equipment and apparel purchases taking place at the approximately 15,000 golf courses over the US, as well as at leading sporting goods chains such as Dick's Sporting Goods and some independent retailers.

"There is tremendous white space, there is tremendous upside for us," Sullivan says.

### Key partnership with PGA Tour

Another key factor in the retailer's success lies in its name, having secured a 50-year license until 2060 with the PGA Tour.

"The brand is critical to us," Sullivan says. "When Arthur [Blank] acquired the company back in 2010, one of the first things we did was make sure that we had a long-term relationship with the PGA Tour. At that time it was Tim Finchem who was commissioner and we didn't want to wake up in five years and renegotiate or take the name off the building, we needed that long-term equity. So we established a 50-year relationship with the PGA

Tour, which is the longest license that they've ever had. And it's been a tremendous relationship with [current commissioner] Jay Monahan.

"Jay, when he talks to the media about growth opportunities, always talks about our PGA Tour Superstores. And I love it that he looks at it as his business, it's not Arthur Blank's business. And Arthur would say the same thing. We want all of our customers to think it's the PGA Tour's business," he says.

Incorporating the PGA Tour name and logo comes with certain pressures, Sullivan adds. "When you think of golf, the PGA Tour is at the top but there is a tremendous responsibility as well to deliver on that promise in terms of what that brand stands for. We think it's critical and there are so many

*"The experience that people have inside the four walls of our stores is so important."*

**Dick Sullivan** | president and chief executive, PGA Tour Superstore

positives with it. The only negative is that people might be intimidated, that beginners might think it's only for the best, but it's not the case. We're here to grow the game."

The PGA Tour is also a minority owner in the company. The partnership also extends to the PGA Tour Superstore's e-commerce site, which can be reached via the official PGA Tour website.

"It's good because we are truly partners and we have long-term interests together so it's not just a licensee relationship. With the equity position they have – they have the second biggest equity position outside of Arthur – it's critical as they look at ways to help grow our business," Sullivan says. "Wherever we can join up together, we try to do that. If it's integrated properly it's a win-win for both of us."

In a mutually-beneficial partnership, the PGA Tour Superstore allows the Tour's official sponsors to activate at their stores. "We can be an outlet for them to extend the sponsorship relationships so we can activate all over





PGA Tour's swing analysis technology (PGA Tour Superstore)

the country, 365 days a year. It's like we have 41 stadiums if you look at it that way," Sullivan says.

The PGA Tour, for its part, is eager to share in PGA Tour Superstore's success. "We are extremely proud of the success of PGA Tour Superstores, especially given the challenging retail market in which other brick and mortar golf retailers are experiencing declining sales," Len Brown, the PGA Tour's chief legal officer and executive vice-president, licensing and merchandising, tells *SportBusiness Review*.

"They realised early on that coupling the PGA Tour brand with a truly experiential shopping environment, fun for golfers and non-golfers alike, supported by superior customer service would be the winning combination it's proven to be, and we continue to collaborate with them to make it as authentic as possible," Brown says.

#### **Benefits of belonging to AMB Group**

The PGA Tour Superstore benefits from being in the AMB Group by being able to learn best business practices from other

properties in the portfolio.

"Culturally, we meet every month as a management group and we share best practices, whether it's in human resources, IT, finance...those functional areas cross over the entire business so we get smarter with the more resources we have," says Sullivan, who was previously chief marketing officer for both Home Depot and the Falcons.

More directly, the PGA Tour Superstore has multiple swing simulators installed inside Mercedes-Benz Stadium as well as hole-in-one competitions at every major event, in which winners can win a Mercedes car. "We take advantage of all 70,000-plus fans who are coming in and we've had a number of national sporting events from which we're getting fans from across the entire country and they are getting to see our product. Wherever we can, we try to blend in," says Sullivan.

"Every fan in the Atlanta area if they are a Falcons or United season-ticket holder they will have opportunities to get loyalty programs and be invited to special

events and things like that," he says.

PGA Tour Superstore's experiential strategy also expands on a wider customer-first philosophy at AMB Group. "The associates feel like there is purpose with our businesses, meaning it's not just coming to do a job but that there is a higher calling," Sullivan says.

To further expose the brand, the PGA Tour Superstore also has a marketing partnership with the NBCUniversal-owned Golf Channel. In 2015, the retailer announced a multi-year deal with the channel, which includes programming opportunities – such as new product spotlights and special features on custom fitting and other game-improvement services – and a strategic media buy.

The content is produced from the PGA Tour Superstore's Orlando location, which is less than a mile from Golf Channel's world headquarters.

"We believe that we should be the voice of golf retail and they've allowed us to do that at different times of the year, such as Father's Day and Christmas," Sullivan says. ○

# Beko and Barcelona raise the bar with 'Eat Like A Pro' campaign

'Eat Like A Pro' won the Individual or Team Partnership Award at the 2019 BT Sport Industry Awards. We investigate why the campaign to tackle childhood obesity worldwide has enjoyed spectacular results.



## Rory Squires

**B**eko and Barcelona broke new ground with the 'Eat Like A Pro' campaign, which many believe set a new benchmark in an industry packed with increasingly creative marketing strategies and activations.

With obesity levels among children worsening worldwide, the campaign was established with the aim of raising awareness of the issue, whilst supporting a global movement to help youngsters eat healthier and improve their physical and emotional wellbeing.

Such was the impact of the multi-channel, multi-platform and multi-faceted initiative, it was recognised

with the Individual or Team Partnership Award at the BT Sport Industry Awards 2019.

### Success story

The campaign emerged from a long-term understanding between the LaLiga giant and the domestic appliance and consumer electronics brand that began when the two parties first linked up as official partners in 2014, with the relationship then expanding through a four-season extension in 2018.

Under the extension, Beko became a global main partner and training partner of the club, which has had a high-profile partnership with international children's charity Unicef since 2006.

"A key to success was identifying

the right partner to tackle this mission alongside FC Barcelona," says Zeynep Yalın Uzun, chief marketing officer of Beko's owner Arçelik. "Partnering with Unicef for the first programmes on childhood obesity proved very important.

"It's the shared values that really inspired us to collaborate with Barcelona and Unicef on this campaign. This, alongside our determination to unlock the power of digital and social media to amplify our story, has proved key to the success so far with more to come in the future."

Alarming statistics about the growth of obesity levels worldwide provided a vivid context for 'Eat Like A Pro'. If the current trajectory continues, by 2025 more than 70 million children

worldwide will be overweight or obese.

But a May 2019 survey across 18 countries and involving more than 13,500 children found that 80 per cent would eat healthier if they knew their heroes did too, providing further evidence about the influence of role models.

“The Barça team can help us champion the message in an effort to drive meaningful change,” Uzun says. “At Beko, we are committed to addressing the issue of childhood obesity and wellbeing for all future generations.”

Establishing a solid team behind the scenes was also vital when it came to executing the initiative, according to Uzun.

“The campaign was led by the Beko global brand management team with lead agency McCann Worldwide,” Uzun says. “However, key senior stakeholders were involved before activation, including all C-suite.

“A cross-functional team including brand, digital, product and PR was created to ensure all the key touchpoints were covered and integration of the campaign was successful as a 360-degree campaign.”

### Social impact

As part of the initiative, Beko donated €1 to Unicef for each social post made by a member of the public using the #EatLikeAPro tag, raising €1m in 11 days and benefiting more than 500,000 children.

“The channels selected were based on

consumption habits of consumers whilst ensuring the technology would enable us to track the usage,” Uzun adds.



Arçelik chief marketing officer Zeynep Yalim Uzun

“Insights show Twitter is a key social platform for sport and for fans following live sport. Instagram, being more visual, was also chosen as fans want to show their support in different ways.

“We were able to share videos of key Barcelona players, including Gerard Piqué – who is our Global ‘Eat Like A Pro’ ambassador – eating like a pro and motivating their fans and followers to join the movement.”

With the full force of the club, the Barça Foundation, Unicef and Beko behind the initiative, social media helped to take the campaign to a global audience, with activations across all key channels, including Facebook, Twitter, Instagram and YouTube reaching 406 cities in 167 countries.

Additionally, during the May 2018 ‘El Clásico’ between Barcelona and Real

Madrid, Beko swapped out its logo from the players’ shirts and 3D pitch mats to give #EatLikeAPro worldwide visibility instead.

Other activations included ‘Football v Food’ videos featuring Piqué.

Barcelona’s chief commercial officer Xavier Asensi adds: “We loved working together on the Football v Food activation in particular – Beko presented the idea to us very early in their creative process, allowing us to collaborate closely and get Gerard Piqué truly excited about his ambassador role in the project.”

Unicef’s global corporate partnership manager, Annabelle McDougall, adds: “Unicef is closely involved in the #EatLikeAPro campaign and we are delighted with the worldwide response to the Football v Food activation on all of the partners’ channels”

Beko is now looking to build on the success of Eat Like A Pro – and not just with Barcelona, or even just football.

“We have recently added new partners, including the League of Legends European Championship, and we became the title partner of Fenerbahçe basketball,” Uzun adds.

“Our new partnerships are also being united under ‘Eat Like A Pro’, enabling us to extend to new audiences with the same overlying consistent message to inspire families around the globe whilst continuing to activate our partnership with Barcelona under the same umbrella.”



Beko & FC Barcelona - Eat Like A Pro wins the Individual or Team Partnership Award at the BT Sport Industry Awards 2019

# Milwaukee Bucks get aggressive to avoid second-year letdown at Fiserv Forum

Moves include series of new seating options and multi-year ticket options

Activity attempts to move Milwaukee beyond the confines of its current market

Building is set to host the Democratic National Convention in 2020



(Milwaukee Bucks)

## Eric Fisher

**T**he Milwaukee Bucks is fervently trying to avoid a revenue letdown for the second season at

Fiserv Forum, its new downtown arena in the Wisconsin city, with an extensive series of seating additions, ticketing enhancements, and event developments.

The NBA team is seeking to fight off a sophomore slump in the new building with the development of several new premium seating areas, an installation of more rail access viewing areas, a push for more multi-year ticket sales, and a sharp increase in non-basketball events.

The moves are also a key part of the

Bucks' ongoing attempt to outstrip the limitations of the Milwaukee market, which is the fourth-smallest media market in the NBA.

"There's such an incremental gain [in revenue] from leveraging a new building and all the excitement. So usually what you look toward in Year 2 is a bit of a dip in growth," says Peter Feigin, president of the Bucks. "For us, we really looked out toward a 24-month plan to try to circumvent that as much as we could."

Beyond the sweep of facility- and sales-based efforts, the Bucks are also leaning more into the non-basketball programming of both Fiserv Forum itself and the Deer District, the 30-acre outdoor plaza surrounding the building for which the team is now seeking a

corporate naming-rights sponsor.

During the arena's first year of operation, there have been 28 concerts – a sizable development for the Milwaukee market that is often skipped over by major touring artists as they travel between Chicago and Minneapolis. Major artists performing thus far at Fiserv Forum include the Killers, Justin Timberlake, Ariana Grande and Metallica, with upcoming events including John Mayer, Chance the Rapper and the Jonas Brothers.

Sixty-one events in total outside of the Bucks and Marquette University basketball, the other major sports tenant at Fiserv Forum, have been held, a number the team plans to grow beyond 100 in the upcoming year. The

Deer District, in addition to serving as a key locale for fan gatherings before and during Bucks games, has also been a regular site for community events such as farmer's markets, yoga and Zumba classes, holiday festivals, nighttime movies, and beer festivals.

"We had the vision from the beginning that it was a market beyond ripe for activation. We just had to create attractive content," says Feigin, who envisioned the club as a content company from the origination of Fiserv Forum. "In a very short period of time, Fiserv Forum has become one of the top arenas in North America for ticket sales."

### Leveraging, but not depending on the team

The August 2018 opening of Fiserv Forum, a \$524m (€472m) building relying roughly half on public funds, timed up with an acceleration in the multi-year rebuilding of the Bucks themselves. After ending the 2013-14 season as the worst team in the NBA, winning just 15 of 82 games, the Bucks steadily grew into a playoff team in the ensuing half-decade.

A key focal point in that rebuild was Giannis Antetokounmpo, a 6'11" power forward nicknamed "the Greek Freak" due to a rare combination of size, wingspan, quickness, and ball-handing ability. Antetokounmpo arrived a rookie during that awful 2013-14 season and ultimately became one of the league's most dynamic personalities, a perennial All-Star, and during this past season, the NBA's Most Valuable Player.

The Bucks during the debut year of Fiserv Arena won a league-best 60 games, the team's highest total since 1981, and advanced to the NBA Eastern Conference Finals before succumbing to eventual league champion Toronto.

The success of Antetokounmpo individually and the team collectively allowed the Bucks to post 37 regular season sellouts during the inaugural season at Fiserv Forum, and an average attendance percentage of 101.5 per cent of listed capacity when also including standing-room tickets, a figure that was second best in the NBA last season. The team is again the among the favorites vying for the 2019-2020 NBA title.

But Feigin says the club is still seeking to walk a fine line between capitalising upon the current run of on-court success and not completely relying on it financially. The multi-year sales push around its tickets, both for premium and non-premium seating, feeds directly into that.

"What we wanted to do is use the team performance as a cherry on top, an accelerant on top of an incredible foundation," Feigin says.

### New areas, new events

The off-season construction this summer at Fiserv Forum is certainly a marked departure from last year's large-scale efforts to finish the building itself. But around the building, several smaller efforts are underway to further enhance the venue.

Among the projects: the creation of a new 300-seat section in the building's upper level, a new 15-seat luxury suite that includes club seating for all arena events, the creation of a new loge table section with eight all-inclusive tables priced between \$20,000 and \$38,000 per season, the addition of more than two-dozen floor seats, and the new standing rail access areas.


"We spent the first six months in our new home really exploring opportunistic square feet, watching the critical paths of people, and pivoting from there," Feigin says. "We used that as an opportunity to see where we could monetise in places that we hadn't

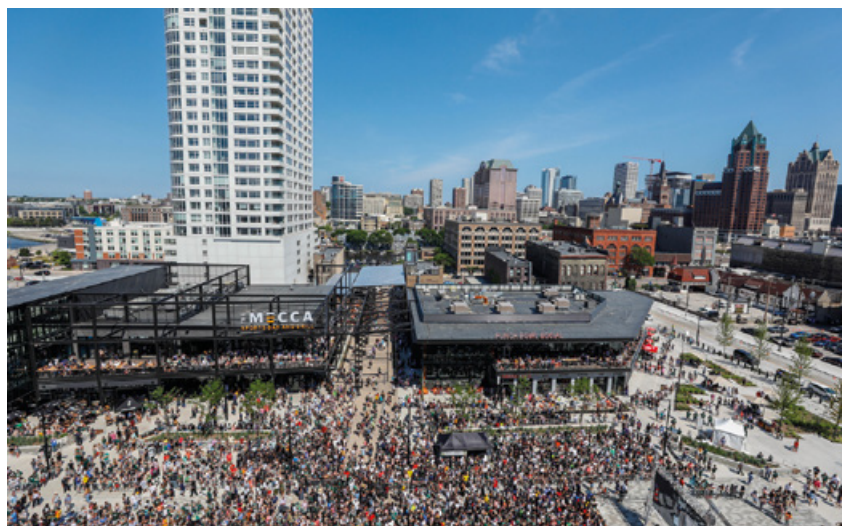
thought of originally."

The Bucks are also actively marketing to new and existing season-ticket holders' two- and three-year packages, something not widely done in the industry for non-premium tickets. Roughly 1,300 of the team's current season-ticket base of 10,500 full-season equivalents have accepted the multi-year offers, which carry a five-per-cent discount from single-year pricing.

In addition to the new arena projects, the Bucks are also widening their view toward additional premier non-basketball events. The building is already set to play host to first- and second-round games in the 2022 NCAA men's basketball tournament, a schedule stop in the Big 3, and it has bid on hosting an NCAA Frozen Four tournament in college ice hockey. Fiserv Forum's predecessor building, the BMO Harris Bradley Center, was the site of three prior Frozen Four events.

Perhaps most dramatically, Fiserv Forum will also be the site for the 2020 Democratic National Convention next summer, a key event in next year's US presidential election cycle.

"We're looking for the biggest problem you could possibly have, which is winning the NBA title in June and having to flip over the building right away to the Democratic National Convention in July," Feigin says. "And that event is just another huge feather in our cap, a phenomenal feat for a market our size." 



The Deer District outside Fiserv Forum has been a key gathering spot before and during Milwaukee Bucks games, and also the site of a wide variety of local community events (*Milwaukee Bucks*)

# Washington Wizards aim to break the mould with new leadership structure

NBA team looks outside basketball for new ideas and approaches in its management

Owner Ted Leonsis installed a three-pronged leadership team that shares responsibility

Agents and players now feel “more connected” to the club’s vision and ultimate plan



Washington Wizards owner Ted Leonsis (Rob Carr/Getty Images)

## Rick Snider

**A** personnel chief for an NFL team, a European soccer team doctor, and a college basketball coach walk into the front office of a NBA team...

It sounds like the beginning of a joke. But it’s real, and quite serious. And in turn, Ted Leonsis, owner of the Washington Wizards and chairman of parent organisation Monumental Sports & Entertainment, may have carried out the biggest front office makeover at a US pro sports team since the book *Moneyball* transformed Major League Baseball in 2002.

Eschewing traditional team management structures, Leonsis has installed a three-pronged leadership

team in which longtime Wizards executive and new general manager Tommy Sheppard is sharing leadership power and responsibility with Sashi Brown, designated chief planning and operations officer for Monumental Basketball, and Daniel Medina, named chief of athlete care and performance for Monumental Basketball.

The trio will be joined by former Georgetown University men’s basketball coach John Thompson III, who will lead a new athlete development and engagement department for Monumental Basketball, one focused on “player potential” and delving in part into off-court areas such as financial literacy and post-basketball career opportunities.

A longtime sports attorney, Brown was previously executive vice-president of football operations for the Cleveland Browns. And Medina spent a decade with European soccer power FC Barcelona in medical roles before a two-year stint as vice-president of athlete care for Wizards rival the Philadelphia 76ers. Thompson is a fixture in Washington-area sports, having spent 13 years as head coach at Georgetown, the school where his father John Thompson Jr. built a Hall of Fame career.

Leonsis did not come to the new structure quickly or easily, and wasn’t necessarily looking to reinvent his basketball team. He stayed with beleaguered Wizards general manager Ernie Grunfeld far longer than angry fans wanted after a series of losing



seasons and early playoff flameouts, finally dismissing him in April after 16 mostly lackluster seasons. And Leonsis himself freely admits that had there been more winning, there wouldn't have been any radical change in approach.

But a perfect storm of misfortune that dropped the Wizards to a 32-50 record in 2018-19, the club's worst record in six years, prompted Leonsis to surprise everyone by bringing in senior personnel carrying little or no prior NBA experience.

Collaboratively, the trio of new hires will also be charged with creating a series of cross-platform approaches for the entire portfolio of basketball teams under the Monumental Sports umbrella: the WNBA Washington Mystics, the G-League Capital City Go-Go, and Wizards District Gaming of the NBA 2K League, as well as the Wizards themselves.

The structure in some ways resembles the broad responsibility held by Stan Kasten in the 1990s and early 2000s, when he simultaneously ran the Atlanta Braves, Atlanta Hawks, and Atlanta Thrashers. But Leonsis is focusing on a much less singular and more collective approach.

"To expect one person to be master of all of that, I think that day is past," Leonsis told *SportBusiness Review*. "There are very few unicorns out there. It's not just Bill Belichick [with the NFL's New England Patriots]. It's [owner] Robert Kraft, [quarterback] Tom Brady, and the culture. It's too big to just have a single decision maker."

After dismissing Grunfeld, Leonsis spent nearly three months talking to more than 50 people in not only the NBA, but other US sports leagues including the NFL and various leagues in European soccer. Sheppard's elevation from assistant general manager following that research period on the surface looked like a standard internal promotion. But in reality, it came with the arrival of other department heads with equal voices and shared power.

"As I went deep into the process, I started to feel maybe the traditional way just reinforces what has been happening," Leonsis says. "What was the risk of a tried-and-true method where you build a senior [management]

team and allow a general manager to just focus on basketball?"

"In sports, teams have become the size and scale of Fortune 500 and 1000 companies. Multi-billion dollar enterprises, hundreds of employees. Yet the decision-making, certainly at the Wizards and most other NBA teams, was anti to how big companies were making decisions. For the most part, the decisions were made by the top person and he or she would say, 'I got it.'" Leonsis says.



Leonsis concedes frustration over the local Washington-area media's call for a quickly-named successor to Grunfeld. He insisted on a methodical process before announcing the changes in late July.

"People were calling the process 'driftless', 'meandering'," Leonsis says. "When you do succession planning or turnaround in a big company, it can take 12 to 24 months. Imagine a bank president goes to another bank president and asks to interview a vice-president for a job. You meet with them for two hours and have enough kismet to invite them back. And then a second interview goes for a couple of hours and you offer them a job. That would never, ever happen in business."

The research led Leonsis in part to conclude that the scope of responsibilities for running an NBA team fundamentally needed to be split into multiple people.

"I didn't want to go the traditional route and find the one person and say, 'Here, replicate what we've been doing and you do what the last person was doing.' It was better to break the responsibilities up a different way and add to the talent pool," he says.

Leonsis also concluded that he ought to be more personally involved in

the Wizards. Because he acquired the National Hockey League's Washington Capitals first in 1999, more than a decade before he gained control of the Wizards, and that team has enjoyed far more competitive success, Leonsis' own image has been more tied to hockey than basketball.

"Every agent and player that I've talked to say the more they see [team officials], the more connected they feel to what our vision and ultimate plan is," Leonsis says.

Brown's role as chief planning and operations officer for all the Monumental basketball teams is easily the least traditional compared to typical team management structures. His areas of responsibility related to the basketball operations include technology, finance, communications, security, research, and player engagement. Brown described his role as bringing "together all of our resources...to innovate and find synergies and opportunities across all of our basketball properties."

That may sound like a bunch of empty management talk. But it speaks directly to Leonsis' desire for new voices and ideas, which in turn is the whole point of the team's dramatic leadership makeover. Leonsis says he was particularly attracted to Brown's technology experience and strategic thinking. But as a Georgetown University graduate, Leonsis jokes that he "won't hold [Brown's] Harvard Law School degree against him".

"What do great organisations do?" Leonsis asks. "It's pretty simple. You get the most diverse, smartest people you can find and unleash their intellect... We can deeply fortify ourselves, and have deep basketball knowledge. Let's celebrate diversity and it's not about skin color and gender. It's about different experiences and different ideas. That's what I was craving."

"The league's teams now are being filled with executives leading basketball operations that came from business. Why can't we do both? Can't we make big investments and go deep in basketball and bring in people who...are really, really smart and can add value?" Leonsis says.

The appointment of Medina and

the heightened focus on player health, meanwhile, reflect a sports industry-wide trend in which reducing the number of games lost to injury is one of the most pressing concerns. Medina's efforts will encompass all of Monumental's basketball teams, including the esports franchise, with a particular focus on nutrition, mental health, and non-competition lifestyles.

"It's all about communication," Medina says. "How the coach listens to everyone. This has been proven in soccer...It's all about trust and how players feel about you look after them."

Sheppard, with the Wizards for 17 years and the NBA overall for a quarter of a century, stands to have his working life altered the most, given his role most resembles one from the prior structure. But he says he welcomes the additional executive input.

"This minimises headaches," Sheppard says. "It lets everyone work in real time and all report together and be as distraction free as possible."

The Wizards' new leadership structure also is designed to have a heightened emphasis on player analytics. This is hardly a new concept across the entire US sports industry, as pro teams in all the major sports have rapidly embraced the heavy use of analytics in managing and developing player personnel, particularly since the release of *Moneyball*. But the Wizards had not been properly optimised in this area, despite Leonsis' own embrace of analytics dating back to the earliest days of his business career.

"We're trying to be smarter to our approach to practice, nutritional levels, how players lift weights, how they move on the floor, hydration levels," Sheppard says. "If you do all the things to be successful, success will show up. We have sustainable data, see where success and gaffes are, and adjust. More information, better decisions."

The Monumental leadership changes also arrive amid a dramatically-altered NBA that earlier this summer saw free agent movement involving marquee stars such as Kevin Durant, Kyrie Irving, Kawhi Leonard, and Paul George, among many others.

"If you were thinking it was business as usual [following the free agency

market], you would have been left far behind," Leonsis says. "The way I was managing [before] was by outcomes. Now we're going to be a lot more focused on collaboration and the process."

"The NBA was a radical change this summer. While it scares a lot of people, there's some goodness that came out of it. The talent is more evenly spread. This notion we were all chasing was that we need we three max [salary] players... Now you look around the league, and it's like it used to be. Now it's two all-stars [per team] and depth. Depth is becoming so much more important in this league just because of the injuries," Leonsis says.

Judging success for the Wizards under the new structure will be an unforgiving test. Not only does the team have its own often-lackluster history to contend with, but its sister Monumental

franchise, the Capitals, won the 2018 Stanley Cup and remains a perennial NHL contender.

But Leonsis believes the shared resources across his NBA, WNBA, G-League, and NBA 2K League teams will soon pay sizable dividends.

"We're not done yet," Leonsis says. "We're going to go much deeper in basketball than we were and much deeper in shared services and treat the developmental league and Mystics and NBA 2K like they're professional, growing franchises. If we can do both of those well, now we're investing horizontally and vertically. It will be a one-of-a-kind, valuable set of assets and it will help at each team's level."

"We broke the mould a little bit; I don't know if it's the final right answer; I'm sure there will be tweaks along the way," he says. ○





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