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Under the radar to over the top

SIMON DENYER REFLECTS ON THE FIRST YEARS OF DAZN AND AN EVOLVING MARKET



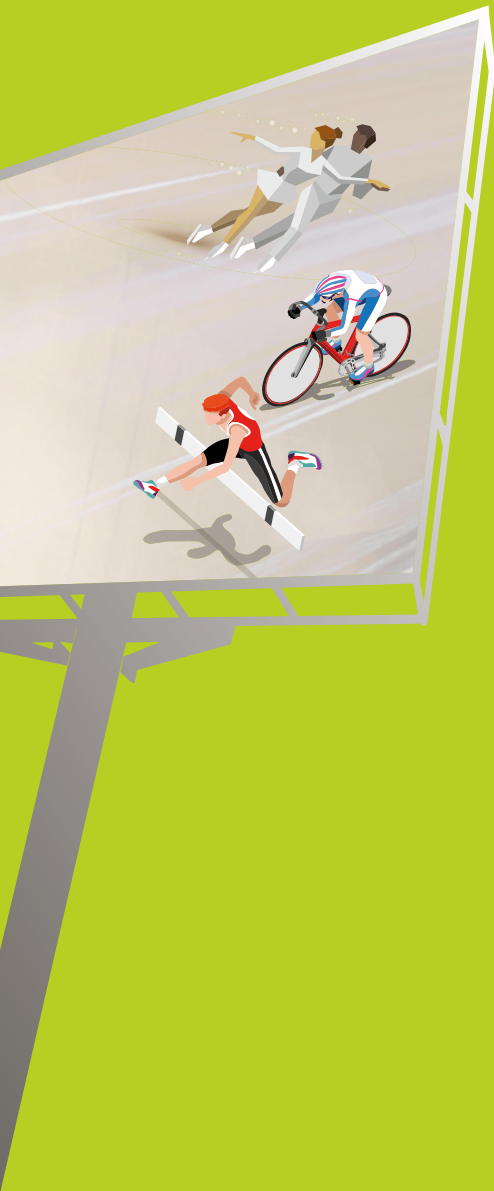
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Super Bowl LIV ticket demand part fueled by On Location Experiences



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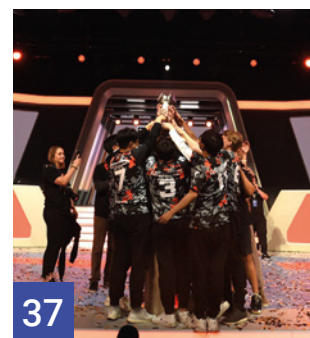
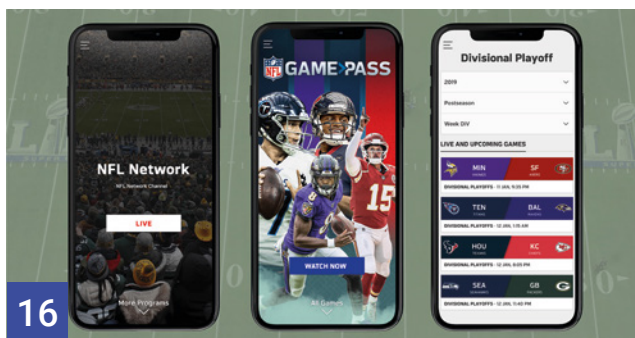
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Sport can use coronavirus outbreak to show it really cares about China

The emergence of a new coronavirus has been a blow to the Asian economy and nowhere more than China, its epicentre.

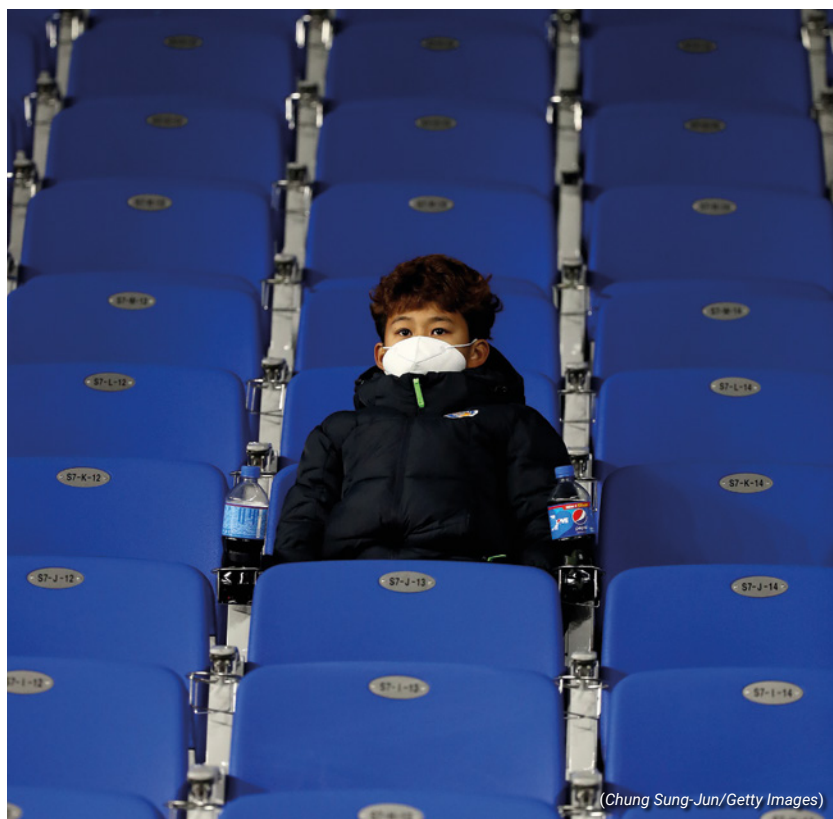
Sport has taken big hits, with the Chinese Formula 1 Grand Prix shelved, the Asian Football Confederation scrambling to reschedule key Chinese national team fixtures and the Chinese Super League put on ice.

The Tokyo 2020 organising committee is putting a brave face, working with the World Health Organisation to fortify its venue and country ahead of the Games in July. China's Olympians and Paralympians have been advised to prepare for the Games away from home, less they be quarantined on arrival in Japan.

The key difference between this outbreak and, say, the Zika virus, SARS or swine flu, is that the ubiquity of digital media means sport can still reach the homes and mobile devices of Chinese citizens waiting out the outbreak.

In China, OTT sports and entertainment service PP Sports has revealed surging viewership numbers since it made its content available for free throughout China as a special measure during the coronavirus outbreak. The largest growth in audience occurred in Henan and Zhejiang provinces – up 245 per cent and 227 per cent – hardly a surprise with both provinces hit by lockdowns during the initial spread of the virus.

And amidst the epidemic, the Shanghai Administration of Sports has launched an online program in which Chinese Olympic gold medallists




(Chung Sung-Jun/Getty Images)

showcase in-house fitness exercises designed for people of different ages and body conditions. What a show of solidarity it would be, if the stars of the English Premier League or the National Basketball Association did the same for its fans in China! It would certainly be far more effective than the painful attempts to curry favour with the Chinese market each Lunar New Year!

Another opportunity to earn brownie points with China and Chinese audiences is staring European football in the face, in the form of the beleaguered Chinese Super League club

Wuhan Zall. Having travelled to Spain for the CSL preseason, the team's plans went up in smoke as opposition teams refusing to play them despite the fact the team has been nowhere near Wuhan for several weeks. To make matters worse its players and staff are stranded in Malaga, worried about family members locked down back home in China.

If sport wants to show it cares about China as more than a new source of revenues, there's no better time – all it will take is some thinking outside the box. 



NFL begins a new decade with the wind at its back



The National Football League enters its offseason with plenty of existential challenges ahead. An uncertain labor future with the NFL Players Association. Declining youth participation rates. Continued concerns about the safety of the sport. Weakened franchise health in several local markets. Attendance that hit a 15-year low in 2019. The

ongoing lack of coaching diversity. An unresolved ownership dispute involving the Denver Broncos.

For a weaker property, all those issues could mean the beginning of the end. But it's anything but for the NFL.

The league delivered Super Bowl LIV and capped off its 2019 season with more momentum at its back than it has had in half a decade and perhaps longer.

Many of the NFL's core business metrics for the season showed solid growth. Regular-season TV ratings in the US were up five per cent, to 16.5m viewers per game, the second straight year of growth despite weak on-field performance by many large-market clubs. Sponsorship revenue continues to rise steadily, approaching \$1.5bn annually across the league and 32 teams,



even as the NFL still takes a slower approach than other properties on legalized US sports wagering.

Super Bowl LIV itself was also a strong performer, with ticket demand tracking at historic levels, Miami serving as a well-received game host, and the Kansas City Chiefs' late comeback providing the league more storybook lore and generating near-record-level merchandise sales. The game drew more than 113 million US viewers, when accounting for out-of-home viewership, far more than any other program in the country will attract all year.

At a time when the league is preparing to go to market for new TV contracts, there is literally no other content owner operating in the US with their programming in as much demand. And despite all the challenges of media disruption, leaving the task of dividing NFL up games by platform more complex than ever, the league retains an incredibly powerful position and one that

promises greater revenues in the future.

Two massive stadium projects, SoFi Stadium in Los Angeles and Allegiant Stadium in Las Vegas, will each open this summer in advance of the 2020 season, providing the NFL a pair of new high-end showplaces representing the next generation of venue development.

Goodell appeared re-energized, eager for more and largely dismissing talk of retirement

Las Vegas will also be the site of the 2020 NFL Draft, in advance of the Raiders beginning play in the market. With another robust six-figure crowd size expected following last year's record-setting turnout in Nashville, the Draft represents the latest step in how the league has turned what is still essentially the reading of names into a

three-day fan extravaganza.

International events are also on the rise, with games set for Mexico City in both 2020 and 2021 and the Jacksonville Jaguars doubling their presence in London with two regular season games per year.

And the political pressure from the White House that served to help depress viewership and fan interest in the league has eased.

So it came as little surprise, prior to the Super Bowl, that league commissioner Roger Goodell appeared re-energized, eager for more, and largely dismissing talk of retirement. The 60-year-old, currently under contract through 2023, said he may seek to continue past then.

"Your work is never done," Goodell said. "I want to put this league in the best possible position. I haven't thought about retirement. It's not on my agenda. I'm 100 per cent committed to this job." ○



(Rob Carr/Getty Images)



Saracens, Man City cases show the need to balance sustainability and ambition

recently spoke with a professional rugby player about what, he says, is set to be one of the highlights of his career.

This was not one of the game's superstars but a youngster who plies his trade in the Championship, the second tier of English rugby union. His club, Amptill, has enjoyed a meteoric rise through the rugby pyramid thanks to sound planning and backing from its sponsor. Next year they will go toe-to-toe with the mighty Saracens, the current European champions who will be mixing it with the small fry because of their relegation from the elite division for breaching its salary cap.

Saracens are a great team with world class players, and they didn't cheat on the field. But their decision to play fast and loose with financial regulations gave them a significant advantage over rivals that must have helped tip the balance of power and puts a question mark over some of their recent triumphs.

Even if they keep only a handful of their stars, Saracens are sure to thump not only Amptill but every other team in the Championship as they head back to where they feel they rightly belong. But – as when Scottish soccer giant Rangers was forced to work its way back up the ladder after a massive demotion inflicted for financial irregularities – Saracens will boost the lower league's attendance and provide some memorable moments for fans and players who will at least be able to boast of the day they shared a pitch with some of the game's greats.

Whether Amptill ever crosses swords with the likes of Saracens again is another matter. Although

there is promotion and relegation between the Gallagher Premiership and Championship the gap in standards has always been massive with relegated clubs generally bouncing back after a single season. That situation is only going to worsen given Premiership Rugby's decision to more or less halve its funding of the Championship.

“FFP rules appear to favour an elite band of clubs that have already enjoyed long periods of success.”

In short Amptill – which prides itself on being a community club – and others of their stature are, in reality if not in theory, stuck where they are.

Ambition and the drive to improve are central to the ethos of sport and that's not something confined to players. But there are issues around the way many different sports are structured that impact on mobility of clubs and teams and their ability to realise their potential.

While Saracens were getting used to the idea of slumming it in the second tier for a year, Premier League champion Manchester City was being hit with a multi-million euro fine and a two-season ban from the Uefa Champions League for breaching Financial Fair Play regulations.

This is not the place to discuss whether City is guilty or whether the club is likely to succeed in its appeal. That can be left to the lawyers. It's also in no way a plea for sympathy for City.

Perhaps a more fundamental question is whether the FFP regulations are themselves a fair and appropriate way of

controlling football finances.

As things stand, the FFP rules appear to favour an elite band of clubs that have already enjoyed long periods of success, built strong national and international brands and consequently earn the most money across all sources.

That severely restricts the ability of newcomers make a real impact on the market by investing in talent. Elsewhere in business entrepreneurs are free to raise as much funding as they are able and invest it in pursuit of their dreams. But not in European football. Here, Financial Fair Play forms a prophylactic around the best-established club brands that ensures this club of clubs endures in perpetuity.

That's a pretty bleak picture and there will be exceptions to rule. But the point is that in a sport driven by the ability to acquire and reward talent, the rules as they stand appear to favour the already wealthy.

Which begs the question, why not give investors a free hand but exert control through a salary cap that is easier to police than FFP, which relies on being able to unravel and value convoluted sponsorship and IP deals.

There is a balance to be struck between the control required to create a competitive, sustainable and compelling sports product and the need to encourage mobility and ambition among clubs.

Manchester City and Amptill may rarely be mentioned in the same sentence and are at opposite ends of sport's financial spectrum, but they do have one thing in common. For very different reasons they face a barrier to continued upward mobility. ○



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Under the radar to over the top

Four years after launch, DAZN is blazing a trail for OTT sport broadcasting around the world. Chief executive **Simon Denyer** reflects on the company's first years of operation and the challenges it faces – from tech companies moving into sport and major rights-holders choosing to go it alone.

Kevin Roberts

Ask DAZN chief executive Simon Denyer what gives him the biggest buzz in running the ground-breaking sports streaming service and his answer is unequivocal.

“Consumers,” he says. “We’re a consumer product working in the sports fan market. That means we get to focus on the consumer and the technology and that is invigorating for everybody.”

Before the launch of DAZN in 2016, Denyer’s focus was on business-to-business service provision, delivering data and streaming services to rights-holders through Perform Group. Now, with DAZN having emerged from the Perform chrysalis to deliver a broad range of content to fans in nine countries, he reflects that its growth is likely to have been far slower had he and his colleagues not put in the hard yards and built trust at Perform.

“Can you imagine if we had been going into meetings with the heads of major rights-holders four years ago as an unknown start-up asking them to put their content on OTT?” he laughs.

As it is, relationships built in the Perform years proved invaluable. Doors were opened to them and there was an attentive ear rather than scepticism about what must have appeared radical proposals. The financial backing of Access Industries, with its experience of disruption and change in the music industry, was undoubtedly another factor.

“The fact is, we didn’t come from nowhere. If we had just turned up out of the blue and said ‘we want to buy your right’ they would have thought that we were crazy and it was too risky. But we’ve been dealing with them for many years and getting the Premier

League and LaLiga to come onto OTT were huge milestones.”

With Uefa believed to be about to announce the Champions League in Germany will be available exclusively on OTT in the next rights cycle, it’s clear any uncertainties among major rights-holders have been blown away.

Strategy

DAZN’s strategy has been clear from the outset: identify markets where there may be an obvious leader in sports broadcasting, but the secondary market is fuzzy and the rights ‘soft’. Acquire key rights which resonate in the market and support them with a breadth of other content, made available on any device, live or on demand. Then make the offering available at a relatively modest monthly subscription.

And while the strategy has been adapted and finessed to meet different circumstances, it’s one that continues to underpin the operation.

Looking back over the first years of DAZN, Denyer remains convinced that it was time for the sports media market to change.

“Not a lot had really changed over the previous 30 years except for the advent of sports channels. But even the concept of linear sports channels doesn’t really make sense today,” he says.

“You know that there is not a whole lot of sport on live most days of the week, then on the weekends there are hundreds of events of which linear can usually show just one or two. OTT increases the volume and choice hugely.”

And while live events are naturally the biggest draw, Video On Demand accounts for some 25 per cent of all streams.

“When we started, we saw DAZN primarily as a live streaming service, so

we are pleasantly surprised by the level of VOD use, which largely consists of time-shifted highlights. Fans tend to watch their favourite teams live but then go to highlights to watch either other teams they like or games they know are worth watching because they’ve been talked about on social media.”

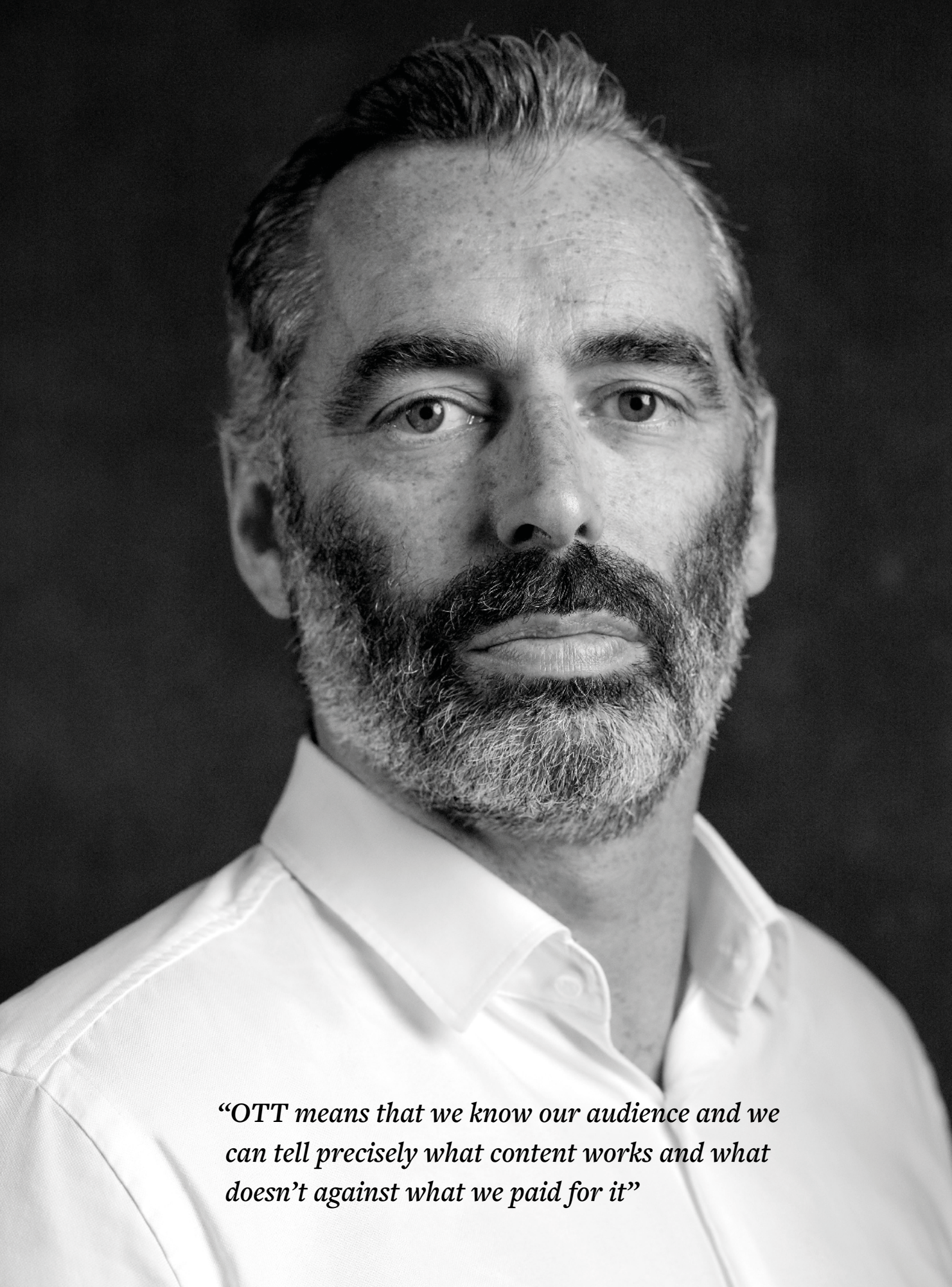
DAZN viewing patterns underscore the logic of the rights investment strategy. In Italy, Serie A is consistently the most popular content; in Germany it’s the Bundesliga and the Champions League games; in Spain MotoGP; the J. League and Nippon Professional Baseball in Japan; the Copa Sudamericana in Brazil and in the United States it’s boxing blazing a trail.

“We have spikes in engagement around this content where around 90 per cent of subscribers in each territory are watching,” Denyer explains. “But in markets like Germany and, in particular, Japan, the engagement is much more even and the spikes less pronounced because we have a broader range of content and a lot of people are consuming a lot of things. That smooths out the patterns.”

And while sign-up to DAZN may often be through mobile devices, Denyer says that 57 per cent of consumption is on ‘living room devices’ – in short, anything that plugs into a television.

“The rest is pretty evenly split between the web and mobile devices, but it quickly becomes a TV experience, which is what we expect from long-form live content. When the users have DAZN in their living rooms we find the level of consumption goes up and the churn goes down. They quickly become more engaged.”

That, he says, also extends to a new trend in consumption... DAZN time, a sports fan’s equivalent of Netflix and



“OTT means that we know our audience and we can tell precisely what content works and what doesn’t against what we paid for it”

chill. “That’s not about appointment viewing for a particular game. It’s about people getting together for a night in and just choosing from the menu of what’s available,” he says.

Breaking America

Eyebrows were raised when in 2018, when DAZN made its move into the United States on the back of two major rights deals in boxing – one with Matchroom Sports, promoter of Anthony Joshua, and one with Oscar de la Hoya’s Golden Boy Promotions, which handles Saúl ‘Canelo’ Álvarez.

The appetite for this content is underscored by figures for last year’s most streamed events on DAZN, which show Joshua’s re-match with Andy Ruiz

Jr. at the head of a list that also features Canelo’s fights with Sergey Kovalev in fourth and Daniel Jacobs in tenth.

But there was another key signing seen as central to the prospect of success in the US – John Skipper, the powerhouse executive formerly behind ESPN.

“The USA is the biggest sports market in the world, but rights are carved up in different ways. We just didn’t have the experience and history in the US market and John is the best person in the world to help us understand and navigate it,” Denyer says.

Even before Skipper came on board, DAZN had its eyes on the US market, where ESPN holds about 50 per cent of sports rights. Boxing was identified as

the play maker.

“Boxing is one of a few sports that resonates absolutely everywhere in the world. Everyone has seen it and knows how it works, and it has been huge. But with pay per view it has fragmented and eaten itself alive. That led to a decline and a situation where there were no real long-term deals or structure for the sport,” Denyer says.

“John joining the business has accelerated our fight sports and boxing strategy and the impact has been felt all around the world. Boxing has been reinvigorated. The big change is that we have got promoters organised because we don’t want a random collection of fights but a series of events with a clear narrative that builds throughout the year.”

In an industry where perennial scepticism about the size and validity of other people’s deals is the norm, it was inevitable that questions would be asked about the sledgehammer boxing deals.

Eddie Hearn heralded Matchroom’s eight-year agreement with DAZN as boxing’s first \$1bn deal, while the 11-fight agreement with Golden Boy and Canelo Alvarez was reported at \$365m. Can such significant sums pay off?

“It is early days in the United States,” notes Denyer, “and at the moment we are still focusing on getting the schedule right. The real test will be this year and next when we need to get the penetration right. It needs to be paying off when we get to the fourth and fifth years of these deals.”

But he notes that “to succeed in the United States, we know that boxing alone won’t be enough and that we have to navigate our way into the Big Four mainstream sports.”

Looking back, looking ahead

Denyer makes the case that “not many mistakes have been made” in the rollout, despite DAZN’s radical business plan.

“Germany and Japan have been rock solid and gone almost exactly to plan and that is a highlight for us. When we did the first rights deals all we had was some research on which we built a model. When you think that this was a completely new business and that nobody had done anything like it before



Ex-ESPN president John Skipper is ‘the best person in the world to help us understand’ the US, says Denyer (DAZN)



Anthony Joshua's rematch with Andy Ruiz Jr. was last year's most streamed event on DAZN (Richard Heathcote/Getty Images)

it has been quite remarkable.

"OTT means we know our audience and we can tell precisely what content works and what doesn't against what we paid for it. We know what rights we need to pay less for in future and those that offer a good return."

While DAZN has made no secret of its desire to expand into new territories, Denyer believes big returns are likely to be made by adding more rights in territories where they already have a presence.

"There's a reason we launched in those places in the first place," he says. "There are some interesting processes about to come up in Germany, Italy and Spain, while in we have most of the rights under long term contract."

"At the same time, we are looking at new territories but we're never going to talk about them until deals are done. We never confirm until rights have been acquired and only a handful of people in the company know about it."

What of market developments that could harm the DAZN business model? For years now the monster tech

"Boxing has been reinvigorated. The big change is that we've got promoters organised. We don't want a random collection of fights but a series of events with a clear narrative."

companies have been about to come over the hill and plough the contents of their massive war chests into sport, while major rights-holders have either launched or openly discussed the potential of launching their own OTT operations.

Denyer is not simply sanguine: "We certainly think about the tech companies and, of course, the agencies have been hoping that the market would be revitalised by their spending power. After all, we know pay-television companies aren't growing at more than five per cent, which means there is not much more money to come out of them."

"The reality is that the only meaningful new money coming into the market is from us. We are spending billions each year while no other tech companies are spending more than a couple of hundred million."

"Where they are spending it tends to be very tactical. Google bought some sport to encourage rights owners to put content on their channel while Amazon, in the UK, bought rights to stimulate Prime adoption and organised it around the biggest shopping weekends. That's been clever; they have approached the market in a sensible and logical way."





"So far as the Premier League and other major rights owners operating OTT platforms is concerned, we think that's something that would be very difficult for a stand-alone rights owner to pull off. I don't think the leagues are looking at this as an alternative to the current model but as a back-up if [a] market goes bad and they're not getting the rights fee they feel is fair. Over the next five or six years a lot of territories might prove disappointing, so it's prudent to have another plan in place." 

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Betsy Pollard Maxfield, Director of Player Care at Sporting Kansas City and FIFA Master Alumna

ADVERTISING FEATURE

The American Betsy Maxfield is another great example of an outstanding professional graduated from the FIFA Master. Betsy started working in the sports industry straight out of university, when she joined, as an intern, the company headed by the legendary sports businessman Lamar Hunt, which at that time owned both the NFL team Kansas City Chiefs and the MLS team Kansas City Wizards (which later was renamed as Sporting KC). She eventually was promoted to a full-time position and worked at the company for another two years before enrolling in the FIFA Master. Although she was already working in sports, Betsy says that her decision to do the master was crucial for her career. "The master gave me a worldly view on sport and culture, which I didn't have before. What you learn inside and outside the classroom is a game changer", she explains.

Betsy joined the US Soccer Federation right after the FIFA Master, in 2003. She then went to work for The David Beckham Academy, in California, for four years, before returning to the Kansas City Wizards/Sporting KC, where she has been since 2009. Since her return, she has climbed several positions and now is the Director of Player Care at the club, where she works across the first team, the B team and the Academy. "I have two main priorities", she explains: "Ensure new players settle and integrate in the shortest amount of time; and allow for their 'on the field' potential to be reached effectively and efficiently. We strive to remove off-field distractions so our players have one focus only: soccer". Read more of the interview with Betsy Maxfield:

What is the thing that you love about your job? And what is its biggest challenge?

I love that no day is the same. On Monday I could be touring one-million-dollar houses for a 1st team player that we just signed, on Tuesday I am teaching a young African player about laws in the USA and Wednesday doing grade checks with our U15 team. I get called "Mom" by some players and "big sister" by a lot of others. The biggest challenge for me is languages. It is my biggest regret. I only speak English. Currently we have players that speak Spanish, French, Portuguese and Hebrew. Thank goodness for Google Translate.

Do you still remember why you did the FIFA Master? Was it worthwhile for you?

I did it to differentiate myself from others. I saw how many people wanted to get into "pro sports", and soccer specifically, and I wanted to stick out from the crowd. I was determined to give myself the best opportunity to get all jobs I applied for. It was extremely worthwhile. I would do it again in a second.

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

My classmates are part of my life on a daily basis. We have a group chat that we send each other updates both personally and professionally. Two years ago, there was a large group of us who celebrated our 15-year reunion with a cruise of the Mediterranean. We all brought our spouses and children, and it was fascinating to see, at one point, that our children were playing cards and all "communicating" in four different languages: English, Chinese, French and Italian.

The other part of the FIFA Masters that is like no other program is connecting with alumni from different years. A few months ago, there was nine of us who presented at a Soccer Conference at Princeton University. This event became a small reunion and networking event for our own program.

Sport has traditionally been a "men's world". Is that changing? How so?

Yes, but slowly! At my club there are now six females on the technical side (along with 34 males) and two females (along with 11 males) in executive roles on the business side. The women's league is more stable in the USA, which creates and solidifies hopes and dreams for little girls in my country. I do think my club is more progressive than most in the MLS, and amongst other pro sports teams, so we are on the right path and that does feel good.



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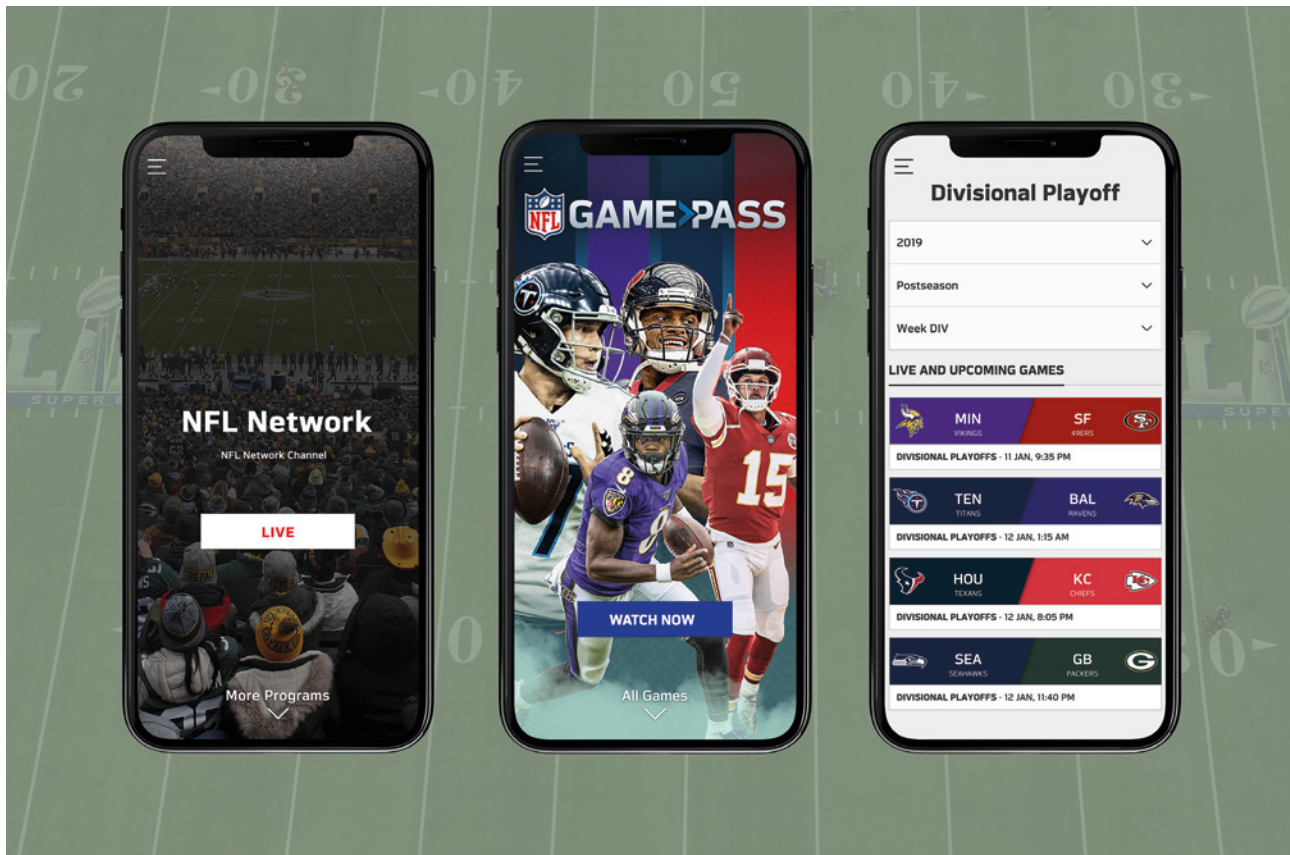
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How the NFL Game Pass uses data to conquer fans around the world

NFL believes its Game Pass is the fastest-growing single-sport OTT service in the world

Global distribution – excluding US, Canada and China – now handled by Bruin/WPP joint venture

Growth of OTT service will not undermine global rights fees, experts say



Frank Dunne

One of the key learnings about users of the National Football League's NFL Game Pass might surprise readers not drawn from Gen Z: Not only is the average fan following Game Pass on three devices simultaneously, but that fan is typically watching multiple live games.

Tracking, understanding and developing the OTT product in response to such unexpected user behaviours is one of the secrets of the Game Pass's success.

The NFL's managing director of international media, Sameer Papari, tells

SportBusiness Review: "We continue to look to aggressively grow and build the NFL's fanbase, and in turn the Game Pass subscriber base, around the world. You'll see us innovate relentlessly to improve our product, with a particular focus on casual fans. We know that as our product improves and evolves it will be a great way to increase our fans' passion for the game."

The NFL believes its NFL Game Pass is the fastest-growing single-sport OTT product in the world. The league does not publish figures for its penetration levels but one expert estimate puts paying subscriber numbers, outside North America, at between 300,000 and 700,000. Other sources say this is low.

Since October 2019, Game Pass has been distributed in 181 markets by OverTier, a company set up by a joint venture of sports investment vehicle Bruin Sports Capital, with advertising agency WPP taking a small stake. From 2017 to 2019, the company distributed Game Pass in Europe only.

OverTier is supported by two other Bruin companies: Deltatre, which handles the technical delivery; and Two Circles, which is responsible for data collection and marketing. The Wavemaker agency, a subsidiary of WPP's GroupM, handles media sales for Two Circles.

For anybody involved in OTT in 2020, this is still primarily a period of learning.

As OverTier's chief executive Sam Jones tells *SportBusiness Review*: "What we are all learning as an industry – whether that is media, sports, entertainment – is that OTT isn't a purely technological point. It's a consumer business model opportunity. That means OTT is deeply connected to all the other parts of the sports value chain, and for us, with the NFL itself.

"We have combined data, technology and marketing with a pure consumer focus to everything we do. That has implications for strategy, for culture, for monetisation. Dedicated direct-to-consumer expertise, with the fan at the centre, was what we thought would help us be successful. We continue to learn," he adds.

There have been specific lessons. "We have learned that fans want a multi-screen experience, but – crucially – they want that experience to be as bespoke and as relevant to them as possible. That means in terms of platform, time zone, content preferences."

While the need for

"The more avid fans watch on four devices at once. I don't think that is something any of us would have predicted."

Sam Jones | chief executive, OverTier

personalised and localised content might have been predicted, other things have come as a surprise. "The average Game Pass customer across the world watches on three devices at once," explains Jones. "The more avid subset of the fanbase watch on four devices at once. I don't think that is something any of us would have predicted when we set out on this journey and it just shows how fast the consumer behaviour is changing and therefore how fast the business models need to change."

Multi-screen viewing is the new normal, especially among millennials and Gen Zs. But what seems really new is the high proportion of these multi-screen users who are watching multiple live games.

"We offered that [multiple live game] experience from day one, and we saw the take-up increase

throughout the first season. Then we introduced a new feature called Watch with RedZone, where you can watch a live game simultaneously with watching RedZone [the NFL's ad-free multi-feed matchday coverage] and jump in between them at will," Jones says.

For Jones, understanding OTT is not about how fast mobile consumption or any other platform is growing. "What is really growing is a new and enhanced behaviour around how fans watch a sport. It's the holistic experience of viewing that we see changing fast. That's exciting for us."

Game Pass audience

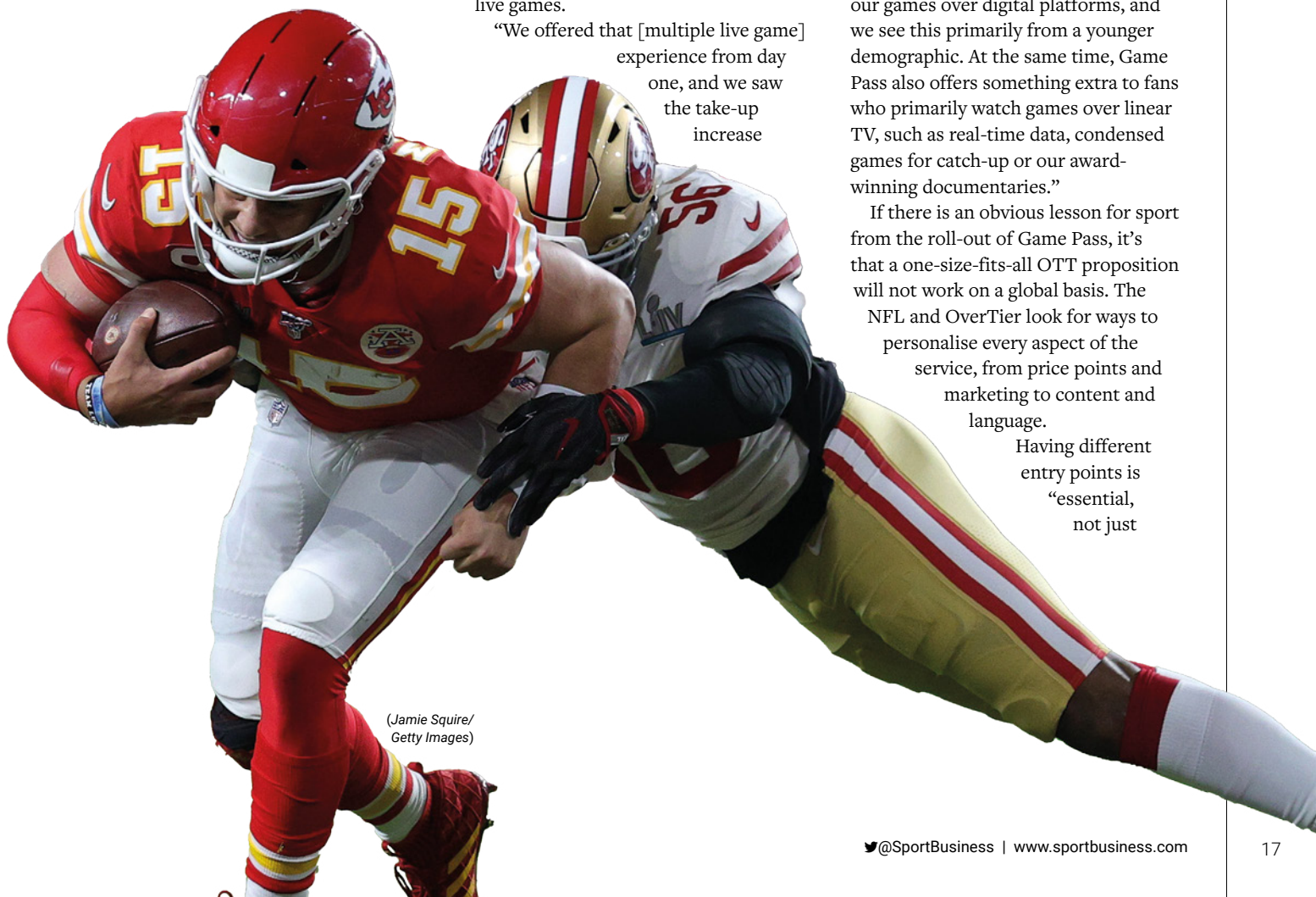
The initial concept of Game Pass was to reach the most avid NFL fan, both in the US and abroad, but this idea has evolved with the growth of the platform.

As Pabari explains: "While the product offers something for all fans, it was initially designed for the avid fan. There are some fans who choose to consume NFL content and specifically our games over digital platforms, and we see this primarily from a younger demographic. At the same time, Game Pass also offers something extra to fans who primarily watch games over linear TV, such as real-time data, condensed games for catch-up or our award-winning documentaries."

If there is an obvious lesson for sport from the roll-out of Game Pass, it's that a one-size-fits-all OTT proposition will not work on a global basis. The

NFL and OverTier look for ways to personalise every aspect of the service, from price points and marketing to content and language.

Having different entry points is "essential, not just



(Jamie Squire/
Getty Images)

important”, according to Dan Cohen, senior vice-president of Octagon’s Global Media Rights Consulting division.

“The NFL has done a good job in recognising the infancy of the sport internationally. The NFL’s ability to super serve the die-hards with nearly unlimited access to content, both live and 24/7, while also providing new and emerging fans a smaller, more digestible content offering with no paywall at all, is critical to growing the sport,” he says.

NFL-specific

It is arguable that there are characteristics of American football that makes it an ideal platform for a streaming service. Conversely, there are also aspects of the NFL which present special challenges for the sale of a subscription product.

“The NFL is incredibly data-rich

and lends itself to a lean-forward experience,” OverTier’s Jones says. “It also lends itself to multi-screen and multi-game viewing. It is also a sport which lends itself to lean-back viewing, if you think of RedZone, which is curating the live experience for the viewer. But I do think the NFL is unique and that is one of the reasons why Game Pass has been so successful: The sport itself is perfectly positioned for OTT.”

However, unlike many other sports leagues, such as Europe’s top football leagues, the NFL has a very short season – from September to December, with the play-offs in January, the Super Bowl in February and Draft in April, before a very long pre-season. Selling a year-long subscription and minimising churn is a constant challenge.

As Octagon’s Cohen puts it: “While I can’t speak to specific churn rates for Game Pass, churn is an important

concern. However, churn is top of mind for any and all direct-to-consumer operators – Netflix, Amazon, Apple TV and so on. The key to all streaming platforms is continuity in quality content that will increase average minute audience and total viewer hours, while reducing churn.”

This makes non-game content outside of the regular season critically important, and it’s an area the NFL invests heavily in. Jones describes this kind of content as a “critical part” of the value proposition, “not only in the core product but also as we work with fans to develop their ability to engage with the sport”.

Threat or complement?

In the US, network TV audience ratings for the NFL increased in 2018 and 2019 after drops in 2016 and 2017, a reversal that coincides with an aggressive roll-out of Game Pass. This suggests that



Game Pass is not cannibalising linear TV audiences and may even help drive them.

Pabari concurs: “We have consistently found, whether in the United States or abroad, that the more NFL content that is available to fans, the more consumption we see.

“A perfect example of this as it pertains to Game Pass is in Germany. Germany has three outlets to watch NFL games: ProSieben, our free-to-air broadcast partner; DAZN, our pay-TV partner; and Game Pass. Over the past year, all three of those platforms saw growth in terms of consumption of NFL football.”

The NFL’s next round of US media-rights deals will begin in 2021 and there is no concern at all at the league that a successful expansion of Game Pass could have a negative impact on rights values. “NFL football has consistently proven to be the most valuable content available in

the entertainment industry,” Pabari says. “We feel confident the value of those rights will only continue to grow.”

“The NFL is incredibly data-rich and lends itself to a lean-forward experience.”

Sam Jones | chief executive, OverTier

For George Pyne, the founder and chief executive of Bruin Sports Capital, the upcoming rights negotiations will provide a “very interesting case study” in dynamics between traditional and digital media.

“The big money is in traditional media right now, but it’s important that content owners strike the right balance to be able to cultivate a growing audience. The two will coexist for the foreseeable future. What will be interesting to follow is how fast the revenue balance shifts.

“OTT speaks to a new era of innovation and opportunity in sports and entertainment that we want to lead,” he adds. “It is where the puck is headed. But at the same time, the industry was built by traditional media’s ability to ignite the passions of fans everywhere. We have great respect for its legacy on the growth of sport globally, and still today it continues to reach fans at greater scale than any other genre.”

Bruin triumvirate

The old military adage that no battle plan survives the first contact with the enemy could be adapted for the modern media age to something like: No OTT service survives first contact with a live audience. Not without some teething problems, at any rate.

Game Pass too has had its technical problems, most recently a three-minute outage in some markets during this year’s Super Bowl. The improving technical infrastructure around the world, with things like the roll-out of 5G, will naturally take care of most quality and user-experience issues.

Having all the links in the chain under one roof will make it easier to meet those challenges. As OverTier’s Jones


explains: “We’re fortunate in OverTier that we have best-in-class global marketing and technology capability with Two Circles and Deltatre. We spend a lot of time thinking about how we best integrate them into a people-focused approach. We have a vast and rich dataset. We speak every day to fans – qualitatively, quantitatively. We run surveys continuously through the year and we use all this information to feed back into product decisions.”

He argues that the OverTier/Deltatre/Two Circles collaboration has created a “unique model” that enables OverTier to “marry up the best available technology, data businesses and tools and marketing, and create an experience we think fans love”.

Those one-to-one fan relationships are used “to constantly learn, evolve and improve the product and the experience. So, when we move into a new market, we have a head start in terms of knowing what the majority of fans would wish to see in terms of platforms, content, packages, pricing and product.

“In Europe we found our way through prototypes, data, and insights to the right blend of subscription packages, the right blend of prices and the right blend of content for different types of fans. We also learned how the avidity of a fan changes over time and in Game Pass we can support that and help them on their journey through the NFL. Starting from maybe a fan who signs up to our freemium product to watch network and highlights, through to the top-tier Pro product, where they can watch any live game.”

That model was then taken and applied to markets in the rest of the world. “We found the majority of the learnings applied. We could then spend our time on fine-tuning the model to take account of local market intricacies and behaviors,” Jones says. “That’s now how we spend a lot of our time: Creating an experience that is as relevant to the fan as possible in each of these 181 markets.”

Data is very much at the heart of that activity. As Bruin’s Pyne puts it: “Data intelligence is going to be the single-most important resource in the future growth of sports.” 

(Maddie Meyer/Getty Images)



SPORTEL chief executive Laurent Puons explains what's new in Miami

How does SPORTEL Miami reflect and address the changing nature of the sports media business?

SPORTEL Miami is reflecting and addressing these changes with an evolved format including new added-value content and targeted networking events for the spring convention. A fresh but trusted SPORTEL quality business setting will unite both our traditional clients, who are embracing these new trends that influence their deal making at SPORTEL, along with new players emerging in parallel with mainstream media, who have been growing in number at our events. The continuous arrival of emerging technologies opens exciting new business opportunities between all players, and we are looking forward to seeing what comes out of SPORTEL Miami.



How does it complement the Monaco event?

The spring event format is more of an intimate gathering than SPORTEL Monaco, with SPORTEL Miami providing more variety of thought leadership platforms, different networking opportunities and more buyers than SPORTEL Macau 2019 did. Delegates will have more time per meeting to develop business relationships with the key established and emerging stakeholders from across the Americas and globally. In contrast, SPORTEL Monaco is much larger and very fast paced, with the mission of maximizing business and delegates having back-to-back 30-minute meetings throughout the three-day event.

What's new for this year?

More content, more networking and more buyers! Kicking off SPORTEL Miami is our new high-level one-day

conference, which will set the tone for the convention over the following days. We are delighted so many of the SPORTEL community have welcomed this new initiative and engaged with us as speakers, sponsors or signed up to attend and network. This new format of back-to-back sessions with no trade floor in parallel on the same day is a first for the spring event.

Added to that, buyers are always a high priority at SPORTEL conventions, with clients requesting to meet more buyers at our spring events. In response, we are not only ensuring more buyers in attendance, we have scheduled a two-day series of invitation only 'Buyers Breakfasts' during the convention, to facilitate interaction between select buyers and sellers of sports media content and new technologies that raise the bar for the industry. We believe these two new additions could become a footprint at future events.

Which elements of the conference programme are you most looking forward to?

The calibre and diversity of the international speaker line-up is second to none. I am looking forward to the engaged discussions and open floor dialogue between the panellists and conference attendees relating to trends and issues impacting the industry and our community. Specific session highlights will include an inspiring fireside chat with local but global Telemundo Deportes president Ray Warren, and the keynote panel bringing together two of the world's greatest boxing promoters – Oscar De La Hoya, chief executive of Golden Boy, and Eddie Hearn, group managing director of Matchroom Sport – alongside the esteemed John Skipper, executive chairman of the DAZN Group, to share how boxing is moving into the digital area. [O](#)



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Navigating the payments minefield is crucial for Asian OTT services

The English Premier League's plans for an OTT service are focused on the Asian market, but the sheer variation in market conditions means existing OTT broadcasters are still figuring their way in the region.



Kelvin Tan

Earlier this month, English Premier League chief executive Richard Masters announced that the league is developing its plans for an OTT service and moving toward a “a mix of direct-to-consumer and [traditional] media-rights sales”.

It's been an open secret for some time – the league came very close to launching a D2C product in Singapore for the 2019-20 to 2021-22 media-rights cycle, before the clubs nixed the idea. Singapore, with its unique content-sharing regulation and high per-capita income, is understood to remain at the forefront of the Premier League's plans to ready an OTT service in time for the 2022-23 to 2024-25 cycle.

Asia is also still awaiting the launch of OTT sports broadcaster DAZN, which despite holding Uefa Champions League

rights in Thailand, Laos, Cambodia, Taiwan, Singapore, Malaysia, Brunei and the Philippines, is currently only operating its own OTT streaming service in Japan.

The multiple, varied markets in Asia makes life difficult for international OTT platforms, and it's telling that it's only in the largest markets, with DAZN in Japan and Star's Hotstar platform in India, that the model is thriving. The unique form of China's broadcasting sector makes it a different beast entirely.

Pricing, piracy, and payments

The right mix of economic, social and technical conditions as well as localisation, timing, competition, partnerships, regulation and the impact of piracy play a major part of any OTT platform achieving success, says David Scott, associate director, Apac, for

London-based technology research and solutions company IHS Markit.

“There is a broad gap between spending ability of countries in the Asia-Pacific region. GDP-per-capita is far lower in Thailand, Indonesia and Vietnam, which is indicative of lower average household incomes and subsequently has a negative impact for take-up of digital video services in these countries.”

“Major challenges also exist in the region, particularly piracy, which continues to plague many Asian markets as authorities struggle to combat the impact of set-top boxes offering illegal access to copyrighted content including sports.

“These devices are pre-loaded with pirated applications [e.g. LiveStream TV and LK21 Reborn in Indonesia] which is used to access content for free. As a

result, consumers' propensity to pay for legitimate content is still low."

Payments are also a challenge, with credit-based forms of payment still uncommon in Southeast Asian countries like Thailand, Indonesia and Vietnam. In Vietnam, for example, only 40 per cent of the population has a bank account.

This has led to Asian OTT leaders into partnerships with telcos and multi-channel platforms.

According to an S&P Global market report released last year, as of June 2019, there were 120 partner deals between telcos and multi-channel operators across 21 markets in the region, with telcos in Southeast Asia being the most common targets of the OTT broadcasters.

Such partnership agreements are win-win. Telcos leverage on their infrastructure advantage and customer base with OTT partners' premium, on-demand content libraries, while OTT platforms become more accessible to telcos' existing mass customer bases via built-in video apps with integrated billing mechanisms over existing fixed or mobile connections known as Direct Carrier Billing.

DCB enables anyone with a phone to charge a service to their bill and as a result are ideally suited to serve more credit-payment scarce Asian markets.

Srivathsan A R, a senior analyst at Media Partners Asia, which specialises in consulting and research services on the Apac media and telecoms sector, tells *SportBusiness Review*: "We have observed a shift in these partnerships over the last couple of years from wholesale lump-sum deals to cost-per-subscriber arrangements.

"Platforms have also been proactive in partnering with other key marketing vehicles with the ability to bill their customers – app stores from Google and Apple, e-commerce platforms such as Tokopedia, Shopee and money wallets like Line Pay and OVO.

"Money wallets, with favorable revenue share (one-to-two per cent), are still in the growth phase, though an inflexion point is expected in the next couple of years."

Ultimately, says James Brighton, partnerships director at UK-based mobile payments solutions company PM Connect, the brands most likely to succeed are those providing sustainable pricing options, using in-depth market

"Major challenges exist in the [Asia-Pacific] region, particularly piracy."

David Scott | associate director, Apac, IHS Markit

knowledge to craft territory-specific price points rather than pursuing a quick profit.

"The right service – for example, the touted Premier League offering, which Masters suggests we could see launch as early as 2022 – would normalise OTT products and create market conditions to see others flourish.

"It is crucial that new OTT products evolve in tandem with payment methods to suit the local population – with the right financial technology potentially key to cracking the Asian market." ○



(Shaun Botterill/Getty Images)

Mushrooming OTT market struggles under the weight of its own choice

Industry research suggests sharp consumer resistance to subscribing to more than three OTT services

Churn a serious issue, with 46% of Americans planning to switch services within a year

Potential OTT service partnerships are fraught with complexity, particularly over who owns data



Eric Fisher

During a recent earnings call, Disney chairman and chief executive Bob Iger went beyond humblebragging about the company's OTT business into full-on boasting.

"I was asked earlier on CNBC about where I felt threatened by competition, there's obviously more competition coming into the space," Iger said. "But there isn't any competition like ours, like our product, because of the investments that we've made in those franchises and the quality of the product that we've made over the years and

we're continuing to make."

Iger had plenty of reason to crow. Disney had just reported a set of stellar subscriber numbers for its suite of over-the-top streaming products: 28.6 million for its entertainment-focused Disney+ after just three months of operation, 30.7 million for Hulu and 7.6 million for ESPN+, including a bump of a million in just one month thanks in part to a Conor McGregor UFC bout.

Of course, it helps a lot to have at your disposal major content engines such as the Star Wars franchise, a large suite of major television hits, and rights relationships with virtually every major sports property to help power those

streaming services.

But even high-profile entities like Disney need worry about the increasing number of OTT services and the ability of the average consumer to handle all that choice.

And as the media landscape moves more away from the traditional cable-led aggregated bundle of content and toward the direct-to-consumer business model the OTT networks generally operate within, how that mushrooming choice is managed and consumed will speak volumes for not only the entire sports industry, but video content at large.

"It really is the great issue in the OTT

space,” says Tom Richardson, president of digital media and marketing consultancy Convergence Sports & Media and a lecturer at Columbia University. “Customer acquisition is super-competitive right now. And it all goes back to the fundamental challenges of distributing content in this new era, because nobody, even the big players, has everything.”

Research distributed last year by software and services provider Amdocs Media painted a sobering picture. More than a third of US consumers surveyed, 39 per cent, said they felt “overwhelmed by the amount of streaming subscriptions they manage,” and wanted some type of a bundled solution with consolidated billing.

Nearly half, 46 per cent, said they planned to switch streaming plans in the next year, suggesting a lot of churn within the industry yet to come. And price will be the prime driver of that churn, with just 22 per cent of respondents saying they were open to adding a new streaming service.

“Aggregators like telecom operators need flexible bundles that customers really crave, meaning they need to offer several – even dozens – of customizable

options, and need to seize the initiative by taking a revised approach to building out these new flexible bundles,” says Ian Zeifman, product marketing lead with Amdocs Media. “This means taking a path that simplifies partner integrations, while also creating a frictionless, end-user experience that wins and retains customers.”

“Judgements have been made in the minds of many regarding a lot of streaming services.”

Tom Richardson | president,
Convergence Sports & Media

Subscription fatigue

Seemingly every week there is another high-profile OTT launch, and that’s just within sports. Nearly every major league, college conference, media network, and niche sport now has their own dedicated streaming product, and individual teams are also getting into the act. And that’s to say nothing of broader entertainment-driven streaming vehicles, some of which sports also plays a part.

But like the Amdocs figures, more

recent data from Nielsen Media Research suggests there is essentially a cap to what consumers will take on in streaming video subscriptions.

More than 90 per cent of the consumers Nielsen surveyed subscribe to between zero and three paid streaming video services. But beyond three there was a sharp cutoff, with just seven per cent having a fourth service, and only three per cent a fifth.

For any streaming provider, that suggests a real need to be on consumers’ shortlists, as the prospect of building a scalable business on being essentially a tack-on or non-core option is not particularly great.

YouTube TV includes live sports in its aggregated blend of linear TV channels that is essentially a cable-like experience without having cable. Its executives describe a similar situation where many of its customers also subscribe to one or two other streaming services, but very few have as many as four or five others.

“Many of our subscribers do subscribe to other services,” says Lori Conklin, YouTube TV head of content partnerships. “It’s often a situation where YouTube TV is their core service and then they have something else like



(l-r) Executive producers/writers Jon Favreau, Dave Filoni, actors Pedro Pascal, Gina Carano and Carl Weathers of Lucasfilm’s *The Mandalorian* at the Disney+ Global Press Day (Alberto E. Rodriguez/Getty Images for Disney)



Netflix or Disney+.”

Though the common industry term for this dynamic is subscription fatigue, the real issue may lie closer to spending fatigue, and that for most consumers, there is a finite fund for non-essential products, of which streaming video is one.

Complicating the issue further is that for many evolving streaming services, first impressions among many consumers have already been made. DAZN, for example, is largely known for its large presence in fight sports, despite its available Major League Baseball, soccer, and esports content and publicly stated efforts to expand into other sports. For that outlet, and many others, rebranding beyond their original value proposition, if they so choose, will be difficult.

“Superficial judgments have already been made in the mind of many regarding a lot of the streaming services,” Richardson says. “That presents some really big marketing challenges going forward.”

Reach v revenue

In the knowledge of this consumer resistance, why have there been so few attempts to combine OTT services and

“Aggregators like telecom operators need flexible bundles that customers really crave.”

Ian Zeifman | product marketing lead,
Amdocs Media

make the disparate streamers look a bit more like a classic cable bundle?

There have been initial steps in this direction. Companies such as Amazon, Apple, and AT&T offer some ability to order multiple streaming services through one platform and ease purchasing for the consumer.

But the choice on those platforms is much less than the full scope of what’s available on the open market, while the carriage agreements often come with restrictive contract terms for the OTT services that can be unattractive compared to going it alone.

And of course, there is the thorny question of who owns the customer relationship and the data that derives from it – data whose acquisition is for many rights-holders the most important aspect of setting up an OTT service.

In any joint arrangement between multiple streamers, these issues will be hard to solve.

“We’ve explored some shared billing opportunities with others, but there are certainly some complexities around that,” Conklin says. “In any type of partnering situation, it needs to make financial sense.”

Then there is the classic reach-versus-revenue question. Particularly for smaller and start-up OTT services, partnering with a large third-party platform can certainly bring additional exposure. But paying hefty commissions to a larger entity such as Apple also cuts into revenue targets compared to acquiring customers independently.

“There are a lot of entities, particularly sports leagues, that are always under pressure to take the revenue and make as much as they can,” says Richardson, who previously worked at both the National Football League and National Hockey League.

“You think about league commissioners. Their mandate from ownership is to drive revenue. But taking the revenue like that can also limit your reach and your ability to reach casual fans.

“So looking ahead, anybody who has a frictionless way for that rebundling to happen is going to have a real advantage in the market,” Richardson says. ○

Technology at the heart of the Bundesliga's innovation game

The DFL is keeping the Bundesliga at the cutting edge of technological innovation by spearheading numerous initiatives.



(Alexander Scheuber/Bundesliga/DFL via Getty Images)

The German Bundesliga has established a reputation as football's innovation leader – one of the most forward-thinking leagues in world sport.

It is little secret that the top division in Germany attracts the largest average attendance of any football league worldwide. However, such popularity is no accident, and the Deutsche Fußball Liga (DFL), which operates the Bundesliga and 2. Bundesliga, is determined to stay one step ahead by embarking on a series of groundbreaking initiatives.

“The whole Bundesliga experience is profoundly shaped by technology,” said Andreas Heyden, DFL Group’s

executive vice-president of digital innovations.

“Over time, innovations in broadcasting, datafication or adjudication of the game have made the Bundesliga more accessible and even more exciting for fans around the world. At the same time, innovations such as the introduction of goal-line technology in 2015 and Video Assistant Referee in 2017 also made the game fairer.

“This impressive development is down to DFL Digital Sports, the league’s digital content provider, our in-house broadcaster Sportcast, and Sportec Solutions, responsible for data collection and the official Bundesliga database.”

Investing in the future

Through its DFL for Equity project, the league is investing in the future. Since 2006, the DFL has been gradually expanding its influence to work across the whole media value chain – from production of the base signal for media partners through to capturing match data and the marketing of media rights.

In October 2018, the next logical step was to establish DFL for Equity, a business accelerator that has invested in novel start-ups and small and medium-sized enterprises worldwide.

By essentially drawing greater benefits from the growth of companies closely aligned with the DFL, the league is attempting to build a portfolio of

investments across media, technology and sport by acquiring part or full ownership of promising companies or via collaborations with future partners.

DFL for Equity's first partnership was struck with Israeli start-up Track160, a developer of an artificial intelligence and deep learning system, that captures the motions of players and the trajectory of the ball. Last year, a joint venture was established via DFL for Equity with Cologne-based Athletia, which provides services in relation to content, branding, analysis and rights protection.

Then, in January, the DFL acquired a stake in MOVEZ, a mobile app start-up based in Israel that is majority owned by AGT International, a global leader in the fields of AI and the Internet of Things. This year, MOVEZ will release a smartphone app – mainly aimed at children and teenagers – that will use computer vision and AI to evaluate skills in ball-related activities, such as playing football.

By bringing exclusive marketing and content assets to the investment, the DFL is demonstrating a desire to establish fruitful relationships with like-minded partners.

New level

AI and machine learning, underpinned by state-of-the-art data management, are also at the centre of a major cooperation that was announced in January when the DFL became the first football league to link up with Amazon Web Services.

As the Bundesliga's official technology provider, the company will deliver innovations in the areas of match data acquisition and processing in order to enhance the presentation quality of the Bundesliga and 2. Bundesliga, with fans also benefiting from more personalised content.

Through the partnership, advanced statistics will be available in real time during live match coverage and highlights clips on all digital platforms, with viewers able to tailor content on

the league's digital platforms to align with their own interests thanks to AWS's cloud infrastructure, advanced machine learning and AI technologies.

"The cooperation between the Bundesliga and AWS will take the entire fan experience to the next level," Heyden adds. "Together, both innovation leaders in their sphere will provide advanced real-time statistics for viewers during live coverage and highlights clips from every top-tier Bundesliga match while serving personalised content across various digital platforms.

"Through machine learning and AI, we aim to use technology in a way which allows us to deliver the most relevant information to all fans anytime, anywhere and on any device. With new technologies, such as AWS's advanced statistics, we not only report on what is happening on the pitch, but instead tell stories that excite and engage our fans."

New realities

Pushing the boundaries of technological possibility has enabled the DFL to identify several potentially pivotal areas that will steer the development of sports coverage and consumption in the coming years.

"The Bundesliga's focus is not only on new technologies, but rather on innovative applications that utilise technology," Heyden says. "In the near future, there are five trends that will be especially impactful in sports: AI, 5G, extended reality (XR) – which includes mixed, virtual and augmented reality – OTT (over-the-top) and data.

"AI and 5G are base technologies to improve and enable all future high-tech capabilities. XR will profoundly change media consumption and the stadium experience, creating mixed reality environments. OTT will lead to sports broadcasts being tailored to our fans and available on demand, and of course data – the most crucial trend – will provide endless possibilities for the creation of the best football experience imaginable."

As a starting point, the anticipated roll-out of 5G has been earmarked as a key game-changer in terms of the fan experience inside the stadium. In this regard, the DFL has been focused on being at the front of the queue. In September, the Bundesliga became the first league in the world to offer a fan engagement tool designed to take advantage of a next generation 5G network.

"Vodafone is the Bundesliga's key partner in its forward-looking approach to change the stadium experience," Heyden explains. "The 5G technology – powered by Vodafone – has been and will remain a key part of our innovation strategy.

"Only a few months ago, we were able to witness a world premiere in football, when real-time statistics were presented using augmented reality directly on the spectators' smartphones via a real-time app. Through this, the Bundesliga became the first league in the world to roll out a fan engagement technology based on the next generation 5G network.

"Breakthroughs like these inspire and motivate us to keep driving our innovation efforts in the years to come."

In keeping with its broader strategy, celebrating 'firsts' in areas such as 5G does not represent the end of the journey, with the DFL keen to use such technological developments as building blocks for future innovations.

"The real-time app, which is currently being developed by the DFL and Vodafone, is only a first step in utilising 5G," Heyden says. "5G is fast enough in processing an impressive computing power and will eventually enable services such as expected goals in real-time – thanks to the power of AWS – with a profound impact on the stadium experience.

"5G will also provide fans with the opportunity to gain more knowledge, answer questions about critical decisions and bridge pauses during the game – enhancing the experience. That's why we believe 5G will play

an important role in our innovation strategy for the coming years.”

Making connections

Connecting with fans – whether they are in the stands or further afield – is an ongoing focus of the DFL, which is keen to spark interest from the next generation of followers wherever they are based.

In February, the DFL took the next step in expanding its eFootball tournaments across the world by launching the Virtual Bundesliga International Series 2020. As part of the competition, online and offline tournaments will take place in multiple countries in order to identify the top players from Asia and the Americas, with the finalists winning a trip to Germany to

compete in the VBL International Final.


“Combining the online and offline world of football, the VBL International Series merges the passions of a new generation of gamers and Bundesliga fans around the world,” Heyden says. “This competition is yet another milestone in the DFL’s success story of establishing a leading global esports competition, an asset that further confirms the Bundesliga’s reputation as football’s innovation leader.”

To consolidate its role, the DFL is also hosting the second edition of its SportsInnovation conference on March 25-26 in Düsseldorf, following its successful debut in 2018. The event has been billed as a trade fair bringing together established companies and start-ups to present the latest

technologies and innovative trends in sports technology.

“Together with Messe Düsseldorf we aim to showcase the most exciting technologies in the sports industry, share experiences and learn from one another,” Heyden adds.

“SportsInnovation is a cornerstone in the Bundesliga’s efforts to bridge technology and sports and is crucial for the Bundesliga’s position as an innovation leader. At the same time, it provides the basis for new and exciting adaptations of the game and allows a glimpse into the future of football.”

Whether it is through DFL for Equity, collaborations, or initiating industry gatherings, the Bundesliga is set to remain a hotbed of innovation for years to come. 



(Alexander Koerner/Bundesliga/Getty Images)

Agents circle the wagons as Fifa moves to curb ‘excesses’

Fifa’s proposals to cap agent commissions puts it on a collision course with some of the most powerful individuals in world football. **Ben Cronin** outlines the reasoning behind the reforms and the legal arguments for and against them.



Mino Raiola (right) with Zlatan Ibrahimovic at the 2018 Fifa World Cup in Russia (Alexander Hassenstein/Getty Images)

Ben Cronin

When the Fifa Council unanimously endorsed a series of proposals to change the rules governing player representation last September, it set itself on a collision course with some of the most powerful agents in world football.

Having adopted a light-touch approach to intermediaries in the preceding years, the governing body was serving notice of its intention to impose a far more rigid set of rules moving forward.

Fifa said the reforms were the result of an “extensive consultation process” with players, clubs, leagues, member associations, and even agents, adding that the new proposals were designed

to: “eliminate or at least reduce the abusive and excessive practices which unfortunately have existed in football.”

But bodies representing agents from across Europe complain that they were not sufficiently consulted in the process and the new rules contravene EU competition law.

The most divisive measure in the new regulations is a provision to cap what Fifa deems to be the exorbitant fees levied by agents on player transfers. Agent associations say this is tantamount to a restraint of trade and are threatening legal action across several jurisdictions.

Why is Fifa changing its player representation regulations?

Fifa’s chief legal officer, Emilio García Silvero, conceded last year that the

governing body had been wrong in 2015 to de-regulate its Regulations on Working with Intermediaries (RWI) and devolve responsibility for the agent market to its national associations.

Fifa’s justification for deregulation was that player representatives were circumventing the existing system anyway, with just 25-30 per cent of transfers conducted by a licensed agent.

But Richard Parrish, professor of Sports Law at Edge Hill University and author of an EU-funded investigation of the transfer market, argues there were other factors at play.

“The formal reason was that up to three-quarters of international transfers were being conducted without a licensed agent,” he says. “The informal reason was it was just a pain for Fifa to administer.”

The decision to devolve the regulations to national associations led to considerable variations in approaches, making some markets more attractive to do business than others. Deregulation was also blamed for making it easier for corruption to flourish and for an explosion in the numbers of people claiming to represent players.

What changes is Fifa planning to make to RWWI now?

Fifa plans to re-introduce a mandatory licensing system for agents that it will administer centrally through a web-based examination.

It will also create a clearing house for transfers to improve financial transparency and ensure selling clubs receive solidarity payments for players and offer a dispute resolution service (both through Fifa and the Court of Arbitration for Sport) to address disagreements between agents, players and clubs.

“The Fifa Clearing House will be operational from 1 January 2021,” a Fifa spokesperson tells *SportBusiness Review*. “It will begin with the processing of training compensation and solidarity payments. Payment of agent commissions through the Fifa Clearing House is currently scheduled to be implemented in the 2022 calendar year.”

More controversially, the governing body proposes placing limits on agent commissions to 10 per cent of the transfer fee in cases where they represent a releasing club, three per cent of the player’s remuneration in cases where they represent a player, and the equivalent of three per cent of the player’s remuneration when they represent an engaging club.

Additionally, Fifa plans to limit the number of parties an agent can represent in a single deal to avoid conflicts of interest. This appears to be a response to cases such as Paul Pogba’s transfer from Juventus to Manchester United, in which agent Mino Raiola is reported to have represented three parties in the deal: Pogba, the selling club and the buying club.

Fifa says dual representation will be allowed under the new regulations, but only where the agent represents the player and the engaging club and the

interests are aligned (because the more a buying club saves on a transfer fee, the more it can pay the new player in wages).

The Fifa spokesperson said agent commissions should be paid by the party using the services of the agent. This appears to be an attempt get players to pay agent commissions – a departure from the prevailing practice in which the engaging club pays for this player benefit.

What do agents think of the proposals?

Though not a profession that is typically associated with collective action, agents have responded by organising themselves into different associations which are urging members to contribute towards the expensive legal fight to block the cap on commissions.

The most influential lobbying groups appear to be the European Football Agents Association (EFAA) and the Football Agents’ Forum (FAF).

EFAA is a supra-national organisation, founded in 2007, that represents the interests of 18 individual agent associations. It counts ‘super agents’ Jonathan Barnett and Jorge Mendes among its members, as well as Rob Jansen, EVP and managing executive of global football for Wasserman.

FAF is a smaller organisation whose members include Mino Raiola, Barnett and Roger Wittmann’s Rogon agency.

Roberto Branco Martins, general counsel, EFAA, tells *SportBusiness Review* that its members might welcome “80 per cent” of the changes to RWWI – but only if they are involved in what he describes as “an official, formal consultation process”. He says measures to connect education to agent licensing are in line with the association’s thinking, while the creation of the clearing house could provide more transparency and security in the payment of commissions.

However, the association objects to the introduction of the cap on commissions which it deems to be a contravention of EU competition law. Its legal arguments are likely to revolve around whether Fifa’s objectives of protecting players and promoting contractual stability are ‘legitimate’, whether the regulations are ‘proportionate’ under EU law and whether agent bodies were consulted enough in the process.

“Fifa has created a distortion in the market by implementing the cap and [to do that] you need to have stakeholder participation first and a proper consultation,” says Martins. “And if you allow a blocking of the market, the



Agent Mino Raiola is reported to have represented three parties in the sale of Paul Pogba to Manchester United: the player, the selling club and the buying club (Clive Brunskill/Getty Images)

market itself needs to be okay with it and to see a legitimate reason for it.

“The next test from a competition law point of view would be whether this is a proportionate measure and there’s absolutely no reason to stick to a three per-cent commission.”

EFAA argues the average agent commission is currently worth double the three per-cent figure and that the regulations will only harm smaller agents operating in the lower tiers of the game. Further up the chain, it is said the cap fails to acknowledge the cost of running a modern agency business.

“You just need a certain size in order to deliver the service to a player that he now expects,” says Dr Philipp Wehler, a partner at Hoffmann Liebs, a German law firm that worked with the Arena 11 agency that acted for Sadio Mané and Naby Keita in their transfers to Liverpool FC. “They want social media services, they want legal, they want tax, personal, they want you to find a good doctor for their granny.”

EFAA argues that the severity of the cap, combined with the eagerness of clubs to sign the best players, will only encourage them to develop increasingly elaborate measures to circumvent the new rules.

Are the new regulations set in stone?

When the Fifa Council endorses a set of proposals it is normally the prelude to them being drafted into regulations.

However, Fifa says it has now decided to conduct further consultations.

“Fifa is currently developing these proposals to be turned into regulations,” a spokesperson tells *SportBusiness Review*. “This work is done in consultation with the football stakeholders, including agents’ representatives.”

It remains to be seen if the threat of legal action will encourage any further concessions towards agents.

Have agent associations taken any legal action?

EFAA says it is coordinating parallel legal actions against the Fifa regulations in Germany and Switzerland, on the basis that they are anti-competitive.

Martins says further legal action is planned in Switzerland and national agent associations are examining competition law in other countries to test the strength of cases against the global governing body in those jurisdictions. A Europe-wide position is anticipated after the EFAA’s general assembly in Zurich on 13 February. FAF is also understood to have written to several national associations and Fifa threatening legal challenges.

Parrish thinks agents have been right to act collectively and are likely to benefit from the standoff: “If they want to have a seat at the table, they’ve obviously got to organize themselves properly and I think they’ve done that now, particularly through the EFAA.”

Although he would prefer agents to adopt a more placatory role, he acknowledges the threat of litigation has proven effective in the past.

“If you look at how the European Club Association got its power, it was through legal action,” he says. “Look at the players’ union FIFPro. Where did they get their power from? By suing Fifa. So litigation in football is often a means of flexing your muscles and getting yourself a seat at the table.”

Do the agents have a case?

The success of the agents’ case will depend on interpretations of articles 101 and 102 of the EU treaties governing EU competition law. Some sources say the agent’s argument that a cap on commissions is anti-competitive has its legal merits, although others say this ignores the political temperature in Brussels which is not thought to be favourable towards agents and the worst excesses of the industry.

Any competition dispute will be complicated by the fact the EU applies a degree of leeway to sport and football given the societal nature of the game and the need to ensure competitive balance. This is where the EFAA’s questioning of the ‘proportionality’ of the Fifa regulations comes into play.

Even if football were treated the same as other industries, sources in favour of the updated RWWI argue that a precedent for the agent cap exists already in the form of the limit placed on bankers’ bonuses that the EU introduced in 2014.

Other arguments will likely revolve around whether agents can be classified as ‘industry stakeholders’. If they are, the EFAA says argues any attempt to distort the market without consulting them is anti-competitive.

There was a sense of battle lines being drawn when agents Raiola, Jonathan Barnett and Roger Wittmann wrote to Fifa claiming they were not consulted in the draft process. Fifa has responded by providing the minutes to two meetings in 2018 where Barnett was present and one meeting where he was joined by Raiola, Wittmann and 21 other prominent agents the same year.

To the question of whether agents can even be classed as stakeholders



Fifa's headquarters in Zurich, Switzerland (Valeriano Di Domenico/Getty Images)

in the first place, one interpretation is that they fall outside of this definition because they don't make any contribution to the game. This could either be by investing in grassroots football and infrastructure, organising and regulating competitions, or indeed playing matches. Under this categorisation, they could be classed as service providers or suppliers instead.

The counter argument is that the best agents often enjoy long relationships with their clients, contribute to the development of their careers and have legitimate claim to say they serve their interests better than any player union.

How have clubs and player unions responded to the regulations?

Football clubs have been reluctant to state a position about the new regulations on the basis that differences of opinion could be exploited by lawyers representing agent groups. But off the record some are supportive of the introduction of the cap on agent commissions.

They say the purpose of the cap is not to prevent agents from making a living but to remove some of the incentives to unsettle players and stimulate contractual instability. At the same time, sources spoken to by *SportBusiness Review* were careful to stress that they appreciate the important role played by agents in facilitating complicated transfers and in allowing their players to focus on football.

One well-placed source said: "The suspicion that people will find a way around the rules is not a good enough reason not to regulate. We need to have the best possible control mechanisms and hard sanctions in place. I think this could go a long way in trying to prevent these practices [circumvention of the rule]; it won't eliminate them, but it will help."

The same source argues that a three per cent commission is 'proportionate' and is consistent with a non-compulsory guideline in Fifa's 2015 regulations adding that the rule allowing the same agent to represent both a player and the engaging club would mean an agent commission could actually amount to a maximum of six per cent of the player's annual salary.



Agents like Jonathan Barnett say they were not sufficiently consulted by Fifa (Ian Walton/ALLSPORT)

By the same token, it is suggested a 10 per cent cap on the share of any transfer fee where an agent represents a selling club, also represents a significant share. In cases where an agent represents a player, it also needs to be remembered that the three per-cent or six per-cent cap would be applicable on the player's yearly salary, meaning the agent would receive an ongoing stipend. The thinking behind this model appears to be to incentivise agents to let players see out the full term of their contracts.

To the argument that the cap on commissions will prevent agents further down the football pyramid from making a living, the same source said: "The fact that commissions are based on a percentage obviously means that they will vary in proportion with the player's salary or the transfer fee.

Three per cent or six per cent of an annual salary of €20,000 could look like a relatively small commission, but that is only the case because obviously the player's salary itself is very low. Should an agent be entitled to 20 per cent of the salary of a player who makes €2,000 a month?"

Global player union FIFPro issued a short response to a request for comment on the new regulations: "We are strongly in favour of the player transfer market evolving so it becomes more rational and less prone to financial speculation. We want to be sure that players are treated exclusively as

athletes, and not as commercial assets."

How might the new regulations work in practice?

Provided Fifa can win the impending legal disputes, the next question will be whether it has the teeth to enforce a cap on commissions – especially given the industry's propensity to circumvent any regulations thrown in its way.

"If a club wants a player and an agent wants more money, they'll just enter a side agreement to say: 'pay me for this scouting that I did, pay me for the consultancy work that I did,'" says Parrish. "And again, that highlights why I think Fifa deregulated in 2015."

This time, however, Fifa has promised to devote substantial resources to policing the problem and to create an investigatory chamber to identify any transgressions. Parrish would like the governing body to look past the easy media target of the agents and shine a light on the behaviour of clubs.

"Rather than just throwing the book at the agent every now and again, which happens a lot of the time, it's the behaviour of the clubs that's the problem," he says.

"Once you start having clubs fined, or they start having transfer bans in the same way that we've seen with transfer of minors, then you've got half a chance. But you need Fifa to be on it. And if they're not, the Wild West will just continue on unregulated." ○

Jorge Mendes: Football agents are 'an essential part of market dynamics'

After Jorge Mendes picked up Globe Soccer's Agent of the Year award, he spoke with *SportBusiness Review* about his role as a football agent and how it has developed alongside the business of football.



(GestiFute Media/Jorge Monteiro)

SportBusiness Staff

The 'super-agent tag' rests comfortably on the shoulders of Jorge Mendes. Over the years he has developed a hugely successful business based on identifying talent from his native Portugal and maximising the value of their subsequent careers as their representative in transfers and commercial deals.

According to Forbes he and his company GestiFute have been responsible for \$1.18bn (€1.08bn) of active contracts, and both the scale of the operation and the launch of a specialist division to advise on and

handle players' commercial rights has helped create a mega-business far removed from the one-man bands which once characterised the world of football agents.

His clients include Cristiano Ronaldo, one of the most marketable sporting talents of all time, as well as manager José Mourinho, whose career has seen him blaze a lucrative trail around some of Europe's top clubs.

His work with Fosun, the Chinese owners of English club Wolverhampton Wanderers, was critical to the club's promotion to the Premier League and qualification for the Uefa Europa League.

Mendes is notoriously private but

took the time to answer *SportBusiness Review's* questions after winning the Agent of the Year category at the Globe Soccer Awards.

How has the football talent management business and the role of agents evolved over the years?

Today an agent has an important role in providing advice on both professional and personal matters.

That's because it is increasingly necessary to keep players away from the inherent hazards of the profession. These include approaches by so-called 'friends' who, among other things, often entice them with business opportunities that turn out to be ruinous.

There are several cases of players who, due to their successful careers, gained financial independence and [although they] no longer needed to work ended up losing everything. This is one of our concerns.

The other, of course, is to find the mechanisms needed to get [a player] a move to a better club. Sometimes that doesn't necessarily mean that a larger club is ideal for that player.

As far as I'm concerned, I've always maintained that the coach is, in the end, the most important component in any transfer. Cristiano Ronaldo is a perfect example. Every club wanted him (when he was playing in Portugal) but they all wanted him to have another season at Sporting [Lisbon].

The only person who seemed willing to take him on immediately was Sir Alex Ferguson and at that time I had no doubt it was the best solution. My decision, made without a second thought, was that Manchester United was the ideal club for him. I'm sure that if Cristiano Ronaldo had stayed at Sporting, he wouldn't have played half

the games he played for Manchester in the first season, at the end of which, by the way, he was voted the team's best player by the fans.

“A transfer only happens if both the clubs and, especially, the player are happy.”

Jorge Mendes

How do you support your clients in a commercial environment where many players are brands in their own right?

Within our group we have Polaris Sports, a company that is exclusively dedicated to this. Players are now global stars; therefore, their commercial rights are valuable. It's a complex reality and somewhat different from negotiating sports contracts. So, to give the best service to our clients, we decided to have specialist staff available to them exclusively dedicated to providing this service.

Agents are often the fall guy in football. Do you think their role is misunderstood by the media and fans?

We think the perception is unfair. Transfers are a very important part of today's football. They keep the fans interested in – and connected to – football during a period when there are no competitions, and this has been one of the factors behind the growth in football worldwide.

As agents we are an essential part of market dynamics and, at the end of the day, a transfer only happens if both the clubs and, especially, the player are happy. Therefore, if we work with honesty, seriousness and competence, and we defend the interests of our clients, the final balance can only be positive.

How is GestiFute changing the image of the talent representation business in football?

GestiFute has played – and continues to play – a very important role in the internationalisation of Portuguese



Cristiano Ronaldo (R) speaks with his agent Jorge Mendes (L) after re-signing his contract with Real Madrid in September 2013 (Gonzalo Arroyo Moreno/Getty Images)

football, as well as in capitalising on the value of young talent.

It's important to note that lots of highly talented young players are unable to cement their position in their Portuguese clubs, and they end up finding the places they deserve in some of the best European clubs.

This contributes decisively to their development and to them achieving high levels of performance, to the point they become ever-present, both in the clubs they play for and in their national team. Bernardo Silva is a shining example. At one time, there was no space for him at Benfica and today he's not just the best player at Manchester City, he's one of the best in the world.

How has GestiFute developed as a business and how it is structured – what was your vision when you launched the business?

It actually all started with Nuno [Espírito Santo], ex-goalkeeper and Portuguese international, and now the coach of Wolverhampton. [He was] the first GestiFute player.

Between then and now we have taken firm steps forward following the growth in football, establishing the company's place in the market. We opened the door to the English market in 2003, when we transferred Cristiano Ronaldo to Manchester United, and in 2004, when José Mourinho, Ricardo Carvalho and Paulo Ferreira all went to Chelsea. At that time, I dedicated my time to watching players and making contacts with club presidents, with a great deal of persistence, patience and dedication.

It's now completely impossible for me to see as many matches as I used to, or to have lunch and dinner with players every day. My priority is to maintain a relationship of trust with the largest

European clubs and, by doing so I'm ensuring that players will have the best career options in the short- and medium-term.

That's the reason why we've implemented a structure that meets all our needs. GestiFute and Polaris Sports have a total of nearly thirty staff.

Will you ever look beyond your core football agency to develop the business?

Our business area is football, but it's not just about placing this or that player. It's about doing so while taking care to do what's best for him and ensuring he achieves his potential in various aspects of his professional and personal life.

I often say we're a family business in which the players are an integral and very important part. The people around them have added responsibilities within the process of their growth. We aren't nice just for the sake of it. We have to tell the truth, make constructive criticism, support them, and help them to grow and develop, so they have the conditions they need to work in a determined and highly ambitious way and to move into the world of elite football.

Would you consider becoming a club owner?

No. They are incompatible activities, so as long as I'm an agent this is not a possibility.

Would you consider becoming active in other sports?

Our main focus is on football. However, we are a talent agency and if we identify a special talent in other sports, we have the capacity to work with them. We have done that mostly by helping Portuguese talent to develop in other sports, such as tennis, motorsports, running or roller hockey, and we are open to looking at working with international stars in other sports.

What are your remaining ambitions in the football business?

That depends on the opportunities that come up and our belief that with a lot of work, professionalism, dedication, integrity and honesty, nothing's impossible. ○



(Gonzalo Arroyo Moreno/Getty Images)

Google hoping an exclusive esports splash will take YouTube Gaming to the next level

Google acquires exclusive media rights to three Activision Blizzard properties

Overwatch League, Call of Duty League and Hearthstone esports no longer on Twitch

Though still some way behind, YouTube Gaming is gaining ground on Twitch in all key metrics



(Bryan Bedder/Getty Images for Blizzard Entertainment)

Callum McCarthy

The growth of Google's YouTube Gaming platform was one of the most underrated esports and video gaming success stories of 2019. The platform saw a 46-per-cent increase in watched hours from Q1 to Q4, as users spent over 900 million hours watching live-streamed gaming content during October, November and December.

YouTube Gaming has a long way to go to catch Amazon-owned platform Twitch, but if Q4's trend continues, Google will continue taking market share from Amazon in the world of

live video game streaming. Watched hours on Twitch declined by more than 250 million from Q3 to Q4; YouTube's increased by about 230 million.

Industry experts believe these trends are directly related and will continue in 2020 – not least due to Google's blockbuster deal with games publisher Activision Blizzard for exclusive media rights to the Overwatch League and the brand-new Call of Duty League.

Across the Overwatch League and individual streamers, *Overwatch* accrued a total of about 250 million watched hours on Twitch in 2019. Most of these hours will now transfer to YouTube Gaming, along with at least another 100

million hours generated by live *Call of Duty: Modern Warfare* content.

For Ryan Wyatt, YouTube Gaming's global head of gaming and VR, acquiring media rights to high-profile esports competitions is just another way of serving YouTube Gaming's 200 million users. The Overwatch League was exclusively shown on Twitch during 2018 and 2019, making YouTube a secondary platform for content related to the game. From this year onward, Wyatt is happy that will change.

"We just need to make sure that when our users come to YouTube, they have a broad diversity of gaming content available on the platform," Wyatt says.

"It's very clear that our VOD business is sizeably bigger than live, and breadth of content for gaming exists on YouTube; it's already there. But we felt there was opportunity to ramp up our live gaming effort. I think it had more and has more to do with that than it does about live gaming growth or accelerating growth. It's about giving diversity of content to the users on the platform."

The differences between ramping up live gaming content and live gaming growth are subtle, to say the least. But Wyatt insists the deal is less about competing with Twitch and more about making YouTube Gaming a better platform for its users.

"Looking from the outside in, it's very clear that we just have our heads down. All we need to focus on is our core principles: do right by the gaming publishers, do right by your gaming creators, and do right by your users. You really don't need to pay attention to any outside noise. If you just stick to those three things, you'll be just fine in the direction that you're going."

Exclusivity

YouTube's deal with Activision Blizzard might appear engineered to gain ground on its rivals, but there is some merit in

Wyatt's claim. YouTube has been happy to agree non-exclusive deals for esports properties since it began acquiring rights – the only exception being an exclusive agreement with tournament operator ESL for rights to its Pro League in 2017.

Non-exclusive deals are the norm in esports as most rights-holders and teams prefer to secure maximum exposure for sponsors. In the case of YouTube's exclusive deals with Activision Blizzard and ESL, it is understood the exclusivity of the agreement was due to rights-holder preference, not YouTube's insistence.

Both the Overwatch League and the Call of Duty League are closed franchise leagues with guaranteed revenue-sharing initiatives. Several team owners also own professional sports teams in the US, where exclusive media-rights deals are the backbone of their income.

However, the Overwatch League's decision to agree an exclusive deal with Twitch for its previous two seasons has arguably stunted its viewership growth. According to data collected by Nielsen, the Overwatch League attracted a global average of 313,000 viewers for the 2019 regular season and an average of 1.12 million for its Grand Finals.

The finals were also shown on US commercial broadcaster ABC, boosting numbers considerably.

But despite an 11-per-cent growth in 18-34 viewership year-on-year, the league averaged just 95,000 viewers in the US during the 2019 regular season.

This is partly due to the league's being in an early stage of development, but also to Twitch's relatively narrow audience of serious gamers. An exclusive deal with YouTube provides a degree of financial security to the leagues and teams, as well as the opportunity to reach a mainstream audience of a billion YouTube users.

"I can tell you there's a lot of enthusiasm because of the size of YouTube Gaming: the idea of being able to introduce esports to more of a mainstream audience, and that mainstream very much being found on YouTube," Wyatt says.

"We have a world class live platform, we have some feature sets that aren't available in any other platform, such as DVR and the ability to rewind if you're late for a live match. And so that, on top of the audience, makes it really exciting for leagues to want to lean into YouTube. That's why you see so many of them non-exclusively on YouTube, and



(Bryan Bedder/Getty Images for Blizzard Entertainment)



(Bryan Bedder/Getty Images for Blizzard Entertainment)

now some exclusively as well.”

The Call of Duty League will also benefit from appearing exclusively on YouTube as opposed to Twitch. *Call of Duty* content has been a staple of YouTube’s gaming community since *Call of Duty 4: Modern Warfare* was released in 2007, and the game itself reaches a more mainstream audience than hardcore first-person shooters such as *Counter-Strike*.

Wyatt, a former play-by-play commentator (known as a ‘caster’ in esports) for professional *Call of Duty* tournaments, knows all about the sport’s potential.

“Nothing in esports is guaranteed, but I do believe that there is a tremendous opportunity for *Call of Duty* to hit numbers like they’ve never hit before on YouTube,” Wyatt says. “*Call of Duty* has always been a staple for YouTube gaming on the platform. We can go back all the way to nine or 10 years ago to *Call of Duty 4*, when people were uploading montages and clips. It’s always been a really important part of YouTube.”

Playing catch-up

While YouTube’s VOD service is streets ahead of Twitch, its live-streaming experience is basic by comparison. Twitch has developed a unique culture of viewing via its highly interactive chat features, item giveaways and viewer polls that are integrated into the broadcast.

At present, YouTube’s live chat features are fairly basic and its ability to give away in-game items is limited. On Twitch, users can link multiple online gaming accounts with Amazon Prime in order to receive free items on console or PC. At present, YouTube only allows users to link their account with Epic Games, publisher of battle royale game *Fortnite*.

The exclusive deal will undoubtedly mean some fans will be unhappy about watching *Overwatch* and *Call of Duty* on an unfamiliar platform with fewer interactive features. Wyatt is aiming to assuage those fears by improving YouTube’s live experience for the better.

“When users are making a decision to not play the game because they want to watch the game, it can be really fun for them to engage in drops and voting polls. We’ve made strides there and we’ll continue to do that. I think there’s a future where you see this stuff on the *Overwatch* League and *Call of Duty* League.

“We’re innovating and building on our live product. That’s important to our creators and our users. Bringing in great esports content is great for our publishers. Each one of our decisions is being made for the benefit of those three buckets and if we keep doing that, we don’t really have to worry about anything. We’re going to keep our head down and make sure we’re doing right by them.”

The fine print

The *Overwatch* League’s previous exclusive media-rights deal with Twitch was reported to be worth \$90m over the course of 2018 and 2019, but industry experts and insiders have told *SportBusiness Review* that this \$90m incorporated expected earnings from an advertising revenue share, as well as the cash value of in-game items given away to viewers. Experts estimate that between 25 and 30 per cent of that \$90m headline figure was a media-rights fee.

The same experts believe that as the new deal contains exclusive rights to the *Overwatch* League, *Call of Duty* League and tournaments for strategy card game *Hearthstone*, a strong media-rights fee increase is highly likely. However, as each property has an allocated fee within the deal, insiders believe it is unlikely that the *Overwatch* League has earned an increase in guaranteed media-rights revenue.

Whether or not this is the case, the league has an opportunity to attract greater viewership on YouTube and thus earn more from its advertising revenue share. Matches from all Activision Blizzard leagues will also appear on its own wholly-owned platforms such as MLG.tv, but these platforms will use embedded YouTube video players on its sites to maximise the amount of ad revenue it earns within the deal. ○

As Counter-Strike tournament operators go head-to-head, a bigger battle is brewing

Developer Valve's take a laissez-faire approach to Counter-Strike licensing: only monopoly is off the table

While licensing is free, intense competition destroys any margin for operators and teams

Move to franchise-style leagues would allow them to retain more revenue but is likely to draw Valve's ire



(Kevin C. Cox/Getty Images)

Callum McCarthy

For most esports purists, *Counter-Strike* is the pre-eminent game. It has been a bastion of competitive gaming since 2000, retaining its position as the first-person shooter genre's gold standard throughout the 21st century.

Its latest iteration, *Counter-Strike: Global Offensive*, has some of the largest prize pools and the biggest salaries in esports. But globally, CS:GO events don't command the media-rights fees or sponsorship income of titles like *Overwatch* or *League of Legends*.

Counter-Strike esports is not centrally organised and operated –

there are several tournament and league operators in direct rivalry, each competing for a bigger slice of the media and sponsorship pie. This has made *Counter-Strike* something of a buyer's market for brands and streaming platforms, and most *Counter-Strike* tournament operators and teams are losing money in the hope of being one of the last men standing.

The idiosyncrasies of the CS:GO esports business are largely due to the laissez-faire philosophy of the game's developer, Valve.

Valve has allowed independent tournament operators, teams and players to run the *Counter-Strike* esports scene with little interference

since the original game's release 21 years ago. The developer has faith in *Counter-Strike*'s hardcore fanbase – which isn't afraid to unify and boycott anyone or anything that doesn't meet its standards – to be the invisible hand that moves the market.

Valve only intervenes in *Counter-Strike* esports to prevent a single tournament operator from creating a monopoly. It believes that competition must always exist in the marketplace and that if an operator became too powerful to bend to fans, it could drive players away from the game.

After all, it's players that butter Valve's bread. CS:GO is free-to-play and tournament operators pay nothing to

license the game for their events. The \$400m-plus (€365m) Valve earned from *Counter-Strike* in 2018 came entirely from in-game items purchased by its fiercely loyal playerbase.

Bleeding money

For tournament operators and teams, viewership is everything. Greater viewership means more sponsorship income, which continues to be their most important revenue stream. It also means greater income from advertising, as most media-rights deals agreed with streaming platforms include a share of ad revenue.

For the past two years, four major tournament operators have been in cut-throat competition: ESL, Faceit, Blast and Starladder. Each spends between \$5m and \$20m per year hosting *Counter-Strike* tournaments as they vie to fill more arenas and attract more viewers than their rivals.

ESL is understood to spend at the high end of this range, offering over \$5m in prize money during 2020 and putting on huge events in arenas around the world. Faceit and Starladder spend on the lower end of the scale, while Blast is offering a \$4.25m prize pool for its tournaments and series in 2020.

Industry experts say this will push Blast's overall costs to between \$8m and \$10m this year.

The leading *CS:GO* teams also struggle to make ends meet, with some losing over \$2m each year. The top 50 teams in the world are understood to each spend between \$1m and \$3.5m per year on player salaries and team operations. *Counter-Strike* players also keep a huge portion of any prize money they win, as competition for their services is fierce. As a result, the teams' share of tournament operator revenues is often miniscule, forcing them to instead monetise *Counter-Strike* through sponsorship deals that rarely come close to covering costs.

Unable to form a single, exclusive franchise league in the vein of *Overwatch*, *League of Legends* and *Call of Duty*, teams and tournament operators have grown sick of fighting for survival with no opportunity to win.

“Player salaries are probably going to go up as a result of competition in the marketplace.”

Dan Fiden | president, Cloud9

Both agree that a single, top-tier *Counter-Strike* league would have a great chance at profitability. But with Valve refusing to act as a unifying party – and stepping in to maintain competitive dynamics – those teams and tournament operators are taking things into their own hands, deepening battle lines in the process.

Battle lines drawn

ESL, which operates the market-leading ESL Pro League and ESL One tournaments, is seeking to solidify its number-one status by signing teams to its ESL Pro Tour, which includes both competitions in a year-round circuit. Deals signed with teams are understood to be for four years, from 2020 to 2023, but there is controversy over whether they will allow teams to compete in other leagues.

An initial draft of ESL's team agreement proposed that teams could not play in any other tournament that spanned more than 14 consecutive days – making the ESL Pro League de facto the only league competition in which these teams can compete.

ESL's proposal offers teams a 21.25-per-cent share of the Pro League's gross revenue, with a 60-per-cent share



(Kevin C. Cox/Getty Images)



(Kevin C. Cox/Getty Images)

of profit in 2020. This share rises to 65 per cent in 2021. As in its previous deals with teams, ESL's in-house agency, WESA, will take a 15-per-cent cut of all media and sponsorship revenue.

Dan Fiden, president of Cloud9, tells *SportBusiness Review*: "Valve doesn't take any money from *Counter-Strike* esports, so there's a lot more opportunity for a profit margin to exist. And I think that through the WESA agency structure, ESL will be able to capture their margin off the top and act as though that margin doesn't really exist."

Several teams are unhappy with ESL's offer and believe the only company set to make a profit from such an arrangement is ESL.

As a result, a group of esports organisations including Cloud9, Dignitas, Immortals and OverActive Media – all of which own teams in at least one franchise league – have banded together to create Flashpoint, *Counter-Strike*'s first-ever team-owned franchise league.

Fiden, whose Cloud9 organisation is a key founding partner of Flashpoint,

continues: "Because of the way the esports ecosystem has evolved, the tier-one team organisations have aggregated the majority of the investment dollars, that's just the reality. We have the money to spend on *Counter-Strike* so we're going to spend it and fix the economics in a way that we think makes sense and we think is much more sustainable."

The 10-team league will replace Faceit's Esports Championship Series, which had run for five years and 10 seasons but consistently lost money. Faceit will continue as the league's operator and take a small minority stake.

The buy-in, at \$2m, is a fraction of the amount charged by other esports franchise leagues. Activision Blizzard's Call of Duty League charged franchise fees of up to \$25m, while a slot in the Overwatch League costs well in excess of \$20m.

Most of the teams guaranteed to take part in Flashpoint are multi-esport giants backed by venture capital, but only two of them are ranked in the world's top-20 *Counter-Strike* teams.

Counter-Strike fans know the difference between top-tier and B-tier competition, meaning the league will rely heavily on its marketing for at least its first year.

Provocatively, Flashpoint's two seasons per year will take place at the same time as the ESL Pro League's own two seasons – a direct response to ESL's attempts to tie teams down to partially-exclusive deals.

Ralf Reichert, chief executive of ESL, is naturally sceptical of Flashpoint's aims and methods: "What I don't understand is how an additional league, which is taking place at the same time as another one, will actually create more money and improve the economics. The logical thing would be to assume that it's going to create less overall value. Trying to put out a fire with oil doesn't sound like a smart idea to me."

Fiden has heard this argument before: "I've heard a perspective from both team owners and CEOs where they've asked why we need to split all of this up. They're saying: 'Don't compete with us. Let's just do this with ESL because even if it's a crappy deal,

it's better that we all do one crappy deal, we don't fight amongst ourselves, we don't drive up player salaries and we don't divide the media rights. And I get that, those things will probably be a short-term by-product of this.

"Player salaries are probably going to go up as a result of competition in the marketplace. But my view is that if the only way to make *Counter-Strike* viable is to reduce costs, or to agree to a crappy deal that doesn't have any potential to make us profitable, it's not a business that we can be in."

Diverging paths

Despite a lower standard of initial competition, Flashpoint hopes to capture the hearts of *Counter-Strike*'s hardcore audience by becoming an edgier alternative to competitions like ESL and Blast. In an attempt to appeal to non-endemic sponsors, these operators have sought to sanitise the game's politically-charged theme (terrorists attempt to plant a bomb, counter-terrorists aim to stop them) and produce *Counter-Strike* content as if it were a traditional sport.

Flashpoint mentions the UFC as a key influence for its content, indicating its production will be grittier and perhaps accentuate *Counter-Strike*'s inherently violent gameplay.

"One of the challenges many of those folks have had is with *Counter-Strike* content. It is a game about shooting people," Fiden says. "We think we're going to bring something to market that has a different tone and is going to appeal in a deeper way to the core of the *Counter-Strike* fanbase. And over time, we think that differentiation is going to allow us to monetise this product."

ESL has no such qualms about making *Counter-Strike* a friendlier product for mainstream consumers, hiring its executives accordingly. Ex-Team Marketing managing director Thomas Schmidt was appointed chief commercial officer in April 2019, while former WWE media rights executive Frank Uddo arrived as senior vice-president of global media in October 2018.

"I think that *Counter-Strike* is a team sport and should be treated like a team sport, not like something that is based on individual fighters," Reichert says.

"But it's a sport, and you can produce it in a more entertaining way, or you can make it more serious. *Counter-Strike* is such a beautiful place because people can try this out. If people want to be the UFC of *Counter-Strike*, I think that's a great idea to try out. Go ahead."

Amid all the competition, rivalry and in some cases bitterness, teams and tournament operators believe in *Counter-Strike*'s potential as a mainstream esports above all else. They may not agree on the path to success or who should be paving it, but the continued belief in its potential keeps teams and tournament organisers in the space, despite most of them losing significant amounts of money each year.



As teams and tournament organisers toy with formats, content, revenue shares, franchise fees and exclusivity, a profitable model should eventually be found – if they are left to their own devices. *Counter-Strike* viewership hit new peaks in 2019 as competition between tournament operators reached boiling point, and teams and tournament operators are now focused on converting that popularity into something tangible.

Sooner or later, God will cut you down

Sensing that *Counter-Strike*'s esports scene could be heading toward a team-operated franchise league model, Valve is watching proceedings closely. The publisher released a warning shot statement last September, gently reminding tournament operators that signing exclusive participation deals with teams could lead to a withdrawal of

the *Counter-Strike* tournament licence.

The statement read: "Recently there have been steps toward a broad form of exclusivity where teams who compete in a particular event are restricted from attending another operator's events... at this time we are not interested in providing licenses for events that restrict participating teams from attending other events."

The statement also warned teams against forming their own leagues, which Valve perceives to be a conflict of interest when those teams compete against one another: "We consider a conflict of interest to be any case where a tournament, team, or player has a financial relationship with any other participating team or its players. This includes multi-team ownership, leagues with shared ownership by multiple teams, or essentially any financial reason to prefer that one team win over another...this requirement isn't new, but we felt it was worth reiterating given the conversations we're hearing."

On the subject of conflicts of interest, Valve later cooled its stance, stating that it would allow a team-owned league in 2020 "so that public conversations can be had about the value that leagues and other entanglements offer, versus the risk that they pose".

Exclusive deals and team-owned leagues suit the teams, but Valve's interest lies in the long-term health of *Counter-Strike*. Its position is in keeping with its libertarian philosophy, but also protects its bottom line.

Given how much money has been lost in the pursuit of its success, it's a minor miracle *Counter-Strike* esports has made it this far in this form. As the esports world shifts toward models of guaranteed revenue, centralised leagues, franchises, geolocation and team-publisher partnerships, *Counter-Strike* remains the dog-eat-dog, free-for-all it always was; a money drain for all but those at the very top of the food chain.

While ESL, Flashpoint and Blast fight each other for what they see as top spot, a look further up that food chain suggests a little co-operation would go a long way. A much bigger battle with Valve is lurking around the corner. ○

'We will not accept putting our content behind a paywall' | Jamie Lewin, Riot Games

Media rights are the fastest-growing revenue stream in esports

No deal bigger than Riot's exclusive CNY 800m agreement with Bilibili

Even so, Riot will not seek higher fees by allowing content to be gated



(Chung Sung-Jun/Getty Images)

Kelvin Tan

Riot Games has been prolific in sealing *League of Legends* esports media-rights deals with Asian streaming platforms in recent months.

In January, Riot sold rights to the inaugural 2020 Pacific Championship Series to agency Redd+E in Southeast Asia, Taiwan, Hong Kong and Macau, and exclusive rights to the 2020 North American Championship Series and European Championship to Chinese live-streaming platform Huya.

This follows the fierce December bidding war over rights to the annual *League of Legends* World Championship in China. The country's first example of an open tender for exclusive media rights to an esports property extracted a huge winning bid of CNY 800m

(€102m/\$113.1m) from video sharing and online-gaming site Bilibili.

Bilibili's likely motivations for its CNY 800m bet is to grow its content community that produces anime, comics and gaming (ACG) content, which is popular among younger demographics. If they can attract *League of Legends* fans to their platform, there could be a fair amount of viewership retention, which would be a big boost to their user numbers.

The company has been broadening its services beyond video-sharing and game publishing to live-streaming, online comics and e-commerce to boost growth and reach a market capitalisation of \$10bn, a goal set by chief executive Chen Rui in September last year. Bilibili listed on the Nasdaq exchange in 2018.

But despite all this activity – and

projections for global esports media-rights revenues to hit \$396m by 2021 – media-rights revenue is not the primary goal for Riot, whose core business is still games publishing.

Speaking to *SportBusiness Review*, Riot Games' head of strategic partnerships Jamie Lewin says: "The deal with Bilibili was huge for the whole ecosystem in China – it set the bar for media rights in a big way, and for esports in Asia, setting benchmarks in pricing and the size of the deal.

"But when we look at revenue-per-fan, the value that's really generated is indirect. That's because the real value is captured by the developer/publisher, because of the cyclical manner of the audience and the interaction with the content when watching esports.

"Viewers will invariably go play more of the game – we've seen incredible

spikes around our world championship – and we ultimately make billions of dollars a year by people playing the game and buying in-game items. Essentially, our commercial model is very different: viewership is what fuels the rest of the main machine, which is players playing our games and making in-game purchases.”

Though it was released more than a decade ago, Riot’s *League of Legends* still generates considerable revenues – over \$1.4bn in 2018. In 2016 the game hit a landmark 100 million monthly active users and, according to Riot, is still holding firm at those numbers as of last year.

Riot’s primary aim in media-rights negotiations is to achieve cost-neutrality for marketing its games in Asia. Lewin says: “From our point of view, it makes sense to try to get esports marketing to a place of cost-neutrality. Esports operations are very expensive, so [it is crucial to] go out and forge strategic partnerships that balance our books.

“At the start, these events were just marketing for the games, but they’ve grown and now come with a large inherent cost, so the goal is to lower our cost for them. That view, we understand, is frustrating to people in the esports space saying ‘it’s an exploding industry worth millions’, but how you quantify that number is an inexact art.”

Lewin explains that the difference for

esports, compared to traditional sport, is that its audiences are players themselves.

“The difference between being traditional or not is watching Arsenal is not going to make you a better player; 99 per cent of the audience are people who aren’t active players, but view football as a form of entertainment. Esports is so new that the majority of viewers play the game – so there’s a large audience that’s there to skill up.

“The really key thing to understand is how unlike traditional sport it is – kids playing five-a-side does not make LaLiga or the Premier League any money.”

A study by research firm Niko Partners backs up his assertion, showing that almost two-thirds of gaming viewers in Greater Southeast Asia are players. This demographic are also the highest spenders, averaging \$15.80 per month on PC games and \$10.10 a month on mobile.

With the game’s audience willing to splash the cash on watching top players duke it out as a form of masterclass for their own gaming growth, this represents further monetisation opportunities for gaming platforms like Bilibili, Douyu, Huya and Kuaishou.

Lewin explains: “If I look into the potential space for Asian broadcasters, anyone who is in the broadcast space for OTT can add Pro View [a premium streaming option in which a fan follows a single professional game in an esports

title] as an add-on for potential revenue streams, apart from growing their subscriber and viewership base.”

Riot, via its *League of Legends* official website, is charging \$9.99 for multi-view streams (point-of-view or main event) for its North American and European League of Legends Championship Series in 2020. Launched last year, Riot has committed to splitting the revenue from Pro View between its regional leagues and teams to keep growing its player base.

Ultimately for game publishers like Riot, aspirations of growing media-rights revenue are tempered by the need to maximise exposure to market its games, which is counter to why streaming platforms would pay huge media-rights fees.

Lewin says: “Media rights are usually all about exclusivity. But for game publishers, our investment is in the product – the game – and production of it, and we will always first achieve scale by the democratisation of distribution – which means we will cut our content into whatever forms and across as many channels as there is an audience for that channel.

“The difference for us compared to traditional sport is we will not accept putting our content behind a paywall. We will accept an additive experience behind some form of payment, but the main content cannot be gated.”

PRO VIEW

MAIN EVENT BROADCAST

DOUBLELIFT
POV STREAM

JENSEN
POV STREAM

Riot's Pro View premium streaming service (Riot Games)

Player	Champion	Kills	Deaths	Assists	CS	Gold
Impact	TL	2/2/2	0/3/3	204	7103	41.6K
Broken Blade	TSM	0/3/3	2/2/2	235	7463	41.6K
Xmitht	TL	0/0/3	0/0/3	82K	56%	83%
Akadian	TSM	0/0/3	0/0/3	61K	75%	36%

LaLiga taking the lead with OTT

LaLiga has focused on developing a cutting-edge OTT platform that is providing a window of opportunity for numerous Spanish sports properties, as well as the Spanish football league.



LaLiga's increasingly prominent role in supporting various sports in addition to Spanish football has accelerated thanks to its proactive adoption of over-the-top (OTT) technology as a vital vehicle for engaging audiences.

Having spearheaded the launch in 2016 of LaLigaSports, a project designed to drive growth across 64 national sports federations, the emergence of OTT has served as a catalyst, elevating LaLiga's collaborative approach to new levels.

The launch of LaLigaSportsTV a year ago was a "natural evolution", according to LaLiga's strategic projects lead, Loreto Quintero.

"As an entertainment provider, we think it is important to develop first-hand experience of the latest technology

and how it can enhance our offering in the future," Quintero says. "This is an approach that has already been taken by major American leagues, and platforms like Netflix show the global popularity of streaming services.

"It's clear that the broadcasting world is transforming due to improved internet connectivity and the rise of streaming. With an OTT platform of our own, we are better prepared for new market circumstances."

Bold intentions

LaLiga started actively exploring OTT opportunities in 2017 and, in 2018, the organisation displayed its bold intentions by registering the Sportflix domain before it became LaLigaSportsTV.

Having shown more than 20 sports competitions at its launch, today LaLigaSportsTV provides free, live and on-demand access to over 30 sports competitions through multiple devices, with more than 600,000 downloads to date. It is now available globally through Android TV, but it can also be found as a mobile app through Google Play and the App Store and is also available on Samsung Smart TVs.

"We have been offering best practice to over 60 Spanish federations about how to create the best audiovisual spectacle and engage their audience, which helps them to grow," Quintero says. "By making these competitions available around the world, we want to increase the visibility and exposure that they receive."

Although rights deals dictate the availability of content in certain regions, some events – including the 2019 Pan American Games – received global coverage on the platform, and there is a desire to secure more worldwide agreements in the future.

In certain markets, the platform already provides access to international competitions such as the Superbike World Championship, European Weightlifting Championships, European Judo Championships and Canoe Sprint World Championships.

Exposure

Spanish sports properties such as futsal's Liga Nacional de Fútbol Sala, handball's Liga ASOBAL, and the Liga LEB Oro, the second tier of the Spanish basketball league ladder, are also available. Other non-mainstream sports are also given a platform for exposure.

"The OTT platform is currently focused on sports that have not traditionally received widespread broadcast attention and we include live and catch-up content as well as highlights and stand-out moments," Quintero adds. "We have seen that fans are keen to discover this content and by using this data we are offering personalised recommendations to them, carefully segmented by the preferences they are showing.

"We see loyal followings of many sports, particularly futsal, basketball and handball, but there are interesting trends throughout the platform. Sports like petanque and gymnastics, which last for many hours and have never received huge broadcast attention, have viewing times of over an hour.

"Increasing audiences and engagement comes from following our broadcasting best practice – having a consistent and engaging visual style is key for recognition. We have also consistently added new sports to the platform which help to engage new users. Added to this, we are beginning to work on programmatic advertising within LaLiga written content, which

will identify fans' specific preferences and offer them targeted, relevant updates related to LaLigaSportsTV."

Business model

As LaLigaSportsTV is not being monetised yet, in terms of the business model supporting the platform's development, LaLiga is working with the various sporting bodies that receive coverage to figure out a structure that works for all concerned.

"The platform is not yet being

monetised, but as this develops, we will be working with the federations to agree a model that works for them," Quintero says.

"We are not primarily focused on monetising the platform, but we expect to start seeing this in the coming seasons. Negotiations are ongoing here, but our most important focus is to create the best broadcast experience for viewers and sports federations, while studying the data to define the best future strategies."

Q&A: JOSÉ CARLOS FRANCO GARCÍA, MANAGING DIRECTOR OF TECHNOLOGY AND DATA, LALIGA

How are LaLiga's technological projects and innovations managed within the structure of the organisation?

LaLiga manages these projects through its BI and Analytics department, which was created in 2017. The team is made up of more than 20 people with diverse profiles such as data scientists, architects and data engineers, and they have a presence within all the internal teams of LaLiga. We also have people specialised in audiences and digital measurement. Depending on the specific business case, one or more of these profiles participate in the creation of new innovations. It all depends on the objective to be achieved.

How does LaLiga's OTT operation fit in with the body's broader technology strategy?

The OTT platform supports the digital ecosystem that we are building to connect our digital channels – via apps and websites – with a central data platform through a layer of services that will facilitate user registration, acquisition and management of consent. All of these channels deliver relevant data about our global audience, which is ultimately the intelligence that will drive our business forward.

How else is LaLiga using technology – especially with the media – to engage with new and existing fans at home and abroad, and what sort of success has there been?

We are incorporating a range of technology innovations that are enhancing our match broadcasts. Showing advanced statistics such as heat maps, player speeds or distance travelled, 360-degree replays or plotting the trajectory of the ball onto the action enhances the live match and makes the TV product more informative and entertaining. Our global cumulative audience of 2.7 billion viewers underlines the success we are seeing here.

Which areas of technology are LaLiga exploring in terms of fan engagement? Is artificial intelligence an area of special interest?

Artificial intelligence is increasingly important for us, particularly right now in broadcasts. Through LaLigaSportsTV, we are applying AI techniques to recommend related content in a similar way to how Netflix recommends series and movies.

There are many examples of how data and artificial intelligence are transforming industries – the world of entertainment is no exception and that is where sport has to play. New ways of consuming content have appeared in the audiovisual market and streaming platforms are quickly winning market share. Rights-holders must always be attentive and prepared for new possible disruptions in the market, most of which will come from technology.

Rather than challenging traditional broadcast coverage, the idea behind establishing a direct-to-consumer platform is to embrace future technological opportunities and adapt to evolving viewer habits. As part of this, the ability to analyse data first-hand and tailor the user experience can put LaLiga at a competitive advantage.

“We saw that mobile technology was becoming central to the user experience and was defining company strategy,” Quintero adds. “Most importantly, capturing and understanding data was essential to the future of business.

“Through an OTT operation, we realised we would be able to offer users an experience that catered to their preference for on-demand, mobile-ready content, while providing a world of relevant data that can help us get closer to fans. Knowing which sports the user is watching, how long they watch for

and from what device, is vital insight for rights holders.”

Data

The data is also being used to optimise the OTT offering, with LaLiga working on improving the product, user experience and quality of content. User segmentation is crucial, with artificial intelligence helping to create a personalised experience for the viewer.

“The objective in the short to medium term is to learn and look for an exhibition window for many sports and try to make all sports realise the transition that is taking place in the world of sponsorship and advertising,” Quintero says. “We will continue to add new content too, such as iconic LaLiga Santander matches, which can now be found on the platform.

“Beyond that, our focus continues to be the study of data. Many people

believe that the world of OTT is streaming... but it is much more. The key to the OTT is the knowledge of your user and how he consumes your product. Netflix has proven it. The example is the recommendation of films that it makes thanks to artificial intelligence. We have already learned a lot from that, which is informing our data-driven marketing.”

There has been plenty of speculation in recent years about if – or when – there will be a significant shift regarding major properties adopting an exclusive D2C model in their biggest markets. However, LaLiga is cautious to predict that such a broad transition is inevitable.

To that end, with the LaLigaSportsTV project led by LaLiga’s business intelligence and analytics team, as well as the president’s office, the primary goal at this stage is to enhance expertise in the area of OTT and broaden LaLiga’s




data analysis initiatives.

“We are seeing many rights-holders taking steps toward creating their own OTT platform and we believe the market will demand more of this technology in the future,” Quintero says. “When that time comes, we will be ready with a platform that has several years of experience behind it.”

In keeping with the strategy to date, the development and expansion of LaLigaSportsTV will continue to be underpinned by a collaborative approach.

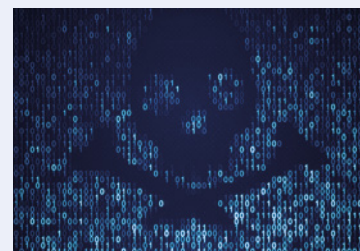
“Working with a wide range of sporting organisations is vital to the

growth of our industry,” Quintero adds. “Our industry needs to come together to share best practice that will win the hearts and minds of future generations. We should never take for granted that sport will always be part of people’s everyday lives.

“When we launched LaLigaSportsTV one of our promotional messages was: ‘The more we see it, the bigger it will be.’ As we increase audiences to the wide range of sports on our platform, the federations behind them are getting stronger, understanding their audiences better and creating a more entertaining and immersive product.” 



TACKLING PIRACY



At the start of February, LaLiga struck a deal with Dorna Sports to lend its services to the protection of the audiovisual rights of the agency’s MotoGP and WorldSBK Championships.

As part of the partnership, LaLiga will use its own tools in order to monitor and eliminate illegal content hosted on social networks, digital platforms and mobile apps.

The tools, created by the LaLiga Content Technology Protection team, will also enable the tracking, pursuit and compilation of legal evidence in order to fight illegal transmissions via IPTV and card-sharing.

“Joining up with Dorna Sports motivates us to keep working to protect competitions’ audiovisual value,” LaLiga president Javier Tebas said. “Fighting against piracy is a top priority for LaLiga and we’ll continue to invest in technical tools and human resources to keep advancing in this field.”

The partnership represents just the latest step by LaLiga to protect sports rights holders. LaLiga already had agreements with the likes of the Belgian Jupiler Pro League to share anti-piracy tools, but the partnership with Dorna represented the first time that a non-football sports organisation had signed up.

LaLiga also conducts regular anti-piracy initiatives to shut down illegal streams with the support of government bodies, with recent examples of such proactive work having taken place in countries like Brazil, Peru and Denmark.

The league has developed its anti-piracy strategy since 2015 and its in-house team of more than 25 staff members includes technology and legal experts, as well as ex-police officers.

Super Bowl LIV sees historic ticket demand fueled in part by On Location Experiences

Ticket prices were boosted by an attractive market, strong fanbases and a renovated stadium

Last-minute buys from San Francisco, Kansas City markets fueled historic pricing levels

Endeavor-owned On Location Experiences controls roughly a sixth of total ticket inventory



Eric Fisher

All the ingredients for a potent Super Bowl resale market were easily in place this year. Super Bowl LIV, played on February 2, boasted one of the most popular US travel destinations in the tropical climate of Miami. In the Kansas City Chiefs and San Francisco 49ers, it had a strong matchup with two large fanbases willing to travel and, in the case of the Chiefs, a major star – last year’s league Most Valuable Player, Patrick Mahomes. The widely loved quarterback went on to also win the Super Bowl MVP trophy in the Chiefs’ 31-20 victory.

There was also plenty of pent-up demand for a championship, given the 49ers haven’t hoisted the Lombardi Trophy in 25 years and the Chiefs hadn’t

in 50. All that and Hard Rock Stadium, usually home to the Miami Dolphins, recently completed a more than \$500m (€453m) renovation project that substantially upgraded the venue.

The reduced capacity at Hard Rock Stadium, now one of the NFL’s smallest, also constricted supply. The game’s attendance of 62,417 was the lowest for the Super Bowl since the very first in 1967, when the event was still known as the AFL-NFL World Championship Game and had yet to grown into the industry and cultural colossus it now is.

Those ingredients all blended to create historic levels of ticket pricing for Super Bowl LIV. Prominent resale marketplace StubHub said its final average price for the game was \$6,634, a whopping 51 per cent higher than a year ago. Fellow ticket marketplace SeatGeek reported an even higher overall average

resale price of \$7,049 per ticket, with seats selling in the final two days surpassing \$8,600.

Low-end get-in pricing for the upper deck of the stadium surpassed \$5,000 per ticket, a figure beyond the overall average resale price for the Super Bowl in many prior years.

And unlike most years, when Super Bowl resale pricing tends to sag in the days leading up to the game as resellers look to avoid unused inventory, this year market values held firm and actually shot up as the game approached.

“We saw prices rise over time this year, creating incentive for people to buy earlier,” says Akshay Khanna, StubHub’s general manager of sports.

On location

But there was more going on than simply a strong host market, a good

venue, and championship-starved fans. The other key factor at play was the sharply increased presence and sophistication of On Location Experiences, the league's part-owned official hospitality partner.

Offering travel and ticket packages for the game that offered access to various parties, tailgates, events and lodging in addition to game tickets, On Location singularly controlled by various industry estimates at least 11,000 seats to Super Bowl LIV, amounting to roughly a sixth of the total attendance. Its packages for the Super Bowl started at more than \$5,500 per person and quickly escalated from there.

And because of its direct ties to league and close access to ticket supply, the company holds an outsized ability to help shape the overall resale market for the game each year. On Location's heightened presence also exemplifies the increased role many sports rights-holders now have the ticketing of their own events.

"On Location has really figured out how to go to market and manipulate prices," says Tony Knopp, chief executive and co-founder of California-based Ticket Manager, which works with many corporate clients. "They really know what they're doing, and they've got everybody else on their heels."

Adds Patrick Ryan, co-founder of Texas-based ticket distribution company Eventellect: "On Location now has some really powerful analytics around managing Super Bowl supply, an understanding of that supply-demand curve, and have a significant base of corporate customers. There is now a much more stable method happening around this. And they've simply got a lot of the supply out there."

Perfect storm

It wasn't always like this for On Location. Formed a half-decade ago, the company first battled against established players in the sports corporate hospitality space, including QuintEvents and PrimeSport, as well as the established resale marketplaces such as StubHub, SeatGeek, Ticketmaster and Vivid Seats.

On Location then began to scale significantly in late 2017 with the

acquisition of chief rival PrimeSport. That deal also brought in Sam Soni, formerly PrimeSport's president and now On Location's chief revenue officer, a key figure in the company's heightened ascendancy around the Super Bowl.

"[On Location] really know what they're doing, and they've got everybody else on their heels."

Tony Knopp | chief executive and co-founder, Ticket Manager

The company is now targeting further growth under the new ownership of Endeavor. The NFL increased its equity stake in On Location in that long-anticipated deal and retains a board seat.

Soni describes Super Bowl LIV as "a perfect storm" not just for the potent demand ingredients but also On Location's ability to offer differentiated products that for prices not entirely unlike base ticket costs elsewhere also provide additional fan experiences such as the pre-game parties.

"We have a more comprehensive and cohesive offering than ever," Soni says. "And we're seeing unprecedented levels of demand in all areas, and the impact of what we bring to the table."

And like most years, very little in the way of Super Bowl ticket inventory was available at face-value pricing on the primary market. The league distributes Super Bowl tickets each year through a complex formula that gives 17.5 per cent of the available inventory to the two participating teams to distribute as they see fit (largely going to key business partners) and ticket lotteries for season ticket-holders. The host team gets five per cent, and the other 29 NFL teams receive a little over one per cent each.

The NFL controls the remaining percentage, meaning any ticket hitting the market must originally come through one of those sources, and giving an NFL-aligned property such as On Location a potent advantage.

Several industry sources said that for On Location, seats that didn't

necessarily fetch targeted prices on the open market were redistributed back to league sponsors and business partners at face value, at once creating a flywheel effect to buttress the NFL's sponsorship business and maintaining the premium-level pricing publicly for the Super Bowl.

Late buys

Soni also says roughly half On Location's sales for Super Bowl LIV occurred after the conference championship games were played on January 19, an unusual late run of activity since it first went on sale with Super Bowl access last spring.

He and other executives say fans from both San Francisco and Kansas City continued to pour into Miami in the final days leading up to the Super Bowl, buoyed by the availability of hotel rooms and Airbnb lodging in and around Miami and the ability to get into the market through two major airports.

"The late push has been interesting, but Miami is a market you can get to readily from a lot of other places," Soni said.

The last-minute arrivals pushed Ticketmaster's average ticket price for the event to \$8,507, in turn setting a new company record for the highest price for any single live event in the history of the Live Nation-owned company.

"Based on ticket purchase trends, 49ers and Chiefs fans were in a race to see who would have the biggest presence at Hard Rock Stadium come game day," says Clay Luter, Ticketmaster's executive vice-president and co-head of sports. "These once-in-a-lifetime moments are what live entertainment is all about, so we expect demand like this to continue in the coming years."

To that end, industry executives are already looking ahead to future Super Bowls – another small-capacity venue next year in Tampa, with the Raymond James Stadium, and then the new SoFi Stadium in Los Angeles, a major market that will undoubtedly draw massive amounts of fans.

"We're sort of looking at the new normal for at least the next few years," Knopp adds. "Big warm-weather markets, lower capacities, lots of demand, and On Location having a big presence." 

Legacy to the fore as Glasgow delivers on the biggest stage

Glasgow is exploring opportunities to build on a transformational decade with innovative events, with the history of the city ensuring its legacy is never forgotten.



(Dan Istitene/Getty Images)

Bradley Rial

Glasgow's presence on the major sporting events scene is a relatively recent phenomenon.

This is not a city traditionally accustomed to welcoming a steady stream of championships. As recently as the 1980s, Glasgow's grim reputation was framed by its post-war struggle with deindustrialisation, depopulation and high unemployment. Bidding and hosting were neither priorities nor realistic propositions.

Notable changes in trajectory proved pivotal though, and a string of high-profile events, including several in sport, has revitalised the city's societal, reputational and economic outlook.

Glasgow has been transformed into

one of the most admired sporting destinations in the world, but memories of yesteryear have ensured there is no room for complacency in a legacy-focused events strategy to which many other cities aspire, but few will achieve.

Legacy

In fact, for a city that is aware of the journey it has travelled, and the role sporting and non-sporting events have played in elevating its status, the focus on legacy is all-encompassing.

The roots of this mindset can be traced back to when, two years after the famous Glasgow Garden Festival attracted more than four million visitors, Glasgow, still basking in the afterglow of the transformational event, flourished as the 1990 European City of Culture.

However, it required more than just a newfound confidence in welcoming visitors to fulfil the city's event-hosting potential in sport.

Glasgow staged the 2002 Uefa Champions League final, but the failure later that year of Scotland's joint bid with Ireland to secure the Uefa Euro 2008 tournament led to a broader rethink and the formation of EventScotland, a new national events agency, in 2003.

In partnership with Glasgow Life, established in 2007 to deliver leisure and cultural services on behalf of Glasgow City Council, a strategy was developed to attract events in sports that already had followers amongst the city's extensive network of grassroots clubs, guaranteeing interest and support on the ground and enhancing

legacy opportunities.

It is a strategy that still applies today, with local interest usually stoked by teaser competitions and community initiatives before the main event. For example, to build momentum ahead of the upcoming 2020 World Men's Curling Championship, Glasgow hosted numerous age-group championships and ploughed resources into ensuring curling club membership numbers have increased.

"At its heart, Glasgow's approach to major events is policy-led," says Billy Garrett, director of sport and events for Glasgow Life. "Glasgow hosts events because of the contribution to, and indeed acceleration of, the strategic and policy objectives of the city. We do not host events only for the short-term spectacle we all enjoy, as fantastic as that is, but rather to ensure inclusive growth is achieved and the benefits from our success are enjoyed by everyone."

Catalyst

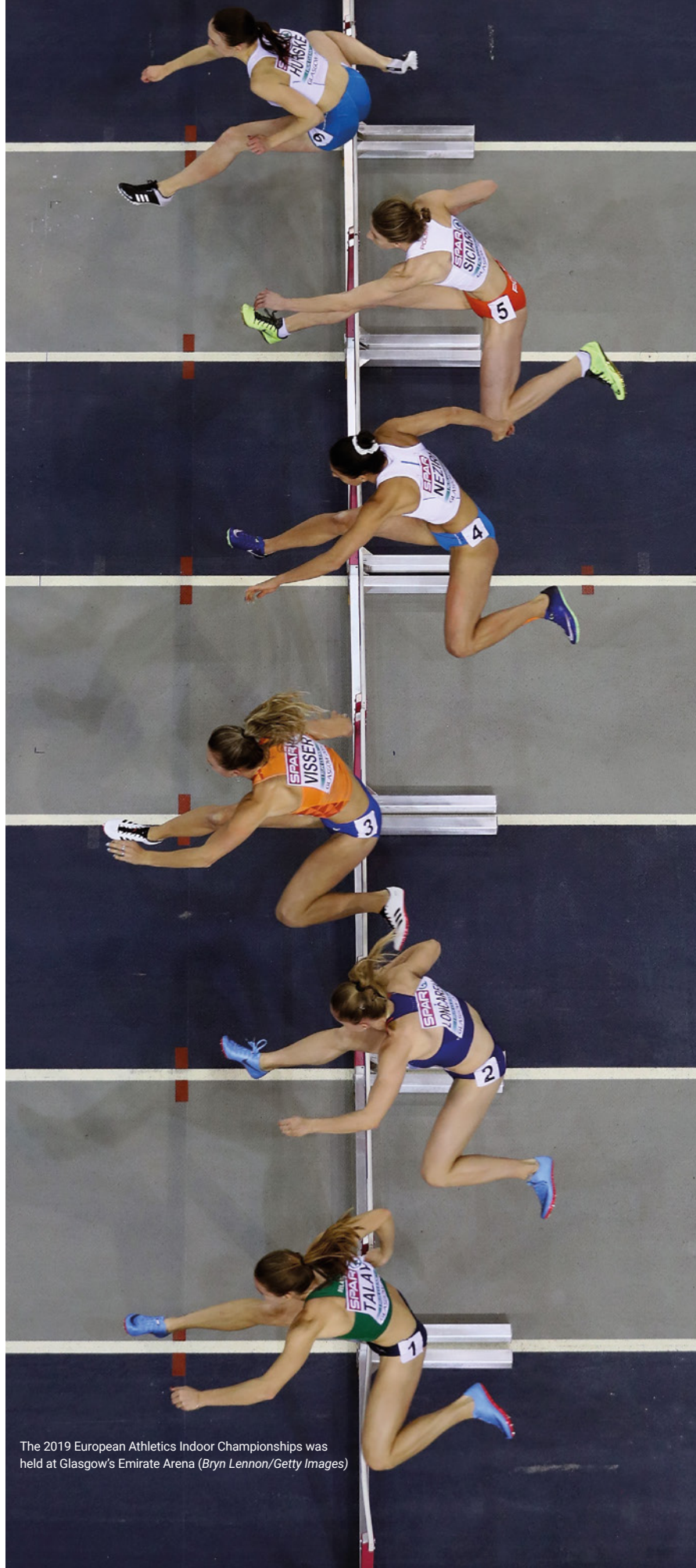
The 2014 Commonwealth Games was a true catalyst that is still, to an extent, steering the city's event-hosting aspirations.

Despite only having a population of about 600,000, 10th in the list of metropolitan areas in the UK, Glasgow received more than 50,000 applications for 15,000 Games volunteer positions. Submissions continued to flood in to the Glasgow Sport Volunteer Bureau – which matches people with volunteer opportunities across the city – after the event, demonstrating the hunger for more of the same.

Against such a backdrop of enthusiasm, the city's sporting infrastructure was simultaneously spruced up to accommodate a higher calibre of events.

The 8,200-capacity Emirates Arena, built ahead of the 2014 Games, is capable of hosting tennis and basketball events and also boasts a state-of-the-art cycling velodrome. Its versatility has been demonstrated by staging Davis Cup tennis, the 2017 Badminton World Championships and last year's European Athletics Indoor Championships.

The 14,300-seat SSE Hydro opened



The 2019 European Athletics Indoor Championships was held at Glasgow's Emirates Arena (Bryn Lennon/Getty Images)



Ekaterini Stefanidi in action during the final of the women's pole vault at the 2019 European Athletics Indoor Championships in Glasgow (Michael Steele/Getty Images)

in 2013 ahead of staging gymnastics and netball events during the 2014 Games. It has gone on to establish itself as one of Europe's busiest arenas, with high-profile music acts complementing UFC mixed martial arts events, boxing bouts, and the 2015 Artistic Gymnastics World Championships.

Whilst then-Commonwealth Games Federation chief executive Mike Hooper hailed the 2014 event as the "stand-out Games in the history of the movement", Bruno Grandi, the late president of the International Gymnastics Federation, described the city's gymnastics showpiece the following year as "even better than the Olympics". The city's multi-sport infrastructure was also applauded when Glasgow served as the co-host of the 2018 European Championships alongside Berlin, staging aquatics, cycling, gymnastics, rowing and triathlon.

Strategy

The collaboration between Glasgow Life and EventScotland (part of VisitScotland) has been fruitful. VisitScotland published Scotland's national events strategy – 'Scotland the Perfect Stage' – in 2008, with the document updated in 2015.

The city will soon publish its events strategy for the period through to 2023, with a focus on leveraging the city's position to create "the perfect event experience" for rights-holders, businesses, event visitors and locals.

"From bidding to delivery, we take a policy-led approach to ensure major events contribute to both local and national government policy, such as health, education, transport and sustainability to help bring about long-term transformational change within society as well as having an economic impact," VisitScotland's director of events, Paul Bush, says.

"This means we not only provide a great athlete and spectator experience during event time; it also means that the impacts of the event are felt long after everyone goes home. Glasgow and the 2014 Commonwealth Games is a great example of the long-term legacy major events can offer."

Since it was established 17 years

ago, EventScotland has invested over £47m in more than 1,000 events across the country, generating £1.3bn in net economic impact for Scotland.

The Commonwealth Games were worth £740m to the Scottish economy, an official report into the event found. An average of 2,100 jobs were created, the majority of which were in Glasgow, and around 690,000 unique visitors were drawn to the city during the Games.

A study commissioned by Glasgow City Council found that the 2018 European Championships generated £256m worth of marketing exposure for the city. Glasgow benefited from £34.3m in additional spending during the event, which also secured an estimated £24m in contracts for Scottish companies – £8.5m of which went to local businesses.

“Glasgow is committed to only supporting and funding major events that contribute to the city and its partners’ strategic objectives and wider policy objectives, as well as being in line with city values,” Garrett adds. “This ensures robust decisions are made on the allocation of resources following industry-leading evaluation and analysis of event products.”

All strategic decisions relating to the support or funding of major events in Glasgow are made by the city’s events

board, which comprises representatives from the city council, Glasgow Life, EventScotland, the Glasgow Chamber of Commerce, VisitScotland and Scottish Enterprise.

“This ‘one-stop shop’ presents a seamless and effective route into the city for major event organisers, and the collective management approach allows us to tackle any issues or challenges head-on and with a partnership approach,” Garrett explains.

“We take a policy-led approach to ensure major events contribute to both local and national government policy.”

Paul Bush | director of events, VisitScotland

Innovative approach

The high regard in which Glasgow is now held was exemplified last year when the International Cycling Union (UCI), without embarking on an established bidding process, announced that the city would stage its inaugural Cycling World Championships in 2023.

The two-week event will bring together 13 UCI World Championships across different cycling disciplines. Some 2,600 elite athletes, representing more than 120 countries,

will compete in existing venues, with the event attracting 6,000 amateurs and 10,000 accredited individuals, including 700 journalists.

The event was secured following months of collaborative work between the UCI, EventScotland, Glasgow Life, UK Sport and British Cycling.

“This is the perfect example of Glasgow and Scotland moving away from the traditional bidding process,” Garrett says. “We have put our money where our mouth is and are taking steps to secure new and innovative events in ways which differ from the standard application and bid process.

“Like any other major event, it will bring its own challenges, but this is something we’re prepared to meet head-on with plenty of skills and experience to back us up. Our ambition is that this event will be a catalyst for major behavioural change, both in the city and across the country.”

For Bush, the arrival of the event demonstrates the willingness of Scotland and Glasgow “to embrace innovation while reinforcing our reputation as a world-leading events destination”. He adds: “Securing a competition of this global magnitude and being entrusted to help shape the event, alongside the UCI, reflects the country’s expertise in delivering world-class and ground-breaking events.” ○



The 2018 Fifa World Cup Qualifier between Scotland and England at Hampden Park in Glasgow (Shaun Botterill/Getty Images)

FEI teams up with event hosts and partners to take the lead on sustainability

A sustainable approach is increasingly recognised as central to good governance and sound business in sport, and the International Equestrian Federation (FEI) is determined to lead with a series of innovative initiatives.



The Grand Prix Freestyle event at the Longines FEI Dressage European Championship in Rotterdam last year (Liz Gregg/FEI)

As the global governing body of equestrian sport, the FEI has been keen to take a leading role in sustainability among international sports federations, by working with partners and event hosts to adopt innovative green practices and reduce negative environmental impacts.

While the FEI's sustainability pillars include initiatives at its headquarters as well as FEI-organised events such as the FEI General Assembly and the FEI Sports Forum, the governing body acknowledges that it is the third aspect – international equestrian sport events

on the FEI calendar – where the most far-reaching positive impacts can occur.

Guiding text

On the back of the FEI's Sustainability Handbook for Event Organisers, first published in 2014, the governing body has encouraged everyone involved in the staging of equestrian competitions to create positive environmental legacies.

An updated version of the handbook is currently being reviewed in line with Global Reporting Initiative (GRI) standards – a widely adopted global principle for sustainability reporting – in order to meet evolving challenges.

“The FEI plays a key role in motivating its stakeholders to focus on sustainability and the environment by equipping our event organisers with the necessary knowledge to simplify the decision-making process on implementing eco-friendly initiatives,” FEI secretary general Sabrina Ibáñez says.

“This was the driver behind producing the FEI Sustainability Handbook in 2014 and this has become the guiding text for sustainability initiatives. We see it as a living document that provides a framework for organising committees to develop green initiatives and to share best practice from organisers

around the world, and work is currently underway to update the Handbook.”

The Handbook promotes eight of the 17 United Nations Sustainable Development Goals, including initiatives related to climate action as well as responsible consumption and production.

In the updated Handbook, an annex for self-evaluation will give each event organiser the opportunity to measure and report on the impact of each of the sustainability initiatives they have implemented during a competition. Each initiative earns the organising committee points that count towards an overall sustainability score.

The governing body is also in the process of developing a Sustainability Portal – a one-stop-shop for information and guidance to give organisers the chance to draw up customised plans.

Tokyo 2020

The FEI’s culture of sustainability will also be put into practice at the Tokyo 2020 Olympic Games.

“The original plan for equestrian put forward by the Tokyo Organising Committee was for a totally temporary venue in the Tokyo Bay area, but when we were consulted on this as an option, we pushed for the alternative which

was to re-use of the 1964 Olympic equestrian venue at Baji Koen,” Ibáñez adds. “This was the optimal choice from a sustainability perspective but also to ensure the legacy of this wonderful venue.”

The FEI is also an enthusiastic supporter of the International Olympic Committee’s new guide, Plastic Game Plan for Sport, which was published in collaboration with UN Environment. The document provides guidance to event organisers about creating an effective plan to reduce plastic waste.

By encouraging knowledge exchange between event hosts and the wider equestrian sport community, the FEI’s support in this area has increasingly led to organising committees undertaking their own innovative projects.

For example, at the Longines FEI Jumping World Cup™ competition that took place at the Helsinki International Horse Show in October, horse manure was used to generate the electricity at the event. Fortum HorsePower, which developed the technology, has been a partner of the Helsinki Horse Show in Finland since 2015.

Meanwhile, at the Longines FEI European Championships Rotterdam 2019, several sustainability projects took place. One such initiative was Brasserie

2050, supported by local sponsor Rabobank. The self-service concept was designed to encourage people to eat in a more sustainable way, with dishes served including vegetarian tuna, bread made from potato peels and watermelon tartare, with the restaurant itself made from recyclable materials and powered by a rechargeable battery.

Sponsors

With the likes of Rabobank and Fortum HorsePower providing essential support at such events, it is clear commercial partners can play a key role in helping to deliver a sustainable approach.

“Sponsors are increasingly focusing on sustainability and basing their commercial support on the green factor, but it’s not about just paying lip-service – it’s about living the ideals, and that’s really important for the FEI and for our partners,” Ibáñez says.

“Sustainability is about building long-term value and it is crucial that the FEI community embraces the same values. The partnership with Horse Pilot, the FEI’s official apparel partner, which uses sustainable and environmentally friendly practices in its production and distribution, is an excellent example of how sustainability provides an extra avenue for collaboration and development.

“As the Rotterdam and Helsinki organisers have shown, magic can happen when commercial partners and event organisers come together on a sustainability initiative. Neither of those projects would have been possible if both partners hadn’t shared the same vision and goals.”

However, the governing body is acutely aware that it is crucial to commit to delivering change at home, as well as around the world.

“Preserving and protecting the environment, alongside the welfare of the horse, is the first principle in the FEI Statutes,” Ibáñez adds. “It is important that the FEI doesn’t just talk the talk, but that we walk the walk and provide the example for our organising committees.”



The Helsinki horse show used manure to meet its entire power requirement, including mobile phone charging stations (FEI)

As an example, the FEI's headquarters in Lausanne were renovated in 2008 in accordance with the Swiss Minergie construction standard for environmental responsibility, reducing energy consumption by 25 per cent. At the time, only two per cent of renovated buildings in Switzerland met such standards.

Moreover, the FEI's Green Office Policy has helped to optimise waste management by improving recycling practices through increasing waste separation and minimising single-use plastics. Disposable cutlery has been eliminated from day-to-day operations and the use of paper has been minimised by reducing printing. Webex facilities have also been installed in three of the FEI's conference rooms to reduce meeting-related travel.

Long-lasting change

The benefits of adopting a clear strategy regarding sustainability from the ground up at a governing body such as the FEI can influence a broad range of people and organisations. Ibáñez is hoping that other international federations will follow suit.

"Federations like the FEI have a real opportunity to effect long-lasting change in societies and communities around the world," Ibáñez says. "I have seen for myself that making sustainability every employee's responsibility has given our organisation a greater sense of community and ownership."

"At a minimum, international federations should include sustainability initiatives as a criterion in their bidding documents for their major events and championships to ensure that this is an integral part of the assessment process prior to allocation of these events. This is something that the FEI has been doing for several years."

"Appointing a person within the organisation to ensure that sustainable practices are considered early in the planning process helps make sustainability an automatic part of

the decision-making process rather than just being a box that gets ticked occasionally. We saw an immediate benefit after creating the role of FEI sustainability manager."

"The sustainability journey begins with small steps and usually this transformation happens from the inside. The goal is not to achieve as many initiatives as possible, but to be successful with the ones selected."

Just the start

Despite having made a concerted effort to seize the initiative in sustainability, the FEI acknowledges that there is plenty more to come in this area in the coming years. It is a challenge that the governing body is relishing.

"The FEI is helping to shape the future as we are part of the working groups for the further development of key principles of the UN Sports for



Robert Whitaker on Catwalk IV (Satu Pirinen/FEI)

Climate Action Framework,” Ibáñez adds. “From a more equestrian-focused perspective, our long-term objective is to work even more closely with organising committees to have sustainability as part of their DNA and not as an afterthought.

“Ultimately, every organising committee on the FEI Calendar will be expected to report on the implementation of their sustainability

initiatives. We will also be creating programmes to assist National Federations with developing their own sustainability programmes with local priorities.”

As part of this future focus on sustainability, the FEI is also keen to encourage any innovators who may produce creative solutions to the environmental challenges of tomorrow. For example, a member of the FEI

community is working on a project that recycles single-use plastic to create a sustainable base layer for the all-weather footing surfaces used in equestrian arena events.

“We still have a long way to go to achieve all our goals, but I believe we’re on the right track and, as an organisation, we believe we’re well placed to make a difference in the industry,” Ibáñez says. ○

Q&A: AURÉLIEN GUILLON, CO-FOUNDER AND MARKETING MANAGER OF HORSE PILOT, THE FEI’S OFFICIAL EQUESTRIAN APPAREL SUPPLIER



What are the key benefits of your partnership with the FEI?

Our partnership with the FEI has helped to boost our visibility within the international equestrian community and raise awareness of our brand and story. Being the Official FEI Equestrian Apparel Supplier has also gone a long way in building customer trust in our products.

How are you leveraging your partnership with the FEI to enhance your sustainable outlook?

Horse Pilot was founded on the following three core principles: To reduce consumption by creating clothing products made to last; to produce riding clothes in an eco-responsible manner; and to make riders aware of the impact of their choice of clothing.

Our partnership with the FEI allows us to make more people aware of the impact their buying decisions have on the overall environment and how they can personally contribute to reducing the negative impact on the environment. While our primary activity is the creation of equestrian apparel, it is good to partner with an organisation that also has a sustainability mindset and adheres to similar values.

What steps are you taking to fulfil one of your key goals – to reach 100 per cent of materials from eco-responsible manufacturers by 2022?

At Horse Pilot, more than 80 per cent of the fabrics we use already come from eco-responsible manufacturers. The materials we use for our trousers and

jackets are developed in partnership with EUROJERSEY, which is committed to reducing its use of water, energy, waste and chemicals. Our choice of packaging materials is also primarily based on substances that are either recycled or not produced by the petrol industry. This year we’ve taken an important step forward by making the Horse Pilot clothing collection for 2020 PFC-free.

While we’re constantly on the lookout for more manufacturers who are aligned with our philosophy and values, we also regularly visit our current garment factories to ensure that they are in line with labour laws and that all employees are receiving a fair wage. It’s a long-term continuous effort and we’re doing all this with a global strategy in mind. We’re confident that we can reach our goal by 2022.

What are your long-term objectives in terms of your partnership with the FEI and your sustainability objectives?

We believe that it is the consumer’s voice that will have the greatest impact when it comes to our choice of sustainability initiatives in the future. For these choices to be the right ones, we need to be clear and completely transparent in the information we provide to our customers.

While our partnership with the FEI was not initially based specifically on our sustainable initiatives, since formalising our agreement we have discovered our goals and mission are completely aligned. This is really exciting for the opportunities it now offers for future collaboration.

NBA Experience at Disney World forges bold new ground for fan development

First-of-its-kind partnership between Disney and the NBA created a new interactive attraction in Florida

Roughly five years in development, 44,000-square foot facility mixes real-world and virtual elements

Disney Imagineers employed many of same design concepts as when creating a new ride



(David Roark)

Christian Sylt

When you think of Disney, sports marketing doesn't necessarily spring first to mind. The entertainment behemoth is more famous for its animated features, popular characters, and theme parks than sports, even though it is also the majority owner of ESPN and has held a variety of sports assets over the years.

A key part of Disney's core strategy is corporate synergy as its movies encourage fans to visit its theme parks, both of which in turn help drive sales of its merchandise, with many of its recurring franchises continuing the virtuous circle.

There is a lot that sports rights-holders could learn and try to adapt from this strategy. But, as they say, if

you can't beat 'em, join 'em.

That's the approach the National Basketball Association took when it decided to partner with Disney on a cavernous indoor attraction at the Walt Disney World theme park complex in Orlando, Florida.

The NBA Experience, a first-of-its-kind collaboration between a major US sports league, its intellectual property, and a theme park, opened last August. Roughly five years in the making, it is Disney's first-ever attraction themed to a sports league, and represents a potentially influential fan engagement model for other properties to follow.

In stark contrast to the social media landscape and almost any professional sports venue, which are often cluttered with corporate brands, Disney World is largely free of advertising. That makes the brands that are present even more

memorable, especially to children comprising the next generation of consumers.

And those brand exposures are powerful both in terms of quantity and quality.

Disney World, comprising four theme parks and two water parks, is already the world's most-visited theme park complex, with an estimated 62.6 million people visiting annually according to the Themed Entertainment Association and leisure consultancy AECOM. That figure is nearly triple the NBA's 21.9 million attendance during the 2018-19 season.

Because that Disney figure is comprised of vacationers all choosing to be there, it's also full of people in a good mood who are more inclined to carry positive associations with the brands they do experience.

Against that powerful backdrop,

the NBA and Disney collaborated on creating a two-floor, 44,000-square-foot attraction within Disney Springs, the shopping and dining district serving the resort, that acts as a large-scale celebration of basketball.

The NBA Experience attraction inside and out echoes of the feel of an NBA arena, with design touches including a sleek curved steel roof, a giant video screen with actual game highlights, LED ribbon boards, and a circular lobby resembling a center court. Inside, it is replete with interactive games and activities such as recreating the annual NBA Draft, testing basketball skills in a combine-like setting, and participating in dunk contests.

And unlike much of the rest of the resort, there is not a licensed Disney character anywhere in sight.

The NBA Experience was designed primarily by Disney's Imagineers, the wizards who create the resort's other cutting-edge theme park attractions. The 'Imagineer' name is a fusion of imagination and engineering which helps explain why they create a plot for all of their attractions, and they employed the same approach for the NBA alignment.

"We always begin with the overarching story idea," says Stan Dodd, creative director at Walt Disney Imagineering. "The story which underpins the NBA Experience isn't just that of the league itself. Its plot is that guests are setting out in the career of an NBA or WNBA star and will see it all from walking into the locker room at their first match to being picked in the draft and holding up the Larry O'Brien Trophy.

"Our design brief was to create an immersive experience that would allow guests to connect to their inner basketball player. Using the NBA brand and Disney 'magic' we wanted to put our guests in the heart of the action and showcase the full basketball player experience, both on and off the court," Dodd says.

Hefty research effort

Of course, developing the NBA Experience took much more than the wave of a magic wand. Discussions on the attraction first began during the NBA's negotiations of a new large-scale

US media-rights deal with Disney holding ESPN, that were completed in 2014.

By 2017, the NBA Experience project was in active development, and Dodd says dozens of Disney staffers worked on the creative design of the NBA Experience, and then led the project and construction management over more than two years.

"Designing the NBA Experience was very similar to our process of developing attractions."

Stan Dodd | creative director, Walt Disney Imagineering

There was also plenty of external field research, as members of Dodd's team travelled to the NBA Draft combine and Draft itself, visited NBA arenas in numerous cities, and interviewed players to develop ideas. That process, though involving a different type of content than the Disney norm, didn't deviate from the company's standard procedure.

"Designing the NBA Experience was very similar to our process of developing attractions and other guest experiences," Dodd says. "Our design approach and goal to create a world-class experience is the same."

The first stage of attraction development is known as 'blue sky' and sees the Imagineers brainstorming ideas about what the attractions could involve. Their ideas are often written on post-it notes which are then grouped

into themes on a wall to narrow down the strongest directions.

The designers try to be as free-thinking as possible and the direction of the discussion is mainly driven by the type of technology they want to use, the story they want to tell or the geographical location of the attraction.

Once the designers have narrowed down the strongest ideas they move on to what is known as the concept design phase. This involves creating storyboards – a series of hand-drawn illustrations showing the key moments in the attraction – not unlike the initial animation process for many of Disney's feature films.

From there, the development effort is moved through physical scale models, and then to three-dimensional computer-assisted design, in turn moving beyond story-telling concepts to more banal – but critical – elements, such as where to install utilities and air conditioning.

But the heart of the extensive effort remained squarely on connecting visitors with basketball in every way possible, particularly what Dodd calls their "inner player".

"The biggest challenge in the design process was determining which activities best told our story," Dodd says. "We wanted to have a variety of activities that allowed our guests to connect to their inner player. The team needed to create and decide on the best activities that would allow guests to explore the rich history of the NBA and WNBA, challenge their basketball skills on the court, and



create fun memories together.”

The NBA Experience isn’t just Disney’s first attraction partnership with a sports league, but one of the only major permanent sports-themed venues worldwide. The closest comparisons are the Ferrari theme parks in Barcelona and Abu Dhabi, though only part of the attractions there are themed to the carmaker’s famous Formula 1 team.

There was also a temporary NFL Experience in New York City’s Times Square, which was home to a 4D film theatre, a simulated locker room and practice area and other features, but that closed in 2018.

Immersive attractions

The end result of the lengthy development work for the NBA Experience is an immersive mix of real-world and computer-generated elements among the 13 different activities. The actual components include a recreated NBA locker room where visitors can sit and get the view a current player has, and a combine setting where users can measure their vertical leap, wingspan, and other attributes, and compare those with the pros.

There is also a wax model of NBA commissioner Adam Silver where fans can simulate a draft-day photo opportunity, complete with the team hat of their choice, and additional chances to have pictures taken with the league championship and most valuable player trophies. The dunk contest, meanwhile, happens on adjustable-height rims.

The virtual side offers a simulated coach that offers tips to visitors on their ballhandling and dribbling skills amid a full-size court, as well as a separate replay center where fans can review clips of game action and must make the correct call in a timed challenge.

“The various activities were chosen to best tell the well-rounded story of the player experience and to make the experience accessible to most family members,” Dodd says.

Conceptually similar to the league’s aggressive moves over the past decade in emerging technology and social media, the NBA sees the Disney initiative as a way of marketing basketball to millions of people who have never attended or rarely attend games, or may be altogether unfamiliar

with the league and what it does.

And given Disney World attracts a global visitor base, it represents one of the most fertile efforts possible for new fan development. The entry fee is \$34 (€31) for adults and \$29 for children, marking a separate fee from the bulk of Disney World parks and the largely free Disney Springs. But those costs are far less than many NBA game tickets. And the sense of being an NBA or WNBA player which the attraction seeks to recreate is something that can’t be purchased.

“Only a few people in the world get to experience being a NBA or WNBA player,” Silver said at the opening of the NBA Experience, a high-profile event that featured Basketball Hall of Famers Kareem Abdul-Jabbar and Grant Hill, among many others. “This is the next best thing. This is the NBA Experience, brought to you in a way that no one else can but Disney and its Imagineers.”

And given the NBA and Disney are already talking about potentially taking the NBA Experience to other Disney parks elsewhere around the world, there could be a whole lot more of that next best thing. ○



There are 13 basketball-themed activities at the NBA Experience at the Walt Disney World Resort in Orlando, Florida (Steven Diaz)

Atlético Madrid looks to CPL team to expand the club's brand in North America

LaLiga giant acquires Canadian Premier League expansion team Atlético Ottawa

Takeover follows the purchase of Mexican side Atlético San Luis in 2017

Spaniards spotted gap in the market following collapse of Ottawa Fury in November



(l-r) Atlético Ottawa strategic partner Jeff Hunt, Atlético Madrid chief executive Miguel Ángel Gil Marín and Canadian Premier League commissioner David Clanachan (CPL)

Bob Williams

Atlético Madrid's acquisition of a Canadian Premier League expansion team in Ottawa represents the latest move by the LaLiga giants to grow its brand in North America.

Atlético Ottawa will join as a start-up CPL team in 2020 for the league's second season and play at the 24,000-capacity TD Place Stadium, which is primarily the home of the Canadian Football League's Ottawa Redblacks.

The team's crest pays homage to Atlético Madrid's iconic red and white

vertical stripes, while former Atlético Madrid and Toronto FC player Mista has been named the inaugural head coach.

It is Atlético Madrid's second affiliate team in North America. In 2017, the club bought a majority ownership stake in Mexican team San Luis Fútbol Club and renamed it Atlético San Luis. The team gained promotion to the top-flight Liga MX in 2019.

"We are growing the Atlético Madrid brand – the idea is to do something similar here in Canada. I feel it is a good opportunity for us," Atlético Madrid chief executive Miguel Ángel Gil Marín said at the official unveiling this week.

"We are starting from zero but with a very strong structure [in the CPL]. In my opinion it will be easy to grow here."

At one point Atlético Madrid also held a minority stake in Indian Super League franchise Atlético de Kolkata, but the club sold its equity after three years in 2017 due to disagreements over youth development.

Atlético Ottawa will be jointly run by Atlético Madrid executive Fernando López and veteran Ottawa sports executive Jeff Hunt, the former team president of the Ontario Hockey League's Ottawa 67s and the Redblacks. Hunt's current title is 'strategic partner', but he is expected to be given a more



Former Atlético Madrid and Toronto FC player Mista will be Atlético Ottawa's first head coach (CPL)

formal role in the near future.

The move is a significant milestone for the CPL, which has long-coveted a team in the Canadian capital. It additionally represents foreign investment from one of the most prestigious brands in global soccer and also means that the CPL will have a more balanced schedule with eight teams. "This is a momentous day," CPL commissioner David Clanachan declared. "Ottawa has won the lottery."

It has not been disclosed how much Atlético is paying for the Ottawa team. The league's initial expansion fee was reportedly C\$3m (€2.0m/\$2.3m). Discussions, meanwhile, are taking place with governing body Canada Soccer for Atlético Ottawa to take part in the 2020 Canadian championship.

Atlético Madrid has made it clear

"Atlético came to Ottawa to stay. We will not move the franchise"

Miguel Ángel Gil Marín | chief executive, Atlético Madrid

from the outset that its CPL sister team will be a long-term project. "Atlético came to Ottawa to stay," Gil Marín says. "We are born here and we will die here. We will not move the franchise."

Filling a void in Ottawa

In November 2019, Ottawa was left without a professional soccer team when the United Soccer League Championship's Ottawa Fury suspended business operations after being informed the club would be denied

sanction to play in the United States-based league for the 2020 season by the United States Soccer Federation and regional governing body Concacaf.

The move came after Concacaf ruled that it was withdrawing Ottawa's right to play in the USL in 2019 through its "exceptional circumstances" law before relenting amid the club's threat to go to the Court of Arbitration for Sport over the matter.

The Fury was run by parent company Ottawa Sports and Entertainment Group (OSEG), which owns the Redblacks and 67s and in whom Hunt is an investor. The team operated for six seasons from 2014-19, initially in the now-defunct North American Soccer League before moving to the USL ahead of the 2017 season and later becoming an affiliate of Major League Soccer's Montreal Impact.

Notably, the Fury was poised to join the CPL in its inaugural season in 2019 but pulled out at short notice due to the uncertainty of playing in a new league. CPL executives had maintained contact with Fury executives about potentially joining in the future, but the decision to stay in the US-based USL proved fatal for the club's business operations.

In December, the Fury sold its USL franchise rights to Miami FC, leaving Ottawa without a club. Just a month later, Atlético Madrid swooped to fill the void.

"When the [Fury] announced that it was ceasing operations, there was a passionate group in the community that were devastated. We saw literally tears shed of disappointment, of sadness," Hunt tells *SportBusiness Review*.

"The Fury were on a growing trend and soccer was becoming more and more a part of the conversation and part of the fabric of Ottawa. So to lose that team was devastating for a lot of people.

"Then within a few months to not only announce that we're going to bring professional soccer back to Ottawa but to do it in collaboration with one of the greatest brands in the soccer world...it's inspired a lot of confidence and a lot of excitement.

"I think there is a real feeling that a savior has come to town and will take this vision and dream of professional soccer in Ottawa to the next level.

They bring a credibility that very few could bring. It looked like all was lost and now here we are, back and with even more momentum than ever before,” Hunt says.

Mediapro plays middleman

The CPL’s media partner, Spanish agency Mediapro, played a crucial role in introducing Atlético Madrid to the league a few months before the opportunity arose to purchase a team in Ottawa.

“It wasn’t anything other than, ‘they [Atlético] want to get to know you’,” Clanachan recently said. “Atlético were intrigued with a whiteboard [of Canadian soccer]. We don’t have 100 years of history...As they stepped in and started watching, they were more and more intrigued by how we were doing things. Eventually it turned into, ‘we want to get involved in the league’.”

In February 2019, Mediapro signed a 10-year broadcast deal with Canadian Soccer Business, a commercial entity made in partnership between the CPL and the Canadian Soccer Association, which covers all Canadian soccer. This includes the CPL; men’s and women’s national team home games, including all youth levels; the Canadian Championship club competition; and League1 Ontario, a regional semi-pro men’s and women’s league. The deal is worth a reported C\$20m per season.

As part of this partnership, approximately 100 CPL games were aired on Mediapro’s new streaming service OneSoccer last season. It is believed Atlético Ottawa games will be available to a Spanish audience on OneSoccer as well.

Mediapro’s work behind the scenes was crucial to the Atlético Ottawa deal, Hunt believes. “In and around the time Atlético were having conversations or negotiating [with the CPL], the Ottawa Fury were denied sanctioning to play in the USL. The Fury ceased operations and that opened up the capital of Canada to be available for an expansion team in the CPL, which was the very thing that Atlético was negotiating with the CPL about,” Hunt adds.

“Presumably they were looking at other markets in that time period. But when Ottawa opened up, I think they

“I think there is a real feeling that a savior has come to town.”

Jeff Hunt | strategic partner, Atlético Ottawa

saw a real opportunity. It really appealed to Madrid being the capital of Spain to be in a country’s capital like Ottawa. I think the planets lined up quickly for this situation...and they were able to act now on [this] opportunity.”

Plans for 24,000 sell-out in home opener

Hunt, who himself was introduced to Atlético Madrid by Canadian Soccer Business chief executive Scott Mitchell, concedes that he has a “very limited soccer background, particularly from a technical perspective”.

His expertise, rather, is in the business of sports, especially in Ottawa, based on extensive experience with the 67s and Redblacks. “My role is to be the partner on the ground that knows the market,” he says.

Hunt says it is important from the LaLiga club’s point of view to have a local expert help with development efforts.

“One of the things that came out of [Atlético’s] conversations with the CPL is that it’s very important to them that they have a very strong local partner in each market,” he says. “There will be resources from Atlético deployed to Ottawa to oversee the operations, working obviously hand-in-hand with


myself. That is the strategic nature of this partnership. I’ve run a professional sports team in Ottawa for 20-plus years, I know the market very well, the facilities, I have contacts.”

Hunt says his official job title and role is likely to change going forward. “Right now I am referred to as a strategic partner, but I think my role will evolve into a more significant day-to-day role as we evolve,” he said.

Hunt will target former Ottawa Fury fans, as well as general European soccer and sports fans in Ottawa, to become supporters of Atlético Ottawa. He specifically is targeting a 24,000 sell-out at TD Place Stadium for the team’s home opener, which is scheduled for May.

“I have just over three months to reintroduce professional soccer to Ottawa with as close to a sell-out as we can achieve, which would be 24,000 people. I think that would really change the conversation about professional soccer in Ottawa. It’s a lofty goal but that’s my obsession and we’ll go from there,” he says.

Hunt says Atlético Ottawa will aim to be competitive immediately despite the short time to put a squad and coaching staff together, something Gil Marín admitted would be tough.

The long-term goal for the club is for an Atlético Ottawa player to play for Atlético Madrid one day. “That would be a dream,” Hunt says. “And that’s the big part of the vision of the CPL is to create a better infrastructure for Canadian talent to develop.” 



TD Place Stadium, home of the Ottawa Redblacks and now Atlético Ottawa (Andre Ringuette/Getty Images)

Ex-Mavericks CRO brings new vision as Major League Rugby commissioner

Former Dallas Mavericks executive George Killebrew has replaced Dean Howes as commissioner

Switch to two conferences with arrival of New England Free Jacks, Old Glory DC, and Rugby ATL

MLR opened its 2020 campaign in Las Vegas, a potential future target market



(Major League Rugby)

Bob Williams

Major League Rugby enters its third season this weekend after an off-season of change designed to strengthen the position of the start-up rugby union competition within the United States sporting landscape.

Most notably, MLR has a new commissioner, with former Dallas Mavericks executive vice-president and chief revenue officer George Killebrew leaving the NBA team and taking over from the ousted Dean Howes in December.

Howes had adopted a slow and

steady approach for MLR but team owners reportedly wanted rapid and expansive growth and forced him out.

MLR also has its first chief commercial officer, Jon Persch, a former rugby union player and coach, who previously held the same role at USA Rugby as well as executive positions at Tribeca Enterprises, World Wrestling Entertainment and CAA Sports.

Persch has already made a mark, having helped secure Rhino Rugby as MLR's official ball and technical training equipment supplier, Paladin Sports as its on-field official kit provider, and Opro as the official

mouthguard provider. There have also been additional deals with sports performance technology firms Catapult Sports and Sportsdigita.

MLR is expanding from nine teams to 12 this year with the addition of New England Free Jacks (Boston), Old Glory DC (Washington DC) and Rugby ATL (Atlanta). To ease travel expenses and to build local rivalries, the league has switched to two six-team conferences.

The Western Conference comprises the Seattle Seawolves, Colorado Raptors, San Diego Legion, Utah Warriors, Houston SaberCats and Austin Gilgronis. The Eastern



Conference will feature Rugby United New York, Toronto Arrows, Nola Gold (New Orleans) plus the three expansion teams. Each team will play the other teams in their conference home and away, for a total of 10 games, plus six cross-conference games, three home and three away. Following the playoffs, the two conference champions will meet in the MLR final on June 28.

There has also been two team rebrands: the Glendale Raptors have become the Colorado Raptors, while Austin Elite changed to Austin Herd and then again to Austin Gilgronis (the AGs). The Gilgronis' name change is also part of a team ownership change: Loyals LLC, an international rugby investment company based in Australia, has taken immediate control of the Austin franchise and all business operations.

Other MLR teams have gained new outside investment as well. Nola Gold has entered into a cooperation and partnership agreement with French rugby union club ASM Clermont Auvergne, which has acquired a minority stake in the team.

Meanwhile, Rugby United New York (RUNY) recently announced that New Zealand-based private equity investment company Bolton Equities Ltd has acquired a significant minority stake in the team.

MLR is going to Las Vegas for the



first time as well. The 36,000-seat Sam Boyd Stadium, which has hosted the international USA Sevens Rugby tournament, staged the New England Free Jacks v RUNY on February 9, as well as four games over the weekend of February 15-16.

There has also been an influx of big-name international signings. They include veteran French centre Mathieu Bastareaud and former Australia wing Drew Mitchell (RUNY), New Zealand centre Ma'a Nonu (San Diego Legion), New Zealand wing Rene Ranger and Australia centre/wing Digby Ioane (Colorado Raptors), and South African Rugby World Cup winner Tendai Mtawarira (Old Glory DC). It has been reported that Australia wing Adam Ashley-Cooper will join Austin, while RUNY is in talks with former England captain Chris Robshaw about joining in 2021.

Last year, MLR had broadcast deals with CBS Sports and streaming service ESPN+, as well as a regional deal with AT&T Sports Networks. This year, the league will continue to be broadcast on CBS and will add matches on cable networks Fox Sports 2 and ESPNNews. Further streaming deals are expected, both domestically and internationally, including a renewal with ESPN+.

There is a general understanding within the league that it will take some time for rugby union to cement itself in the US sporting landscape and for the start-up MLR to find its footing. Indeed, RUNY co-owner James Kennedy admitted that the team lost \$1.4m in its first season, while there have been reports that the Colorado Raptors have been looking to leave the competition.

But there is also hope, with the likelihood of the Rugby World Cup coming to the US in 2027 or 2031, that MLR can become a success in the long-term. Already, two expansion teams have been confirmed for 2021, in Dallas and Los Angeles, while six further groups have expressed interest in joining MLR, possibly in Las Vegas, Miami and Chicago.

Killebrew spoke to *SportBusiness Review* this week about the league's off-season changes and long-term goals.

What attracted you to the role of Major League Rugby commissioner?

The team owners of Major League Rugby, when they decided to search for a new commissioner, used a search firm here in the US called Turnkey Search. I've known the person who runs Turnkey for many, many years. I was in the same job for about 27 years so he would call me, but the joke was that I would never leave Dallas or [Mavericks owner] Mark Cuban. But I went to New York and met with five or six of the team owners, I listened to their vision and ultimately when they offered me the position I was all for it because I just feel like the upside is really great for this sport and this league in the US and in Canada.

What were the circumstances that led to a vacancy in the commissioner role at the league?



New Major League Rugby commissioner George Killebrew

I don't really know, I didn't really want to delve into that. In every professional sports league in their infancy in the US there is a lot change in the beginning, there are a lot of growing pains, franchises that come and go, and that's just the nature of the business. For Major League Rugby moving into its third year, I was really, really impressed with some of the things that have already occurred. It had a pretty extensive broadcast package with CBS Sports Network, which for a fledgling league in year two was really impressive. The group of owners were very much pioneers, they were going to fight forward and it's just the nature of professional sports and professional sports leagues that there are changes in the early years.

What do the owners want from you as commissioner?

They looked around and felt like the quality of rugby was in good shape. But maybe what was missing was maybe some grassroots sports business acumen: It's ticket sales, local sponsorship sales, local broadcast agreements, team marketing, social media, game presentation...different basic [initiatives] that professional teams really have to pay attention to. Maybe if this league was missing anything it was in those areas, the commercialisation of the game and around the game.

"The owners felt like the quality of rugby was in good shape. But maybe what was missing was maybe some grassroots sports business acumen."

George Killebrew | Commissioner, Major League Rugby

What impact do you think the three expansion teams will have?

I think they will have a big impact mostly because a lot of these new ownership groups that have come in have paid very high franchise fees to get here. So they're very serious, they're well-capitalised, and I'm very impressed with the quality of the owners of these new franchises. They see the opportunity to get in on the ground level of something and they've seized the opportunity and made the most of it. The teams in DC and Boston are top of the list in terms of ticket sales and things like that. DC has a robust broadcast agreement with NBC Sports Washington, so it's great to see these expansion teams taking things seriously and running things professionally.

How do you think the arrival of big-name signings like Mathieu Bastareaud will boost TV ratings, attendances, social media engagement and so on?

The big-name international players help give us attention and help put us on the map. But the make-up of our rosters needs to be a balance of US- and Canada-grown players, coupled with these international players, that raises the bar for everybody. Part of our mission is to train rugby players in the US and Canada to become professional players. Hopefully these big-name players will help in the development of the local players as well.

A number of clubs have recently gained investors, particularly from abroad – what's happening here?

What people are realising is that the United States and Canada is a huge opportunity for rugby that hasn't been exploited to the utmost at this point. Some of these international clubs that have made investments in our local clubs are sharing best practices in terms of coaching and the business side. It's almost like getting a big brother to help you grow and maximise your opportunities.

RUNY has expressed plans to take some league games overseas, is this something you are in favour of?

Maybe eventually, but the message to our clubs is maximise your local games, make sure they are well-attended, make sure they are great events, make sure they are well-televised with good broadcast partners. Our domestic issues are the ones we're going to focus on now. Day one stuff is to make sure all 12 of our teams are working on all cylinders in their games in their own stadiums.

What are the league's expansion plans at present?

Dallas and Los Angeles will be our 2021 partners. We want to be cognisant that the player pool is big enough, so that when we do expand that there isn't a drop in talent. We will look to expand to the right cities in 2022 and I've spoken to no fewer than six groups who are interested. What we're looking at is that they can check three boxes: 1) they're well-capitalised; 2) they have a great stadium plan that can go from 5,000 up to possibly 20,000 seats; and 3) they are great sports business operators.

You worked with Dallas Mavericks owner Mark Cuban for many years: is he going to get involved in the Dallas team at all?

Mark is a huge rugby fan, he played rugby at Indiana University, but he is not the owner in Dallas. He's watching Major League Rugby for sure and he's a really big fan right now.

Why have you opened the 2020 season in Las Vegas?

The weather at this time of year around the country is questionable and we also wanted to try this, as Las Vegas had a lot success with rugby sevens for years. We felt like there are some fans already there, and we think some fans will want to travel there as it's a fun city. So we're doing five matches across two weekends in Las Vegas to see how it goes. The early signs have

been pretty good. And Las Vegas is one of the cities that has shown interest in possibly having a team in Major League Rugby, though not in a formal way.

Given reports last year that the Colorado Raptors were thinking of leaving MLR, how committed is the franchise to the league?

What I will say is that they've been a great partner and I hope they are with us forever, but if you look at the history

"It's great to see these expansion teams taking things seriously and running things professionally."

George Killebrew | Commissioner, Major League Rugby

of all professional sports leagues in this country there is franchise movement in the early years. We hope that is not the case but it may be.

What are your long-term goals for MLR? Where would you like to see the league in five or 10 years' time?

I would hope the number of franchises continues to grow, I hope we start to really fill our stadiums and grow really robust television audiences. I hope we attract great marketing partners on the commercial side and I hope that we do things that lead international rugby organisations to think that they should bring the Rugby World Cup to the United States in 2027 or 2031. I hope that each year we are taking those steps, so it becomes a really natural [move] to land the World Cup at some point. ○



(Major League Rugby)

Former Fifa and AFC executive Johnson bullish as he starts FFA tenure

FFA is chasing replacements for three major sponsorships that have recently expired

This is task number one for new CEO James Johnson, who has worked at Fifa, the AFC and City Football Group

Long-term prospects are brighter, particularly if Australia can land the 2023 Women's World Cup



FFA Chief Executive Officer James Johnson (L) and Matilda Elise Kellond-Knight (R). (Brook Mitchell/Getty Images)

John Duerden

James Johnson succeeded David Gallop as chief executive of Football Federation Australia in December.

In the same month, oil company Caltex's four-year naming rights deal with the men's national team, the Socceroos – worth about A\$2m (€1.2m/\$1.3m) a year – came to an end. The last time FFA went looking for a naming rights partner, the search took two and a half years.

Then, in the first week of 2020, supermarket giant Aldi decided against taking up an option to extend its three-year agreement with FFA, which included naming rights to the organisation's children's programme. National Australia Bank also ended its

15-year relationship with FFA, worth about A\$2m annually, last year.

Johnson has a long football resume, with positions at Fifa, the Asian Football Confederation and City Football Group. He will need all that experience immediately.

A decade ago, most of the Socceroos were playing in the biggest leagues in Europe. The present crop possesses less star power, and this has hurt the marketability of FFA's prize asset.

"Australian players were, once upon a time, a commodity that top European clubs looked out for," according to Craig Moore, former Rangers and Australia captain-turned consultant. "It is natural that the interest is there when the product is what it can be."

The women's team, the Matildas, remain both successful and popular,

but their marketability has been dented by the persistent negative coverage that followed the surprising and controversial sacking of head coach Alen Stajčič in January 2019.

Moore adds: "The talking points and issues we have had in the game such as the sacking of the Matildas coach, these are things that major sponsors don't want to be seeing in the media for 6-12 months. It is not good for publicity or investment."

There is also the general business environment, with Australia particularly susceptible to catching colds when parts of the international economy sneeze.

"Firstly, sponsors are companies, and as growth in the Australian economy slows, many companies have entered a period of belt-tightening," says Sebastian Hassett, an international

sports consultant based in Melbourne. “As an export market, Australia depends on flowing international trade between nations, and the trade war between China (Australia’s top trading partner) and the US (Australia’s top strategic partner) has halted that flow.

“I don’t think football has trouble finding sponsors but finding the right ones – who are prepared to make a proper strategic investment – is always a challenge. More kids play football than any other sport and the possibility of leveraging that participation base as well as their parents will always be a lure to top-tier sponsors.”

Reasons to be cheerful

FFA chief operating officer, Mark Falvo also takes solace from the strong levels of participation in the country.

“We know we can attract sponsors,” he tells *SportBusiness Review*. “We are by far the biggest sport at the grassroots level by the government’s own numbers, with 1.8 million playing the game all around the country.

“We are seeking to qualify for the World Cup, we have two successful senior national teams and they embody the diversity of Australia. We see it as an opportunity.”

While Australian sponsorship is an intensely competitive marketplace with five major properties – the Australian Football League, National Rugby League, Cricket Australia, Rugby Australia, and Tennis Australia

– FFA has a unique selling point given that Australia, since 2006, has been a member of the AFC as well as the Southeast Asian regional federation.

FFA has been accused in the past of being slow to engage with the giant continent to the north but Johnson’s experience at the AFC should make a difference.

“No other sport in Australia can provide the global engagement and opportunities that football can,” argues Falvo. “We are playing in competitions all over Asia week in and week out. Asia is the opportunity. We haven’t seen that as yet but as we become increasingly engaged in the region, we will see more, especially as Australian corporations are making inroads in Asia.”

And in the medium-term, the specific challenges to marketability should improve. “The Matildas are arguably the most marketable team in Australia right now, and the Socceroos will probably qualify for the 2022 World Cup,” says Hassett. “FFA has genuine performance assets to call upon.”

The World Cup

Co-hosting the 2023 Women’s World Cup along with New Zealand would be a fillip for FFA and its commercial offering. Fifa’s 37-member council will make the decision in March, with Japan, Colombia and Brazil the other three contenders.

“We have come together to present a unified bid that we think includes a stronger quality of stadium, a

commercial return, a legacy for the Asia-Pacific region,” Falvo says. “The two countries have been progressive in women’s football for some time and have seen a huge growth in the following of the respective national teams.

“Australia tends to leverage major events very well from a business/corporate point of view. Lots has been written about how many trade deals were delivered at the Sydney Olympics. It was the same at the 2015 Asian Cup and we worked with governments to establish events and build dialogue with participating nations. I think Australia and New Zealand are ahead of the curve when recognising the value of women’s sporting properties.”

It’s another early opportunity for Johnson to show his mettle. The Australian bid to host the 2022 Fifa men’s World Cup failed dismally, winning a single vote from the Fifa delegates. A change of chief executive while the hosting race enters the final stages is the opposite of a problem, according to Hassett.

“Fortunately, Johnson’s background – first as a player, then as a lawyer and ultimately rising through the ranks of the PFA, AFC, Fifa and City Football Group – means nobody comes in with a better grasp of the local challenges and global opportunities. Over time, I think the football community will realise the sport has nabbed one of the sharpest minds in world football, with a work ethic to match.” ○



Team Australia lines up at the Kaohsiung National Stadium in Taiwan on October 15, 2019 (Gene Wang/Getty Images)

On-court rivals, off-court partners

How Euroleague Basketball's Business Operations and Club Services programme is bringing the EuroLeague clubs closer in business.



(Francesco Richieri/EB via Getty Images)

Euroleague Basketball is famed for its fierce on-court rivalries, but the business relationships being formed away from the court are quietly driving the competition and its clubs to new commercial heights.

EuroLeague's Business Operations and Club Services (BOCS) programme has been helping Europe's elite basketball clubs transform all aspects of their off-court activities since October 2017.

BOCS was born out of Euroleague's Ticketing Programme, which began in 2012 as a means for clubs to grow their matchday revenue. BOCS has expanded that remit to become a year-round knowledge-sharing platform through which clubs receive advice on sponsorship, ticketing, digital, merchandising and licensing, fan

engagement and their organisational structure, as well as how to implement and adapt modern business practices for each club's unique situation.

Inspired by the NBA's Team Marketing and Business Operations (TMBO), BOCS brings rival clubs together as business partners, giving them space to grow and learn from one another's business success stories.

The goal is to help clubs recognise their high ceiling for growth and move toward becoming sustainable business, without having to rely on financial contributions either from wealthy individual shareholders or affiliated football clubs, as well as to grow the independence of the off-the-court business from the team's on-the-court performance.

"As in any other company, the collaboration between stakeholders

is a key piece for the development and growth of Euroleague Basketball, moreover when your shareholders are an integral part of your product. Our reality is that our teams are rivals on the court but partners off the court and providing them a stable collaboration framework was a natural step forward. Each club brings to the table different experiences and expertise based on their local culture and ecosystem, which can be adapted to accomplish both collective and individual growth" says Roser Queralto, chief business officer at Euroleague Basketball.

Roser leads all business operations of the League while Luca Scafati, director of business operations at Euroleague Basketball, runs a team of both internal and external business specialists' advisors providing added value and expertise to the program and

organically to the clubs. All of them are fanatical about helping EuroLeague clubs improve their ability to generate revenue. Recently, they have been seeing the fruits of almost a decade's labour.

Attendance

Euroleague Basketball saw its clubs reach an average 75 per cent arena occupancy (attendance v capacity) across the league during the 2018-19 season, up from 72 per cent in 2016-17.

In terms of attendance growth, FC Barcelona (17 per cent), Žalgiris Kaunas (28 per cent) and Anadolu Efes (83 per cent) have enjoyed massive increases from 2016-17 to 2018-19, with Panathinaikos and Real Madrid also boosting matchday revenue by more than a third in that time.

Part of that attendance growth is a direct result of clubs' transforming their organisational structure and applying new marketing, ticketing and fan engagement techniques from their time as part of BOCS.

"Even before BOCS got its name, Euroleague Basketball was encouraging clubs to increase their action on this front, and they still do now," says Unė Marija Jurkšaitė, chief business officer at Lithuanian EuroLeague team Žalgiris Kaunas.

Jurkšaitė says that increased financial support from Žalgiris general manager Paulius Motiejūnas has enabled her team to deliver an incredible 221-per-cent increase in matchday revenue from 2014-15 to 2018-19.

"One of our main initiatives is to empower the correct people within the clubs to senior roles, such as the creation of Chief Business Officer roles across all clubs," Scafati says. "Clubs are now

empowering the right people to grow their departments and hire new people to do the actual operational work. That's the main contributing factor behind the growth – investment in the human resources that enables a strategy to grow."

For Žalgiris, that strategy revolved around targeted messaging to either casual or potential fans of the club, ensuring those people knew that attending a EuroLeague game at the arena was an affordable, accessible, premium entertainment option.

"This season, we have 267 different action points to attract new fans to the arena and 76 different action points to maintain the loyal customers we already have," says Jurkšaitė. "Now, around 10 per cent of the fans attending a Žalgiris EuroLeague game are new fans – that's around 1,500 new people coming to the arena for each EuroLeague game."

It isn't just Žalgiris experiencing huge attendance growth after putting BOCS advice into practice. Scafati cites the case of Olimpia Milano, which has transformed its matchday revenue over the past five seasons and now consistently averages close to 10,000 spectators for each EuroLeague game.

Before receiving advice from BOCS, Olimpia would distribute thousands of free tickets to ensure matches were well attended. BOCS recommended that Olimpia increased its marketing effort and clearly communicated to fans that EuroLeague games were a premium experience.

"We made a direct recommendation to Olimpia Milano's president that the club had to start

behaving like a company, and that they needed fan support in order to do so," Scafati says. "It was a success that we managed to give the message of financial sustainability to the very top of the club, and this is our task more generally: to change the overall mentality at each club and recommend intense focus on economic factors and sustainability, not just sport. It's much more effective when that message is coming from the top down."

Transforming mentality: entertainment over sport

Aside from being the premier basketball competition in Europe, EuroLeague is famous for the incredible atmospheres generated by its fans.

Several EuroLeague clubs have hardcore, passionate fanbases that bring noise and colour to the entertainment on court, providing clubs with a unique selling point. Clubs are beginning to understand that attending a EuroLeague game is an incredibly powerful experience, regardless of the result on court.

"We started to communicate a lot more about the



(Martin Hangen/
Euroleague
Basketball via
Getty Images)

emotions we feel in our arena and about our atmosphere. That is our main selling point, not the game itself,” says Jurkštaitė. “It’s about how we feel in here; about how you become a part of the community. You can’t experience that through the TV.”

BOCS is encouraging clubs to take advantage of the natural resources they have available to them, while also leading a shift toward offering a complete entertainment experience on matchday. Rather than relying solely on basketball to attract fans to the arena, BOCS wants clubs to create a sustainable, mainstream entertainment product that offers a positive experience each time their visit the arena.

Scafati is particularly keen to stress the importance of creating positive experiences for casual or first-time fans.

“There’s a lot of ways to spend free time, and free time is limited,” he says. “We offer an elite basketball product, but so far we have attracted what we call natural demand: people that come to our games because they want to see the game itself. We are telling the clubs that although we have our niche of hardcore

fans, we have to find people that come to the arena for different reasons.”

After taking on the recommendations from BOCS, Jurkštaitė put this into practice at Žalgiris in her own way.

“We really wanted to step away from relying on winning to attract people to the games and really worked on making people come for a good time, not just to see Žalgiris win. We changed our vocabulary about how we invite people to the games. We no longer say things like ‘come and help us win’ and stuff like this. We don’t talk about it at all.”

She continued: “What we say now is ‘come and be a part of the community, come and have a good time, feel the national spirit’. And so last season, we started seeing that even if we lose badly, people will still be standing, clapping and creating a great mood in the arena. It’s been a huge accomplishment for us.”

Aside from marketing their unique atmospheres, EuroLeague clubs are investing more in live entertainment during games, better food and beverages, as well as providing on-site activities for children and young adults.

For clubs less able to rely on

atmosphere or community, Scafati believes creating a 360-degree entertainment experience will be essential to create sustainable matchday revenue.

“We’re telling the clubs to create a product that goes beyond the game on court to attract customers. There are many things that can be done on a game day to make the game become an experience, not just a game, and casual fans are excellent prospective clients because they are not so affected by the on-court performance.

“Sometimes the hardcore fans stop going to the arena if the team is playing badly or for other reasons outside of the team’s control. On the other hand, we have people who go to the arena for other reasons, who aren’t so worried if the team’s losing or winning.”

Understanding different perspectives

While clubs can learn a lot from their time spent at BOCS meetings and events, they are also able to learn from one another. Some EuroLeague clubs are historic, standalone basketball clubs



(Dragan Stankovic/EB via Getty Images)

like Žalgiris and Baskonia, while many others like Real Madrid, FC Barcelona and Fenerbahçe are part of multi-sport clubs that benefit from the success of their football teams.

While each club is unique, many clubs face similar challenges. It can be difficult for basketball teams to emerge from the shadow of a giant football club that shares their name, or to inject a new lease of life into a historic brand.

“Participating in the EuroLeague is not only a matter of facing the best teams of the continent on a regular basis but also requires a change in the mentality to run a team. EuroLeague teams are in daily contact with the different areas of Euroleague Basketball, but very few of the discussions are about the game but to make the League more relevant for everyone, stakeholders, players, fans...We need to grow in every simple vertical revenue stream the clubs have. Here is where BOCS is and will even be more relevant for the clubs and the League itself,” says Queralto.

At BOCS, clubs can come together and find solutions to problems they often share. While FC Barcelona and Bayern Munich are rivals on the court, they frequently meet away from the court to share knowledge and ideas. Adrian Sarmiento, chief business officer at FC Bayern Munich, says these meetings have been invaluable.

“We had some very good and interesting meetings over the last few years with FC Barcelona, who really wanted to understand how we run our basketball business; whether we separate it from football or whether it works alongside football; where the synergies are, how we can work together,” Sarmiento says.

“It is very, very helpful to have these discussions and to be part of the BOCS programme. It helps us bring in different perspectives from different markets, from different clubs and different brands. Everything is becoming more measurable, and more transparent.”



This philosophy of sharing reached new heights at the end of 2018 with the creation of the Chief Business Officers Board. The CBO Board meets regularly to share and grow from their learnings as part of BOCS, enabling them to identify areas of collective and individual growth as a group.

The creation of this board is one of many examples of EuroLeague clubs professionalising and becoming business partners away from the court. It's a far cry from how things used to be.

Scafati says: “In the early BOCS meetings, we showed them a presentation and one of the slides said: ‘We are rivals on the court but we are business partners away from it’. It's not easy for some clubs to understand. It's a shift in mentality for them.”

Scafati is particularly pleased at how Bayern Munich, which received a two-year EuroLeague wildcard at the beginning of 2018-19, has recognised the power of sharing knowledge with fellow clubs.

“Bayern Munich are on the CBO Board and at the first meeting, Adrian Sarmiento presented their organisational structure. We were able to take these ideas and create a league-wide example based on that presentation. It will become a recommended organisational chart for all EuroLeague clubs.”

As EuroLeague clubs professionalise and learn from one another, the off-court partnerships will begin to run deeper, allowing for greater collaboration between clubs. For Jurkškaitė and Žalgiris, that process is well under way.

“We all understand that if every club gets more successful, the league gets more successful. That means we can all generate more revenue and make more out of our games together. It's great to meet other clubs and people who do the same thing so you can learn from their successes and losses; what works, what doesn't work. It's always great to share and we can always ask for advice.”

World Snooker Tour looks to global future with rebrand



The 2020 Masters at Alexandra Palace in London, with the new WST logo on display (World Snooker Tour)

World Snooker Tour rebrand aims to mark distinction as commercial arm of WPBSA

New identity comes as tour seeks to expand further into international markets

Digital distribution is helping WST reach bigger audiences and gather data in new territories

Adam Nelson

At the start of the new decade, the erstwhile World Snooker unveiled a new corporate identity and name, rebranding as World Snooker Tour.

The step is, in part, an effort to more clearly delineate World Snooker Tour as a commercial entity, distinct from the World Professional Billiards and Snooker Association, the game's governing body, of which it is a subsidiary. At a time that several federations – World Rugby, World Sailing and World Athletics among them – have moved toward a similar naming structure to define themselves as the global authorities for their respective

sports, World Snooker Tour's move is about more accurately representing what the body does, to both fans and the commercial market, says Jason Ferguson, non-executive director of WST and chairman of the WPBSA.

"It is a global snooker tour now," says Ferguson. "Partly this is about better communicating who we are and what we do. So our public-facing, commercial arm, that's World Snooker Tour and it's exactly what it says: A snooker tour of the world."

International expansion at heart of strategy

That global outlook is at the crux of the change, and of WST's ambitions

for the coming decade. This year also marks the tenth anniversary of Barry Hearn's Matchroom Sport acquiring a controlling stake in World Snooker and Hearn himself becoming its chairman – a decade defined by international expansion to drive growth.

In the 2009-10 season, there just were six ranking events on the World Snooker tour – four in the UK and two in China. In 2019-20, there are 18 scheduled events, with Austria, Germany, Gibraltar and Latvia also hosting ranking tournaments, plus a further ten major events throughout the calendar. In that time, the total prize money offered by the organisation has risen from £3.6m (€4.2m/\$4.7m) to £14.6m.

Ferguson refers to the past ten years under the Matchroom Sport ownership as “the first stage of our commercial restructure”, and promises that the next ten will see growth continue at a steady rate. Hearn has already expressed his ambition for the tour to be able to offer prize money totalling £30m by 2030, and made plain his intention to achieve that through the expansion of the tour into new territories.

The rebrand was undertaken with global audiences in mind, says Ferguson. “It’s a clean look and it’s very clear what that sport is when you look at the logo. I don’t think you can just put a few letters out there, like WPBSA, and expect people to understand it all around the world. By becoming World Snooker Tour, it’s that much more obvious what we’re doing and who we are.”

The logo features the silhouette of a snooker player taking a shot in the outline of the ‘S’ and the ‘T’, a visual identity Ferguson believes will be recognisable across the world, even in territories where snooker has little foothold. “Snooker has traditionally been a very British sport, but cue sports of some form or another are played all over the world,” says Ferguson. “We think we can tap into that and we wanted to make the brand more universally, instantly recognisable.”

He points to Latin America – one of WST’s “long-term target markets” – as an example of this. “In Brazil, they play a slightly different game, but it’s played on a snooker table as we would recognise it. You can take a Brazilian billiards player, put him on the World Snooker Tour, and he can compete to the highest level because the skill is the same. It’s another big market with a big population, so it’s really about identifying where those opportunities lie globally, and that is definitely one of them.”

China remains central, India a target

At a time when it can seem that the eyes of the entire sport industry are on China and are making efforts to tap into that market, snooker finds itself in the enviable position of having garnered significant popularity in the country over the recent past, a popularity fuelled by star player Ding Junhui. In 2005,

Ding won the UK Championship – one of World Snooker Tour’s three ‘Triple Crown’ events – at the age of just 18, becoming the first player from outside the British Isles to take the title.



The new World Snooker Tour logo

According to some estimates, there now are as many as 60 million Chinese people regularly playing snooker, with Beijing alone now home to over 1,500 snooker clubs. When Ding reached the 2016 World Championship final, it was reportedly watched on state broadcaster CCTV by over 45 million people.

This season’s snooker calendar includes seven major events in China – four ranking tournaments and the 2019 World Cup among them – including the 20th anniversary edition of the China Open (which was due to take place in

March/April, but is currently postponed due to the coronavirus outbreak in the country). What has WST learned about international expansion from two decades of hosting major events in the world’s most populous country?

“We’ve learned that when we go into these markets we need to give something back to these markets,” says Ferguson. “It can’t be a case of snooker going to a city, putting on an event, going away and coming back the next year. There’s a lot that has to go on in those 12 months to help build the sport, whether that be junior events, amateur events, training officials – you have to have an infrastructure that maintains the interest in the sport.”

Establishing a major snooker academy in Beijing has helped to create a talent pathway from China’s snooker halls and on to the tour, a path that the likes of Liang Wenbo and Yan Bingtao have taken, becoming regulars in ranking tournaments. Both of them were beaten by Ding on his way to a third UK Championship title in December. “We



Jason Ferguson, non-executive director of World Snooker Tour and chairman of the World Professional Billiards and Snooker Association (World Snooker Tour)



need those local stars,” says Ferguson. “We need national heroes, we need faces we can use to market ourselves in new territories. I don’t think you can put a value on how important Ding has been for us in China.”

WST is currently working to establish an academy in India, the next major target territory for the body. Late last year, a deal was inked with India Business Group to help develop the sport in the country. Snooker in its modern form was “invented in India by British Army officers”, Ferguson points out, “and it remains popular as a recreational game there. There’s a huge market for people who enjoy snooker, enjoy other cue sports, there are so many billiard tables in India. It’s a game that’s played by the masses, and that gives us confidence that there’s a market for the professional game as well.”

That confidence is fuelled by what WST has seen on its social media platforms, where viewership of snooker tournaments on Facebook Live has vastly outstripped expectations. While it is not avoiding deals with traditional broadcasters – both Star Sports and Sony Six have bought rights for snooker events in the country, with the latter airing the

“I don’t think you can put a value on how important Ding has been for us in China.”

Jason Ferguson | chairman, WPBSA

Indian Open since its inception in 2013 – Ferguson says WST is incredibly focused on digital distribution in developing territories, especially in India where “there are far more people accessing our content on phones, tablets and computers than traditional TV. That means we can gather data on who is watching it, where they’re watching it, how people are accessing it. It’s really helping to give us a view of India”.

Digital broadcasts will be key

Digital distribution has become central to the overarching strategy of World Snooker Tour, to the extent that its main web presence is now based at WST.tv, which over time will evolve to become “a fully-fledged content platform”, says Ferguson, who argues that snooker is well-suited to the social media age due to its ‘clippable’ nature, with individual shots and moments easily understandable in short-form, outside

of the context of the wider game. With 64,000 hours of snooker broadcast in 2019, there is no shortage of content for the new hub.

“We’ve looked at lots of different ways of putting content out there, both short- and long-form, ways we can serve both long-term fans and newcomers,” Ferguson says. He notes that some of snooker’s viral content has in the past involved off-table controversies, like Ali Carter’s complaint over a foul call at the 2020 Masters tournament. “The next day I was watching that travel all around the world, people talking about it in various languages on various social media platforms. That’s something that’s pleasing to see and is terrific exposure for us.”

Viral clips that get people watching snooker are important because “one thing we do know about snooker broadcasts, in both the UK and China, is that our audiences tend to grow throughout the night. People don’t usually watch for a few minutes and then turn off. We do find that once people are watching, they’re usually hooked. So if we can funnel people from our social platforms, from WST.tv, to watching full tournament matches, we are confident



Judd Trump lines up a shot in the 2019 Betfred World Snooker Championship final (Nathan Stirk/Getty Images)

we can build audiences wherever we decide to take the sport”.

A central pillar of WST’s international strategy is to avoid a situation where its academies around the world are just developing players to play in major tournaments in England, something that has tended to be the case in the past. “We’re trying to create a sport for all, where we’re actually helping to establish talent and then create the opportunities for them to play where they are,” Ferguson explains. “It’s crucial that we not only create the pathways for players to come through and play on the tour, but also that we take the tour to them and to the fans around the world and start to really build out a global portfolio of events.”

Just weeks before the rebrand was unveiled, WST announced it had secured a major new agreement with Saudi Arabia’s General Sports Authority to host an annual ranking event in the country for the next ten years. With a total prize purse of £2.5m, the 2020 edition will immediately become the most lucrative professional snooker tournament of all time, demonstrating not only the GSA’s determination to host major sporting events of all stripes, but also WST’s

desire to break new markets. The Middle East, like India, is a territory where cue sports are popular as a recreational activity, but without a tradition of the game being played professionally.

“We’ve got so many opportunities to develop the sport, the only limiting factor is how much time we have in a year,”

Ferguson says. “But we don’t want to just flood the market with dozens of events in territories that aren’t ready for us. We’re aiming for quality over quantity, and that’s in everything that we’re doing. Quality broadcast partners, quality commercial partners and, especially, quality events.”



Ding Junhui, China’s biggest snooker star, celebrates winning a third UK Championship title in York last year (George Wood/Getty Images)

The future of sport meets the here and now at SportsInnovation 2020

SportsInnovation's second edition gets under way in Düsseldorf on March 25 and 26, with an audience of key executives from football clubs, media companies, tech firms and other sports, drawn from around the world.

The second edition of SportsInnovation, run by Messe Düsseldorf in partnership with the German Football League (DFL) and Deltatre, looks set to build on the success of the debut 2018 event, which established it as the ultimate live showcase for the technology shaping the way that sport is consumed, presented and managed.

The implementation of exciting new technologies is central to the continued development and commercial success of sport in a changed world in which consumers have more choice and fans demand more for their investment of time and money. That turns up the pressure on sports sector executives to fully understand the available technologies and how they can add value to their clubs and businesses.

SportsInnovation 2020 has been designed and developed to provide the answers the industry is looking for. It is aimed at: clubs and leagues; broadcasters and other members of the sports media ecosystem; marketers; stadium and facility owners and operators; and sponsors – as well as those specialising in sports performance and analysis.

SportsInnovation is unique in providing a practical showcase of technologies presented by established tech companies and innovative start-ups. It is held at the 54,000-seat Merkur Spiel-Arena, home of Bundesliga team Fortuna Düsseldorf, which will stage a series of matches that will be used to demonstrate a range of technologies under operational conditions.

Over two packed days, the live match component will be supported by a



programme of fascinating, high-end presentations and discussions designed to deliver a clear perspective on emerging technology and its impact.

Heinz Küsterr, project manager of SportsInnovation 2020, explained the unique appeal of the event which, he says, is neither a trade fair nor a congress.

"Presentations at trade fairs and lectures at congresses usually have something of a 'laboratory stage feel to them'," he said. "SportsInnovation is a technology park that offers live presentations and first-hand experience of products. The images, data and signals that our exhibitors and speakers need to present their technologies do not come out of a can, they are generated live and in real time by means of the innovation games that take place on the arena's turf.

"Visitors are not only allowed to watch this around the pitch, but also during the games. We ask for it!"

Technologies on display at

SportsInnovation 2020 cover sectors including:

- **Broadcasting:** Live broadcast technologies; enhancing and transmitting signals; Media Asset Management systems (MAM).
- **Stadium Experience:** Fan entertainment; applications and advertising media; ticketing; payment systems; safety, security and technology.
- **Match Analysis:** Data collection, enhancement and visualisation; electronic recording systems; evaluation of performance, position and vital data.
- **Matches & Tournaments:** Radio systems; goal-line technology and video referee systems; sports medicine and physiotherapy; equipment and appliances.
- **Digital Services:** Esports; streaming solutions, apps and cloud-based micro services that can be used in all subject areas.

SportsInnovation 2020 content leaders

Stadium Experience: Michael Brill

The Stadium Experience strand, covering fan entertainment, advertising, ticketing, technology and the operation of sports facilities, will be led by Michael Brill, managing director of D.LIVE which operates the Merkur Spiel-Arena and other venues. With nearly 30 years' experience in live entertainment, Michael understands the needs and requirements of the various types of sport that are hosted by his company.

Match and Competition: Prof. Daniel Memmert

The Match and Competition strand focuses on innovations in cognitive training, presented and discussed on location and under live conditions. It was developed and will be led by Professor Daniel Memmert, managing director and professor at the Institute for Training Science and Sports Informatics of the German Sport University Cologne (DSHS), where he is involved in sports psychology (cognition and tactics) as well as in sports informatics (pattern recognition and simulation). He holds trainer licences



in football, tennis, snowboarding and alpine skiing, and he is also editor and author of textbooks on modern football training.

Content Broadcasting: Tim Achberger

Tim Achberger is head of innovation & technology management at Sportcast and a member of the SVG Europe Advisory Board. He is responsible for all innovation-related topics within Sportcast and Bundesliga broadcasts.

Match Analysis: Christian Holzer & Dr. Hendrik Weber

As a member of the Deltatre board of directors and managing director of Sportec Solutions, Christian

Holzer has been active in the fields of data acquisition and analysis, artificial intelligence and wearable technologies for over 20 years. He has managed the development of digital solutions for the Bundesliga and Fifa, and technology projects with the NFL and leading sporting goods manufacturers.

Dr. Hendrik Weber has overseen DFL sports technology since 2011 and has been responsible for the introduction of Official Match Data, Goal Line Technology, Video Assist Technology and the Official Ticketing Secondary Market of the Bundesliga and 2. Bundesliga.

This strand aims to present how game analysis could be changed by combining event and position data, and the availability of advanced KPIs.

SPORTSINNOVATION 2020 PROGRAMME

Wednesday 25th March

- 09:00 Registration
- 10:00 Start of event
- 10:30 Opening & Welcome
- 11:45 **"Broadcasting" session**
(Head of Content: Tim Achberger, Sportcast)
 - Live innovation game
 - Discussion and further considerations
- 14:30 **"Stadium Experience" session**
(Head of Content: Michael Brill, D.LIVE)
 - Live innovation game
 - Discussion and further considerations
- 18:00 End of day 1 at SportsInnovation
- 18:30 SportsInnovation Night

Thursday 26th March

- 09:00 Registration
- 10:00 Start of event
- 10:45 **"Match Analysis" session**
(Head of Content: Dr. Hendrik Weber & Christian Holzer, Sportec Solutions)
 - Live innovation game
 - Discussion and further considerations
- 13:45 UEFA – Deltatre session
- 14:30 **"Match & Competition" session**
(Head of Content: Prof. Daniel Memmert, DSHS, Cologne)
 - "Cognition" training unit
 - Discussion and further considerations
- 18:00 End of event

Q&A: Andreas Heyden, chief executive at DFL Digital Sports & EVP, Digital Innovations, DFL Group

Why is SportsInnovation so important and what will be on offer this year?

Sports Innovation is an event for innovative companies, partners and sports market participants. Together, Messe Düsseldorf and the DFL aim to highlighting the most exciting technologies and developments in the sports industry, share experiences and learn from one another.

The Sports Innovation trade fair is a beacon showcasing the DFL's capacity for innovation, while offering a glimpse into the future. Of particular interest are solutions and applications that are not yet available on the market, or of which we are not yet even aware. The topics will be developed 'from football for sport'.

Can you tell us something about the DFL's strategy behind hosting such an event?

The Bundesliga is the most innovative football league in the world. We want to provide our fans, partners and clubs with unique services and experiences, so the DFL Group constantly monitors trends and technologies that might become relevant in future. In order to further develop the entire sports ecosystem, we invite innovative companies from all over the globe to showcase their latest developments and technologies and demonstrate how they see the future and how they are tackling future challenges.

What expectations do you have of the second edition of SportsInnovation?


At Sports Innovation 2020 we aim to build on the great foundations laid in the previous edition. This means, for example, that we will continue with our innovation matches, but there will be more exclusive showcases to avoid



squeezing too much content into a small time slot. Additionally, we will have a dedicated start-up area for promising young companies in the world of sports technology.

I am sure that we will see how broader and transformational technological innovations, such as artificial intelligence, augmented reality and 5G are influencing sports innovation. I am especially interested in first-timers presenting solutions in these areas – companies of which we

may not yet be aware.

Sport has always been a playground for innovation, with the unique opportunity to use technologies to transmit messages to millions of people around the world. I am excited to see which new opportunities SportsInnovation 2020 holds for us at the DFL to ensure we keep on innovating. By adopting new technologies that enhance the fan experience we will remain at the forefront of innovation in sports for years to come. 



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EVP Digital Innovations
DFL Group



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Head of Digital
FIFA



Adam Piotrowicz
Director of Digital
Legia Warsaw



Ammar Hina
Media and Broadcast
Director
UAE Pro League



Michael Inpong
Chief Marketing Officer
Müller



Matt Riches
Head of Partnerships
Lucozade Ribena Suntory



Robert Klein
CEO
Bundesliga International



Micky Lawler
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Alex Green
Managing Director,
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