



# Reflect.. Review.. Restart

LIVE SPORT  
RETURNS, BUT  
NOT AS WE  
KNEW IT



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Stringent testing  
underpins UFC  
Fight Island

Spotify's model  
inspires new ATP  
chairman Gaudenzi

Wall Street embraces  
promise of US  
sports wagering

DDMC Fortis  
remains bullish  
about AFC project



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*“The Columbia University Sports Management program has provided me with the toolkit and mindset to make a career switch. The program has taught me how to discuss critical business topics in a manner that inspires growth, impact, and innovation.”*

Layden Williams  
Current Columbia University Sports Management Student



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## Committed leadership within sports points a way through pandemic



*(Jesse D. Garrabrant/NBAE via Getty Images)*

In the middle of the still-growing Covid-19 pandemic, one in which the state of Florida is typically seeing roughly 10,000 new cases every day, the National Basketball Association, Major League Soccer, and Women's National Basketball Association each reported something utterly remarkable: about a week's worth of days with zero new positive cases among their large and diverse testing groups.

And in MLS' case specifically, the zero new positives marked a rapid pivot after initial outbreaks within Dallas FC and Nashville SC forced the league to remove both teams from its MLS is Back Tournament.

The complete lack of new cases comes even as the NBA and MLS

resumed play in Orlando at the ESPN Wide World of Sports Complex and the WNBA across the state at the IMG Academy in Bradenton, and the pandemic continued to grow in strength literally all around them, making Florida one of the foremost United States hotspots for the virus.

There are, of course, some very important reasons for the marked divergence of the NBA, MLS, and WNBA from the rest of American reality in this age of Covid-19. Each league spent many weeks, as well as many millions of dollars in infrastructure and testing costs, to create highly regulated and quarantined environments in order to protect their players, staff, and related personnel.

It is certainly true that the "bubbles"

that each league has created are not feasible in most other segments of society, and particularly cannot be replicated at the thousands of high schools and colleges now struggling with questions of if and how to reopen this fall. And just in sports, one only need look at Major League Baseball and how struggles in that league's market-based resumption have led to a suspension of the Miami Marlins' season amid an outbreak of Covid-19 cases among the club.

But the highly encouraging testing results of the three leagues operating in Florida represent much more than the unique nature of sports leagues or simply throwing money at the problem to buy commercial testing resources in a

way that that others cannot or have not.

Rather, the testing results also represent the direct fruits of committed and consistent leadership of NBA commissioner Adam Silver, MLS commissioner Don Garber, WNBA commissioner Cathy Engelbert, and union leaders in all three sports, as well as widespread cooperation and steady focus among numerous stakeholders on the common goals of resuming play and keeping everybody involved as safe as possible while doing so.

It is no secret the broader American response, particularly within the political arena, to the pandemic has been entirely insufficient to meet the scope of the challenge at hand. There has been absolutely no comprehensive, coordinated strategy of any sort at the federal level, leaving individual states largely to fend for themselves and often contradict each other in their responses.

And in complete ignorance of now-established science, mask wearing in public has been a political hot-button topic and another wedge issue along party lines, to the absurd point where the Georgia Governor Brian Kemp, a Republican is now suing city of Atlanta Mayor Keisha Lance Bottoms, a Democrat, in that state over her efforts to mandate masks locally.

Now contrast that nonsense to what has occurred across the US sports industry in recent weeks. Each league and their players have doggedly gone through the difficult work to create a highly detailed set of protocols that can still adapt to emerging situations, and then moved to the even tougher task of executing those provisions.

Even amid more fractious labor negotiations this summer in both MLB and the National Football League, there has been no seismic, ideological divide on keeping players and related personnel as safe and healthy as possible, even as the Marlins' troubling situation has emerged and the NFL is facing growing numbers of player opt-outs for the 2020 season.

Rather, disagreements that have occurred there have been more financial in nature or merely tactical on how precisely to get to that safer place.

And in the case of the National Hockey League, the league and NHL Players

Association used the challenge of the pandemic as an impetus to not only develop their Canadian-based restart plan but also strike a four-year extension to their collective bargaining agreement.

"I wouldn't even say it approached a negotiation," said NHL commissioner Gary Bettman. "It was a recognition by both sides that we were being confronted with an incredibly difficult and novel, unprecedented situation, and then to get through for the good of our constituents and the good of the game and good of our fans, we needed to work together to solve the myriad problems that would be in front of us."

That, in turn, created something New York Islanders co-owner Jon Ledecky called entirely unprecedented in Bettman's 27-year run leading the league.

"The job the commissioner has done to get hockey back in these challenging times is probably the greatest accomplishment of his tenure," Ledecky said. "It's been unbelievable as an owner to sit there and watch the commissioner and his colleagues pull this together."

In early July, Washington Nationals relief pitcher Sean Doolittle said, "Sports are like the reward of a functioning society. And we're trying to just bring it back, even though we've taken none of the steps to flatten the curve, whatever you want to say. We did flatten the curve a little bit, but we didn't use that time to do anything productive...We decided we're done with it. If there aren't sports, it's going to be because people are not wearing masks, because the response to this has been so politicized."

The games are indeed coming back, as each of the major US team sports properties are now resuming play. To Doolittle's point, the country really hasn't done the hard work to truly deserve them. But thanks to the extensive efforts of the leagues and respective players' unions, we're getting them anyway.

"You really have to continue to just trust the science," Engelbert said. "I know that's sometimes hard to do. We're showing that if you follow the science, follow the protocols, you can remain stable in this very uncertain environment."

The rest of society should take careful note of that. ○



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## Stadium variables complicate safe spectator return

**W**hen Liverpool recently ended their long quest to win the Premier League title, the closed-door trophy celebrations were not the way players or fans would ever have pictured them. The club did its best to disguise the absence of 54,000 ardent supporters, but no amount of music, fireworks or confetti could compensate for the shared experience of ending thirty years of hurt and collective longing at a full-capacity Anfield stadium.

Manager Jürgen Klopp and his players have had the good sense not to gripe in the context of a global pandemic. But privately they will have once again acknowledged what has been plain to see during Project Restart: sport as a product is significantly diminished when it is stripped of its fans.

The club, and teams from further down the football pyramid that depend even more heavily on matchday income, will therefore be heartened by the UK government's tentative plans to let spectators back into sports venues in England by October 1. Authorities have indicated limited numbers of fans could be allowed to watch games, provided a selection of pilot matches pass by without any hitch.

The test events include the indoor World Snooker Championship at the Crucible Theatre in Sheffield from July 31 to August 16, the Glorious Goodwood racing festival from July 28 to August 1, and two county cricket friendlies between Warwickshire and Worcestershire, and Surrey and Middlesex.

Reports that more than 10,000 fans applied in an hour for the 1,000

available tickets for the first of the events, the match between Surrey and Middlesex at the Oval cricket ground in London on July 26-27, have already assuaged some concerns that spectators might stay away for fear of contracting Covid-19. This seemed like a genuine threat when a Reuters/Ipsos opinion poll in April found 39 per cent of adults surveyed in the US who had attended a sporting event in the preceding year would rather wait until a vaccine is found before returning to stadiums.

Those familiar with the meagre attendances in English County Cricket will know that a friendly match would do well to attract 1,000 fans, even outside of a global pandemic. Although an admittedly small sample under highly unusual conditions, the numbers provide evidence that there is a pent-up demand and an appetite among UK sports fans for things to return to normal.

For the matches to be the precursor for something more widespread, the authorities will need to be reassured that measures implemented to safeguard spectators were successful. Monitors attended the match at the Oval to ensure stadium operators managed fans in a sensible and socially-distanced way and that they were capturing the data that would allow any outbreak of the virus to be traced.

Even if regulators are satisfied, there still needs to be a substantial leap for live events to return to anything resembling normality. Surrey chief executive Richard Gould said the economics of employing 100 staff to manage 1,000 spectators were not viable in the long-term, and even 30 per-cent

stadium capacity would be financially unsustainable.

Unfortunately, the complexities in maintaining the prevailing social distancing requirements rise exponentially when a greater number of fans is allowed into a venue. A draft document produced by the Sports Grounds and Safety Authority, for instance, provides illustrations of the impact either a 1-metre or 2-metre social distancing regulation has on occupancy of a block of 224 seats. Drawing an imaginary bubble around spectators, the guide manages to achieve a maximum of just 33-per-cent occupancy with a 1-metre distance between fans and an even more meagre 22 per cent with 2 metres between fans.

An additional wrinkle comes from the divergence in the design of sports grounds, which will make it hard to develop a simple template for other stadium operators. Experts say capacity requirements could vary in other grounds depending on factors such as the size of concourses, density of seating, width of gangways and even size of seats.

Those involved in staging the cricket test event describe how 1,000 spectators was a relatively easy target, given the large open spaces in the 25,500-capacity venue. Other stadiums that can claim similar design advantages will be better placed to limit the damage from the current 1-metre requirement.

An infinitely preferable outcome is that the virus is brought sufficiently under control for the UK government to deliver on a suggestion that it could remove the social distancing requirement altogether in November. [O](#)



## Foundations laid for digital media growth in Asia

**T**he Asia-Pacific media industry's big annual get-together APOS joined the online migration of business conferences as organisers Media Partners Asia delivered a series of live discussions online with some of the biggest names in regional and global media, including: Uday Shankar from Disney; Ajit Mohan from Facebook India; JB Perrette from Discovery Networks; Bob Bakish from ViacomCBS; and Hugh Marks from Nine Entertainment.

I tried not to dwell on the fact that I should have been enjoying the conference from its usual location in Bali and was instead hunched over a laptop at my kitchen table. And I tuned in to hear words of hope from the industry titans, rays of light cutting through the clouds of 2020 and illuminating the sunny uplands ahead that only they, in their lofty positions, could see.

There is a lot of blind optimism in the sports business and beyond – at the moment. It is arguably the best option for leaders in the face of the total uncertainty wrought by Covid-19. Some of it rings hollow. But some of it is more convincing and is even based on data. And we heard some optimistic and convincing fragments at APOS.

One of the eye-opening takeaways for me was the massive recent growth in connectivity in Asia-Pacific. To take that out of TMT industry-speak, hundreds of millions of people in Asia-Pacific, including in developing markets, have in the last few years obtained high-speed internet connections on their mobiles and at home. And hundreds of millions more are likely to do so in the next few years.



*“This increase in digital connectivity is a strong fundamental for growth in the years ahead.”*

The great significance for the sports and entertainment industries is that all these people can now get high-quality video content, including sport, on their phones and in their homes on big screens via internet connections. Just four or five years ago, this was not possible.

It is a crucial layer of foundations for the development of the Asia-Pacific sports and entertainment industries.

One of the breakout stars of this growth story is the Indian mobile telco Jio. In the last four months some of the world's leading investors and digital media firms, including Google and Facebook, have invested \$20bn in stakes in Jio, valuing the company at \$60bn. By building out its 4G network and aggressively marketing its data plans, Jio has been the leading player in the

growth of 4G connectivity in India. When its 4G service launched in September 2016, there were under 50 million 4G customers in India. Today, the number is more than 500 million.

One of the big beneficiaries in the coming years is expected to be the market's leading sports and entertainment platform – Disney-owned pay-television and OTT operator Star. Star's Hotstar Plus OTT service is a world-leader in delivering live sport to big audiences, and its business has been heavily built on exclusive rights to premium cricket properties.

Media Partners Asia expects fibre-optic broadband to reach tens of millions more homes in developing markets in the coming years. In Thailand, for example, MPA expects penetration to hit 50 per cent of homes by 2025, and in Indonesia, 20 per cent.

This is significant because it gives OTT players including Netflix, Amazon, and DAZN access to big screens in more living rooms – a more compelling proposition for many customers than watching on mobile. It also means increasing competition between telcos, and between telcos and pay-television players operating via the more traditional means of cable and satellite, which have plenty of life yet in many markets. This points to increasing competition for content.

Covid-19 means we may have to wait a few more years before media companies, sports properties, sports marketers, and others in the sports ecosystem can really capitalise on these opportunities. But this increase in digital connectivity is a strong fundamental for growth in the years ahead. ○

# Inside track

Simon Oliveira, founder and managing director of KIN Partners



## Football without fans is nothing, until it becomes everything

Simon Oliveira discusses how Covid-19 has forced a radical rethink in the relationship between clubs, leagues, broadcasters, players and fans



Tottenham Hotspur host a friendly practice match against Norwich City on June 12 (Tottenham Hotspur FC via Getty Images)

**F**ootball without fans is nothing.” The fabled words of legendary Celtic and Scotland manager, Jock Stein, have been echoed by many current managers and players in recent weeks, as football has returned in a behind-closed-doors environment.

Stein uttered the mythical phrase long before the Premier League was formed in 1992. In the years since, it has more often been adopted by fan groups seeking to remind owners, clubs, leagues and governing bodies that they are being taken for granted.

That is until the coronavirus

pandemic swept across the globe and ground the sport to a halt. Now, suddenly, and unexpectedly, the statement rings truer than it ever has in the decades since it was first spoken.

Make no mistake, the relationship between football and its most loyal supporters has been strained in recent years.

As with any long-term relationship, there has been a sense at times that both sides have taken each other for granted. Did we as fans see the players as mere assets that could be moved between clubs and discarded if not

playing well? Had the players forgotten the importance of those providing the atmosphere, passion and emotion on a weekly basis? Were clubs in danger of seeing fans merely as global consumers?

The pandemic has given each partner in the relationship pause to remember why they loved and needed each other so much in the first place.

No stakeholder can be truly satisfied with behind-closed-doors football – the games are simply a means to an end to fulfil broadcast obligations and finish the competitions. The absence of fans from stadiums has been the single-



biggest talking point. The very fact that a Broadcast Enhancement Advisory Group was set up to specifically look at how to compensate for the lack of atmosphere, tells you everything you need to know.

Chris Wilder, manager of Premier League team Sheffield United, has been among the most outspoken on the subject: “We should never underestimate the effect of playing in front of supporters. The administrators, players, managers and officials are part and parcel of the game, but the biggest players are the supporters. The excitement, desire, enthusiasm and the commitment that they bring to the game is the biggest thing”, he has said.

Players too have spoken at length about the impact of playing without fans. Burnley striker Jay Rodriguez put it best: “I’d be lying if I said it was normal and everything was fine because football is all about playing in front of fans and being driven on by the atmosphere. They do have an effect on the games.”

Covid-19 has forced a radical rethink in the relationship between clubs, leagues, broadcasters, players and fans. For the first time we are seeing the reality of live sport without its most important stakeholders, and it is a frightening prospect. But, long-term, this could prove to be the moment when the romance between football and its fans is rekindled, with both sides having had time to reflect and appreciate the symbiotic relationship.

Perhaps post-coronavirus we’ll see more affordable ticket pricing strategies, away supporters considered and consulted before kick-off times are confirmed and talks of competitions that require further investment from fans to follow – a European Super League, for example – should not be rushed into.

On the side of owners and organisers, there may well prove to be a financial imperative to do so. Deloitte’s annual review of football finance suggests Premier League clubs face a £1bn (€1.1bn/\$1.3bn) reduction in their revenues in 2019-20, primarily in rebates to broadcasters and a loss of matchday income.

When it is safe for fans to return to



(Shaun Botterill/Getty Images)

football, the importance of a sold-out stadium will never be greater. And not solely for the immediate revenues, but to ensure the sport remains an attractive proposition for broadcasters and sponsors, who continue to contribute to the biggest proportion of revenues.

On top of this, and regardless of the pandemic, there have never been more competing interests for a fan’s time. Will the next generation feel the need, or be financially able, to pay to go and watch their team week-in, week-out, when they can watch almost every fixture on TV or online by fair means or foul?

It was Sky Sports TV pundit Gary Neville who said: “Football needs to check itself. It is more than just a game. It is about community and we need to ensure we are doing all we can not to price fans out of the game.” He is right of course.

The lockdown period has forced clubs, leagues and governing bodies to engage more effectively with fans and they are increasingly looking for innovative ways to interact on and off the pitch. There has been more attention on player-focused content during the absence of live games, some of the innovations introduced look set to stay and, now matches have returned, we are seeing potential investments in artificial intelligence systems to expediate the return of fans to grounds.

There is no question that, as the game has flourished commercially, players

have increasingly felt distant from the average fan.

There are of course many reasons as to why that is the case – time, security and motivation, to name a few. But, with players now experiencing just what football is like without the match-going supporter, will we see more effort being made to reward their devotion?

Fans will return re-energised and craving the shared life-affirming experiences that football provides in the most evocative and emotive way. The pandemic has provided a moment of pause to remind football that the game is nothing without its most passionate fans and it needs to protect that relationship, by all means necessary.

The primary reason for tension between supporters and clubs is the feeling fans are now defined customers. The irony is that the best global consumer brands have attained that status by putting core customers at the centre of every decision they make. The best clubs understand this.

So, football without fans is indeed nothing. Until it becomes everything. ○

*Simon Oliveira is the managing director of KIN Partners. He has worked with sports stars including David Beckham, Usain Bolt, Neymar Jr, Lewis Hamilton and Andy Murray, was a founding partner of the content studio OTRO, and has co-produced documentaries, such as I am Bolt and Class of '92.*

# UFC Fight Island: Stringent testing underpins Abu Dhabi event

Abu Dhabi paid UFC for right to host Fight Island, along with covering costs

Four-event deal completed in May, smoothed by existing hosting and media-rights deals

UFC, despite criticism, has balanced risk and reward under lockdown



## Callum McCarthy

**O**n April 6, Dana White made a statement that seemed outlandish, even for him.

Speaking to TMZ Sports, the UFC president said: “I’m a day or two away from securing a private island...I have a private island that I’ve secured. We’re getting the infrastructure put in now so we’re gonna start doing international fights too. I won’t be able to get international fighters into the US, so I’m gonna start flying them all into a private island and start doing the fights from there.”

TMZ’s reporter, incredulous, responded: “What are you gonna call it,

Fight Island?”

White laughed: “Yeah, island fights...”

On June 9, the UFC announced Fight Island™, a fully-trademarked, four-event stint on Yas Island in Abu Dhabi that began on July 11 with UFC 251 and included three UFC Fight Night events on July 15, 18 and 25.

Yas Island – formerly part of Abu Dhabi’s mainland until a canal was dredged around its perimeter – is perhaps not the original private island White had in mind. Regardless, there are few places in the world more suitable for a rights-holder to escape the clutches of Covid-19 than Abu Dhabi.

Lawrence Epstein, chief operating officer at UFC, tells *SportBusiness*: “We

certainly looked at a variety of locations around the world, but it needed to have a certain level of infrastructure – the ability to get people there, the ability to do comprehensive testing and implement a health and safety programme.

“Once we got into the nitty gritty of what it was going to take to put this on, it was pretty clear that what Yas Island and Abu Dhabi delivered was frankly something no one else in the world could, certainly on short notice.”

## Safest place on the planet

The Abu Dhabi government has turned the majority of Yas Island into a ten-square-mile safe zone just for UFC, with

each of the 2,500 people on site being tested for Covid-19 on five separate occasions during their stay – once before flying to Abu Dhabi, twice at the hotel prior to a 24-48 hour quarantine, once prior to the event and once before departure.

All roads leading into the safe zone were closed from July 4 and Abu Dhabi workers rehearsed the arrival of official UFC delegations at the nearby Abu Dhabi International airport.

The UFC had already staged eight events in the US since the beginning of the Covid-19 crisis and its experience of operating Covid-19 testing, as well as Abu Dhabi's desire to prevent a single Covid case reaching Yas Island, produced an incredibly stringent testing programme. Multiple fighters and cornermen had tested positive before boarding the plane to Abu Dhabi, preventing them from travelling.

Those who tested negative prior to the flight were tested twice before being allowed to leave their hotel, decreasing the chance of a false negative slipping through the net.

“One thing we knew when we putting together the plan with experts in infectious diseases and medical practitioners, was that from day one, we were going to have people test positive,” Epstein said. “The spread of this virus is such that we were going to have people test positive and we had to be ready for that from both an organisational standpoint and a health and safety standpoint.”

Fighters that tested positive before the events in Abu Dhabi were replaced by reserve fighters kept on standby by the UFC in case of positive tests. This meant that all four events in Abu Dhabi went ahead as planned regardless of fighter dropouts.

### Cash flow

These four events were a crucial part of the UFC's plan to reach 42 events in 2020 – the amount it is contractually bound to deliver to its broadcast partners around the world. The UFC will need to use as much of its contracted roster as possible in order to deliver all 42 events this year, but many of its fighters are based outside of the US and have great difficulty travelling

to and from the country in order to compete.

Furthermore, the UFC is under pressure to deliver a certain number of international events – usually seven, eight or nine international events in any given year – to broadcasters in major markets outside the US. This is to ensure they receive at least some UFC events in local primetime.

*“The value-in-kind they've provided to put these events on is incredible.”*

**Lawrence Epstein** | chief operating officer, UFC

Securing an international venue at relatively short notice during a pandemic is difficult to say the least, but it was vital for the UFC to maximise its earnings in 2020. Doing so was made easier by its existing business relationships with the Abu Dhabi government.

It struck a five-year media-rights deal with government-owned Abu Dhabi Media in April 2019, accompanied by a five-year hosting rights deal with the Abu Dhabi DCT that ensures one UFC event is held there each year.

The UFC agreed another four-event

deal with the Abu Dhabi Department of Culture and Tourism office two months ago and Epstein confirmed that while it is separate from any existing deal between the two, it provides a valuable extension to an existing relationship.

The Abu Dhabi government is paying for the logistics of four events on Fight Island including transport, testing, accommodation, training facilities and catering. Asked whether it is also paying a hosting fee to the UFC on top of value in kind, Epstein said “it's definitely both”.

He continued: “The value-in-kind they've provided to put these events on is incredible, something nobody else in the world could have done. We'll have delivered the four events in US primetime, generating a significant amount of exposure for Yas Island and Abu Dhabi.

“The primary goal of the Abu Dhabi tourism authority was to let the world know about the all the great stuff going on in Abu Dhabi and Yas Island, and the idea is that when the world goes back to normal, people can come and check out what they've seen.”

### Risk and reward

The UFC was the first major sports property to make its return, staging its first spectatorless event in the midst of



UFC president Dana White. (Douglas P. DeFelicis/Getty Images)

the Covid-19 crisis on May 9. It is still the only active major US sports property two months later.

That the UFC's owner, Endeavor, was and remains under significant financial pressure was perhaps the primary factor behind the UFC's early return. By doing so, the promotion risked its hard-fought reputation by setting itself apart from the legacy sports leagues it was once desperate to emulate.

The promotion was criticised for this – and for Dana White's seeming indifference to the crisis – but that criticism has mostly subsided now that European football leagues have also returned to action without fans, normalising the practice.

Hindsight is 20:20, but Epstein is proud of the UFC's achievements during the crisis.

"Dana White said it time and time again that we're going to be the first sport back in business and he delivered on that," Epstein says. "Yes, there was a bit of that maverick spirit of the early

*"We focused all our time on where we can get better...what could happen in the future."*

**Lawrence Epstein** | chief operating officer, UFC

UFC, but it's more consistent with our key brand maxims, one of which is 'be first'. We want to do things in a safe way and we want to make sure people are protected, but we also want to be first and I think we've balanced those two competing sentiments very, very well. We're very proud of the eight events we've put on."

The UFC's testing programme has not been perfect – a fighter and his two cornermen tested positive for Covid-19 while at the UFC's first event back on May 9. Epstein describes this as one of many "learnings" over the past two months.

"After each event we sat down and spent very little time focusing on what

went well," he said. "We focused all our time on where we can get better, what we didn't anticipate, what could happen in the future. That's been the progression."

The UFC earlier this year held five events at UFC Apex, its own production facility in Las Vegas. This enabled the promotion to practice its health and safety protocol in the same environment each week, allowing for repetition and refinement.

Epstein believes the UFC's trip to Abu Dhabi will have enabled the promotion to strengthen its testing operation when it returns for a nine-event stint at Apex.

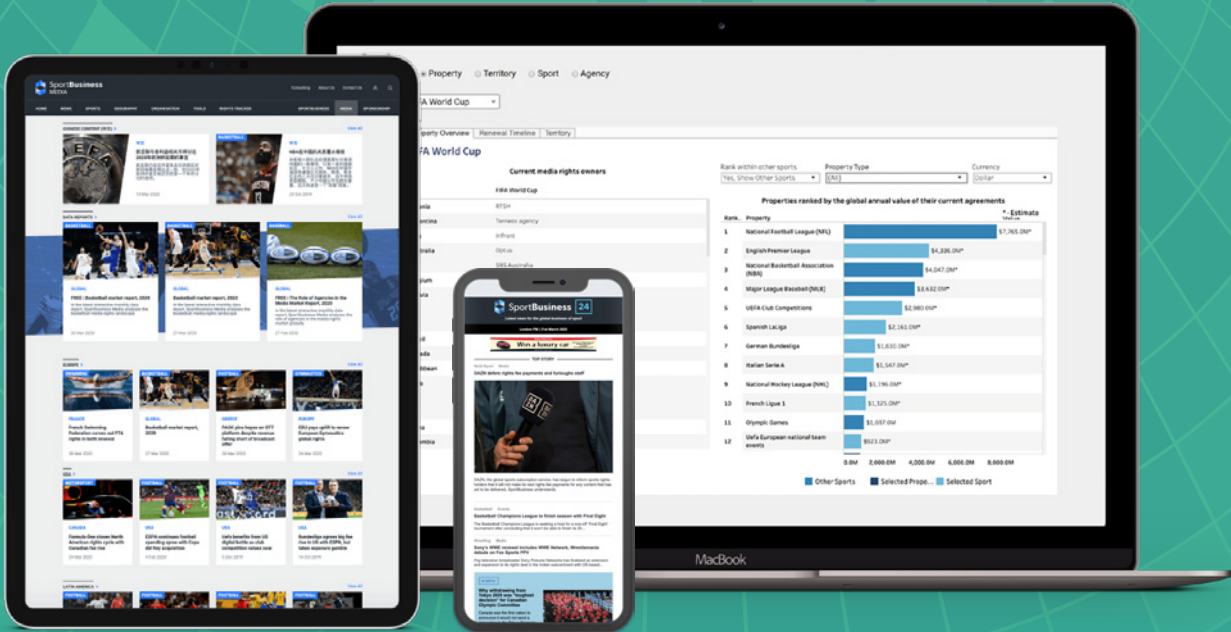
"As high a level as we're operating at Apex, Abu Dhabi has taken it to another level," Epstein says. "The amount of testing, the frequency of the testing, the tight quarantined areas...it's been incredible. As we go through these events in Abu Dhabi, the same process will take place and then when we do nine events at the Apex, we'll have a tighter, better, stronger plan." ○



Khabib Nurmagomedov during UFC 242 at Yas Island, Abu Dhabi, in September 2019. (Jeff Bottari/Zuffa LLC/Zuffa LLC via Getty Images)



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# Abu Dhabi used UFC 'Fight Island' as a pilot project for sealed spectator events

Strict testing and quarantine regime kept 'Fight Island' free of Covid-19

Abu Dhabi wants to scale up 'safety bubble' model to include spectators

City looks to position itself at the 'forefront of the revival of sport'

**Ben Cronin**

**A**bu Dhabi used the hosting of four UFC events in the month of July as pilot projects to determine whether it can allow limited numbers of spectators to watch sports events in the eleven-square-mile safety bubble it has created in the Yas Island area of the city.

The emirate strictly controlled entry to the island for the mixed martial arts promotion in an attempt to turn the area into a Covid-19-free zone for athletes and local and international event staff.

Ahead of the first event, UFC 251, Ali Hassan Al Shaiba, executive director of tourism and marketing for Abu Dhabi's Department of Culture and Tourism, said that, provided the stringent quarantine and testing regime allowed the event to pass without any of the 2,500 people locked into the zone falling ill, the city would seek to expand the 'safety bubble' model to include spectators.

"The idea is first to test the capability from an operational point of view. Can we handle it with the staff, with the athletes to be with no fans? And then we will learn from this, and we will decide later if we can do it with a limited number of fans, or restricted number of fans, to be able to attend the next event in the bubble," he told *SportBusiness*.

The sports infrastructure in Yas Island and the city's ability to seal off the area and implement the rigorous testing and safety regime at short notice are understood to have been key to UFC's decision to host the event in the region.

Although at the time of writing, Abu Dhabi is not open to international visitors, Al Shaiba said DCT will use the event to promote itself as a safe pair of hands for sports rights-holders and to promote tourism to the region in the



The UFC training octagon on Yas Beach in Abu Dhabi.

longer-term.

"As an international sports event watched by many viewers worldwide, we believe that Fight Island will help position Abu Dhabi at the forefront of the revival of international sport in 2020," he said.

## Hosting fee

The emirate hosted four UFC events on Yas Island from July 11 to July 25. *SportBusiness* understand Abu Dhabi paid UFC a hosting fee and underwrote all of the logistical costs for the four events, including transport, testing, accommodation, training facilities, and catering.

Al Shaiba refused to reveal how much DCT has spent bringing the events to the region but said the bill would fall below the \$100m reported in some parts of the media.

Under the terms of the deal, Abu Dhabi received two peripheral branding opportunities on the UFC octagon canvas and one vertical bumper position.

It used these to promote the city's official hashtag #inAbuDhabi; Go Safe (a new hygiene certification programme for tourism facilities); and Stay Curious, a new platform which allows people to view the city's attractions virtually. It also secured some programming commitments from the MMA series.

"They [will] do a couple of productions on the island showcasing all of the massive operations, starting with the Covid-19 testing and also following the guidelines and showing the measures and precautions of health and safety that we implement...[They will] promote everything that is available on the island," said Al Shaiba.

This included building a training octagon on the beach at the resort to advertise the area as a tourist destination. The emirate also sought to highlight the hotel facilities, golf course and amenities at the Yas Marina motoracing circuit, home to the Abu Dhabi Grand Prix.

To gauge the success of the event,



# Technology developed for the oil industry helps ECB to deliver bio-secure matches

Postponed three-Test series against the West Indies started on July 8, with matches played behind closed doors

Bluetooth sensors and tags embedded into player and staff credentials to track movements

Company argues technology could be used as a track and trace system for spectators



(Gareth Copley/Getty Images)

## Ben Cronin

**B**luetooth tracking technology originally developed to monitor the location of workers on oil rigs and offshore wind farms is being used by the England and Wales Cricket Board (ECB) to keep players, officials and operational staff safe during this summer's Test series between England and the West Indies.

The postponed three-Test series, which started at the Ageas Bowl in Southampton on July 8, took place behind closed doors to comply with the current UK government regulations on social distancing, which at the time of writing ban gatherings of more than 30 people to minimise the risks of

spreading Covid-19.

As reported previously by *SportBusiness*, the ECB worked with CSM Live, the experience team of the CSM Sport and Entertainment agency, to divide match venues into safety zones, with access limited to specific groups, such as players, media, and operational staff, and to maintain a strict discipline of separation on site. Measures included health check and sanitisation points for personnel, vehicle screen areas, welfare units, perimeter fencing, temporary walling, temporary accreditation checkpoints, as well as the production of all wayfinding and signage at the venues.

To provide an additional layer of reassurance, the ECB appointed

Restrata, a British company that has traditionally provided critical infrastructure protection for the energy industry, to install a Bluetooth network throughout the two venues for the matches: the Ageas Bowl, and Old Trafford cricket ground in Manchester.

The credentials of all 450 people allowed on site were fitted with 'Bluetooth badges' and a network of sensors were installed throughout the two stadiums that allowed the company to track everyone on site.

This location data was transmitted back to a proprietary cloud-enabled platform which alerts stadium operators if somebody enters the wrong zone or too many people congregate in one room. Restrata claims the technology



would allow the ECB to track and trace any suspected outbreak of Covid-19 within the match environment.

The ECB's head of IT, Damian Smith, said the system had enabled it to deliver the series secure in the knowledge that it could "comply with the [UK] Government's comprehensive guidelines for managing events of this nature, particularly those relating to track and trace."

Speaking to *SportBusiness* ahead of the second Test, Botan Osman, chief executive of Restrata, said the technology's ability to detect which people have come into contact with one another to within a margin of 10 centimetres in real-time was crucial in allowing the matches to go ahead.

"Should the unfortunate happen and somebody is suspected of having symptoms or somebody is infected, they can do a full contact history report and then see live on the system what contacts the individual has had, and essentially track and trace an outbreak, so that is what has given the ECB the comfort really to go ahead with this," he said. "Instead of saying somebody's infected and now we have to test or isolate 450 people, you can isolate it

to the five or ten people you know they have had contact with in the last period."

***"The ability to manage the safety of individuals is so important to so many businesses."***

**Botan Osman** | chief executive, Restrata

### Energy industry

Restrata started life providing critical infrastructure protection for the offshore energy industries where the ability to identify the exact location of workers helps companies to manage their safety and organise musters and emergency evacuations.

The company has broadened its scope of work to include the sports industry more recently. It helped in the design of the command control centre for the Metropolitan Police Service for the London 2012 Olympics, and in 2017 was appointed to design the safety and security systems for the renovation of FC Barcelona's Camp Nou stadium.

"All of a sudden the location of the

individual and the ability to manage the safety of individuals is so important to so many businesses and so we decided to double down, and this is an area that we've pivoted to," Osman told *SportBusiness*.

### Return of spectators

Restrata is now working with several football clubs in the UK and Europe to devise plans to allow for fans to be safely let back into stadiums. Osman said that the greatest interest has come from clubs in smaller leagues that can't rely on large TV revenues to prop up their finances while large gatherings are prohibited.

The company proposes integrating Bluetooth badges into football season tickets or assigning them to fans who attend matches on a one-off basis, which it argues would allow rights-holders to isolate outbreaks in much larger crowds of people.

"Let's say in the first phase, we're talking about the return of 20 per cent of fans," said Osman. "Under that scenario, social distancing becomes important because you're trying to monitor the actual behaviour of those fans and then you could have a number



Match venues were divided into safety zones with access limited to specific groups, such as players or media. (Stu Forster/Getty Images for ECB)

*“Now we’re entering a phase where accuracy really is needed, otherwise you may have a bunch of false positives.”*

**Botan Osman** | chief executive, Restrata

of stewards that intervene when those rules are not being respected.”

“Then, when you go all the way through to full-time return, let’s say allowing 50,000 people back in a stadium, where there’s no social distancing requirement – you’ve thrown that out because you made a determination that that’s not needed – but on the way in, you still do the temperature checks, you still ensure that people maybe have masks on, and then moving on from there, you are able to do track and tracing across the whole crowd live.”

There have been concerns that different methods used to track the Covid-19 virus could lead to invasions of privacy, but Osman argued that the system could be implemented without gathering any more data than is traditionally required during the sale of a sports ticket. He added that any data could be deleted once the requirement to track and trace is no longer needed if no cases of the virus come up.

This, he said, is preferable to a phone-based track and trace system that registers people who have been in close contact through the digital “handshakes” that occur when the Bluetooth signals from two phones are in close proximity. The UK government’s own attempts to develop such a system have been frustrated by limitations placed on Apple iPhones and Google Android phones that prevent some models from registering Bluetooth matches when they are in idle mode.

Likewise, he said some of the location heatmapping technologies based on proximity to Wi-Fi hubs that are already employed by different stadium operators to gather data on crowd movements also fall down because of an inability to precisely pinpoint exactly how close fans have come to each other.

“I think that in order to be robust,



you’ve got to use Bluetooth detectors and tags together in order to get a real answer,” said Osman. “Otherwise, you’re fooling yourself into thinking that you’re actually going to get context on what’s happening in your stadium – especially when you have 50-to-100,000 people in the same location.

“You’re unable to get to the granular level of accuracy that, granted, previously maybe wasn’t needed if you’re just figuring out whether somebody has been near or round about the hotdog stand. But now we’re entering a phase where accuracy really is needed, otherwise you may have a

bunch of false positives.”

Even more pertinently, given Jofra Archer’s exclusion from the second Test for travelling home between matches and breaching the bio-secure ‘bubble’ carefully erected around the players, Osman said the technology could also be used to track players on transport between matches.

“If there is a tournament on, for example, or another situation where people are being bussed or coached to the match location, then we’re able to track them on those transport methods as well, so that you know where they’ve been all the way through.” ○

# United Soccer League ready to lay down “bold” marker with local market strategy

USL Championship became first team-based league in US to play in home venues amid Covid-19

Second-tier league made this move to “differentiate ourselves from other leagues”

Team owners eager to be active in local communities despite potential risks and hurdles



## Bob Williams

**T**he United Soccer League aimed to set a “bold and aggressive” precedent by becoming the first team-based sports organisation in the United States to return to action in local markets in the wake of the Covid-19 pandemic.

After being suspended in March after just one round of action, the second-tier USL Championship made its comeback on July 11, with the league’s 35 teams playing in their home venues and, where permitted, in front of spectators by local authorities.

In total, teams are in line to play 263 games over 13 weeks to decide which 16 teams will advance to the playoffs, which will take place in October.

Meanwhile, the third-tier USL League One returned on July 18, also in local markets.

For various logistical and health and safety reasons, the vast majority of team-based leagues in the US have opted to stage quarantined, single- or two-city site competitions this summer due to the coronavirus crisis. These include the National Hockey League, National Basketball Association, Major League Soccer, Women’s National Basketball Association, National Women’s Soccer League, Major League Lacrosse and World TeamTennis.

With Major League Baseball having made its return on July 23 – with teams playing in their ballparks – many eyes will also be on the USL in the coming weeks as sports organisations examine how games in home venues look and feel amid the ongoing health crisis and, in turn, try to adopt best practices.

Already some USL Championship teams have allowed limited spectators, including El Paso Locomotive, Louisville

City, OKC Energy, Real Monarchs, Saint Louis FC, and Indy Eleven, among others.

Despite the risks and potential pitfalls involved – not least that numerous states with rising coronavirus cases could ban all public gatherings in the coming weeks and months – the USL decided to set this precedent for two principal reasons. Firstly, the league wants to make a mark and differentiate itself from other organisations. Secondly, USL teams are hugely dependent on matchday incomes as a revenue source, which is mainly why a quarantined event has not been held.

The USL Championship, which is entering its 10th season, has a new micro-regionalised format, which is designed to capitalise on local rivalries and avoid long-distance travel. Eight regionalised groups have been created,

five of which with four teams while three groups have five teams. Group A, for example, comprises Portland Timbers 2, Reno 1868 FC, Sacramento Republic FC and Tacoma Defiance.

In a 16-game regular-season schedule, each team plays 12 games in their groups, with the remaining four games against teams from similar geographic regions. All games played before the mid-March suspension count toward the regular-season standings, meaning teams will play between 14 and 16 regular-season games from the restart. In total, teams are set to play eight games at home and eight on the road.

Games are being broadcast domestically across ESPN networks, including ESPN2, ESPNNews, the Spanish-language ESPN Deportes and direct-to-consumer platform ESPN+. It has already been announced that eight games will be aired on ESPN2 in the month of July. Unlike in other professional soccer leagues, there will be no artificial crowd noise on domestic broadcasts.

Thanks to a partnership with global sports marketing agency Sportfive (formerly known as Lagardère Sports), games are also being distributed internationally, including in the Concacaf region and Europe. In the absence of many soccer leagues during part of the summer, it is hoped that USL games will be gambled on in foreign markets. It is largely for this reason that sports-betting partnerships with Stats Perform and Sportradar were recently agreed.

*SportBusiness* spoke to USL executive vice-president Court Jeske about the opportunities and challenges of the USL Championship's return in local markets.

### To what extent has the USL been affected financially by the Covid-19 crisis?

USL, no different from any other sport or entertainment property, has been affected in every way. Certainly, the league office and our clubs have been affected financially to the negative. But while we're encouraged by how things may look in the short-term, we also must be very conscious of the long-term economic ramifications that are going to be reaped.

### Are you able to put an approximate dollar figure on the financial hit?

Tens of millions of dollars for USL and our clubs will be forfeited just in the short-term. The long-term is yet to be seen.

### The USL looked to fill the gap with two esports competitions. How well did these events go and will USL continue to embrace esports going forward?

Esports are here to stay and the USL will be involved in esports in one way, shape or form. What we utilised the platform for, first with *Rocket League* and then with the *FIFA* tournament, was to fill content and give an outlet during some very dark days. What it also helped with was a chance to engage both *Pro Evolution Soccer* and EA on the potential of including USL in future editions of the games. So it's certainly a situation to potentially lead to some new opportunities for our enterprise.

### Why exactly is the league resuming competition in home markets rather than in a quarantined tournament? What was the thought process in this decision?

Like every other sports [organisation], we went through a decision tree. Ultimately, what our owners determined was for them to be active in their

communities, which was the most important thing in a year like this. There are certainly risks and key learnings that we have every day but our ownership felt a way that we could differentiate ourselves from other leagues was to be first and be back in our communities, serving them and playing in front of fans where appropriate.

The other thing the USL could do is take advantage of our geographic footprint. With 35 clubs in the Championship and 12 in League One, many of our trips can be focused on bus travel, which can be delivered in a very safe and efficient manner. So a combination of those factors led our ownership to make a very bold and aggressive move as it relates to return of play.

### The USL is the first major team-based sports organisation in the US to resume play in home markets, ahead of Major League Baseball. With no precedent to fall back on, what were the main challenges?

The main challenges were in a country the size of the United States, with the number of jurisdictions we have, there is not one singular feeling about the Covid pandemic at any one time. We have certain teams in markets that have been relatively unaffected and then we have other markets that were



(USL)

dramatically affected out of the gate but now have seen a better situation. Managing all those different attitudes and perceptions in the room with our owners is something that has been very challenging.

**A number of teams have announced plans to play in front of limited fans. What does it mean for these teams, in that they will be able to secure some matchday revenues this year?**

We put a simple question to our owners at the Championship and League One level and that was: do we want to shut the season down and focus on getting stronger in 2021 or do we want to take a bold step and try to figure out the safest, most prudent way to return to play in 2020? The owners, in almost unanimous fashion, supported a return to play even though that would certainly require more investment from them than simply canceling the season.

So whether matchdays are profitable or not in the short-term is not really the focus of our owners. That being said, we have left it up to the local municipalities and the clubs to determine what is appropriate in their market because we do have such a big country. If the local government and team feel like a 25-percent or 50-percent occupancy is safe when we return to play, then that's what we'll follow. If they recommend closed doors, then that's what we'll follow.

**What are the contingency plans if states decide in the coming weeks that sporting events cannot be staged even without fans?**

We already have that contingency plan in place. The owners and the clubs have all agreed to a methodology for shutting down the season if that becomes a requirement and certain thresholds by which the on-the-field championships would be awarded, be it a points-per-game method, a minimum number of games that have to be played etc. We'll do what is ultimately the best for a health and safety requirement even if that means shutting down. At this point, any kind of pod or bubble tournament is on hold. We are focused on returning to our communities and approaching it that way.



(Joe Hicks/Getty Images)

**How much Covid-19 testing are you doing – and how expensive is it?**

Testing is being done through a national provider, frequently, and our owners have said they will pick up the costs of that because it goes back to being able to put our athletes in a safe environment.

**Have you been able to secure many games on linear television?**

This is a real advantage to being one of the first leagues back. Domestically, we will have had a minimum of 20 matches between ESPN2 and ESPN Deportes in the month of July. That is incredible exposure for our league and our clubs. We will be working with ESPN to continue to provide more matches on a rolling basis as the schedule plays out through October.

**Are you implementing any additional fan-engagement or revenue-generating initiatives to mitigate income shortfalls?**

We are focused on commercialising the matches we have domestically, through broadcasters and our sponsors, but then internationally with Sportfive. Soccer is a global game and someone is always looking for a game either through betting purposes or watching purposes. With our kick-off times, there will be a window when USL will likely be the only soccer being played around the world at that time. There's where we're looking

for new opportunities in Latin America and Europe and beyond, because Sportfive is able to have conversations with these people about showing top-class soccer from North America. We're very optimistic about increased distribution in the Concacaf region as well as Europe.

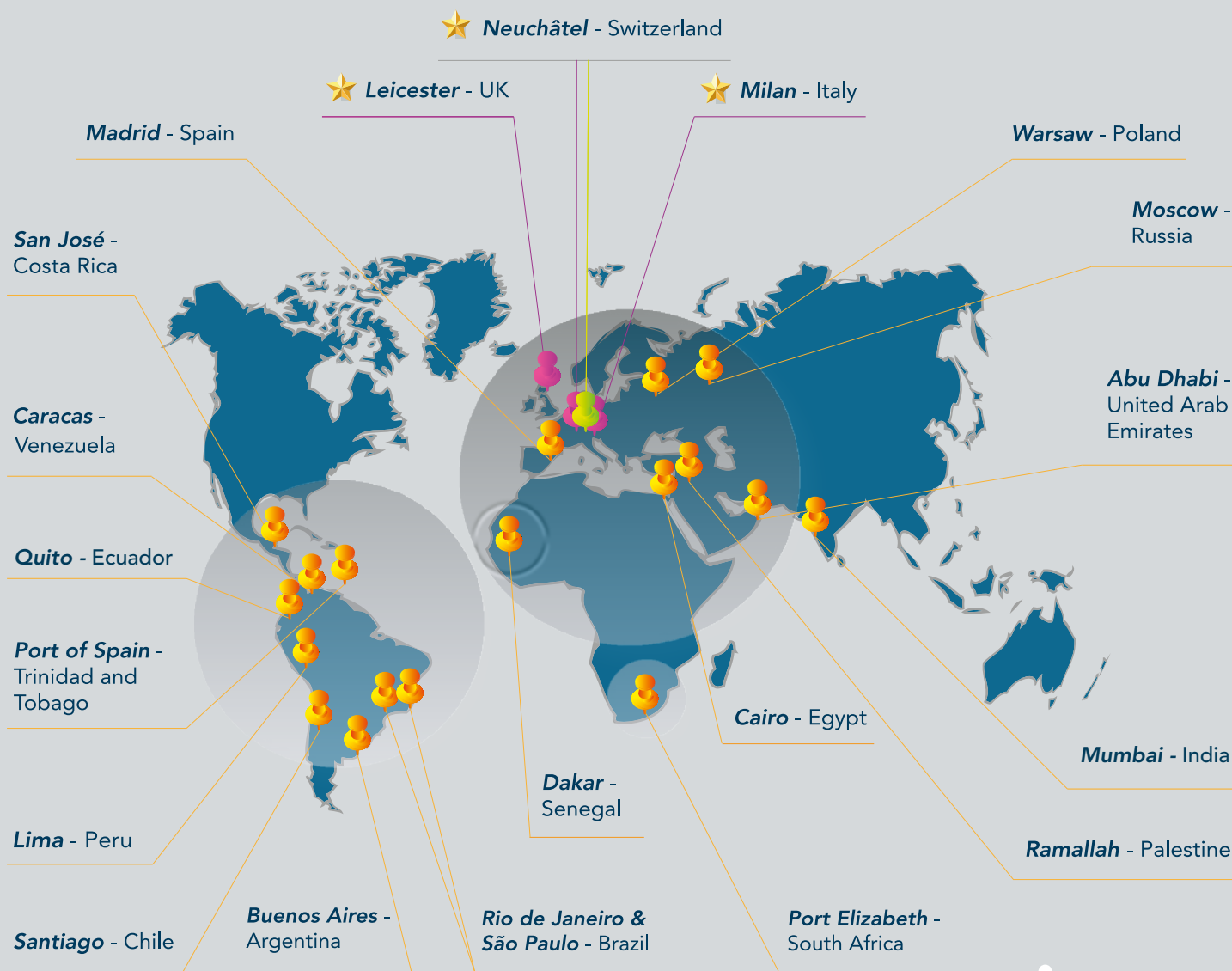
**Do you expect other organisations who are looking to play games in home markets will get in touch with you to learn best practices?**

Absolutely. We feel that when it comes to key learnings about the health and safety of players and fans, there is nothing that is secretive about that. We are happy to share with the NFL, with college football, with any of the other properties in North America and beyond who would like to understand our experience and the learnings we will have in bringing teams back into communities and fans back into stadiums first.

**To what extent have your wider business plans been affected by the coronavirus crisis, such as expansion?**

They haven't. We have nearly 50 active conversations both with Championship and League One going on, and while some of the plans might have altered their timeline, the bullishness of these potential cities and ownership groups has not wavered. ○

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# Eden Ghebresellassie, FIFA Master alumna, former Creative Strategy Lead at ESPN

ADVERTISING FEATURE

You can say that Eden Ghebresellassie epitomises the diversity which the FIFA Master is known for. American, born and raised in Italy, to Eritrean parents, Eden holds not only three different nationalities, but also a multifaceted global view of our world.

When deciding her major in college, Eden picked International Relations because she specifically wanted to pursue a career in the United Nations. However, due to a series of events, right after graduation she ended up in New York City, working at Rolling Stone Magazine. "That was my first introduction to the entertainment world", she recalls. "Once I realised how interesting the entertainment world was to work in, and that I had innate skills for it, I understood that my personal interest for sport could also become a full-time business for me". Hence, she applied for the FIFA Master. Ironically, once she graduated from the masters, she went back to New York to work at the UNDP – the United Nations Development Programme.

After that, Eden had spells at the Street Soccer USA and the New York Cosmos football club, a team made internationally famous in the 1970's when they had the Brazilian legend Pelé as their star player. "it was great to be able to work for a team, at a much faster pace than any other company I had ever worked for", she says. That experience and exposure to different sides of the entertainment and sport business led Eden to ESPN, where she stayed for almost 9 years – more recently as Global Creative Strategy Lead."

Now Eden is taking a break while she figuring out what she would like to do next. "I want to be sure that my next endeavour in sports and entertainment will have a global impact", she explains. In 2020 she has been named one of the 100 women of excellence by OkayAfrica, a platform that connects a global audience to African culture.

See more of Eden's interview:

You recently had impressive participations at 2 webinars organised by CIES discussing racism in sport. How hopeful are you that things will get better? Thank you! It was my pleasure to participate in the webinars as I am a strong

believer that progress can only come from having open, honest and uncomfortable dialogue. I am not sure "hopeful" is the right word as I believe there is so much work to do - it is very difficult to bring change, when it feels like I am speaking 'at' people and not 'with' them - but my resilience comes from the few people that have come forward, set aside their fears and discomfort and allowed me to have a progressive discourse...I can only 'hope' for those moments to happen more often. Change, can and will happen only once people start coming together and want to genuinely learn.



## How relevant is sport in the fight against racism?

I strongly believe that sport is 'vital' for the fight against racism and to be honest, I would rather call it 'journey to equality' and not 'fight against racism' - if we took away politics from the equation and simply agreed that no one should be systematically kept behind and treated unfairly or killed for being non-white, I think change would come way faster. In regards to sports, its beauty is that it has the invisible mission statement that sport is where athletes make and give us magic by being all equal on the field. If the business of sport behaved and functioned in the same way...

## How important was the FIFA Master for your career?

The FIFA Master was an experience that truly changed my life in many ways. Being introduced to and living under the same roof as so many different and beautiful cultures/languages/traditions was a very special experience. Also, having FIFA Master on the CV is a great "door opener" too.

## Many candidates join the FIFA Master hoping to one day do what you do. Do you have any advice for the current students of the FIFA Master?

My best advice would be: stay focused, believe in what you are doing and mostly educate yourself deeply and properly in any aspect of the industry that you are interested in - networking doesn't hurt either but try to be genuine and consistent when reaching out to people.

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# Closed-door sport gives fresh impetus to innovations in virtual hospitality

Agencies see uptick in conversations around virtual hospitality

Extreme E offering includes virtual reality headsets and personal chefs

But business networking elements difficult to replicate



## Ben Cronin

There's nothing like a crisis to force innovation. At various stages, the Covid-19 pandemic has sped up the launch of right-holders' esports derivatives, encouraged sports bodies to use their media archives more creatively and stimulated new sponsorship activation ideas. Now widespread restrictions on mass gatherings are providing fresh impetus to efforts to rethink sports hospitality.

Faced with the likelihood that most events will take place behind closed doors until well into the autumn at

least, some are asking whether virtual hospitality can help to shore up this important revenue stream.

Robin Fenwick, founder and chief executive of the Right Formula sponsorship agency, says he has seen a noticeable uptick in conversations between brands and rights-holders around the topic.

"I would say before the crisis we were probably having two or three conversations about virtual hospitality and now we are engaged in excess of 20," he says.

"We're working with Uefa, to understand the possibilities there. We're working with Formula 1, and F1

teams. We're working in golf with the European Tour. We're exploring it for our customers."

## Early mover

An early mover in this area is start-up electric off-road racing series Extreme E, which has announced virtual hospitality plans for its launch next January.

Its offering will include sending virtual reality headsets to guests; VIP access to a live streaming service; tours around team paddocks; driver interviews and track walks. For those willing to pay more, the new series will send a personal chef to their homes to



prepare a ‘culinary experience’ based on the location of the week’s race. There are also plans to send out VIP hampers containing signed merchandise and other race-related products.

A press release from the new series referenced the public health emergency and how it ‘highlighted the need’ for ‘alternatives to how traditional sports are run’. But there are other reasons why Extreme E is pioneering this approach.

Described as ‘Blue Planet meets Dakar rally’, and organised by the people behind Formula E, Extreme E will make a virtue of highlighting the impact of climate change by racing in remote locations already ravaged by global warming. Given its green aspirations, it would be a bad look to encourage thousands of corporate clients to clock up carbon emissions by flying out to races. Moreover, the race calendar includes stops in places like the Amazon and Greenland, locations which lack the basic infrastructure for corporate glad-handing.

Because of the sustainability message, Extreme E chief marketing officer Ali Russell says competing teams will only be allowed seven staff members on site, meaning virtual hospitality will be a ‘core offering’ for sponsors. The series, which operates a centralised model similar to Formula E whereby it sells team franchises to individual manufacturers, will also make the suite of experiences available to teams and their sponsors.

Russell explains that the series is targeting corporate customers above all else.

“Clients can either come to your office, or go to a different location, and then you can have a virtual location where you feel like you’re in Greenland,

***“You have that sort of client entertainment opportunity in a socially-distanced manner.”***

**Ali Russell** | chief marketing officer, Extreme E

or you feel like you’re in the Amazon. But actually, you’re in Germany, France, or the UK, and you have that sort of client entertainment opportunity in a socially-distanced manner. It allows networks of people to be connected – like what we are all doing with Zoom at the moment.”

Additionally, he suggests sponsors could use virtual hospitality packages to engage and reward staff and this is another application that Extreme E will be targeting.

#### **Will it take off?**

Murray Barnett, F1’s former director of sponsorship and commercial partnerships, describes Extreme E’s virtual offering as an “elegant solution” that is faithful to the sport’s mission statement and serves to market the start-up as a “forward-thinking and technologically-advanced” property. “You don’t look at it as being analogous to other sporting events,” he says. “Live hospitality was probably never going to be a significant revenue stream for



Extreme E will race in remote locations to highlight the impact of climate change.



Shell hospitality centre before the Brazilian Formula 1 Grand Prix in 2009. (Getty Images for Shell)

them, if a revenue stream at all.”

Asked if virtual hospitality could provide a viable alternative for more traditional rights-holders which do depend more heavily on hospitality revenues, such as his former employer, he gives a qualified response.

“The main driver for hospitality, specifically in things like golf, cricket, and Formula 1, is the sheer amount of time that you have with your clients,” he says. “Your ability to sit down with a client for the best part of 15 hours and get to know them really well is a very strong business-to-business tool, and I’m not sure you get that with this with these kind of virtual reality-type ideas.

“Traditional hospitality buyers tend to be older, so if you got the strategy and the pricing right on this, there is a chance that this could make Formula 1 a little bit more appealing for a younger generation,” he says. “But there’s also the danger that you’d have to price in a way that the only people that can afford it are the people who don’t want it.

“I see this as quite a stunty thing that someone would do for one weekend, as opposed to somebody buying a year-long VR subscription to Formula 1.”

Like Barnett, Fenwick doesn’t look at virtual hospitality as a direct replacement and can’t imagine it could ever fully compensate clients for the loss of real hospitality opportunities during the pandemic. But he does

*“I see it as a four-star experience, but I believe it has a place.”*

**Robin Fenwick** | founder and chief executive, Right Formula

see it as useful asset to be kept in the commercial toolkit.

“I don’t see it as being a five-star experience; I see it as a four-star experience, but I believe it has a place,” he says.

#### **Cost and convenience**

He suggests his brand clients are suspicious of rights-holders who try to pass virtual experiences off as the real thing, yet could be more open to the technology’s possibilities as a low-cost and more convenient alternative to entertaining clients in far-flung destinations.

“There are CEOs of certain high-profile businesses, actually they work so hard the last thing they want to be doing is traveling by themselves to a sports event” he says. “But actually, they can afford to spend two hours, maybe Saturday or Sunday afternoon, immersing themselves in a football game or a golf event or a Formula 1 race as an example.”

Fenwick says a constant dilemma for brands is whether they invite

key clients’ partners and families to hospitality experiences. The acceptance rate is much higher, but the costs also double. One advantage of virtual hospitality is that it allows sponsors to give their key customers an enjoyable experience they can share with their families.

Another potential benefit is helping brands overcome stringent restrictions governing corporate entertainment. Barnett say the UK Bribery Act has caused big corporations to shy away from taking a lot of hospitality at the British Grand Prix, to the point where races in less heavily-regulated markets like Mexico and Abu Dhabi now make up a disproportionate share of F1’s hospitality revenues.

Fenwick notes: “I know for a fact one of our clients cannot accept a gift over \$50, so it has to be fully declared otherwise they will lose their jobs. If I was to send them a VR headset or an iPad, they would still have to formally get that approved, but obviously it is less expensive than taking someone to the Monaco Grand Prix.”

He also envisages ‘hybrid’ hospitality models for those sports where premium experiences are limited.

“Using an example of the America’s Cup or SailGP, some extremely lucky individuals will have the chance to go on a boat,” he says. “That might not be available to everybody, but you could

be put into a simulator with a virtual experience at the event. You could still experience all the lovely hospitality, the atmosphere and everything else, and maybe fuse the two.”

### Quality

All agree that virtual hospitality programmes will stand or fall on the quality of the experience being delivered. And rights-holders will need to differentiate their offerings from the sort of behind-the-ropes access already delivered by broadcast partners.

To deliver an experience that meets the high standards expected by his clients, Fenwick reveals Right Formula has recently signed an exclusive agreement with an experiential hospitality provider with specific expertise in virtual reality.

“You’ve got to make the individual feel special because it’s still not going to be an inexpensive thing to do,” he says. “You’re probably going to have to send them a VR headset or an iPad or a box of goodies to their home so you could be talking hundreds if not thousands of pounds still, depending on the level you’d like to go to.”

Murray and Fenwick agree that some sports are better positioned to provide the sort of exclusive access that will be demanded by clients. Golf, for instance, could easily provide behind-the-scenes VR footage of player lounges and practice ranges. Likewise, Barnett believes Extreme E’s centralised model and the less-celebrated standing of its drivers will allow it to deliver a more compelling virtual experience.

“Because of the way the sport is set up and the fact that the drivers are probably not so well-known, you will have amazing access. So, if they get the product right, you could have the ability to talk to any driver, talk to any team principal, to really see inside the garages.

“All of those things are a little more feasible in something like Extreme E than F1, where even Mercedes will tell you that the time that they have with Lewis Hamilton is so highly-controlled.”

### Brand integration

To make up for the lack of business networking opportunities, the thinking is brands will need to integrate themselves subtly into any at-home VR

experience, without diluting the quality of the content.

Russell says Extreme E is already working on a VR content proposal for Continental to allow it to market a new range of more sustainable tyres made from a substrate of dandelions. But some hospitality activations will prove easier than others.

Fenwick explains: “To take one of my clients, SAP, as an example, describing how SAP is integrated into a particular sport is an easier conversation, than, let’s say, Hilton Hotels, another one of our clients.”

Whatever solutions brands and rights-holders come up with, he believes it will be a step forward for the sector.

“For a number of years, the industry has needed to evolve. I think it has got stuck in a relatively traditional white-glove experience in several high-profile sports. It would consist of an open bar, a three-course lunch, a Q&A and then the sporting event typically, and there’s not been a huge amount of innovation at all.

“It’s encouraging that we’re now starting to think differently and realise that there are other experiences that it is possible for people to enjoy.” ○



A hybrid hospitality model consisting of a virtual reality experience at a live event could be employed in those scenarios where premium experiences, such as a trip on a SailGP boat, are limited. (Mark Evans/Getty Images)

# Spotify's collective model inspires new ATP chairman Gaudenzi

ATP delays decisions about indoor events because of health concerns

Centralised media model could help share OTT costs

Chairman does not want to centralise grand slam sponsorship sales

## Ben Cronin

**A**ndrea Gaudenzi has spent his first nine months as ATP chairman fighting fires. Almost literally, in some cases.

The former tennis professional was just three months into his tenure when blazes tore through the Australian outback, threatening the start of the inaugural ATP Cup and bringing player safety into question at the team event and subsequent Australian Open. When this was swiftly followed by a global pandemic, he might have wondered exactly what he had done to upset the gods.

"I don't know what's next," he smiles, reflecting on his time in charge. "But crisis management is part of the skill set of a manager, of a leader, so that's what we ended up having to deal with."

## Revised calendar

The release of a provisional revised calendar for the resumption of the tennis tour this August, issued the day before our interview, ought to have encouraged the Italian that some sort of normality was about to be restored. But an outbreak of Covid-19 infections at the unsanctioned Adria Tour shortly afterwards – including world men's number one, Novak Djokovic – represented a set-back for his carefully calibrated plans.

The ATP responded to the outbreak with a terse statement in which it wished the affected players a complete and quick recovery before explaining that its own plans for a return would follow a more robust set of risk mitigation protocols than the event in the Balkans.

Provided there aren't any further complications, the tour will resume this August with two US hard court events



Andrea Gaudenzi, chairman, ATP

before the US Open from August 31 to September 13. Following this, it will take in a clay court swing, with the Mutua Madrid Open and the Internazionali BNL di'Italia in Rome, building up to the rescheduled French Open from September 27 to October 11.

"It's been a tremendous effort," says Gaudenzi of the new schedule. "The pandemic has put a lot of challenges into the ATP, WTA, the grand slams and the ITF, because the other obvious complexity is that there are multiple governing bodies and tournaments with

different governance.

“The approach we’ve taken has been to try to deliver as many [ranking] points and jobs as possible, starting with a bit of a top-down approach: the biggest tournaments first, mainly with a focus [on] fans first. If you are a tennis fan, what would you like to see?”

As to whether spectators will be allowed to watch any of the events, Gaudenzi says the tour will defer the decisions to local authorities and decide on a tournament-by-tournament basis. He says health advice that appears to indicate Covid-19 is less easily spread outdoors, has discouraged the tour from scheduling any indoor tournaments for the moment. This means there continue to be doubts as to whether the last ATP Finals will be played in London’s O2 Arena in November.

“We left on hold the decisions for the indoor season [because] there are concerns for indoor venues,” he says. “Also, in terms of availability, when you have an indoor venue booked for an event like the ATP Finals, for example, you have less flexibility in changing

the dates because those venues are actually booked for other events, and everybody’s trying to reschedule.”

Gaudenzi admits that ATP executives looked at alternatives to its globalised model – including situating the tour in Europe, where more than 70 per cent of players are based – but resisted diluting the global aspect that is core to its commercial offering.

*“In order to provide a richer and better fan experience, you have to pool and aggregate the media and data rights.”*

**Andrea Gaudenzi** | chairman, ATP

“If we go regional, where we have players playing in different counties, I think it would be exhibitions, namely like we had so far,” he says.

“Once you take away the logic of everyone playing, I don’t think that can become an ATP Tour event because then you don’t have the [ranking] points. It would be difficult to use

our platforms, meaning broadcasting agreements, sponsorship, everything is sort of void.”

**Centralisation**

Although he might not admit it explicitly, the ATP’s hand in some rescheduling decisions has also been forced by the French Tennis Federation and its decision to move the French Open without consulting other stakeholders. Gaudenzi says the crisis has only reinforced his belief that tennis is too fragmented, and he wants to use the situation to encourage more collective thinking.

One of the frustrations amid the pandemic is that it has prevented him from setting out his agenda, which focuses on greater aggregation of tennis media rights and data. Ultimately, he envisages tennis fans being able access all tennis events through a single login to an OTT platform.

“I’ve been away from tennis for about 15 years. I’ve worked in corporate, in gaming, three start-ups, in data, music, financial services,” he says. “I



The unsanctioned Adria Tour has been criticised for not implementing strict social distancing protocols. (Getty Images)



Online retail giant Amazon holds the UK rights to the ATP Tour from 2019 to 2023. (Getty Images)

learned throughout the years to have a sort of fan-centric, consumer-centric mindset where you're serving the fan, ultimately, because they are the ones who are buying the tickets for events. They are the ones who are paying the subscription for the broadcasters, they are the target eyeballs for the sponsors. And we don't have that mentality fully in our sport.

"In order to provide a richer and better fan experience, you have to pool and aggregate the media and data rights. To give an example, [if] I live in the UK and I want to follow tennis, I need to have the BBC, Eurosport Player, Amazon and Sky. And sometimes you really ask yourself, what is what? When?"

The music career Gaudenzi refers to, included a stint at Musixmatch, a company which focused on building a huge database of music metadata to allow end-users to match lyrics to songs in their music libraries. During his time with the firm, collaborations with companies like Spotify, Google Play Music, YouTube and Deezer persuaded him of the importance of the collective.

"The biggest labels and publishers, they had to bundle the products on Spotify for a \$9.99 (£8.57) offer, or Apple Music or Amazon, because once the internet came, they couldn't sell CDs," he says. "Now you have the same default catalogue in one product – multiple products but the same catalogue, same price."

If bitter rivals in the music industry

were able to bury their differences, Gaudenzi says it shouldn't be difficult for tennis tournaments to do the same. He points out that most tennis events take place at different times in the calendar meaning they are not direct competitors in the same way as music publishers were before the arrival of Spotify.

### Media and data

How far would Gaudenzi like to take this collective thinking? Could he envisage centralising grand slam sponsorship rights to sit alongside the ATP's own portfolio of tournament rights?

"I think the main focus, if you want to provide a better fan experience, is probably media and data," he says. "You avoid duplication also, because, let's be honest, if you want to invest in an OTT platform, it also costs a lot of money. And those events [the grand slams] are two-week events. If you only have two-week events, why would you duplicate that investment multiple times?"

The ATP Tour already has an OTT product in the shape of ATP Tennis TV, managed by its ATP Media arm, but Gaudenzi would like to see grand slam content included on such a platform. He says he presented his vision to the players at the Australian Open in January, but his attempts to sell it to the tournament organisers in person have so far been frustrated by Covid-19.

"It's a win-win for everybody," he

says. "I think it's achievable without having every single stakeholder lose control of their own rights, because I think that's key. You obviously want to retain control and you can manage that with an opt in/opt out process."

### WTA Tour

Judging by recent comments from Roger Federer, the grand slams aren't the only stakeholders Gaudenzi should be bringing into the tent. In April, the Swiss legend put out a tweet calling for a merger between the ATP and women's tour organiser the WTA.

The Italian doesn't pour cold water on the idea entirely but acknowledges that pre-existing rights agreements would complicate such a move.

"It's definitely challenging because of the agreements and the arrangements that are in place, but not impossible, and we are talking to the WTA on a weekly basis," he says.

"The semantics are a bit tricky here: merge can mean many different things, obviously. I think where we should focus, again, [is on] whatever is consumer-facing. So again, media and data, whatever is a touch point for the fan.

"You don't want to go to two websites to look at the rankings – you want to see the ranking of tennis in one page, or in one app. Ideally, you want to see social media content [on] one channel or [an] OTT."

### Davis Cup

There are also calls for the ATP to align itself more closely with the International Tennis Federation. Having failed to reach an agreement to jointly run a revamped Davis Cup, the two bodies launched rival team competitions – the ITF's Kosmos-funded Davis Cup revamp and the new ATP Cup – alongside one another last January. Djokovic is among those calling for there to be just one.

Once again, Gaudenzi – who enjoyed a career-high in reaching a Davis Cup final with Italy against Sweden in 1998 – shows willing but says pre-existing rights agreements will make any alignment difficult.

In the case of the ATP Cup, the ATP has an agreement with Tennis Australia



The ATP's existing OTT platform, ATP Tennis TV, is run by its ATP Media arm.

under which the national federation leads sponsorship sales for the event. Under the deal, the federation pays a “sanction fee” to the ATP and takes on responsibility for delivering the event and paying the \$15m prize money. After that, it is entitled to all of the revenues up to a certain threshold.

“Firstly I think the ATP Cup was a great first event of the season,” says Gaudenzi. “It makes sense to start the year with a big event like that ahead of the first grand slam of the year, and we all saw how much the players, and also the crowds, liked the team atmosphere in January.

“I definitely value the Davis Cup, the brand, the heritage. It’s probably still one of the few trophies that is still in my living room – maybe because I didn’t win many others. But I did play in the final of the Davis Cup.

“I think we all agree in the concept of a single team event, keeping in mind that there are long-term agreements in place. Again, the issue is calendar... There are only 52 weeks in the year, and we can’t change that, and the players are playing limited weeks. We need to try to optimise that and let’s see what the future brings.”

**Player power**

Having seen the fate of his predecessor Chris Kermode, the Italian will be wary of keeping players onside. Kermode’s detractors suggested that he had put the needs of tournament organisers ahead of athletes during his time as chairman

and this was thought to be a factor in the player representatives on the ATP Board voting not to renew his contract.

“It’s definitely the biggest challenge we have within the ATP. I see it simply as a partnership – it’s a 50-50 organisation,” says Gaudenzi. “You have to be in a partnership because to run a tennis event you need heavy investment in infrastructure, in terms of venues. In terms of business [it] is actually capital intensive.”

He relates the story of how he showed a slide to the players featuring a quote from Netflix founder Reed Hastings when he laid out his vision to them at

the Australian Open in January and called on them to put aside squabbles about prize money.

“They asked Hastings: ‘Are you concerned about Apple and Amazon coming into the space and competing with you with billions of dollars in content creation?’ And his response was: ‘my main competitor is sleep,’ because when people sleep, they don’t watch content.

“That’s a mindset of thinking big... Ultimately my goal is to become more relevant and to gain market share towards golf, or NFL, or NBA, or soccer. That should be the goal of our sport.”



Gaudenzi reached a career-high ATP ranking of 18 in 1995.

# “Digital has become the free-to-air platform” | F1’s Frank Arthofer

Virtual Grand Prix series helps to offer mainstream exposure for teams and sponsors during lockdown

Series has made digital a cornerstone of its commercial development under ownership of Liberty Media

Digital of increasing importance in engaging new audiences as F1 opts for pay-TV deals in key territories



(Formula 1)

## Adam Nelson

Liberty Media’s major investment into Formula 1’s digital media operations has demonstrated its value during sport’s global lockdown, believes Frank Arthofer, the series’ global head of digital media and licensing.

“The fundamental objective of our digital media business is to build audiences,” he tells *SportBusiness*. “And from that to develop various new commercial opportunities. Oftentimes in digital, those opportunities take longer to develop, you’re playing the long game a little bit.

“But in this case, with no races for four months, having that platform in place provided us with a great opportunity to service core partners on the media side, core partners on the

sponsor side and, most importantly, the fans.”

F1’s digital operation is today a far cry from the situation Liberty found after completing its takeover of the motor-racing series in 2017. F1 didn’t even have an official YouTube presence until 2015, and its teams and drivers were severely limited in what they were permitted to post on social media.

This year, after the Covid-19 pandemic caused the suspension of the F1 calendar in March, digital content became the series’ lifeline, with the creation of the successful Virtual Grand Prix series – just one facet of a strategy that F1 claims has seen it rack up seven billion social media impressions, 111 million engagements and 680 million video views since the end of March.

In May alone, its YouTube channel

attracted 67 million views, contributing to a 30-per-cent year-on-year increase in social media engagements. Of the major sports leagues with over five million followers, Arthofer says, none have grown faster over the past three years than F1.

## Virtual racing drives lockdown engagement

“We had no races for almost four months,” says Arthofer, “and that means sponsors lose a lot of their inventory from a trackside perspective, it means the broadcasters don’t have the rights they typically have.”

While F1 is, like the rest of the sporting world, still reeling from the impact of the pandemic, such a situation would have spelled disaster for the series just five years ago, when very little was in place to provide a safety



net if live racing was unable to go ahead. In 2020, however, Arthofer was able to turn to the sport's burgeoning esports operation to create the Virtual Grand Prix series, which saw many of F1's biggest names competing against each other on the F1 2020 video game, developed by Codemasters.

"Since we took over the business in 2017, esports has been a key component," says Arthofer. "We launched a true esports series at that time with professional esports drivers competing, which itself has a pretty material and growing audience. But in the absence of real races, the Virtual Grand Prix series gave us an opportunity to put all ten teams 'on the grid', with the real drivers and some marquee celebrities – the likes of [One Direction member] Liam Payne – it's clearly put virtual racing into a more public domain. And that benefits the core series, it benefits our esports series, and as a standalone proposition it presents opportunities as well."

As well as being aired by many of F1's traditional broadcast partners, the Virtual Grand Prix series was also streamed on its official Facebook, Twitch and YouTube channels. Several of the drivers also provided alternative streams on their own Twitch profiles. After the series concluded in June, F1 reported that it had attracted a total of 30 million views across its various platforms – with, most pleasingly for Arthofer, 21.8 million of those coming via digital channels. His challenge now, he says, is determining where those views came from and, as he puts it, whether the series' success was "content- or distribution-driven".

"The demographics of digital channels, especially Twitch, are very different to the demographics that watch on our biggest broadcasters like Sky Sports or ESPN," he says. "That might not be a particularly interesting insight, but it does help to reflect a diverse audience base, which is one of the things our digital strategy is supposed to achieve. We've seen younger endemic gamers flock to the product on streaming platforms, and we've seen a lot of traditional F1 fans flock to the product on broadcast platforms."



Frank Arthofer, global head of digital media and licensing, Formula 1. (*Formula 1*)

### Learning from necessity

Regular racing resumed in July with the Austrian Grand Prix, marking the end of F1's enforced hiatus. Based on the social numbers and the response to the Virtual Grand Prix, the lockdown period can be judged as a successful one for the sport, says Arthofer, but the true test will be in how well it learns from and builds on that success.

The driver-led broadcasts on Twitch, in particular, are something Arthofer believes can be crucial to F1's future digital strategy. The series has already begun exploring streams of its races on the platform, signing a deal for last year's Mexican Grand Prix to be shown on Twitch in Germany, Switzerland, Luxembourg, Denmark, Norway and Sweden.

"Clearly these platforms have terrific scale, and I think the ability for fans to interact with the drivers on their streams alongside the traditional broadcast streams has been a real boon for us from a production perspective with the Virtual series," Arthofer says. "We're really working on thinking about how we pull back the proverbial visor and helmet and offer more insight into the personalities of the drivers, the trash talk, *et cetera*."

Arthofer cites an instance during the Virtual Monaco Grand Prix, when a conversation between Red Bull's Max Verstappen and McLaren's Lando Norris went viral due to fans' appreciation for the behind-the-scenes look at their friendship, as an example of Twitch streaming at its best.

"That's gold. It shows these guys in the light they should be shown, and maybe in a way we've traditionally struggled with. They're all real, interesting, authentic characters and we have a diverse set of drivers in terms of the markets and backgrounds that they come from. I think increasingly, younger fans especially are attracted to authenticity of character and big personalities, so it's important for us to provide them with more access to that, which Twitch really enables."

Furthermore, with F1 increasingly turning to pay-TV deals in many of its key territories – the sport is now behind a paywall in Italy, Germany and the UK, three traditional strongholds of motor racing – digital is growing further in importance not just as a tool for second-screen and auxiliary experiences for existing fans, but for making first contact with new audiences.

Arthofer argues that moving toward a model that prioritises high-value deals with subscription broadcasters – F1 more than doubled the value of its German rights when it signed an exclusive deal with Sky Deutschland earlier this year – is less of a risk in 2020 than it has been in the past, precisely because a majority of fans' primary touchpoint with the sport is now digital rather than through linear broadcasts.

"We know that sports fans typically over-index on buying pay-TV," he says. "We know that there are real, material numbers paying those subscriptions, so we don't feel that the audience erosion is going to be as profound as it might have been 10 or 15 years ago."

"But another important aspect is that digital has become the free-to-air platform, in a sense. As we think about the ways that we interact with our audiences, the platforms are bound to change, and digital takes on a greater importance in reaching fans."

"We've almost quadrupled our social media followers since the beginning of 2017, and that's almost entirely through organic social growth. We've doubled our video views each year, we've doubled the page views of F1.com and of our app each year. Equally, the market is changing, so I think the move to pay-TV in 2020 is different than the move to pay-TV might have been in 2005."

**Credible cross-promotion**

Arthofer says F1 is now far more focused on creating a fan journey and transitioning potential fans from interest in one part of the sport to another, than it is on simply racking up broadcast figures, which represent just a part of the overall picture. Anecdotally, he says, F1 knows there are gamers who have played the Codemasters title and maybe even engaged with either of the esports products, for instance, but who have yet to become fully-fledged fans of the sport.

“Cross-promotion is a priority more generally, across the business, not just in digital. We’re still working with all of our various touch points, some of which we don’t fully own, like the game which is done under licensing, and determining how we best optimise our audiences across each of those platforms and migrate them to different products at the right time.

“If there’s a gamer who’s watched a Virtual Grand Prix, how do we make sure we talk to that fan about the new game that is launching for 2020? How do we make sure we’re creating an opportunity to sell the game to that fan at the right time? How do we best optimise our audiences across each of those platforms and migrate them to different products at the right time?”



Arthofer cautions against an overly-aggressive approach in this regard, encouraging instead “a more organic way” of letting fans move between F1’s various verticals.

“Overtly asking people to try your product, try your sport, to some degree you immediately start to lose credibility. And that’s why our digital strategy is multi-faceted and why we’re prepared to be a little bit patient with it. If you imagine a fan who plays the video game and then spends some time watching [Ferrari driver] Charles Leclerc’s Twitch streams where he’s playing the game, and then that fan sees a post from Charles saying ‘headed to Austria for the first race of the season’, then hopefully that

fan turns on the TV to watch the race.”

That, says Arthofer, is arguably the biggest change in strategy over the past three years. Long-term investment in social, particularly the teams’ and drivers’ social outlets, “wasn’t really part of the F1 corporate strategy” when Liberty took over. Now, he says, there is a much greater understanding of the “halo effort” of investing across the business, which ultimately achieves engagement with fans “in a much more credible way than the company of F1 directly saying to fans: ‘please tune in to the Austrian Grand Prix’.

“And I think that creates far greater brand credibility and equity with your fans.”



# New ownership moves The Ocean Race away from title sponsorship model

Race seeks long-term presenting partner deal as new owners want to make the race the master brand

Focus on sustainability and oceanic environmentalism shapes offer to current and potential partners

Commercial team sees increased interest from brands planning for a post-Covid-19 sports industry



## Matthew Williams

**T**he new owners of The Ocean Race – once known simply as ‘The Volvo’ – are leading the multi-stage global sailing competition on a commercial pathway away from title sponsorship and focused on sustainability.

The Ocean Race 1973 SLU is a Spanish company that acquired the event from its previous owners, Volvo Cars and Volvo Group, in 2018. Volvo was both rights-holder and title sponsor for such a time that the race became synonymous with the brand.

Now the new ownership, led by race

chairman Richard Brisius and managing director Johan Salén – both former competitors and team managers in the event itself – are building a new commercial proposition.

### No more naming rights

Most notable among their changes is the removal of the title sponsor position, driven by three beliefs within the company: one, that it would otherwise be impossible to build the event’s own brand; two, that it limited the event’s appeal to potential sponsors in lower-tier slots; and three, that it would colour the race’s perception as a commercial vehicle, when sustainability

is the watchword.

Instead, The Ocean Race is seeking a principal partner, one prepared to make a long-term commitment of at least a decade.

Helping them do this is Ekrem Sami, former chief executive of McLaren’s commercial arm, McLaren Marketing, who tells *SportBusiness*: “With one focus being the building of the event as a brand, the idea was for it to be known as The Ocean Race, as opposed to being known by the brand name, as was the case with Volvo.

“It puts the race itself as the master brand of the competition, it’s a similar idea to the model that is used by the

Olympic Games.”

The company’s commercial division is also working with agency CSM Sport & Entertainment, which helped develop its marketing strategy and tactics – The Ocean Race identifies the sectors and brands it thinks would be a good fit, and CSM takes an active role in going to market.

As well as landing the key presenting partner, the short- and medium-term goals are to close out the lower tiers or the portfolio.

Under the presenting partner will sit the premier partner tier, where former owner Volvo still resides alongside founding partner of the sustainability programme, 11th Hour Racing.

Below that is an official partner tier comprising water purification specialists Bluewater Group, and five other brands that the company is waiting to announce post-Covid-19. These deals often contain an element of value-in-kind, though this can be significant; Sami tells *SportBusiness* that The Ocean Race is looking to add three brands to the tier.

Typically, sponsorship deals with The Ocean Race start at a fee of approximately £1.5m (€1.7m/\$1.9m) across a three-year race cycle. Key to The Ocean Race’s offering to brands is the geographical spread of locations in which to activate. The Ocean Race recently released its schedule for the

2021-22 edition, which sees it visit 10 host cities across the nine-month event.

Of the 2021-22 host cities, Alicante, Spain; Cape Town, South Africa; Auckland, New Zealand; Itajaí, Brazil; Newport, USA; Aarhus, Denmark; and The Hague, Netherlands, have all hosted the race before, with the Republic of Capo Verde; Genoa, Italy; and Shenzhen, China new additions for the race.

Explaining the importance of this, Sami says: “Those cities represent tremendously important associations for the brands that we are attracting,” adding that water tech partner Bluewater has begun working with Cape Town and Genoa on the back of its involvement with the race.

***“The idea was for it to be known as The Ocean Race, as opposed to being known by the brand.”***

**Ekrem Sami** | commercial advisor, The Ocean Race

Though The Ocean Race itself is a triennial event, the owners are keen for it to offer activation opportunities throughout the three-year cycle. As Sami explains: “There’s sometimes a perception that The Ocean Race is a nine-month race around the globe; one of the things that we’ve looked to do is broaden that out into a three-year

program.”

One of the ways it does so is via its Ocean Race Summits, most recently its Hague Summit, held virtually on May 27, 2020.

The events are an opportunity to draw its partners into The Ocean Race’s core message of oceanic environmentalism; representatives of both Volvo and 11th Hour Racing spoke at the Hague.

### **Sustainability focus**

It is hard to overstate the extent to which sustainability has been put at the heart of The Ocean Race’s messaging. “It’s embedded within the whole organisation,” says Anne-Cécile Turner, the event’s sustainability programme leader. “It has significantly increased since change of ownership. You can see that in the commitment of the management and the number of people working directly for sustainability.”

Turner and others worked alongside 11th Hour Racing and Volvo to develop the event’s ‘Racing with Purpose’ initiative to practically deliver on the message. It incorporates the Summits, the race’s education programme, and even the oceanographic data collection tech now embedded on all competing yachts.

Turner explains: “The idea is not only that the race is collecting the data, we are creating a working group, a collaborative platform that will engage external stakeholders including scientists, we are enlarging the discussion to include the private sector and media to ensure that the science has a destination.

“We want reports, modernisation, the idea is that the policy makers can create laws to accelerate restoration based on science.”

It is also vital to the commercial proposition. As Turner says, The Ocean Race will no longer sign sustainability partners because “every partner joining will be included and integral to this”.

Sami adds: “What’s happened in the last three-to-five years is that sustainability, diversity, those topics are now centre stage on the agenda of every major corporation, and they occupy the attention at board level.

“We are effectively an enabler for



those brands to authentically claim that they are making a difference. What we and they know is that stakeholders, such as consumers and employees, value those brands that visibly show that kind of commitment.”

The Ocean Race is keen to emphasise the authenticity of its message, and has built sustainability into the entire edifice of the competition, working with the teams to create a sustainability charter they must all sign, stating their commitment to make sustainability part of all elements of their operation.

Turner says: “We are creating rights and benefits for the teams around sustainability. We have changed the rules of the race to integrate renewable energy on board, all the teams will have to renewable energy and the data collection science on board.

“It’s a new narrative and a new story for them. They can all offer sustainability to brands, as well as the education programme.”

Brisius can draw on his own experience when talking about what provides added authenticity to the race’s

commitment to the health of the ocean.

He says: “I think it is the sailors, if you are out there for so long as they are, you become part of the Ocean almost, you have this relationship with it. You just start caring for it, it’s so natural.

“The brands that we work with they really value these athletes because they are pretty unique people, they get access to utilise them for activation.”

***“We are creating rights and benefits for the teams around sustainability.”***

**Anne-Cécile Turner** | sustainability programme leader, The Ocean Race

### **Beyond Covid-19**

The ongoing pandemic has delayed the announcement of new sponsors and led the company to consider postponing the 2021-22 race until 2022-23. But – even as a global event – it is hopeful that its retooled commercial proposition will thrive in a post-Covid-19 world.

Sami tells *SportBusiness*: “There are brands in some sectors that feel they want to plan ahead for 2021 and beyond and we’re fortunate to be talking to a number of those.

“I think that Covid-19 has also made companies, individuals, families, the world stop and rethink the importance of core values and they will have a different perspective going forward. I see that as an opportunity for us, I think that in a post-Covid-19 world, the platform we’re talking about will be attractive.”

Brisius believes the nature of the race’s operational structure means it is well placed to negotiate the period.

He says: “Many organisations around sport are formed around big federations, it’s quite a big governance problem. It can take more time to create change, in a fast-moving world, that doesn’t help.

“Many sports are trying to reorganise governance models but it’s not easy. Since we have changed the governance, despite being a global organisation, we’re organised in a way in which we can change extremely quickly.” ○

(Amory Ross /  
11th Hour Racing)



# DDMC Fortis becomes FMA, bullish as AFC project enters 'operational' phase

Chief executive Patrick Murphy explains rebrand and progress

More media rights and sponsorship deals done, awaiting announcements

Second half of 2020 will see AFC competitions rebranded and marketed



Artwork for the new Football Marketing Asia brand. (FMA)

## Kevin McCullagh

The second half of 2020 will be a critical period for Football Marketing Asia, the agency formerly known as DDMC Fortis. After two years of planning and sales, the agency with the exclusive mandate to market the commercial rights of the Asian Football Confederation from 2021 to 2028 enters an 'operational' phase, in which it starts delivering on outward-facing aspects of the deal. These include launching marketing campaigns for the AFC national team and club competitions, rebranding these competitions, incorporating new commercial partners into the marketing campaigns, and preparing to broadcast matches from an expected start date in March 2021.

In the background, the real meat of the FMA-AFC partnership – media and sponsorship deals – must continue to be negotiated and finalised, as the

agency chases one of the most daunting minimum guarantee targets in the business.

FMA has rebranded from its original DDMC Fortis name ahead of the next phase. Patrick Murphy, the agency's chief executive, tells *SportBusiness*: "As we move toward the actual operational phase of the business, we thought it was a good time to evolve our brand and make it simpler and more descriptive. The change in our identity reflects our unwavering belief in Asian football and also our dedication to bring in a new era of Asian football, for commercial partners and also the fans."

DDMC Fortis was a "utilitarian" brand reflecting the fact the company was created jointly by Chinese sports, media and entertainment group DDMC, and the Fortis Sports agency created by Murphy and business partner David Tyler. The company wanted a brand that better reflected what it does and chose a name that

stated that in simple terms.

"It simply reflects the nature of our position in the market better...because that's what we are – football marketing agents," Murphy says.

The new logo is red, emblematic of the company's Chinese origins but also, Murphy points out, a colour that is important across East Asia, appearing on several national flags. To reflect the diversity of the continent and FMA itself, the brand artwork includes several alternative coloured logos, including a green one, a symbolic colour in areas including the Muslim world in West Asia.

## Wide remit

FMA's remit with the AFC amounts to a commercial overhaul of the confederation's competitions. As well as rights sales and competition rebranding, the work will include improving broadcast production quality, assessing changes to competition formats, and

creating new commercial opportunities including regional sponsorship packages.

Given Murphy and Tyler's background at Team Marketing, FMA's work has been compared to the revamp of Uefa's club competitions by the Swiss agency in the 1990s, which preceded enormous growth in those events' revenues. FMA's responsibility is wider, covering not just AFC's top club competitions – the AFC Champions League and the AFC Cup – but every national team and club competition at all ages and for all genders. These include:

- AFC Asian Cup, 2023 and 2027
- Final rounds of Fifa World Cup Asian qualifiers, 2022 and 2026
- AFC Champions League, 2021 to 2028
- AFC Cup, 2021 to 2028
- AFC Women's Cup, 2022 and 2026
- Men's and women's youth championships, 2021 to 2028
- Futsal Championships, 2021 to 2028.

And FMA has already guaranteed the AFC a huge jump in revenues. Previous agency partner Lagardère Sports – which coincidentally also recently rebranded – guaranteed the confederation \$75m (€67m) per year between 2017 and 2020 for global commercial rights. FMA is understood to have guaranteed an average of nearly \$300m per year between 2021 and 2028 in a deal that excludes media rights in the Middle East, one of the biggest deals in the last cycle.

FMA's progress on commercial rights sales is a matter of scrutiny and discussion throughout the industry. Can they pull it off, particularly now in the middle of a pandemic and global economic crisis? As time ticks toward the start of the new cycle, and with only three deals announced to date – for media rights in Indonesia, South Korea and Taiwan – the scrutiny is increasing.

FMA is currently engaged in selling rights for the first of the two cycles its deal covers, 2021-24. Murphy tells *SportBusiness* that “eight or nine” more major media-rights deals have been agreed but are yet to be announced. “We have covered an awful lot of the media market already and some of the deals

that we've done are really interesting and exciting,” he says. “I'm actually very happy with how the media rights have gone.”

There are also “seven or eight big sponsorship deals” in place. Sponsors are waiting to hook their deal announcements on AFC calendar milestones such as competition draws.

The Covid-19 downturn has affected sales, more on the sponsorship than the media rights side, Murphy said. “The last four-to-six months have been obviously a difficult time...not so much for the media business, but the sponsorship market has definitely slowed down in some parts of the region.” This slowdown is manifesting in potential clients delaying their decisions, rather than withdrawing interest, he says.

#### 'Compelling alternatives'

Murphy thinks the revamped AFC media rights and sponsorship packages offer “compelling” alternatives to the international and European rights properties that broadcasters and brands in Asia have targeted in recent years.

Full details of the changes to the rights packages have not yet been unveiled, although one change from previous cycles is understood to be the availability of regionally-targeted sponsorship and advertising packages,

using digital advertising replacement technology.

Asian brands have recently invested in globally-popular sports sponsorship properties, including the Olympics, Fifa World Cup and Uefa competitions, to market themselves to international audiences.

FMA has been seeking major uplifts in deal values compared to previous AFC rights cycles, but Murphy says his rights packages still represent good value for money when compared to the big European and global properties. “The kind of prices that we're looking for this content, which is local content, in the same time zones, very relevant, highly-rated content...[we can] make compelling arguments that this is just much better value.”

Not all the major sponsorship deals for 2021-24 will be agreed prior to the start of the cycle, with deals for later properties, such as the 2023 Asian Cup, likely to take longer. The Asian Cup, the AFC's quadrennial national team showpiece, will be a critical revenue-generator. It takes place in China, where much of the growth of the value of the AFC's commercial rights is expected to come from. Football is a major focus for the Chinese government, as part of its strategy to build a modern sports industry and as a favoured sport of President Xi Jinping. FMA's Chinese



Patrick Murphy, chief executive, Football Marketing Asia. (FMA)

joint-owners are expected to use their inside knowledge of the market to develop lucrative sponsorship and media-rights deals.

Murphy says China “will give us a huge opportunity for continued growth in the future”. The 2023 Asian Cup is “a huge bonus and...we’re looking forward to the AFC appointing the host nation for 2027”. The current contenders to host the 2027 tournament include Qatar and Saudi Arabia, another two rich nations where governments are investing heavily in sport.

### Infrastructure investment

FMA has fulfilled all its obligations to the AFC to date, including rights fee instalments as well as investments in resources to support the revamp of the confederation’s competitions, Murphy says. “We have fulfilled all our commitments to the AFC...including making a huge investment in people, resources.”

The company has 64 staff, mostly based at the headquarters in Hong Kong, with some in secondary offices in Dubai and Singapore. It is planning to add around 25 more people this year as it enters the operational phase and is in the process of opening an office in Malaysia.

There has been a focus on creating

a diverse team in order to operate effectively in an incredibly diverse geographical area, and Murphy noted they hail from 17 countries and are well-balanced in terms of male and female staff.

“We have people who have got very deep football experience from working with clubs, governing bodies and other rights agencies. Also people that have extensive experience marketing for different properties across the different regions of Asia. We’ve got people who’ve worked on the client side, with broadcasters and with brands. And we’ve also added some out-of-the-box experience, such as people who’ve worked in the advertising world, the branding worlds and even the music business.

“We’re trying to blend very strong international expertise, knowledge of how the best events in the world work, but also then a very strong level of local expertise and local experience.”

### Still bullish

Despite the challenges ahead and the unexpected Covid-19 interruption, Murphy is “more excited now than I was two years ago” about the project. He pointed to the ground covered so far and – drawing on themes discussed in an interview with *SportBusiness Media*

two years ago – the strong, long-term fundamentals in Asia.

“We’ve established a very good working relationship with the AFC. Jointly with our partners at the AFC, I think we’ve created really exciting commercial concepts both on the media side and on the sponsorship side. And we’ve built an incredible team of people working in very good harmony with each other.

“In terms of the long-term opportunity, it’s still very much the things that convinced us to bid aggressively for the rights in the first place...It’s a very exciting region, and it contains some of the biggest markets in the world, some of the biggest growth markets in the world, and it’s got a huge passion for football. So the underlying interest in our products is incredibly strong.

“All those fundamental things about the property are there, we’ve got a double-cycle of rights, and we’ve got national team and club rights, which is very unusual. So all of the underlying factors are still really exciting.”

The eyes of the entire Asian sports industry will remain on the newly-branded FMA as it moves into its next phase to see if it can follow through on the great promise of its partnership with the AFC. ○

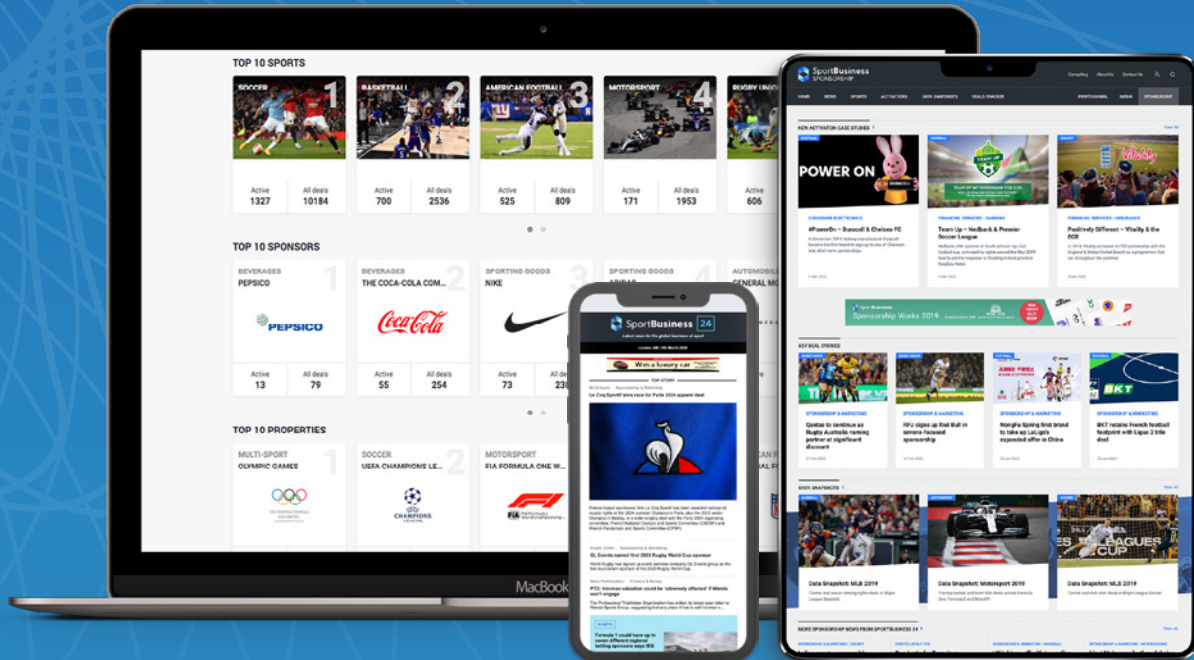


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# Wall Street embraces promise of US sports wagering

Wide range of gambling-related companies have outperformed the overall market this year

Pandemic expected to accelerate state-level adoption of legal sports wagering

Industry growth to be buttressed by heavy confluence of sports events this fall



(Ethan Miller/Getty Images)

## Eric Fisher

One of Wall Street's highest flyers these days is a relatively small Boston, Massachusetts-based company that is focused on several facets of fan engagement, is not yet profitable, and has plenty of exposure and risk from the lack of live sports around the world due to the Covid-19 pandemic.

But it still has seen its stock more than double over the last seven weeks, even after a broad dive of nearly 7 per cent across the entire US stock market on June 11.

That company is none other

than the newly-public DraftKings, which is just one of several sports gambling-related companies seeing their shares far outpace the overall stock market in recent weeks as Wall Street quickly gravitates toward the upside possibilities of legalised sports wagering in the US.

DraftKings, which opened at \$17.81 per share after going public in late April amid a three-way merger with gaming technology provider SBTech and special purpose acquisition company Diamond Eagle Acquisition Corp., is, at the time of writing, trading above \$36. Initial analyst price targets of \$25 per share were quickly blown away within days of the DraftKings initial public

offering, and those analyst targets now run as high as \$50 per share.

But DraftKings is far from alone in the sports gambling bull market. Penn National Gaming, which earlier this year acquired a minority stake in sports and culture media company Barstool Sports with a pathway to control, has seen its stock rise more than 515 per cent since pandemic-related lows in March. MGM Resorts International is up 150 per cent overall in a similar timeframe. And stock for Churchill Downs Inc., which operates the BetAmerica sportsbook, has doubled in the last three months, with several other companies also posting strong double-digit percentage growth.

There are several clear and growing factors underlying the surges. Even with many sports still on hiatus, many sports gambling companies are still seeing strong consumer interest and growing revenue, with DraftKings recently reporting 30-per-cent revenue growth despite Covid-19. More US states continue to adopt various forms of legal sports wagering following the US Supreme Court ruling of 2018 allowing states to make their own rules in this area. And expectations are higher for accelerated expansion in the space once live sport reaches critical mass coming out of the public health crisis.

“Wall Street is sort of waking up to the fact that this is obviously an emerging sector with real movement now happening at the state level,” says Sara Slane, founder of gaming consultancy Slane Advisory and former senior vice-president of the American Gaming Association. “And everybody’s anticipating that coming out of Covid-19, we’ll see even more states moving toward legalisation. So I’m not surprised about the big trajectory for some of these companies.”

In short, as the US stock market seeks a broader recovery amid the pandemic, and continues to experience choppiness amid fears of a virus resurgence, it is the sports gambling sector among those leading the charge.

New York-based Roundhill Investments went so far as to debut earlier this month a betting and gaming-specific exchange-traded fund (ETF) to allow investors to have exposure to multiple gaming companies at once, including both entities with prominent consumer-facing brands and others more focused on back-end infrastructure and services. Within days, Roundhill pulled in more than \$75m in assets under management for the fund.

“This has all been sort of a US-based phenomenon,” says Will Hershey, Roundhill co-founder and chief executive, on the US public markets’ embrace of legal sports betting. “If you ask investors in the UK or Australia, this is not new news. And I would even say Sweden as well where there are also entities listed there, particularly on the igaming side. But just based on

the number of US states that have done anything yet in this space, and the lack still of some of the really big states, we’re still in the early innings of what this will be here.”

### Accelerating trends

The DraftKings’ stock growth in particular was also buttressed by not only its bullish revenue growth coming out of the gate as a public company, but also news that prominent billionaire financier and political activist George Soros became an investor in the company through his investment vehicle Quantum Partners with a stake now worth more than \$103m.

But Hershey says more broadly, Covid-19 is actually serving to amplify and accelerate business trends that were already happening in the marketplace. And for sports gambling in particular, that means cash-strapped municipalities that have seen their tax revenue battered in recent months amid the pandemic will look increasingly to sports wagering as a way drive new receipts, in turn driving the growth of publicly traded companies active in sports wagering.

“Coronavirus is pulling forward a lot

of trends and the legalisation of sports betting and igaming is no exception,” Hershey said. “There are many states now running tremendous budget deficits and they’re looking down the list of things they can do to raise tax revenue, and betting is near the top of that list.”

Slane agrees, saying that states not currently on board with a full set of legalisation provisions for sports wagering will face increasing pressure to not lose the crucial tax revenue to nearby jurisdictions.

“States hate revenue basically being flushed out the door to their neighbouring states and this is a way to recapture that,” she says.

But Wall Street is notorious for punishing even phenomenally successful companies such as Apple for not hitting certain growth targets, raising the question of whether the sports wagering sector that is now red hot will ultimately face retribution if the current rate of acceleration is not sustained.

Analysts say that a certain volatility will need to be accepted in the short-term, given the relative immaturity of the sector, but that the long-term

*“Everybody’s anticipating that coming out of Covid-19, we’ll see even more states moving toward legalisation.”*

**Sara Slane** | founder, Slane Advisory



(Scott Olson/Getty Images)

promise of sports wagering remains intact.

“Legalised sports betting and igaming markets are in their very early stages of growth, and we see an \$18bn revenue opportunity at scale that also benefits from a sophisticated in-game wagering market,” says prominent investment bank Oppenheimer, which recently began institutional coverage of DraftKings with a 12-to-18 month price target of \$48 per share. “While a premium valuation and high cash flow burn likely create above-average volatility near-term, we emphasise the long-term nature of our rating.”

Adds Slane, “We still only really have a handful of states truly up and running [with sports betting] from a mobile perspective. So I still see more upside and growth potential.”

#### Fourth-quarter expectations

The upcoming September-December

***“When there is more popular sport going on, overall activity and overall revenue goes up.”***

**Jason Robins** | co-founder and chief executive, DraftKings

period is poised to become particularly critical for the US sports wagering sector. Not only does the fall coincide with the seasons for the National Football League and college football, two of the most popular entities in all of US sports, but the season will also house some traditional spring events such as golf’s The Masters that were rescheduled due to the pandemic.

The period is also set to see both the rescheduled ends of the current seasons of the National Basketball Association and National Hockey League, and the starts of their 2020-21 campaigns.

Jason Robins, DraftKings co-

founder and chief executive, said in the company’s recent earnings call that the increased confluence of sports events this fall presents large opportunities for the company, particularly as it relates to customer acquisition.

“Usually what we’ve seen is that when there is more popular sport going on, overall activity and overall revenue goes up,” Robins said. “That is something we typically see, for example in Q4 when we have a lot of sporting activity going on. And I would expect we’ll see something similar [this year].”

That activity, in turn, will be reflected in fourth-quarter earnings reports that will be released in February and March of 2021.

“Once you get a full quarter of sports being back, and that’s probably going to be the fourth quarter, that could be a real catalyst [for further growth],” Hershey says. “That could be a really big inflection point.”



Jason Robins, co-founder and chief executive, DraftKings. (Marco Bello/Bloomberg via Getty Images)



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# US ticket resale market eyes broad redefinition amid Covid-19

Pandemic accelerating emerging trends within the industry

Layoffs and furloughs have hit nearly every prominent ticket reseller

Future activity to be impacted by restrictions on game attendance



(Craig F. Walker/The Denver Post via Getty Images)

## Eric Fisher

**N**early two decades ago and long before the US ticket resale industry grew large enough to support one of its companies being sold for more than \$4bn (€3.4bn), the business was much smaller and mostly local in its operation.

Thanks to the ongoing Covid-19 pandemic, the secondary ticket market could now be heading back to its more market-specific and relationship-driven roots in many ways.

Each of the major US sports leagues are now actively preparing to return to competition, or have already done so, but either with no attending fans or limited attendance. And with a vaccine for the virus absent, many local US jurisdictions are unlikely to allow full stadiums and

arenas, in turn significantly driving down the market opportunity for the resale business.

Those factors have, as a result, forced major schisms within the resale marketplace. StubHub has already made the unpopular decision to shift its payment to ticket sellers only upon completion of an event, as opposed to after the initial sale. The move was designed to protect against mass refunds of cancelled events, but also created significant cash-flow issues for many smaller brokers.

The company then cut 200 jobs, saw its president Sukhinder Singh Cassidy leave her post last month after just two years, and its intended merger with Swiss-based Viagogo has not yet been given regulatory approval by the United Kingdom's Competition and Market

Authority. The company is additionally facing class-action legal challenges for its new policy of shifting its refund policy for ticket buyers to store credit, except in certain jurisdictions where cash refunds are required by law.

Layoffs and furloughs have similarly hit other players such as Ticketmaster and its parent company Live Nation, Vivid Seats, AXS parent company Anschutz Entertainment Group, and Connecticut-based TicketNetwork.

Those personnel moves, also typically involving hundreds of people at each company, were, of course, driven by the near-total dearth of live events over the past three months and lack of corresponding revenue.

But the public health crisis has also accelerated a series of emerging trends with the ticket resale business that

previously were bubbling below the surface.

Already, the core notion of a season ticket, a key source of ticket resale inventory, had been starting to undergo seismic redefinition, with a growing number of teams, such as Major League Baseball's Oakland A's and Seattle Mariners, moving toward membership-based models, taking more direct control of their overall ticket distribution, and placing more restrictions on how and where fans can resell tickets.

Other emerging ticket technologies, such as Ticketmaster's SafeTix create dynamic barcodes in an effort to combat fraud, but also act as a further tool to aid teams and other rights-holders to place additional restrictions on how, where, and when tickets can be resold.

There were also rising questions of whether the overall secondary ticket business had essentially peaked in size as the other macro-level industry trends took hold, and StubHub's financial results released over the past two-plus years, while still owned by publicly traded e-commerce giant eBay, showed a general levelling off of its gross sales and revenues.

"When I look ahead at the secondary market, I see that channel over time getting smaller, particularly as teams take more control over their own assets," says Jesse Lawrence, founder of New York-based ticket search engine TicketIQ. "Secondary is going to be a smaller piece of that distribution equation where it's really more about smaller supply and higher prices, and sort of goes back to its original-use-case-scenario."

Patrick Ryan, co-founder of Texas-based ticket distribution company Eventellect, said he doesn't necessarily see any of the large resale marketplaces going out of business soon. But he did say the more localised nature of the US sports' industry recovery presents a sizeable opportunity for some players to exploit their deep market-based knowledge, and in return will recast the entire industry.

"Years ago, the ticket broker business was a really hyperlocal thing," Ryan says. "Since the sports industry recovery is going to be a very geographic, market-specific thing with a lot of variance



Boston, Massachusetts-based Ace Ticket is one of several more regionally focused companies poised to survive in a US ticket resale market upended by Covid-19. (Jim Davis/The Boston Globe via Getty Images)

*"If you're fair, take care of people, and provide value, you've got a business."*

**Jim Holzman** | founder and chief executive, Ace Ticket

from market to market, I think we're going to go back to an emergence of really strong, really savvy local brokers. And I think there's going to be a real renaissance of a more customer service-driven model of ticketing."

Jim Holzman, founder and chief executive of Boston, Massachusetts-based Ace Ticket, prides himself on being one of those entities driven by a focus on customer service. Along those lines, he said it is the regional-based nature of his operation that dictates that mindset.

"At least in my case, you're selling tickets to people you might actually see out at a restaurant or some place like that," Holzman says. "It's not an anonymous thing. And I think that will serve us really well going forward. When fans are able to go back to games, they might think twice about doing business with an online marketplace that took forever to refund their money, or didn't at all, and there's no personal relationship. But somebody they actually know? That's what we're banking on."

Holzman has had a massive reduction in his business over the past three-plus months, and said he "would love to get back to a situation with 25 per cent attendance in the stands and our business getting back to 25 per cent of where we were." Back in the early spring, he took out a \$4m line of credit to refund ticket purchasers for events that were cancelled due to the pandemic.

"At the end of the day, the strong survive and the people that are resourceful and smart, and if you're fair, take care of people, and provide value, you've got a business," he says.

### **NFL as a bellwether**

The May release of the 2020 National Football League schedule brought a predictable jolt of fan energy, and in the days immediately following, many ticket resale marketplaces reported strong sales for games, with hopeful fans eyeing a return to stadiums this fall.

New York-based SeatGeek, for example, generated a 163-per-cent increase in gross ticket sales volume for NFL games in the three days following the schedule release compared to the same time period a year ago, and the average ticket price went up by a fifth, from \$251 to \$302.

"People still want to go to live events. That desire hasn't completely gone away," says Russ D'Souza, SeatGeek co-

founder. “We have a resilient industry, but it’s going to be a gradual recovery as restrictions get lifted and people feel more comfortable going to events. There will definitely be a transition period.”

That football buying frenzy, however, ultimately did not last and sales have slowed in subsequent weeks. And as the league’s season approaches, it is still not known exactly how the NFL will handle fan attendance. League owners, however, have agreed to tarp off the lower rows of stadiums in order to create additional distance between fans and the players and coaches, and in turn create new sponsorship inventory.

Amid that continued turbulence and redefinition in the ticket market, it is likely that local guidelines will heavily dictate the situation, and that there will be marked variances from market to market in what is allowed from a health and safety standpoint, and in turn, what can be sold.

“The NFL is sort of the best indicator of where we’re at, because they haven’t lost any games,” Lawrence says. “Quantity of available tickets so far across the board is down significantly, but pricing is up significantly. We don’t know what’s ultimately going to happen with seating this fall. But overall, right

now it’s less supply and higher prices, and speaks to this new sort of dynamic we’re entering.”

An additional wrinkle that will need to be addressed by ticket resellers is additional restrictions put in place because of Covid-19. It is possible that for health and safety reasons, for example, that originally purchased ticket blocks will not be permitted to be divided into smaller chunks.

“Due to the distributed nature of resale this is a complicated problem that could be challenging to solve,” tweeted Ken Hanscom, chief operating officer of California-based software developer TicketManager. “An obvious solution could be no more splitting tickets (buying two of four available in the listing) but the problem is much more challenging than that.

“[The] reality may be that unless there is mass venue layout and restrictions sharing for all marketplaces, even those that are not league or team partners, in addition to completed sales sharing, teams could be left to solve problems on game day. Not surprising, but reintroduction of sports in a Covid world stretches far beyond stadium configurations and social distancing, but goes to the core of the secondary market and ultimately ticket

control,” Hanscom said.

Beyond all that, the attendance limitations on that sport and every other one also expose the folly of heavy efforts brokers and marketplaces of all sizes spending heavily on internet-based marketing.

“We’ll definitely see a decrease in search-engine spend,” Ryan says. “What everybody was doing with Google and Facebook before the pandemic just wasn’t sustainable, was cannibalising the customer, and wasn’t creating demand. Why were six different entities going after the same customer?”

Another key element redefining the ticket resale market going forward is an expected heavy retreat among corporate purchasing. With US unemployment in excess of 13 per cent, and jobless claims since the arrival of the pandemic surpassing 40 million, many companies will be loath to be seen publicly entertaining clients with high-priced sports tickets.

“Who is going to be buying season tickets among corporations and groups? That’s going to change. And as the season ticket goes down, secondary goes down,” Lawrence said. “And since the season ticket was already changing anyway, the season ticket question is a big one.” ○



StubHub has seen the Covid-19 pandemic greatly impact its business, facing in recent months mass layoffs, a departure of its president, lawsuits, and a troubled merger with Viagogo. (Hunter Martin/Getty Images)



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# Singapore focuses on return on investment as city's Covid-19 recovery plan gains pace

Singapore GP generated estimated S\$1.4bn in direct tourism expenditure

But this year's race 'impossible' because of pandemic

Singapore Sports Hub the highest-profile venue in the region



(Getty Images)

## Bradley Rial

**C**ovid-19 has decimated the events sector to such an extent that even in Singapore – where the number of deaths has been extremely small – the short-term impact has been enormous.

With Singapore having entered the second phase of its reopening plan on June 19, against the backdrop of an official death toll that only sat in double figures, despite more than 40,000 confirmed cases as of June 15, the city-state has allowed most activities to resume.

However, while the one-metre social distancing rule has allowed sports venues to open their doors, Singapore's biggest annual sporting event, its Formula 1 Grand Prix, has become a casualty of the 2020 turbulence.

F1 confirmed on June 12 that the famous day-night race, scheduled to

take place on September 20, would not be going ahead due to continuing nationwide restrictions on construction and business activities. Specifically, F1 cited the long lead time required to build a street circuit as making it “impossible” to host the race during such a “period of uncertainty”.

It is a serious blow for the city-state. With the Marina Bay Circuit, used since 2008, taking in its famous skyline, the grand prix is comfortably Singapore's most important destination marketing sports event. And the financial impact of missing a year will certainly be felt.

The 11 races from 2008 to 2018 generated S\$1.4bn (€891m/\$1bn) in direct tourism expenditure and attracted more than 490,000 unique visitors. In 2007, Singapore's tourism-related arrivals and revenue totalled 10.3 million and \$14.1bn, respectively, but in 2018 these figures had rocketed to 18.5 million and \$27.1bn. The race is

widely thought to have played a central role in promoting Singapore as a visitor destination while building on the city's long-held reputation as a launchpad for international visitors and business.

“Since 2008, the F1 race has generated benefits for both Singapore and the F1 franchise, with many local businesses actively involved in race preparations and operations,” says Ong Ling Lee, director of sports for the Singapore Tourism Board. “We take pride in our track record of hosting the first and only F1 night street race for the past 12 years, and we look forward to its return next year.”

F1 has an agreement in place to stage the Singapore Grand Prix until at least 2021 under a new four-year deal signed in 2017.

## Sporting hub

Just a short walk from the Marina Bay Street Circuit, which is purpose-built

for the grand prix each year, is the Singapore Sports Hub.

The complex opened in 2015, in time for the Southeast Asian Games, and houses the 55,000-seat National Stadium, the 12,000-seat Singapore Indoor Stadium, the 6,000-seat Fina-standard OCBC Aquatic Centre and the 3,000-capacity OCBC Arena. Last year alone, three million people attended events and activities at the Sports Hub.

The National Stadium hosts matches at the high-profile annual pre-season football tournament, the International Champions Cup. Last year, the stadium hosted two matches – Manchester United v Inter Milan and Juventus v Tottenham Hotspur – that attracted an aggregate attendance of more than 100,000.

“Each year, we have gone from strength to strength, growing in both scale and impact,” says Damian Bush, managing director of the Sports Hub. “Last year was record-breaking; we held over 225 events across all our venues, averaging almost 19 events a month, five events weekly.

“The Singapore Sports Hub’s vision is to become the region’s premier sport, entertainment and lifestyle destination.

Our venues have been built for the community to bring people closer together through shared experiences.”

The National Stadium is also used to host national team football matches and has staged Singapore’s leg of the World Rugby Sevens Series since 2016. *The Straits Times* noted last year that the rugby tournament led to organising body Rugby Singapore running up a debt of S\$1.7m, leading to its takeover by SportSG.

**“Last year was record-breaking; we held over 225 events across all our venues.”**

**Damian Bush** | managing director,  
Singapore Sports Hub

This year’s event has been postponed until October, and it remains to be seen whether Covid-19 restrictions will prevent fans from turning out in their droves like last year, when nearly 57,000 spectators attended.

Another staple of Singapore’s sports event portfolio in recent years has been the WTA Finals, the season-

ending showpiece of the women’s tennis season. From 2014 to 2018, the Singapore Indoor Stadium regularly attracted more than 130,000 fans over the course of the week-long event. The WTA reached a 10-year agreement with Shenzhen for the Chinese city to host the tournament from 2019 after the Singapore Tourism Board and Sport Singapore opted against pursuing an extension, with doubts reportedly emerging over whether the cost of hosting such an event still represented value for money.

For Singapore’s sports events decision-makers, it was a case of ‘job done’. According to Singapore Tourism Board chief executive Lionel Yeo, the WTA Finals was “a very fruitful event for destination Singapore...[and] contributed to Singapore’s existing suite of vibrant lifestyle offerings and helped put us on the tennis world map with good branding benefits”.

Bush adds: “These global events have helped to build up the awareness of Singapore as a choice destination for tourism and sponsorship. They have proven to be successful in increasing visitor arrivals through tourism, and



The Singapore Sports Hub. (Darren Soh/Bloomberg via Getty Images)

gate receipts for these events reflect a tremendous appetite for world-class events.”

When it comes to marketing events, the Sports Hub works with the respective event organisers, and Bush cites the WTA Finals as an event that went beyond the mere spectacle of the competition and focused on “promoting Singapore as a choice destination globally”.

Such high-profile events also naturally have a knock-on effect for the local economy, with Bush noting that the nearby Kallang Wave Mall saw footfall of 11.6 million visitors in 2019 – a year-on-year increase of 600,000.

### Costly endeavours

The Sports Hub opened ahead of the 2015 edition of the Southeast Asian Games, the region’s biggest multi-sport event.

It marked the fourth time Singapore had hosted the Games and was delivered significantly under budget. The bill for hosting the event came in S\$60.4m, below the original budget of S\$324.5m, reflecting a drive for a positive return on investment that was borne out of the lessons learned from hosting the Singapore Youth Olympic Games in 2010.

Vivian Balakrishnan, the country’s then-Minister for Youth and Sports, admitted after the Games a decade ago that the country had been “plain wrong” when it came to cost projection, with the hosting budget having ballooned from S\$104m to S\$387m.

However, the 2010 Youth Olympics certainly represented a milestone for Singapore’s sporting credentials, as well as for the International Olympic Committee (IOC).

That the IOC entrusted Singapore, a non-traditional Olympic destination, with staging the inaugural edition of the Games and the first IOC-sanctioned event to be held in Southeast Asia, highlighted the city’s sporting infrastructure and its ambitions.

However, it appears unlikely that this will translate to Singapore – which picked up its first Olympic gold medal in 2016 thanks to swimmer Joseph Schooling – hosting the senior Games any time soon.

In 2017, Tunku Imran Tuanku Ja’afar,

## “Gate receipts for these events reflect a tremendous appetite for world-class events.”

**Damian Bush** | managing director, Singapore Sports Hub

then-president of the Olympic Council of Malaysia (COM), floated the idea of a joint Olympic bid alongside the Singapore National Olympic Council (SNOC), encouraged by the IOC’s more cost-conscious approach. But the SNOC quickly played down the suggestion, insisting that it would be “unable to meet the requirements and demands of organising an event of such magnitude”.

Indeed, following the 2015 SEA Games, Singapore’s then-Minister for Culture, Community and Youth, Lawrence Wong, admitted that it would be “very hard” to host an event the size of the Olympic, Commonwealth or even Asian Games due to the lack of sufficient sporting infrastructure.

### Booming business

Singapore does, though, have a diverse portfolio of sports venues and events, and is also a prime hub for federations and some of the major players in the global sports business.

Singapore is home to the One Championship mixed martial arts series, and also hosts UFC fight nights. Its CV also boasts two marathons, the

Marina Regatta, Singapore Badminton Open, ASEAN Basketball League, Fina Swimming World Cup, Fina Diving Grand Prix and the ONE Esports Dota 2 World Pro Invitational. Earlier this year, plans were unveiled for a new women’s golf tournament that will form part of a wider initiative to create an Asian women’s series and ranking.

The city also has the backing of a significant number of major multinational businesses that have decided to set up base in the city, both in and out of sport.

Agencies such as IMG, Infront, Lagardère, Mediapro and Octagon have offices in Singapore, as do the Premier League, LaLiga, and Bundesliga, with the latter becoming the first European football league to establish a base in the Asia-Pacific region back in 2012.

“Infrastructure in Singapore is well-maintained, and there is also the added benefit of political and economic stability – it is a very conducive environment to do business in,” says Bush. “Singapore is a stable and safe option for rights-holders looking to grow in Southeast Asian markets.” ○



Joseph Schooling of Singapore during the 2018 Fina Swimming World Cup at OCBC Aquatic Centre in Singapore. (Lionel Ng/Getty Images)

# Major sporting events to bear scars of Covid-19 pandemic “for a decade”

Major events have important role to play in cities’ post-pandemic recovery strategies

In the medium-term, events industry may suffer from instability and knock-on effects of Covid-19

Public health likely to become an increasing justification for hosting events



Even major tourist destinations such as New York City are likely to turn to sporting events as they look to reignite their economies. (Lokman Vural Elibol/Anadolu Agency via Getty Images)

## Adam Nelson

**M**ajor sporting events are likely to bear the scars of the Covid-19 pandemic for the majority of the coming decade, though in the long-term the sector should recover to full health, experts believe.

Throughout the first few months of this crisis to date, sport has acted as both a bellwether and as a punching bag. Liverpool’s Champions League fixture with Atlético Madrid in March – which was held while lockdown conditions were already in affect in many countries and just days before

almost all football across Europe was suspended – was blamed for a cluster of cases in the city, with Uefa branded irresponsible for allowing the fixture to go ahead with fans present. A little over two months later, the return to action of the German Bundesliga was hailed as a watershed moment, a signal of the country’s successful handling of the virus.

Tempting the public back into crowded venues may be a challenge in the immediate-term, though green shoots are already visible there: Hungary, Australia and New Zealand have already been inviting limited numbers of fans into stadiums,

with the latter two already looking further into the future following their successful bid to host the Fifa Women’s World Cup in 2023.

Precisely how that World Cup will look and what affect Covid-19 will have on it remains uncertain, though issues of public health and safety will inevitably be even higher in the minds of organisers than usual.

It is events that fall into that medium-term time frame which will be most significantly impacted by the pandemic’s aftermath, and the next two years in particular will certainly be decisive in shaping the future of all major sporting events.



Angus Buchanan, founder and managing director, The Sports Consultancy

### 'Tactical' changes

For the most part, industry experts do not predict radical change to the events sector in the long-term. "Our experience of the marketplace at the moment is that actually there is very little slowdown in interest in events from 2023 onwards," says Angus Buchanan, founder and managing director of The Sports Consultancy, which works in an advisory capacity with rights-holders and cities on planning for major events.

"The knock-on effect of the cancellations and pushbacks into next year is meaning there is a glut of events available over the next two years, and hosts are currently merrily filling their calendars with itinerant events that have found themselves homeless. That's leading to an unpredictable environment for 2021 and 2022, but we're fairly confident that rights-holders who can see out those two years will be able to get back into a normal rhythm and that by 2023 the shape of bidding for and awarding events should be back to something like normal."

Lars Haue-Pedersen, managing director at Burson Cohn & Wolfe sports practice, concurs, but adds that the fan experience on a micro level is likely to be significantly different for at least the remainder of this decade. "My basic view is that what worked before the crisis, I don't see why it should not work after the crisis. Things will change, there will be discussions, but it is my opinion that there is no need to hit the panic button – those things people loved before, they will continue

to love and want to come back to."

Haue-Pedersen expects most change to be seen in tactics rather than strategy. "What I mean by this is, in the manuals of event organisers, there are those various sections that have been there for a long time: transportation, accommodation, ticket sales, security, accreditation. Now, there will be a new chapter on health, meaning the health of the spectators, officials, and athletes.

"Should spectators clean their hands before they enter a venue? Should they wear masks? Should players? They may have to increase the distance between seats, or make sure crowds enter and exit the arena at different times. There will be hand sanitiser available. These things will last for some time until people feel completely safe again, if they ever do.

"But these kinds of questions are what I call the 'tactical level' of running an event. On a strategic level, I don't see why something that has been extremely successful and growing for the past ten years should change too dramatically."

*"There is very little slowdown in interest in events from 2023 onwards."*

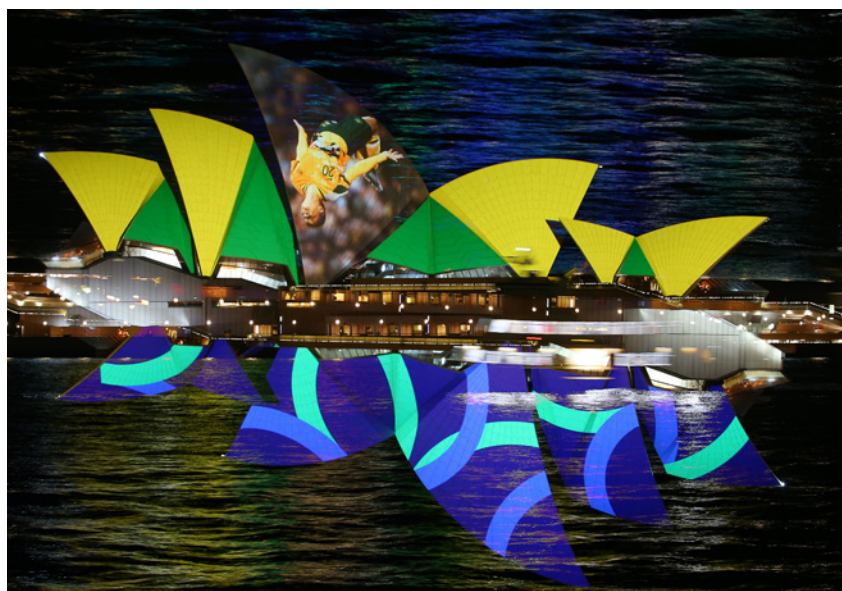
**Angus Buchanan** | founder and managing director, The Sports Consultancy

Iain Edmondson, director of the International Association of Events Hosts, which represents 41 event-hosting cities and regions around the world, adds: "My perception, from speaking to colleagues in the industry, is that in the long-term not too much should change. People aren't imagining massive systemic change to the way the world works. If a government was looking to bid for the 2030 World Cup, for example, then that's probably still on the agenda. The general feeling is that major events are still relevant, and people will still want to travel, as long as the host has the capability of staging a safe, well-produced event."

### Medium-term instability

What has changed is the outlook for the medium-term, in which there is significantly less confidence that the world will be ready to go back to major events. June saw Brazil and then Japan withdraw from the race to host the 2023 Fifa Women's World Cup, with the former citing the uncertain outlook due to Covid-19.

Edmondson notes that one problem for event hosts may be that their sources of funding for bids have been devastated. "Particularly in North America, a lot of those bodies are funded directly from tourism revenues and hotel taxes," he says. "When there's no revenue there, as there



The Sydney Opera House is lit up for Australia and New Zealand's 2023 Fifa Women's World Cup bid. (Jason McCawley/Getty Images)

hasn't been this year, there's no money to fund the organisations, never mind fund a bid."

For events scheduled for 2022, 2023 and 2024, which would currently be running bidding processes under normal circumstances, Edmondson cautions that there will be far more scrutiny from event hosts. "Even if they can afford it, is it necessarily going to be the right thing to do? There will be feasibility studies in greater depth than before, there will be people having looked at potentially bidding or had already started actively getting involved in targeting particular events in a particular year, that then have to make a grown-up decision to say they can't now do that. That obviously opens opportunities for other hosts who may feel they are more capable of staging a major event in that period, though."

Buchanan agrees that in this period, some countries and regions may take the opportunity to push further on hosting. "The Middle East shows no signs of slowing down in its appetite, and we're seeing a tonne of activity out of Asia and, in particular, China which is extremely active in terms of event hosting," he says.

"We also know that a lot of South American markets are already thinking about how they stimulate tourism with sporting events, though clearly Brazil isn't one of them. So there are going to be bright spots and dark spots globally, but I'd be looking closely at which areas recover from the pandemic most quickly, both in general and in economic terms, and looking to see



Lars Haue-Pedersen, managing director, Burson Cohn & Wolfe

whether they try and take advantage and get ahead of the curve a bit."

### A signal of reopening

In his capacity as an advisor to event hosts, Haue-Pedersen says his current guidance is simple: "stay the course."

"We have to adapt, of course, we have to listen to what's happened in the world and adjust accordingly. Don't be tone deaf, but stay the course, keep doing what you were doing that has been successful so far. For places that have begun to deal with the pandemic, now is the time for them to announce plans to host big events. They don't need to organise them right now. They just need to announce that they will organise them soon, because that will capture the public's attention and make people realise this city is opening."

### *"We have to listen to what's happened in the world and adjust accordingly."*

Lars Haue-Pedersen | managing director, Burson Cohn & Wolfe

That hints at why cities and regions are likely to continue bidding for events once the immediate danger of the virus is over. As much as providing direct economic stimulus, a desire to show the world that a city has 're-opened' may become justification enough to hold major events. "Take an example like New York," says Haue-Pedersen. "Tourism has dropped, people see the images of what the pandemic has done in New York and they don't want to go. Even a place like New York, that everybody knows, and everyone has been to at least mentally, needs to tell the world: 'we are open.' They can spend money on advertising, saying 'come to New York' on CNN, or they can host some events at a lower cost, start to generate some spending, and bring people back that way. While the event industry is really hit very hard now, it's also a chance for them to play a very important role when this hopefully turns."

Cities are likely to turn to events in order to aid their post-pandemic recoveries for two reasons, he says: "One, because an event, if it's good, has



Iain Edmondson, director, International Association of Events Hosts

huge media coverage. But two, and more importantly, because an event is not only talking. It's not just saying, 'we are open', it's demonstrating, it's showing what a place can do and how it works. Even well-known and major tourist destinations are going to have a huge need to show the world they are open and have recovered, to say 'come to us as a tourist, as a high-skilled worker, as an investor, as a student.'" Despite the high costs associated with major events, Haue-Pedersen still regards them as the most cost-effective way for a city to achieve these goals.

For that reason, in the short-term, cities and regions may look at hosting more home-grown and domestic events, minimising the need for international travel or huge spend on infrastructure. This will have a knock-on effect on the way hosts assess and measure the success of their events.

"I don't think the metrics will be driven by the expectation of bringing in 5,000 tourists or selling X amount of hotel beds, at least not in the short-to-medium-term," says Edmondson. "They'll justify it through people seeing normality returning through broadcast images and digital and social media, and at the same time, cities will be doing something good for the local population that has also been missing events. I have spoken to a client that said they specifically wanted televised events that show there is life after Covid."

Buchanan believes tourism will eventually return as a key driver in justifying expenditure on major events, though only after a period during which citizens have come to terms with the

pandemic and feel comfortable with an influx of visitors.

“After the 2008 recession we found that there was significant government stimulus to generate tourism, so we have to assume that that will be the case, especially as we’ve seen governments seem to be getting pretty comfortable with just printing money and parachuting it in, so we expect that will continue. Tourism is such a big driver and always has been. Something like the Olympics brings 10,000 people just in terms of athletes, so while local populations may have to get used to the idea of tourists returning to their cities, it’s something that’s going to happen because nothing else drives economies like it, and major events are a huge driver of tourism.”

### Public health

Buchanan also adds that the pandemic

*“My perception...is that in the long-term not too much should change.”*

**Iain Edmondson** | director, International Association of Events Hosts

may accelerate government thinking on public health, adding that if event owners and hosts can make the case that their events encourage physical activity and reduce obesity rates, then “sport has nothing to worry about.

“In 2020, the cost of obesity and related illnesses to the NHS is around £6.5bn annually,” he says. “By 2050, that’s predicted to rise to over £12bn. The cost to the wider economy today stands at £25bn. There is speculation that the reason death rates from Covid in the UK are higher than elsewhere in Europe is due to higher rates of obesity

and healthier lifestyles here.

“Public policy and public health agendas will be very focused on increasing participation and improving public health. That clearly is something that sport can deliver. And if sport is on to that, it doesn’t need to worry, frankly, about economic impact and driving tourism, because there would be enough of an argument and an investment case around public health, even before you get to destination place marketing and tourism and economic impact and those things.”

Making that case, however, is not going to be straightforward. “It’ll take time. It’s been done, but it’s been done piecemeal, there are no accepted and standardised methodologies for measuring impact in a compelling way. But it’ll get there, because those kinds of arguments are going to be very powerful.” ○

Fans have been allowed into Hungarian football stadiums in limited numbers. (Photo by Laszlo Szirtesi/Getty Images)





# Commonwealth Games CEO Grevemberg: “Nothing should be off the table”

Commonwealth Games Federation exploring new hosting methods such as Birmingham-Chandigarh 2022

Such arrangements will become increasingly common as hosts and rights-holders look to minimise risk

Collaboration and innovation crucial to using major events as economic stimulus after Covid-19 pandemic

## Adam Nelson

“I think the pandemic will have a permanent effect on how we organise and own our responsibilities as event owners,” David Grevemberg, chief executive of the Commonwealth Games Federation, tells *SportBusiness Review*.

With the bidding process for the 2026 Commonwealth Games just beginning and the preparations for Birmingham 2022 well underway, Grevemberg’s organisation is particularly concerned with the medium-term legacy left once the pandemic is over. What the events space may look like in six years’ time is anyone’s guess, though Grevemberg expects that the after-effects of Covid-19 will still be felt.

“The world’s going to be different next week; it’ll be different by 2026,” he says. Grevemberg casts his mind back to the months after the September 11 terrorist attacks, which he says was “arguably the last time sporting events were shaken up in anything like the way they have been today”.

“Even that isn’t comparable – it was much less of a disruption – but it still preceded a step-change in terms of the security footprint you saw at events. That duty of care piece – whether it’s security, safety, health of athletes or fans or local citizens – it’s always at the forefront of an event organiser’s thinking. How you manage your liabilities and indemnities in the safest manner has always been a moving feast, but that’s going to be one of the longest-lasting impacts of the virus on our sector.”

## Collaboration

Even if the pandemic ultimately has a



Commonwealth Games Federation chief executive David Grevemberg (Barrington Coombs/Getty Images for Commonwealth Games Federation)

minor impact on the shape of major events and how bidding processes are run, Grevemberg says it will certainly focus minds on why a city or region may want to host an event.

“Choosing to host a major event has never been a casual decision,” he says, “but after something like this, cities and regions are going to have really put the work in to justify why spending millions on a major, multi-sport event is worthwhile and what it can bring back to the area. Long gone are the days of bread and circuses. Long gone are the days of saying, ‘we’re going to run 11 days of great sporting competition’ and

that being justification in itself.”

Even before the virus hit, the CGF had begun to emphasise the economic boost it offers hosts. In May this year, it published a report touting an average economic impact of £1bn for the Commonwealth Games this century, with the last edition, in Gold Coast, Australia, generating as much as £1.2bn for the regional economy. The report’s findings are “more important now than ever”, says Grevemberg.

“We’ve definitely positioned [the Commonwealth Games] as a stimulus package, whether it’s an emerging, regenerative or sustained market. We



The launch of the Birmingham 2022 Commonwealth Games official Countdown Clock (Miles Willis/Getty Images for Birmingham 2022)

look at those as the three different market types that we're catering to, and I do think that major sporting events, when run with that balance of world-class and community-relevant experience and benefit, can be an amazing tool for development, because it forces this integrated, joined-up way of thinking. It challenges communities and systems and federations to come together and figure out how to run something like this for the benefit of a whole region."

He adds that now more than ever it is vital that cities, rights-holders and federations come together and find new ways of working with one another to achieve their mutual goals. A recent study from The Sports Consultancy found that government and host cities' objectives when hosting major sports events have significantly diverged in the last decade, and Grevemberg feels that the recovery steps from the pandemic represent a perfect opportunity to bring these back into line.

"Things that we've may have taken for granted, such as collaboration, I think we really need to define what that means," he says. "And in terms

*"After something like this, cities and regions will have to work to justify why spending millions on a major, multi-sport event is worthwhile."*

of an increasingly competitive and crowded market of sport, how should international federations collaborate with one another, but also how do we collaborate with those public-private sector partners differently? Not only to stay relevant and resonate, but also to ensure that the investments that are being made, whether that's public or private or social investment in terms of people's time and energy and focus, are justified and beneficial and provide positive impact benefits."

That has played heavily into the encouragement the CGF has given to Hamilton, Canada to submit a bid for the 2026 Games. The Ontario city had been planning a push for 2030 – which would mark the 100th anniversary of its hosting of the first ever Commonwealth Games – but now looks likely to aim

instead for the next edition after Birmingham, with the CGF having told Hamilton it is likely to be unchallenged in doing so.

Cynics may suggest that the CGF was simply ensuring it had a viable candidate for 2026 and could secure a more high-profile host for the centenary edition, but Grevemberg says that avoiding costly and unnecessary bidding races is a core tenet of the organisation's Transformation 2022 strategy, and is something he encourages other major event owners to do more of.

"We've been going through this new bidding model for about two years, which has really been about a dialogue phase, feasibility assessments, formal candidature, and then an evaluation, and ultimately award. And that dialogue phase is really about looking for those partnerships, not running the traditional horse race that is a bid."

### Innovation

New ways of working are crucial, he says, as potential host cities around the world begin to assess how they can use major sporting events as part of their economic recovery from the

pandemic. “We simply have to innovate. We must innovate and be creative in this space. Innovation is going to be critical in the space on how and what we deliver in terms of major sporting events. Whether that be the actual overall footprint of the experience for a multi-sport event, or whether we take that back further and look at the actual delivery of those events. Do we do it in one place or in multiple locations? I think we’ll start to see a lot more experimentation in this area.”

Eventually, a compromise was reached: shooting and archery will be held in the Indian city of Chandigarh, six months prior to Birmingham. The two events will be separately organised and funded, with a complete medals table, taking into account the Chandigarh results, to be issued two weeks after the Commonwealth Games’ closing ceremony, and Grevemberg is keen to stress that the shooting and archery in India is distinctly “Chandigarh 2022 in its own right”.

“Somewhere between innovation and collaboration is this notion of co-hosting,” he says, “and it’s absolutely something we will continue to look at as we deal not only with the fallout from the pandemic, but with the issues that we as a federation and the world at large were already dealing with.”

Grevemberg acknowledges that one of these issues has been the historic difficulty the Games has had in reaching developing parts of the Commonwealth. In its history, just three instalments have been held outside of the major economies of Australia, Canada, New Zealand, and the UK. One of those, the 2010 edition hosted by the Indian capital territory of Delhi, was excluded from the CGF’s report into the economic impact of 21st-century Games, purportedly due to a lack of data on the long-term effects, though that event also became infamous for eventually running up costs equivalent to 16 times the initial budget.

With South Africa the intended destination for 2022 before Durban pulled out, citing an inability to justify the expenditure, Grevemberg says that taking events to new destinations remains high on his agenda, and adds that the innovative thinking that is

likely to be imposed on event organisers by the pandemic will open new opportunities for that to happen.

“Form has to follow function,” he says. “The one thing we shouldn’t do is just keep doing it the same way just because that’s how it’s always been done. Of the world’s top 20 emerging cities, 10 are in the Commonwealth. We have two thirds of the world’s island states; we have some of the world’s biggest countries and some of the world’s smallest.

***“I do think that major sporting events...can be an amazing tool for development, because they force this integrated, joined-up way of thinking.”***

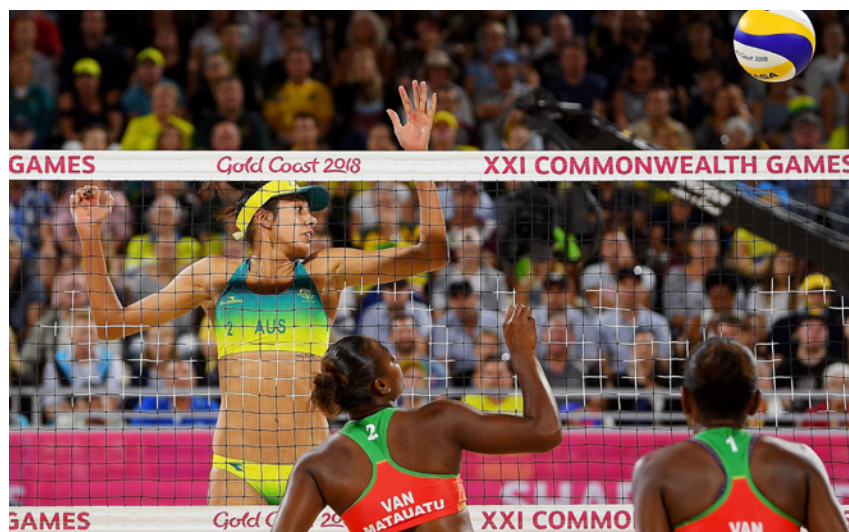
“So we’re faced with a variety of different issues, and our challenge is, how do we make our Games relevant to those very different demands? Not all sports are able to be hosted by all communities, not every sport is widely and regularly practiced in all countries. So we need to find sustainable ways to hosting the Games, we need to look at whether some disciplines are more relevant to certain territories and how we integrate that relevance into our events. I think nothing should be off the table in terms of how we work smarter as a Commonwealth, in terms

of building unity and addressing our shared values and shared history, as well as our shared ambitions for the future.”

The split hosting compromise of Birmingham and Chandigarh 2022 represents “a great pilot opportunity” to test the concept of hosting different sports in different locations, Grevemberg says. He adds that the CGF wouldn’t rule out other kinds of co-hosting arrangements which could see the Games divided across two cities within the same country, or over two different nations in the style of the European Championships.

Whatever the future of major events, Grevemberg is sure that, eventually, audiences will want to return to watch high-class sport. “I think the in-stadium experience, those money-can’t-buy moments of ‘I was there when that happened’, that’s not going to go away,” he says. “We shouldn’t take those ‘Super Saturday’ moments for granted. I think sport should always seek to maximise those and make fans the core part of the experience. I’m cautiously optimistic that through both science and some creative thinking, we’ll find safe ways to get back to something like the major events that we all recognise and love.

“From an event owner perspective, or even an organiser perspective, it brings in a slew of responsibilities that we’ve probably had forever, but I think that now we need to show we take them that much more seriously and that we really have the plans and visions in place.”



The CGF estimates that the 2018 Commonwealth Games in Gold Coast, Australia created an economic impact of £1.2bn for the region (MANAN VATSYAYANA/AFP via Getty Images)

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