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SportBusiness

A global perspective on the business of sport

Veronica Diquattro

"DAZN will not be deflected on path to becoming world's top sports destination"

Breakaway threats continue to stalk sport

Welcome to our final issue of 2021, a year that has seen continued upheaval for sports right-holders.

One of the abiding themes has been the ways opportunistic stakeholders, private equity investors, and in some cases sovereign wealth funds, have tried to seize on the commercial problems created by Covid-19 to challenge the existing sports model.

Arguably the biggest story of the year was the JP Morgan-backed breakaway plot from 12 of Europe's biggest football clubs to create a European Super League, threatening Uefa's position as the pre-eminent organiser of club competitions on the continent.

The breakaway plan was based on the supposition the biggest clubs could make far more money if they were freed to play each other on a more regular basis, as well as run the commercial operations of the new competition themselves.

While the ESL plot looks to have subsided for now, the threat of a breakaway continues to influence Uefa's dealings and the concessions it is willing to make to keep its most important stakeholders onside. On page 8 we report how the governing body's latest request for proposals for its club competition rights from 2024-25 onwards is being administered by a new joint venture between Uefa and the European Club Association, the body that represents Europe's biggest clubs – granting teams a far greater say in the marketing of European club competition rights.

The same clubs will have closely observed Uefa's first ever betting data rights distribution deal, agreed with Sportradar in October, for signs the organisation has exploited its rights to their fullest potential. While the deal is not worth anywhere near the sums commanded by the NFL in its recent data rights agreement with Genius Sports, on page 68 we report how market conditions conspired against Uefa, making the US deal an unrealistic yardstick.

Golf's European Tour appears to have reduced the threat of a proposed splinter league run by the Saudi-backed LIV Golf investments after signing an historic title sponsorship deal with Emirati logistics firm DP World (see page 20). The 10-year deal, worth $40m (€35.5m) annually, will allow the tour to increase prize money to players, diminishing the allure of any lucrative breakaway competition. ◆

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Contents

World Athletics rebuilds reserves after $6.8m RusAF fine and 38-per-cent cost cuts

By Ben Cronin
Published online 21 Sep, 2021

World Athletics managed to rebuild its cash reserves by 17 per cent to $40m (€34.1m) in 2020 thanks to a further payment of $6.8m from the Russian Athletics Federation related to the country's doping scandal and a radical cost cutting drive that delivered a 38-per-cent reduction in expenditure.

The latest set of accounts for the year ending December 31, 2020 reveal that the governing body managed to stem a sequence of losses in its annual results in spite of having to cancel a number of events in the face of the Covid-19 pandemic and defer a proportion of the $40m it receives from the International Olympic Committee every four years.

In the introduction to the accounts World Athletics said: "The 2020 consolidated financial accounts should have marked the beginning of a new four-year funding cycle tied, in the main, to the revenues received from the International Olympic Committee (IOC). This was not the case given the postponement of the Tokyo 2020 Olympic Games to 2021 and three of our four World Athletics Series events during 2020."

To help the federation's cash flows during the crisis, the IOC loaned World Athletics $7.5m, with $2.5m of this figure being paid in 2020 and the remaining $5m paid early in 2021. The $7.5m figure will be deducted from the full $40m Olympic Dividend due to the organisation now the Tokyo 2020 Olympics have taken place.

Overall, World Athletics generated $44.2m in revenues in 2020, a decline of over 13 per cent versus 2019 ($51.1m) owing to the reduced number of competitions, particularly the organisation's Label Road Race events.

However, the federation said it was still able to deliver $34.9m in broadcast and commercial rights revenue, crediting "strong partnership management" and the decision to postpone rather than cancel events for protecting these revenue streams.

Broadcast and sponsorship

Broadcast revenue accounted for $14.8m of this sum, with sponsorship accounting for $13m. These figures are understood to include the annual minimum guarantee paid to World Athletics by the Dentsu agency as part of its 10-year deal for the global rights to the World Athletics Series (WAS), excluding Europe, (from 2020-29), as well as revenues from its multi-year agreement with the European Broadcasting Union and ESPN Media Distribution for its European media rights.

At the time World Athletics' last set of accounts were published, a spokesperson explained to *SportBusiness* how the federation had renegotiated the controversial Dentsu contract – agreed by former president Lamine Diack – to realise profit share revenues more frequently. The previous agreement stipulated that profit share revenues were only payable to World Athletics at the end of the 10-year contract, harming the federation's cash flows and adding to the sense that the original agreement was heavily weighted in the agency's favour.

SportBusiness understands the two parties agreed on a reduction in the minimum guarantee paid by Dentsu between 2019 and 2020 from $18m down to $13m per year and introduced a new profit share ratio. A spokesperson for World Athletics stressed that the new arrangement works more favourably for World Athletics, saying: "The reduction in minimum guarantee does not mean World Athletics is worse off as the contract delivers in other ways".

The 2020 accounts reveal the Japanese agency paid the governing body a profit share worth $5.8m for commercial revenues generated in 2020-21.

In addition, the federation benefitted from a one-off $6.8m payment from RusAF, which it described as "a combination of reimbursement and the fine that was levied" as part of the punishments for the country's doping scandal. This added to the $3.38m RusAF paid World Athletics in 2019 and which was recognised in that year's accounts.

More light is also shed on the legal standing and commercial performance of the Diamond League series for World Athletics. The financial statement reveals that the legal entity that held the series of meetings (Diamond League AG) was converted into an association called Diamond League Association in 2020. *SportBusiness* understands the federation holds three shares in the association and each of the 14 meetings holds one share each, meaning the federation remains the majority shareholder.

The series had traditionally acted as a drag on World Athletics revenues, with the federation underwriting around $4.5m a year of the costs to put on the 14 meetings. However, the spokesperson said a combination of Chinese conglomerate Wanda's title sponsorship of the series and the Covid-related cancellation of some of the meetings meant World Athletics spent just $961,000 on the Diamond League in 2020.

Surplus

World Athletics president Sebastian Coe described how the better-than-expected revenues allied to aggressive cost-cutting measures allowed the organisation to turn a surplus which it used to increase its cash reserves by 17 per cent to $40m.

"We have been prudent about how we have managed our resources both financial and human, but continued to deliver, where we could, competition and events for our athletes, and development initiatives and support for our Member Federations and Areas," he said in the foreword to the financial statement.

Coe announced a "root-and branch review" of all expenditure during 2018 and 2019 which led to staff freezes and excessive cost cutting across the organisation. He predicted that the benefits of these decisions would be realised in the 2020 accounts onwards.

As it transpired, the 2020 accounts show the organisation reduced expenditure by 38 per cent to $41.7m from $67.8m in 2019.

World Athletics president Sebastian Coe (by The Asahi Shimbun via Getty Images).

> *"We have been prudent about how we have managed our resources both financial and human"*

In mitigation, World Athletics said a large proportion of savings were also generated by the cancellation of three out of four WAS events during the Covid crisis, which led competition-related expenses to drop by 49 per cent to $15m. Event and area member federation grants also decreased by 48 per cent as extended lockdowns were implemented across the globe.

But the organisation was quick to point out that administration grants to area associations and member federations remained largely the same year on year in instances where they were used to fund the running of the organisations. The accounts showed the organisation spent $8m on grants in 2020 versus $15.4m in 2019.

The Monaco-based international federation was also able to avail itself of the furlough scheme provided by the Monegasque Government which helped to reduce staff costs for the year by 7 per cent to $750,000. This was the primary driver for the organisation's reduced administration spend in 2020 from $8.1m to $6.8m.

But even without the furlough impact, World Athletics spent $500,000 less on administration in 2020. Reductions were also apparent across other department costs where non-event related travel costs and other discretionary spend was down on the previous year. The organisation has also implemented a general hiring freeze since the beginning of 2020 and only increased headcount in specific situations, such as to replace staff who have left.

The spokesperson also described the "budget-relieving" impact of sponsorship deals agreed with legal firm Pinsent Masons and data research company Nielsen in 2020. The same spokesperson described World Athletics' 2020 deal with mass participation event organiser Parkrun as more of a "value-in-kind" agreement linked to growing the recreational running market as a legacy product for WAS events.

The latest set of figures break an unenviable sequence of losses for World Athletics under which it was repeatedly eating into its cash reserves. Last year its reserves stood at $34.3m, a significant decrease on 2018, when they stood at $45.3m, and 2017, when they were declared at $64.8m.

Coe said: "This has been a huge effort. But we have made significant progress across so much of our sport. We didn't just survive, we thrived. In a year when it would have been easy to let go of some of our ambitious goals, we rallied and delivered across all four of our strategic pillars."

Uefa club competitions RFP allows 6-season bids; 'encourages' minimum guarantees

By Callum McCarthy
Published online 18 Oct, 2021

Uefa has sent a request for proposals document (RFP) to companies interested in selling commercial rights to its club competitions, encouraging potential bidders to "consider structures with minimum guarantees" and allowing bids across six seasons.

The RFP – which has been seen by *SportBusiness* – is being administered by Uefa Club Competitions SA (UCCSA), a joint venture between Uefa and the European Club Association. The ECA represents Europe's biggest clubs and is chaired by Paris Saint-Germain and beIN Media Group chairman Nasser al-Khelaifi.

The RFP makes clear that the new joint venture will act as signatory on all Uefa club competition deals from 2024-25 onward, meaning that European clubs will have direct involvement in every commercial agreement.

The RFP invites interested companies to make offers across either a three- or six-season period – either from 2024-25 to 2026-27, or via two separate offers (from 2024-25 to 2026-27 and 2027-28 to 2029-30) – to sell rights to the Uefa Champions League, Europa League, Europa Conference League, Super Cup and Youth League.

UCCSA began sending the RFP to interested parties on Friday. The RFP has a closing date of November 15.

The tight deadline gives the global sports industry's biggest players just one calendar month to create detailed sales projections and source financial backers for potential minimum guarantee offers. Should any bidder decide to offer a minimum guarantee over three or six seasons, the scale of such an investment would almost certainly require the backing of an investment bank or private equity fund.

The incumbent sales agent for Uefa club competitions, Team Marketing, has sold rights since the inception of the Champions League in 1992-93 and works on a commission basis. It has worked exclusively on commercialising Uefa club competitions since 1992 and has no other clients. Team has not provided a minimum guarantee to Uefa in return for its sales mandate since the tournament's first-ever cycle.

Team is projected to achieve total sales of about €3.6bn ($4.2bn) per season for the three-season period from 2021-22 to 2023-24 – an amount that spans all commercial rights to Uefa club competitions including media rights, sponsorship rights and licensing. This will be an increase of about 12.5 per cent on the €3.2bn per season earned across the 2018-21 cycle.

Any proposal containing a minimum guarantee close to Team's sales figures for the 2021-24 cycle – whether that proposal spans three seasons or six – would easily become the largest agency minimum guarantee ever put down for the commercial rights of a sports property.

Europe's biggest clubs – represented in this process via the ECA – are expecting proposals that either provide a guarantee or project sales well in excess of the amount currently delivered by Team.

Sources say Team has been aware of Uefa's intention to put its exclusive sales mandate to the market since early this year but was surprised by the sudden nature of the process. *SportBusiness* last week exclusively revealed Uefa's plan to tender the rights.

Team faced a challenge to its status as the exclusive marketing agent of Uefa club competitions only once before in the early 2000s. Team Marketing has been 100-per-cent owned by Highlight Communications since 2010, after Uefa sold its 20-per-cent stake in the company.

It is understood Team has received the RFP and will bid to retain its contract from 2024-25 onwards.

RFP details

Despite Uefa's decision to look beyond Team Marketing from 2024-25, the relationship proposed to potential bidders in the RFP bears a remarkable likeness to the existing sales model with one crucial difference.

(Alexander Hassenstein/Getty Images)

UCCSA is requesting bids for at least the three-season period from 2024-25 to 2026-27, making clear that any bid incorporating a second three-season cycle from 2027-28 to 2029-20 must be made as two separate proposals.

The winning bidder will essentially function as Team did, developing a commercial strategy for each club competition before representing Uefa and the ECA in all commercial rights negotiations. The joint venture will remain signatory to all deals.

Uefa makes clear that any agency bidder must demonstrate how Uefa club competition sales will be kept separate from its other sales activities. In addition, winning bidders may be required to establish "separate corporate management and operational structures to ensure the required level of independence and dedication to Uefa's interests and transparency".

The sports industry's biggest agencies – IMG, Infront, Pitch International, Mediapro et al. – must therefore be prepared to create separate corporate divisions with sales teams dedicated solely to Uefa club competitions in order to win the contract.

However, UCCSA reserves the right to "negotiate all elements of, and have final approval in respect of, all agreements to be entered into with commercial partners". This would enable the joint venture to agree its own media and sponsorship rights deals in certain markets or categories without the involvement of its sales agent. The RFP says this element of the contract could be discussed further at a "later stage".

Uefa's decision to weigh up alternatives comes with clubs seeking more influence in the rights sales process against the backdrop of the failed European Super League proposal.

Format and inventory

The RFP states that from 2024-25, the Uefa Champions League will consist of "at least" 237 live matches each season played over 21 matchdays. The group stage will be replaced by a 'league' format taking place across 10 matchdays, followed by a new "knock-out play-off" stage taking place over two legs before the Round of 16,

The Round of 16, quarter-finals, semi-finals and final will be played as they currently are, with two-leg matches played in each stage before a one-leg final hosted at a neutral venue.

The RFP warns bidders that this format may not remain in place for the 2027-30 cycle and is subject to change. ◆


Cyclists cross Copenhagen's Sankt Thomas Plads on Frederiksberg Allé.

Copenhagen, the world's most 'bike-friendly' city, ready for the Tour de France's Grand Départ

The Tour de France will head further north than ever before in 2022, with the Danish capital of Copenhagen staging the cycling extravaganza's Grand Départ for the first time.

As the home of 673,000 bicycles and a thriving cycling scene, Copenhagen has been waiting patiently for its turn to showcase one of the sport's most famous occasions.

The city secured the hosting rights back in February 2019, and the Grand Départ had originally been due to take place in 2021. However, due to pandemic-related disruption to the international sporting calendar, an agreement was reached last year with Tour organiser Amaury Sport Organisation (ASO) to reschedule the event for July 1-3, 2022.

Fine-tuning preparations

The delay, though, has given Copenhagen more time to fine-tune preparations for its moment in the cycling limelight.

"We are happy that the event got postponed as this summer was packed with events in Copenhagen like the also-postponed Uefa Euro 2020 matches, WorldPride and the International Canoe Federation's Sprint World Championship," says Lars Vallentin Christensen, senior manager at Wonderful Copenhagen, the official tourism organisation of the Capital Region of Denmark.

"The extra time will allow us to involve even more partners and, even though the waiting time can be testing, it will allow for further activities and the city will be even more ready than it would have been. Obviously it will be great to have fewer restrictions, but Copenhagen was able to host big events this summer anyway due to our success in dealing with Covid-19 and our record high vaccine participation."

Copenhagen submitted a formal application to host the Grand Départ in June 2016. Several attempts had previously been made to take the event to other Danish cities before the capital ramped up its interest in 2014.

"Wonderful Copenhagen is the one point of entry for major events in Copenhagen, so we came to an agreement and the project to secure the event for Copenhagen in 2019, 2020 or 2021 was in the planning," says Vallentin.

"Right away, we involved the Lord Mayor of Copenhagen as well as Sport Event Denmark and the lobby activities could begin with VIP visits at ASO events, relevant stories in the media and invitations for ASO to come to Copenhagen to experience the local bicycle traditions for themselves."

Bike-friendly city

ASO has taken the Grand Départ to various overseas destinations in recent years, including the Belgian capital of Brussels, Düsseldorf in Germany and the English city of Leeds. The Basque city of Bilbao will play host in 2023.

Copenhagen, though, is an ideal location for the Grand Départ. Since 2015, it has been ranked the most bike-friendly city in the world, with Queen Louise's Bridge alone crossed by 40,000 cyclists daily.

Bicycles outnumber cars in central Copenhagen, with the city boasting more than 385km of cycle tracks. With 25 per cent of Copenhagen's schoolchildren cycling to school, the city is ideally placed to welcome the sport's elite.

"We all have different stories but the focus of engaging the public, businesses and schools remains the same," says Vallentin. "In Copenhagen and Denmark this comes rather naturally as everyone bikes and cycling literally is part of the curriculum.

"For us the Grand Départ is a great opportunity to celebrate our bicycle culture and emphasise why it's important to invest in the greenest, cleanest, healthiest and most convenient way to get around Copenhagen. We also want to use this platform to showcase our solution to the rest of the world and hopefully inspire other cities to prioritise bikes and help create a more sustainable planet.

"In Copenhagen, cycling is not only a sport; it's how we get around. It's part of our identity, and the number of bikes is a really striking feature of the city. Copenhagen ranks as the world's best bike city, and when you add the city's love of bikes with the Danish passion for the Tour de France, you have a powerful combination."

Sustainable and eco-friendly means of travel are becoming increasingly important, not just for national governments, but also for sports bodies.

During the COP26 conference in Glasgow, the International Cycling Union (UCI) joined the European Cyclists' Federation and a global coalition of pro-cycling organisations in penning an open letter to call on national governments to increase significantly the number of people who cycle in their countries.

With this in mind, Copenhagen's Grand Départ comes at an opportune time, with organisers hoping to use the event to shine a spotlight on the city's everyday cycling culture.

Iconic landmarks

The time trial during the Grand Départ will take riders around 13km of central Copenhagen, passing charming houses, the Little Mermaid statue and the iconic Royal Palace.

Once the peloton leaves Copenhagen, riders will head to Roskilde, where they will pass the old cathedral and circle the Viking ship museum at the picturesque Roskilde Fjord, before travelling up to the hilly ice-age landscapes in Odsherred. Then finally they will take in the huge Great Belt Bridge connecting Zealand and Funen.

There will be added local interest in Copenhagen next year, with Denmark's Jonas Vingegaard, the runner-up in the 2021 Tour de France, hoping to go one better.

With Danish cycling experiencing something of a golden age, former world champion Mads Pedersen is also set to compete alongside other established names like Jakob Fuglsang and Kasper Asgreen.

Fans will also be able to test themselves against their heroes, with the time trial route to be open to the public for a day after the event. Additionally, a children's race will be held, along with a summit to discuss how Copenhagen's cycling culture can be further developed.

Looking ahead, Copenhagen has already secured hosting rights to the UCI's Track World Championships in 2024 and BMX World Championships in 2025.

Earlier this year, Copenhagen hosted four matches during football's Uefa European Championship, and it is hoped that events like this and the Grand Départ can establish the city as a go-to destination in the years to come.

"It is important for Copenhagen to keep showcasing why we rank amongst the best sport event cities in the world – and hosting successful events is the best way to do this," says Vallentin. "Copenhagen doesn't have the largest venues in the world, but we are extraordinarily good at using the city as a living venue, creating events that spill into the streets and have a strong connection to the many associations and sports clubs." ◆

Eleven and OneFootball awarded pooled international rights to nine European leagues

By Martin Ross
Published online 22 Oct, 2021

European Leagues, the body of European football leagues, has awarded the centralised international broadcast rights to nine different leagues to football-based media platform OneFootball and streaming platform and subscription broadcaster Eleven in an initial three-year deal.

Matches from the competitions, which include both winter and summer leagues, will be streamed on a free-to-view basis from this weekend onwards on both OneFootball and the new ElevenSports.com platform launched following Eleven's acquisition of MyCujoo. Some matches will also be carried by Eleven Sports' linear pay-TV channels in the markets they operate in.

The deal, which *SportBusiness* understands to include a minimum guarantee and a share of advertising revenue, comes after European Leagues issued a Request for Proposals in June. It was advised by the Octagon agency and consultancy during the process.

The nine leagues covered by the deal are the top-tier leagues in Denmark, Iceland, Norway, Switzerland, Poland, Slovakia, Latvia, Kazakhstan and Northern Ireland.

The contract will run until 2024 although the two broadcasters and European Leagues have expressed a willingness to extend the rights agreement beyond that. Additional leagues are also set to be included in due course with a framework agreement in place for more leagues to be added to the deal.

Jacco Swart, managing director of European Leagues, said: "Our intention is for sure to increase the number of participating leagues over time and to keep on exploring new business areas so as to collaborate with the companies we partner with in the most mutually beneficial way and grow the relationship over the long-term."

Live rights to a total of over 1,500 matches were included in the RFP. Shoulder programming, highlights, archive and editorial content will also be shown by OneFootball and Eleven.

European Leagues pooled together the international broadcast rights to some of its mid-tier and smaller member leagues since first bringing the data rights to eight leagues together in a centralised deal signed in 2017. That deal – with rivals Genius Sports, Sportradar and Stats Perform – has since been expanded to 16 leagues. A new RFP for the centralised fastpath data rights to league and cup competitions organised by a total of 18 different league bodies and national associations is currently in full flow.

While some agencies are thought to have expressed an interest in the centralised broadcast rights, a deal that guarantees volume to two players seeking to develop their global OTT streaming platforms will be viewed by the market as the logical outcome, particularly given agencies' reluctance to put down a sizeable number. The deal also affords the leagues global exposure and access to data through the streaming platforms' direct-to-consumer relationships.

Speaking to sports trade journalists, Chris Gerstle, head of business development at European Leagues, said: "The historical international media rights deals for the medium and small leagues have often been [about] cutting a deal with an intermediary – often an agency – taking the money and running and then coming back in a number of years, often with very limited distribution and reach. And in most instances zero to no research and data into who is watching that particular league.

"So when we put this deal together with the leagues, what we focused on was three criteria – the revenue, reach and marketing... the more the process went on, we started to eliminate the intermediary type business model and focus on the potential parties that could deliver on these three areas."

Nikolaus von Doetinchem, vice-president, OTT and media rights at OneFootball, said: "We've given the leagues security in terms of a minimum guarantee but learning how that content will be consumed out there is also a very important part of the deal."

Pedro Presa, chief d2c officer at Eleven Group, described the rights acquisition as "one of the most important deals we did this year in terms of what we want to build at Eleven going forwards and what we want to represent".

Following the launch of ElevenSports.com using the backbone of the MyCujoo platform, the Asian Football Confederation rights have been secured for the platform in various Southeast Asian markets. Italy's Serie C is also available after the migration of Eleven Italy to ElevenSports.com. OneFootball and Eleven have also aligned before on content from one of European Leagues' members by streaming matches from the Belgian Pro League in various international markets.

The leagues expected to be bolted on to the agreement with OneFootball and Eleven have yet to be determined and their addition is complicated by some leagues' domestic broadcast deals also including international rights. However, the leagues also included in the 16-league data rights RFP are thought to be those under consideration, with the exception of some bigger leagues which already have global rights deals in place (such as the Belgian, Dutch and Portuguese leagues).

Knut Kristvang, head of media rights at Norway's Eliteserien, talked up the benefits of guaranteed global streaming from OneFootball and Eleven as opposed to facing a patchwork of deals in only some markets.

"We have tried in the last years to get a footprint outside of Norway but it isn't that easy" he said. "We've had some deals in some territories outside of Norway and outside of Europe but at the end we need an established platform and distribution to get the reach that we all want.

"The free-to-air [coverage] will be very good for us as a starting point. After year two or longer it might be that there are other solutions but for now it's very good for us that the remainder of the Eliteserien season and our coming season will go out to a broader part of European fans."

Upon the Eliteserien's return after the Covid-19 shutdown, the league did enjoy some rare international exposure as rights-holder Discovery elected to show matches across its linear and OTT streaming platforms across Europe amid disruption to the broadcaster's live scheduling.

Małgorzata Borkowska, media rights consultant at the Ekstraklasa, said that the free-to-air coverage would increase the reach for the Polish league and be of significant benefit in markets such as Asia and South America, where the property has a weaker presence.

Flexibility over commercialisation

The short-term coverage plan for coverage on OneFootball and ElevenSports.com is very much built on advertising-funded free streaming to try and build up the audience internationally. However, there remains flexibility over that model, with micro payments or pay-per-view models being considered in the longer term.

Asked by *SportBusiness* about the possibility of further monetising the rights in a region if a star player from a lucrative market was to sign for a club in one of the leagues, von Doetinchem underlined that the model is adaptable.

He said: "The commitment from our side is to put this out free-to-air because we believe that we need to grow the reach and touchpoints together with the leagues. Obviously, this whole set-up is built to not only have the best reach but also the best consolidation for the leagues going forwards.

"We are absolutely flexible to commercialise if we see an opportunity with the leagues to also do that. At the beginning, our commitment stands to put this out free-to-air but obviously if there is an opportunity which is there and the leagues want to go [for it], we are flexible on our side as well."

"The way we are going to commercialise at this point in time is advertising-funded and that's strong...but that doesn't mean that it has to stay this way."

Micropayments for highlights is one revenue stream that has been discussed.

"There are a lot of possibilities out there but we shouldn't be doing the second step before the first", said the former Sportfive media rights executive.

(Sara Strandlund/EuroFootball/Getty Images)

"The first step is to grow the awareness with an advertising-funding model and we hope and think that this partnership will go on for very much longer than the initial three years, so over time we will see what opportunities are out there for monetisation of the leagues. And which league wants to go down which route as it won't be one size fits all."

Presa added: "When you speak about ad-funded, we're not limiting ourselves to the traditional digital CPMs (costs per thousand), we're looking to explore new avenues via original content creation and working with sponsored content.

"OneFootball and Eleven have a broad range of partnerships with household names who work with us to connect with the next generation of football fans. We really believe we will make it work this way and bring a lot of value financially to the leagues and us. The main focus in the beginning is to drive awareness and build the products...without limiting ourselves to what we can do in the future."

Carve-outs

In bringing different leagues' international rights together, European Leagues and the constituent rights-holders were faced with untangling the matrix of leagues' existing international deals with third parties in order to find a start point from which rights could be sold.

Some international territories remained excluded for different leagues, notably 37 (mainly European) markets in the case of the Ekstraklasa, where exclusive coverage is showcased on the league's Ekstraklasa TV OTT platform.

Norway and Sweden were excluded from the Danish Superliga's international territories on offer, with Eliteserien rights not available in Denmark, Finland, Iceland and Sweden until 2023 (after the expiry of the Norwegian league's contract with media group Discovery).

Estonia and Lithuania were excluded in the case of Latvia's Virsliga, while the Slovak Fortuna Liga rights were only available non-exclusively in the Czech Republic and unavailable in Hungary until 2022. Austria, France, Germany, Italy and Liechtenstein were excluded from the Swiss Super League's offering.

The Ekstraklasa's near-live highlights rights and radio rights were not available in the RFP. Radio rights to Slovakia and Switzerland's top leagues were also excluded, as were the archive rights to Iceland's top flight.

The number of matches each season and respective contract terms offered in the RFP were as follows:

- Danish Superliga: 193 matches, 2021-22 to 2023-24;
- Northern Ireland's Danske Bank Premiership: 228 matches, 2021-22 to 2023-24;
- Poland's Ekstraklasa: 78 matches, 2021-22 to 2023-24;
- Slovak Fortuna Liga: 192 to 197 matches, 2021-22 to 2023-24;
- Swiss Super League: 182 matches, 2021-22 to 2023-24;
- Icelandic Top Football League: 162 matches, 2022 to 2024;
- Kazakh Premier League: 78 matches, 2021 to 2023;
- Latvia's Virsliga: 180 matches, 2021 to 2024;
- Norway's Eliteserien: 240 matches, 2021 to 2024.

Bundesliga first to land CCTV deal as European leagues face tough rights talks

By Kevin McCullagh
Published online 26 Oct, 2021

The German Bundesliga was the first of the 'Big Five' European football leagues to secure a media-rights deal with Chinese state broadcaster CCTV for the 2021-22 season.

Talks with CCTV have been hindered this year by an upcoming management shuffle at the broadcaster that has slowed down decision-making. Negotiations with the powerful state broadcaster have also become more challenging in recent years due to increased demands for streaming rights.

CCTV began showing the Bundesliga at the start of this month under a three-season deal running until the end of 2023-24. It is showing live coverage of four matches per week. Two matches are being shown on both linear and digital, and two are being shown on digital platforms only.

Live coverage of the French Ligue 1 returned at the weekend in time for the Marseille versus Paris Saint-Germain clash and Monaco against Montpellier. The Italian Serie A is understood to be close to an agreement.

The Bundesliga deal includes ancillary content and the league will also be working with the broadcaster on promotional events.

The Bundesliga also has non-exclusive digital streaming rights deals in China this season with Tencent, Migu, Bytedance, Huya and Dongqiudi. Bytedance acquired rights for this season only. The others have agreed two-season deals, also covering next season.

CCTV is understood to be seeking a similar set of rights for the other European leagues. The request for two digital-only matches in addition to two linear matches represents a challenge for the rights-holders.

It is still common to sell separate packages of linear and digital rights in China, whereas in many other parts of the world, rights are generally sold on a platform-neutral basis.

Digital rights have become much more valuable in China than linear rights. CCTV dominates the linear market and has kept linear rights values down for decades. But an explosion of growth in the video streaming business in China over the past 10 years led to huge increases in digital rights values. Much of this value has proved unsustainable – leading sports streaming platform PP Sports all but collapsed last year under the weight of its rights fee commitments. However, digital sports rights is still a competitive space and sports properties want to offer digital players as much value as possible.

At the same time, coverage on CCTV is considered hugely valuable for rights-holders in terms of exposure, due to the state broadcaster's massive reach.

CCTV was traditionally focused on its linear television business, but has in recent years put an increased focus on its digital platforms. This has been particularly the case since the broadcaster was in 2018 brought under the management of China Media Group, a new umbrella organisation for China's state-owned television, radio and digital media outlets.

Rights-holders today have to play a careful game to capitalise on the exposure offered by CCTV and the cash riches on offer from digital rights.

Some local industry experts say the English Premier League is facing an additional hurdle in its talks with CCTV due to the current sour relations between China and the UK over various political matters.

In the most prominent example of political tensions between China and the West causing ripples in the media rights space, CCTV stopped showing live coverage of NBA matches for a year after the October 2019 controversy over a tweet by then-Houston Rockets general manager Daryl Morey.

> *"Digital rights have become much more valuable in China than linear rights."*

Bundesliga deals

The Bundesliga is understood to have negotiated its new CCTV deal directly, although with advice from the China Sports Media agency. CSM brokered the other digital rights deals.

Bundesliga rights came on the market in China this season after the early termination of the league's previous deal with troubled streaming platform PP Sports. The two parties had a five-year deal running 2018-19 to 2022-23.

The Bundesliga did not have coverage on CCTV in recent seasons – PP Sports had the rights exclusively. Serie A is understood to have had some coverage on CCTV alongside a deal with PP Sports.

Major football rights-holders, including all the Big Five European leagues, Uefa, and the Chinese Super League, have suffered massive drops in their media rights revenue in China this year due to PP Sports' collapse. The streaming platform had heavily overpaid for its rights and proved unable to generate meaningful revenues.

The digital media platforms that have stepped in to replace PP Sports this year, most prominently Migu and Tencent, are being much more careful in their spending, leading to falls in rights fees compared to recent cycles. ◆

(Adam Pretty/Getty Images)

FA and Pitch agree four-year FA Cup international rights renewal

By Martin Ross
Published online 4 Nov, 2021

The Pitch International agency has reached an agreement with the Football Association to retain FA Cup broadcast rights in Western Europe and the Middle East and North Africa for an additional four seasons, *SportBusiness* understands.

Pitch came to an agreement with the FA following talks with the governing body in recent months, according to various industry sources. A long-form contract is yet to be signed off.

Should the deal be fully signed off, the agreement would cover the 2024-25 to 2027-28 period.

In 2016, the FA agreed six-year international rights deals with Pitch and the IMG agency, running from 2018-19 to 2023-24 as reported exclusively by *SportBusiness Media* at the time. Along with the FA Cup, the deals also included the FA Community Shield and the FA Youth Cup.

The contract with IMG was viewed as particularly lucrative for the FA with the agency paying an average of $121.7m (€105m) per season for the international broadcast rights excluding Western Europe and the Mena region, which were to be sold by Pitch in a deal worth around $280m over its duration, or an average of just under $47m per season.

It is understood that, during recent negotiations with the FA, Pitch has agreed to commit to the same financial terms in a new agreement.

SportBusiness also understands that IMG has been closing in on a deal with the FA to sell the rights in the competitive US market from 2024-25 onwards.

In 2016, the agency bid very aggressively to secure FA Cup international rights, in part with a view to the expectation of huge inflation in the US and Chinese markets. It also came at a time as talk first surfaced about an IPO at owner Endeavor.

After acquiring its rights from 2018-19 onwards, Pitch finalised a deal with pay-television broadcaster beIN Sports in the Mena region to cover off a sizeable chunk of its minimum guarantee.

The agency also negotiated a six-year deal in the Nordics with Nordic Entertainment (Nent) Group. The broadcaster has since secured FA Cup rights from Pitch in the Baltic region as it rolls out its Viaplay steaming service and would be a prime candidate to secure rights in some of the Western Europe markets from 2024-25.

Pitch, a long-term partner of the FA, has developed even closer ties with the rights-holder in recent years.

In September, it was announced that the FA and Pitch are to launch a new annual international women's football tournament next year. The annual four-team invitational competition will involve the England women's national team in each edition, alongside three other national sides which will be selected by the FA.

Pitch is also the FA's exclusive sales agent and rights adviser for the FA Women's Super League, the top-tier of women's domestic football in England.

Along with selling the rights in the Americas, Asia (including Central Asia), Oceania and sub-Saharan Africa, IMG also sells the FA Cup rights in Eastern Europe. This entails Armenia, Azerbaijan, the Balkan countries, Belarus, Bulgaria, the Czech Republic, Georgia, Hungary, Kosovo, Moldova, Poland, Romania, Russia, Slovakia and Ukraine.

DP World to invest more than $400m in European Tour over next decade

By Matthew Glendinning
Published online 11 Nov, 2021

The European Tour will benefit from a cash injection of at least $400m (€349m) over the next decade thanks to its new, historic title sponsorship with Emirati logistics firm DP World

DP World will pay more than $40m per year over 10 years, from 2022 to 2031, as title sponsor of both the European Tour – to be called the DP World Tour – and the season-ending DP World Tour Championship in Dubai, according to industry sources unattached to the negotiations.

The immediate result of the sponsorship is an uplift in European Tour prize money – excluding the majors and World Golf Championship tournaments – from $104m in 2021 to $140m in 2022.

The increase, said Guy Kinnings, the Tour's chief commercial officer, is "primarily about DP World because of their support and investment". A previous leap in prize money, from $70m in 2020 to $104m in 2021, was primarily a consequence of the Covid-19 pandemic, Kinnings said, which restricted the number of events the tour was able to play in 2020.

Prize money for the DP World Tour Championship will also increase from $9m to $10m because of DP World's increased contribution. The logistics company has covered the prize money since it first title sponsored the event in 2009.

Two-year talks

The ground-breaking deal was negotiated for the European Tour group primarily by Kinnings and commercial director Max Hamilton over a two-year period.

Daniel van Otterdijk, chief communications officer of group communications at DP World, led the team from the brand side. Although there was agency support, the long-term relationship between the tour and DP World meant that the rights-holder and brand conducted negotiations directly.

The two sides first discussed the title idea at the 2018 DP World Tour Championship and might have moved faster but for the pandemic.

Van Otterdijk said: "The nuts and bolts were agreed a year ago, but obviously not being able to see each other and organise things because of Covid made everything a hundred times harder. We simply signed another year extension of the DP World Tour Championship agreement we already had so that we could buy ourselves some time to organise ourselves.

"You can't do something like this without people on the ground physically organising the logistics of activation...by delaying it for a year, it allowed us to do this properly."

DP World objectives

DP World and the European Tour have shared similar growth trajectories from their origins 50 years ago. DP World was founded as Dubai's port authority in 1972, while the European Tour was primarily a UK & Ireland venture when it formed in the same year.

Van Otterdijk explained that, while the original agreement with the European Tour was built around the DP World Tour Championship, as the company has become more global, the Dubai-focused deal became less relevant to its wider business.

"We're now in 60-plus countries with 104 business units and over 100,000 people, so just having one event in one week of the year simply didn't work for us anymore," he said. The company was also inhibited from bringing customers from outside the region to Dubai because of hospitality regulations for corporate customers.

According to Van Otterdijk, there is a strong overlap between key DP World markets and the European Tour's 47 tournaments, of which 23 will be played in Europe and 24 in the rest of world in 2022.

"Guy [Kinnings] came to us with a proposal that allowed us to map our main stakeholder and customer bases against the events that the European Tour has and are planning to put on. This mapping exercise showed it makes eminent sense to be in those places because that's where we can engage with customers."

The European Tour's strategic alliance with the PGA Tour is also timely because DP World this year acquired US-based logistics company Syncreon, which now gives the group a large footprint and 15,000 staff in the US.

China is also an important market for the company and one where DP World is a minority shareholder in two large ports.

That said, DP World's focus is greater in countries like India, Indonesia, Vietnam, Thailand, Australia, Korea and Japan – "particularly the latter two," said Van Otterdijk, who added: "The beauty of the agreement is that we can work together over the next decade. With the European Tour's help, our business will evolve and I'm sure there will be new events and new countries that we will look to explore together where we see a dual opportunity."

The branding side of the partnership, he said, has also become more important to DP World in the last five years as the company has moved from an exclusively business-to-business operation towards business-to-consumer in some parts of the world. "It's becoming more important that we engage more people more often in more places, and the Tour's platform allows us to do that," he said.

> *"The most obvious way in which you elevate the Tour for the members is to announce the highest prize money there's ever been on the tour."*

European Tour objectives

Kinnings perceives "compelling synergies" between the business networks attached to both organisations, giving DP World access to the Tour's exclusive family of commercial partners, while the Tour gets access to DP World's network of contacts. The fact that supply chains have also been impacted across the world because of Covid-19 means that having a global logistics company as title sponsor gives the Tour a "strategic advantage", according to Kinnings.

More importantly, Kinnings asserts the goal is to "elevate every aspect of the Tour, improve what we're trying to do at every tournament, our staff and our resources".

"The most obvious way in which you elevate the Tour for the members is to announce the highest prize money there's ever been on the tour." he said. "But the investment will go into every aspect of the Tour. We're increasing the investment in the Challenge Tour, creating scholarships for players coming off the Challenge Tour and investing more, if we want to, in the Legends Tour too."

Kinnings said the deal was "very long term in a sponsorship sense" because such a title deal would not have worked for the brand in the short term, nor could the Tour have made the associated changes on a short-term basis.

He said the title deal was discussed with other major partners of the European Tour, such as Rolex and BMW, who welcomed it because it would raise the property's prestige and therefore help them in their objectives. ◆

DP WORLD TOUR

(Jean Chung/Getty Images)

What does the metaverse mean for sport?

Facebook's rebrand as 'Meta' in late October thrust the concept of the metaverse into the mainstream, and sports rights-holders are certainly open to the possibilities in the space.

Partnerships that pair major sporting properties, like the International Cricket Council, with advocates of the metaverse, are increasingly common.

Indeed, if the expectations of Mark Zuckerberg et al materialise, the metaverse will revolutionise the way people consume sport and raise the bar for fan engagement to unprecedented heights.

Imagine, for example, stepping into a Metaverse Sports Arena, where everyone is in their own avatar, and your voice print is the only identification to unlock the magic metaverse world.

"Fans would be able to create their own sports avatar, purchase sports equipment, socialise, co-watch, party, train, work and participate in gaming in this virtual sports arena," says Brighton Shi, senior product marketing manager at Agora.

"It would enable an even more immersive and creative watching experience. The metaverse would allow people to participate in leagues and engage with products, as well as also having a fundamental impact on athletic training. Sports will really be able to leverage their intellectual property within the metaverse."

An even better sports-viewing experience

Potential use cases for the metaverse in sports coverage sprawl across the entire fan experience.

As a starting point, users would be able to use their unique voiceprint to unlock a virtual world in which they are represented by their own avatar, representing their personal passions and fandom.

And a metaverse would dissolve geographical and physical barriers to deliver a better experience before, during and after games.

For instance, participants in the Metaverse Sports Arena could take pictures with sports stars and chat with their heroes in real time or attend a virtual bar to interact with other fans.

During matches, the audience can have a panoramic view of the whole game and choose to zoom into any perspective of their choice, allowing them to delve into even greater detail.

Additionally, with multi-view camera technology, fans could step nto the virtual pitch and even run alongside players. They would be able to join the cheerleaders, watch from a variety of vantage points, or simply sit with their friends who, in the physical world, may be many miles away.

(Noam Galai/Getty Images for Mercedes-Benz)

Many more monetisation methods

For rights-holders, a Metaverse Sports Arena would open numerous monetisation opportunities, comprising the action itself and other elements linked to the broader fan experience.

For example, the growing interest in non-fungible tokens (NFTs) across the digital space could lead to activations in the metaverse. In particular, the idea of 'owning' items would generate a fresh source of income and engagement, but a growing number of other experiential use cases with NFTs is also being explored.

Supporters could purchase a seat in a virtual VIP box – one without the usual restrictions on availability and capacity that would be found in the physical world – and they would also be able to browse virtual stores for physical and digital offerings. Aside from athleisure and sports equipment, unique souvenirs, including kits and apparel for specific games, could be sold to generate new revenue streams.

Furthermore, gamification, underpinned by interactive and entertainment elements, would be particularly enticing, offering an additional dimension to a physical sports arena. There will be the possibility of unlocking games in the virtual space to be played during breaks in the sporting action – and indeed such opportunities can be extended before and after games too.

The Metaverse Sports Arena would open significant new opportunities for content creation, from the fans and sports stars themselves. Multi-view and simultaneous playback options will be integrated, while rights-holders would have the chance to interact with fans in a creative way and drive user-generated content.

Challenges for realising the Metaverse Sports Arena

Inevitably, there will be hurdles to overcome in establishing the Metaverse Sports Arena.

Long delays would ruin interactions, leaving some participants stuck in the middle of a conversation, viewing or shopping experience, while seamless audio and visual experiences will be vital.

Ultra-low latency and high synchronisation will be critical for real-time viewing and fan engagement. Voice capabilities will also be essential – extending deeper than merely being used to prove a user's identity at the outset.

Furthermore, real-life audio effects, reflecting sounds from far to near, up to down and high to low, will be required for a truly immersive experience.

Therefore, **3D spatial audio** will make a vital contribution.

This technology not only allows users to sense audio locations and distances between friends who are watching the same action – so that conversations are possible during the contests – but allows viewers to hear players or even the ball whizzing past them, with the background noise of spectators helping to increase the authenticity of the experience.

With 3D spatial audio, there is also the opportunity to introduce a more immersive music experience, amplifying the game day's wider entertainment aspects.

Notably, it is clear the Metaverse Sports Arena will hold plenty of promise for proactive sports rights-holders that are seeking to engage fans on a deeper level than ever before. ◆

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Major events, digital tech to power Singapore's post-pandemic comeback

By Kevin McCullagh
Published online 22 Nov, 2021

Sport Singapore is leaning on two pillars, major event hosting and digital technology, to support the Asian city state's re-emergence as a regional sporting hub after the Covid-19 pandemic.

The government sports agency's chief executive Lim Teck Yin outlined the plans at today's (Monday's) Sports Matters conference in the city.

Work with fellow Asean nations in the Southeast Asia region was another strand running through his comments.

Lim said SportSG had been "working closely with event promoters to talk about potential to host events here", adding that he is "very happy to see that, from next month, we will start the rollout".

The city is to host a string of upcoming international sports events.

These begin at the end of this month with a World Table Tennis event, quickly followed by the Suzuki Cup national team football tournament, taking place from December 5 to January 1. The Global Esports Federation's inaugural Global Esports Games takes place in the city from December 17 to 19.

Two major golf tournaments take place in the new year, the SMBC Singapore Open Asian Tour event in January and the HSBC Women's World Championship LPGA Tour event in March. Later next year, the World Rugby Sevens Series, in April, and the Formula 1 Grand Prix, in September, are set to return after two-year hiatuses.

Lim hinted that Singapore was in talks to secure hosting rights for "a major global event".

Without revealing what the event was, he said the city has faced "pretty stiff competition" for the hosting rights. Singapore's bid included legacy pledges that reached throughout the Asean region, he said.

SportSG has also been in discussions with the hosts of two forthcoming major events in the region about hosting "fringe events". The events are the 2023 Fifa Women's World Cup, being hosted in Australia and New Zealand, and the Fiba Basketball World Cup, being jointly hosted in Indonesia, Japan and the Philippines. Lim said there had been talks with the International Basketball Federation (Fiba) about developing the 3×3 basketball calendar in the Asean region.

Singapore has employed tight restrictions on social gatherings since the start of the pandemic that have virtually ruled out sports events with significant numbers of fans in attendance. Curbs have been gradually eased since August, when the country hit a vaccination rate of nearly 80 per cent. Today's Sports Matters conference was the first significant, in-person sports industry gathering in the city since the pandemic began.

Uncertainty continues

However, the path ahead for major events is not yet entirely clear. With only two weeks to go until kick-off in the Suzuki Cup, the rules on attendance have not yet been announced and tickets are not yet on sale, as the government and organisers work through the details.

It is hoped that the tournament will see crowds of up to 10,000 at the National Stadium. Throughout parts of last year and this, crowds of up to 250 were allowed at local football matches and a handful of indoor sports event, including ONE Championship mixed martial arts events and an ATP Tour 250 tennis tournament in February.

Lim said he expected such uncertain conditions to surround sports events, "at least for three more months". He acknowledged the difficulty this had caused the sports sector: "I think for everybody, the challenge is not being able to plan ahead with confidence...[it] has meant that sometimes you just have to react."

Underlining the importance of major events to Singapore's comeback from the pandemic, Lim said, "We need platforms like this". He added that technology and digital is another platform.

Digital platform

SportSG, in line with broader Singaporean government efforts to develop the local digital economy, has placed a strong emphasis on digital technology in its approach to the pandemic and, more broadly, in its vision for the future of sport in the city.

Lim noted that Singapore had agreed a deal with the Global Sports Innovation Centre to locate a new office in the city. GSIC is a Microsoft-backed network of sports industry organisations and start-ups, that aims to nurture and support sports-related technological development. Originally based in Madrid, it is opening its new office in Singapore on December 7.

Lim said digital engagement efforts during the pandemic by sports organisations within Singapore had generated a large amount of participation in sports and fitness activity. Digitally-powered participation initiatives "represent a new market for us and for sport", he said.

SportSG encouraged local sports businesses and organisations to develop digital products and services during the pandemic. The agency handed out S$10m ($7.3m/€6.5m) in 'digital innovation grants', to 85 businesses, in the last year and a half, Lim said.

Lim mentioned several other notable projects in the pipeline, including talks with the GEF about events that blend virtual and real-life sport, and discussions at a recent meeting of Asean sports ministers about major cities in the region working jointly on sports participation projects.

He also said the Football Association of Singapore's current 'Unleash The Roar!' talent development initiative would seek to have an impact in other Asean markets, possibly working with Spain's LaLiga, a partner of the project. Lim noted that had "taken a backseat" in Southeast Asia during the pandemic, with governments focusing their attention elsewhere.

Professional and mass participation sports opened up much more quickly in North America and Western Europe than they did in Asian markets. But Lim expressed confidence in continued growth for sport in Asia and said SportSG was working with partner organisations in the industry to capitalise on growing demand

"I think we've seen the growth of demand for sport in Asia being quite exponential" he remarked. "I think the people, they are hungry, they want to be able to pursue sport, they want to be able to play sport. The question is how we connect our partner businesses so that businesses can benefit from this demand growth."

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Safia Abdel Dayem, Head of Women's Football Development at CAF and FIFA Master Alumna

ADVERTISING FEATURE

The Head of Women's Football Development at the Confederation of African Football (CAF), the Egyptian-Syrian Safia Abdel Dayem has always had a passion for sport. She played football in Egypt's first division league and also coached at youth level, when she realised that she wanted to move from the technical side of football into the management side of sport. That's when she took the decision to invest in education and applied, first, to the FIFA CIES Executive Certificate in Sport Management, which is run in partnership with the University of Cairo. "It wasn't long until I realized that there was still so much to learn and that I needed to know completely different points of view; and thus, I applied to FIFA Master, as I wanted to continue my education", she recalls.

Safia was part of the 14th edition of the prestigious programme, which ran from September 2013 to July 2014. After graduation, she joined the local organising committee of the UIPM Modern Pentathlon World Cup, which was hosted in Egypt. After that, she joined FIFA's Development Office in Cairo, before, eventually, going to CAF.

For Safia, heading women's football development at continental level "is all about finding creative and efficient solutions making them work." An avid learner, she says that best thing about working on women's football is that "there is always space for improvement, growth and learning". She also praises the diversity in the workplace as one of the things that she loves about her job. Balancing professional and personal life, however, is one of the biggest challenges of working in sports, according to Safia, mother of a 5-year-old boy and a 2-year-old girl. "Having a full-time job while rising two young kids at home has taught me a lot and helped me put life and my priorities into perspective", she explains.

In terms of career achievements, Safia rates seeing the CAF Women's Champions League come to life as a "dream come true". And there are other dreams that she hopes to achieve in her career. One being equity in job opportunities for men and women. "We're still far from that goal yet, but I believe that we will get there someday."

Sport is viewed as a men-driven industry. What are the particular challenges of being a woman working in sport? Is the environment for women improving?

Every woman is different and every challenge is different and their stories and challenges need to be highlighted more every day, however, what is clear to me is that these women are resilient. No matter what happens to them, they always keep going and they always keep shining. The environment is improving and women in sport are now more empowered than ever with the knowledge that they have.

Why did you choose the FIFA Master to continue your education?

I chose the programme based on its reputation, how it's been consistently ranked as one of the best in the world – and the best in Europe, which is where I wanted to study.

How important was the FIFA Master for your career?

It helped me reach my goal and after the master I moved to the managerial side of the game and was equipped with the necessary knowledge needed to work in sports organisations.

Which aspects of the FIFA Master helped you most in your career?

The law module gave me a better understanding of sporting structures and what they should look like.

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

Yes, I'm still in contact with several of my classmates and other alumni both personally and professionally. The network has helped me several times when looking for contacts in enhancing projects at work, it has also helped me when I was job hunting in the beginning.

What are your fondest memories of the FIFA Master?

Sharing traditional holidays and meals was always my favourite part.

What advice would you give to the current (or future) students of the FIFA Master?

Enjoy every part of it because it goes by too fast.

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DAZN will not be deflected on path to becoming world's top sports destination

Veronica Diquattro

Chief revenue officer Europe, DAZN

This season, streaming service DAZN became the primary broadcaster of Serie A in Italy. In this extended interview, Veronica Diquattro, DAZN's chief revenue officer Europe, tells *SportBusiness* about the company's experiences so far, and its ambition to be the world's top sports destination.

By Frank Dunne

Veronica Diquattro, chief revenue officer Europe, for global sports streaming platform DAZN, has dismissed negative headlines in Italy about the quality of DAZN's Serie A coverage and the company's plans to limit subscriber access to live coverage as "rumour and speculation". She said that technical problems earlier in the season were now resolved and described the Serie A deal in Italy as a "clear step forward" on the path to establishing DAZN as the world's top sports streaming service.

In March, DAZN acquired the exclusive rights to seven Serie A matches per matchday and the co-exclusive rights to the other three matches from the 2021-22 season, which began on August 21. Its offer was supported by a distribution deal in Italy with the country's dominant telco, Telcom Italia. For the previous three years, DAZN had shown only three matches per matchday. The new deal involved a considerable scaling up of the number of live streams the platform was offering.

In August, with the new season barely under way, buffering and outages left some subscribers without coverage for brief periods in several matches, including Inter's 4-0 win over Genoa. Italian consumer organisation Codacons immediately called on DAZN to be stripped of the exclusive rights to Serie A. In September, subscribers faced a blackout of 30 minutes during the midweek games Sampdoria v Napoli and Torino v Lazio. DAZN refunded one month's subscription fee to anyone affected.

Last week, senior executives from DAZN were called before Italy's minister for economic development, Giancarlo Giorgetti, in response to a torrent of outrage from fans and consumer groups about media reports claiming DAZN was set to stop subscribers having simultaneous access to live streams on more than one device this season. The individual use of simultaneous dual access to content through a single subscription has been available since launch but the conditions of use in subscriber contracts make it clear that login details are unique to each subscriber and cannot be shared with others.

Talking exclusively to *SportBusiness* at The Square, DAZN's new production facility outside Milan, Diquattro

Lega Serie A president Paolo Dal Pino (by Andrea Staccioli/ LightRocket via Getty Images).

said: “One thing is the actual performance, and the experience users have. The other is the rumours that get spread and built upon, as this all gets amplified on social media, sometimes even by users who have never actually experienced any problems. And people forget the same kind of discussion happened around other technological changes, like the introduction of satellite TV, with the whole debate about whether to put a satellite dish on your house and so on. The difference is that at that time you didn’t have any social networks.”

The consumer complaints were amplified by several Serie A club presidents, who were critical of the streaming service in the press. The league president, Paolo Dal Pino, warned that matches had to be broadcast without problem and it was up to DAZN to ensure that started happening immediately. The storm appears to have passed, for now.

“Compared to the beginning of the season, the Serie A presidents are now more on board with what we are doing, and we value the relationship we have with Serie A”, Diquattro said. “They made a commitment to innovation in the market, which was not an easy decision. Many presidents have publicly supported us, recognising that this is a journey, these are the normal steps – they see the bigger picture and understand the benefits to them as clubs.”

In such a febrile atmosphere, perception is almost as important as performance. “It’s an always-on process. We are talking to the users directly, to communicate the big improvements we are making. For example, from this week we have a higher level of picture quality, at 1080p, which is a step forward in terms of HD. We hope these things will be visible and will be perceived by users and that we can bring on board more and more of the stakeholders we need on our side in this journey.”

DAZN launched in Italy in August 2018, but the country’s broadband infrastructure proved less reliable than DAZN’s prior technical analysis had indicated it ought to be. “We know that entering a market and becoming the main point of reference in terms of top-tier rights is never easy”, Diquattro said. “That has also been the case in some other markets, like Japan. In the Italian market, maybe we had greater challenges. But at the same time, we are aware of the value of Serie A. We know that everything that touches it in the market needs to be taken very seriously and treated with great care.”

On the issue of limiting access on multiple devices, Diquattro said that it would never have happened during the current season. The company has been looking at its options for the future because there have been multiple cases of people accessing DAZN streams illegally and even commercialising the streams via social media or their own apps. If the company didn’t act, the unlicensed exploitation of its coverage would undermine the value of Serie A rights in future. The meeting with Giorgetti and his undersecretary Anna Ascani had been “very pleasant”, she said. The two parties had discussed DAZN’s investment in technological infrastructure in Italy as well as how best to combat piracy.

Cumulative live audiences for Serie A coverage in Italy are now peaking at over seven million per match weekend. The broadcaster’s revenues from advertising and sponsorship around its coverage have increased by 20 per cent on last season. DAZN does not release subscriber numbers, but Italian newspaper Il Sole 24 Ore last month put the number at about 1.9m, with 1.2m subscribing to DAZN and 700,000 accessing DAZN’s coverage via Telecom’s TimVision streaming service.

Diquattro declined to comment on a report last week in Italian newspaper La Stampa that Telecom was looking to renegotiate its agreement due to a lower-than-expected take up of its Serie A package. DAZN, she said, is committed to the partnership, which is “a very relevant part of our strategy”.

Since December 2020, DAZN has been available in over 200 markets worldwide. In April, the company’s co-chief executive James Rushton, raised the prospect of DAZN being taken public by its parent company, Len Blavatnik’s Access Industries, through an initial public offering. He told the Reuters news agency he could see DAZN “tapping the public capital markets or private capital markets over the next few years”. The smart money is on this happening next year.

Diquattro refused to be drawn on ownership plans. “We’ve never confirmed an IPO or specific actions around that. What I can say is that we are very well backed by our long-term investor, Access Industries. And being a fast-growing company, we have many options on the table in terms of our next steps.”

Changing habits

Diquattro joined DAZN in September 2018, after nearly six years at music streaming service Spotify. She sees similarities between the two companies in terms of their ambitions. “Obviously, at Spotify we were talking about audio, and at DAZN we’re talking about entertainment and about sport. It’s all about changing the way content is consumed and understanding what business model is economically viable for all the stakeholders in the chain and responds to what users want, the way the user wants to consume that specific content. There are similarities in the passion linked to music and the passion linked to sport. That leads us to continually look to enhance the experience, to create something that becomes a

DAZN co-chief executive James Rushton

complete point of reference, so DAZN becomes the same kind of destination for sport that Spotify became for music."

The future for DAZN is one where things like betting and gaming are fully integrated into the viewing experience. "That is the vision we have: a more immersive, 360-degree experience, where the user is not only watching but playing, sharing, betting, interacting and talking to other users. These are fundamental aspects of enriching the experience. That's the destination, and one of the differences between OTT and linear. Linear allows you to do to one thing: watch the content. This new technology and the innovations around it enable the overlay of multiple features on the content. This is a real benefit of OTT and streaming."

This month, DAZN acquired Israel-based video streaming company Texel, through which it has launched an innovation hub called DAZN X, which will focus on building fan engagement by developing interactive content layered into DAZN's live coverage. DAZN X will enable subscribers to communicate with friends, play and shop while watching live sport. The deal was part of DAZN "wanting to be ahead" of the field in terms of innovation and new technologies.

"Texel is a leader in terms of engagement features on audiovisual content. The mission is to create this DAZN X hub where we work on all these new features, in terms of engagement, and being able to present the developments in the market faster, thanks to this acquisition. It was a way for us to accelerate this ambition and do it with a company that is recognised as being the leader in some of these new features."

Streaming technology provides operators with a massive amount of user data, something which informs every decision made at DAZN. "Data impacts everything in terms of how we invest in content, in rights and production. We know with live and non-live content how users watch the content, when they join, how many minutes they watch, whether a specific property is successful or not. It allows us to optimise our resources. It helps us decide what kind of formats to use pre-match and post-match, during the breaks, as well for the shoulder and on-demand content. How long should the content be? What kind of content works best? This enables us to create a new communications language which has become part of our DNA. Fresher, more dynamic, faster, shorter. Capturing the attention of the user in a way that completes the live experience. This work is continuous. It means we can direct an editorial strategy at both a local and global level."

'Shorter', arguably, is the key word, and one that represents a major challenge for any media company whose value is wrapped up in live sport. Most audience research points to younger people watching less live long-form content than ever before. DAZN's response is investing in more 'snackable' content to complement live.

"The content needs to be interesting enough and catchy enough to compete for a share of attention," Diquattro said. "You're not only competing with entertainment; you're competing with music and everything else. We do think that the younger audience is consuming a lot of this type of [short-form] content, and is often doing so on mobile devices. It's not just about short and fast content, but about content which can be consumed on mobile while they're doing other things.

"That led us to focus a lot on 'snackable' content – formats that give you something interesting to watch and at the same time is fast and fresh. That doesn't mean we're not investing in longer formats, because obviously, these are also part of the overall experience and appeal to a different type of target. The key is understanding the targets you have, providing the formats that fit best for those audiences and adapting the content to the format."

Premium content, growth opportunities

The Serie A deal in Italy is DAZN's biggest single investment in rights globally. Of the €840m per season rights fee, the net cost to the streaming service is €510m per season, as Telecom contributes €330m per season. DAZN had earlier acquired premium rights in other European markets, such as the Bundesliga and the Champions League in Germany.

The platform also carries a large volume of what would normally be classed as second-tier content, such as lower league football, US sports, fights sports, darts and volleyball. In that respect, DAZN's portfolio doesn't look too different from that of a traditional pay-television broadcaster like Sky or Fox Sports. The problem, according to DAZN's former chairman John Skipper, is that only a small handful of super premium properties really drive the business for a sports OTT operator.

In an interview with Bloomberg in September, Skipper, the former president of US sports network ESPN, said of second- and third-tier rights: "None of that stuff works. What works is top of pyramid rights that people have to see".

Diquattro's answer to this is that the company must be smart in identifying growth opportunities outside the premium tier. "On one hand, the top-tier rights, like Serie A in Italy or the Bundesliga and Champions League in Germany, are obviously the ones driving users to the platform and account for the bulk of the acquisitions", she said. "But at the same time, we also look at rights that are maybe under-exploited, where there may be a lower audience level but where we see a massive growth opportunity by offering the visibility we can give them on the platform. It's a combination of both [types of rights], and that combination depends on the individual market and the stage of development of the sports industry."

She points to examples such as boxing rights in markets like Germany and southern Europe and the

investment in the global rights to the Uefa Women's Champions League. "With the Uefa Women's Champions League we think there is a massive opportunity to develop the property. Maybe it won't get to the level of the [men's] Champions League, but it's a process. The return may not be as immediate as with the top-tier rights but if you get in early on, it allows you to be in the front row as the property develops, so you can capitalise when the audience has grown."

The challenge inherent in Skipper's analysis is that being a successful sports streamer is a painfully expensive business. In Europe, there are two further challenges: for regulatory reasons, premium rights are invariably sold for only three years and – usually – are not sold on a multi-territory or regional level. They have to be won, at high cost, in every single market, with no guarantees of a renewal after what is, effectively, a three-year lease.

Diquattro suggests the way an OTT sports platform can mitigate these problems is through the quality of the product and the user experience. Winning over fans will convince rights-holders of the value of the partnership, improving the company's chances in the marketplace.

"The product and experience that you are able to provide is going to make a difference in the future, both for the users and the rights-holders. That's why we are investing so much right now in engagement features and on-demand content – the ecosystem that we are creating around live sports is going to make fans and rights-holders say 'the experience of watching is so much better on DAZN versus the other platforms'. This is the objective."

FC Barcelona lifts the trophy after winning the 2020-21 Uefa Women's Champions League final. (Photo by Fran Santiago – UEFA/UEFA via Getty Images).

The analysis is not surprising, given Diquattro's experience of the music business, which lost billions in revenue in the last decade when it failed to respond quickly enough to changing consumer consumption habits driven by internet technology.

"The music industry went from a situation in which we were bidding against each other for exclusivity of content towards a situation where content became commoditised. And the real difference was the quality of the product and the quality with which we were able to provide the content and help you discover more content. In the middle to longer term, that's the view: how do you create something stronger, that goes beyond the live rights you have and creates a relationship with the user, so that user is going to prefer you as a platform and as a brand?"

Market by market

DAZN's deal for the Women's Champions League, from 2021 to 2025, and some of its boxing contracts, include rights on a global basis. Some observers believe that as the media industry gradually becomes dominated by a small handful of global tech players, rights will increasingly be sold this way. But if this does happen, it appears to be at least a decade or more away. The supply side doesn't work like that, at least for premium sport. The majority of rights-holders still believe they can earn more going market by market.

"It's difficult to get rights to interesting properties on a global basis", Diquattro said. "Every market has its specificities and content is absolutely localised. We have done it with boxing to certain extent. We've done it with the Women's Champions League. But I wouldn't say it is going to be so easy to implement successfully right across the board. I still see local properties being the core aspect of rights-acquisition strategies. And then looking for opportunities to go in other directions. But I see that as complementing the properties that are key in specific markets."

DAZN has a commitment to supporting women's sport. Its investment in the Women's Champions League rights was predicated on the potential for growth in the property but also reflected that commitment, Diquattro said.

"It is definitely a strong statement of our commitment to give visibility and support to women's sport in general. We think it helps create a virtuous cycle that we need to implement. Broadcasters have a responsibility in that. Until you give visibility to this content, it is not going to be able to attract investment and resources from brands, sponsors and so on. It's not going to be able to invest in talent development and growth. We do really believe that needs to be changed, because we know how many passionate fans there are for women's sport. We wanted to take a very strong stand in this regard. Putting it on for the first time ever, aggregating it on one platform at a global level. And making it free by using our YouTube channel for some of the matches. It's a process of understanding what is needed to reach your objectives, which may take time. But you need to commit and demonstrate that you support it as a company."

As a woman with power at the nexus of two male-dominated sectors, media and sport, Diquattro remains in a small minority. Dragging those industries into the twenty-first century and getting them to reflect what society actually looks like, should not be such a major challenge in 2021. It's part of a wider issue, Diquattro argued, and one which is holding back the development of the industry.

"There needs to be much more openness to diversity in general, as that is the key to accelerating innovation and making better decisions to create more value. Diversity for me is not just about male or female. It encompasses different types of experience, different ages, different perspectives. That's what needs to be done in terms of a shift of mindset at all levels. We are seeing some positive steps in this direction, but we are still in the middle of the journey, and it's important, so thank you for this question. It's important to talk about it, to underline it, because the more we talk about it the more it becomes visible, the more the entire system realises this."

The hope is that in the not-too-distant future "we can get to a day where we don't need to even talk about it anymore". ◆

Community to the fore as Abu Dhabi prepares for swimming showpiece

To the casual sports fan, Abu Dhabi is probably best known for its staging of the season finale of the Formula 1 World Championship.

The capital of the United Arab Emirates has hosted an F1 race since 2009 and will do so again from December 9-12 this year.

Normally, the Abu Dhabi Grand Prix would bring the curtain down on the emirate's world-class sporting calendar, which spans the very best of F1, cycling, golf, tennis, triathlon, marathon running, jiu-jitsu, cricket and more. But 2021 will be different as the FINA World Swimming Championships (25m) arrive in spectacular style from December 16-21, providing a huge boost to a flourishing aquatics scene that is underpinned by elite competitive action.

Long-term commitment

The event, which will attract more than 1,100 athletes from over 180 federations, will mark the climax of a long-term partnership between the UAE and Fina, the global governing body of aquatic sports.

The Championships will take place at the Etihad Arena, an 18,000-seat venue that opened in January with three Ultimate Fighting Championship (UFC) fight cards. Such was the success of the events, UFC returned to the arena on October 30.

Abu Dhabi's major event credentials have been enhanced further in recent weeks as the city served as one of the hosts of the International Cricket Council's T20 World Cup. A World Triathlon Championship Series event was also staged on November 5, while Abu Dhabi's net will be cast even wider next year when the city stages two NBA pre-season games in October – the first such contests in the UAE.

Before then, attention is firmly on the World Swimming Championships (25m) – an event that has been six years in the making after the Covid-19 pandemic forced its postponement by 12 months.

"Abu Dhabi hosting the Fina World Swimming Championships (25m) represents the culmination of a five-year partnership with Fina, stretching back to 2015, when the UAE'S capital staged its first open-water swim," says Abdulla Alwheibi, the Championships' tournament director at the Abu Dhabi Sports Council.

"Since then, the UAE has gone on to host a series of FINA World Cup events, which has evidently helped towards raising interest for the aquatics sporting field across local communities, as well as raising Abu Dhabi's profile across the global aquatics field."

Natural progression

Alwheibi feels hosting major swimming and aquatics events is a "natural progression" for a destination that sits on the Persian Gulf coast and provides a wide array of open-water and indoor swimming opportunities for locals and visitors alike.

The official logo for next month's Championships depicts an elite swimmer made out of pearls, powering through the water. The logo is a nod to pearl diving, which was a cornerstone of the UAE's economy in the late 19th and early 20th century.

"It is representative of both the city's proud heritage and the competitive nature of the championships," says Alwheibi.

As Etihad Arena is not primarily an aquatics venue, two swimming pools, measuring 25m x 26m and 25m x 20m, are being shipped from Italy to the UAE via 10 containers. Water will be pumped into the pools over three to four days and it will then take four days to dismantle the facilities following the event.

Alwheibi says the main pool is likely to stay behind in Abu Dhabi following the event, with the Sports Council currently looking at plans to relocate it to a local sports centre where it will serve as an outdoor swimming facility for the community.

"The thrust of our legacy effort will be focused on involving the local community," he says. "We recently launched multiple swimming programmes offering the local community access to free learn-to-swim classes and swim safety programmes, in partnership with the UAE Swimming Federation and Daman, a leading health insurance specialist in the country.

"We are also working closely with local schools and swimming clubs to ensure hosting this event sparks a passion in youth nationwide – both through providing access to clinics and Q&As with the superstar athletes coming to compete, as well as access to all the Championships action."

Aquatics momentum

Going forward, the Sports Council will look to maintain aquatic sports' momentum in the city by hosting local, regional and international swimming events. In October, Abu Dhabi's Mohammed bin Zayed City pool staged the Arab Swimming Championships, which attracted 174 swimmers from 17 countries.

The Sports Council has set a daily attendance goal of 2,500 during the Championships – a target Alwheibi says they are "tracking well towards". Interest in the event has been driven by the Sports Council's extensive outreach programmes involving swimming clubs across the country, with support from the UAE Swimming Federation.

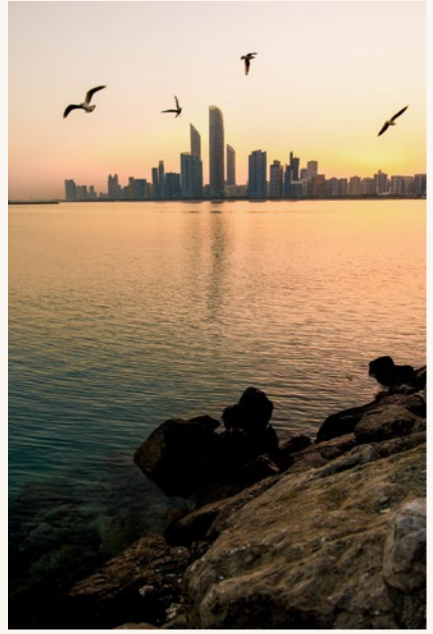
Numerous swimming clubs from across the UAE will attend the event, which will be supported by more than 500 volunteers. The 'Market Street', a family-friendly interactive village, will aim to broaden the appeal of the aquatics showpiece.

"Alongside the public interest, commercial interest is very encouraging," says Alwheibi. "As well as welcoming many of Fina's international sponsors to the event, we have secured partnerships with multiple leading brands such as Etihad Airways, Miral, Aldar, Daman National Health Insurance, FINIS and Xerox. This will further add to a fantastic week of entertainment for swimming fans, sports fans, corporates and families across the UAE."

Legacy

Alwheibi hopes that the event's legacy impact can be wide-ranging.

Improvements in health and wellness are being targeted, along with building community spirit, driving the discovery of local talent, and enhancing Abu Dhabi's burgeoning reputation as a world-class destination for sports and aquatics.



"For some time now, Abu Dhabi has been on a clearly articulated journey towards making sport a way of life for our community – something that can be clearly seen from our strategic development of sports in the emirate," Alwheibi says. "Our effective, emirate-wide sports calendar sees the organisation of regular community events, races and activations, as well as elite world championship events such as this one.

"If we turn to high-performance sport, just look at the multiple athletes who represented the UAE in the Olympic Games, as well as many Olympians who have chosen the UAE as their training base since the last Fina event hosted in the UAE.

"Seeing young Emirati swimmers – like Yousuf Al Matrooshi, who competed at the Tokyo Olympics, and Layla Al Khatib – compete here in December, will be hugely inspiring for the youngsters in the crowd and will engage the community, and hopefully leave a legacy for sport in the region." ◆

Sports media's transition to a streaming-based future grows more turbulent

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The latest quarterly round of US corporate earnings reports paints a grim picture of the American media business's ongoing attempt to pivot to a streaming-based future.

Walt Disney Co.'s ESPN+ posted a decent third-quarter uptick in subscribers, but sister services Disney+ and Hulu saw their growth plateau. The company warned robust subscriber increases are not likely to return until at least late 2022, and will also fluctuate seasonally more than initially thought. Sinclair Broadcast Group disclosed it doesn't have nearly the amount of club-level streaming rights previously suggested for the regional-level sports streaming offering it is developing. And Comcast Corp. didn't even report a current number of sign-ups for its Peacock, veering from its quarterly norm since that service debuted last year.

Even before the run of recent earnings reports, some financial analysts had begun to cut their long-range forecasts for major US streaming services, and the trend has picked up since.

The conversion of cord-cutting consumers to digital platforms was already a rather treacherous one, given that streaming consumers, on average, provide less revenue than linear subscribers, something ESPN continues to experience as it sheds more television households.

But what happens when even the prospect of any sort of direct subscriber-to-subscriber replacement shifts further away from reality?

The short-term answers to that question will likely include plenty of corporate turbulence and investor frustration, and shares in Disney, Sinclair, and Comcast are already down double-digit percentages since the summer.

To be certain, not all is broken in US sports media. Rights fees continue to rise to new records, reflecting the increasing importance of live sports across the entire American media landscape. And properties such as the NFL, MLS and the Big Ten Conference each produced historic levels of viewership over the Thanksgiving holiday.

But much of that is uplift still based around broadcast television, and even for those record-level draws, the streaming audiences generally amounted to at most two per cent of the overall viewership.

So what is amiss? Why is the arrival of the digital future slowing?

There are many complex answers to those questions. But perhaps the foremost factor remains the already long-held resistance by consumers to adopt anywhere near the full range of streaming options available. And while traditional cable and satellite packages offer a full range of programming in a single service, replicating that in a streaming universe requires subscribing to numerous providers, something many consumers have fervently resisted as they are increasingly overwhelmed by the available choices, due to both total cost and subscription fatigue.

It is the cable bundle that consumers are shedding in ever-greater numbers. But in many ways, it is the bundle, or at least some meaningful form of one, that many consumers still want, and which could provide the programmers and distributors a pathway toward a more promising future.

Until that issue is meaningfully solved, the quarterly reports from the media titans will likely continue to show signs of stress.

And those media entities in the coming months and years will also face increased competition from their own league partners – such as Major League Baseball, which is looking to develop its own in-market streaming offering. League commissioner Rob Manfred called that emerging effort "an opportunity to be seized".

Strap in, as the large-scale digital conversion looks to be a decidedly bumpy ride. ◆

International sports organisations face a transformed landscape in China

Is there a sports market in the world that has experienced more seismic shifts in the last two years than China's?

Let's recap some of the highlights and lowlights.

July 2019 – The NBA agrees a record-breaking digital media rights deal with Tencent for the 2020-21 to 2024-25 period.

October 2019 – The NBA's business in China is rocked by the Daryl Morey tweet incident. The league goes on to suffer a reported $200m loss in revenue.

January 2020 – A sharp government response to the Covid pandemic puts a stop to all international sports events and many domestic events in China. These restrictions are essentially still in place and are expected to run throughout most of 2022.

September 2020 – The English Premier League terminates its digital media rights deal with streaming platform PP Sports. A series of other deals are subsequently renegotiated or end early as the previous market-leader in sports streaming all-but collapses.

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February 2021 – Chinese Super League champion Jiangsu Suning collapses, after owner Suning withdraws financial support. Despite efforts by Chinese football authorities, the country's club game remains in dire financial trouble.

Mid-2021 – Rights-holders formerly with PP Sports, including the CSL, the Premier League, Uefa, the German Bundesliga, and the Italian Serie A suffer swingeing cuts to their media rights values in China, in new deals agreed this year.

October 2021 – The NBA announces a rights deal with Migu, the outcome of which is that the league's digital media rights income from China between this season and 2024-25 will be, remarkably, more than that envisaged at the time of the record-breaking July 2019 deal.

November 2021 – The WTA announces the cessation of all tournaments in China on the back of the Peng Shuai affair.

December 2021 – The US announces a diplomatic boycott of Beijing 2022.

For international sports organisations, particularly Western-based ones, the upshot of these developments is that China has turned from being a land of opportunity into one of the most challenging markets in the world.

The challenges fall into two broad categories:

(i) Economic – In the sports media business in particular, the paying audiences that it was hoped would develop for sport have not materialised. More broadly, international sports brands are facing in China an amped-up version of challenges witnessed in other markets – young audiences that are less enamoured with their product than previous generations and there is a dizzying amount of competition from gaming and other digital entertainment genres.

(ii) Political – The growing political rift between China and the West presents another massive area of challenge, particularly for Western-focused organisations.

Most difficult of all, sports organisations are being asked whether they can align their 'values' with their business in China. In some cases, they clearly cannot answer these questions honestly or directly without damaging their business either in China or at home, and are thus coming under fire.

In a world where rights-holders put their values at the heart of their brand building, trumpeting them from the rooftops, realpolitik approaches may not be acceptable to fans and customers.

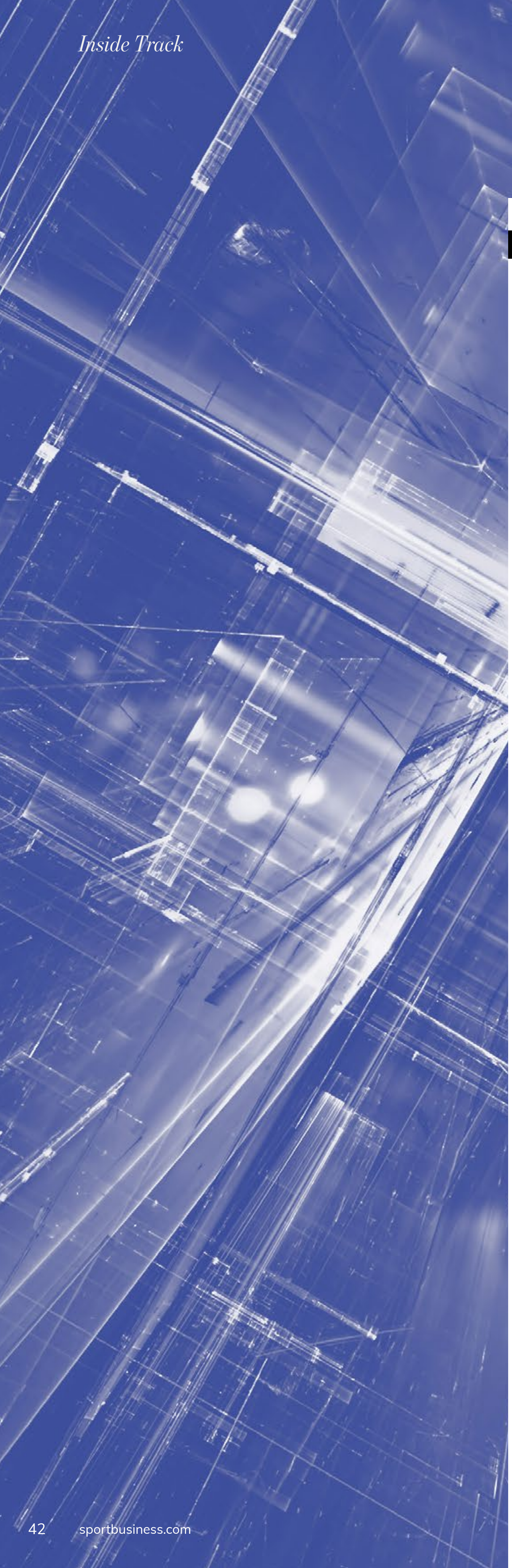
What does 2022 hold in store?

The next most likely candidate for an industry-shaking China story is of course Beijing 2022. At the time of writing, the US diplomatic boycott had just been announced. Such a move arguably sounds more dramatic than it is – the absence of a few B-list political figures from the opening and closing ceremonies at a Winter Olympics is not a huge deal. An athlete boycott would be much more consequential, although does not appear to be on the cards at present.

Even in the recent boom years, China was a challenging market to navigate for overseas sports organisations. Now, it requires an even more careful approach. Expert local knowledge, clear, strategy, and contingency planning must all be in place.

Few companies, and few sports organisations with global ambitions, can afford to ignore the world's second biggest market. Organisations like the NBA and the UFC show that strong commercial outcomes are still possible.

But the costs of doing business in China are rising. The WTA is the first major sports organisation that appears to have reached a tipping point where that cost has outweighed the advantages. Will more follow? In the interests of political harmony and continued growth in the sports industry, we can hope for more economic stability in the Chinese market and a dialing down of East-West tensions in 2022. But there will be no escaping that this is a market profoundly changed from two years ago. ◆



Guest Opinion

Web 3.0 and The Third Age of Sport are upon us

Lewis Wiltshire
Seven League

As we head into 2022, two things will happen.

1) Having spent 2020 trying to stay afloat during an unprecedented global crisis, and then 2021 trying to bounce back from it, people will realise they don't have a business plan for the 2020s, and they'll panic because we're two years in.

2) These people will dig up from their subconscious a recollection of someone banging on about 'Web 3.0'. Didn't Facebook announce something about a 'metaverse'? They'll assume these things ought to be part of their plan and will scramble to understand what they mean.

If that's you, and you join us from that Google search, welcome! You're not too late, but we do need to crack on.

Before we get into the exact details of what is coming, we can probably agree that something is coming. For the first time in a long time, the internet is fundamentally changing.

For any of us who were around and involved during the transition from Web 1.0 to Web 2.0, the tell-tale signs are there. I was in a meeting last week where someone referred to 'the metaverse' with a mildly embarrassed smile while doing quotation mark signs with their fingers. Let me tell you, that is exactly how people used to say 'social media' in meetings in the mid-00s. Almost certainly that's how people said 'the internet' in meetings in the 90s.

During the mid-00s, I was working at UK public-service broadcaster the BBC and was obsessed with the idea of a new internet – an internet of personalisation and participation for every user. Within BBC Sport, my voice began to be heard and we started to take the social web seriously. I became editor of the BBC Sport website and took on responsibility for BBC Sport's social media presence, becoming its first social media editor.

It was an exhilarating, revolutionary time. In 2004, Facebook was launched. In 2005 came YouTube. In 2006, Twitter. In 2007, the iPhone. It was a period of constant innovation that transformed how the world interacts.

The consumer-facing platforms and products built during that time would define everything we did online for the next 15 years. Web 2.0 was built around mobile and social.

So what's changing?

The emerging technologies of Web 3.0 – crypto, blockchain, NFTs, dramatically enhanced versions of virtual reality technology – are so fresh that it's undeniable we're moving into something new. None of this terminology was central to Web 2.0, but in 2021 all have become commonplace in marketing and digital media discussions.

But what these concepts mean for the future of the internet changes depending on who you talk to.

Mark Zuckerberg sees a third age of the internet in relation to a 'metaverse' – a virtual world where we can work and enjoy leisure pursuits, experienced via VR technology. Facebook has created a new, umbrella company for its suite of products, called Meta. This is a sign that even Facebook thinks we're moving away from the dominance of social media apps (including Facebook) and a pointer to what Zuckerberg thinks the new world will look like.

VR is not new, but what Meta envisions is so new that it could take the rest of the decade to build, if it gets built at all. The sports industry should be aware that we would consume entertainment in that world, as well as potentially paying to access it via that world's (crypto) currency.

For other people, Web 3.0 means a move towards a decentralised internet, freed from the ownership of a handful of tech giants, with power returned to the people. This vision would be delivered via blockchain technology. Blockchain is a digital ledger of transactions not owned by one gatekeeper, but instead recorded by connected systems.

Non-fungible tokens (NFTs) – the hottest topic in sports right now – are possible because of blockchain.

The result of this battle – between Web 2.0 tech giants who want to usher in their version of Web 3.0, and those who feel the entire point of Web 3.0 is to move away from centralised tech giants – will define what the new era of digital looks like.

The history of the internet has been a struggle between those who see it as a democratising force, owned by nobody, and those who end up owning it, often by accident, and then having realised they own it, would prefer to not lose it. Without a shadow of a doubt, the struggle will continue in Web 3.0.

Will the internet ever really be decentralised?

When you search Google for 'Web 3.0', you will mostly find articles that paint an optimistic vision. It will be decentralised! It will be open-source! We'll throw out the gatekeepers!

The funny thing is, Web 1.0 and Web 2.0 were both supposed to achieve these goals, but did not.

Web 1.0 was controlled by ISPs (internet service providers) and big publishing companies. We accessed the internet via AOL or Yahoo and were presented with portals showing us lots of news and other information. It was refreshing to no longer have to choose one source of news.

But we hadn't democratised news or removed gatekeepers. We just had new ones (ISPs) who created or curated content, while the big beasts of traditional media (newspapers and broadcasters) created flat, one-dimensional websites that were a click away from the ISP portals. They published news at us, with absolutely no thought that we might want a voice of our own.

Enter Web 2.0: blogs, social media, app stores, Kindle stores, participation, personalisation. The barriers of entry to publishing news and other content fell, and everyone gained a voice.

This time, we really did democratise the internet, right?

Again, no. We allowed everyone to have a voice but, in doing so, we created yet another generation of gatekeepers.

The social media companies – initially seen as liberators because of the platforms they gave us – inevitably came to be seen as gatekeepers, and in some cases oppressors. In the sports industry and other sectors, trust has been eroded by issues around data, piracy and harmful content.

I genuinely believe the world is a better place because of Web 2.0. I will always argue that the good of giving everyone a voice has outweighed the bad.

But let's be real: it became an advertising duopoly controlled by Google and Facebook. And there has been some really nasty stuff unleashed on Instagram and Twitter – from a minority, but no less serious for that. In the optimism of 2004-07, none of us foresaw the exact way all of this has played out.

A decentralised internet could bring further, fascinating change. Today, we can be outraged by the latest Facebook controversy and the company's executives may be summoned before committees of the houses of Congress or Parliament. Would it feel more or less scary with a decentralised internet, when officials know they should summon someone, but have no idea who?

Sport's learnings

When you read articles that breathlessly gush about a decentralised, open-source internet in the Web 3.0 era, it's wise to learn the history and proceed knowingly.

This applies within sport. I propose that sport's learnings from Web 2.0 have been:

- We can use new tools to reach millions of new fans around the world, grow our audience, and monetise it.

- New technology is exciting, but the way people use it can be terrifying. The tribal nature of some of our sports is rarely, if ever, anticipated by tech companies when they build products. This puts our athletes and fans at risk and becomes our problem to police.

- Unless we're incredibly early to build our own tech – which is not comfortable territory for sports rights-holders – we have to this point been forced to reach our fanbase mostly through third parties.

The sports industry's success in Web 3.0 will largely be driven by how these three issues evolve and how we respond. We can start now, by creating strategies for new technology while learning the lessons of Web 2.0.

To give one theoretical application of blockchain in sport, a team's season ticket could be resold unlimited times, in effect as an NFT, and the club could take a percentage of every sale, because every transaction for that ticket is recorded. That's a new, Web 3.0 revenue stream, plus we've solved the problem of ticket touts!

As good as this sounds, it could also be the moment you feel a sudden, Web 3.0 loss of control: our season tickets are just... out there, on sale, and not by us? Will bad-faith actors exploit that relinquishing of power? What issues will we have to deal with alongside that new revenue stream?

To give another example: it will be very possible for season ticket holders to attend a special, VIP briefing from a team manager ahead of a game and, after hearing a star player is injured, to sell their ticket for that game via blockchain to someone in China, who attends it virtually. During that sequence of events, we can anticipate which platforms will be involved, what our relationship will be with those platforms, and who controls the data and revenue.

Strategy time

The one thing the sports industry can be clear on is that not having a strategy for Web 3.0 is not an option, any more than it was an option in 2005 to suggest social media was a fad that would blow over.

At Seven League – now part of IMG – we believe that, as well as Web 3.0 technology coming down the line, sports audiences are changing. We foresee a 'Third Age of Sport', where rights-holders must compete harder than ever to reach and engage audiences, but where the benefits can be greater than ever.

Gen Z grew up during Web 2.0 and have never known a world without smartphones, social media, and a voice of their own online. In the 2020s, Gen Z are our customers, our new hires, and our future leaders. They will use their voice to bring about social change and will demand that we meet them on their territory, in every sense – in the real-world, in the metaverse, in how we speak to them, and in how we treat their data.

There is very good reason to be optimistic: the one constant from Web 1.0 to Web 2.0 has been the love that sports fans have for our product. In Web 3.0, the passion for sports will endure. It's then about whether we're ready to provide products and services that work in that world. Not having a plan for this is not an option. Let's go! ◆

The All Blacks celebrate after defeating the USA Eagles (Credit: Getty Images)

All Blacks remain hopeful of Silver Lake deal amid US trip to extend commercial reach

- New Zealand Rugby looks to utilize USA Eagles match to help grow game in America
- Organization's executives travel to States to meet current, potential financial partners
- Silver Lake investment still "on the table" but further talks needed with players' union

By Bob Williams

The All Blacks may have humiliated the USA Eagles 104-14 in the inaugural 1874 Cup match held October 23 at FedEx Field in Maryland. But New Zealand Rugby officials remain confident that the return of rugby union's flagship team to United States soil for the first time since 2016 will prove extremely beneficial in helping to grow the game both on and off the field in the region.

Almost 40,000 spectators attended the match at the home of the National Football League's Washington Football Team, representing a credible statement about the popularity of the sport in the States in the week that USA Rugby unveiled further plans to stage the men's Rugby World Cup in either 2027 or 2031 and the women's event in 2029.

Some rugby union observers did question the validity of the US men's national team playing the all-conquering All Blacks, such was the one-sided nature of the match which left USA Eagles head coach Gary Gold feeling "devastated" afterwards.

But New Zealand Rugby felt it was an important statement of intent for the All Blacks to make the trip to Washington DC to help give American players a rare opportunity to compete against the very best players in the world, and to allow the ever-growing number of local rugby union fans a chance to see the iconic team up close.

"We – New Zealand Rugby and the All Blacks – have a real belief in trying to continue to grow the game

> *“Playing a match in a relevant time zone is an opportunity to connect with them, as opposed to being far away.”*

globally and we certainly see North America generally as a market that we believe has a real growth opportunity for rugby,” New Zealand Rugby chief commercial officer Richard Thomas told *SportBusiness*. “We’ve been emotionally committed to that for a while, hence playing games there in the past and hence one of the reasons we’re back there now. We really see some of our role as having not just desire but a responsibility to take a growth approach to the game.

“Secondly, we have a duty to play nations who are trying to develop the quality of their teams in terms of their ability to compete with the top nations because ultimately our belief is that you will only improve if you start to test yourself against some of the top nations,” Thomas added.

Such are the demands on the All Blacks’ time in a somewhat limited international calendar that Thomas cannot say how often the 1874 Cup will take place going forwards. But it is clear that the All Blacks have a firm desire to return to North America regularly in the coming years to directly engage with local All Blacks fans.

“As we look at our global fanbase for our teams in black, there is a pretty decent sized audience in North America and in the US particularly,” Thomas says. “Playing a match in a relevant time zone is an opportunity to connect with them, as opposed to being far away. This doesn’t necessarily mean people are all going to turn up but playing in the right time zone and the country of relevance for our North American fans, we think gives us a chance to connect more strongly with those fans as well.”

New Zealand Rugby is not yet ready to commit to vote in favor of the United States hosting the Rugby World Cup later this decade. The union, however, is supportive in general of the efforts for the US to host the flagship global tournament.

“We’re really supportive of trying to find an opportunity for a Rugby World Cup to come to the US,” Thomas says. “What the timing of that is to be confirmed but we would say it would be potentially a great opportunity if a World Cup was able to come to the US at some point in the future.

“Therefore, does us playing in the US we hope contribute to that ongoing possibility? Well, we would hope it would,” he says.

Lucrative Altrad, Inoes deals “strengthen and secure” finances

As well as helping to grow rugby union Stateside, the trip to Washington, District of Columbia, also served as a meaningful commercial opportunity for the All Blacks.

Alongside Thomas, New Zealand Rugby chief executive Mark Robinson and two other colleagues went to the US to have face-to-face meetings with some of the organization’s current commercial partners who have an American presence as well as potential new partners.

Meanwhile, sponsors such as AEG, Tudor Watches, and Air New Zealand also activated around the game. But due to Covid-19 restrictions, the players were radically restricted in the in-market promotional work they were able to undertake.

New Zealand Rugby’s renewed commercial efforts come on the back of two landmark deals secured this year: a six-year jersey sponsorship deal with French construction services company Altrad and a wide-ranging agreement with United Kingdom-based petrochemical company Ineos.

“From a commercial perspective, securing a new front of jersey partner from 2022 onwards in Altrad and our official performance partnership with Ineos are really really positive for us. When you go into a process when a long-term partner like AIG is moving away you don’t know exactly where that’s going to lead you,” Thomas says.

“Obviously having that financial support from AIG has been really important both in terms of enabling us to do what we do at a team level but the money that comes in to New Zealand Rugby through our high-performance teams does flow down into our game. That really underpins our funding model for grassroots rugby as well. To strengthen and secure that is really important,” he says.

These deals are reportedly worth a combined $26.7 million (€23m) a year, plugging a major financial hole for New Zealand Rugby in the wake of the Covid-19 pandemic and further proving the immense commercial value of the All Blacks.

“What we’ve seen through the process with these new partnerships is that [with] the All Blacks particularly, there is increasing interest in all our teams. [Our teams] have a real attraction on a global stage and our research would show that the attraction of the [All Blacks] brand is bigger than the game almost,” says Thomas.

“Certainly the winning percentage, the high performance results of our teams are a critical element of the desire to associate with us but actually what we find is the key pieces that make the difference are the values and culture that our teams bring to the table,” he says.

Silver Lake investment deal “still on the table”

One major uncertainty for New Zealand Rugby is the proposed investment in its commercial rights by US private equity company Silver Lake Partners.

In April, New Zealand Rugby and the provincial unions gave unanimous backing to the deal, which would involve the sale of a 12.5-per-cent stake in the board’s commercial rights business for NZ$387.5m ($282m/€232m).

This would effectively value New Zealand Rugby’s commercial rights business at US$2.26bn, similar to the valuation for some National Basketball Association and Major League Baseball teams in the US.

The New Zealand All Blacks and the USA Eagles shake hands and exchange jerseys before playing at FedExField on October 23 (Credit: Getty Images)

(Patrick Smith/Getty Images)

The New Zealand Rugby Players Association opposed the deal, however, citing concerns over potential damage to the All Blacks' brand and limitations on wider commercial opportunities.

"New Zealand's rugby players play for themselves, their family and their country with a commitment to success that is demanded by history and required by legacy. New Zealand's rugby fans understand this commitment and see in it the essence of what, from one perspective, it means to be a New Zealander," the NZRPA said in a statement.

"This, above all, is what NZR is selling and Silver Lake are buying. 129 years of history and talent and results that record extraordinary success, achieved only because of who we are and what rugby means to us. No one else has done it. No one else could have done it. We believe there is a risk that this special bond and the nature of what rugby means to New Zealanders, players and spectators alike, is at risk in the proposed transaction," the statement said.

Thomas says conversations remain ongoing with both Silver Lake and the players' union, and he remains hopeful a deal can be secured.

"The possibility is very much still on the table and we've had a really robust and I think healthy debate about that in this country with all our key partners," Thomas said. "New Zealand Rugby thinks a deal with Silver Lake...a partnership that helps us grow the game, funnel funding back into the system is a really positive opportunity for the game and the brand and our business.

"But we want to make sure we need to get it right but together all our partners and stakeholders get comfortable with whatever the solution is that we might be able to find," he says.

Although the pandemic has had a significant impact on New Zealand Rugby revenues in the past 18 months, the union is in a relatively healthy position, according to Thomas, having been able to tap into financial reserves as well as implementing several cost-saving measures.

"We're certainly seeing 2021 a bit more positively than 2020 and we look into 2022 and beyond, we will have to think about how to build those reserves and that's certainly a consideration," Thomas says.

"But I would say that we are in a pretty strong, stable position and really what we're trying to do now is continue to build on that strength, potentially with an investment partner and continue to try and create growth through the relationships we've established with Altrad, Ineos and others," he says. ◆

On track for 2022: Super League Triathlon's bold growth in challenging times

While many rights-holders adapted their strategies to navigate the challenges of Covid-19, few enjoyed a journey of innovation like the one embraced by Super League Triathlon.

Having launched only three years before the pandemic began, it would have been understandable if the disruption caused by stifled international travel and strict social distancing had spelled disaster for an organisation that was building steadily on the growing popularity of a mass-participation sport.

However, for SLT, such hurdles presented opportunities, as well as challenges.

The launch of the Arena Games concept last year introduced an intriguing new virtual perspective to SLT's competitive output, while this year's flagship Championship Series featured teams for the first time, adding a fresh dimension that has attracted buy-in from athletes, stakeholders and fans.

Teams

Taking inspiration from other franchise-based sports tournaments, from cricket to cycling, SLT's Championship Series welcomed five teams ahead of the 2021 campaign: the Scorpions, Eagles, Cheetahs, Rhinos and Sharks. Former world champions, Ironman winners and Olympians such as Chris McCormack, Tim Don, Annie Emerson, Ronnie Schildknecht and Michelle Dillon were lined up as managers.

Forty athletes were selected across the five teams via a draft that was broadcast live on SLT's YouTube channel.

"I have wanted to do it since the beginning and everything felt like a restart after the pandemic, and we wanted to introduce the new teams at the right time," explained SLT chief executive Michael D'hulst.

"It was an opportunity to commit to the teams and sit around the table with them to help re-shape the sport. Together we can be stronger."

The 2021 Championship Series took place over four back-to-back weekends in September, visiting London, Munich and Jersey before the final round in Malibu, with the latter race having been acquired by SLT late last year. Such expansion in uncertain times across the global sports industry illustrated the organisation's optimism – and D'hulst remains confident that the investment represented sound business as it marked an entrance into the US.

"It was, and is, important for us that we acquired Malibu, because of the dynamics of the market," he explained. "Of course, triathlon is popular in Europe and popular with broadcasters. However, in North America, short-course and professional triathlon is not as popular yet, so we have to make it cool again!"

The Malibu Triathlon takeover represented a major step forward for SLT, given the event's "rich history" dates to 1986. It helps that the high-profile race is also known for its celebrity participants, with Zac Efron, Tom Cruise and Jennifer Lopez all previous participants.

Linking up with a popular event that amplifies celebrity, history and fundraising can "jumpstart the reputation of Super League in the US," said D'hulst.

Commercial support

The 2021 Championship Series attracted coverage from the likes of BT Sport in the UK and Sport1 in Germany, while SLT's partners include major brands like Bank of America, Nike, Garmin and Red Bull.

One of SLT's other partners, Zwift, supported the Arena Games, which gave athletes the chance to compete in the sport via self-powered treadmills, smart trainers and an Olympic-sized swimming pool. The action merges elements of esports, virtual sports and real-life physical activities while respecting Covid-19 protocols.

After the inaugural Arena Games event took place last year in Rotterdam, this year London was added to the schedule alongside the Dutch port. In November, SLT announced a partnership with World Triathlon to fuel the next stage of growth for the Arena Games, opening the format to wider participation than ever before in 2022.

"With this partnership, the sky's the limit," D'hulst added. "This could well be the next Olympic triathlon discipline. With a growing appetite at the very top levels of sport to bring esports to a much wider audience, this partnership is perfectly timed.

"As a broadcast product, it is very interesting because of the blended aspect. It comes across very well. It has a great dynamic as a broadcast product and of course the athletes are actually racing on a treadmill and racing on a stationary bike, meaning you get a lot of data.

"This is something we typically struggle with in triathlon; access to data is difficult because of the three sports. We have been able to provide a very immersive experience for broadcasts, with the blend between virtual and real life, and a high overlay of data insights."

Forward-looking

With the new partnership with World Triathlon driving the growth of the Arena Games, and with more teams set to join the Championship Series in 2022, SLT is enjoying impressive momentum.

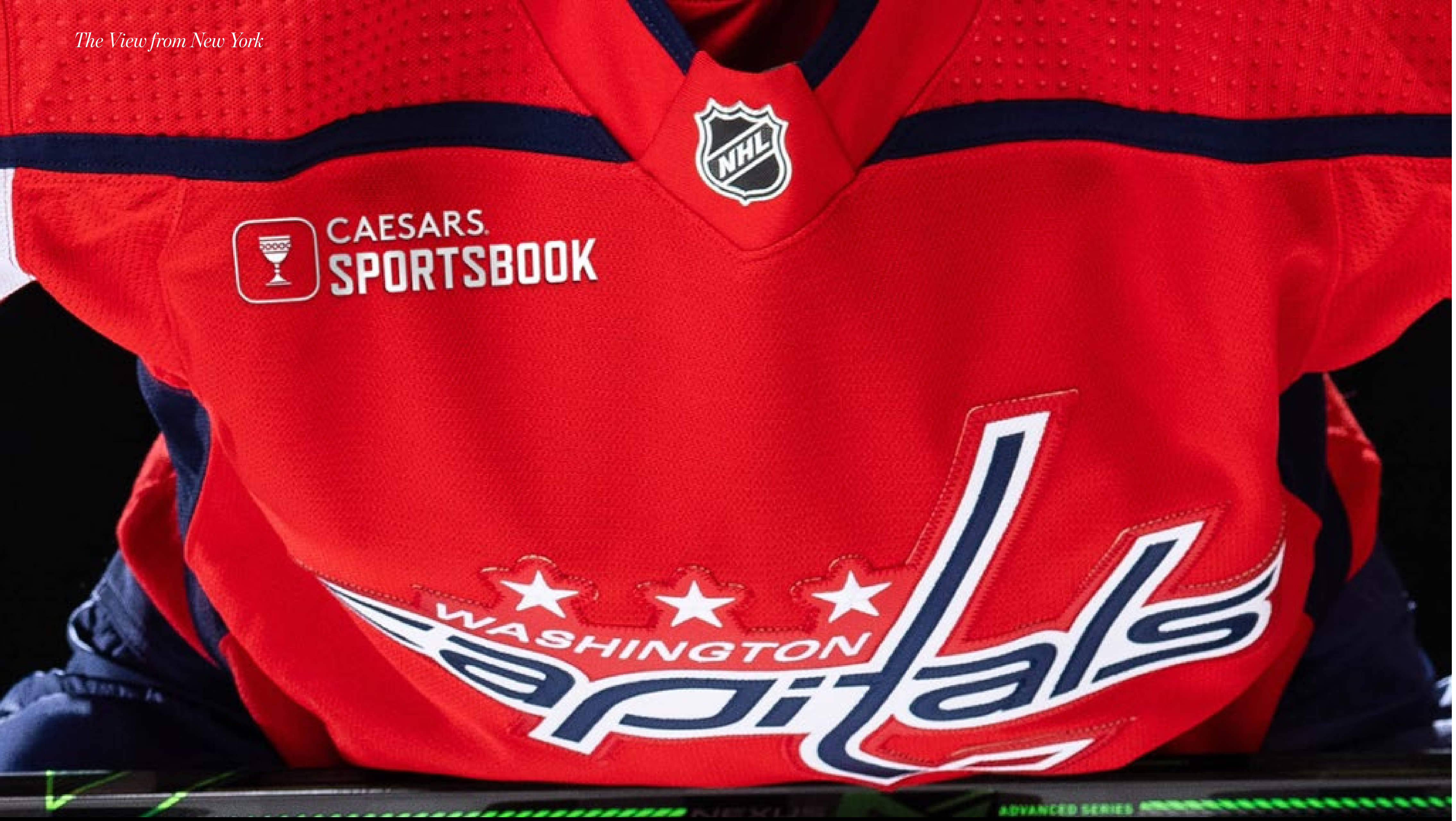
However, with a full-return to a calendar of mass-participation events still not set in stone, D'hulst is well aware that "uncertainty is the biggest challenge" as the organization plans for the future.

"For us, it is very important to showcase a fixed calendar so that fans, broadcasters and sponsors can buy into it," he said, before adding that he will continue to look for inspiration from across the global sports industry.

"The whole ecosystem is set up and I'm very keen to bring in expertise and professionals from other organisations who are involved in other sports.

"We have tried to be as data-driven as possible, so we work with the likes of Nielsen and Seven League to evaluate what we do, and our format is designed to be as dynamic, media-friendly and entertainment-focused as possible." ◆

(That Cameraman – Darren Wheeler)



"Why wait when you have the right partner?" | How Capitals sealed first NHL jersey patch deal

(Washington Capitals)

- Capitals become inaugural NHL team to secure deal in landmark new commercial category
- "Deeper, richer" Caesars partnership highlights league's embrace of sports betting industry
- Elevate Sports Ventures helped provide valuation insight in absence of league-wide precedent

By Bob Williams

Just a few weeks after the National Hockey League approved jersey sponsorship patches for the 2022-23 season, the Washington Capitals made a major mark by securing the inaugural deal in this new commercial category with a multiyear partnership with leading United States-based casino operator Caesars Entertainment.

The Caesars Sportsbook logo will be located on Capitals' home and third jerseys worn for games played at Capital One Arena, with the 3 inch-by-3.5 inch patch positioned on the upper right chest area of the sweater.

According to The Athletic, the deal is believed to be worth around $5m (€4.3m) a season, while it is thought that some other, major-market NHL teams may be able to generate between $10m and $15m a year for jersey sponsorships.

In the National Basketball Association, the Los Angeles' Lakers recent jersey sponsorship deal with Korean food company Bibigo is reported to be worth more than $20m a year, by contrast. But NBA teams are now actively selling their second cycle of jersey sponsorships, having first introduced the inventory in 2017-18, and significant data now exists on the exposure and impact of that league's program.

The Elevate Sports Ventures agency, meanwhile, provided a helping hand to establish the brand value for the Capitals and Caesars.

The Capitals are currently looking to secure an away jersey sponsor, with sportsbook ads only allowed to be worn at home by NHL franchises in markets where sports betting is legal.

The historic pact is an extension of a partnership between the Capitals' owners Monumental Sports & Entertainment and Caesars following the opening of the Caesars Sportsbook at Capital One Arena in May.

(Scott Taetsch/Getty Images)

The two parties expanded their sponsorship agreement with additional casino, gaming, and Caesars Rewards programming elements. The agreement also includes the entitlement of a Caesars hospitality space and VIP seating at Capital One Arena.

NHL teams have been given a year to secure jersey sponsorship deals in order to spend a significant period of time to find suitable partners. But the Capitals and Caesars were able to move extremely quickly to announce the first such partnership in league history.

The move highlights the growing relationship between gambling and the NHL, something which will be enhanced by the belated introduction of puck and player tracking in the 2021-22 season. The tracking data is expected to be used for a series of new prop bets on NHL games, as well as on game broadcasts.

Jim Van Stone, Monumental's president of business operations and chief commercial officer, spoke to *SportBusiness* about how the Capitals were able to secure a financial deal with Caesars with no NHL precedent on which to rely.

What does it mean for Monumental Sports and the Capitals to have made some history by striking the league's first NHL jersey sponsorship deal?

It does [mean] a lot. But what really matters to us is who we identify with as a partner. Caesars is a global icon when it comes to hospitality, entertainment, and gaming. We share a lot of synergies in the live event experience and…having them be a part of our home jerseys is an incredible opportunity. It [enables us to] be industry-first and innovative but at the core we want to focus on the fan and customer experience and engagement, and we think it makes [the partnership] that much greater.

The NHL just announced the possibility of these deals just a few weeks ago and they do not come in until the 2022-23 season. How were you able to secure a deal so quickly?

We knew for a long time that the league was potentially opening up the possibility to allow jersey entitlements. We also knew for a long time that we would head in that direction. Knowing what we wanted to do from a market standpoint enabled us to have quick conversations with Caesars…and because we have that same core focus on fan and customer interaction, we felt it was the right partnership.

The NHL has allowed us to have partners on home and away jerseys and that's a great opportunity for a second brand to be a partner of ours. We really want to focus on national exposure.

For us, locally here Caesars aligned very well because of us having the first sports arena with an operational sportsbook. There's a really big focus on us making our arena a destination 365 days a year and I think our sportsbook offers that. Really tying that into the jersey allows for that deeper and richer connection with our fans, especially our hockey supporters.

Following on from this why did you announce this deal now? Why not wait a few months to see how things pan out or wait until the build-up of the 2022-23 season?

For us it was aligning with the right partner. I feel like we made a great decision and I know our partners at Caesars feel the same. Why wait when you have the right partner and the right opportunity and you can build something together that can be really impactful? We felt like the time was right and let's move quickly.

How exactly were you and Caesars able to find a price you were both happy with seeing as there was no NHL precedent?

We do a lot of analytics and research. We have a really robust sponsorship and analytics team that really analyzes a variety of media points from national visibility through game broadcasts to social and digital impressions, to a variety of activations we can do.

Also partnering with a third party like Elevate gave us additional insights to look at to make sure that the partner we aligned with, we would be delivering a significant value for them. That really helped us establish the economic model and then we also talked about other programs we'd like to do and that's where we landed with our partnership with Caesars.

The good thing is there are benchmarks out there [as well]. We also looked at what we felt was camera visible media exposure and we did that through Nielsen.

How much interest was there from various companies to be your primary jersey sponsor?

We got inquiries as soon as the opportunity was released. We had some early conversations with some other [companies], but the way we decided to go to market, we felt we would have significant value for two different partners and that's why we landed in that space.

What does this extra revenue opportunity mean for your organization?

It's a really significant revenue stream hopefully and that allows us to make sure we have the resources to build out really great fan experience opportunities when they are attending NHL games. Those revenues really help from that standpoint.

As we've all gone through the pandemic, the league has been very focused on creating new opportunities for teams on the local level. First the helmet entitlement and now the jersey entitlement as we move forward. There was also in-ice virtual signage that was created on the TV broadcast. These are cutting edge programs that have been created for teams by the league.

Sometimes crisis creates create innovation and the league has certainly taken that mantra and really ran with it on a variety of opportunities for the teams.

And what was Caesars' interest in this deal? Was it driving fans to the Capital One Arena sportsbook?

I think it's about fan engagement. People who come into the building and attend the sportsbook are now part of the Caesars Rewards loyalty program, which really incentivizes fans from an engagement standpoint. We're starting something that is going to be really impactful and, because we've had a very fortunate experience here in Washington, I'm hopeful that many of the other sports arenas and stadiums around the country are going to be able to have bricks and mortar sportsbooks as part of their facilities.

Finally, in Europe there is major pushback to gambling companies and sportsbooks sponsoring jerseys of sports teams, to the extent that it's been banned in Spain and Italy and poised to be banned in the United Kingdom in the next few years. Yet by contrast it's something that is really just beginning in North America. What do you make of this situation?

The alignment and our partners has always been around the promotion of responsible gaming. We get a lot of really great feedback from the leagues also in terms of setting guidelines and directions and all the operators we're doing business with have the highest reputations. Their commitment to gaming education is best in class. I think that might be a little bit different here in the US than in other gaming markets. ◆

NFTs in sport: bridging the knowledge gap

From the International Olympic Committee to Major League Baseball, Bellator and the French Football Federation, barely a week has gone by in 2021 without a major sports rights-holder announcing a partnership in the growing non-fungible token (NFT) space.

But it remains an area of the digital ecosystem that is something of a mystery for many outside those who are familiar with blockchains, cryptocurrencies and decentralised digital identities.

Capital Block, a division of the Capital Sports Media agency, though, is on a mission to educate sports industry executives who, in many places, are still scratching their heads about the scale of the opportunity in front of them.

Propelled

The agency's foundations in NFTs began through a partnership with Turkish Süper Lig football club Galatasaray to enhance fan engagement and brand loyalty across a variety of digital channels, including cryptocurrencies. The deal kick-started a number of similar agreements across Turkey – a popular market for crypto adoption, as investors have sought to shelter against inflation and the turbulence of the lira currency, the value of which dropped to an all-time low in late October.

The Galatasaray deal propelled us, and we started getting inundated with requests surrounding crypto partnerships and other opportunities for clubs. That helped to launch our crypto, blockchain and NFT division – Capital Block – with NFTs being a key focus," said Capital Sports Media chief executive Tim Mangnall, a seasoned investor in cryptocurrencies.

"As a company, our background in crypto has given us an understanding of what an NFT is, and we identify as the first NFT sports agency."

Mangnall, and Capital Block, are committed to addressing the key questions asked by rights-holders who suspect NFTs present an opportunity but are unsure how to make the most of it.

Understanding

Firstly, there is a need to understand what an NFT is.

At its basic level, an NFT is a digital asset that has a unique code. This non-interchangeable code can be connected to any kind of digital asset, including a photograph, audio file, illustration, video or animation.

The code itself is registered on a blockchain – a digital ledger that is more commonly known for underpinning the use of cryptocurrencies.

Capital Sports Media chief executive Tim Mangnall

Typically, rights-holders' NFTs are available through so-called batch 'drops' via a variety of online platforms, either on an off-the-shelf basis or via auctions.

The buyer then holds the asset in their digital wallet on devices like a smartphone. Some simply collect NFTs, while others use them in games. The tokens can be traded in the hope of generating a profit from the initial investment.

"Clubs do not necessarily need to get bogged down in how crypto works to get on board with NFTs, but they do need to understand what an NFT is and what a blockchain is," Mangnall said.

Perhaps the biggest barrier to the mainstream breakthrough of NFTs in an industry in which everything is quantified – from mark-ups on drinks sold on stadium concourses to multi-million-euro broadcast rights contributions – is convincing rights-holders that NFTs actually have value.

After all, any digital asset can be copied, even if there is only one 'owner' of the unique code that sits underneath the file on the blockchain.

"It is about having ownership of this asset. You are owning a moment in history. It is like with art: you can own a print of a famous painting, or the original," Mangnall said. "Clubs should not look at this as solely a revenue opportunity though. It is a huge fan engagement opportunity, and sport is just scratching the surface."

Revenues

For rights-holders – including leagues and individual athletes, as well as clubs – incremental revenues can be generated through a cut of any future sales of the same digital asset, as well as the original sale.

After the market cooled in the second quarter of 2021 following a surge at the start of the year, NFT advocates are once again bullish about the sector's prospects.

In sport, football-focused NFT trading platform Sorare raised $680m through a Series B funding round in September, valuing the company at $4.3bn. In the same month, Dapper Labs added Spain's LaLiga and the NFL to a client roster that already included the NBA's Top Shot NFT marketplace and completed a $250m funding round that valued the business at $7.6bn.

There have been several high-profile examples of NFTs in the worlds of art and gaming that have fetched six, seven or even eight-figure dollar sums through auctions, although prices for off-the-shelf digital offerings on NBA Top Shot can start at less than $10.

Hurdles

There are hurdles in the way of NFTs entering the sporting mainstream, though – and Capital Block is determined to clear the path by advising clubs on the best route forward, from the right assets to exploit to the best blockchain platform to use.

With clubs keen on stability and wary of being caught up in another passing fad, they need to be convinced that NFTs can serve as standalone digital fan engagement tools that can generate a positive, minimal-risk return on investment.

In order to do this, in rights-holders' collective psyche, NFTs have to be separated from the volatile world of cryptocurrencies. Furthermore, the market itself, bursting with some 4,500 disparate blockchains, cryptocurrencies and NFT platforms of varying capabilities, needs to converge so reliability and reputation can be enhanced.

"It is understandable that clubs are nervous as there are so many NFT platforms available, and they don't know who they are or what they offer. But that is where we come in, to advise them throughout the process," Mangnall added.

"Fans also need to understand what NFTs are, and I think we are still three or four years away from NFTs circulating amongst the truly mainstream followers of sport. At the moment, the crypto community is accounting for 99% of NFT sales, and we are at 0.5% of where this is heading in sport.

"There needs to be education, of course, and the average fan needs to experience NFTs. That is when it will really take off in sport." ◆

What are the use cases for NFTs in sport?

Sports properties and stars are exploring NFTs. But the industry is just scratching the surface when it comes to exploring the possibilities presented by the concept.

Currently, the vast majority of non-fungible token (NFT) purchasers are accustomed to the fluctuating fortunes of the turbulent cryptocurrencies community.

This has left a vacuum in which critics are querying what the long-term use cases actually are for a digital asset that, while being represented by a unique code on a blockchain, can ultimately only exist in a digital space.

But while multi-million-dollar digital artworks and gaming avatars have dominated the headlines this year, the sports industry is beginning to offer signposts for a future in which NFTs become a seriously exciting fan engagement proposition for rights-holders.

Future uses

Two of the most established brands in the sports NFT sector currently are football-focused Sorare and NBA Top Shot, supported by Dapper Labs. Both Sorare and Dapper Labs, which has since struck partnerships with LaLiga and the NFL, completed nine-figure funding rounds earlier this year, and both are accessible to the average sports fan.

Through NBA Top Shot, NFTs can be snapped up with US dollars, rather than crypto, essentially as collectables for fans. In September, Dapper Labs chief executive Roham Gharegozlou revealed most NBA Top Shot customers use their credit card, rather than crypto, and the majority of the transactions on the marketplace are for less than $50.

Meanwhile, with Sorare, gamification plays an important role, with the trading cards of individual footballers used in a fantasy sports set-up.

Over-emphasising these arguably softer use cases of these NFTs, though, ignores the role that simple fan passion can play in ‘owning’ a special, once-in-a-lifetime sporting moment or image.

For example, Capital Sports Media chief executive Tim Mangnall ponders: How much interest would be generated among Leicester City fans for an NFT clip of the team being presented with the English Premier League trophy following their ‘5,000-1’ miracle triumph in 2016?

Fan engagement

Capital Block, a division of the Capital Sports Media agency, has built on an initial partnership with Galatasaray by teaming up with a number of other Turkish and European sports clubs and brands to help launch NFT initiatives.

According to Mangnall, while the opportunity of additional income for rights-holders such as sports clubs and leagues is clearly attractive, it merely scratches the surface.

“It should not be viewed as solely a revenue-making opportunity, although it is a new income stream at zero cost for clubs,” he says. “The real opportunities for rights-holders lie in fan engagement. It is about looking at the digital assets that can be offered and then creating a chance for a fan to own something unique.

“Of course, you can make a digital copy of an NFT, but there is only one truly unique version of it on a blockchain. It is like test-driving a Rolls Royce versus owning one.”

For a rights-holder, the process of creating an NFT begins by working with an agency like Capital Block to review and identify assets that could be converted into such items – including images and footage under the club, league or organisation’s intellectual property.

“We do a deep dive into the assets they have – and what could be turned into NFTs – and discuss a number of different projects. Then we will explore the best marketplaces that can support the launch, promotion and execution in the best possible way,” Mangnall adds.

“Different blockchains offer slightly different benefits, but that is where we come in as an agency, as we can find the right fit. We work with the rights-holder to identify whether they are seeking revenue, legacy, engagement – or perhaps just want to reward members or VIPs. Then we are in a position to create the NFTs, making it as seamless and hassle-free as possible for them.”

Revenue stream

Capital Block typically does not charge an up-front fee as part of the NFT creation process, but rather takes a cut of the sales value of the NFTs, although the rights-holder retains the “lion’s share”.

Given their tradeable nature, the clubs and Capital Block secure percentages of future sales of the same NFT. Sellers’ fees often range from between 1% and 10%, depending on the marketplace and, while NFT values can go down as well as up, there is a clear potential for long-term incremental revenues.

“When we speak to clubs about their engagement strategies, we implore them: remember these are fans, and not merely customers,” Mangnall adds. “That should be behind the thinking of these NFTs being created – and clubs, leagues and organisations need to think about their promotional strategy surrounding and beyond the drops.

“The benefit for the fan is engagement and involvement that is far beyond their wildest dreams. It allows them to own something that is part of the history of their passion.”

Crucially, the concept of NFTs appears to have increasing buy-in from sports rights-holders themselves, and sports stars past and present have become investors in the technology. Sorare’s backers include famous football names such as France national team star Antoine Griezmann, Spanish ace Gerard Piqué and ex-Germany international André Schürrle. NFL legend Tom Brady is the driving force behind Autograph, a sports celebrity-focused NFT platform.

Mangnall believes there are significant NFT opportunities in terms of ticketing for sporting events, as well as kit launches and digital matchday programmes, with the prospect of virtual experiences for fans – as part of the ‘metaverse’ – in the years to come.

“Sport is a completely natural fit, but we are still a while away from mainstream adoption,” he says. “In the coming years, I’m sure you will see the next Amazons, Googles and Microsofts emerge from this space.” ◆

Sinclair faces mounting headwinds for planned streaming service

(Tom Pennington/Getty Images)

- Bally Sports operator acknowledges it has direct-to-consumer streaming rights for just four Major League Baseball teams
- Company actively looking to restructure its Diamond Sports Group debt
- Intended timing for Spring 2022 of streaming service remains intact

By Eric Fisher

The closer Sinclair Broadcast Group gets to debuting its planned direct-to-consumer streaming product, the more troubled the effort appears to be.

The Maryland-based owner of the Bally Sports-branded regional sports networks in the United States said it still intends to introduce a new over-the-top service in time for the intended start of the 2022 Major League Baseball season in April, as it initially detailed six months ago. But after Sinclair president and chief executive Chris Ripley said then the company had direct-to-consumer rights for "the vast majority of our teams," he was forced to acknowledge in its latest earnings call on November 3 that Sinclair currently held explicit direct-to-consumer streaming rights for just four MLB clubs.

"We continue to negotiate in good faith will all interested parties to make direct-to-consumer a reality," Ripley said. "In addition, we continue to engage in discussion with stakeholders around funding the direct-to-consumer product."

To that end, Sinclair is currently seeking larger agreements with the National Basketball Association and National Hockey League that would also fold in "market expansion, authenticated streaming, and direct-to-consumer rights" for 28 additional teams.

But while Sinclair is also pursuing streaming rights for the other 10 MLB clubs in its linear portfolio, that league has already signaled its intent to develop its own in-market streaming service. To that end, MLB commissioner Rob Manfred said last month at an industry event that, "we've been very clear with them from the beginning that we see those sets of rights as extraordinarily valuable to baseball, and we're not just going to throw them in to help Sinclair out."

The divergence between what was said last spring and the current, more tense landscape prompted an extensive line of questioning from financial analysts during Sinclair's quarterly earnings call, particularly from Morgan Stanley head of US sector corporate credit research David Hamburger.

"April is not that far off and we're wondering how you communicate to the market that you have sufficient financial flexibility, new money investment, and that you have enough of a runway of time here to launch this product offering and sell into the market," Hamburger said.

Ripley sought to remain upbeat in Sinclair's intent to remain on its previously stated schedule.

"We do think we have critical mass in terms of rights to launch a product, and that's what we intend to do," he said.

And in the earnings call, Ripley even looked ahead to a potential further iteration of the streaming service where there could be a combination with content from other RSN operators such as Comcast and AT&T.

"I've always thought that consolidation of the rest of the industry makes sense...I do think ultimately adding in rights from other groups like Comcast and AT&T makes sense," he said. "Whether you do that through transaction, partnerships, contracts, consortiums, those are all, I think, things that will be contemplated in stage two."

Broader headwinds

The financial state of the intended streaming service, and Sinclair's Diamond Sports Group holding, which encompasses its RSN operations, colors much of the discussion surrounding the company's direct-to-consumer streaming plans.

Diamond as of September 30 still had debt in excess of $8.1bn (€6.99bn), relating primarily to its $10.6bn

Sinclair Broadcast Group president and chief executive Chris Ripley. (Sinclair Broadcast Group)

Sinclair Broadcast Group headquarters in Maryland. (Win McNamee/Getty Images)

> *"We do think we have critical mass in terms of rights to launch a product, and that's what we intend to do"*

acquisition in 2019 of the former Fox Sports regional sports networks, and Manfred recently complained that the size of the Sinclair debt load "has produced headlines that are more negative."

Indeed, Sinclair for months has sought to restructure its Diamond debt. And there, too, Ripley looked to strike a more optimistic note, saying, "a new money deal is still possible with the creditors and we continue to have constructive discussions with that.

"I think getting additional financing would be helpful for all parties. I mean, that's sort of undeniably true," he said.

In the meantime, Ripley added, "there is ample liquidity at Diamond and we are good for for the next 12 months. So we're comfortable there."

The company additionally has sought funding to help create the new streaming service.

Sinclair, meanwhile, reported overall revenue of $1.535bn for the third quarter of 2021, flat from the comparable period in 2020, and below Wall Street forecasts. Net income was $19 million compared to a net loss of $3.26bn in the same period last year as the company saw growth in core advertising categories.

"As the economy emerges from the pandemic, our advertising recovery continues to be strong, with our core advertising, excluding auto, growing versus 2019 across both our broadcast and sports segments," Ripley said.

But other headwinds continue to surround Sinclair. Carriage battles remain a struggle as the company has gone dark on distributors such as Hulu, and YouTube TV, and it remains in carriage discussions with Dish Network, another distributor long known to be a tough negotiator with sports programmers.

Additionally, cord cutting is also accelerating across the US media landscape, extending far beyond just Sinclair.

Sinclair stock closed on November 3 on the Nasdaq stock market at $27.22 per share, down 2.44 per cent. Sinclair shares for the year to date are down more than 14 per cent, contrasting sharply against broader gains in the American stock markets, with much of that net loss occurring over the past month. ◆


(Jurij Kodrun/Getty Images)

Genius Sports builds on FIBA partnership by supporting basketball's new horizons

Having played a central role in the worldwide growth of basketball through a long-term association with global governing body FIBA, Genius Sports' partnerships with two of the sport's newest competitions have been natural steps for the data and technology provider.

The BNXT Basketball League, which brings together teams from Belgium and the Netherlands, and the European North Basketball League – comprising teams from Northern, Central and Eastern Europe – each launched their inaugural seasons this autumn.

Genius Sports is providing both leagues with a suite of live data and fan engagement solutions that were fine-tuned under its partnership with FIBA, which stretches back to 2004 and was renewed in 2019.

FIBA LiveStats

A key pillar of Genius Sports' work in basketball is FIBA LiveStats, which launched in 2008, four years after the governing body teamed up with the provider to launch the groundbreaking digital competition management system, FIBA Organizer.

"Accurate live data is central to how basketball fans, players, coaches, officials, and broadcasters engage with the sport at every level around the world," says Genius Sports' chief product officer Matthew Cowling. "If the statistics a league can capture are reliable, detailed and fast, this makes their official data a valuable commercial asset that provides several clear benefits to newly established competitions.

"Just this year, FIBA LiveStats has been at the heart of the inaugural seasons for the Basketball Africa League, a pan-African partnership between the NBA and FIBA, the BNXT Basketball League and the European North Basketball League.

"With the official live data that FIBA LiveStats captures, each of these new competitions is equipped with a vital tool to inform and engage their fans, providing rich team and player updates before, during and after every game."

Setting the standard

FIBA members can also use FIBA LiveStats, as well as other Genius Sports solutions designed to streamline day-to-day operations, collate official records, and drive new commercial revenues. Indeed, the versatility of these products ensures they are relevant and applicable for leagues and organisations of all types and sizes.

"Our vision alongside FIBA was to create a digital statistics collection system that could create official, consistent, and accurate data from hundreds of competitions right around the world," Cowling explained.

"We initially wanted to empower FIBA members to dispose of paper-based statistics collection tools, embracing digital transformation and technology that could allow them to keep pace with the ongoing sports data revolution."

Frank Leenders, director general at FIBA Media and Marketing Services, said: "Still today, FIBA LiveStats and FIBA Organizer are setting standards in the basketball world, allowing our national federations to exploit synergies and gain access to the best state-of-the-art technology in the world of sports.

"FIBA LiveStats provides a combination of high quality and consistency. It is easy to train statisticians at various competitions. The fact that development investments can be shared across more than 200 federations and leagues means that there is an enormous amount of economies of scale, and especially smaller leagues benefit from this investment level."

Global benefits

The benefits of the long-running partnership between Genius Sports and FIBA have been significant for the global game.

Over the past 13 years, FIBA LiveStats has been used across more than 100 countries, scoring hundreds of thousands of games, and delivering updates to millions of basketball fans worldwide.

The current system is the seventh version of FIBA LiveStats. According to Cowling, it bears little resemblance to the original: "Through each upgrade, we've focused on improving the depth, speed and quality of data that FIBA LiveStats enables each member to capture and distribute.

"We're constantly working with FIBA to enhance our systems and provide new value to leagues and federations. For example, in the last year, we've launched a new instant messaging support feature, began rolling out an automatic scoreboard integration and added new fan engagement features for FIBA members to put their data to work."

Enhancements

Over the course of their partnership, FIBA and Genius Sports have collaborated to transform various aspects of the LiveStats process and offering, including the depth of statistics available, the speed of collection, and the accuracy and quality of data.

Other developments have accelerated since the start of the pandemic. For example, through new extensions, FIBA members can benefit from widgets, push messaging updates and in-depth summaries after games via email, enhancing personalisation.

Basketball followers have a keen appetite for data-driven stories and insights, and Leenders highlighted how statistics play a vital role for various basketball stakeholders, including coaches, players, the media, scouts and agents, as well as fans.

"This importance is only growing and will continue do so in the future, so accuracy and consistency are very important," he said.

As basketball looks to the years ahead following the challenges of the pandemic, the data-driven services and technology provided by Genius Sports can help to support the growth of FIBA members, building on the broader, growing momentum towards recovery across the sport.

According to Leenders, empowering national federations is one of FIBA's main strategic priorities. "We will continue to support our National Federation members through various projects, programmes and services," he said.

At the heart of that approach will be the partnership between FIBA and Genius Sports, which will help to inspire new data-driven engagement opportunities for burgeoning new basketball leagues and the sport as a whole. ◆


(Jurij Kodrun/Getty Images)

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Uefa overcomes match-fixing fears to test betting market with Sportradar deal

(Alex Caparros - UEFA/UEFA via Getty Images)

- Uefa negotiated the agreement in-house
- Deal value increases in second and third years
- NFL's $100m deal with Genius Sports not a reliable yardstick

By Ben Cronin

Uefa plans to use its first ever betting data distribution agreement with Sportradar to gain a better understanding of the betting market having previously eschewed selling its official data rights over concerns about match-fixing.

The sports betting and data services company will pay the governing body a total of around €35m ($39.8m) to be its exclusive authorised collector and distributor of data for betting purposes over three seasons from 2021-22 through to the end of the 2023-24 season.

The deal is understood to be backloaded so that it is worth an annual fee of around €15m ($17.1m) in the second and third years and €5m in the first season because Sportradar will only start exploiting the rights halfway through the season in January 2022.

The agreement, signed last month, was negotiated by Uefa's in-house commercial team rather than through its exclusive sales agencies for club and national team rights, Team Marketing and CAA Eleven respectively.

Sportradar is understood to have secured the rights having held off competition from rival betting services companies Genius Sports and Stats Perform. The three companies responded to Uefa's first ever request for proposals for the collection of official match event data issued in March. The other major data services company operating in the sector, IMG Arena, is not understood to have bid for the rights.

Uefa held a discursive tender process rather than a structured series of bidding rounds and held out the possibility that it might not award the rights at all – a point which further reflected the exploratory nature of the deal. Under the iterative process, bidders were invited to clarify and revise their offers at various stages before Uefa eventually awarded the rights to Sportradar.

Although an early statement indicated the deal covered 1,550 matches, *SportBusiness* understands it includes the rights to roughly 2,200 matches across Uefa national and club competitions in the roughly two-and-a-half year period.

These include:

- Uefa Euro 2024
- Uefa European Qualifiers and the Nations League
- Uefa Champions League, Europa League, Europa Conference League, Super Cup
- Uefa Women's Champions League and Women's Euro 2022
- Uefa Under-21 competitions
- The Futsal Champions League, along with the Futsal Euro Championship.

The governing body made a policy decision to exclude U19 and youth tournaments to bring the agreement into line with the Council of Europe's Macolin Convention, which aims to prevent the manipulation of sports competitions.

Match-fixing concerns

Uefa had until this year never engaged with the betting industry due to concerns about the threat of match-fixing. But with most bookmakers offering markets on the majority of its events anyway, the feeling within the organisation was that it may as well make a commercial return from its official data rights as well as leverage such a deal to learn more about the sector.

The data distribution deal follows the organisation's first ever betting sponsorship at its 'Official Partner' level. The deal, brokered by Team Marketing, saw betting platform Bwin become the 'Official Sports Betting Partner' of the Uefa Europa League and the newly-formed Europa Conference League.

SportBusiness understands Uefa had three objectives in its data RFP. They were to: a) gain a better knowledge of the betting industry; b) secure a financial return from betting data rights and c) channel some of the revenues from the first data distribution deal into bolstering betting integrity programmes.

Sportradar secured the rights having submitted a proposal that offered the best financial return and which also most closely matched Uefa's preferred model. *SportBusiness* understands the governing body was concerned about having to police data collection at matches to guarantee the exclusivity of the deal – a considerable undertaking across the multiple European jurisdictions Uefa competitions operate in – and secured a commitment from Sportradar that it would not have to do this at every single venue.

The winning bid is also understood to have included a commitment to share information about the downstream betting market with the governing body, although this is not thought to have been a differentiating factor from the other proposals. Neither is the data sharing requirement thought to have impacted on the value of the agreement, as Uefa is not understood to have received a better financial proposal that excluded this element.

David Lampitt, managing director for sports partnerships, Sportradar, told *SportBusiness*: "There are obligations in relation to transparency, and an enhanced visibility of the way in which that data is being used and disseminated into the downstream market. Additionally, there are the economics of that distribution because the sports themselves increasingly want to have that level of oversight of their data."

He added: "Previously, many rights-holders would have had little idea where their data was being distributed, who was collecting and distributing it, because they didn't have a commercial contract in place for that with these arrangements. That added visibility is one of the significant benefits they derive from that more structured approach."

Another factor in the success of Sportradar's bid was the fact that it had already served as Uefa's official integrity provider since 2009. Under the latest deal, the company will continue to provide these services while also now offering dedicated intelligence and investigation support to Uefa's own anti-match-fixing unit. It is thought some of these integrity services will now be provided to Uefa on a value-in-kind basis.

Shorter duration

Although the agreement was initially announced as a three-year deal, it is effectively only a two-and-a-half-season deal because it was only finalised in October and Sportradar requires a lead-in period before it starts to exploit the rights from January 1, 2022.

With data operators and bookmakers having become accustomed to acquiring Uefa match data from unofficial sources, it was felt this delay was needed to allow the market to adapt.

Lampitt said there were parallels with Sportradar's earlier official data deal with the NFL – the first ever data partnership agreed by the US league – which preceded the NFL's most recent agreement with Genius Sports.

"It's a similar situation to that of the NFL two years ago before our previous agreement came into effect. There was no official data product available, so all of the relevant companies in the data supply market were collecting that data open source and providing that to their customers.

"The same has been true in Uefa competitions and now Uefa are bringing these rights to the market for the first time. That is a shift for operators and therefore, from a sales cycle perspective, it's not particularly surprising that, taking a new product into the market for the first time will benefit from additional lead-in time in that sales cycle."

The period from January onwards until the end of the 2021-22 season includes roughly 400 matches. For this reason, Sportradar is estimated to be paying a pro-rata sum of about €5m this season while it gets up to speed.

Streaming rights excluded

The feeling in the market is that Uefa would have made a much larger commercial return if it had included betting streaming rights in the RFP. One data rights consultant operating in the sector said the governing body could

(Roland Krivec/DeFodi Images via Getty Images) have potentially doubled the sums involved. Another data operator thought the absence of streaming rights might also explain why IMG Arena was not involved in the bidding process, as the company is thought to favour these types of deals.

Uefa discussed carving out streaming rights with its broadcast partners but ultimately decided against taking this step. The organisation is also thought unlikely to do so in the next cycle because some of its broadcast contracts extend beyond 2024 and preclude such an arrangement.

The consultant, who spoke to *SportBusiness* on the condition of anonymity, said: "How do you go to BT Sport, which pays £1.2bn for exclusive rights to the Champions League [in the UK] and then say you want to hold back on audio-visual rights for betting?

"Let's say you could make an extra £30m, or £40m a season if you included the streaming rights. What's your value from the UK market?...Are you really going to put a cheque for £400m a season in jeopardy to claw back an extra €5m or so?"

Legal dispute

The news that Sportradar's bid did not place a sizeable burden on Uefa to police the exclusivity of its data rights is interesting in the context of the ongoing legal dispute between the company and rival bidder Genius Sports. The dispute relates to the two companies' diverging interpretations of what it means to be an official data rights-holder.

In that case, which is due to be heard by the UK Competition Appeal Tribunal next October, Sportradar has accused Genius and Football DataCo (FDC), the data rights-holder for the English Premier League, English Football League and Scottish Football League, of foreclosing the market to rival operators through the structure and policing of the data rights agreement they signed in 2019.

Sportradar claims the five-year data, which granted Genius the rights to capture data at over 4,000 FDC fixtures a year, is anti-competitive. The agreement placed the authority to sublicense the data rights to other data suppliers in Genius' hands and requires all bookmaker clients in the downstream market to have an 'over-license' to use the official Genius data, curtailing their ability to access data from other sources.

FDC and Genius have subsequently taken a zero-tolerance approach to 'unofficial' data scouts, evicting any other supplier from a rival firm suspected of gathering data at the games covered by the deal.

Sportradar argues that this strict approach, coupled with the licensing structure and the fact that a proportion of FDC matches are not televised (making it impossible for data operators to gather data from a media feed), places Genius in a 'super dominant' position.

Genius and the leagues represented by FDC, on the other hand, maintain that they have offered to sublicense the rights to Sportradar and that the approach is a justifiable attempt to protect against irregularities in the information collected, as well as control the way the official data is distributed.

The dispute means Sportradar would risk contradicting its legal position if it now began unilaterally evicting rival scouts from Uefa matches. By the same token, Genius would undermine its stance if it sent scouts to collect data at these matches over the top of Sportradar's official Uefa relationship.

Regardless of the merits of each company's arguments, one data rights consultant spoken to by *SportBusiness* suggested Uefa was unlikely to structure its first data deal in such a way that it would risk embroiling itself in a similar dispute, especially for what it essentially an exploratory exercise.

"They [Uefa] are not going to get rich fast from data. They don't want to be burned in the same way the Premier League has been burned by FDC. And I think this is just a means of them going to have a look at the market and kick the tires."

Lampitt told *SportBusiness* that the company would seek to differentiate itself on the quality of its services. "The way in which we operate as a business is all about delivering the best product for our clients," he said. "Our ability to have direct access to every ground in order to provide the most stable, fastest, and highest quality output is the driver behind what will influence customer buying decision downstream.

"It shouldn't be about creating or even seeking to create some sort of monopoly position where you force people into buying decisions through restriction of alternative competition. That underpins our approach more generally in the market of course."

The company later added that the agreement with Uefa provides for it to sublicense the official data to other suppliers in the market.

(Laurence Griffiths/Getty Images).

Can Sportradar make a margin?

With suppliers and bookmakers already accustomed to accessing open source Uefa data, and Sportradar apparently reluctant to police its exclusivity too stringently, it seems legitimate to ask whether the data company will be able to make a margin on its outlay.

The data consultant spoken to by *SportBusiness* said this was not necessarily the company's primary objective and the deal ought to be seen as a marketing acquisition related to its recent public listing.

"It's all about the brand and prestige and value for Sportradar, to help its share price, to bolster its reputation in the marketplace," the source said.

The company's stock rose around 10 per cent to a recent high of $23.75 per share on the Nasdaq in the days immediately after the deal was announced, but this was still some way short of its original listing price of $27 per share.

Lampitt, however, argued that the economics of the deal still had to make sense: "There's no question that there is strategic value in having a blue-chip, top international rights-holders in our portfolio and Uefa is one of a very small band of sports properties with a product that is globally incredibly popular. No doubt that brings ancillary benefits and strategic value to the organisation, but ultimately, the numbers still need to stack up."

Key assets

The Uefa men's Euro and Champions League are undoubtedly the crown jewels in the package of rights, with Sportradar claiming betting turnover for the delayed Euro 2020 tournament was worth €1.2bn per match (€62bn total), while it says the 2020-21 Champions League was worth €210m per match and €26.3bn in total.

The company claimed betting on the 2020-21 Europa League was worth €76m per match and €15.5bn in total, while the 2020-21 Nations League was worth €129m per match and €21.2bn in total. Overall, Sportradar claims the four Uefa competitions accounted for 15 per cent of global football betting turnover in 2021.

Set against this, it should be noted that these are sums generated by bookmakers and upstream data suppliers have yet to hit upon a sure-fire way of extracting their share of the huge revenues generated by football wagering.

Several experts added that the sporadic nature of Uefa competitions, which don't provide the same volume of fixtures and betting content as domestic football leagues,

Uefa Euro 2024 is included in the package of data rights. (Michael Regan/UEFA via Getty Images)

would also count against Sportradar in its attempts to monetise the deal. For example, FDC's data deal with Genius includes the rights to around 4,000 matches per season and is thought to be worth around €23.7m a year but, as referenced, the different licensing structure means it isn't completely comparable.

To overcome this, the feeling in the market is that the company will try to bundle the Uefa rights together with other properties in its portfolio to create a more appealing overall package to customers. There are also indications that it will pass some of the costs of the deal onto these clients through a more aggressive pricing strategy.

One company, which offers odds visualisations for sportsbooks and media companies, and which had previously taken Sportradar's unofficial open source Uefa data, told *SportBusiness* it had been approached by a sales representative from the company shortly after the deal was announced. The sales representative said the price of Sportradar's services would double now that it had secured the official Uefa feed.

When asked if Sportradar would seek to charge sportsbooks a share of their gross gaming revenues (GGR) – a model that enables data suppliers to derive a greater share of the upside when the betting market does well – Lampitt said: "It's not a one-size-fits-all approach when it comes to pricing because this data will be used across multiple different products and services such as pre-match odds, live odds, live data as well as engagement tools. Therefore, there are multiple ways in which our commercial team will take the partnership to market."

NFL unrealistic yardstick

The question of whether the deal represents good business for Uefa has been complicated by the National Football League's recent data rights agreement with Genius Sports. In that deal, Genius is understood to be paying the US league around $100m (€86.4m) a year in a combination of cash and stock for exclusive distribution rights to official NFL play-by-play statistics, proprietary Next Gen Stats (NGS) data, and the league's official betting data feed to media companies and sports betting operators around the world. It is important to note the deal also includes rights to distribute live audio-visual game feeds to sportsbooks in international markets as well as the rights to represent the league's legal sports betting advertising inventory across NFL owned-and-operated digital platforms globally.

The sizeable agreement is thought to have attracted a lot of attention at Uefa, and indeed among other sports rights-holders generally. But Uefa is understood to be sanguine about the disparity, believing that it does not represent a realistic yardstick for European football.

Several experts spoken to by *SportBusiness* believe Genius, which has also recently undergone its own IPO, paid a heavy premium to attach itself to the biggest rights-holder in the US, just as betting is beginning to be legalised in the country. But at the same time, the unique characteristics of the legislative landscape in the US also gives it a lot more levers to pull to realise some of the value in the deal.

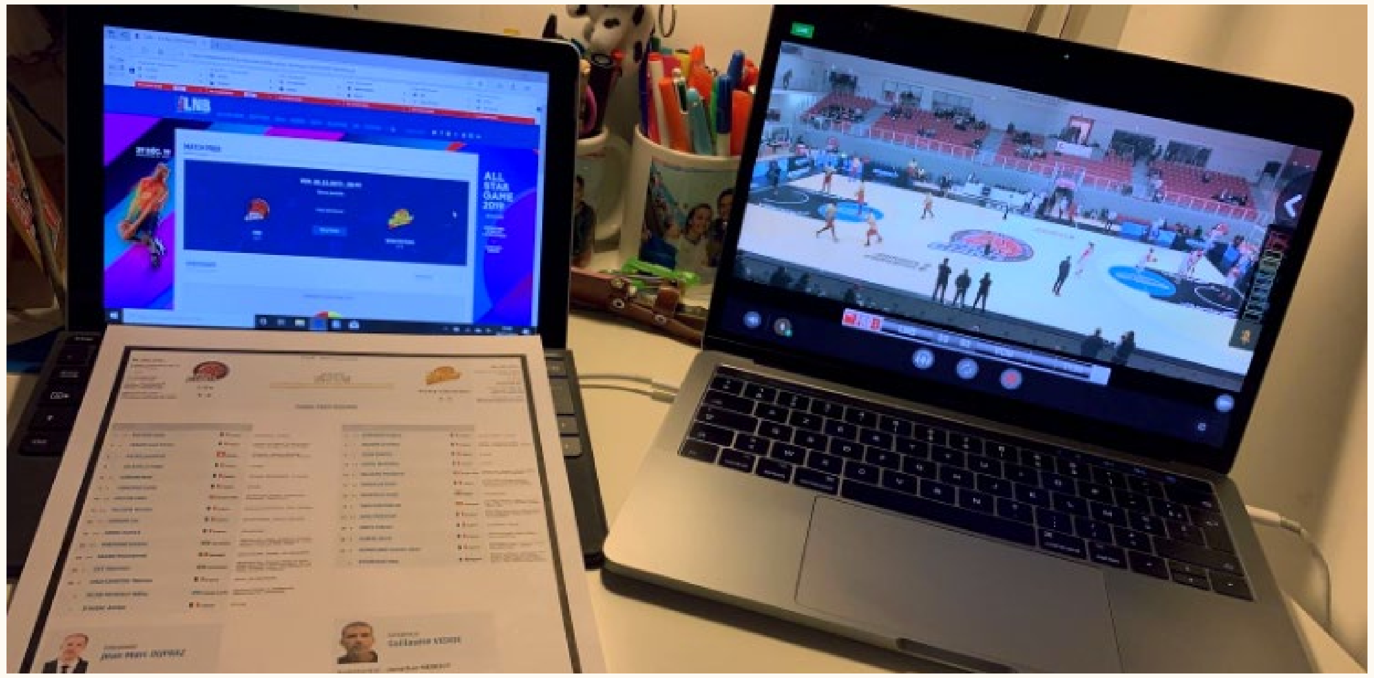
The model adapted in many of the US states to legalise sports betting mandates bookmakers take data from official sources. This has enabled the NFL to create a model that requires betting companies to license official data from Genius to become an Approved Sportsbook Operator for the league, a designation which enables them to use NFL marks and advertise on the NFL digital inventory controlled by Genius.

Legislators in Europe have yet to take a position on official data and Uefa has so far stopped short of creating a similar commercial framework to the NFL while it tentatively explores the market. A case in point is that Bwin, the governing body's one betting sponsor to date, is not required to take Sportradar's official Uefa feed.

One well-placed source told *SportBusiness*: "Uefa is a far more lucrative property than the NFL from a betting perspective globally but there are different levers to it because the NFL deal is to do with market positioning for Genius, timing in the US and the importance of creating a framework for the advertising and all the affiliate schemes.

"None of that is on the table for Uefa right now – there are no authorised gaming operators in Uefa. They might create that in the next three to five years but that doesn't exist today, and it isn't going to exist while Uefa is taking decisions around how close it wants to be to the betting space.

"The way I see it they're dipping their toes with a partner they've worked with before. They probably would have wanted a bit more for the fee, but they're probably happy enough to take it, and they don't lose anything in the process."



Any rights-holder can now reach international media markets – but success requires a tailored approach

The global expansion of digital technology has transformed the ability of sports organisations of all sizes to tap into uncharted territories.

Primarily, the growth of over-the-top (OTT) streaming, coupled with a significant increase in smartphone usage worldwide, has provided a direct route to followers of certain sports, leagues and clubs across international borders – and there are no signs of the momentum slowing down.

Indeed, research by YouGov Sport has found that more than a quarter of fans in 23 major markets already watch live streams of sports – with the highest percentages in China and Indonesia – and in the US alone, the number of people who watch live sport via OTT platforms is projected to rise from 57.5 million people this year to 90.7 million in 2025, according to Emarketer.

Internationalisation

Such trends have inevitably led to an increase in the internationalisation of sports coverage, according to Tom Read, vice-president of strategy and partnerships at Spalk, which provides a virtual commentary studio and media gateway, supporting the delivery of hundreds of sporting events per week for platforms worldwide.

"This internationalisation has allowed sports to be able to speak with more contextual relevance to their existing audience worldwide and drive increased engagement in that important core group," Read says. "Also, they are able to engage and grow new audiences by tailoring content – be that live, highlights or clips – to specific audiences."

While Read acknowledges that a number of factors have contributed to the growth of OTT delivery and therefore the internationalisation of sports content, a broader understanding across the industry of the importance of data has been key.

"Owning a direct relationship with your audience makes it easier to understand your customers," he says. "For blue-chip sports leagues like the NFL and NBA, while they have global broadcast coverage, their Game Pass products are great services to satisfy their more engaged fans globally who want greater selection in their games than broadcasters can offer.

"With these leagues too, they have creatively used their existing international broadcast agreements as not only powerful tools to create, grow and maintain an active fan base, but also to act as a hugely important funnel to push fans into that next level of fandom and sign up for their OTT services where they can get access to every game.

"For lower-tier sports, owning and operating OTT platforms has been important to create, satisfy and grow an audience in new markets. The cost of entry of broadcasting has really helped drive growth in this space too."

Revenue streams

Read cites the example of the Scottish Professional Football League, which has been able to establish a global broadcast strategy and additional revenue stream for its second-tier Championship. All SPFL games are available to international audiences online, broadcast using Pixellot AI cameras, which track games automatically without the need for an operator, to minimise production costs.

"Through strategic use of OTT and social media streaming platforms, sports leagues will potentially be able to create meaningful revenue streams in new markets," Read adds.

However, the ability to reach new markets is no guarantee of building a worldwide fanbase. As Read stresses, the successful internationalisation of sports content requires a tailored approach to maximise engagement in specific markets.

"Knowing your audience is key, as well as making sure that you're tailoring your content to that audience," he says. "Key to this is ensuring that you're speaking the language of the audience – whether that be through multilingual commentary and graphics or tailoring the content style correctly. Something that works for you in your local market may not work in a different market."

As a starting point, ensuring the commentary is relevant to the specific audience is "the easiest and most effective way" to tailor the offering, Read explains.

Spalk vice-president of strategy and partnerships Tom Read

"The commentator is one of the most important parts of a broadcast, and if you can ensure that the commentator has a correct language, accent or dialect for the audience you're targeting, it will go a long way to ensure a successful international growth strategy," he adds.

"This can open up meaningful revenue streams in the form of increasing media rights fees along with potential sponsorship and merchandising opportunities that come along with new audiences."

For example, ahead of the 2020-21 Japanese B.League basketball season, the Philippines was identified as a potential growth market following the arrival of national team star Thirdy Ravena at San-en NeoPhoenix, one of Japan's top clubs. The B.League started offering free coverage of games via their social platforms accompanied by commentaries in Tagalog, a central Philippine language, boosting the competition's following in the country to such an extent that a local broadcaster acquired broadcast rights for the 2021-22 campaign.

UK-based commentator Barry Swain calls an Austrian Bundesliga match in English for an Australian broadcaster.

Remote production

Delivering sports content in a market's native language – wherever it is in the world – is supported by the growing use of cloud-based remote production tools.

As Read points out, gone are the days when the production and distribution of only an English-language world feed was sufficient.

"Approximately 75 per cent of the world doesn't speak English, so there's a huge market segment that's often being left out," he adds. "Tools like Spalk to add commentary, LIGR or Singular to add custom language graphics and WSC Sports to create highlights clips that are customisable for specific audiences have all been hugely important, and a number of sports leagues have seen success from doing this."

A tailored approach is now considered by many to be a requirement in the OTT space, with audience expectations of a more personalised and relevant viewing experience continuing to grow. In this context, the successful delivery of sports content internationally can help to boost loyalty, expand a global following, and ultimately spread risk in a congested marketplace.

"Increasing competition seems to be the biggest challenge currently facing the rapidly growing sports OTT industry," Read says. "Aside from the big tech companies that are moving more into the space, you also have the traditional broadcasters that are refining and improving their OTT sports strategies.

"This breeds opportunity too. If a sports OTT service can successfully grow subscribers across a number of key markets globally, while ensuring that the content they are broadcasting is correctly tailored to the audience in those markets, they will put themselves in a good position to succeed." ◆

Sport's human rights procedures a 'black box' with no transparency, campaigners say

Fireworks light up the sky as paramilitary policemen stand guard during the Opening Ceremony for the Beijing 2008 Olympic Games. (China Photos/Getty Images).

- Newcastle United takeover and UAE Club World Cup hosting re-ignite human rights debate
- Hosting of events, ownership of clubs, sponsorship and media rights all affected
- Sport has special responsibility because of its unique reach and power

By Frank Dunne

Next year, the United Arab Emirates will host the Fifa Club World Cup. China will host the Olympic Winter Games. Qatar will host the Fifa World Cup. And Premier League club Newcastle United will have completed its first season under new ownership. What connects these apparently unrelated sports events is human rights.

Over the last four to five years, the issue has pushed its way to the top of the agenda for sport's biggest governing bodies. But for human rights campaigners, they are not doing nearly enough.

Fifa, world football's governing body, came under fire last week for its decision to award the hosting of its Club World Cup to the UAE. Human rights groups have raised concerns about the repression of dissidents and imprisonment of human rights campaigners in the region. Earlier this month, the Premier League was criticised by human rights organisations for approving the buyout of Newcastle by a consortium led by Saudi Arabia's Public Investment Fund. Saudi Arabia has been the focus of attention on a range of human rights issues, from women's rights to religious freedom, in addition to what was widely seen as the state-sponsored murder of the Saudi journalist Jamal Khashoggi in October 2018.

Next year, pressure will intensify on the International Olympic Committee over Beijing's hosting of the winter Games due to China's treatment of its Uyghur Muslim minority and its policies on Tibet and Hong Kong. Fifa will be under continued scrutiny over Qatar's hosting for the World Cup due to the conditions of migrant workers who have built its stadiums.

Billions of dollars are tied up in decisions like the hosting of an Olympic Games or a World Cup. Hundreds of millions are spent on the ownership of clubs and franchises. Tens of millions are spent on media and sponsorship rights. Increasingly, there is pressure to justify these investments in terms of the human rights


(Julian Finney/Getty Images)

records of the countries hosting events or buying sports franchises. Increasingly, sports bodies are expected to address questions ranging from press freedom to torture and even genocide.

Humanity

Sport is unique in its global reach and ability to generate deep, lifelong emotional attachments. Those characteristics are the basis of all the financial success and other benefits the sector enjoys. Sport is aware of its power. The major governing bodies overtly position themselves as being more than just organisers and regulators, but as being for the good of humanity.

In May 2007, Fifa unveiled a new slogan: 'For the Game. For the World'. The governing body talked of a "new era" in which "social responsibility and community" would take centre stage. The slogan, Fifa said, summarised its mission to "develop the game, touch the world and build a better future".

In July this year, the IOC tweaked its founding slogan. Since 1894 it has been 'faster, higher, stronger'. Now it is 'faster, higher, stronger – together'. The IOC president Thomas Bach explained why: "Solidarity fuels our mission to make the world a better place through sport. We can only go faster, we can only aim higher, we can only become stronger by standing together — in solidarity."

This power is also why sport has become an attractive platform for countries with soft power ambitions, or worse, for what has become known as 'sportswashing' – regimes using sport to divert the world's attention from human rights abuses. For some observers, the unique power of sport gives it special responsibilities in this area.

Lars Haue-Pedersen, managing director of BCW Sports, the sports consultancy division of public relations company Burson Cohn & Wolfe, tells *SportBusiness*: "It is right that sport is held to account. Sport has tremendous power and many rights-holders use that as an asset. Fifa doesn't say that football is about 11 v 11. They say it's about a better world. The IOC says something similar about the Olympics. I think it's good they have taken that position. The power of sport almost dictates that they have to do that. But you can't do that and then distance yourself from human rights issues."

Decisions on event hosting have become a moral minefield for sports bodies. But it's one they have a duty to navigate.

"If you are a rights-holder and you are staging an event in a country which has been criticised over human rights, you can't just say: I want your stadiums, your transport infrastructure and your hosting fees, but I don't want to deal with anything else. You have to deal with the whole package. You must have an opinion," Haue-Pedersen says. "If you think the issues are so problematic that you, as rights-holder, cannot talk about it, then don't go there."

The questions raised by human rights can be complex, emotive and divisive. But Minky Worden, the director of global initiatives at Human Rights Watch, who has overseen the organisation's work on sport and human rights for 23 years, tells *SportBusiness* the question on hosting is a simple one: "What is sport to do when the world's biggest human rights abusers want to host the world's largest events and use those events to gain international approval for repressive policies or terrible actions?"

Where sports bodies don't address these issues, she says, there is a high price to be paid by ordinary people. "If Fifa or the IOC refuse their responsibility to assess human rights risks, they transfer the risk to other people: fans, human rights defenders, women, LGBT people and workers."

Policies

In 1948, in the wake of World War II, the countries of the world signed up to a Declaration of Human Rights. In June 2011, the Human Rights Council, the UN body responsible for the protection of human rights, endorsed the UN Guiding Principles on Business and Human Rights, which was the first global framework to address the impact of business on human rights. In Vienna, in 1993, at the World Conference on Human Rights, all 171 participating countries reaffirmed their commitment to the values expressed in the 1948 declaration. The framework that sport should be operating within is clear and well-established.

Governing bodies like the IOC, Fifa and Uefa, European football's governing body, argue that they take human rights very seriously. Each has incorporated human rights into its decision-making processes. Each claims to operate in line with the UN's guiding principles on business and human rights.

Fifa says of its human rights policy: "Fifa is committed to respecting all internationally recognised human rights and shall strive to promote the protection of these rights. This human rights policy specifies Fifa's statutory human rights commitment and outlines Fifa's approach to its implementation in accordance with the UN Guiding Principles on Business and Human Rights."

In 2017, the IOC adopted new bidding and hosting regulations for the Olympic Games. The Milan-Cortina winter Games in 2026 were the first Games awarded with human rights requirements built into the bidding process. The 2024 Games in Paris will be the first Olympic Games for which human rights provisions are contained in the host city contract. Such contracts now say: "The host city, the host National Olympic Committee and the Organizing Committee of the Olympic Games shall protect and respect human rights and ensure any violation of human rights is remedied in a manner consistent with international agreements, laws and regulations applicable in the host country and in a manner consistent with all internationally-recognised human rights standards and principles, including the United Nations Guiding Principles on Business and Human Rights, applicable in the host country."

Uefa says: "Football can promote the respect of human rights, but it can also amplify abuse and discrimination. It is critical to ensure that European football is in full alignment with international human rights standards and related instruments and principles. Uefa takes steps to ensure that human rights standards are upheld across all levels of operations, including competitions, in full alignment with the UN Guiding Principles on Business and Human Rights."

The IOC and Fifa can both point to the leverage their events confer. Since being awarded the World Cup, Qatar has implemented new labour laws to improve the conditions of migrant workers, culminating in the signing of a memorandum of understanding with the International Labor Organization in January 2020. The IOC's banning of South Africa from the Olympic Games in the 1960s for the country's policy of sending all-white teams was part of a wider global repudiation which eventually led to the dismantling of apartheid. Another enduring legacy of the IOC's commitment to human rights is in South Korea.

As HRW's Worden points out: "South Korea was a dictatorship at the time of the 1988 summer Olympics. There were massive public protests around that time, and it was clear students risked being killed. The IOC used its leverage to say: stop shooting at people and rolling in the tanks, or you're not going to have the Olympics. South Korea held elections within six months and has been a relatively stable democracy ever since."

Groups like HRW and Amnesty International welcome these policies. But their concern is that they can become mere box-ticking exercises which are not applied in practice. In addition, they say, a lack of transparency around their decision-making makes it impossible for external bodies to assess the extent to which sport is complying with its own principles.

As Worden puts it: "Both the IOC and Fifa accept, in principle, that the UN guiding principles apply, and they have literally acres of publications about bidding requirements. The challenge is that when the rubber hits the road, there is still a black box around these processes."

She adds that a perception of inaction on human rights could hit one key vertical of sport's finances: sponsorship revenues.

"I am constantly in touch with sponsors and quite a few of them are very fed up. Brands sponsor sport to be associated with human achievement and what they're getting is crimes against humanity. That's not what they signed up for. Brands don't want to be associated with worker deaths, crimes against humanity, racial or homophobic abuse and the sexual abuse of athletes."

Power

For all the power and influence of sport, it pales into insignificance when compared with the power and influence of national governments around the world.

The IOC has been called upon by human rights groups to take a stand on the Uyghur Muslim situation. Yet China's biggest trading partners remain inactive. The US has a two-way trading relationship with China which was worth \$634.8bn (€545bn) in 2019. At the time of writing, the US government is considering a range of diplomatic responses over the Uyghur issue, such as not sending government officials to the Games, but a full boycott by the US team and the imposition of economic sanctions seem remote possibilities

Fifa has come under fire for migrant worker abuses in Qatar. France, which has a substantial trading

(Julian Finney/Getty Images)

relationship with the Middle Eastern country and is one of the most high-profile enablers of its ambitions in sport, has no plans to boycott the World Cup, in common with every other major footballing nation. In 2019, exports from France to Qatar were worth \$4.32bn.

The Premier League has been criticised over its stance on the Newcastle takeover, yet between 2015 and 2019 the UK government sold arms worth \$4.7bn per year to Saudi Arabia. According to human rights groups, those arms were used in the bombing of Yemen, where 130,000 people died, including 12,000 civilians.

Sport, some in the industry feel, is being required to do the heavy moral lifting that governments and multinational corporations, for reasons of trade and realpolitik, are not doing.

As Haue-Pedersen puts it: "Sports bodies are somehow being held to higher standards than governments and business. All these countries where sporting events are organised are members of United Nations and none of them is being boycotted. Companies trade with them all the time. Sport is being put forward as a kind of battleground and held to the highest standards. The rights-holders of these events are not responsible for what happens in these countries. They have to defend themselves on things over which they have no influence."

Worden firmly rejects the argument that sport is being held to higher standards on human rights than governments and other businesses.

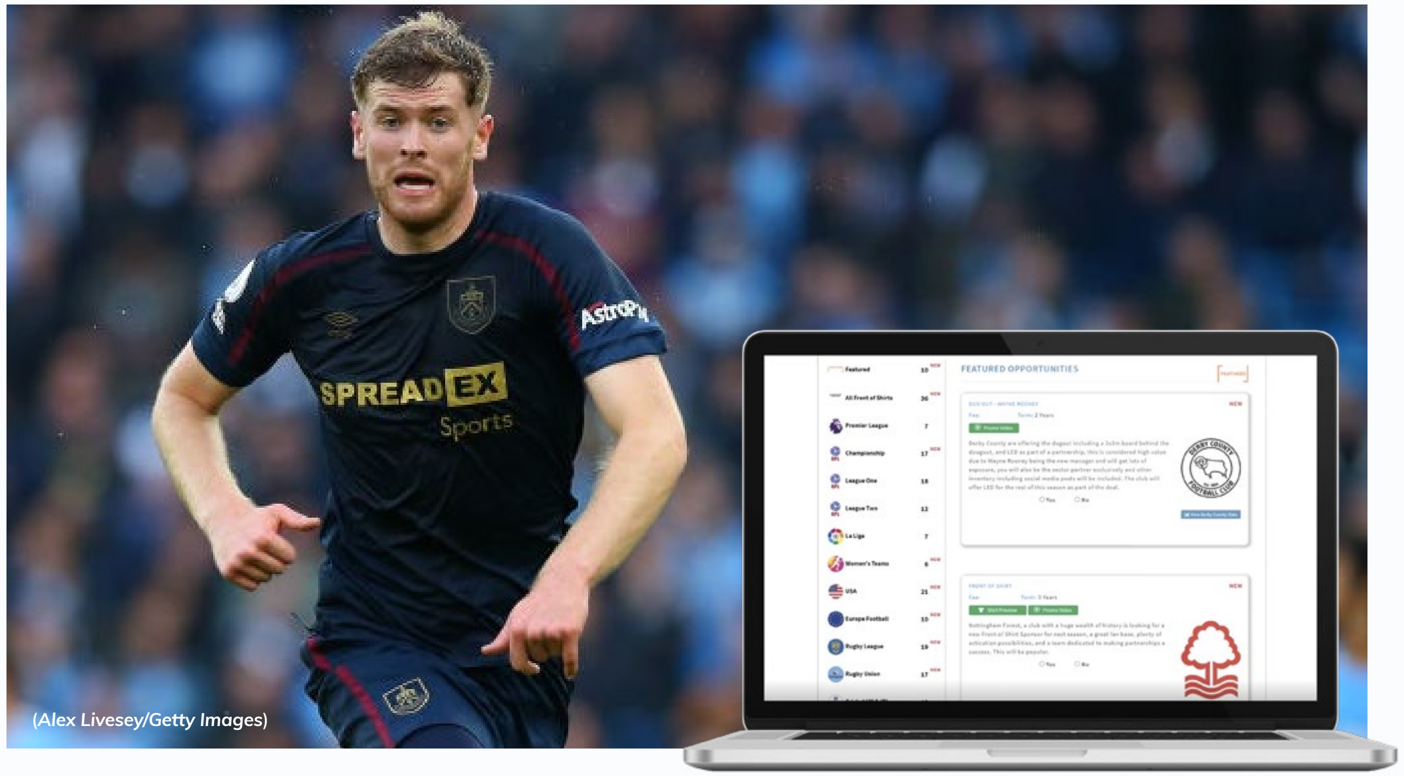
"Everything we have asked of sports bodies we ask first of governments," she says. "On China, for example, we've worked with governments, the European Union and every major trading partner. We engage with companies like Google and Facebook about their footprint in China. The human rights community is already doing the hard work with businesses and governments."

She admits, however, that the UN guiding principles on business and human rights were created "in good part because governments weren't doing their job."

Worden concedes that the power of sports bodies is limited but insists they have a vital role to play. "The IOC says: We're not the world's policeman. We say: You're not, but there are two areas where you have a responsibility: assess risk and do something about it where you have leverage. This put-your-head-in-the-sand approach worked in 2008 in relation to China, but it won't work next year."

The top sports administrators are sensitive to their legacy. Some, quite clearly, have one eye on the Nobel Peace Prize. Those who are perceived to put revenues before human rights are unlikely to be remembered as having contributed to the good of humanity.

The volume around human rights in sport is only going to get louder. And 2022 could be a watershed year for the sports movement. ◆


(Alex Livesey/Getty Images)

Virtually possible: Elite Sports Marketing builds a one-stop shop for sports sponsorship dealmaking

For brands looking to explore the countless options in the world of sports sponsorship, the process of seeking out and selecting the right club, league or organisation can be overwhelming.

Traditionally, the disparate nature of the sector – spanning a multitude of sports, countries, properties and tiers – has made it fiendishly time-consuming to scour the industry efficiently to ensure the best possible match.

However, whereas a comprehensive search of all possible options was once considered virtually impossible, Elite Sports Marketing's online platform is attempting to make such a task virtually possible.

Strikingly, prospective sponsors can super-impose their branding onto the shirt of a sports club through the platform, giving them a virtual glimpse of how such a sponsorship arrangement could materialise.

However, the platform extends far beyond the basic appeal of such vivid illustrations. It allows brands to gain deeper insights by accessing relevant information and data about the opportunity with one click, whilst being given access to any supporting documentation.

Brands that are signed up to the platform are informed of fresh opportunities via regular email updates, circumventing the potentially cumbersome exploratory phase of such partnerships and helping to fine-tune a notoriously laborious process.

Global interest

Numerous opportunities are categorised on the platform – including official club partnerships and stadium naming rights, as well as front-of-shirt sponsorships – across multiple sports and leagues. Many of Elite Sports Marketing's current clients are clubs based in the UK, although the platform is continuing to expand abroad into markets like the North American major leagues and mainland Europe.

The platform's chief executive is Michael Jackson, who forged a career as a telemarketing executive before launching Elite Sports Marketing in January 2016.

Aside from brokering the partnerships after an initial expression of interest is registered by a brand, his services also include the provision of advice regarding potential club takeovers. Rights-holders are charged a 10-per-cent commission fee on sponsorship deals, but it is free to register with the platform.

"We work with approximately 400 clubs globally, from the Premier League to League Two, county cricket, rugby league and union, MLS, NFL, NHL and NBA as well as some of the top teams in Europe including Paris Saint-Germain, Barcelona, Borussia Dortmund and others," Jackson says.

"The platform has grown in terms of teams by 300 per cent in the last 18 months, and 200 per cent in regard to brands, and the platform has generated deals ranging from £30,000 to multi-million-pound partnerships, including Premier League club Burnley's front-of-shirt deal with Spreadex."

The appeal of simplifying the deal-making process in sports sponsorships has attracted an increasing number of clients since the platform's launch, including several in recent months as the industry's recovery from Covid-19 has accelerated.

For example, in rugby league, English Super League clubs St Helens and Wigan Warriors teamed up with fan engagement platform Iqoniq earlier this year. Other partnerships facilitated by the platform included England Rugby's agreement with insurance giant Allianz, English Premiership rugby union club Sale Sharks' front-of-shirt deal with cyber tech firm Vcode and Gloucestershire Cricket's shirt sponsor agreement with the Cayman Islands Department of Tourism.

Trust is key

A key priority for the platform is ensuring brands can find rights-holders that are a good fit. To facilitate this, Jackson explains that the company has carried out Facebook surveys with fans to gather views on the types of sponsorships they would welcome at their clubs.

"We would be able to tell brands which clubs are most likely to buy their products, and so much more," says Jackson. "We are looking at how we present this information, and we have lots of ways to slice and dice it."

He adds: "I always look at the platform and ask myself, 'How do we make it better?' At the start, it was to show the club, the opportunity and fee. Then we added social numbers for the club, video presentations, and previews so brands could see what it looked like on the shirt – which was extremely popular. Then we added live league positions, and now we are adding fan data so brands can make better decisions."

Jackson says the top priority is to find the right balance between scaling up the service and ensuring the one-to-one quality of relationships is protected.

"Trust is critical," he says. "We are helping and advising brands on where they should spend their budget. They need to trust that we are advising them correctly. The personal relationships we have built have been fantastic and some have become proper friendships. This is what we do very differently to our competitors. We have fun with our clients."

Changing landscape

While Jackson admits that the sponsorship world has changed "dramatically" over the past few years – a shift accelerated by the pandemic – he is confident that Elite Sports Marketing's platform is sufficiently adaptable to cater for to its clients' diverse needs.

For example, Jackson says that brands are "very interested" in areas such as corporate social responsibility (CSR), player access and community, and increasingly have an understanding of the value of such opportunities in addition to an "eyeballs-on" asset like front-of-shirt exposure.

"Given Covid-19, there has been more focus on digital assets and clubs have needed to adapt," he adds. "This was long overdue anyway, so it is a positive thing. That said, brands know the value of on-kit assets for global reach. The main changes have been the focus on CSR, community and the growth of the women's game, all overdue and all very much welcomed."

Looking ahead, Jackson is happy for Elite Sports Marketing to "go where the brands take us".

He is also keen to stress that Elite Sports Marketing will remain a "results-based company" and free for brands to access, with data at the heart of future growth opportunities.

"The immediate future is to grow the number of brands on the platform, coupled with our continued effort to make the platform a one-stop-shop for brands looking into sports sponsorship," he says.

"With all the current features, coupled with the new fan insight data, we believe this adds even greater value to brands. We are constantly being praised by major global brands who use our platform, so we know we are on the right track." ◆

To discuss accessing the platform you can contact Michael Jackson at **michael@elitesports-marketing.co.uk** and to watch an instructional video about the platform, please visit **www.elitesports-marketing.co.uk/promovideo**

Ex-World Rugby boss Gosper impressed by NFL's 'focused commercial culture'

Brett Gosper (Photo: NFL)

- NFL International Series resumes in London after Covid cancellation in 2020
- New international marketing rules will allow teams to sell sponsorship in 'one or two' international territories
- Successors at World Rugby should be cautious about selling equity to PE firms

By Ben Cronin

In the nine years Brett Gosper served as chief executive of World Rugby, one of his main objectives was to develop international audiences and revenue streams beyond rugby's traditional heartlands in Europe, with the US and Asia identified as key target markets. Now that he has left the governing body to become the NFL's head of Europe and the UK, he effectively faces the opposite challenge: acting as a missionary for America's most popular sport on a continent where football has traditionally dominated.

Gosper tells *SportBusiness* that he hadn't been actively looking to change jobs but found it hard to say no when the US major league came calling.

"I liked some of the similarities and I liked the differences," he says. "And if you work as a sports executive, the NFL is really a reference point as far as world leagues and best sporting practice is concerned, so it was a curiosity and an attraction, and I was pleased to make the transition."

The Australian, who also served as chief executive of the McCann advertising agency's Europe, Middle East and Africa division and president of McCann USA prior to joining World Rugby, says he has already noticed a change of mindset since joining the US league.

Where World Rugby would measure fan engagement on an annual basis, he explains that the NFL measures it weekly, leaving the new recruit completely clear about where he stands in relation to his performance objectives.

"Firstly, it is a very focused commercial culture. The conversations are very much about fan acquisition, data analytics. And therefore, in my role, maybe there is a sharper focus on what is required, and I guess that's understandable," he says. "It's pretty hard to compare because one is a governing body where all subjects roll up in different areas of importance, whereas the NFL has its own very controlled ecosystem."

One of the ways both organisations have tried to win over new acolytes has been by taking events outside

The Jacksonville Jaguars' mascot at an earlier NFL London Game at Wembley Stadium. (Photo by Martin Leitch/Icon Sportswire)

their traditional markets. Aside from the inclusion of rugby sevens in the programme for the last two summer Olympics, the high point of Gosper's nine-year tenure at World Rugby was taking the 15-man World Cup to what he describes as the 'unchartered waters' of Japan in 2019 and making a commercial success of it.

The closest equivalent for the American league is its International Series, in which teams play regular season fixtures in overseas markets. The series returns this October, after a Covid-enforced cancellation in 2020, with two games at London's Tottenham Hotspur Stadium.

Speaking to *SportBusiness* ahead of the first game between the Atlanta Falcons and the New York Jets on Sunday, October 10, Gosper says: "Having games in a [different] country provides is something very tangible – it makes a sport far more relevant. I think part of our role in Europe is making over there feel like over here."

Seventeenth game

The addition of a seventeenth game to the NFL calendar starting this year – the first change in the season structure since the 1978 campaign ushered in a 16-game regular season – will allow a much more aggressive international strategy, one which envisages all 32 teams rotating through the overseas fixtures over the next eight years.

Once global travel returns to normal after the pandemic, the NFL wants to host four such fixtures annually, including two games a season at Tottenham Hotspur's stadium in London, a third match in Mexico and a game in Germany starting "next year or the year after", Gosper says. In June, the league initiated a formal request for proposals to identify a suitable venue for the game in Germany.

Over and above the four fixtures arranged by the league, Gosper says teams will also be free to stage their own regular season home fixtures in overseas markets, provided this can be done without harming league scheduling.

A further incentive for teams to think beyond local markets will come in the shape of new marketing rules that will soon allow them to exploit some of their own sponsorship rights abroad. Until now, marketing activity has only been allowed within 75 miles of each team's stadium, but under the new rules, which Gosper says are still under discussion, teams will be allowed to choose "one, maybe two markets where they would consider activating" and the league will try to allocate specific rights to those teams that make the best case for each region.

"I think where it is not contradicting any global deals, or NFL deals, there are different ways that this can be organised," he says. "But what we're in the process of doing is receiving proposals... the process is that we will receive market proposals from each team and the International Committee in the NFL will then decide on the merits and qualities of those propositions and how they'll go forward."

The approach is reported to be an expansion of the way the Jacksonville Jaguars have already been granted some rights to activate and sell sponsorship in the UK, to build on their considerable outreach efforts and regular appearances in International Series games in the country already.

Gosper says, "We think there might be as many as half a dozen clubs who will be selected to activate in the UK, Germany, other markets like Canada, Mexico, and so on. And obviously the Jags have been doing that for a while [in London], through the games that they've been playing, and we hope that continues in the future."

Strongest market

The outreach efforts of teams are vital because avidity increases significantly when fans follow specific teams. The weekly fan engagement reports that have so impressed Gosper indicate the UK boasts the largest number of diehard NFL fans in Europe.

Avid fans

League data defines 3.8 million people in the country as 'avids' and 16 million people as fans of the NFL overall. The rationale for taking an International Series game to Germany resides in league data that suggests there are 3.5 million 'avids' in the country and 19 million fans overall. France is described as the "third European market of real size", although no data was shared for this country.

Gosper says the league's media strategy in all these countries is to prioritise reach over revenues. "The media is incredibly important in creating the visibility for the sport," he says. "It's a question sometimes of forgoing revenue in the short term, to gain a bigger market in the long term, and affect other areas of your business."

Sameer Pabari, the NFL's managing director for international media, is based out of the same London office as Gosper but they both report separately to the head office in the US. That said, the Australian says he is involved in discussions about media deals, as he was at

San Francisco 49ers fans outside Wembley Stadium ahead of the NFL International Series game between the San Francisco 49ers and Jacksonville Jaguars in 2013. (Photo by Jamie McDonald/Getty Images).

World Rugby.

"We partner in matrix on a lot of these things where it concerns my region, Europe. I'm involved in those conversations. Sameer's role is totally global, outside of the US, but he consults and discusses and we make some joint calls on some things."

In the UK, the league has a broad spread of broadcast partners, balancing pay-TV coverage on Sky with free-to-air highlights coverage on the BBC and Monday Night Football rights for Channel 5. On top of this, the league's Game Pass OTT platform is designed to 'super serve' NFL obsessives with every single game live or on-demand.

In 2017, the league called on Bruin Capital-owned streaming technology company Deltatre to redesign the product for 61 European markets and announced OverTier – the name for a joint venture between Bruin and advertising giant WPP – would run the NFL's OTT business on the continent. At the time of the launch, it was revealed OverTier would draw on the capabilities of specialist data agency Two Circles, part of the WPP Group, to glean audience insights from the new product.

Although Gopser is reluctant to reveal what the league has learnt in the four years the European version of Game Pass has been in operation, he is candid that audience intelligence is a major benefit of the streaming service.

"It is very much about data acquisition, but it's also providing a product which the very avid consumer is very happy to engage with. The normal platforms just aren't deep enough or voluminous enough in providing that consumer with enough content, so it's both a data play but also satisfying a demanding fanbase," he says.

London Games

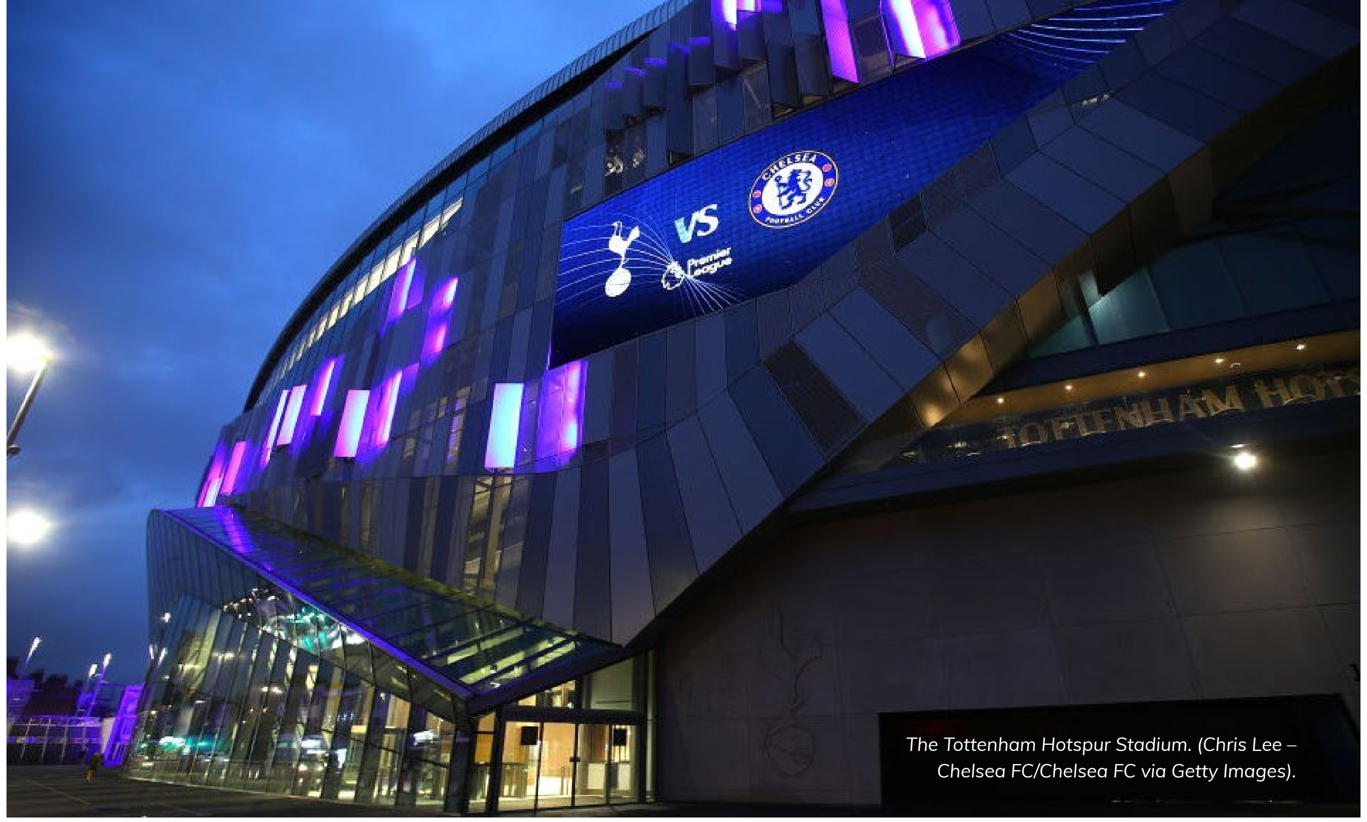
He is more willing to share ticketing and fan insights about the upcoming London Games. In a typical year, he says, as many as 6,000 German fans would travel to the game but this year's audience will be more local because of ongoing travel disruption. Despite this, he is happy with the demand for the two fixtures.

"We certainly saw a very high interest in ticketing, we got to virtual sell-outs very quickly," he says. "We had within two hours, queues up to almost 60,000 people waiting for tickets to sell, so there's a huge pent-up demand and desire to see these games.

"It's maybe a touch softer in the hospitality area, because that's largely dependent on a lot of inbound international travel – whether it be from the US or from Europe. But generally speaking, sales have been very strong across the board."

He says the league has erred on the side of caution in scheduling just the two international games this season, in recognition that the Covid-19 pandemic still has the capacity to pose some operational challenges.

Warming to the ambassadorial side of his new role, Gosper is eager to thank the UK's Department of Culture Media and Sport and the Greater London Authority for their help in staging the games and is glowing about the league's 10-year stadium hosting partner Tottenham Hotspur.



The Tottenham Hotspur Stadium. (Chris Lee – Chelsea FC/Chelsea FC via Getty Images).

"Tottenham as very close and valued partners have been terrific in terms of working with us to ensure that we put these games on with the right protocols where necessary," he says. "We see Tottenham as the home for the NFL in London, we have a long-term deal with them. They've obviously configured the field to NFL requirements and it's a brilliant stadium that players love to play in, and spectators like to watch from."

The relationship with the Premier League club appeared to have paid dividends in a different way when online used car retailer Cinch agreed to become the presenting sponsor of the London Games and lead partner of NFL UK. Gosper says there were 'synergies' between the brand's pre-existing sleeve sponsorship deal with the London club and the new deal with the US league, which includes some stadium LED assets.

The brand is also included in the logo for the NFL London Games and will also be visible on UK broadcast coverage of the matches through sponsorship of Sky Sports NFL and its Sunday Night Football coverage. It will also be running a competition that will provide UK-based NFL fans with the chance to win tickets to Super Bowl LVI in Inglewood, California on February 13 next year.

Gosper says he is proud of World Rugby's efforts in growing the women's game during his tenure. (Matt Roberts/Getty Images)

World Rugby

Looking back to his nine years at World Rugby, Gosper says he is proud of his achievements, which he lists as the two successful Rugby World Cups in England in 2015 and Japan in 2019 and the inclusion of sevens at the Olympics. He also cites the growth of women's rugby and the development of enhanced concussion protocols as other significant accomplishments during his tenure.

However, the former Racing Club de France player (now Racing 92) regrets that he wasn't able to stick around for the next Rugby World Cup in the country in 2023. He was even more dismayed that the governing body couldn't get the different factions in the sport to agree on its proposals for a new Nations Championship pitting northern and southern hemisphere sides against one another in more meaningful annual fixtures.

"I think you'd have to put that down as not being successful but...having failed to get it off the ground I think it sparked a lot of positive conversations and positive outcomes, and made the sport understand some of its weaknesses, and how to accelerate its growth in certain areas," he says. "And I think it has led to some of the conversations that are happening now in the way that they unify the sport and provide a better product."

One theory is that some of the sport's new private equity backers will have more success in knocking heads together than World Rugby ever did. CVC Capital Partners now has a significant say in European rugby thanks to equity stakes in the Six Nations, Premiership Rugby and the United Rugby Championship, while Silver Lake has repeatedly been linked with a deal with the New Zealand All Blacks. Gosper's successor, Alan Gilpin, revealed in July that World Rugby had held talks with PE houses including CVC.

Asked if it would pain him to see PE houses succeed in launching the new competition where he had failed, the Australian has a final word of warning for his successors.

"I can understand why a CVC or a Silver Lake can help provide that extra impetus for the sport. But in some areas you just have to evaluate if it's really necessary." he says. "I'm not now in a position to make that evaluation – there are others that are doing that. If you sell, you sell forever, and you've got make sure you use that money wisely – that's what's important." ◆

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SINGAPORE

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(Robert Cianflone/
Getty Images)

Indian Premier League franchise buyers place huge bets on long-term growth in Indian sport

- Experts predict new team owners will not break even on investments for at least 10 years
- Increases in media rights values expected to propel the next wave of team revenue growth
- New sponsorship income anticipated from 'sunrise industries'

By Kevin McCullagh

The valuations of the two new Indian Premier League franchises auctioned last month, at $760m (€650m) and $950m, raised eyebrows across the sports industry. The IPL is widely recognised as a huge success in a massive, growing market. But could IPL teams, playing in a one-month-long competition once a year, in a still-developing economy, be valued on a par with, for example, Champions League football clubs in Europe?

India sports industry experts spoken to by *SportBusiness* say the new IPL team owners will not break even on their investments for 10 years or more. By some calculations, it could take more than 20 years. But there is belief that the IPL is now such an established product, and proven money-spinner, that the franchise acquisitions will prove worthwhile investments. More broadly, the acquisition prices reflect confidence in the long-term prospects of the Indian sports, media and entertainment industries.

The deals

The two new franchises were awarded by the Board of Control for Cricket in India, the founder and administrator of the league, in a blind auction, the results of which were announced Monday, October 25th. Each bid was tied to one of six Indian cities in which a franchise could be placed.

Private equity firm CVC Capital Partners made a winning bid of Rs56.25bn ($760m/€660m) for a franchise in the city of Ahmedabad. Indian conglomerate RP-Sanjiv Goenka Group (RPSG) blew away the competition with a Rs70bn ($950m/€820m) for a franchise in Lucknow.

Ahmedabad is an economic and industrial hub of 5.7m people, the capital of the state of Gujarat, population 60m. The new franchise will play at home in the world's largest sports stadium, the 132,000-capacity Narendra

Modi Stadium.

Lucknow, population 3.5m, is an administrative and cultural centre, and the capital city of the large state of Uttar Pradesh, population 200m. The new franchise will play at the 55,000-seater Ekana Stadium.

One important aspect of the valuations is that they are not paid up front by the buyers. Instead, they are paid over the next 10 years. This means the present value of each franchise is actually much lower than the headline figure, perhaps by as much as 50 per cent once expected inflation and economic growth rates are taken into account.

However, the annual franchise fee payments also mean the teams are unlikely to be profitable for the next decade, at least.

The valuations appear to have far exceeded expectations at the BCCI. The board had stipulated minimum bids of $270m. Prior to the auction, officials expressed hope for bids in excess of $465m. In the end, the lowest bid was around $550m (see graphic in Tweet below from Harsh Goenka, Indian industrialist and brother of Sanjiv Goenka, owner of RPSG).

The blind auction encouraged competitive bidding. It is a sales method that can generate dramatic valuations in competitive markets. In another sports industry example of its application, blind auctions are often used by sports organisations selling highly-prized media rights.

The rarity of the opportunity to acquire an IPL team was a major factor encouraging competitive bidding. It was the first time since 2012 that such an opportunity had arisen and it is unclear when, or if, the opportunity will arise again.

"The price of these products, like anything else, is a combination of demand and supply," says Yannick Colaco, co-founder of Indian digital sports media platform FanCode and former managing director of NBA India. "There are very few opportunities to own a sports team in big sports leagues around the world, and there's a large demand for them."

Acquisition rationales

CVC and RPSG are different beasts and are likely to have somewhat different rationales for their investments.

CVC, the American-European private equity investor, will clearly look to exit at a profit in the not-too-distant future. It is well known within sport for its successful and long-term bet on Formula 1 motor-racing, which it controlled between 2006 and 2017. It has continued to invest in sport, in recent years striking major deals with rights-holders including Spanish football's LaLiga, Italian football's Serie A, the International Volleyball Federation (FIVB), and European rugby union's Six Nations.

Kolkata-based RPSG is a sprawling Indian conglomerate with activities in power generation, media and entertainment, and consumer retail chains, among other sectors. It is also a significant investor in sport.

RPSG ran the short-lived IPL franchise Rising Pune Supergiant (RPS) in 2016 and 2017. RPS was one of two temporary teams admitted to the league to replace the Chennai Super Kings and the Rajasthan Royals, who had been suspended due to an illegal betting scandal.

RPSG is also the present owner of Indian Super League football team ATK Mohun Bagan and Ultimate Table Tennis team RPSG Mavericks Kolkata.

Sundar Raman, who was chief operating officer of the IPL from its inception until 2015, told *SportBusiness* he believes RPSG will hold its IPL team for a longer-term than CVC:

"I think they bought it for keeps, rather than as a property to flip. CVC, by all traditional understanding, will probably look at (its IPL franchise) as a flip rather than as an asset to keep for the next 50 years."

Raman, now a sports industry consultant and investor, notes that sports teams have historically been acquired for a variety of reasons beyond turning a profit, including for political, social or cultural clout. Non-financial reasons may clearly apply to RPSG buying into India's most glamorous and popular annual sports tournament.

The margin by which RPSG outbid CVC and the other bidders also suggests the company is prepared to take a very long-term view.

However, Raman believes the economics also stack up for both RPSG and CVC. The IPL has proven, he says, "That it's a league that will make money for you in the medium to long-term...

"It is a matter of when, and not if, these will turn into profitable assets. Whether it takes five years, 10 years, or 15 years, they will turn profitable. That's almost a certainty."

IPL financials

Most of the current IPL teams are thought to have become profitable in recent years, having paid off their original franchise fees and benefitted from big increases in commercial revenues.

The teams share 50 per cent of central league revenue. Most of this comes from the IPL's $510m-per-year global media rights deal with Star India, covering the five seasons from 2018 to 2022. Media reports put central sponsorship revenue this season at about Rs7.4bn ($100m).

Total central revenues should therefore be around $610m this year. Split equally, this would translate into around $38m per club. In reality, the split is not entirely equal as a small percentage of the teams' share goes into a prize purse that is awarded to the top-ranked teams.

Teams also generate their own revenues, mainly from sponsorship and gate receipts. Indian media reports

(L to R): Donald MacKenzie, co-founder and co-chair of CVC Capital Partners; former F1 World Champion Niki Lauda; and F1 supremo Bernie Ecclestone at the Spanish Formula One Grand Prix in May 2012. (Paul Gilham/Getty Images) estimate sponsorship income as ranging between Rs300m ($4m) and Rs750m ($10m) per year per team. Tickets, hospitality and other revenues also vary per club but could add another Rs310m ($4m), according to estimates.

All told, this means annual income in the range of $40m to $50m for most teams.

The teams' biggest expenses are player pay and operational costs. Experts put these at around Rs1bn and Rs500m per year, respectively, for a total of around Rs1.5bn ($20m).

The figures suggest profits of around $20m to $30m per year for the current franchises.

The IPL franchises were not always this lucrative. Media rights and sponsorship revenues have grown dramatically. Global media rights revenue for the first 10 years of the IPL generated just $77m annually, under a deal with Star India's rival broadcaster Sony Pictures Networks. The current Star deal was more than a six-fold increase in value. There have also been large percentage increases in sponsorship revenues.

For the first 10 years of each franchise's existence, the owners were paying out their franchise fee. The original eight teams went for around $100m each, adding $10m of cost each year. This pales in comparison to the latest valuations, but was a considerable amount in the context of league and team revenues in the early years of the IPL.

CVC and RPSG will be paying much bigger annual franchise fees, of around $75m and $95m, respectively. The new franchises will therefore be heavily loss-making for some years to come.

Media rights battle

Media rights are one of the big hopes for central revenue growth in the near future, with a sales process imminent for global rights in 2023 onwards. A tender for the rights is expected in the coming weeks.

Reports in Indian media say the BCCI expects to double its media rights income. The IPL has become by far the most valuable sports property in Indian television and a major battle for the rights is expected, involving at least three big domestic players.

Star is expected to bid to retain its crown jewel sports property. Former IPL rights-holder Sony, one of Star's main rivals in the Indian pay-television market, will bid to snatch the rights back.

Sony has played second fiddle to Star for years. Star's grip on the major cricket rights properties, most notably the IPL but also BCCI and ICC rights, has been one of the main reasons for its primacy.

Sony is currently working on a multi-billion-dollar merger with another Indian broadcaster, Zee Entertainment, to create what would be India's biggest media group. If the merger is successful, the combined Sony and Zee could be a formidable bidder in the IPL rights auction.

The third big domestic player is conglomerate Reliance and its broadcasting business Viacom18, which is half owned along with US media group ViacomCBS. Viacom18 has been on a minor sports spending spree recently, in what appears a signal of intent. Viacom18 has until now been a minor player in sport.

Reliance is a major investor in sport more broadly, notably owning the Mumbai Indians IPL team and having joint ownership over the Indian Super League, the country's top football league. Reliance and the IMG agency also ran a joint-venture sports marketing company in India for several years that Reliance now owns outright, Rise Worldwide.

Reliance also owns the massive Jio mobile network. Jio has a video streaming service that carries sport, although mostly via channels from other operators including Star and Sony. Jio has around 450m mobile broadband subscribers. It has plans to add another 400m in the coming years and is also rolling out a 5G network.

There have been reports in local media that Amazon could join the bidding, possibly in tandem with Sony. The e-commerce giant has made a couple of small sports rights acquisitions in India, including New Zealand Cricket. A bid for the IPL would be a big step up.

However, while the next auction looks set to be a competitive one, there is no guarantee that media rights growth will continue far into the future. Across most of the world, sports media rights values are flat or declining, hit by declines in the linear television business.

Indeed, Star has indicated that it will scale back its investment in linear television in India, increasing its focus on its streaming business in line with other Disney units around the world. It is not yet clear that sport will be as important for the streaming business as it was for the linear business. How aggressive Star is in the upcoming IPL auction will say a lot about its belief in the importance of sport in the streaming space.

Sponsorship opportunity

Sundar Raman expects the IPL to continue to attract strong sponsorship interest in future years and expects new money to flow from 'sunrise' industrial categories. The IPL, he says, is an unparalleled marketing platform in India.

"Something like an IPL gives you the fastest opportunity to grow and build a brand in the shortest window," he says.

He notes an evolution in the IPL's sponsors, from being dominated by banks, motorcycle manufacturers and real estate companies in the early years, to mobile phone manufacturers, apps and fintech today. Going forward, he sees fintech, electric vehicles and, subject to government regulation, cryptocurrency as growth sectors. There has also been relatively little interest in the IPL yet from the sort of major financial and insurance companies that have been big players in sports sponsorship in Western markets, he says:

"Look at Barclays, or Standard Chartered, or insurance companies...None of those big dollars have come into the Indian sports ecosystem yet. I think that will happen in a matter of time."

Sanjiv Goenka (right), chairman of RP-Sanjiv Goenka Group, pictured with his wife and Virat Kohli, captain of Indian cricket team at Lord's Cricket Ground in May 2019. (*Alex Morton/Getty Images*)

Potential challenges

Alongside revenue growth, there are several other potential future challenges for the IPL model that could affect the new team owners' investments.

One is that the BCCI has a large amount of control over the league, including a decisive say on big decisions such as how many teams take part. In theory, the BCCI could take decisions that negatively impact the value of the new teams.

However, Raman does not see the BCCI making any decisions that do not also benefit the teams: "There is a certain amount of assurance for owners in terms of the league structure and format. Having spent time there myself, I don't think the BCCI is interested in doing anything which is not adding to the IPL, benefiting the franchises as well as the BCCI."

This dynamic could in theory cut the other way and enhance the value of the franchises, for example if the teams successfully lobbied for a bigger share of league revenues.

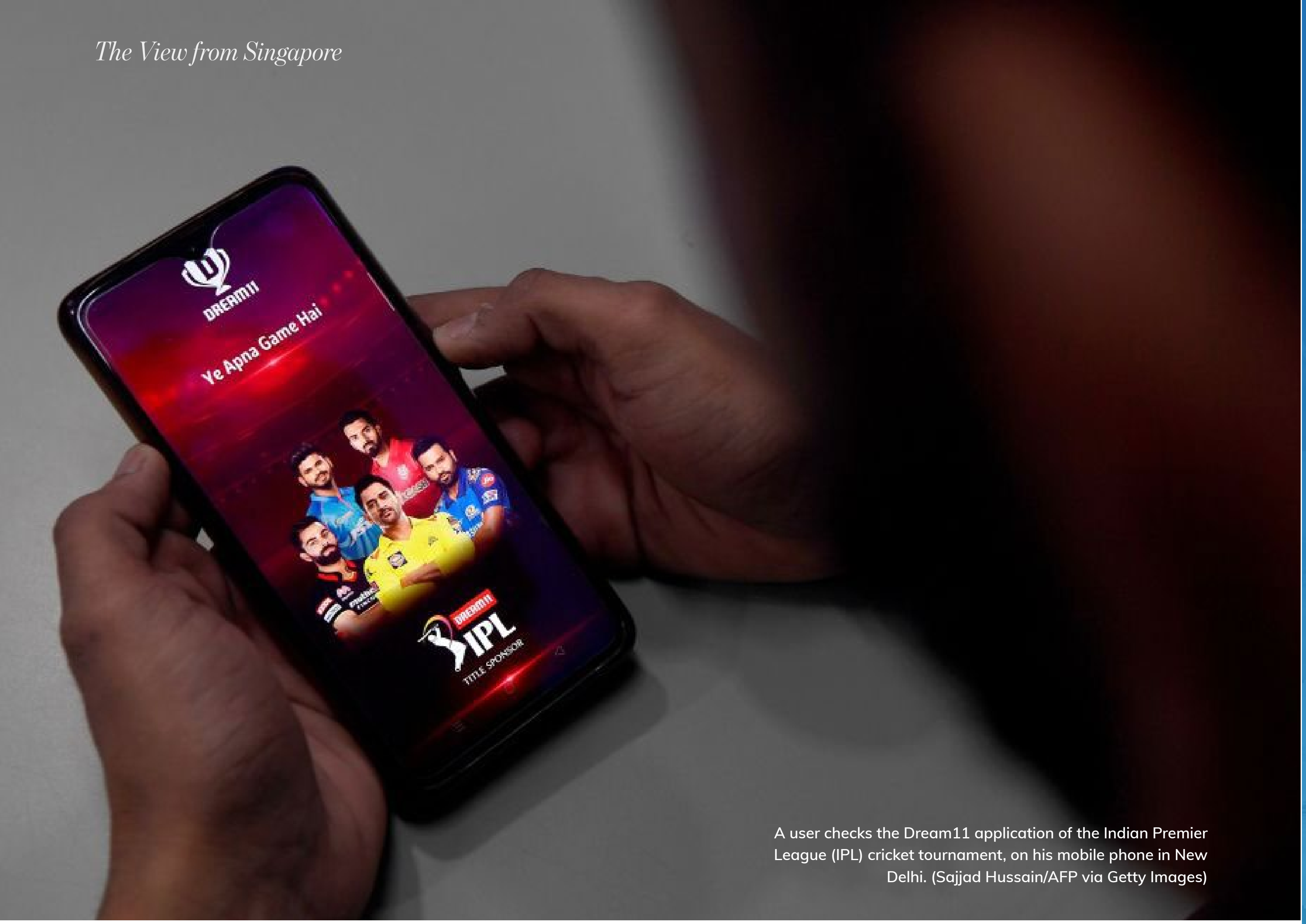
As one local industry expert who wished to remain anonymous, told *SportBusiness*: "Franchises could look around and say, 'Why is the BCCI making so much money, when we are the guys who are investing in it?'".

FanCode's Yannick Colaco says salary inflation for players could prove a future challenge.

The salary cost estimate above of Rs950m ($13m) would represent about 30 per cent of revenues for a team earning $40m per year, and 26 per cent for a team earning $50m. Players get higher pay as a proportion of team and league revenues in other major leagues around the world. For example, NBA players get about 50 per cent of team revenues, and European football teams typically aim to spend a maximum 70 per cent of revenues on player salaries. Many teams exceed this limit.

Raman thinks the salaries on offer in the IPL are so much stronger than anything else in world cricket that there is no foreseeable danger of agitation for more from the players. "The IPL has transformed the lives and livelihoods of many a player, and many a career, and that's been acknowledged and received very well, " he says.

He notes that salaries have roughly tripled since the IPL began in 2008, when they were around Rs200m to Rs250m per team. And he estimates these figures could rise to around Rs1.2bn to Rs1.3bn per team over the next decade.



A user checks the Dream11 application of the Indian Premier League (IPL) cricket tournament, on his mobile phone in New Delhi. (Sajjad Hussain/AFP via Getty Images)

Strong foundations

One challenge that the IPL is not expected to face is a decline in audience interest or domestic playing talent. Both Colaco and Raman say the BCCI has used IPL revenues wisely to add to cricket's incredibly strong foundations in India.

Colaco says: "People forget the amount of investment that the BCCI has made in the game of cricket over the last four decades. There are over 50 international cricket venues in the country. They've set up grassroots structures at the state, district and city level, with competition structures across various age groups at each level. They've helped establish thousands of professional and semi-pro sports academies across the country...There's a massive ecosystem which the BCCI has built for the game."

Raman adds: "The IPL money is not being spent on extravagances by the BCCI. They are ploughing every dollar into the game. The administration is very conscious of how the money is being spent. A lot of it has gone back to players. Infrastructure has been developed. There are training communities around the country. There are structured pathways for cricketers. If you are a 12-year-old or a 14-year-old, you know your talent is not going to be missed and that opportunities will come your way."

Ecosystem endorsed

The IPL's new franchise owners face significant challenges in earning returns on their investments. But there is plenty for them to be confident about in the long term. The IPL's proven business model looks unlikely to derail. In 10 years' time, CVC and RPSG should have full ownership of highly valuable, rare and profitable assets, likely with large resale value.

Raman says: "I think the IPL model is so well established that you'll realise in the next five to seven years' time that the value paid today and spoken of as very, very high, is actually not so high. We saw in the first auction, when we did the tender for the first eight teams – everybody wondered then, in 2007, 'Why would somebody pay $110m?' It seemed like a ridiculous amount of money for an untested concept."

More broadly, the valuations are big votes of confidence in the long-term prospects of the Indian sports industry.

Colaco says: "It's ratification that the sports industry is growing. It's ratification that, among Indian consumers, the culture of sport is growing. And it's ratification that advertisers and investors look at sport as a serious industry, which it wasn't 20 years ago. And I think that's actually great for the business, great for the sports ecosystem." ◆

Eleven focuses on D2C and ‘locally relevant’ sport in new Asia-Pacific service

AFC Champions League action.
(Han Myung-Gu/Getty Images)

- Eleven Sports to lean on subscription streaming model for new Apac service
- Smaller, locally-popular rights properties are the main target of content strategy
- Like rival SPOTV, Eleven is aiming for a ‘localised’, digitally-focused service

By Kevin McCullagh

Eleven Sports is one of a number of sports broadcasters jostling for a share of the market in Asia-Pacific left open by the shutdown of former pan-regional leader Fox Sports Asia.

The company’s chief operating officer Alessandro Tucci told *SportBusiness* this week about the opportunity that Eleven sees and how it will set itself apart from rivals.

Eleven is taking a digital, direct-to-consumer approach, with a service that will be mostly reliant on subscription streaming revenues. This sets it apart from rivals such as SPOTV and beIN Sports, that lean mainly on revenue from pay-television ‘affiliates’.

Eleven is also aiming its content strategy, for now at least, away from the most expensive, top-tier rights for major international sports events. The focus is on less expensive properties that have strong resonance locally, such as domestic football leagues, international competitions that feature Asian athletes, and rights in sports such as table tennis and badminton.

Eleven believes the fundamentals of a large, youthful and mobile-based sports audience in the Asia-Pacific region will ultimately underpin its success.

“Fox left the market and, in our view, left huge potential to build an audience,” Tucci says. “But we will not be copying what Fox was doing…It’s a vast, young, technology-driven market. There is a high usage of smartphones in the region to consume sports content. We want to target those younger audiences.”

Soft launch

Eleven announced the launch of its new Asia-Pacific service last month, after securing Asian Football Confederation rights in six markets for the 2022-24 period. A soft launch took place this month in Thailand and Hong Kong, with AFC content streamed for free, allowing the company to begin gathering data on potential customers. It plans to launch in several more markets in the first half of next year, including Malaysia, Indonesia, Singapore and the Philippines.

Alessandro Tucci, ELEVEN COO. (Eleven)

Eleven already has services in Asia, in Taiwan and Japan. In Taiwan, it operates a streaming service and three linear pay-television channels, available via most of the market's leading pay-television platforms. It has rights for properties including the local baseball and basketball leagues, the NBA and the English Premier League. In Japan, it runs an ad-funded, free streaming service in partnership with Yahoo Japan. It has rights for matches of a number of domestic minor league baseball teams.

Eleven has considerable experience in Asia-Pacific sports media among its senior executives. The company is owned by Aser Ventures, the sports and entertainment investment group led by Andrea Radrizzani, who has deep personal knowledge of Asian markets. Radrizzani is a former co-owner of the now-defunct media rights trading agency MP & Silva, where he made his reputation driving an aggressive and profitable business in Asia.

Eleven's new Asia-Pacific business is being steered locally by managing director Nick Wilkinson, also an experienced operator in the regional sports media business.

The new service represents a second go at Southeast Asia for Eleven. It tried and failed to run services in Malaysia, Singapore and Myanmar within the last five years, resulting in significant losses on media-rights investments. The downfall of those services was an inability to secure adequate carriage deals with pay-television platforms; the new service is clearly aiming to avoid being reliant on such deals.

Asked whether this background leaves the company needing to prove itself to a sceptical market, Tucci says: "That's not how we're thinking about it. We come back to the region with the market in a very different place and with a new D2C offering centred around our proprietary streaming technology. We are very excited to get going."

Rights battles

Fox's shutdown sparked a flurry of media-rights sales this year, as rights-holders formerly with the Disney-owned broadcaster sought new deals.

Eleven bid for some of the properties that became available including, it is understood, some of the bigger properties such as MotoGP. This indicates the company's ambitions are not completely confined to the smaller properties that are the main focus.

The post-Fox market has proved a competitive one. Another new pan-regional player, SPOTV, has hoovered up rights for properties including MotoGP and WorldSBK, Wimbledon and US Open Grand Slam tennis, and World Table Tennis. Established pan-regional beIN Sports has taken advantage of the Fox shutdown to beef up its content offering, particularly in tennis. BeIN is understood to have secured the Australian Open and a couple of other tennis properties, and also renewed and expanded rights for Uefa club competition and Italian Serie A football.

There are also a number of pay-television platforms in the individual markets Eleven is targeting that are active players in the sports rights market, such as Astro in Malaysia, PCCW in Hong Kong, and Emtek and MNC in Indonesia.

Tucci would not comment on individual bids. He said the company is primarily focused on smaller, but "locally relevant" properties, although was not ruling out bids for bigger properties where appropriate.

Whereas some of its rivals "really went for the key international rights", he says, "Our strategy is a mix. At least in the first phase, we will not be competing for the likes of the Formula One rights (another former Fox property). We are looking for rights in sports that are relevant locally – table tennis, badminton, baseball in some markets...So we will stay away from the battle for 'super brand' rights."

Eleven is aiming for more than 2,500 hours of live content per year.

Football properties are being targeted, including European cup competitions and European club media channels, as well as local leagues in Asia-Pacific. In one example of the smaller but locally relevant football properties it is targeting, Eleven has acquired rights for the Slovakian league, due to the presence of Indonesian player Egy Maulana Vikri.

Properties in Asian table tennis, European badminton and sepak takraw are also being sought. The platform will also carry content from Team Whistle, the US-based digital sports and entertainment company it acquired earlier this year.

Eleven plans to build on the partnerships with Asia-Pacific rights-holders established by MyCujoo, the global minor sports streaming platform it acquired last year and rebranded as ElevenSports.com. The platform is currently streaming matches from several smaller Asian federations including Thailand, Singapore and Laos, and also the larger Japan Football Association.

Eleven needs to add a lot more content before it is ready to launch fully-fledged services in its target markets. Tucci says five or six rights deals are in the final stages of negotiation.

Digital-first

Tucci points to figures showing that SVOD (subscription video on demand) market revenues in Southeast Asia grew at 47 per cent in 2020, in a region with a combined population of nearly 700 million, to underline the scale of the opportunity in streaming. Over-the-top is the way to access a much bigger market than that available via pay-television platforms, he says, although the company is still planning on having non-exclusive distribution deals with the platforms:

"We want to have locally-relevant sports, unbundled from the MSOs' (multi-service operators – pay-television platforms) packages. We want to bring sports to everyone, not only to those that subscribe to the (pay-TV) sports channels."

He adds: "Linear is not set up yet, but will be a part of it, absolutely."

Subscription streaming video may be growing in Asia-Pacific, but it remains a challenging sector. Much of the region is relatively low-wage, credit card penetration is low, and piracy is rampant. These factors contributed to DAZN aborting a planned service in the region a couple of years ago.

However, Eleven is confident it can find the sweet spot of the right content, at the right price. By providing a high quality service, it hopes to draw viewers away from pirated content.

"If we are able to deliver premium and locally-relevant content, with high quality, at an affordable price, this is the best strategy to combat piracy," Tucci says.

Prices to consumer will vary per market, reflecting local conditions and the content Eleven has acquired in each market – it will not only be doing pan-regional rights deals but will build different content portfolios in different markets.

Tucci said the company would also be leaning on its own technology and collaborations with local authorities to reduce the impact of piracy.

Localised service

Eleven plans to produce a significant amount of local-language content to help it penetrate the new markets. Rival SPOTV is also putting a strong emphasis on localised content as part of its new service.

> *"If we are able to deliver premium and locally-relevant content, with high quality, at an affordable price, this is the best strategy to combat piracy."*

A lack of localised content was widely felt to be a weakness of Fox Sports Asia. Although it did have feeds in different languages, English was the main language for the service and most of its production was done from a central hub in Singapore, with little in the way of local presenting talent or flavour across its many markets. This resulted in it being characterised as aimed at expatriate audiences and other wealthy demographics, and failing to address millions of sports fans in the region.

Eleven feels it has a strong card in its hand when it comes to addressing local audiences in Team Whistle. Although US-based, the company has "huge expertise in connecting with online fan communities, especially those that are younger," Tucci says. "We want to leverage that experience in Southeast Asia, as we are doing in Italy, Portugal, Belgium, and Poland."

Eleven will also be working, "opportunistically", Tucci says, with sister Aser company, LIVENow, the pay-per-view streaming platform. LIVENow has been active in Southeast Asia, with offerings including Uefa Euro 2020 in Singapore and the Philippines, and English

Nick Wilkinson, ELEVEN Asia MD. (Eleven)

Eleven Belgium presenters. (Eleven)

> “It would be difficult today to find a market that is not competitive.”

Premier League matches in Singapore. Tucci says there will be a fairly clear distinction between the Eleven and LIVENow offerings, with the latter mostly focusing on major events.

Eleven currently has a team of just four or five staff in Asia-Pacific, and plans to build this out in the coming months. Regional headquarters will be in Singapore, with staff working on affiliate distribution, content strategy and acquisition, consumer marketing and operations. The company will have small teams in other markets focused on roles in CRM, consumer marketing, affiliate partnerships and content localisation.

“Our idea is to have a very small central team, probably based in Singapore, that will be leading the strategy in the region, and then local offices that will be in charge of managing the consumer relationship, the distribution of the content, and localisation,” Tucci says. This structure will enable the company to understand and respond to trends in different markets, he says.

Early days

With its new Asia-Pacific service, Eleven is placing a bet on some of the most powerful and proven shifts in the sports and media industries – the increasing penetration of internet-connected devices and the switch of audiences from linear television to streaming platforms.

The service has a long way to go in terms of building out its content portfolio and distribution partnerships. And it faces considerable headwinds, in particular the strong competition from new and existing operators in the market.

Tucci notes: “It would be difficult today to find a market that is not competitive.” What will set Eleven apart, he says, is: “Our technology, that will give us the flexibility and the capacity to offer a user experience that we believe will be different from the others.” ◆

Helbiz Media chief executive Matteo Mammi.

Why micro-mobility leader Helbiz jump-started its diversification with media rights

Until June 2021, Helbiz was recognised exclusively as a global leader in micro-mobility services, providing a diverse fleet of vehicles including e-scooters, e-bicycles and e-mopeds via a single platform in dozens of cities worldwide.

Headquartered in New York City, the company had established a reputation as an ambitious trend-setter since its launch in 2015 – becoming, for instance, the first corporation in the sector to be publicly listed on the Nasdaq stock exchange via a special purpose acquisition company (SPAC) in August 2021.

Even so – for those familiar with the burgeoning business, as well as uninitiated observers from the sports industry – it appeared to be an extraordinary pivot when, a month later, Helbiz picked up non-exclusive domestic streaming rights to Italian football's second-tier Serie B.

As part of the deal, which will run for three seasons, from 2021-22 to 2023-24, Helbiz was also appointed exclusive distributor of Serie B's rights worldwide and became the league's 'Official Micro and eMobility Partner'.

New venture

The rights acquisition marked the launch of a whole new division: Helbiz Media, while the company's direct-to-consumer streaming platform to exploit the rights in Italy was named Helbiz Live.

And despite the raised eyebrows from some onlookers, it quickly became clear Helbiz meant business with their striking new venture. Matteo Mammi – the experienced former senior director of sports rights, programming and production at pay-television broadcaster Sky Italia and an ex-adviser to the Mediapro agency – was appointed to head up Helbiz Media.

"It is uncommon," says Mammi, referring to the company's diversification into sports media. "However, innovation and disruption are always about being a bit uncommon.

"Launching a media arm was the idea of Helbiz founder Salvatore Palella, who is a visionary guy with an unusual instinct to do things in a different way. Initially, he asked me to advise him on football business and media rights in order to develop his idea to generate synergies and extra value from different dimensions. Then the Serie B rights were acquired and Helbiz Media was launched."

Promising start

By the autumn, Helbiz Media had sealed a distribution agreement with Amazon Prime Video, the streaming arm of the internet retail giant, and added rights to German football's DFB-Pokal knockout tournament and American football's NFL to its offering in Italy.

Helbiz Media – set up with the intention of distributing rights globally, and with a particular focus on sports rights – had enjoyed a promising start, but there is clearly more to come.

With this in mind, Mammi explains that the expansion into sports rights and over-the-top (OTT) streaming coverage will help to drive the company's broader business objectives.

"Helbiz Media was launched with the aim of supporting the core business of the Helbiz Group," Mammi says. "It is a new business unit that is part of a broad strategic plan, which will further expand the value and size of Helbiz thanks to the synergy between the worlds of micro-mobility and media."

Specifically, Mammi says that Helbiz Media will add value to the Group's core business in four ways.

Firstly, it will expand the current micro-mobility customer base of about three million by adding new users who will be attracted by sports and entertainment. As a starting point, Serie B alone has more than 2.2 million fans in Italy.

Secondly, average revenue per user, churn and satisfaction rates are expected to improve across the business, and thirdly, Helbiz Media and Helbiz Live will help to promote micro-mobility in new markets. Finally, advertising can be sold centrally across the Group, via Helbiz Media, to offer brands a broad set of inventory that can span multiple media platforms.

Global ambitions

"Helbiz Media has been launched in Italy, but it will have international footprint, aligned to the mobility division's main markets," Mammi adds.

Such global ambitions in sports media are realistic for a group that already has a presence in 35 cities worldwide and a strong focus on technological innovation. In its core business, Helbiz utilises a customised, proprietary fleet management technology system, underpinned by artificial intelligence and environmental mapping to optimise operations and sustainability.

Furthermore, Helbiz is expanding its urban lifestyle products and services to include food delivery, financial services and more, alongside its sports and entertainment content streaming services, all accessible within its mobile app. In terms of future business developments, though, sports club acquisitions are not on the agenda.

"We are very creative and we don't set limits in considering business opportunities, but I would exclude club acquisition," Mammi says.

"We will look at whatever business – sport or non-sport – we believe can generate added value to our core business and can fit properly with our growing customer base. For example, we recently launched Helbiz Kitchen, a new concept that has combined the so-called 'ghost kitchen' and food delivery models."

Business impact

While Helbiz Media has been created with the mission of supporting the core business, Helbiz Live, which will be available through smartphones, tablets, PCs and smart TVs, will add more content and events to its current portfolio.

The estimate is that Helbiz Live and the related advertising sales revenues will account for between 15 and 25 per cent of the Group's turnover in the coming years. In the meantime, though, Helbiz believes its exposure to risk has been mitigated by a carefully planned approach to its sports-rights investments.

"I have been working in the industry for 20 years and have been in different seats around the negotiating table, and the core discussion about sports rights is always about how they can be monetised," Mammi says.

"This equation alters dynamically in the wake of big market changes. However, from the perspective of Helbiz, we follow two main rationales.

"Firstly, we always make investments in the right way, based on a sound business plan. This means that all potential revenue streams must generate enough money to justify the investment.

"Secondly, we also consider the indirect benefits that sports-rights investments will generate for the core business of micro-mobility. This factor alone expands the tangible impact of the monetisation challenge."◆

Helbiz Live – embracing a new stream

The astonishing acquisition of Italian Serie B football rights in June 2021 by Helbiz, a business previously only known as a global leader in micro-mobility services, heralded the birth of Helbiz Live, a new over-the-top (OTT) streaming service.

The simultaneous creation of Helbiz Media – a new division managing both Helbiz Live and the distribution of Serie B rights worldwide – was a serious diversification for the company, albeit with the central aim of fulfilling the company's core development and engagement objectives.

However, it was the project to build a new OTT platform to deliver coverage of the 2021-22 campaign – the first of the three seasons covered by the non-exclusive domestic streaming rights deal – that required an extraordinary turnaround.

Built from scratch

"I am very proud of what our IT team achieved: an entire OTT platform built from scratch in 60 days," says Helbiz Media chief executive Matteo Mammi.

"What they did was unbelievable. However, Helbiz is a tech company first, and we have a talented internal IT team based in Belgrade that counts more than 50 full-time members of staff.

"It is now clear to everyone how technically difficult it is to manage live sport via OTT platforms, and I am proud to say that we have done a great job in Italy so far."

The OTT platform is underpinned by a front end developed entirely in house, incorporating CRM, a content management system, authentication, payments and the media player. Elements of the back end, including the technical delivery and the provision of graphics and commentary, were developed with the support of an external service provider.

"Our OTT platform supports whatever features we would need to have, with plenty of flexibility," Mammi adds. "Moving forward, we will deploy new additional services that can enrich the customer experience and make it more interactive. However, today we are still focused on the core service, with the aim of offering high-quality streams, professional commentary, great usability and an appealing look and feel."

Expansion strategy

For Helbiz, the opportunity to launch an OTT platform complemented the company's broader engagement, development and global expansion strategy.

"Helbiz Live will follow and support the core business – this is the principle," Mammi adds. "Geographically, it will be operative in the markets where we have a strong mobility presence and a big enough customer base.

"We started in Italy and also in the US, where we stream all Serie B matches live in the Italian language for Italian fans and communities living in North America. More territories will be launched in the future and for each market there will be a specific content line-up based on local needs and content rights opportunities.

"Helbiz Live will certainly grow in terms of content, expanding its offering. The content acquisition plan will be based on the usual rationales of strategic and marketing value, a solid business plan, and benefits for the micro-mobility business."

Mammi is clear that Serie B will remain Helbiz Live's main asset for the Italian market and the "backbone of the entire offering" for the next three seasons. All 390 matches per season are offered live, with recaps of each game available on demand, alongside highlights, special features and interviews with club coaches, players and presidents.

Sound investment

For Helbiz, a company founded by Italian Salvatore Palella, investing in Serie B rights in order to launch Helbiz Live made perfect sense.

"Serie B domestic rights have been always a good investment from a cost-benefit ratio perspective," says Mammi, who adds that he acquired the rights "a few times" during a stint of more than eight years at pay-television broadcaster Sky Italia earlier in his career.

"Furthermore, Serie B TV rights were historically undervalued. This was the initial reason we started looking at Serie B," he says.

"Additionally, the league structured the tender to include non-exclusive packages for the first time, and it was a great opportunity for us given that exclusivity was not a priority for the model we had in mind. Ultimately, most of the 20 Serie B clubs are in cities that were perfect targets for the Helbiz micro-mobility business, and we wanted to be able to build a joint offer of football and mobility in these places, where usually the local football team has a strong appeal."

However, while Serie B will remain central to the offering, Helbiz Live's portfolio of rights will undoubtedly continue to expand.

In October, rights in Italy to German football's DFB-Pokal cup competition and American football's NFL were added to the platform. Live matches and highlights from the 2021-22 campaign of the DFB-Pokal have been added to Helbiz Live subscriptions, while the NFL content, also running initially for the 2021-22 season, covers non-live programming, including a 30-minute weekly highlights show and various documentary series.

Pricing

Whilst the platform is just beginning life, Mammi is convinced that the pricing structure for Helbiz Live is enticing for fans, while the coverage is supported by additional advertising income.

There are three different offers for users of Helbiz Live currently. A monthly subscription costs €5.99, including €4 cashback in mobility services, while an annual plan costs €49.99 and includes €30 cashback for the company's mobility offerings. In addition, the Helbiz Unlimited package, which costs €39.99 per month, provides full access to Helbiz Live across all platforms and unlimited trips booked through Helbiz Mobility.

"The pricing position is at an affordable level, which makes it very convenient for the consumer, because we have a broader model that also includes the micro-mobility services we offer," Mammi says.

More broadly, the experienced sports-rights executive is convinced about the long-term engagement prospects for OTT platforms in sport.

"The OTT and streaming app platform is a unique option for several reasons," Mammi says. "First of all, Helbiz is an app-based service for mobility, and our customers are heavy app users. Also, the operating costs in running an OTT platform are much lighter in comparison with satellite or digital terrestrial television, and ultimately it is in line with the Helbiz marketing and commercial DNA.

"For our business model, our positioning and the size of sports properties we look at, OTT platforms are the best option." ◆

EASL unveils inaugural season plans, including new team in Hong Kong

San Miguel Beermen (PBA) and Laioning Flying Leopards (CBA) at The Terrific 12 2019. (EASL)

- Eleven Sports to lean on subscription streaming model for new Apac service
- Smaller, locally-popular rights properties are the main target of content strategy
- Like rival SPOTV, Eleven is aiming for a 'localised', digitally-focused service

By Kevin McCullagh

The first edition of the ambitious new East Asian Super League basketball competition will tip off in October 2022, with teams from Japan, Korea, the Philippines and Chinese Taipei taking part under agreements with the respective leagues.

The EASL will also feature a newly-created team based in Hong Kong, the Bay Area Chun Yu Phoenixes, composed of players from China, Hong Kong, Macau and Chinese Taipei.

The EASL's inaugural season is taking place a year later than planned due to the Covid-19 pandemic, and in particular the travel restrictions that have been in place in the league's markets.

The organisers of the competition hope that it will become the premier club basketball tournament in the region – a 'Champions League' of basketball in East Asia. Setting out the league's ambition, CEO Matt Beyer said: "EASL is honoured to be the hub of East Asian basketball, bringing the 'best of the best' of the region's club teams together in an elite competition, supported by long-term agreements with Fiba and Asia's top leagues. Our mission is to be East Asia's premier basketball league, with a vision to be one of the top three leagues globally by 2025 in terms of fan base and commercial revenue."

Teams will compete for a $1m (€890,000) championship prize in the first season, with the second-placed team winning $500,000, and the third-placed team getting $250,000.

The EASL has raised just over $13m (€11.5m) to support the launch from a host of investors including: sports specialist merchant bank The Raine Group; former NBA stars Baron Davis, Metta Sandiford-Artest and Shane Battier; NBA agent Bill Duffy; family offices in Asia; and other "blue chip institutional sports-focused funds….and high net worth individuals. League co-founders Matt Beyer, the CEO, and Henry Kerins, chief financial officer, remain the two biggest individual shareholders.

Fundraising to date has valued the company at $100m. It plans to soon begin a third, Series C fundraising round, aiming to raise another $30m to $50m.

The press release announcing the launch of the league acknowledged that the East Asia region was still recovering from the pandemic and said the organisation is "well capitalised by strong investors to weather any potential delays".

Chinese teams from the CBA League will not be involved in the first EASL season due to ongoing pandemic-related travel restrictions in the country. It is understood the league hopes to have CBA teams in the competition from 2024-25 onwards, when it plans to expand to 16 teams. This expansion will involve "new geographies and forging alliances with additional leagues", the EASL said.

The EASL has agreed deals with the four leagues currently involved – Japan's B.League, Korea's KBL, the Philippines' PBA and Chinese Taipei's P. League+ – with durations in the five to 10-year range. Under the agreements, each league is guaranteed a minimum amount of revenue each year plus a share of revenues earned above the minimum. Each league's MG and revenue share is linked to the revenue generated in its own market. This market-linked commercial structure was created because of the big differences in scale and value between the markets involved.

The EASL is more than four years in the making. Beyer, Kerins, and their team held pre-season tournaments in Macau featuring teams from the participating markets in 2017, 2018 and 2019. The last tournament, the Terrific 12 in 2019, featured 12 teams.

Competition format

Qualifying teams for each EASL season will be the champions and runners-up in the B.League, KBL and PBA, and the champions in the P.League+.

The format of EASL Season 1 will see the eight teams split into two groups of four, playing each other home and away in a round robin group stage – six games each, a total of 24 games in the round. This round will run from October 2022 to February 2023. Games will be played on Wednesday nights, tipping off at 7pm and 9pm Hong Kong time.

The top two teams from each group will qualify for a sudden death, four-match Final Four stage in March 2023. The Final Four will be played over a weekend in "one of East Asia's premier cities", the league said, and will rotate to a different location each year. The end-of-season event will feature a parallel music festival and other activities and entertainment for fans.

EASL teams will have 12-man rosters, in which they are allowed two foreign players from any country in the world plus one additional foreign player from an Asian country.

Fiba support

The EASL has backing from Fiba under a 10-year deal. The tournament will fit into the qualification structure for Fiba's international club competitions.

Fiba secretary-general Andreas Zagklis welcomed the launch of the new competition, saying: "In line with the global Fiba strategic objective to shape international competitions, the Fiba Executive Committee has backed the formation of East Asia Super League. The smooth and professional cooperation during the past several years between EASL and our Regional Office Asia, as well as with our national federations and leagues in the region, has paved the way to recognise this dynamic competition platform, that will fit well with Fiba's club properties in Asia and worldwide."

Fiba is understood to be planning to itself create a pan-regional league to serve the West Asia zone. The global federation has in recent years launched continental club competitions in the Americas and Europe.

"Original content machine"

The Bay Area Chun Yu Phoenixes is planned to be an extraordinary team that showcases Chinese basketball talent around the world and becomes a focal point for Chinese basketball fan attention. The EASL plans to create a large volume of original content "built around 24-hour access to the team", including short-form and long-form video content. The league has described the franchise as "an original content machine".

Speaking to *SportBusiness*, EASL CEO Beyer said the

Former NBA star Baron Davis is one of the investors in the EASL. (EASL)

Phoenixes will be "a face of Chinese basketball that the world gets to see. All of the players' stories are going to be featured. It's not only that we want this team to be a great team and competitive with all of the other Asian teams, but we want the world to see Asian basketball in a way they've never seen it before."

The Phoenixes will be owned and operated by the league, to begin with at least. The league is understood to be in discussions with potential investors about buying stakes in the team.

The idea of the team is to represent Greater China, incorporating the country's mainland as well as its 'special autonomous regions' Hong Kong and Macau, and Chinese Taipei. Its roster will be composed of free agent players from these territories, plus one player from another Asian nation and two additional overseas players. It will be managed by "an elite head coach", who is yet to be named, and overseen by experienced Chinese general manager and head coach Liu Quansheng.

When not playing in the EASL, the Phoenixes will tour the globe, playing 20 to 30 exhibition matches each year against teams from other major leagues. It is planned the annual tour will include: 10 pre-season exhibition games each year in North America, Europe or Australia, and annual pre-season exhibition series against CBA teams in China, KBL teams in Korea, PBA teams in the Philippines, and teams in Chinese Taipei.

Phoenixes general manager Liu said: "This one-of-a-kind Bay Area Chun Yu Phoenixes franchise will bring together the best talent in Greater China in one club. Hong Kong is one of China's most international cities, a key part of China's Greater Bay Area, and we are confident that this franchise will be exciting to watch for all Chinese fans.

"With China's National Games coming to Hong Kong in 2025 and a greater emphasis on international sports events by the SAR government, the environment is ripe for our success."

The Phoenixes will have a full supporting staff covering coaching, commercial and marketing functions.

Participating leagues speak

The leagues involved in the inaugural season of the EASL made statements welcoming the new competition.

PBA board chairman Ricky Vargas:

"As Asia's oldest professional basketball league, the PBA and the Philippines' passionate fan base have an unquenchable thirst for premier basketball competition. Our top teams and players are ecstatic about the opportunity to play against regional rival leagues weekly in EASL games, proving ourselves in such an exciting competition."

B.League chairman Shinji Shimada:

"B.League is strategically planning to grow, not only in Japan, but also across the region, and we believe that working with EASL will help B.League to expand its market in Asia. We also believe that participating in EASL will dramatically raise the level of international competition in Japanese professional basketball."

KBL commissioner Kim Heeok:

"In a globalised world, international competition and exchange will increase the level of basketball among Korean players. We expect EASL to become the strongest club competition in East Asia and shall meet the demand and expectations of the Korean fans."

P. League+ CEO Charles Chen:

"EASL is an opportunity for our growing league to elevate its level through elite competition, while gaining exposure on a pan-regional stage."