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*Fifa anticipates sponsorship
uplift from 2026 World Cup*

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Fifa's 2026 optimism prompts tough negotiating stance



In spite of the quality of the football, embodied by the dramatic final between Argentina and France, figures at Fifa could be forgiven for wanting to draw a line under the recent World Cup and for an eagerness to look ahead to the next event in 2026.

While Qatar never fully shook off reservations about the way it was awarded the competition, or concerns about the way it delivered the necessary infrastructure, the joint hosts for the next edition are unlikely to pose as many political and commercial challenges.

As we report on page 9, there are multiple reasons why the next event could be the most lucrative ever for Fifa – provided the federation doesn't get in its own way.

The US, Mexico and Canada represent appealing target markets for brands, while the expansion of the tournament from 32 to 48 teams will increase the pool of commercial partners that will be prepared to pay a premium to acquire the rights.

Set against this, a global recession and a likely dwindling of interest from Chinese and Qatari

brands could count against the governing body – as could the tough negotiating stance it is taking in renewal discussions.

As reported by *SportBusiness*, Fifa could come to regret stalling on a bid by Hyundai-Kia to extend its top-tier Fifa Partner rights that would have been worth more than \$300m (€285.7m) over the next four-year cycle. Eager to tie down a deal for the 2026 edition, the car manufacturer tabled the bid in late 2019 but is understood to have been frustrated by Fifa's delay in making a decision and subsequently withdrew the offer as it rationalised its sponsorship strategy in the face of the Covid pandemic in early 2020.

Given the less than buoyant state of the automotive market, the governing body might want to look to other sectors to get the next sales cycle off to a strong start. The payment category, where Visa faces competition from Mastercard for its Fifa Partner rights, could be the one to provide that opportunity.

In other news, we report on page 54 that Fifa will handle the sale of 2026 and 2030 World Cup media rights in the Asia-Pacific region through its in-house sales team. The news will come as a blow to the Infront agency which has previously sold them on Fifa's behalf. Its media rights deal with the federation in 26 Asian territories, from 2015 to 2022, has historically been one of its most lucrative contracts. ♦

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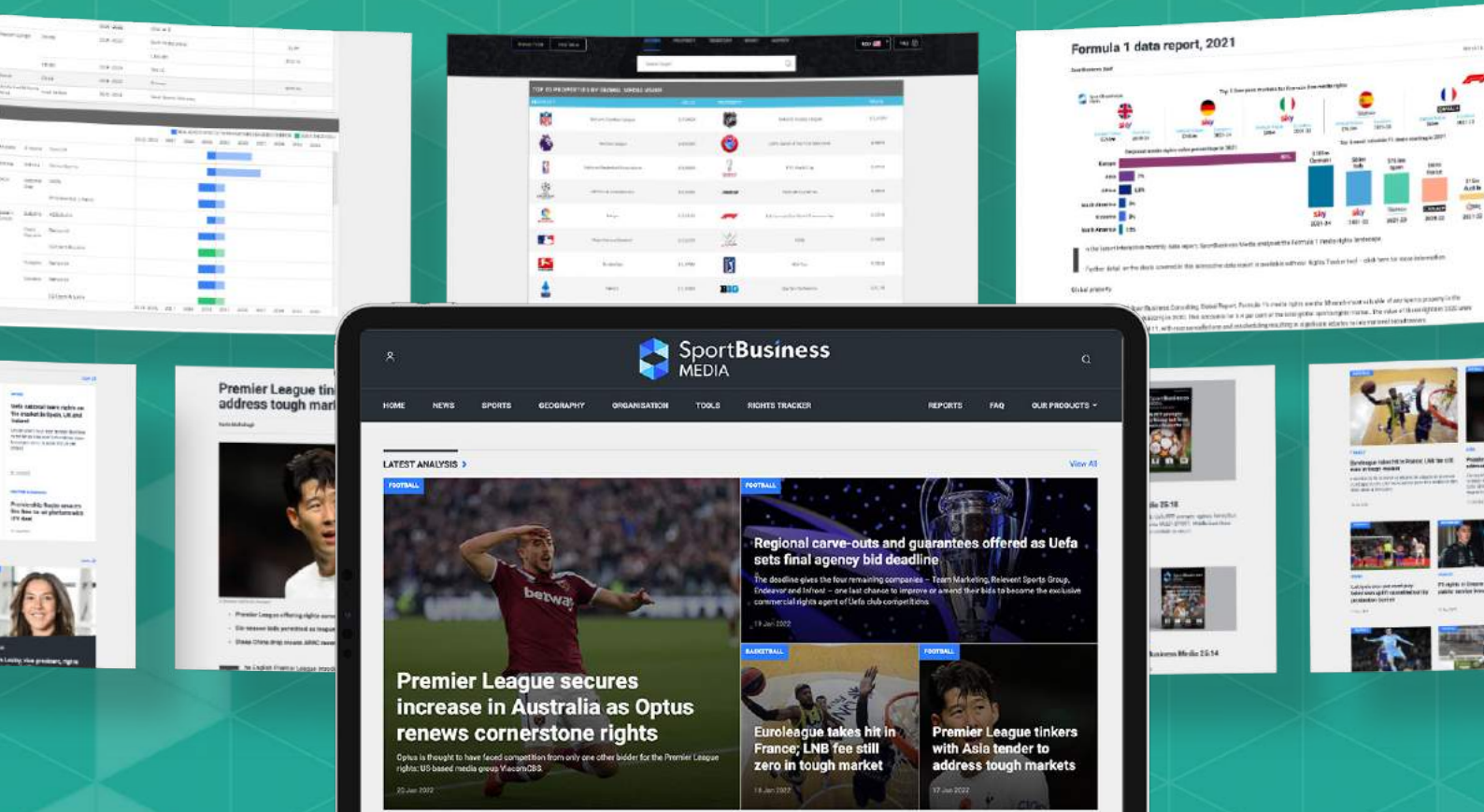


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Uplift in 2026 World Cup sponsorship values likely to fall short of Infantino's demands

- North American hosting plus expansion of competition will boost sponsorship revenues
- Targets set by Infantino already revised downwards but still unlikely to be hit
- Global recession looms over sales process

By Frank Dunne

Fifa will almost certainly secure a big uplift in the value of its sponsorship rights for the 2023–2026 cycle, which culminates in the 2026 World Cup in the US, Mexico and Canada. However, it will struggle to achieve the kind of increase which Fifa president Gianni Infantino has mandated from his commercial team, experts say.

Football's world governing body will earn about \$1.74bn (€1.67bn) for its sponsorship rights from the 2019–2022 cycle, which has culminated with the 2022 World Cup taking place in Qatar. Infantino has instructed his commercial team to deliver a massive uplift.

Market sources say that when Fifa first began renewal talks, it was seeking deals with some brands worth more than two times their value in the current cycle. Deals for the Fifa Partner category currently range from \$150m to \$190m for the four-year cycle. Deals for the World Cup Sponsor category range from \$65m to \$95m per World Cup. Regional Supporter deals for the World Cup finals range from \$4m to \$10m. The asking price for the next cycle is said to have now come down substantially.

Commercial rights experts point to two examples of Fifa's tough negotiating stance rebounding on the governing body. First, the non-renewal of the three-decade agreement with video games developer EA Sports, worth \$600m per four-year cycle. Second, the withdrawal of a renewal offer from Korean car manufacturer Hyundai-Kia for the 2023–2026 cycle worth more than \$300m per cycle, as reported exclusively by *SportBusiness Sponsorship*. Together, that amounts to \$225m per year that will not be hitting Fifa's coffers as things stand.

But there are multiple reasons why the next World Cup will be the most lucrative ever in commercial terms. These include:

- the US is the biggest single market for many brands;
- Mexico, with a 128 million population, is also a big target market;
- the matches will be in primetime across the Americas;
- the growth of football in the US over the last two decades;

- the guaranteed participation of hosts USA, Mexico and Canada;
- the expansion of the tournament from 32 to 48 teams, providing sponsors with more inventory;
- the maturing of digital overlay or ‘virtual advertising’ technology;
- the legalisation of sports betting in many US states, creating a new sponsor category;
- the roll-out of OTT platform Fifa+, increasing visibility alongside broadcast deals.

Gary Hopkins, chief executive of US-based adviser HSE Sport and Entertainment, said the three host countries together created a huge market, both in geographic and demographic terms. He told *SportBusiness Sponsorship*: “Soccer is now embedded in the US culture and fandom is growing yearly. Mexico as host will galvanise the huge and very desirable US Hispanic market, which is expected to reach 78 million by 2028 and is already a \$1 trillion market by spending power. There will be competition for some of the major categories which will drive up prices. No major brand will want to miss out. The USA will be much more ready for a World Cup than it was in 1994 and yet they still hold the record for the most tickets sold ever. This time they will blow through this number. It will be a must-have ticket.”

Hopkins, author of *Star Spangled Soccer: The Selling, Marketing and Management of Soccer in the USA*, added that the World Cup would benefit from both the growth of Major League Soccer and the women’s game. “Major League Soccer has 29 teams now with stadiums in most major cities and you can see many of the local and national sponsors wanting to become involved with the World Cup. Women’s soccer in the USA is growing tremendously, with the National Women’s Soccer League and the USA Women’s National Team. It is a men’s World Cup, but millions of viewers will be female. Sponsors will appreciate and pay for it.”

He said that as well as the expanded inventory for the two main live broadcasters, Fox and Telemundo, other networks and media outlets would look to create ancillary content, providing additional exposure for brands. “Apple and Facebook, and other platforms yet unknown, will be looking to create content. Apple has moved into soccer with its MLS deal and I am sure they will be looking to create World Cup ancillary content. Soccer ratings are nowhere near those of the NFL and MLB but are climbing and the USA games will be huge. Demographically, it delivers a great Gen Z and millennial audience which advertisers crave,” Hopkins said.

Additionally, the quality of hospitality and VIP offerings in the stadiums – a valuable part of most sponsorship deals – would make the packages highly attractive, especially to big US corporations, he said.

Headwinds

Despite the list of factors working in Fifa’s favour, the governing body is facing some strong headwinds. These include:

- a global recession looming for one to two years, depressing consumer spending and advertiser budgets;

- multiple sectors in crisis, including cryptocurrency and technology;
- China’s new five-year plan does not prioritise football and investments from the country are likely to dry up;
- there is no motivation for Qatari brands to sponsor Fifa after 2022;
- the Fifa brand is toxic; the Fifa Uncovered documentary on Netflix is showing the world endemic corruption and the Department of Justice case continues;
- the time zones are not ideal for European and Asian audiences.

Lee Berke, owner of LHB Sports, Entertainment & Media, said: “Fifa pushes hard. They have made substantial promises of increased revenues to everybody involved. There will be more inventory and I think they will get a significant increase. The problem right now is the condition of the global economy and of sports sponsorships in general.”

He said that although the World Cup was still four years away, Fifa is in the market now. And this timing might work against it. “You’ve got a global recession right now. Sports sponsorships are getting tighter. Media dollars are getting tighter. It’s not that brands won’t go for the World Cup or won’t pay a premium. But pushing now versus pushing six months or a year from now – in maybe a much better marketplace – may make a substantial difference in terms of what level of increase they can achieve.”

New blood

Investment from brands in two countries – China and Qatar – currently accounts for \$718m out of the cycle total of \$1.74bn. Of this, only the \$180m-per-cycle paid by China’s Wanda group conglomerate is certain to appear in the next cycle’s accounts. Wanda’s deal expires after the 2030 World Cup.

The deals with the Chinese brands Vivo, Hisense and Mengniu Dairy expire after this tournament. There is a big question mark over whether they will renew or whether other Chinese brands will come on board. Much depends on the current thinking of China’s President Xi. The current investments were made at a time when China had identified spending on sport – both at home and abroad – as a strategic priority in its five-year plan and was publicly targeting the hosting of the 2030 World Cup. Since then, the government has changed its stance dramatically on Chinese companies investing abroad.

Qatar provides two Fifa Partners – Qatar Airways and Qatar Energy – which jointly pay \$265m per cycle. Both deals expire this year. A further \$20m comes from two Regional Supporters of the 2022 World Cup – QNB bank and telco Ooredoo. None of these brands – or any other Qatari brands – have a strong motivation for investing marketing dollars once the World Cup circus has moved on to North America.

Fifa’s hopes of bringing in brands from growth sectors like crypto, social media and Silicon Valley tech look shot. As Berke put it: “Some sponsors, particularly those in social media, are doing layoffs. Twitter seems about ready

to have a major meltdown. I don’t think you’re going to see any cryptocurrency category making a substantial investment. Obviously, [crypto company] FTX is blown off the map, and there’s a lot of sports sponsorships here that have gone along with it. And those are all major sponsors that could be paying for this.”

Even in the current cycle the crypto sector has proved problematic, with Algorand posting a tweet on the third day of the tournament announcing that it would no longer activate its sponsorship deal for the current event, which included two Regional Supporter packages in Europe and North America. The brand said it would instead make ‘technical development’ the ‘core focus’ of the deal. This is thought to refer to the company’s commitment to develop a range of digital collectibles on the Fifa+ platform based around the federation’s archive content. It is unclear what prompted the downgrading of the deal – and whether it happened at Fifa or Algorand’s behest.

Betting

One growth area that looks resistant to the economic downturn is sports betting, which is growing exponentially as states across the country enact legislation to legalise it, following the striking down of federal restrictions by the Supreme Court in May 2018.

The governing body has already tested the water in the current cycle by agreeing a Europe-facing Regional Supporter deal with Greek betting brand Betano, the first time it has struck a deal with a gambling brand. The decision represents a volte-face for the global governing body which, according to well-placed sources, had refused to accept betting deals for regulatory and compliance reasons up until 2018.

At present, sponsorship deals providing full visibility across the US look complicated by the fact that only 20 states have so far legalised sports betting. This presents Fifa with three choices: doing early deals and gambling that all 50 states will be on board by 2026; agreeing local-market deals with sponsors activating only in clean states; or waiting.

Another area where growth looks guaranteed is digital replacement technology, which allows brands to target different messages to different markets, either regionally or locally. Fifa is understood to have altered the structure

of its sponsorship packages – introducing greater flexibility – in a way that will allow brands to make the most of DRT. The governing body trialled the technology under the old sponsorship model with unconvincing results. One informed source said: “Fifa ran the numbers and it was not as profitable as it seems. Because of the Fifa Partner package, it wasn’t flexible enough to allow the segmentation of rights geographically, which is the biggest benefit of that. It is probably being revisited now that they’ve got a more flexible framework.”

It is likely that local sponsorship deals and Regional Supporter deals will be among the last that Fifa addresses. Hopkins pointed out that for the 1994 World Cup, these deals were handled by US Soccer, football’s US governing body, and the local organising committee. He questioned whether Fifa’s in-house sales team was as well-placed to tap into this market. However, Fifa’s sales operations are now led by the highly regarded Miami-based Luis Rodriguez, whose track record includes spells in charge of sponsorship in the Americas at IMG, FC Diez Media and Team Marketing, as well as sales director in the US for beIN Media Group.

Hopkins does not believe that the media attention in the US on the DoJ investigation will prove damaging. He pointed out that the year after the breaking of the so-called Fifagate scandal, which focused heavily on executives from Conmebol and Concacaf, the two governing bodies for football in the Americas, fans in the region flocked to the centenary edition of the Copa América, which was jointly organised by the two bodies and hosted in the US. “Americans have short attention spans, and the negativity will pass,” he said. “It will take some time for the major sponsors but ultimately, they will not want to miss out on the event. Soccer fans love their teams and will put aside their feelings for Fifa, as their passion for their teams supersedes this.”

The hosting in the US, Mexico and Canada, he said, might be “the tournament that rescues and re-positions” both the event itself and Fifa. He added: “It will be inclusive, welcoming and managed outstandingly well. I believe sponsors will see it as such and participate. They will, however – and rightfully so – extract guarantees and drive a hard bargain. The shine is off the event, and it will be a North American World Cup that will resurrect it.” ♦



Brazil captain Dunga lifts the World Cup trophy after the 1994 final, hosted at the Rose Bowl Stadium in Pasadena. (Getty).

CIES OFFERS TOP-LEVEL ACADEMIC PROGRAMMES ALL OVER THE WORLD

Interview with Oleksandr Kucheriavyi - Strategic Development Manager for National Associations at UEFA and FIFA Master 2013 Graduate.

Ukrainian Oleksandr Kucheriavyi, who now works as Strategic Development Manager for National Associations at UEFA, is another prominent FIFA Master alumni who has built an inspiring career in sport.

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Before starting his FIFA Master studies, his career within the sports industry was already well established in a number of executive and managerial roles and spanning sports such as basketball, ice hockey, football and tennis during a thirteen year period in his native Ukraine.

Which aspects do you enjoy most about your job?

My role resonates with my own values. I believe in lifelong learning, the positive impact of sport on society and striving to improve and develop continuously. To work with people who share these values on a daily basis is inspiring. Of course, it can be challenging to spend so much time travelling, but I consider it a privilege and part of my life's mission to experience different cultures, unique people, and to contribute to the development and growth of football in different countries and across UEFA's 55 national associations.

"Education has always been of the upmost importance to me. Before enrolling on the FIFA Master programme, I completed two Master's degrees in Kyiv and received a diploma from the FIFA/CIES International University Network", he explains.

How important was the FIFA Master for your career?

The FIFA Master programme has a leading reputation in the international sports industry. The balance of academic knowledge and practical application is unrivalled and the success rate of FIFA Master graduates moving to work in the sport sector after graduation is testament to this. The programme has given me the opportunity to work at a high level in the industry and provided a platform for my professional achievements to date.

Oleksandr's FIFA Master journey started just over ten years ago, in September 2012. After successfully completing the programme, he graduated in July 2013. He immediately accepted a senior role with the Olympic Bid Committee in Ukraine. Later he joined the National Olympic Committee of Ukraine and after a period at the NOC, moved to work in football once again, leading on strategy, business and international relations for the Ukrainian Premier League. In 2017 he moved to Switzerland to join UEFA, first as Business Development Manager, and now as Strategic Development Manager for National Associations.

Are you still in touch with your classmates or any other alumni?

The FIFA Master offers a great opportunity to build a unique professional network in sport. My classmates are now colleagues and lifelong friends. The alumni network ensures current students are able to connect with all previous graduates from the course since it was first established in 2000. The strength of these connections cannot be underestimated.

Reflecting on the reasons why he decided to apply for the FIFA Master, Oleksandr said, "I have a profound belief in lifelong learning and development and a love of sport. The FIFA Master was the perfect step for my professional development in that moment of my career. I enrolled on the programme to build my knowledge of the international sports industry, to connect and learn from leading international sports organisations and to build a network of like-minded people. The programme delivered on all of this and more."

What advice would you give to current and future FIFA Master students?

From the very first day, try to take every single opportunity which is made available to you – and there will be many provided during your studies. Embrace not just the academic opportunities but also the practical and social experiences too. Go the extra mile and invest all of the time, energy and creativity you possibly can. Finally, remember the FIFA Master can be a pivotal point not just in your career, but also in your life too.

Read more of the interview with Oleksandr Kucheriavyi here:

What does your role as Strategic Development Manager at UEFA involve? Ultimately, my focus is on promoting the strategic growth of football across our stakeholders. This demands an integrated approach, from the bottom of the football pyramid, to the highest level of the game, and everything in

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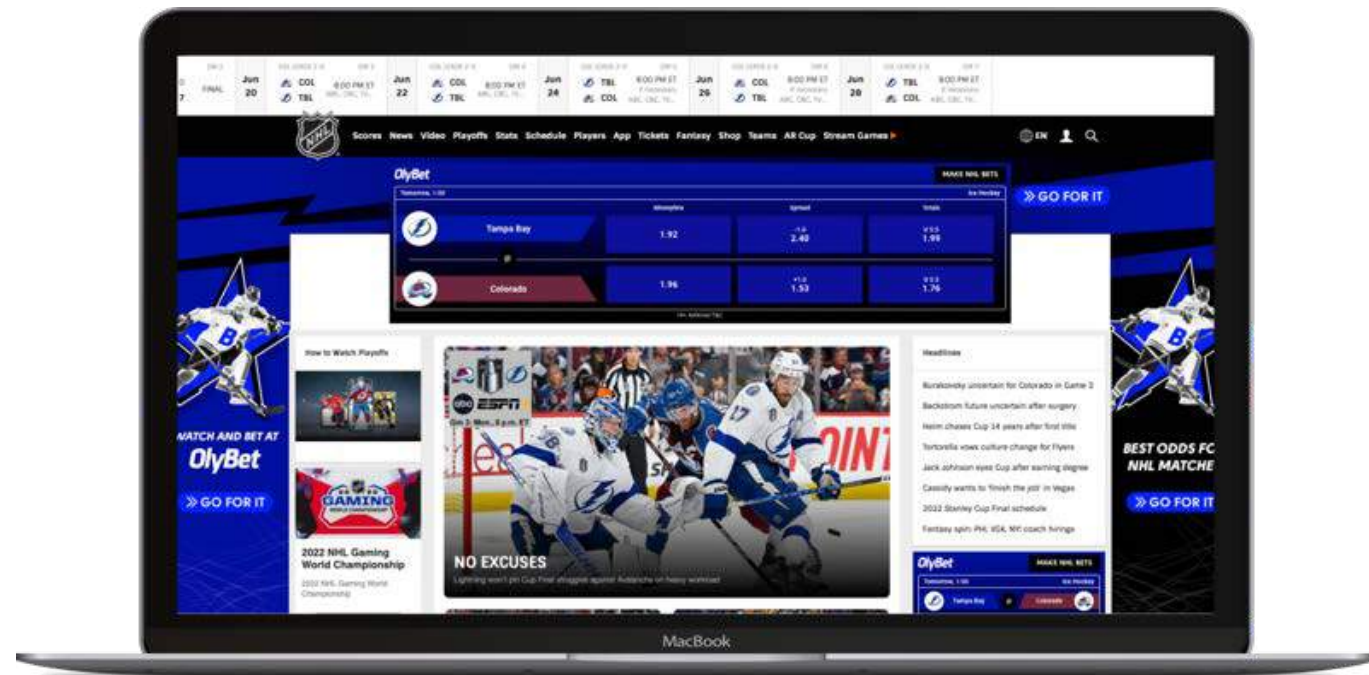
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A tech-driven approach to activating sports betting sponsorships

Sports betting partnerships are being activated in increasingly sophisticated ways to provide multiple benefits for the rights-holder and sponsor, ultimately enhancing the experience for the fan. Hampus Lofkvist, Sportradar's Director of Global Sponsorship Sales, outlines the opportunity in an evolving digital landscape.

Sport's most ambitious clubs, franchises, and organisations are increasingly aware that betting sponsorships can provide much more than merely a financial boost to their commercial portfolios.

Indeed, in the engagement stakes, research shows that the combination of betting on and watching sport is a powerful and mutually beneficial proposition for both sectors.

For instance, 70% of Americans are more likely to watch a game if they have bet on it, while someone who watches sport in the US is 72% more likely than an average adult to be interested in betting, according to the most recent studies.

This unique relationship creates an opportunity for rights-holders to work with their betting partners to

create engagement opportunities. In a primarily digital-first space, the driving force behind such growth is technology. Enter Sportradar ad:s.

Sports data and tech DNA

At the core of its ad:s marketing services, Sportradar has built a multi-channel marketing platform focused on supporting clients to more effectively engage, acquire and retain customers.

With a bespoke iGaming demand-side platform (DSP) and industry-leading personalisation and customisation technology, Sportradar ad:s has already established itself as a trusted partner of leading sportsbooks worldwide.

Combining this ad tech with its global sponsorship expertise has allowed Sportradar to also support

the digital activation of global sports betting partnerships – a growing need.

Addressing the challenge

As standard, rights-holder digital inventory is built into most betting sponsorships. However, leaving a positive impression on the end user, the fan – let alone acquiring them as a customer – is not always guaranteed.

Traditionally, creative assets are often static, devoid of live data or odds, lacking contextual relevance, and are supported by inefficient or infrequent updates. To compound this, insufficient data feedback can make it difficult for both the rights-holder and their betting partner to understand the performance of a particular product or campaign.

This potential missed opportunity

can and should be addressed.

Providing Solutions

Addressing this need, tech-driven solutions like Sportradar's ad:s Publisher Products have become increasingly important, boosting ad conversion by matching website content with dynamic advertisements featuring contextually relevant insights powered by live data.

Featuring real-time and engaging content is also ensuring a better experience on a rights-holder's digital platform.

This has already had a tangible impact in cases like the National Hockey League's collaboration with betting operator OlyBet, for example. The partnership, which was facilitated by Sportradar and announced last year, has enabled both parties to grow their respective businesses and followings in the Baltic states.

During the 2022 Stanley Cup finals, NHL integrated ad:s Publisher Products to serve contextually relevant and dynamic advertisements across NHL.com, targeted to OlyBet's core markets, with click-through rates exceeding the previous benchmark more than twofold.

An advanced reporting suite also helped all parties to understand the optimisation strategies more effectively and make recommendations for further improvements for the upcoming NHL season.

Status-quo

Applying technology to solve such a need is increasingly important in today's consumer habit world and market economy.

Everyone will be well aware of the shift in audience and customer expectations, with sports enthusiasts now demanding more from rights-holders and operators than ever before. Quite simply, fans want the most relevant content, tailored to their interests, and delivered on their favourite platforms at the right time – or they will look elsewhere.

In an economic landscape that



also demands ever-greater scrutiny on marketing spend, sports betting companies are putting greater pressure on the performance of their brand partnerships. Building awareness and affinity is no longer enough. Operators want to see the ROI.

Carefully curated digital activation can therefore be used to better extract the true value of a sponsorship – helping ensure such partnerships remain a key part of a varied and effective sports marketing strategy.

Sponsorship is still a key part of any marketing mix as there is nothing quite like it. To be able to tap into the passion points of a highly engaged and relevant target audience is unique. The challenge today is to ensure there is less wastage of rights and ensure a more efficient use of the rights acquired. This is what we are working to support our clients achieve.

Shifting set-ups?

Incentivising the rights-holder to deliver on digital activation performance has made its way into

the set-up of partnerships across the industry.

Whilst most rights-holders continue to, understandably, demand an up-front guarantee for the use of their IP, a performance-oriented model with variables linked to the sponsor ROI, such as the number of converted customers, is becoming increasingly prevalent across certain markets.

This sort of arrangement is facilitated due to the unique nature of betting sponsorships compared to other sponsor categories. The opportunity to trigger such incentives has led forward-thinking rights-holders to take a proactive approach by investing in technology in order to better leverage their fan data and digital activation capabilities across their platforms – from websites, apps and social to OTT.

Natural extension

As a business that operates on the intersection of sports data and technology, applying its solutions to the global sponsorship marketplace represents a natural extension of Sportradar's overall and ever-evolving service portfolio.

We want to continue to create unique partnerships between ambitious companies and rights-holders worldwide.

Arguably even more important, however, is to ensure the partnership delivers. If we can play a role in that through applying our technology, we will. ♦





Clamour growing for UK regulation of crypto sponsorships in sport

- UK politicians blast crypto sports sponsorships
- Calls for regulation even greater after FTX collapse
- Greater due diligence of sponsors required

By Faez Samadi

The last few years have seen the sports industry move from dabbling in crypto industry sponsors to such firms becoming a staple of most portfolios, particularly football clubs.

In that time, rights-holders have been finding out the benefits and pitfalls of working with such firms. It is the pitfalls that are rapidly gaining the attention of lawmakers who are calling for greater regulation of an increasingly influential but volatile market.

Crypto industry sponsors are made up of a broad spectrum of companies, ranging from cryptocurrencies and exchanges that sell and trade financial products to consumers, to non-fungible tokens (NFTs) which are digital collectibles that are often purchased as investments. There are also utility tokens which are membership products in the form of a cryptoasset that allow owners access to exclusive experiences, the main example in sport being so-called 'fan tokens'.

Politicians have not held back in their criticisms of the sector's involvement in sport, highlighting numerous examples of hugely hyped partnerships that have collapsed shortly after, leaving fans exposed and out of pocket.

The case for regulation

In November FTX, one of the biggest cryptocurrency exchanges in the world, filed for bankruptcy leaving a host of sports sponsorship deals in peril. FTX had agreements with the Mercedes-AMG Petronas Formula 1 team, the Golden State Warriors NBA team, the International Cricket Council and Major League Baseball, among others.

The fallout is only just beginning to be understood but several rights-holders have immediately pulled out of their sponsorship deals with FTX, with some considering legal action.

Leading a UK parliamentary debate on cryptoasset promotions in sport on November 8, Aaron Bell, Conservative MP for Newcastle-under-Lyme, urged the government and the English Football Association (FA) to crack down on crypto sponsorships, which he claimed had

been “almost entirely exploitative”.

He said: “If a club was sponsored by a chocolate bar, for example, that chocolate bar would be tested, regulated by the Food Standards Agency, and more to the point, consumers of that product would be protected by the law.

“But there’s nothing like that for crypto. No trading standards, no industry ombudsman, no FCA [Financial Conduct Authority] regulation, no fit and proper person test, and in the event of a suspected crime, and some of these cases are probably criminal, no great likelihood of any police action.”

Lack of due diligence

Bell excoriated sports clubs for a lack of due diligence (DD) when agreeing crypto industry sponsorships and pointed to firms such as IqonIQ – which had deals with Crystal Palace, LaLiga and the McLaren F1 team – and Sportemon Go, which was a kit sponsor of Scottish football clubs Rangers and Hibernian, that have since collapsed.

He also highlighted Manchester City’s mysterious and short-lived sponsorship deal with 3Key and Southampton’s agreement with Learn Crypto, a crypto-education platform that Bell called “utterly one-sided” and “propaganda rather than education”.

SportBusiness Sponsorship understands Southampton FC terminated its agreement with Learn Crypto at the end of last season. Manchester City cancelled its deal with 3Key less than two months after signing it following questions over whether the company even existed. The Manchester club did not respond to a request for comment.

One industry source, who spoke under the condition of anonymity, said the lack of due diligence by football clubs, in particular, regarding cryptoasset sponsorships “beggared belief”.

“They knew there was so much money swirling around and that this was fast cash for clubs, so the DD process went out of the window,” the source said.

“Responsibility should sit with the clubs to make sure their DD process is sound, and if they’re not aware of what questions to ask, then bring in the right people. Easy, fast money should always come with a warning sign.”

Bell said he understood the huge commercial incentive for football clubs, particularly those lower down the pyramid, to sign sponsorships with crypto firms as they are known to sometimes offer up to five or six times more than other sponsors.

The crypto industry gold rush in sport was starkly highlighted by the *Financial Times* in May, which said that crypto firms spent \$600m (€572.44m) on sports sponsorship worldwide in 2021, up from just \$25m the year before.

Bell called for “better statutory regulation from the government [and] better self-regulation by governing bodies and leagues” to address the issues around cryptoasset sport sponsorships.

‘Ready to regulate’

In January the FCA strengthened rules around financial promotions, including cryptoassets, and at the

parliamentary debate, UK sports minister Stuart Andrew confirmed that consultation on further measures is ongoing.

“Any promotions of cryptoassets in sports should have fans’ interest at their very heart and must be transparent on any risks, and the sector should be mindful of this as they look to further develop their digital offers,” Andrew said.

“The government is actively monitoring this market and stands ready to regulate.”

Some action has already been taken. Last December the Advertising Standards Authority updated its guidance on marketing cryptoassets after finding that Arsenal broke advertising rules over its promotion of fan tokens from its sponsor Socios.

The ASA found that Arsenal “trivialised investment in cryptoassets and took advantage of consumers’ inexperience or credulity in the promotion of their Socios fan tokens featuring three first-team players”.

In an emailed statement, Socios told *SportBusiness Sponsorship*: “We take our responsibility to fans seriously, which is why we work with our partner sports clubs to ensure that fans fully understand what fan tokens are, with risk warnings on all relevant promotions.

“However, we recognise what we offer is new and different, so we’re working with policymakers and regulators in support of regulation that would improve consumer protection across the industry.”

Regaining trust

Tim Mangnall, chief executive of blockchain advisory firm Capital Block, said crypto industry firms still had a lot to offer the sports industry, but that regulation was “100 per cent needed”.

“There have been a lot of bad use cases within NFT and crypto and regulation will help to stop that. But there’s no rulebook right now and people are still trying to understand what works. Regulation will give confidence to the market, to more institutional investors and that will give confidence to sports clubs as well.”

Mangnall accepted that the FTX scandal was a “seismic embarrassment” for the crypto industry that will take time to recover from, but added that it could be the catalyst for much-needed change.

“Hopefully what has happened with FTX will shine a light on the issues and speed things up in terms of regulation, as long as it doesn’t stifle innovation and decentralisation.”

A functioning sponsorship ecosystem is hugely beneficial to crypto firms too, as their target demographic dovetails exceptionally well with the fanbases of sport, and football supporters in particular. Any scandal that damages the industry’s standing with sports fans, is hugely harmful to the long-term prospects of the sector.

James Newman, global director of corporate affairs at Socios, which participated in the UK parliamentary debate and engaged with Bell, said there needs to be more nuance in conversations about crypto industry sponsorships, as fan tokens, cryptocurrencies and exchanges are very different businesses.

“Protecting consumers, the [blockchain] industry and

all stakeholders, I absolutely agree with,” Newman told *SportBusiness Sponsorship*. “A potential positive from the FTX situation is that it accelerates the pace of regulation.”

He drew the distinction between Socios, whose model allows fans to exchange cryptocurrency for a ‘fan token’ for their club of choice, with FTX, which functioned as a financial exchange on which cryptocurrencies were traded for profit and loss.

“Regulation must be proportional to each product,” Newman said. “A one-size-fits-all approach will not work because the spectrum of cryptoassets is very different. FTX, for example, were trading for financial gain, using real customer funds. We’re not doing that. We don’t even hold customer funds.”

Newman agreed that better due diligence was required from sports properties when entering cryptoasset sponsorships but pointed to FTX as an example of how

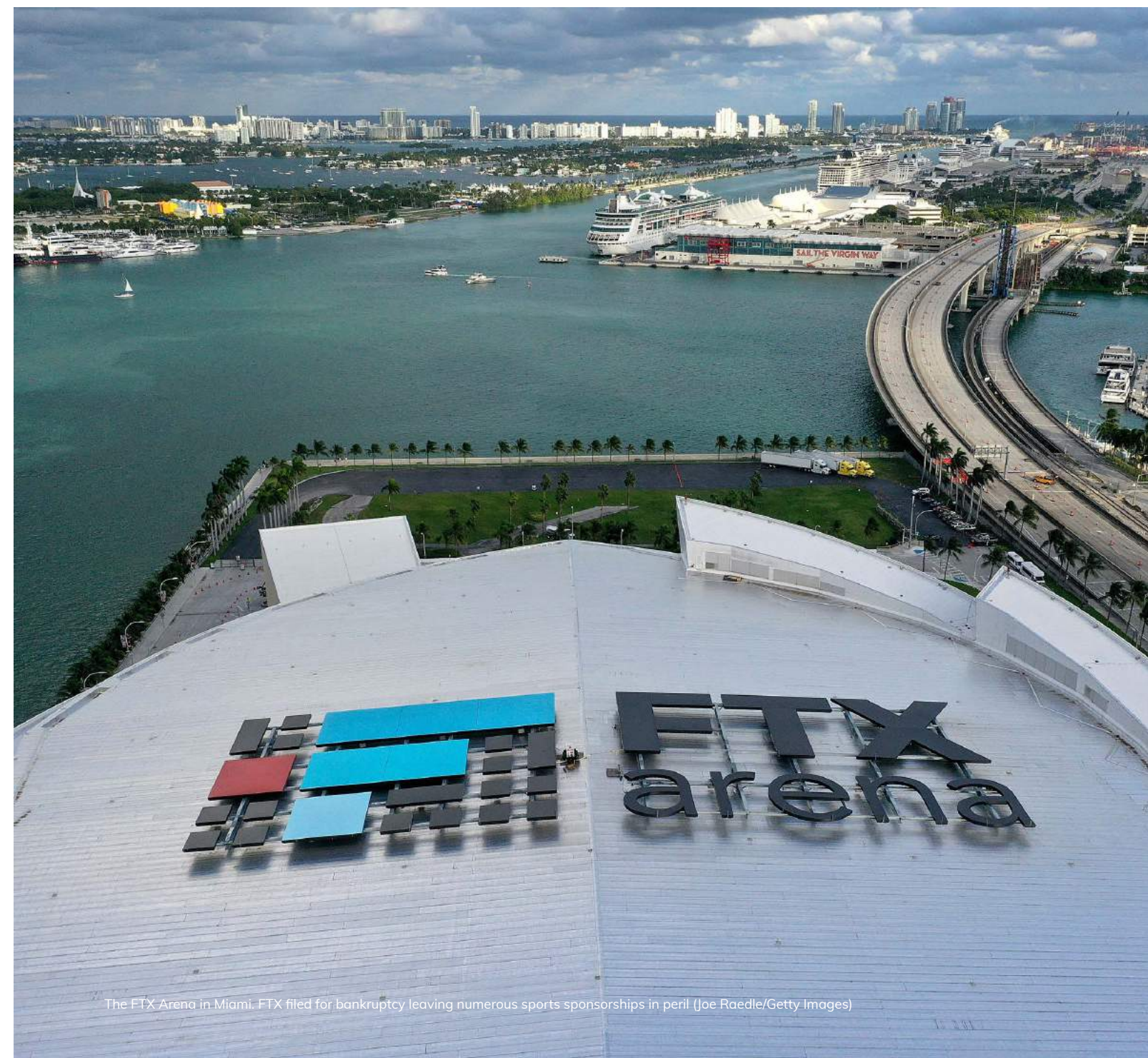
any process is not fool proof.

“FTX would probably have passed a lot of people’s due diligence [processes], given the platform that he [CEO Sam Bankman-Fried] was on, the profile [of the company] and the level of political engagement.”

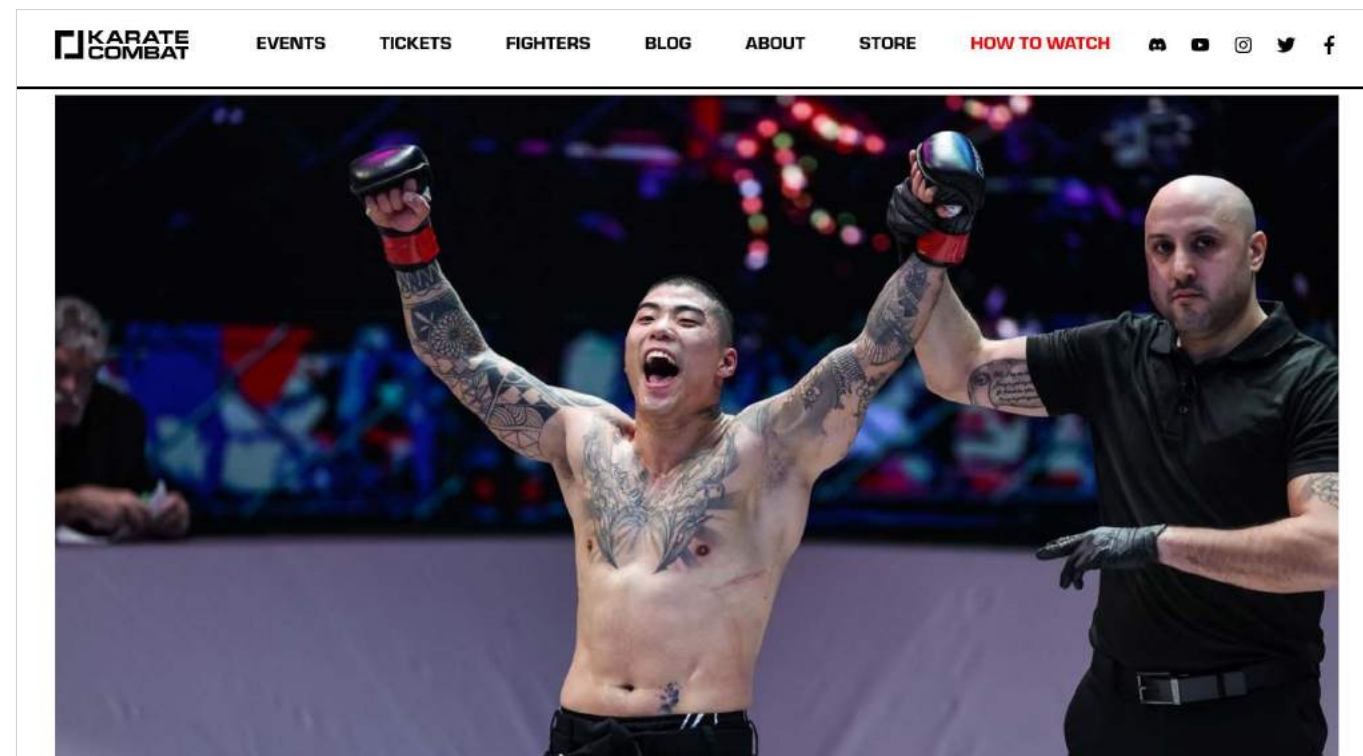
While accepting that some crypto industry sponsors have been bad actors, Newman also said some failures could be more typical of any fledgling industry in the new economy.

“If you look back at all the early-stage internet companies, there are only a handful that continue to survive,” he said.

“But we want regulation because it will help to remove genuine bad actors and help foster trust. Building trust means stakeholders will invest in the industry, take on partnerships, and build models for the benefit of consumers.” ♦



The FTX Arena in Miami. FTX filed for bankruptcy leaving numerous sports sponsorships in peril (Joe Raedle/Getty Images)



Karate Combat's token giveaway could become the ultimate sports fan engagement tactic

The rapidly growing combat sports league reveals the thinking behind its recently announced DAO ownership initiative which it hopes will become one of global sport's most innovative project.

Karate Combat, the world's premiere striking league, is set to deliver a massive blow to sport's established order after announcing plans to become the first league to transition its governance to its fans and athletes by becoming a Decentralised Autonomous Organisation (DAO).

The British Virgin Islands-headquartered combat sports organisation, which has become one of the world's fastest growing combat sports franchises since being founded in 2018, will launch its \$KARATE token in December 2022.

At that point Karate Combat, which has pioneered new production standards by fusing live

martial arts action with innovative video game-style graphics created using the Epic Games Unreal Engine, will begin giving away tokens to fans and fighters for free.

Token holders become a stakeholder in the DAO, which gives them a voice in determining matters such as resource allocation, event locations, fighter matchmaking (subject to the relevant rules) and more. The goal eventually is to have 50% of company ownership distributed to fans in this way.

Additionally, starting post-launch, token holders can use the new "Up Only Gaming" app to make fight predictions and be rewarded with more tokens for being successful, without losing tokens for incorrect picks.

Pioneering move

It is a pioneering move that has raised some eyebrows across the sports world. While other leagues have tested the waters with fan tokens – for example by offering enhanced membership schemes and NFTs – none have expanded tokens into a DAO ownership model. Instead, the focus has been on integrating betting partnerships such as DraftKings into events to increase engagement and participation.

For Jonathan Anastas, Karate Combat's Chief Business Officer, the launch is a natural progression as the sporting world evolves to increase engagement with a new generation of fans who expect to be active participants in the action,

having grown-up with videogames and esports – as well as going to festivals such as Coachella – versus old-school "lean-back" TV-centric sports viewing like Sunday Night Football.

"The success Socios has seen with fan tokens across European football, the NFL, NBA and UFC has proven the demand for deeper, tech-enabled fan engagement using new web3 tools," said Anastas. "It was a matter of time before a league or team went all the way and utilised these new tools to the fullest to give real control to the fans and athletes. We're thrilled to be the first mover to do so, but we'd be shocked if we were the last."

"Traditional organisational structures in sports concentrate power in the hands of a CEO, a board of directors and some senior leaders like coaches," continued Anastas. "This puts key decision-making outside of the average fan's reach. In a DAO, power and ownership are distributed more broadly, giving considerable voice, and voting power to any fans who hold the necessary digital tokens. These fans will have a real voice in decisions which influence the direction of the league – I can't think of a better engagement tool for any sports fan."

The giveaway will begin in early December with an initial airdrop and the launch of an iOS mobile app that allows fans to claim their tokens and participate in the league's 'Up Only Gaming' functions. The league's app will allow token holders to nominate their favourite fighters to boost their fight purses and \$KARATE token holders will be rewarded for their knowledge of the sport by earning additional tokens for successfully predicting Karate Combat bout winners. Unlike sports gambling, where a stake is required and may be lost, token holders simply make their choices and are rewarded with extra \$KARATE tokens and voting power for successful predictions.

Livestream record

The DAO launch comes at a time when interest in Karate Combat is at an all-time high after a spike in global awareness, perhaps



indicating a rise to become "the next generation's UFC".

In August, it was announced that a combined livestream audience of nearly 6.6 million viewers watched Karate Combat 35, breaking the previous record – set just two months previously – by 8.5%, according to the industry-standard Live+3 Day metric.

With Karate Combat's audience roughly 85% male and highly skewed towards Gen Y and Gen Z born between 1982 and 2010, it's little surprise that viewers are accessing content via both livestreams and video-on-demand across Facebook, Instagram, YouTube, TikTok, Snapchat and Karate.com as well as through major sports broadcasters in over 100 countries.

Anastas believes the viewership growth in 2022 can be attributed in part to a changing broadcast landscape that switched, post-COVID, towards streaming. Unlike other combat sports leagues who but the undercard on social and hold the best content behind pay and membership walls, Karate Combat believes in an open-source-like digitally driven "democratised" distribution where the full event cards are free on all the top global platforms.

However, Anastas says there are also specific reasons why Karate Combat has been particularly successful, including changes to production and a focus on TikTok.

"In addition to the changes in

consumption, Karate Combat's unique blend of live action combat sports mixed with video-game-styled CGI (using the Unreal Engine) struck a chord with Gen Y and Z men, who grew up on, and play, games," he said. "For example, the company has invested deeply in TikTok, who, if they survive US regulatory scrutiny, may be the most important new platform for sports media brands."

Valuable audience

Karate Combat falls under the Mixed Martial Arts (MMA) umbrella, a sector which has over 600 million fans globally, and is regularly counted as among the world's fastest-growing sports.

Karate Combat's popularity among those Gen X and Y men under 40 years old makes it an attractive prospect.

Anastas said: "This is the most valuable sports audience and brands have a hard time reaching these guys. Traditional sports have been losing them, for example – even the UFC's linear ESPN+ audience is over 40. So, to be able to offer such a desired demo at scale is a big lever for Karate Combat."

Highly monetised

"While we see viewership that is truly global, one of our 2022 goals has been an increased focus on highly monetised and high value marketplaces for sports media rights and sponsorship revenue," Anastas said. "This has actually meant a greater focus on North America, the UK and the EU as well as Mexico and Brazil. We also entered China for the first time with a Douyin partnership."

While handing away half the business to fans and athletes through the DAO might be considered a revolutionary act, Anastas said that Karate Combat won't be pulling its punches any time soon.

He added: "To be honest, we're planning some of the craziest sh*t anyone's ever seen in combat sports. The whole sector needs to catch up very, very fast with the access and interactivity demanded by younger fans. Stay tuned!" ♦

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CAA Sports finds new wave of international growth

- Agency counts Formula 1, Red Bull Racing, Riot Games among its key global clients
- Headcount for new Singapore office soon to double
- More than \$2bn in international property sales brokered since start of Covid-19 pandemic

By Eric Fisher

Amid the usual corporate activation, fan engagement activities, industry conferences, and business meetings surrounding Formula 1's Singapore Grand Prix held in October, there was also an anniversary celebration of sorts, as well as a global reunion for prominent agency CAA Sports.

The division of Creative Artists Agency, which represents F1 as part of its property sales operation, used the occasion to mark one year since the company opened its office in Singapore to develop its business in the Asia-Pacific region. And more broadly, the race also marked one of first major in-person confluences of CAA executives from around the world since the onset of the Covid-19 pandemic in early 2020.

"We had folks there from our London office, our Munich office, myself, [CAA Sports co-head Mike Levine], [CAA president] Jim Burtson, our media rights folks from both the United States and London, even some of our music agents, really all walks of the agency," says Paul Danforth, CAA Sports president since 2019 and with the agency since 2007. "It showed how all sides of the CAA business are coming together internationally."

The reunion, and the agency's working presence in Singapore both for the race and with its permanent office, also represented a notable signifier for how critical operations outside of the United States have become to CAA Sports. Beginning slowly with the 2011 establishment of an office in London, United Kingdom, CAA Sports' international presence now also includes offices in Manchester, England; Milan, Italy; Munich, Germany; and most recently the Singapore location. And that global profile, particularly around talent representation, was further boosted earlier this year by CAA's purchase of ICM Partners.

And with a battery of top-tier global clients that includes F1, Riot Games, and Red Bull Racing, among many others, as well as a wide array of global star athletes, international operations now represent the fastest-growing segment of CAA Sports. Overall, CAA Sports employs nearly 350 people for its non-US offices, and

the Singapore location led by CAA Sports APAC president Adrian Staiti in particular is due to double in size to more than 30 people in the coming months.

“It’s the growth engine of our sports business,” Danforth says of the agency’s international operations. “We’ve had good momentum here in the US, but the trajectory outside of the US has been incredible.

“And even though we started on this journey in 2011, it’s really accelerated over the last two years,” Danforth says.

has been a natural fit – helping the sport better utilize, analyze, and act upon data to deliver insights to fans that weren’t possible before this collaboration,” said Matt Garman, AWS senior vice president of sales, marketing, and global services.

But Danforth acknowledges that having conversations with key brands about Formula 1, particularly in the US, was not an easy prospect until the last couple of years.

“When we first came to talk to US brands about Formula 1, they looked at us like we were crazy,” Danforth says.



CAA Sports co-head Michael Levine (l), Formula 1 chief executive Stefano Domenicali, CAA Sports head of international Matthew O’Donohoe, and CAA Sports president Paul Danforth at the Singapore Grand Prix. (CAA Sports)

Pandemic Boost

That global acceleration derived in no small part from the pandemic itself, surprising even CAA Sports executives internally. Among the first major elements of society to return from lockdown, first in a modified fashion and then fully, were sports, with many European leagues standing among the leaders in that recovery. And during the pandemic period, CAA Sports has brokered more \$2bn (€2.05bn) in international property sales.

“Sports was able to navigate the pandemic in a lot of ways that other segments did not. This showed global [chief marketing and executive officers] that they need to be part of sports,” Danforth says. “It’s sort of the one thing that stayed constant throughout the pandemic.”

And one of the sports industry’s foremost pandemic-era success stories has been Formula 1, which has seen a sizable influx of American-based brands over the last two years, expanded media coverage, and new US races in Florida and Nevada become part of the overall global circuit.

CAA Sports has been a key figure in that escalation, helping broker a wide array of commercial deals for both Formula 1 overall and Red Bull Racing. Most recently, the agency brokered a pact in which Amazon Web Services, the information technology service management subsidiary of the online retail streaming giant, escalated its existing Formula 1 relationship to become a global partner of the property.

“With such a data-driven sport as F1, this partnership

“But the combination of the Netflix series [Drive To Survive] and Liberty Media buying Formula 1 has opened up to US marketers and executives the power of Formula 1 around the world. A lot of people in a very short amount of time have become F1 fans.”

Danforth has worked particularly on the international efforts with Matthew O’Donohoe, CAA Sports’ head of international sports and based in London. And as their efforts have continued, other rival agencies such as Endeavor’s IMG and WME, Octagon, Legends, and Wasserman have similarly looked beyond the US to expand their operations.

“Competitors are going to be everywhere,” Danforth says. “But what we try to focus on is building our team and letting that speak for itself. Our competitors are going to do what they’re going to do. We can only control our own destiny.”

Other areas of the world such as the Middle East and Africa have become increasing areas of focus for the sports industry, fueled by events and leagues such as the upcoming men’s FIFA World Cup in Qatar and the new Basketball Africa League. But O’Donohoe said CAA Sports’ expansion into those areas will remain measured and careful.

“We’re never in a rush to plant flags in territories,” O’Donohoe says. “It’s foremost about finding great people and backing those people and those territories with resources.” ♦

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LaLiga tackles the youth opportunity in the Middle East, North Africa and Indian subcontinent with Galaxy Racer

LaLiga's recently established joint venture with Dubai-based Galaxy Racer will provide a launchpad for future growth in a region that is home to a large number of young people.

The arrival of the FIFA World Cup in Qatar in late 2022 ensured the Middle East would fall under the global football spotlight like never before, for one month at least.

However, a couple of months before the start of the tournament, an agreement was struck to give LaLiga, which operates Spain's top-flight football competition, a significant long-lasting presence in the region.

In September, LaLiga and Dubai-based media multi-national Galaxy Racer penned a letter of intent, paving the way for a 15-year joint venture to be established on a 50:50 basis.

Through the agreement, which builds on an existing collaboration

between the two organisations, LaLiga's existing brand presence will be expanded and deepened in the Middle East, as well as North Africa to the west and the Indian subcontinent to the east.

Whilst LaLiga has taken big steps to enhance its international profile across the globe in recent years, MENA has always been a region of special interest that offers unique potential. That is why the league opened its first international office in Dubai back in 2014 before strengthening its presence in the region through its Global Network international development initiative in 2017.

Furthermore, glancing at the demographic landscape of this densely populated part of the world

shows why such efforts have been made to establish solid foundations in the region. Collectively, MENA and the Indian subcontinent are home to more than 1.3 billion people under the age of 30, giving LaLiga an opportunity to enhance its already substantial efforts to engage younger audiences worldwide.

Major milestone

The joint venture will be based in the United Arab Emirates and led by Maite Ventura, LaLiga's managing director for the Middle East and North Africa, who describes the collaboration as a "major milestone in our international expansion strategy".

She adds: "This agreement

ensures not only a bright future for football in MENA and the Indian subcontinent, but also for LaLiga and our clubs."

LaLiga believes the joint venture to supercharge the league's efforts to speak to younger audiences in a meaningful manner. The channels for such engagement will include bespoke content creation and a crossover focus on gaming and esports, as well as new consumer products – from apparel to collectibles. A wide range of activations that LaLiga insists will usher in "a new way of thinking for the world of football and sport" are also being developed.

According to Paul Roy, Galaxy Racer's founder and chairman, LaLiga's potential "remains untapped amongst millennials, Gen Z and Gen Alpha in the MENA region and Indian subcontinent".

With more than 600 million followers globally, Galaxy Racer, which was founded in 2019, offers a platform for growth that leverages expertise in six key verticals: licensing, content creation, esports, influencer and talent management, merchandising and music.

"The goal here is to connect

with a younger audience in a way that resonates with them," Roy says. "Through our current market reach, this strategic partnership will give LaLiga a cutting-edge means of distributing its intellectual property."

"Our strategy is focused on the football fans of tomorrow. Given the audience demographics in the region, an entire generation of new fans will be coming online over the next decade. We will ensure that we are first and foremost on the minds of this audience as they embrace the world of football."

The joint venture will also act as LaLiga's media-rights agency for the Middle East and North Africa (MENA) and the Indian subcontinent, starting with the cycle beginning in the 2024-25 season. However, Ventura, insists that the income derived from media rights will only be part of a "360-degree strategy", with merchandise, clinics, academies, and much more in the pipeline.

Natural step

Having lived and worked in Dubai for the past eight years and seen the impact of earlier collaborations between LaLiga and Galaxy Racer,

Ventura says that taking the relationship to the next level was a natural step.

Galaxy Racer initially linked up with LaLiga at the start of 2021, with a partnership focusing on the eLaLiga Santander Fan Cup esports competition. The tournament was shown exclusively by Galaxy Racer in Arabic across all its social media platforms.

Esports provided a solid platform from which to build the broader relationship. According to the most recently available figures, there are 377 million gamers in the MENA region – almost as many as the whole of Europe – and it is widely considered to be the number-one growth market for gaming and esports worldwide.

"We had been working with them for nearly two years, particularly with projects in gaming and esports, and then we started to discuss other projects. We ultimately saw some potential with a broader collaboration and decided to create a joint venture," Ventura explains.

"We already have 11 people on the ground in this region, and they are core to our growth strategy, as a physical presence allows us to be



(Denis Doyle/Getty Images)



closer to the stakeholders, as well as the fans. Other clubs and institutions may not be on the ground, so that is our competitive advantage and it allows us to adapt to trends more quickly and easily.

“This joint venture presents an amazing opportunity to build on this presence by leveraging additional resources to help us maximise the offering and diversify our fan base, not just with younger people, but also women.”

Cultural nuances

Ventura started her current role as managing director for MENA at LaLiga in 2019, after having initially joined LaLiga as a delegate within its Global Network, which has now sprawled to include a physical presence in 41 countries worldwide.

In total, LaLiga’s international engagement efforts span 90 countries, with joint ventures set up in the United States and China, as well as now MENA and the Indian subcontinent.

Before joining LaLiga, Ventura worked in Dubai for the Trade and Investment Office of Peru after operating in business development in roles in Colombia, Panama and then the United Arab Emirates following her work as a journalist in Spain and the United States. Her earlier studies took her to the United Kingdom, as well as her native Spain.

With a career background steeped in travelling to and working in different cultures, Ventura is well aware of the importance of understanding local people and cultures. This approach will also be required to tap into the various markets that span the diverse region covered by the joint venture.

“I think one of the strengths of the Global Network is that it bring together people who can offer lots of different perspectives,” she adds.

Content is king

With this in mind, the new joint venture will ultimately be supported by a team of around 20 people, led by a five-person board of directors, including Ventura as chief executive. Luis Cardenas, commercial director for LaLiga MENA, will serve as the chief commercial officer.

Several LaLiga and Galaxy Racer collaborations are already in the works, including a documentary series, tournaments, merchandise, physical events and other activations.

With a roster of 100 digital influencers – including a significant number established in MENA and South Asia – Galaxy Racer also provides a clear gateway to a large audience. Worldwide, the company’s influencers generate over 2.5 billion monthly views.

“A team of leading influencers and content producers will focus on LaLiga and organise creative events to enhance the LaLiga brand all year long,” Roy says.

Leveraging influencers builds on existing work by LaLiga to introduce younger viewers to the pinnacle of Spanish football through platforms like gamer-focused streaming platform Twitch and social platform TikTok.

Tailored content

As an extension to this strategy of investing in people to build a launchpad for growth, LaLiga is conscious that teaming up with the right individuals can help a narrative to be carried far more effectively than a disconnected marketing campaign devised thousands of miles away.

“Human resources are an amazing tool to accelerate growth,” Ventura adds. “We are specifically looking at ways we can increase engagement when it is not a matchday. That is where the right content will be vital.”

Extending the fan experience beyond the 90 minutes of the game is a challenge facing every single club, stadium operator and competition operator in ‘the beautiful game’.

In that context, and given the competition for attention that exists across sport and entertainment, Ventura is well aware that tailored content will be key if fruitful engagement channels are to be established.

“We need to speak to people in their own languages, and not just by translating the same words,” she says. “We must create content that is relevant to people, whether that is through TV series, social media, video footage, music, or something else.”

A new content studio, which will open in an as-yet undisclosed MENA country and be operated by the joint venture, will provide a central hub for content creation. The studio is expected to open in the next six to 12 months and will produce content that, according to Roy, will cater to younger fans’ preference for alternative media sources.

However, bricks-and-mortar developments are also on the agenda, with LaLiga TwentyNine’s fan experience space in Qatar providing a glimpse of future possibilities.

With a panoramic view of the West Bay business district in Doha, the LaLiga TwentyNine’s venue features a gastro zone, a ‘beat centre’ – packed full of club memorabilia, a multi-purpose stand that allows visitors to feel like they are watching games in a stadium, an esports space, and a virtual reality experience.

“It is a gastronomic sports hub with amazing food courtesy of a renowned head chef, Dani García, but it offers so much more for the fan experience,” Ventura

says. “Qatar is very important for us, and obviously we have been on the ground there during the FIFA World Cup, and we are delighted to have the LaLiga TwentyNine’s space in Doha. We want to be close to our fans, wherever they are.”

Evaluating success

When asked about how the success of the new joint venture will be evaluated, Ventura insists that engagement, as well as financial metrics, will be an important barometer.

“For us, success would be seeing more younger people playing and enjoying the game, and we really want to tap into the hearts and minds of millennials and Gen Z,” Ventura says. “With Galaxy Racer’s support and expertise, we will be able to build fan loyalty and truly position LaLiga as a top-of-mind brand, not just for football, but also lifestyle.”

If the content is engaging, financial rewards will follow – and in the context of LaLiga’s broader international development plans, MENA and the Indian subcontinent offer significant opportunities.

The collaboration with Galaxy Racer, though, will stretch way into the 2030s – and potentially beyond.

Explaining the 15-year term on the joint venture, Ventura adds that an extension to the collaboration could be likely, depending on the landscape.

“It is the right period of time for a long-term project,” she says, adding that such multi-year business plans are commonplace across LaLiga’s international operations. “We don’t know what is going to happen in 15 years’ time, but we like to be surrounded by the best partners available. So, if the strategy is working, why wouldn’t we continue?” ♦





How Orange County SC beat the LA Galaxy off the playing field

- USL club faced rival effort for publicly owned stadium from MLS club's developmental entity
- Dispute drew groundswell of fan support, leading club executive to say, 'when you've got righteous indignation on your side, there's nothing that you can't do as a fanbase.'
- Clash provides a window into the ongoing complexities of the still-developing American soccer pyramid

By Shawn Medow

Orange County Soccer Club, the defending champions of American soccer's second tier United Soccer League Championship, wasn't having the 2022 season it envisioned when the team won its first title in late November of 2021.

The club was set to miss out on the 2022 playoffs. But elsewhere, the franchise was having a successful season with record attendance and it still eagerly looked forward to the future.

Then, almost out of nowhere, chaos ensued.

On August 4, the city of Irvine announced a City Council agenda for five days later, August 9, that would include discussion about Major League Soccer's Los Angeles Galaxy purchasing Irvine's publicly owned Championship Soccer Stadium, a move that would dislocate Orange County SC and, more broadly, provides a window into the complexities of the ongoing development of the American soccer pyramid.

The Galaxy needed a decision, it said, by August 12 to begin plans for the Galaxy II's first season in MLS Next Pro as it moved over from the USL Championship.

The 5,000-seat stadium at the Orange County Great Park - which opened in 2017 and has housed local youth team games, lower level professional and semi-professional games - was not for the five-time MLS Cup champions. Instead, the Galaxy's vision was for the club's reserve team to use exclusively as it competed in MLS Next Pro, MLS' new developmental entity heading into its second season.

The agenda release sent shockwaves through the club and community, which quickly mobilized fans and citizens to attend the meeting and express concern.

"It all went from flash to bang back to flash again all remarkably quickly," Orange County SC president of business operations Dan Rutstein tells *SportBusiness*.

The city of Irvine and the Galaxy said that Orange County SC were aware of the discussions before the agenda was released but Rutstein says when the agenda came out that "it was genuinely the first we'd heard of it." Orange County SC says that it had only heard word-of-

mouth rumors that the Galaxy was looking into moving its reserve team to the stadium 40 miles south from the MLS club's home.

In recent years, the Galaxy has battled a new rival in Los Angeles FC, which plays in downtown Los Angeles, making it more accessible and popular for local residents than the Galaxy's distant complex in Carson.

Backlash against the Galaxy's proposed move quickly occurred from all corners, including within that club's own fanbase. The Galaxy responded to the reactions with a statement ahead of the initial meeting, citing that it was not seeking exclusive use.

"The LA Galaxy are a proud partner to the local soccer community and are committed to positively growing the sport of soccer in the Southern California region," the club said in a statement on August 8. "LA Galaxy are not interested in an exclusive arrangement for LA Galaxy II to play at the Orange County Great Park Championship Soccer Stadium and have advised all parties of our willingness to open conversations with the City of Irvine and other stakeholders on mutually-acceptable arrangements pertaining to the use of the Stadium moving forward."

The Council did not wind up discussing the potential sale at the meeting, with no further information given at the time. Instead, the city council postponed the discussion to a later meeting because of ongoing litigation between the USL and MLS after the USL sent a letter to the Galaxy saying it was in breach of its USL agreement as the team still competed in the USL Championship.

Despite the official discussion no longer taking place, more than 500 supporters of Orange County SC attended, while 45 people in support of the club spoke to the council, one at a time.

Orange County SC never searched for stadium alternatives during this period. But the club did not sit idly by, making calls and lobbying to get the council to allow Irvine's only professional team to remain in the city.

"Maybe we should've been [looking for alternative stadiums], but we weren't," Rutstein said. "We were utterly convinced that common sense would prevail, that fan power would prevail, and that the national champions with Orange County in their name would be allowed to play in Orange County for another year."

A vote would take place at the September 13 Council meeting. After a six-hour session that included discussion on other matters, the government body voted 5-0 in favor of Orange County SC staying at the stadium for at least the coming 2023 season.

Prevailing argument

The city of Irvine laid out three options as it review its options for Championship Stadium. One was to continue under the current model with Orange County SC maintaining priority access to the facility. At the time, Orange County SC only had a memorandum of understanding (MOU) with the city that was set to expire in November.

Another option was the Galaxy II gaining complete control of the stadium. And the third option, which neither the Galaxy II or Orange County SC wanted,

	LA Galaxy II Operating Model	Current Operating Model
Priority Access	LA Galaxy II	OCSC
Access for Community Groups and Professional Sports teams	<ul style="list-style-type: none"> • 18 games for LA Galaxy II • 0 games for professional sports teams • 102 games for community use 	<ul style="list-style-type: none"> • 18 games for OCSC • 22 games for other professional sports teams • 80 games for community use
Financial Terms for priority access	To be determined: LA Galaxy II has committed to replacing all loss revenue at current market rate, associated with being the exclusive professional soccer organisation at the Stadium	In 2021, OCSC paid \$195,015 for priority use of the Stadium. Revenue can vary annually depending on the actual number of event days. Revenue fees will increase in 2023 based on current market rates
Term	LA Galaxy proposes a 3-year term with one 3-year renewal option	Current MOU with OCSC will automatically renew in November 2022 for an additional two years unless terminated by either party
Youth Programs	Expand current offerings of youth camps and clinics	Offers youth camps and clinics
Maintenance Support	To be determined: Support with expertise of AEG	City maintains field
Natural Turf	Required	Required

Comparison of operating models at Championship Stadium from the city of Irvine agenda

featured converting the field to artificial turf for \$1.5m (€1.45m) with subsequent \$600,000 replacements every 10 years.

The artificial turf option would save the city money on maintenance but the professional teams prefer, and in some cases require, natural grass.

The third option, however, would be at further conflict with either of the first two options as both clubs sought to have natural grass fields. The city says it spends between \$500,000-\$700,000 per year to maintain the grass.

Through a freedom of information act (FOIA) request by Phoenix, Arizona-based USL reporter Owain Evans, emails, and text messages show that the Galaxy and city of Irvine were in discussions about the facility as early as April.

As seen through the FOIA request, the city of Irvine is looking to lease out the OC Great Park during the upcoming men's 2026 Fifa World Cup for \$109,400 a day, while Orange County SC paid \$195,015 for the whole of 2021.

The third option would also not be viable if the city wants to lease out the stadium as part of the 2026 World Cup as FIFA requires natural grass. Los Angeles' SoFi Stadium will host World Cup games in 2026, in which the stadium will need to have natural grass laid down over the artificial turf along with an expansion of the field to fit the Fifa dimensions.

When the Galaxy's first team drew Irvine's National Independent Soccer Association club California United Strikers in the US Open Cup, the Galaxy wanted the city to see how many Galaxy fans reside in Irvine when the match took place at the stadium. The game sold out with many of the fans cheering for the Galaxy, who narrowly advanced to the next round of the competition.

The idea that the Galaxy, which is owned by Anschutz Entertainment Group (AEG), would want a developmental team to play in a stadium in a different county came as a surprise given that the team plays its USL Championship games in an empty stadium. Prior to the pandemic, LA Galaxy II stopped letting fans into stands of its home

games at the AEG's Dignity Health Sports Park. When LA Galaxy II did have spectators, they fetched around 1,000 fans per match.

By contrast, Orange County SC had 4,300 fans per match on average in the 2022 season, totaling more than 70,000 people in attendance over the season for a 30.5 per cent increase in attendance compared to 2021.

"That is the nature of development teams," Rutstein says. "At the end of the day, winning and losing is one thing, but the success of that team is not if they won the USL Championship, it's how they've developed new players to play in the first team."

By the second Irvine Council meeting, the global soccer world was well aware of the story unfolding in the Southern California suburb and applied plenty of pressure on the council to do what many believed was the right thing.

Orange County SC's rivals came to show their support, including the San Diego Loyal, who is coached by former Galaxy icon Landon Donovan, while many Galaxy fans online condemned the club's attempt to take the Irvine stadium. Even a rival Phoenix Rising fan phoned into the first council meeting to voice their displeasure with the proposed sale of the stadium.

Rutstein says when Orange County SC played Memphis 901 FC the coach told him he sent a letter to the city council in support of the defending USL champions.

"You can't have a rivalry if your opponent isn't there," Rutstein says. "We're grateful for that support. It's a sign of the maturity of the soccer market in America, that fans care enough about other people in their leagues to fight back against it."

The widespread support hits close to home for Rutstein, an AFC Wimbledon supporter and shareholder who knows all too well the pain of having his team taken away from him. The London-based club was formed by fans after Wimbledon FC was moved to nearby Milton Keynes and changed its name to Milton Keynes Dons in 2003.

As opposed to when he lost his English club, Rutstein had more faith that the city of Irvine would side with Orange County SC, drawing on a phrase used by AFC Wimbledon.

"When you've got righteous indignation on your side, there's nothing that you can't do as a fanbase," he says

On September 10, just days before the vote that could

have unhoused the club, Orange County SC had a game. It could not have been drawn up any better: at home, against LA Galaxy II.

The game was feisty. The Galaxy II saw a red card reduce the team to 10 men, and in front of a sold-out stadium, Orange County SC secured all three points in a 1-0 win. Orange County SC indeed did miss out on the playoffs, but it sold out its final two matches, including the one against Galaxy II.

"More people were coming to watch the team that's bottom of the league than the team that's about to win a championship," Rutstein says. "I think that says everything about soccer fans and our relationship to the community here."

With the decision from the city to let the club continue to play at Championship Soccer Stadium for at least the next season, the club is able to move forward with its other initiatives while negotiating further agreements to stay.

The LA Galaxy has not made any indication whether it will once again pursue the stadium for its MLS Next Pro team in the future. If the Galaxy does make another attempt, Rutstein says it won't be as dramatic because by then there would not be a tight deadline to get a deal like the Galaxy pushed for.

"I don't think it'll happen again. I don't think we'll reach a point again where we're at the 11th hour, lobbying for something," Rutstein says. "I'd like to think that we can have sensible discussions way in advance so we don't reach this point of desperation either from another team."

On November 15, the team played German club Hamburger SV in a friendly as the European seasons break for the Qatar World Cup. Orange County SC set the record for an outgoing transfer when it sent Kobi Henry to Stade de Reims for \$700,000 (€650,000). The club is now exploring creating a women's side after the success of its men's reserve team and boys and girls youth teams.

Things are once again looking up for Orange County SC. "I'm not sure we'll ever really understand what it was all about," Rutstein says. "At the end of the day for us, it gave our fans a reminder of how much our club means to them in a way you realize how much you care about something when someone tries to take it away from you." ♦



Championship Soccer Stadium in Irvine, California, during an Orange County SC game (OCSC)



Sportradar's fielding data innovation brings game-changing possibilities

Sportradar is introducing game-changing fielding data into the cricket narrative, carving open a new dimension for fans, broadcasters, coaches and administrators.

According to the ancient cricketing proverb, 'catches win matches.' However, until recently, cricket's penchant for delving into the quantifiable technicalities of the sport was reserved for bowling and batting, rather than the oft-forgotten third discipline of fielding.

That narrative, though, is changing.

As the runs flowed and the wickets tumbled at the thrilling recent 2022 International Cricket Council (ICC) Men's T20 World Cup in Australia, an innovative perspective of the action on the field offered a glimpse of exciting future opportunities.

Driven by Sportradar, the ICC's official data supplier, live fielding data was captured for the very first time at the World Cup. The data powered the ICC's fan-facing website and official mobile application,

with insights derived from the data also provided to media outlets and broadcasters worldwide through bespoke feeds to bring a new dimension to their coverage.

Meaningful insights

The enhancements are potentially game-changing. Through Sportradar's existing proprietary data-collection tool, up to 80 data points per ball bowled are captured, with no additional equipment required.

Key metrics include fielding positions for every ball, runs saved by fielding actions, and the difficulty of fielding actions like catches and run outs.

Furthermore, so-called "pressure events" are also recorded – essentially when extra effort is required in the field to pressure the striker or non-striker to return to

the crease swiftly. These events can result in no outcome, runs saved, a run out opportunity or dismissal.

To transform the raw data into meaningful insights, an algorithm rates the difficulty of every run out attempt or catch. It also quantifies the number of runs each fielding action saves or costs and determines how much pressure a certain fielder has been able to exert on the batters.

These metrics can be converted into points for each fielder, with players starting a match at zero and moving into net positive or negative numbers, depending on their performance. At ICC Men's T20 World Cup, the algorithm revealed the tournament's top 10 most impactful fielders – with England's Liam Livingstone taking top spot for individual performers, and his country and champions ranked as the best performing team in the field.

Algorithm challenge

According to Jarod Pickering, Sportradar's head of cricket, refining the algorithm so that each fielding action was weighted appropriately – and comparing, for example, the value of a catch versus a good throw or run out attempt – was the biggest challenge.

However, in a sport famed for statistical insights that are enjoyed by fans and participants alike, he adds that the "huge milestone" of introducing fielding data into the mainstream cricket narrative provides significant opportunities for fan engagement, as well as coaching and player development.

"There has never been a way to gain insights into the third discipline of cricket, or objectively rank fielding performances before," he says. "For example, many fans can argue about Player A versus Player B, but there has been no way to quantify these performances.

"However, our technology informs conversations and drives engagement, through broadcasts and coverage, as well as between fans.

"This additional data also enables and empowers second-screen experiences. For example, if you are watching a broadcast, you can see the field set for each ball through our data collection, even if the camera is not showing it. We did this throughout the ICC Men's T20 World Cup on the ICC website."

Enhancing fan engagement

Aside from enhancing media coverage, Pickering explains how the ICC and cricket boards can use "deeper, more accurate and reliable" fielding data to "create

new and engaging fan experiences." Furthermore, data gathered across all the sport's disciplines can aid high-performance programmes.

"Sportradar looks to partner with these organisations to provide value," he adds. "Our fielding data collection is one part of that offering and not a standalone product or service. Context around the data and assets to host and utilise it are also important."

Sportradar is working on continuously improving the cricket data-capture process, strengthening the proposition for clients who have various applications for such insights.

Elaborating on the plans, he adds: "Sportradar is committed to servicing cricket and will continue to innovate in the space. This covers everything from speed of data capture and delivery to accuracy and reliability to the depth of data on offer through new and redefined metrics and algorithms.

"We are currently utilising artificial intelligence to generate more engaging text commentary powered by our data capture and will keep investing in new and emerging technologies to best lead the sport and the industry."

Comprehensive service

Even before fielding data was introduced to the mix, Sportradar's cricket-dedicated offering was already comprehensive.

In May 2021, the company bolstered its portfolio by announcing the takeover of InteractSport, a Melbourne-based sports technology and media provider, which specialises in cricket.

The successful integration provided a platform to explore new opportunities, with experts in the cricket space playing a central role in the development of the fielding data offering.

"We were already in the cricket data-collection space, with a product designed in-house, and we identified a gap in the market with fielding," Pickering says. "We collaborated with a host of subject matter experts and stakeholders and added the ability to capture fielding data and fielding positions to our in-house product."

This, Pickering adds, led to Sportradar in October 2021 striking a deal to serve as the ICC's official data distribution partner, with the global agreement also including betting live streaming.

According to Sam Taylor, Sportradar's managing director of strategy and sports solutions, the aim is "to create the world's most intelligent cricket platform and the latest enhancements to our data capture tool are yet another step in this direction."

Furthermore, it is clear that a passion for the sport itself will provide solid foundations, as exemplified by Sportradar's work with cricket experts during the development of the fielding data-capture service.

"It has been really well received and we are excited to keep driving innovation in this space," Pickering adds. "Our team are composed of cricket experts, and alongside our partners we are always looking for problems we think we can solve and value we can add – all for the benefit of the sport and its fans." ♦





USA Cricket forced to hit reset button amid governance, financial instability

By Bob Williams

- Board chairman Marathe and CEO Higgins both stepped down in past 12 months
- Governing body was \$650,000 in debt at the end of 2021, had ICC funding suspended
- Interim chairman Rai lays blame at former regime for multitude of setbacks

USA Cricket has been forced to undertake a major structural reset following the departures of its two most senior executives, going \$650,000 (€670,000) into debt, and having its funding suspended by the International Cricket Council over a series of governance issues in the past year.

In October 2020, the national governing body developed a hugely ambitious project to try to transform cricket into a mainstream sport in the United States and establish the USA as a major player on the international stage.

A 10-year Foundational Plan outlined efforts to establish a globally relevant domestic professional Twenty20 league; construct at least five international-grade cricket stadiums; gain hosting rights to major international tournaments; help cricket become a part of the 2028 Olympic Games in Los Angeles; and secure full membership of the ICC.

Already one of these aims have been achieved, with the US selected to co-host the ICC's Men's T20 World Cup

in 2024 alongside the West Indies. And after a series of delays, the flagship Major League Cricket will finally debut next summer.

Behind the scenes, however, USA Cricket has been beset by huge turmoil, with Iain Higgins stepping down as chief executive in November 2021 and chairman of the board Paraag Marathe following suit in May 2022.

The duo provided USA Cricket with some much-needed gravitas, credibility and industry experience. Higgins, who joined the organization in July 2019, previously worked as the ICC general counsel and chief operating officer. Marathe, meanwhile, remains a senior executive at both the National Football League's San Francisco 49ers and Premier League club Leeds United.

Their tenure, though, was impacted by a series of legal, financial, and governance issues.

In 2021, USA Cricket board members Venu Pisike and Srini Salver filed a lawsuit against Higgins and five other directors over the alleged unlawful amendment of the constitution to relax membership voting laws, and improper re-election of Marathe as board chairman.

Marathe reportedly fell on his sword to force Pisike and Salver to drop their lawsuit, although he has since denied this.

In May 2022, former contractor Kirk Greaves sued the board for employment discrimination after having his contract terminated, seeking a total of \$2m in damages. Meanwhile, Higgins himself was given a \$300,000 payoff this summer over his threatened lawsuit against USA Cricket over alleged unpaid bonuses.

There were also a series of financial problems, which resulted in players, staff, and contractors not being paid on time, as well as bills not being paid. As reported by ESPNcricinfo, there was a \$1.5m overspend on budgets, including \$400,000 on hosting Ireland in a multiformat series in late 2021, in which just two Twenty20 fixtures were played due to a Covid-19 outbreak.

USA Cricket had also expected to receive \$1.1m in sponsorship money for 2021, but received \$829,000. Administrative costs jumped from a budgeted \$136,000 to \$800,000.

In addition, the ICC temporarily suspended its funding

of USA Cricket due to a series of noncompliance issues over the reporting of its finances over a series of years. The organization also lost administrative duties with regards to hosting the 2024 Men's T20 World Cup, which is being jointly held by the US and West Indies. Around 10 to 15 matches will still be held on US soil, though.

Marathe and Higgins have since been replaced by Atul Rai, the president of the defunct USA Cricket Association (USACA) from 2001-03, as interim chair and Vinay Bhimjiani as interim CEO.

Rai tells *SportBusiness* he suffered a sense of "shock" when he took over at USA Cricket and discovered all the multiple issues faced by the organization.

"To me, change is good. There's a reason things happen the way they do. There were a lot of compliance issues that were ignored in some ways. Not intentionally but they happened," Rai says. "Therefore, I don't call these issues as setbacks, rather changes. I think the change will be good for USA Cricket as now we can reset ourselves and move forward, rather than being stagnant, and not taking the steps that we need to take."

Marathe had 'limited knowledge and availability'

In many ways, it feels like history is repeating itself in regards to troubled governance of cricket in the US. The pathway to popularize sport in America began afresh in 2017 with the establishment of USA Cricket following the expulsion of its troubled predecessor, the USACA, which faced numerous concerns over its governance, finance, reputation, and cricketing activities over a period of years.

Rai, though, does not believe that the high-profile departures of Marathe and Higgins should necessarily be considered a setback. He claims that Marathe lacked a requisite availability for the role due to his other commitments, did not have a deep knowledge of cricket, and also had some conflict-of-interest issues.

"Paraag and I got along really well, but unfortunately his availability, which he acknowledged, was limited in terms of USA Cricket so relied on a lot of people to give him that information or that ability to interact. He is one of the big executives with the San Francisco 49ers so he has a huge responsibility with them so his availability was extremely limited," Rai said.

"Where Paraag lost out was not understanding the game to begin with and then not having the time to fill in those areas where he was needed. So consequently, it was left up to the staff and others to carry on. Iain came from a legal background and from the ICC; he didn't have much knowledge of USA Cricket. There were a lot of areas which they had to cover. To be honest I think they were not able to [deal] with all these things."

According to Rai, USA Cricket remains in debt but steps have been taken to resolve various financial issues, such as an outstanding hotel bill of \$80,000 for the disrupted Ireland series in late 2021.

He also blames the former regime for the late reporting of quarterly finances to the ICC, which resulted in funding being suspended, although it has since been restored.

"When I heard that the reporting was always late, it was a shock to me. That was going back three years," Rai says.

"USA Cricket was the only country that was always late and I was told that Paraag was fully aware of it. This was kind of shocking. We said moving forward, it would never be late, and we have already got third-quarter reporting into ICC's hands on time. For the first time, the ICC has USA Cricket reporting on time and they were very pleased with that."

One of the primary aims for Rai and his executive team is to try to renegotiate the terms of a wide-ranging commercial partnership with American Cricket Enterprises (ACE), which was signed in May 2019, to develop a US-based T20 professional league – Major League Cricket – and to help construct a series of international-standard cricket grounds across the country.

ACE is backed by Sameer Mehta and Vijay Srinivasan, the founders of subscription service Willow TV, the largest cricket broadcaster in North America, and Satyan Gajwani and Vineet Jain, the principals of The Times of India Group, India's largest media conglomerate.

According to an announcement at the time, the partnership is due to result in over \$1bn invested into the development of cricket in the US.

As part of the agreement, ACE keeps 95 per cent of all cricket-related commercial revenue in the US, including TV broadcast rights, sponsorship agreements, and matchday revenue, while USA Cricket keeps just five per cent.

ACE, for its part, is responsible for all the costs of its commercial efforts as well as any potential losses. Rai, however, is keen to secure better terms for USA Cricket, which secures only limited funding from the ICC and a less favorable international schedule as an associate member.

As a case in point, USA Cricket did not have the requisite funds to pay for many of costs of the Ireland tour after it was shelved and required intervention from ACE. USA Cricket also utilized an advance of its annual licensing payment from ACE to pay off Higgins, ESPNcricinfo.com has reported.

"Iain [Higgins] was due to fix the contract with ACE but he told me he received a lot of pushback from ACE in terms of all the critical areas that he had brought up, some of which are in violation of the ICC membership agreement," Rai says. "One of the first things when I joined, I reached out to them to say that I need to understand the sticky issues involved and that we need to figure out what is best for the game here and not just the commercial partners."

"Now I've put this on the shoulders of the new CEO and hopefully we will come to some sort of understanding with them. We haven't got that far yet."

Despite all the issues that the organization has faced, Rai remains confident that USA Cricket can still achieve its wider aims of pushing what remains a niche sport in the US into the mainstream.

"The vision hasn't changed, the way we want to be hasn't changed, the goals haven't changed but the timeframe may change based on where we see ourselves in 2023 and 2024," Rai says. "We are certainly moving forward and in 2023 you'll certainly see a lot more changes in terms of driving this vision forward. But baby steps.... we will get there." ♦

The view from

SINGAPORE

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OKX and McLaren to educate fans on responsible investing as they ramp up activation

- Crypto exchange OKX has a five-year deal to sponsor the McLaren F1 team
- The partners say educating fans about investing in crypto assets is central to deal messaging
- New car livery was unveiled in Singapore in September, with further activation to come

By Kevin McCullagh

McLaren and crypto sector sponsor OKX unveiled an eye-catching new livery for the Formula One team's cars ahead of last month's Grand Prix in Singapore. It was the beginning of activation activity that senior executives from the two companies say will include educating fans in responsible investing.

OKX, which runs one of the world's biggest online cryptocurrency exchanges, became McLaren's sole Primary Partner, the team's top sponsorship designation, in a five-year deal announced in May 2022.

Sports sponsorship investments from crypto companies exploded in the last couple of years before declining this year as 'Crypto Winter' set in. Values of crypto assets and trading volumes on platforms have crashed in the last six months.

The boom and bust has raised concerns over inexperienced investors being encouraged to buy assets they do not fully understand. Regulators globally are paying closer attention to crypto trading and its marketing. These concerns bring some level of reputational risk for the sports properties associated with crypto platforms.

Speaking at a media event for the unveiling of the new

McLaren livery in September, team chief executive Zak Brown emphasised the role of the sponsorship deal in communicating responsible investing: "Everything in the world has its upsides and its downsides. I don't think that's unique to crypto. I think a lot of what we can do with Formula One is bring attention to how the category operates..."

"I think our job here is to bring awareness to it, and how it works, and what it is, and Haider's (Haider Rafique, the OKX chief marketing officer, who was also present) using McLaren as a platform to tell hundreds of millions of people around the world. So I think we're embracing it and can help educate people."

Rafique said responsible marketing was part of OKX's 'character'. Part of OKX's approach to responsible investing is to encourage traders to invest for the long term, rather than trying to make quick money or withdrawing from falling investments in a panic. This of course requires faith that crypto assets will retain at least some value in the long term.

"You don't have losses unless you close a position," Rafique said. "That's a really important concept for people to understand. When you invest in faith, you have to really take a long-term view. That's true for McLaren

as a team when [they] invest in innovation or drivers... It's true for us as well [and] the consumers who are on our platform investing. You really have to take a long term view in life."

The global community of crypto asset investors has long used 'HODL', an acronym for 'Hold On for Dear Life', as a semi-humorous mantra as they ride the wild fluctuations in values.

Rafique said OKX had not joined the rush into sports sponsorships earlier partly for fear that new users would crowd the platform at the height of the market, and then hastily exit when asset values began dropping off the peak:

"When we saw the category move into sports last year, we felt perhaps it wasn't the right time because the price was running up. Our fear was a lot of new entrants will come in and...lose their shirt - they don't know how to think long term and then they close their positions when the price drops.

"So for us the plan has always been: go and market this category when the market is down. That's the important time when you should be putting the products out there, letting people come in at a time when the prices are low...So right now is the right time, a more

responsible time, for us to be marketing ourselves."

Brown and Rafique said themes of innovation and cutting-edge technology were also important in bringing the two brands together for the sponsorship deal.

Rafique said: "Number one, we were looking for a sport that really embraces innovation. And I think the speed of innovation and Formula One, but particularly of McLaren, was very complementary to our...business. We have to evolve very quickly and very fast, otherwise you'd become irrelevant in the crypto industry. So I think this is a partnership that's developing and demonstrating our character to the public."

Brown said: "We had been approached by quite a few [crypto companies]...We like to partner with leaders... and when [Haider] shared his vision of where OKX was going, and how he thought he could help energise and bring new fans to us, it resonated very quickly...We're cutting-edge technology, we're leading edge, we're global - there's so many commonalities between OKX and McLaren."

The two parties are promising further activations next year. "We are going to think about ways we can integrate crypto into the fan experience going into 2023," Rafique said. "There's some exciting stuff on the table." ♦



(Daniel Rasmussen)

Copenhagen celebrates cycling culture with historic Grand Départ

Copenhagen's burgeoning portfolio of sporting events was boosted by the arrival of the Tour de France's Grand Départ last summer. Lars Vallentin Christensen, senior manager of events at Wonderful Copenhagen, outlines the impact of welcoming the cycling spectacle.

The Tour de France's Grand Départ headed further north than ever before last summer when Copenhagen welcomed the cycling showpiece from July 1-3.

Widely dubbed as the world's most bike-friendly city, Copenhagen appeared to be a natural choice to stage the sport's biggest event. Thousands of fans lined the roads in and around the capital, with the spectacle boosted by the performance of home favourite and eventual Tour winner Jonas Vingegaard.

Although fans witnessed just three days of racing, local organisers launched a series of activations in the days and weeks leading up to the event to drive engagement and maximise riders' exposure to spectators.

WONDERFUL COPENHAGEN



'Cycling is for everyone'

Two days before the event, competing teams were presented on a route that encompassed a bike bridge crossing Copenhagen Harbour. Riders were then presented on a stage at the Tivoli Gardens amusement park, where they were saluted by some 10,000 fans.

"On the day of the actual Grand Départ, all of the city was buzzing with several dedicated fan zones, yellow flags and polka-dotted caps, and smiling faces filled the streets," says Lars Vallentin Christensen, senior manager of events at Wonderful Copenhagen, the official

tourism organisation of the Capital Region of Denmark.

"One main activation was the Festivélo, a family-orientated fan village organised by the city of Copenhagen with lots of cycling activities for everyone. The day after the race, the time trial route was kept open without traffic and everyone in Copenhagen was invited to test the time trial on their own bike.

"Another big activation was a month before the Grand Départ, when the Storebælt Bridge was closed for traffic and the 16,000 participants cycled 100km and crossed the majestic bridge, which was also part of the Tour de France in Denmark."

Cycling culture

The event itself provided an

opportunity to shine a spotlight on Copenhagen's cycling heritage and culture, with locals invited to cycle the route themselves and "ride like the stars".

An early start was organised for serious riders before the route took on a more leisurely pace, with children and parents taking part, while elderly people were taken around on cargo bikes.

"In Copenhagen, cycling is for everyone and so was the Grand Départ," says Vallentin. "The main focus of all the city's PR efforts was on showcasing the bike infrastructure of the city and showing how cycling is an integral part of Copenhagen's position at the top of Monocle's list of the world's most liveable cities.

"We want to share our solutions and inspire other cities to invest in bicycle infrastructure instead of more cars. And we also want to celebrate the everyday cyclists of Copenhagen as unsung heroes, who choose the healthy and sustainable way to commute instead of congesting roads and parking zones with more cars."

Fine-tuning preparations

Copenhagen first secured hosting rights for the Grand Départ back in February 2019, with the event having originally been due to take place in 2021.

Pandemic-related disruption led to an agreement being reached with Tour organiser Amaury Sport Organisation (ASO) to reschedule the event for July 1-3, 2022.

In some ways, the delay was a

blessing in disguise, as Copenhagen was already scheduled to host four matches during the postponed Uefa Euro 2020 football tournament in the summer of 2021.

The rescheduling of the Grand Départ allowed organisers to fine-tune preparations whilst the risk of the race being overshadowed by the Euro 2020 matches was averted. The delay was not without its challenges, though, as Vallentin explains.

"The postponement complicated the event, as we had to push all related activities and find budgets for prolonging the planning process," he says.

"It gave us a bit more time to perfect the execution, but as the focus of the activation was on the last 100 days before the Grand Départ, it was... a focused sprint as we got closer to the event."

Local heroes

The interest in Danish rider Vingegaard only served to drive the already huge excitement surrounding the race.

Locals turned out in support of all riders, but Vingegaard, as one of the pre-race favourites for the yellow jersey, was the man locals wanted to see.

"Danes love the Tour de France, and it was always going to be a huge success, with lots of people celebrating the riders," says Vallentin. "However, having Jonas Vingegaard going full circle and returning triumphant to be celebrated in Copenhagen really tied the event together and was a beautiful way to end a summer of

bike euphoria in Copenhagen."

It is clear that the experience has given the city a taste for more.

"There is no doubt that because the event was such a successful public spectacle and managed to create a strong shared feeling of being part of something historic, Copenhagen will be more open to once again investing in events of this scale," Vallentin adds.

"Both this year's Tour de France and last year's Euro 2020 enjoyed the boost from hugely successful local heroes, just as they showed that when it comes to bringing an event out of the arenas and having them manifested in a local celebration, few cities match Copenhagen."

Since hosting the Grand Départ, Copenhagen has staged the Tour of Scandinavia on the Women's World Tour, as well as the UCI Trials World Cup. The city has already secured hosting rights to the UCI's Track World Championships in 2024 and BMX World Championships in 2025.

"We have had an ongoing dialogue with the UCI for the last 20 years, resulting in a great number of cycling events being hosted in Copenhagen. Currently discussions are building on the hosting of the UCI Road World Championships in 2029, which is a great guiding star for us this decade," says Vallentin.

"The Grand Départ has shown us that the sky is the limit and that we should continue to have high ambitions for the future, which undoubtedly should result in a large range of major events being hosted in the city." ♦



Magnus Andersen (Grand Depart Copenhagen, Denmark 2022)

What mattered at Sports Matters 2022

APAC editor Kevin McCullagh reviews the talking points at this year's Sports Matters industry conference in Singapore



- Singapore's sports sector buzzed in September as Sports Matters and the F1 Grand Prix both returned
- Web3 was the hottest topic for Sports Matters delegates, as they try and figure out valuable use cases
- Women's sport, the future of sports media and the challenge of engaging younger audiences were also key topics

By Kevin McCullagh

Sports industry professionals from across Asia-Pacific descended on Singapore at the end of September as the city hosted a series of landmark events, including the Sports Matters conference and the Formula 1 Grand Prix, both returning for the first time since the pandemic.

Several other conferences and events the same week meant the city was throbbing with sports, media and marketing industry networking, discussion and dealmaking.

Conference content at Sports Matters, and the umbrella All That Matters event, tackled a host of pertinent issues. *SportBusiness*, presenting partner of Sports Matters, contributed to several panels and absorbed the rest. Here are some of our takeaways from an action-packed week in Singapore.

Web3 matters, but we're still searching for use cases

Web3 panels at All That Matters attracted some of the biggest crowds of the week, with professionals from sport and other industries clearly hungry to increase their understanding of the nascent area.

Web3 refers to a group of new digital technologies and concepts that are considered to herald a new age of the internet, notably blockchain, cryptocurrencies, other digital tokens and, under some definitions, metaverses.

The Web3 evangelists say the underlying technology and ideas will profoundly change our economies and our lives, even if some of today's applications are flawed and unsustainable. The volatile values of cryptocurrencies and NFTs, and blatant speculation thereon, witnessed in the last couple of years have made many in the lay community, including in sport, cautious.

One of the core ideas behind Web3 is that it will give everyone the ability to assert property rights over digital assets. Today, we sign over some of our most valuable digital assets – such as various aspects of personal data – to the big gatekeepers of 'Web 2.0', an example being



(L-R) Yat Siu, Animoca; Jasper Donat, Branded (Branded)

Google collecting our search data. In the Web3 future, the idea is that we'll own this data and be able to earn money from it.

The evangelists are not short on ambition and lofty rhetoric. One of the most influential figures in the space in Asia-Pacific, Yat Siu, co-founder of Hong Kong-based firm Animoca Brands, was one of the main attractions at All That Matters. His pitch to delegates was that the core blockchain concept is a "socio-economic innovation, backed by technology", that will unleash creativity and prosperity amounting to "trillions of dollars of value" that is currently constrained by the Web 2.0 gatekeepers:

"That Instagram handle you think you own, that you built and cultivated a million followers [for]? That's not yours. That YouTube following you have - who can remove it? Who decides that? You don't decide...Those who have access to data, or know how to get value from data, will continue to rise...That's why Web3, and particularly non-fungible tokens, as a framework for digital property rights, is, we think, the answer. Because with the beginning of blockchain, data now becomes a public good. In the past, data was something that was private - it sits inside Facebook, inside Google...they controlled and harvested the network. And we would never know what that value is."

Interestingly for those of us working in small businesses, he made the argument that the gatekeepers have prevented small businesses, as well as individuals, from profiting from digital assets, and Web3 will enable us to do so by cutting out the middlemen.

Yat's final slide featured a quote from US founding father and first president George Washington, saying "freedom and property rights are inseparable". The message was clear: Web3 will set us free.

Sport is clearly still getting its head around the opportunities and challenges in Web3. NFT projects and sponsorship revenue from cryptocurrency exchanges provided a sugar rush of cash in the last couple of years that has already weakened. In the worst cases, some NFT

projects in sport have looked like cynical attempts to extract cash from fans for worthless digital assets.

There could be interesting, if still vague, opportunities for sport in Web3 in terms of community-building. Online communities built on Web3 technology could become important portals by which fans interact with their favorite sports, perhaps replacing some of the activity that today takes place on social media, or by becoming next-generation fan clubs. Younger fans, already getting to grips with Web3, may come to expect such communities to be created by their favourite sports, teams and athletes.

Women's sport in APAC, and beyond, will wither without more financial support

Catherine Bond-Muir, chief executive of women's motor racing series the W Series, hammered home the need for more money within women's sport, in the final panel session of Sports Matters 2022.

Since then, of course, W Series has unfortunately halted its 2022 season early after running into financial difficulties. The saga has underlined her point onstage at the conference.

If properties like W Series, from developed Western sports markets, are struggling, what of women's sport in Asia-Pacific?

Australia and New Zealand lead the way in the region, with several strong domestic and national team properties, high participation rates among women and girls, and plenty of government support.

But even in these markets, there are struggles. Australia's Super Netball league, one of the most high profile women's competitions in the country, has suffered considerable losses in the last couple of years. These have raised questions over the viability of the competition and the financial health of national body Netball Australia.

In other Apac markets, there are some hotspots of commercial value, including: the upcoming women's Indian Premier League cricket tournament, which is expected to generate strong interest from investors and

broadcaster in upcoming auctions of team franchises and media rights; women's golf in South Korea, for which media rights values outpace men's golf properties; some athletes and national teams in China, such as the national volleyball team, that attract plenty of brand endorsements; and the women's volleyball league in the Philippines, which is one of the country's most popular domestic sports leagues.

But there is little doubt women's sport in most Asia-Pacific markets lags behind the big Western markets and Australia/New Zealand. This point was made by Karen Lay, executive director, media and business at Sportfive in Southeast Asia, in a panel hosted by *SportBusiness* on the future of sports media in Asia-Pacific.

Lay said: "What's essential to grow the media business for women's sports is...the technical standard of play, number one. So that's [investment in] athletes, grassroots. [Then] exposure on broadcast to create awareness."

W Series' Bond-Muir said the family-friendly atmosphere at women's sports events like the recent Uefa European football championships held in the UK, could be a game-changer in terms of attracting a new audience to live sport. She did not mince her words when comparing it to her experience at last year's infamous men's Uefa Euro final at Wembley.

The latter event, she said, "was a deeply unpleasant experience...I was covered in beer walking into Wembley Stadium, by drunk men throwing beer everywhere...the audience is swearing a lot..."

"The difference in going to the women's [Euro] finals this year could not have been more stark. I have never ever in my life been to a football match where people clapped for both outcomes. It was an extraordinary experience. It was full of families, full of kids, groups of women, and lots of men too. But it was a really joyous, happy occasion.

"On the back of that, I think women's sport is going to continue to grow and grow. Because families will see

it as being a really good option for them and...it's really entertaining too."

There are diverging views on the future of the APAC sports media business

Depending on who you speak to, the big beasts of sports broadcasting in Asia-Pacific will continue to reign supreme, or their 'walled gardens' will come tumbling down.

SportBusiness's panel on the future of the sports media business in Asia-Pacific revealed some diverging opinions on what lies ahead for sports media business in the region.

Yannick Colaco of Indian digital sports media platform FanCode predicted that the 'walled gardens' - i.e. subscription platforms - that have dominated sports broadcasting in recent decades, will come down.

"The current structure is: 'I'm going to acquire rights and then I'm going to build a fence around it, and the only way you're going to get to watch those rights is by paying me an entrance fee'. I think that's going to be completely destroyed in the next seven years.

"The main reason I think that is that users are willing to give up...Once you start putting up walled gardens, you'll start losing fans. The demand in terms of what fans want to watch is going to evolve significantly, so younger fans are going to move on, not from cricket to football, or football to rugby - they're going to move from football to the next TokTok video, or from cricket to the next YouTube video, which is available easily and is available with the least amount of friction."

Karen Lay of Sportfive, speaking on the same panel, said the traditional heavyweights would remain major players.

"The traditional pay-TV platforms have evolved. They've been around for the last 25 years or more. They are smart people. They have an existing customer platform. They have the local market knowledge. With that basis, I think they're equipped to pivot towards new consumer habits. I don't think they're going away anytime soon.

"Five years ago, people were saying that Netflix is going



Catherine Bond Muir of W Series (centre) (Branded)

to rule the world, pay-TV is gone, and it's all about digital. Five years later, they're still here. And traditional pay-TV platforms are working to re-aggregate the digital apps."

On the same panel, Nicholas John, head of sport at Malaysian pay-television leader Astro, warned that certain sports and sports media platforms faced collapse if more was not done to tackle the scourge of content piracy.

"I feel large segments of the sports ecosystem – broadcasters, athletes, clubs, other rights-holders – still do not view piracy seriously. And in the next seven to eight years, if this trend continues, smaller leagues will disappear. Certain sports broadcasters will not exist. Certain sports, as we them know today, will not be there."

John called on rights-holders and broadcasters to do more to invest in terms of basic 'hygiene' of teams and tools to hunt and shut down links to free, illegal streams of their content that appears online. These links, shared and posted on platforms including Facebook and YouTube, appear online any time major – or even smaller – events are being broadcast.

If this 'hygiene' is not conducted, alongside bigger moves like getting governments to increase penalties for pirating activity, John warned that sport faces ever-shrinking media rights investment.

Other predictions made by the media panel included Yannick Colaco's insistence that sports viewing will be transformed in the next five-to-10 years by interactive features and more immersive viewing experiences. The former NBA India executive's comments were backed up in recent weeks by his ex-boss, NBA commissioner Adam Silver, who said: "I think in the next five years we're going to see a lot more development than we saw over the last 30 years. There's that much change going on in the presentation of sports right now."

Sport must adopt new tactics to engage younger generations

Is sport as important to under-25-year-olds as it is to older generations? Do younger generations relate to sport in the same way as older generations? Some surveys have suggested weakening interest in sport among younger generations. What is clear is that sports properties face a much more cluttered and competitive media and entertainment environment when it comes to fighting for the attention of younger generations.

SportBusiness's second panel at Sports Matters 2022 explored some of these issues. Acacia Leroy set out three concepts that her company, Singapore-based marketing agency Culture Group, believes are critical when engaging younger generations:

Authenticity – Younger generations are sensitive to hype, marketing bluster and attempts to engage them that are not earnest. They seek brands and experiences that are genuine, transparent and relatable – in other words, 'authentic'.

Community and connectedness – Younger generations hunger to be part of communities and they are more comfortable than older generations in finding and participating in these communities online.

Participation – Closely linked to the previous point, but underlining that younger generations want to be actively



(L-R) Kevin McCullagh, SportBusiness; Yannick Colaco, Fancode; Karen Lay, Sportfive; Nicholas John, Astro (Branded)



(Branded)

involved in fan communities as content creators and participants, and want to interact with their heroes.

Nielsen data, presented by Phoenix Hou, suggested that younger generations remain as interested in sport as older generations. What is changing is how they consume and experience sport, Hou said. Younger generations are also sensitive to sports properties' ESG credentials – stances on social issues and the environment can strongly shape opinions.

One evident trend in how young people are consuming sport is in crossovers with other aspects of culture and entertainment, such as music, fashion and gaming. Some sports properties that have most successfully appealed to young audiences, such as the NBA and Paris St-Germain, have positioned themselves as cultural phenomena that extend beyond sport. They have pursued collaborations with music artists and fashion labels, and created esports leagues and teams.

Singaporean football club Lion City Sailors, represented on the panel by marketing chief Ravi Maan, has a 'creative director' who helps steer the club into these adjacent cultural areas.

Maan said: "When I first came to Lion City Sailors, we sat down and said, 'How do we make it cool?'. For kids nowadays, football is connected, not just on the pitch, but it is part of culture, it is part of music, fashion, streetwear – everything has grown together. We looked at PSG as one of our inspirations..."

Lion City Sailor's creative director Kevin Lester is a local musician and rapper. He has created a music track for the club and worked with Maan on projects such as a licensing collaboration with local streetwear label Tell Your Children.

"We really recognise that marrying all these facets of sport and culture is the future," Maan said.

Back to life

What mattered most at 2022's All that Matters was that, after three years of massive disruption, which continued in Asia-Pacific long after it did some in other parts of the world, the regional sports industry felt like it is returning to life.

More locally, the city of Singapore feels fully alive again after a long-running implementation of low-level restrictions which curbed business and normal life. Pandemic restrictions are still causing issues in other parts of the region. The new East Asian Super League basketball competition was recently forced to postpone its first regular season, for the third time, as travel between the various countries taking part was proving problematic.

The ongoing closure of China and Hong Kong to much business and travel remains a brake on the regional sports industry. There are hopes restrictions in these markets will be eased after this month's Communist Party congress in Beijing, and at the very least sometime in 2023.

For all the talk of 'new normals' and the ubiquity of video conferencing, if there is one thing the re-openings of borders, resumption of travel, and re-emergence of live events is showing us, it is the value of IRL experiences. ♦



Queensland's outback proves fertile breeding ground for sporting events

Many miles from the bustling metropolis of Brisbane, rural Queensland is providing a surprisingly adaptable platform for eye-catching sporting events.

As advocates of Brisbane's successful campaign to host the 2032 Olympic and Paralympic Games have stressed from the outset, Queensland's event-hosting capabilities sprawl way beyond the borders of its capital city.

Indeed, Queensland's coastal destinations have become a hotbed of past and future major events – from Gold Coast's 2018 Commonwealth Games in the south to Townsville's 2024 World Triathlon Multisport World Championships in the north.

However, the depth of Queensland's appetite for major events stretches further than many outside Australia, or even the state, may realise.

Birdsville Races

In a vast region that has a larger land area than France, Germany, Portugal,

Spain and the UK combined, sport is ingrained in locations that are well off the beaten track.

Deep in the outback, on the eastern tip of the Simpson Desert, lies the rural town of Birdsville. With just 110 inhabitants, according to the 2021 census, it is not a typical destination for an established and historic sporting event.

However, every September, the annual Birdsville Races are held, swelling the local population approximately 70-fold for a two-day horseracing extravaganza in aid of Australia's Royal Flying Doctor Service.

Organisers believe the "bucket list nature" of the event contributes to its ongoing appeal, with intrepid racegoers turning their attendance into a road trip.

Such is the influx of visitors, organisers have to work closely with

a multitude of freight companies to ensure sufficient supplies, products and services are delivered within the constraints of fortnightly delivery schedules, although some providers offer additional support over the crucial period.

"We're fortunate that we now have a lot of the infrastructure in place at the track to stage the event. However, event logistics continue to grow as we add new elements each year and the event also grows," the organisers say, before adding that collaborations with travel providers, local businesses, the Diamantina Shire Council and partners like

Tourism and Events Queensland (TEQ) are critical to the success of the spectacle.

"Working with TEQ has allowed the Birdsville Races to hugely expand their reach through their support of the Roadies, a newer

concept in delivering a club experience for all ticket-holders and their travels to Birdsville. It connects more people on the ground with smaller outback communities, other ticket-holders and travellers within the many different routes to Birdsville.

"Being a part of the TEQ Events calendar has also benefited an extended reach to those who are not typically from the region or outback. Having the support of TEQ has certainly also boosted the event's credibility and profile."

Mount Isa

The Birdsville Races attract a significant number of visitors from New South Wales, South Australia and Victoria, as well as eastern Queensland, plus occasional travellers from even further afield.

It is not the only show in the vast arid expanse of western Queensland, however.

Further north, the mining city of Mount Isa has hosted the southern hemisphere's largest rodeo for more than 60 years. Meanwhile, the first annual Mount Isa Mines Indigenous Rodeo Championships took place in August, connecting visitors with the region and the local Kalkadoon people.

Meanwhile, the emergence in 2019 of the TEQ-backed Outback Queensland Masters (OQM), an annual six-stop amateur golf series spanning a region of one million square kilometres, shows that new events are still sprouting up.

Approximately 85% of the series' players and spectators come from Queensland, with the 2,000-plus attendees staying for an average of 12 nights.

This year, players from over 85 golf clubs from Queensland, New South Wales, ACT, Victoria and South Australia were in attendance, as well as two from New Zealand. In 2023, for the first time, Western Australia will also be represented.

"We're not about attracting large event crowds, or profitless volume, but one that attracts high-value travellers, with a long length-of-stay and regional dispersal for Outback Queensland," says Luke



Bates, State Manager – Queensland & Northern Territory, Golf Australia. "We cap numbers at each location to ensure an intimate experience for visitors, and to ensure these small communities are not inundated with visitors they may not have the resources to cater for."

High-value impact

The impact is significant for local communities. This year, the event generated 12,298 visitor nights for Queensland and 8,482 for Outback Queensland, with overnight visitor expenditure of more than AUD\$1.7m (£1m/€1.1m/\$1.1m).

The series is marketed on a year-round basis, including a combination of traditional, digital and social media, with a particularly strong focus on email direct marketing. Bates believes, though, that word-of-mouth from the first event has been key to ensuring sold-out editions in 2021 and 2022.

"We are always evolving and innovating the event experience," he adds. "In 2023, to further develop spend, length-of-stay and visitor satisfaction, we are developing pre-event visitor experiences at each location. These will be specially curated and immersive experiences, exclusive to OQM players and spectators visiting

Outback Queensland."

Bates also points out that, with TEQ's support, New Zealand is emerging as a growth market for the series.

"With our strategic partnership with TEQ, we have been able to undertake marketing interstate and into the New Zealand market," he adds. "As part of the 'It's Live in Queensland' campaign, the OQM has been featured in many publications and digital TEQ initiatives.

"The TEQ strategic partnership was also an integral factor in our partnership with the PGA, which has further assisted in credibility and profile for the OQM."

With TEQ's support, it is clear that opportunities will continue to arise for the OQM as part of the state's eclectic sporting portfolio.

"We see a strong future for the event to strongly position it as an iconic destination event for Queensland," Bates says.

"During the COVID-era more people have taken up golf in Australia, so demand domestically is growing.

"Into the future, we would like to grow the event to further develop new, high-yield markets for Outback Queensland, reaching into international markets." ♦

Fifa to move on from Infront regional deal, bring APAC media rights in-house

By Frank Dunne

Published online November 25, 2022

Fifa, football's world governing body, will handle the sale of 2026 and 2030 World Cup media rights in the Asia-Pacific region through its Zurich-based in-house sales team, *SportBusiness* has learned.

Fifa made the decision to move APAC media rights sales in-house earlier this year and is thought to have notified its two current sales agencies in the region, Infront and Dentsu, several months ago.

Local sources say that Fifa's sales team is already active in the region for sales to the 2026 tournament – to be held across the US, Mexico and Canada – and has been speaking with media companies to 'warm up' the market ahead of negotiations next year. It is not clear whether Fifa will establish a full-time sales team on the ground in Asia, but it has not yet made moves to do so.

The decision is a blow to Infront, which is owned by Chinese conglomerate Wanda. Its media rights deal with Fifa in 26 Asian territories, from 2015 to 2022, has historically been one of the agency's most lucrative contracts. The news follows Infront's loss of two other profitable football contracts: as media adviser to Italy's Serie A and selling sponsorship rights to domestic cup football for the German Football Federation (DFB).

However, the Switzerland-based agency is confident of retaining an involvement in the APAC rights sales going forward.

Infront told *SportBusiness*: "We are unable to comment of the

specifics of our ongoing discussions with Fifa and we cannot confirm the speculation about Fifa's future business strategy. Generally, we remain very confident that we will continue to collaborate with Fifa beyond the current event cycle, given Infront's unique breadth and wealth of our experience along the football business value chain.

"This includes, in particular, further opportunities with Fifa for its media rights in Asia, where we continue to have the most experienced and highly successful team in place. We are not shutting down our media rights distribution resources in Asia but will continue to provide a pan-Asian hub to our partners and clients."

The agency added that it "expected" to continue working with Fifa across a range of projects, include the sale of sponsorship and media rights.

Infront had no automatic right of renewal on its deal with Fifa, nor any rights to an exclusive negotiation window; technically, it has not 'lost' the World Cup contract. But Fifa's decision is still likely to have come as a disappointment.

When Infront's parent company issued a prospectus for a planned initial public offering in the summer of 2019, it acknowledged that it could lose business as a consequence of rights-holders changing to "operating models that contemplate moving monetisation efforts in-house".

Infront's wholly-owned

subsidiary, Host Broadcast Services (HBS), remains the host broadcaster for Fifa events, while the agency itself will retain commercial links with Fifa on other projects. HBS has been the World Cup host broadcaster since 2002.

Infront is providing LED advertising board services for the next year's Women's World Cup in Australia and New Zealand. It is also Fifa's exclusive World Cup licensing agent in China up to and including the 2026 World Cup. Infront's Asian operation also holds important contracts outside football, including an eight-year deal to handle all commercial rights of the Badminton World Federation.

The wider agency continues to be a major player in football rights, working with over 50 different partners. It has also rekindled its long-running relationship with the DFB, for whom it now provides LED board services for both the domestic cup competition and the home matches to the German national team.

Infront said that it had a proven track record in "transforming and growing its business across different sports" despite "changing requirements on the rights-holder side". The agency added: "We continue to implement a growth strategy by further diversifying our rights-in partnership portfolio, by investing in IP ownership in various fields and by entering into new business fields, such as betting with Infront Bettor, where European football spearheads our 'tech-led'

betting rights operation."

Infront has enjoyed a close association with Fifa properties since the agency's formation two decades ago. Infront was formed out of the integration of a number of sports marketing agencies, including KirchSportAG, media rights-holder to the 2002 and 2006 World Cups, and went on to sell global media rights to the 2006 tournament.

Rights to all Fifa events from 2007 to 2014 across Asia, including

the men's World Cups in 2010 and 2014, were held by Football Media Services, a joint venture between Infront and Dentsu.

In October 2011, Infront acquired the rights in 26 Asian territories to all Fifa events from 2015 to 2022, including the 2018 and 2022 men's World Cups. Infront's deal excluded rights in Japan; North and South Korea; and Malaysia and Brunei. Dentsu secured the rights in Japan to both the 2018 and 2022 tournaments.

Previously, Infront also managed the 'Fifa Films' business, a role that encompassed the customised production and international sales of archive footage. However, Fifa now handles the distribution of its archive rights in house after taking that role and the broadcaster servicing operations in house at the start of 2019. As part of the in-house shift, Fifa moved the physical archive from Infront's offices in Zug, Switzerland to its Zurich headquarters. ♦



World Rugby revamps commercial strategy in centralised rights play

By Matthew Glendinning

Published online October 7, 2022

World Rugby will embark on a radical change in commercial strategy after the 2023 Rugby World Cup in France in a bid to attract new fans and generate more revenue.

SportBusiness has learnt that rugby union's world governing body is building up its commercial team in preparation for a complete centralisation of its major event rights encompassing sponsorship, ticketing, hospitality, licensing and broadcast.

The plan will rip up the current host contract model, whereby the host nation pays World Rugby a guarantee to sell domestic sponsorship rights and retains most ticketing and hospitality rights.

It will also change the governing body's relationship with long-term commercial partner IMG. Currently, IMG holds rights to sell World Rugby's global sponsorships, as well as broadcast rights, excepting ten broadcast markets, to the 2023 Rugby World Cup, along with licensing and other commercial operation rights.

Some broadcast rights have already been taken in-house with World Rugby having gone direct to market in selected major markets, but how the relationship between the two parties evolves after 2023 has yet to be determined.

World Rugby also aims to attract a new generation of fans to its major events by investing in experiential assets such as music, retail and fine dining around its major events.

Speaking to *SportBusiness* ahead of the Women's Rugby World Cup in New Zealand, Ben Slack, general manager of commercial at rugby union's international federation, said: "World Rugby has typically retained the global media rights and the global sponsorship rights, which we've sold to six Worldwide Partners. Most of the other areas, whether that be tickets, hospitality and premium – as well as the responsibility to deliver that event – have typically sat with that local country.

"That's what it will be for France next year. It's the case in New Zealand for the upcoming [women's] Rugby World Cup 2021, which was rescheduled for 2022, and for Japan going back to 2019.... But that's the end of that model. So next year's French Rugby World Cup will be the last of its kind."

For the next five Rugby World Cups, encompassing the 2025 women's Rugby World Cup in England, the 2027 Men's and 2029 Women's Rugby World Cups in Australia, and the respective 2031 and 2033 editions in the US, World Rugby will run the entire show.

"We'll take all the financial risk, and we'll represent all the commercial rights, even down to the lowest level," said Slack.

France 2023 chief executive Claude Atcher told *Le Figaro* two years ago that the organising committee paid a £30m (now €34.3m/\$33.6m) guarantee to be able to sell the domestic sponsorship rights.

Slack, the former chief revenue and experiential officer at Tennis Australia, said the current sponsorship structure of Worldwide Partners, Official Sponsors and Official Suppliers will also be revamped in favour of a non-pyramid model where rights are sold across World Rugby's event portfolio based on brand objectives in a family of up to 25 sponsors.

He said: "What we've done in the past across the Worldwide Partners is to split rights fairly evenly when it comes to signage or exposure because media is important to them. In the new structure some may want a strong premium experience hospitality programme, but signage may not be as important. Maybe having a strong digital presence, on-site experiences or fan engagement is important for them, whereas for some partners signage will be a lot more important."

World Rugby is still working on how the signage will be sold within a more fluid system – whether by time, percentage of inventory, sponsorable moments or messaging during breaks in play.

The latter area of enhanced messaging during breaks in play

is one that Slack and Richard Heaselgrave, World Rugby's chief revenue and fan engagement officer, developed when they worked together at Tennis Australia. Heaselgrave was chief revenue and experience officer at Tennis Australia, from 2014 or 2020, during which Slack worked on international business development.

The duo were key members of the team that took rights back in-house, also from IMG, in 2015. IMG held the exclusive international media and sponsorship sales rights before Tennis Australia moved sales in-house and also took over control of the host broadcast.

IMG formed a joint venture with rival Infront to fulfil the 2019 Rugby World Cup host broadcast role but will not be involved at France 2023 after Infront's Host Broadcast Services was appointed as the sole host broadcaster. For the 2019 tournament in Japan, global broadcast rights deals were signed by Rugby World Cup Limited, a wholly-owned subsidiary of World Rugby that was advised on its sales by IMG. After RWCL and IMG agreed on a sales strategy for a respective market, IMG negotiated with

broadcasters and drafted licensed media rights agreements with RWCL remaining the signatory.

Heaselgrave and Slack also helped build up the Australian Open venue footprint around Melbourne Park to include experiential areas themed on live music, retail and food to attract new, non-core tennis fans. This strategy will be transposed to World Rugby.

"Our big challenge is we've got a strong core of rugby fans in some key markets, but outside of those key markets, how do we grow the game beyond that, especially into emerging markets? That's a growth opportunity for us, or in some cases, with consumers that otherwise wouldn't necessarily be interested in rugby.

"If you consider how these [Rugby World Cup] events have operated up until now, the hosts are not necessarily interested in building a new fan base that's going to come to a World Cup in four years' time by investing in other forms of entertainment or content that might lead people into rugby... We see that as a long-term investment in a consumer that we haven't seen [at rugby events]

before."

The scale of the challenge means that World Rugby is building out its staffing levels across commercial and business development areas which is now 35 to 40-strong. James Ralley, formerly of the All England Lawn Tennis Club and the Football Association, was one of the latest to join as director of partnerships and content in June.

Slack explains: "By growing our business development team across sponsorship, media rights, ticketing and digital business, we can talk to brands about 2027, 2029 and 2031, as well as sevens series and other tournaments that we introduced over the time. We're in the very early phases of building that team out at this point by taking on these resources."

Dublin-based World Rugby is also building teams in London, Australia (and more broadly the Asia-Pacific region) and looking to open an office in the next three to six months in the US. The changes are in line with World Rugby's roadmap to accelerate the sport's advancement in the US and increased investment in the women's game. ♦





How Ohio University's flagship program super-charges the careers of sport's leaders

Ohio University's Professional Master of Sports Administration (PMSA) has gained a global reputation as one of the field's most valued academic offerings. Kelley Walton, Director of the PMSA Program, tells *SportBusiness* how connections, as well as educational learnings, provide an enormous benefit to graduates.

One only has to look at some of the roles occupied by those who have enrolled in Ohio University's Professional Master of Sports Administration (PMSA) since its launch in 2010 to see how it has attracted such a sterling reputation.

Indeed, with alumni like Big West commissioner Dan Butterly, Utah Jazz chief experience officer Andrea Williams, Big Ten chief sports officer Diana Sabau and Legends Attractions chief revenue officer Corey Breton, it is little surprise that the program took top spot in the *SportBusiness* 2021 Postgraduate Rankings.

With a rigorous and extensive syllabus backed up by best-in-class teaching, the program is helping to shape the industry's leaders and ensure that the future of sport is in

good hands.

Indeed, Kelley Walton, Director of the PMSA Program, believes the advantages go way beyond what they consume in the classroom and online learning environment.

"Since 2010, the PMSA program has focused on giving industry professionals advanced sport business education, professional development and connections within the sport industry," Walton said.

"I believe our program has a positive impact on the sport industry. We provide a high level of sport business education to industry professionals.

"Because the sport business is not 9-5, our curriculum, while rigorous, allows for current sport professionals to advance their knowledge of sport business

principles without having to pause their careers to do so. It is designed knowing that our students rarely work less than 40 hours a week.

"We work hard to deliver a high-quality, interactive and engaging curriculum so our students come away with significantly more than a Master's degree. They come away with a high-level sport business education and a strong alumni network to support them."

Core business concepts

The program, mostly delivered online, is designed to prepare sport industry professionals for the next step in their career and beyond. Core courses include revenue generation, facility and event management, sport law, analytics, and finance.

Walton said: "We provide in-depth academic content to ensure

that when students are faced with increasing a team's revenue, reducing facility costs, managing a multi-million-dollar budget, handling NIL issues, or finding the most efficient way to analyse fan data, they are prepared at an executive level to do so.

"And with core courses that focus on leadership and human resources, we ensure they understand how to lead an organisation and put those core business concepts into action.

"We believe that leaders don't need titles and that students who have the well-rounded sport business education will be ready for the next step in their career – that may be an associate athletic director, assistant director of marketing or an event manager."

Interactive sessions

Generally, students enrol in one class every seven weeks with a one-week break in between. Courses are delivered digitally, including live virtual classrooms and presenters, recorded lectures, discussion boards, and case studies. Between three and five synchronous sessions are available in the evenings, including a variety of interactive sessions, such as course introduction, guest speakers, lectures, and live discussions.

The program features a variety of interactive assignments, group and written projects and live discussions.

The expansion of online

learning platforms has been a key development for the program, meaning excellent teaching and courses can be delivered in a manner that suits learners who are also focussing on their high-level roles at major teams, businesses, and organisations. While most teaching is accessed online, in-person elements remain important for those who wish to take full advantage of enrolment.

Walton said: "I foresee the academic portion of the curriculum continuing to be delivered nearly all in an online format and I see the in-person learning opportunities moving more to optional elements rather than requirements.

"A high-quality education can be delivered in an online format, however the networking, social and interactive sessions of the program is undoubtably enriched with in-person components. The goal is to have highly engaging, in-person activities and that may mean fewer but more engaging live sessions in the future."

Complex concepts

The live residencies provide formal and informal opportunities for students to learn from each other, and this aspect of the course can be valuable for those who are new to the industry, as well as those who have decades of experience, but are eager to learn from their younger colleagues.

For Walton, a key aspect of

the course is that it is relevant to students with three or four years of experience as well as those with over 20 years. That means both teaching and subject matter must be accessible for all.

"The curriculum is designed to be delivered at a high level," she said. "While this may be more challenging for those who have less experience, we have faculty, guest speakers and other classmates who are able to help provide understanding of complex concepts."

The subject matter is also responsive to changes within the industry. Course leaders have had to be particularly imaginative in reacting to the transformative impact of the COVID-19 pandemic on the sports industry. A greater reliance on digital technology and a switch from live event attendance means that different essential responsibilities now feature in job descriptions.

Walton said: "The sport industry job market has changed significantly over the last three years. COVID-19 restrictions to events and large gatherings changed many aspects of the sport business and had serious impacts on the job market.

"Our goal is to make sure that we are positioned for the foreseeable future to help our students adapt and lead through difficult challenges like COVID-19 and whatever other hurdles they may face as sport industry leaders." ♦



TGI Sport concludes trio of deals with Sportseen acquisition

By Ben Cronin

Published online September 26, 2022

TGI Sport, the Bruin Capital and Quadrant Private Equity-backed media and marketing agency, has concluded a trio of acquisitions in the virtual, digital and LED advertising marketplace by agreeing a deal to buy London-based sports advertising sales agency Sportseen.

The announcement of the deal comes shortly after *SportBusiness* revealed the company had signed off on an agreement to buy specialist virtual advertising solutions company Interregional Sports Group (ISG). This was followed by a deal to buy US-based virtual advertising and virtual product placement company Brand Brigade, announced last week.

Industry sources indicate the combined value of the three deals is approximately \$150m (£139m/€155m).

Founded in 2007 by Chris Jones and Vasco Gomes, Sportseen specialises in rights acquisition, sales, creative and distribution of LED advertising. Its portfolio of rights-holder clients includes the Football Associations of England, Wales and Scotland, the Welsh and Italian Rugby Unions, and the Rugby Football League. Brands to have worked with the company include Visa, Continental, Just Eat, JD Sports, Hörmann, Euronics and Sage.

Following the acquisition, Jones and Gomes will continue to run the company, which will now be called “Sportseen, powered by TGI Sport”, reporting to TGI Sport’s global chief executive Martin Jolly.

The three recent acquisitions signal TGI Sport’s ambition to create a global, “end-to-end” sports marketing agency, providing specialist knowledge and a suite

of virtual advertising and LED technology solutions for different sports applications.

Sales expertise

Jolly told *SportBusiness* that the deal would expand its media sales capability and build out its regional footprint, as well as improve the company’s ability to price LED and virtual advertising assets.

He said: “We’ve worked with Chris Jones and his team on and off through TGI’s history [...] We started talking, I think, early in the year and what we wanted to do was build our media sales capability. This acquisition brings a capable sales team in-house that has got experience in selling LED and virtual inventory.”

He added: “They’re working in South America where we’re looking to expand. I know that we can work with them across Australia and New Zealand with our current TGI, TLA [marketing, events and talent management] media teams. And then we’ve got plans to expand into North America and into Asia.”

TGI Sport has the exclusive global sports licence to Parallel Ads (PADS), a hardware-based multi-broadcast feed technology which enables rights-holders to physically display up to four advertising feeds on one LED system in the same production frame at a frequency where only one feed is visible to the naked eye. This allows the company to geo-target pitchside advertising at specific regions.

The deal to acquire Brand Brigade gave the company access to a quicker, lower-cost virtual advertising solution that can be deployed remotely, as well as access to the

company’s US and Canadian client base. TGI Sport and ISG also both hold a more than 12-per-cent stake in software-based virtual advertising solutions provider Supponor, which boasts relationships with rights-holders including Formula 1 and Serie A.

Jolly said of the Sportseen acquisition: “For me, the important thing was they understand TGI’s technology [...] and they understand the value of rights. That was what was critical to me, and key for us looking to do this acquisition with Sportseen. They understand it better than the team that we currently had in place. Bringing them in with their experience is just a great addition to what we’re doing, it’s very simple.”

Sportseen history

Sportseen has aligned itself with different sports marketing agencies over the years, at various stages selling rights on behalf of IMG, CSM and Pitch International.

In 2014, the company was part of a joint venture between Pitch and CSM Sport & Entertainment to maximise advertising, sponsorship and commercial opportunities at major televised sporting events. The predominantly telesales-based business has a pre-existing relationship with ISG, having sold LaLiga virtual advertising rights in Latin America on the company’s behalf.

Sportseen director Jones said: “When I started out, you would find that what we called perimeter rights were always bundled in with television rights and that then evolved. I used to sell static advertising boards at Wembley Stadium and then it changed to

rotating boards and then it evolved to LED.

“But over the last half a dozen years, or a decade or so, what I’ve found is, instead of having agencies who have that expertise and have that knowledge of the value of these rights, a lot of tech firms were coming in and selling their technology to clubs or federations where the prerequisite was to sell the kit, the tech.

“Then the clubs would ask what incremental revenues could be achieved by bringing this kit in, and I think there was a lot of guesswork. It’s almost come full circle where we’re almost piggy backing now with TGI on the tech conversation. TGI now have our expertise on the values of their rights.

“And of course, with virtual and PADS, this inventory is being multiplied. If a set of rights is worth £50, it doesn’t mean that if I do three feeds it’s going to be worth £150, but we will know different markets and work out the relative values in each

of those markets.”

Bruin Capital, the investment company founded by IMG’s former president of sports and entertainment George Pyne, completed a deal in March last year to acquire a stake in TGI Sport from QMS Media, a division of Australian private equity firm Quadrant. After the deal, TGI Sport was spun out of QMS as an independent entity, jointly owned by Bruin and Quadrant who each took equal shareholdings of over 40 per cent while the company’s founders retained a minority shareholding. Bruin’s investment was valued by *SportBusiness* at around \$100m (then €84m) at the time.

As reported previously, all three transactions have been completed by TGI Sport without financial assistance from Bruin Capital.

Bruin Capital founder Pyne told *SportBusiness* that TGI Sport’s acquisition strategy was conceived with one eye on the potential transition to personalised pitchside advertising in sport. This is likely to

become possible in the streaming era where broadcasters and rights-holders have more detailed information about individual subscribers.

He said: “The other exciting part of this whole thing, I think, is where virtual is going to take you. It’s going to take you to OTT [over-the-top] streaming and select advertising for individual consumers. I think what virtual technology does is, it allows the brand sponsorship to go further, faster, and be more impactful and be more sticky.”

He added: “TGI is a global business – it operates in Australia, in the States and in Europe, and actually South America also. And it has prospects in Asia. So, when you’re operating a global business, you’re always looking at pieces to the business that can accelerate growth [...] I really just think these investments are ways to accelerate the growth of a company and add more capabilities, resources and talent to the organisation.” ♦



TGI Sport’s PADS technology was deployed during this year’s Uefa Champions League final. (TGI Sport)

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LIV Golf outlines global go-to-market strategy for first media rights cycle

By Martin Ross

Published online October 7, 2022

LIV Golf has embarked on a global ‘roadshow’ of presentations and meetings with broadcasters as it launches its first rights cycle that will target exclusive deals worldwide.

Having opted to put in place a non-exclusive model for its debut season, the disruptor golf property kicked off the roadshow last month and is now looking to secure deals before the end of the year in key markets, including the US.

Details of the rights inventory available and production set-up have been laid out to broadcasters. This includes a five-hour daily live feed from tournaments, a 15-minute pre-show, round-by-round highlights and post-event recap programmes.

The impending sale of exclusive rights across multiple seasons tallies with the shift next year to a fully-fledged league format with individuals and franchises competing across a 14-tournament schedule. LIV Golf is over halfway through its debut 2022 season of eight ‘Invitational’ tournaments staged in England, the US, Thailand and Saudi Arabia.

Speaking ahead of the Bangkok event, Will Staeger, LIV Golf’s chief media officer, told *SportBusiness*: “Our plan was always to get our product out there in front of the community in 2022. Five events in [out] of the eight Invitational Series [tournaments], we feel passionately that it is working.

“With our shotgun start, fast

pace, creative event and television coverage with a number of production innovations, we are now positioned to move into the marketplace for our first rights cycle, which will commence in 2023.”

In order to maximise exposure during the start-up phase, LIV Golf has streamed free global coverage of this year’s events on YouTube and LIVGolf.com, while also agreeing non-exclusive deals with 27 broadcasters around the world.

“It has been an Invitational Series in 2022 so we wanted to treat it as such,” said Staeger, previously of Endeavor and ESPN. “It was a proof of concept and there was no point to try and attack the market or extract revenues. We wanted to promote it.”

He added: “The whole go-to-market strategy now changes. It now positions this league and 14 very high-level events that will generate very important audiences because of the player fields and the competition’s global footprint of relevance.”

Ahead of the 2022 Invitational Series opener on the outskirts of London, agreements struck included deals with Viaplay (Nordic countries, Baltic countries, Netherlands and Poland), Eleven (Southeast Asia, Italy and Portugal), SPOTV (Southeast Asia), SuperSport (sub-Saharan Africa), DirecTV (Latin America), Sina Sports (China), L’Équipe (France) and SportKlub (Balkans). Non-exclusive global rights were secured by DAZN, while MBC, SBS and SPOTV all acquired

rights in Korea, a key market for the sport.

Deals for the debut season in Australia and the Indian subcontinent have not been forthcoming. However, local stars Cameron Smith, Marc Leishman and Anirban Lahiri have all signed up in recent months and will add weight to LIV Golf’s upcoming negotiations in those markets.

The focus of the international rights talks will also be in markets where LIV Golf League tournaments will be staged next year.

“In terms of venues for next year, we’ll be in markets such as Spain, Mena, Australia, Thailand and Mexico,” said Staeger. “With our innovative product, we’re highly optimistic on the prospects

of partnering with premier media platforms in every region of the world.

“Having announced the league structure for next year with our increased player field, we’ll now move into robust discussions with potential media partners in every region.

“We have 27 broadcasters through the Invitational Series so of course we’re having conversations with them, but also with all the broadcasters around the world who take golf and sports. We know which territories are the most relevant for golf, but our intention is to cover the whole world with as many broadcast partnerships as possible.”

With 53 per cent of its direct-to-consumer digital viewership under 45 years of age, LIV Golf is also weighing up the mix of linear and digital components in any new deal. This could include holding back rights and going direct to consumer exclusively in certain markets. LIV Golf, which manages the host broadcast of its tournaments, is also looking at making available more than just the linear feed in its D2C proposition (or in its offering to broadcasters).

Along with YouTube and LIVGolf.com, live streaming was also available on Facebook upon launch but the Meta-owned platform is no longer a content partner of the



series.

Given the sensitivities, there has been resistance from some existing PGA Tour and DP World Tour broadcasters to adding LIV Golf to their golf programming portfolios. This has not been the case across the board, however, with SuperSport airing all three Tours. LIV Golf executives view the series as “complementary” and appear keen for broadcasters to adopt a “neutral” position.

The media rights negotiations are being handled in-house by LIV Golf, whose major financial backer is Saudi Arabia’s Public Investment Fund.

A set contract length will not be mandatory in the rights cycle. Asked about any preferred length of deals, Staeger replied: “There is a basic suggested duration but then it will be on a case-by-case basis that these conversations play out.”

In going to market now, LIV Golf executives will also continue discussions with broadcasters at the Sportel convention in Monaco at the end of this month.

US rights deal

Given the threat to the established PGA Tour, much of the media focus on future rights deals has been on the US market.

In recent weeks, reports have emerged that Amazon and Apple have ‘passed’ on the opportunity to acquire the rights, and that LIV Golf is closing in on an agreement to purchase airtime on Fox Sports. In response, the series has refuted the Fox Sports report as “incomplete and inaccurate” and is thought to have only just started its presentations and initial discussions with US broadcasters.

Discussing the US go-to-market approach, Staeger said: “We have had active discussions [with US broadcasters] from an industry updates standpoint over the course of the full year of 2022 but we were a PowerPoint [presentation] before June 9.

“We kept most of our colleagues at major media platforms in the US – and around the world –

abreast of our progress on player signings, format, schedule and so forth, and then once we launched, we continued to have regular conversations and our potential network partners all were watching a little more closely.

“Now that we’re moving into this roadshow cycle and then forward onto an auction stage for the first rights cycle, we’re certainly finding engaged interest from significant linear and streaming media platforms both in the US and around the world.”

Asked about the aspirations to drive a substantial rights fee from a US broadcaster, Staeger replied: “We’re highly optimistic on how our product will resonate with fans when presented on a major network in the US with significant reach. We’re also confident in the value of that product for our partner.

“We do anticipate favourable economics in the partnering that we plan to do.”

Control over narrative

Any US broadcaster acquiring the rights will have to forego the opportunity to have its own studio, commentators or greenside interviews, all staples of network coverage of golf stateside.

Along with managing the host broadcast production, LIV Golf has signed up its own commentary team led by Arlo White, former commentator for NBC Sports’ Premier League coverage, experienced golf broadcaster David Feherty and former Golf Channel commentator Jerry Foltz. On-course interviews are handled by LIV Golf with the narrative around the start-up property strictly managed.

This strategy will continue, according to Staeger.

“Like UFC, we have a unique product and it’s important to us to manage the narrative in telling the story of our competition in the way we believe conveys it best,” he said. “Our plan is to continue as the production house with our commentary team and content team.

“There will be customisation

opportunities by territory, region and broadcaster. There will be access to players of regional appeal, for example, or there are press credentials [given to rights-holding broadcasters] for incremental content and access.

“There’s a uniqueness to our format and we believe there’s a way to tell the story best. We will be producing the equivalent of a world feed ourselves and delivering that to our partners.

“From a [foreign] language standpoint, in some cases there will be alternate commentary teams and there will be some customised incremental content. Even in that, we anticipate being very hands on.”

LIV Golf launched in June with a production set-up featuring over 50 cameras and 60 audio microphones. Outside broadcast giant NEP is among the facilities providers and vendors signed up. David Hill, the former Fox Sports president, was brought in as a consultant to help shape the production offering.

Innovations continue to be added into the coverage, including the recent flag animation to show what players are aiming for on the green in the distance. Drone technology and a leaderboard pylon modelled on motor racing’s Formula 1 have been other notable elements of the production.

“Every event we have brought on two or three additional visual innovations,” said Staeger. “We built a world-class production team in 97 days so obviously we didn’t launch with every innovation we had planned.

“For 2023 all bets are off. There is a whole bunch we have planned, working with our R&D [Research & Development] lab with a couple of premium vendors. With a little more of a ramp, we’ll be able to affect more improvements to the way golf is covered.”

The control over production means that team feeds, player feeds or alternate commentary feeds could easily be offered to a rights-holding broadcaster as part of its bundle, or built into the LIVGolf.com streaming offering. ♦

F1 lining up new airline sponsor as Emirates talks break down

By Ben Cronin

Published online November 8, 2022

Formula 1 is lining up a new airline sponsor after renewal discussions with Dubai-based carrier Emirates broke down over the asking price, *SportBusiness* can exclusively reveal.

The deadline for the global airline to extend the agreement has passed and negotiations have ground to a halt, with Formula 1 understood to be asking for around twice the figure of close to \$25m (€25.1m) per year that the brand is understood to paying in the current cycle from 2018 to 2022.

The motorsport property is understood to be in advanced discussions with another airline to take Emirates’ place.

Emirates has been an F1 Global Partner – the top tier of the motorsport’s sponsorship portfolio – since 2013 and last renewed its sponsorship rights ahead of the 2018 season, just one year after Liberty Media completed its acquisition of the property from a consortium led by private equity firm CVC Capital Partners.

The latter deal granted the airline extensive trackside branding and activation opportunities at 15 races on the Formula One calendar, hospitality for guests, interactive fan engagement activities at F1 Fan Zones and F1 Fan Festivals at selected races, as well as ‘Supercar Hot Laps’ at eight races and branding across digital media assets. The agreement also allowed the airline to reward its customers with exclusive VIP experiences at various Grands Prix.

Since the deal was renewed, the motor racing series has had a great deal of success in growing audiences and commercial revenues, having embraced social media and expanded

its race calendar to 24 races for the 2023 season.

At the same time, the decision to partner with Netflix to create the Drive to Survive documentary series has been credited with a surge of US interest in the motorsport, driving a 2,000 per-cent increase in the value of its media rights deal with Disney-owned broadcaster ESPN and an upsurge in interest from US sponsors.

Data from *SportBusiness Sponsorship*’s latest Motorsport Data Snapshot reveals the total number of US-based brands agreeing deals with F1 teams rose to 161 in 2022, an increase of 21.1 per cent on 2021 (133 deals) and 65.9 per cent on 2020 (97 deals). At the central level, the number of US-based sponsors of F1 has risen from just two in 2020 to six in 2022.

The report revealed the value of F1’s central sponsorship portfolio has increased by over \$100m to \$410m per annum in the last 12 months, driven by significant deals with international brands including MSC Cruises, Tata Communications, technology company Lenovo and customer relationship management software provider Salesforce. The deals helped the motorsport to register record revenues of \$744m (€744.6m) in the second quarter of this year.

SportBusiness understands Emirates’ option to renew would have granted the company trackside branding and activation rights at 19 out of 24 races on the F1 calendar.

Fellow Emirati airline Etihad Airways has been the main sponsor of the Abu Dhabi Grand Prix for more than ten years, while similar deals with Singapore Airlines for the

Singapore Grand Prix and Gulf Air for the Bahrain Grand Prix preclude the brand from advertising at these races.

Formula 1’s valuation is thought to be based on the increased number of Grands Prix and the upsurge of interest in the motor racing series. But Emirates has tended to prioritise the branding aspects of the deal and is understood to place less value on the business-to-business networking elements, which may be worth more to other brands.

It remains to be seen if the two parties can reach a compromise, but the gap between their valuation of the rights makes it look increasingly unlikely. The fact F1 is in discussions with another airline to take Emirates’ place on the central sponsorship roster also reduces the chances of a renewal.

Should the brand fail to renew the rights, it doesn’t appear to signify plans to decrease its sports sponsorship activities, particularly in football.

Emirates recently renewed its shirt sponsorship agreement with Spanish football giant Real Madrid and is understood to be in discussions about renewing its deal with Premier League side Arsenal. It is also understood to be on the verge of renewing its agreement with Serie A’s AC Milan, the latter on significantly improved terms. In addition, it recently agreed a three-year extension to its sponsorship agreement with golf’s DP World Tour that will see it continue as an Official Partner of the tour until the end of the 2024 season.

Contacted by *SportBusiness*, both Formula 1 and Emirates declined to comment. ♦

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