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Electric dreams

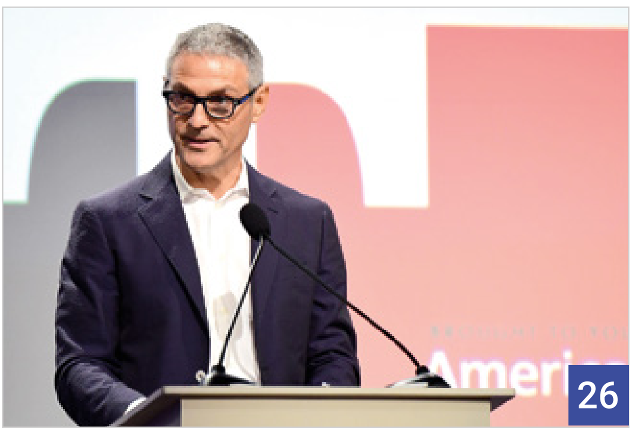
FORMULA E'S ALEJANDRO AGAG AND NEW CEO JAMIE REIGLE ON WHAT'S NEXT FOR THE RACING SERIES

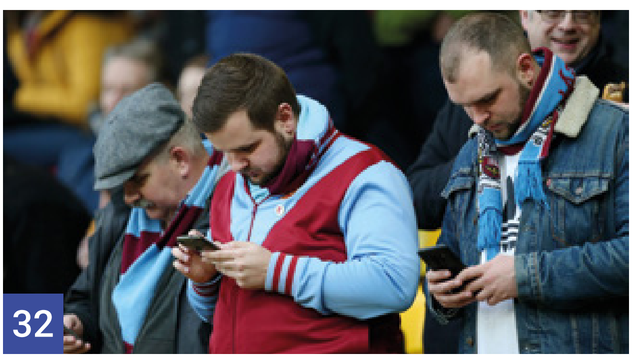
INSIDE THIS ISSUE

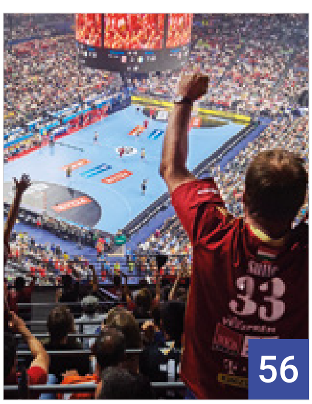
SportBusinessReview

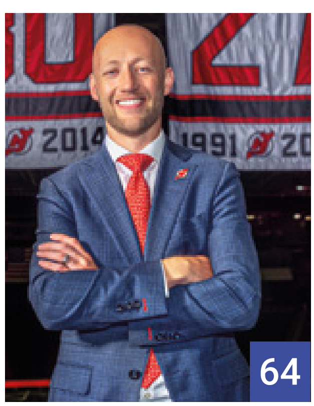
November | Issue no. 256

CONTENTS









Worldview

The Big Interview

Trailblazers

Sponsorship & Marketing

Media

Sports Betting

Fan Engagement

Events

Business Development

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SportBusiness

Worldview | London

Ben Cronin, Europe Editor ben.cronin@sportbusiness.com

USOPC's Rule 40 approach could help IOC resist perimeter advertising

Athlete activism continued to chip away at the edifice of centralised marketing this month as the United States Olympic and Paralympic Committee (USOPC) became the latest sports body to dilute its restrictions concerning personal endorsement deals.

The organisation joined its equivalents, the German Olympic Sports Confederation (DOSB) and the Australian Olympic Committee, in granting its athletes greater freedoms to promote their sponsors during next year's Olympics in Tokyo.

The three NOCs are the first to respond to a process set in motion when the German cartel office challenged the IOC over its Rule 40 marketing restrictions in 2017.

The competition regulator argued that the rule – which forbids athletes from promoting their sponsors during the Olympic Games in order to protect the exclusivity of the IOC's TOP marketing programme – effectively gave the IOC and DOSB a monopoly over marketing rights and harmed the earning abilities of German athletes.

Faced with the possibility the restrictions would be similarly challenged in other jurisdictions, the IOC's response was to effectively outsource the problem, devolving the implementation of Rule 40 to each of its NOCs.

Inevitably this has created a patchwork of conflicting guidelines within different markets. Global Athlete, the organisation that emerged last year to give athletes a stronger voice in sport, has called on the IOC to mandate all NOCs to relax their Rule 40 protocols to create a level playing field for all of the Olympians it represents.

It's easy to understand why the IOC has resisted grasping this nettle, at least from a commercial perspective. It realises that the way the TOP programme is structured makes it acutely vulnerable to attacks on its exclusivity. The clean sites policy at the Olympic Games robs it of a tool with which it might compensate sponsors.

> *"A Visa study found Fifa delivered four times the quantifiable return on investment compared to the Olympics, thanks to the perimeter advertising permitted at the World Cup."*

Ahead of its renewal with the IOC last year, TOP sponsor Visa commissioned a study comparing the return on investment generated by its sponsorship of the Olympics and its sponsorship of Fifa.

The study found the latter delivered four times the quantifiable return on investment, thanks to the perimeter advertising permitted at the Fifa World Cup.

What motivated the brand to renew its TOP deal until 2032 – aside from keeping Mastercard out of the category – was its 'unquantified' assessment that the Olympic brand was stronger than Fifa's, and that the association lifted Visa's own brand equity.

The business case for becoming a TOP sponsor becomes difficult to justify when a partnership with an athlete can offer some of these attributes for a fraction of the cost. And the more individual athletes that are permitted to exploit this rarefied IP, the less value it has, and the more likely it is the IOC will have to completely revise the way it takes its sponsorship rights to market.

IOC television and marketing services managing director Timo Lumme has already hinted that the organisation may have to introduce perimeter advertising at the Olympics if Rule 40 continues to be diluted. But he would need to see hard evidence that greater athlete marketing freedoms are damaging TOP before making such a dramatic shift in its commercial strategy.

A much more palatable approach might be to try to keep a lid on the most egregious attempts by brands to ambush its IP and take lessons from how different NOCs try to deal with this hot potato. In this regard, the USOPC's marketing guidelines could prove to be the most instructive.

Its new code requests that a US Olympic or Paralympic athlete register their sponsors ahead of the Games and that these companies sign a 'Personal Sponsor Commitment'.

Cleverly, this will put the USOPC in a much stronger position to block or win damages for a rights violation and might make unofficial sponsors more reluctant to take liberties with their creative campaigns.

SportBusiness

Worldview | New York

Eric Fisher, US Editor eric.fisher@sportbusiness.com

Dramatic developments in and around Nationals Park helps transform MLB team

Mark Lerner, managing principal owner of the Washington Nationals, has been instrumentally involved with the Major League Baseball club since his family purchased it in 2006, working through every single high and low along the way. And that includes a tough cancer battle that two years ago required amputation of part of his left leg.

And even he admits to being awestruck by what's now happening with the Nationals, having reached their first-ever World Series, and the flurry of mixed-use development mushrooming all around Nationals Park in southeast Washington, DC.

"Every time I drive by, I can't believe my own eyes," Lerner says. "There's nothing quite like it in the United States, maybe in the whole world."

There may a bit of hyperbole there, a giddy rush of euphoria as the Nationals reach what are, for them, unprecedented competitive heights. But not much.

The site of Nationals Park was previously an undeveloped, crime-ridden wasteland of industrial lots, vacant parcels, and even some unpaved streets in the Navy Yard neighbourhood of the US capital city. The throngs of tourists at Washington's famous monuments and museums were geographically just a few miles to the northwest, but metaphorically a world away.

MLB commissioner Rob Manfred, who earlier in his career worked in Washington, a few years ago pointedly said that prior to the construction of the ballpark: "You wouldn't have gone down there on a bet." I previously spent 11 years of my own life living and working in the Washington area, and can heartily agree with Manfred's sentiment, and like many Washingtonians, was largely unfamiliar with the once-blighted area before it became a candidate for a ballpark site.

Mark Lerner, managing principal owner, Washington Nationals (*Will Newton/Getty Images*)

But it was there that city leaders 15 years ago focused their bold gambit to Major League Baseball, then owners of the struggling Montreal Expos. The basic pitch to the league: move the Expos to Washington, and a new part of the city will redevelop around a new ballpark. In turn, MLB would then tap into a fast-growing capital region and garner a hefty financial return on their investment in a franchise that had essentially fallen into receivership.

Washington, however, was battling its own deeply-troubled history with baseball. The first version of the Washington Senators left after the 1960 season to become the Minnesota Twins. And then a second version of the Senators left 11 years later and were rechristened the Texas Rangers just outside of Dallas, beginning Washington's 33-year baseball void.

"We started this whole thing with two big strikes against us," says Mark Tuohey, who as the chairman of the DC Sports & Entertainment Commission 15 years ago played a key role in negotiating a relocation and stadium deal with MLB to create the Nationals. "Nobody else has lost a baseball team like that twice and then gotten a third. So we had to prove to MLB that we were a very different Washington than what existed for those Senators teams."

The Washington metropolitan area has tripled from about two million people in 1960 to more than six million now.

What also helped ease MLB's skepticism was Washington's willingness to fund the development of

> *"The stadium has been such a strong catalyst in opening up this whole area of the city."*
>
> **Mark Tuohey** | chairman, DC Sports & Entertainment Commission (2004-2007)

what would be Nationals Park entirely with public dollars, an outlay that will ultimately surpass $1bn when including interest costs, at precisely a time when US appetites for public-sector sports investments were sharply eroding. But the city developed a structure where the bonds would be funded by several tax and revenue streams that would not touch residences and not exist but for the new ballpark.

Nationals Park would ultimately open in 2008 after the club spent a three-season interim period at Washington's aged RFK Stadium. For a while, it looked like the whole Expos relocation plan might fizzle into disappointment. The Nationals lost at least 100 games in each of the first two seasons in the new ballpark, and 93 more in the third. And a deep national recession made commercial development around the ballpark slow to develop.

But over the past seven years, all that has changed in stunning fashion. The Nationals have reached the playoffs five times, and that formerly downtrodden neighbourhood is now teeming with activity, with new restaurants, bars, offices, and residences stretching more than a dozen blocks in nearly every direction. Audi Field, home of Major League Soccer's DC United, joined Nationals Park in the neighbourhood in 2018.

The overall value of residential and commercial property in the ballpark neighbourhood has more than doubled since 2008, to beyond $2.65bn, with numerous additional projects still under construction and Lerner's family-led real estate company playing a prominent role in that activity.

More than 10,000 apartment units have been built in the area, with another 10,000 to come over the next half decade or so.

Tax revenue to support the public construction of Nationals Park has been so robust, it's now projected those 30-year stadium bonds will be paid off more than a decade early.

It's here where Tuohey takes aim at many sports economists who have argued that publicly-funded sports facilities simply recirculate economic activity already occurring in a region.

"The stadium has been such a strong catalyst in opening up this whole area of the city, not dissimilar to what [Capital One Arena] did in Chinatown, and the region overall continues to grow and thrive," Tuohey says. "It's absolutely been a net add."

And beyond mere dollars and the constant presence of construction derricks, the ballpark neighbourhood has also rapidly become one of Washington's hip locales.

"I'm not sure anybody knew how cool this area was going to become," says Ryan Zimmerman, Nationals first baseman and the club's longest-tenured player at 15 seasons. "We've all sort of grown up together, and people here sort of had to learn how to be Washington baseball fans again. But they did, and what's happening there now is incredible."

Adam Eaton of the Washington Nationals bats against the Houston Astros in Game Five of the 2019 World Series at Nationals Park (*Patrick Smith/Getty Images*)

SportBusiness

Worldview | Singapore

Kelvin Tan, Asia Editor kelvin.tan@sportbusiness.com

Asia's idol-crazy sports fans show stars still mean more than teams for sponsors

From Kenny Dalglish to Alex Ferguson, and most recently Jose Mourinho, every top-level football manager has been caught saying the words "no player is bigger than the club". And while that might have been true previously, things have changed in today's social media-driven world. When Christiano Ronaldo can boast of 186 million followers on his Instagram, more than the total sum of his last three clubs combined – Juventus (32.9 million), Real Madrid (79.5 million), and Manchester United (31.9 million) – it's clear that star players really are bigger than their clubs!

And advertisers have taken note, especially in Asia. The Portuguese football star is beloved here, and Singapore-based e-commerce business Shopee would have been well aware of what he could do for their brand when they brought him onboard as its brand ambassador, for an in-house marketing campaign that kicked off their '9.9 Super Shopping Day'. The poor man had to perform a Shopee variant on the popular 'Baby Shark' song and dance sequence – cheesy as heck, but the video still garnered 1.5 million video views on YouTube, and 26,000 social media reactions on their Facebook page within the first few weeks on release.

And it's not just Ronaldo's ilk that works on Asian fans – they love local heroes too. Spanish club Espanyol has certainly tapped on Chinese owner Chen Yansheng for his acumen and contacts, using Wu Lei to build a huge fanbase in China since his arrival at the club early this year. According to consulting company Kantar, 89 per cent of Chinese football fans have become Espanyol fans, and 11.5 per cent of LaLiga games viewed in Asia are Espanyol fixtures.

Diego Barnabas, the head of analysis at Kanta, says: "Wu Lei is a winning bet because he exemplifies the balance between the sporting value of the player and the commercial benefits to his brand. It's logical to think that next season we'll see more commercial development for the club and it wouldn't be strange to see a list of sponsors arrive based on how attractive Wu Lei is for the Chinese market."

Espanyol didn't even need to wait for the 2018-19 La Liga season to end, with the club signing an agreement with China Mobile to show reserve team games featuring Wu Lei almost as soon as he joined the club. Apart from knocking in the goals for the club – Wu Lei scored the all-important goal that allowed Espanyol to qualify for the Europa League and followed that by netting Espanyol's quickest-ever goal in European competition in 2019-20 – he was also grabbing the endorsements, picking up Chinese companies like translation platform iFlytek and content platform LD Sports.

Outside of football, basketball has also seen the idol strategy work in Asia. While the NBA will still be feeling shell-shocked after getting hammered in China over the Morey Tweets (see page 30), the one consolation it has from its recent Global Games pre-season in Asia is the resurgent interest in their league from Japan, thanks to the Washington Wizards drafting 21-year-old Rui Hachimura in June. While basketball was hugely popular in Japan during the era of Michael Jordan and the Chicago Bulls, in the last few decades the game has waned in popularity, but the Japanese have taken hugely to Hachimura, despite his mixed parentage, which clearly highlights Japan's shifting mindset toward its mixed-race minority.

The Wizards have left no stone unturned in making sure Hachimura does for their team what Yao Ming did for the Houston Rockets in China, launching a Japanese-language team site and a Japanese Twitter feed, as well as a bilingual correspondent who will host a targeted podcast for Japanese listeners 7,000 miles away.

In Southeast Asia, Hugo Boss is clearly snapping the new crop of Asian Instagram-active sports stars. After nabbing Singapore's Olympic champion swimmer Joseph Schooling, they've signed Philippine golfer Miguel Tabuena, and are in the process of signing other stars in Malaysia, Indonesia and Myanmar, ahead of the Southeast Asian Games hosted by the Philippines this November. In fact, Hugo Boss Southeast Asia's managing director Steven Lam said that getting Schooling on board in 2018 was actually a "hard sell" to his management" and a "stroke of luck"! But now that the sports idol strategy is clearly working in Asia, Lam says he firmly believes that Southeast Asia is going to be "the next wave".

With belt-tightening anticipated for most marketers in Asia due to poor economic forecasts in 2020, it won't be a surprise to see marketing budgets moving away from league and club sponsorships and going right smack into the pockets of players!


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Formula E shuffle adds Reigle's audience acumen to Agag's political skills

Formula E founder Alejandro Agag will become chairman of electric-racing series

Former LA Rams and Manchester United executive Reigle to focus on audience engagement

Plans to diversify business and decrease dependence on sponsorship as share of revenues

Ben Cronin

The appointment of former LA Rams executive Jamie Reigle as Formula E's second chief executive marked the moment the electric car racing series attempted to transition from promising start-up to something much more substantial.

While Alejandro Agag, the man Reigle replaced in July, clearly possessed the entrepreneurial and political attributes needed to get the motorsport off the ground, some of its celebrated stakeholders felt a different set of skills was required for the next stage in its development.

"We were brainstorming with the shareholders, with Liberty Global and with Discovery, and we thought it was a good moment to take the company to the next level," says Agag, who assumed the position of the Formula E chairman last December and who has remained chief executive while a successor was found.

The change of personnel should not be perceived as a slight on Agag's achievements. Within the space of seven years, the Spanish dealmaker – whose range of business and political contacts once motivated *El Pais* to describe his phone SIM card as 'priceless' – has taken Formula E from nonexistence to the point it recently declared its first profit. He says the milestone was all the more satisfying given Formula E's rocky beginnings.

"I remember at one point, we owed about €25m to suppliers, and we had €100,000 in the bank," he tells *SportBusiness Review*. "The turning point really was when Liberty Global and Discovery invested in the company, because we were having a big problem of perceptions. The market was not convinced that we were going to survive, so big companies and manufacturers were hesitant to join."

Scale

The same shareholders have now identified Reigle, who before working for the Rams spent 10 years at Manchester United, as the man to build on Agag's foundations and the small profit – €1m ($1.1m) – the business registered in its 2018-19 season.

"I have a lot of experience in scaling sports businesses and scaling media properties, building teams and going after ambitious expectations," says Reigle, in the pair's first joint interview since his appointment.

The Canadian adds that one of the reasons he accepted the job was because the business structure established by his predecessor is so sound.

"What's really compelling is the fact we have an integrated business model, meaning we control the events, we control the TV rights, we control the digital rights, we control the sponsorship, we control the branding," he tells *SportBusiness Review*. "If you were to say that to someone at the Premier League or the NFL or other sports properties… it's very rare where you're integrated in that way."

Audience engagement has been a thread running through Reigle's career. He was involved in the Rams' relocation to Los Angeles, where he oversaw the drive to target a younger, predominantly Hispanic, fanbase. In ten years with Manchester United, he led the club's global commercial operations and ran its Asia-Pacific operation in Hong Kong. He says his priority for Formula E will be to grow the audience and overcome criticisms that it has proved more attractive to sponsors than sports fans so far.

"I think [sponsors] buy the sustainability narrative of the racing, so the good news is we have the elements that sponsors want," he says. "I think as we move forward, the challenge to be able to drive real value for them over time is to combine that narrative with media reach."

Sponsorship

In many ways, Formula E has subverted the usual industry maxims that say sponsorship depends on fan interest and exposure. So strongly is the motorsport aligned to the future of automotive engineering – and so powerful is its corporate social responsibility message – that brands have been prepared to support it while it is still in its relative infancy.

A 25-per-cent year-on-year increase in sponsorship revenues, thanks to new deals with Bosch, Heineken, Moët & Chandon and Saudi Arabian Airlines, will help the series exceed €200m in revenues when it publishes its 2018-19 accounts next April.

"Probably half our incomes are from sponsorship and then the rest is divided between corporate hospitality, teams, a small share of TV revenue and local race promoters," says Agag. He adds that the long-term goal is to diversify the business. "Even if it [sponsorship] is going to grow in absolute terms, it will have a smaller relative weight in the future. It will probably go down to 40 per cent or one-third of our business."

Formula E's disproportionate success in the sponsorship category cannot be completely ascribed to its compelling CSR and sustainability narrative. The series also benefits from centralised sales approach which allows it to offer selected pieces of inventory on each of the cars on the grid. For example, tyre supplier Michelin's logo appears above the rear wheel of every car, while title sponsor

ABB's logo appears on the nose cones of each vehicle. Other pieces of inventory are left for teams to sell themselves.

The limitations on the amount of inventory teams can sell hasn't dissuaded automotive companies from getting involved. Over the space of the last two years, many of Europe and Asia's biggest major car manufacturers have entered teams, attracted by the relatively low costs and the opportunity to showcase their electric technology. Nissan and BMW

"The turning point really was when Liberty Global and Discovery invested in the company, because we were having a big problem of perceptions."

Alejandro Agag, Formula E chairman

Jamie Reigle (left)
Alejandro Agag (right)
(*Mark Thomas*)

(Mark Thomas)

were the latest to enter the series. Mercedes and Porsche will be involved in the 2019-20 season, which starts this November.

To provide a greater incentive for teams to participate, the series has remained faithful to a set of principles that were first developed when the FIA put out a tender for an electric series in 2011.

"What they lacked was the concept of how to make it happen," remembers Agag. "Our idea was very simple: we will produce the cars, we will have enough capital to pay for all the cars and we will build the cars for the teams.

"I think the reason we won the tender was because we came with a specific solution of how to execute the plan."

This avoided a scenario in which teams developed electric cars that would be so different they wouldn't be able to race each other. In the winning solution, which continues to apply in the sport today, the chassis and the aerodynamic package is exactly the same for each of the cars, which are manufactured in France and transported by Formula E to different races around the world. The individual teams differentiate on the design of the batteries and power trains – the most relevant technologies to the development of future road-going cars.

"I have a lot of experience in scaling sports businesses and scaling media properties, building teams and going after ambitious expectations."

Jamie Reigle | chief executive, Formula E

Team costs

This business model serves to make the racing more competitive – there were ten different winners in the 13 rounds of the 2018-19 season – and keep team costs low in comparison with other motorsports. *SportBusiness Review* understands the cost of running a Formula E team is about €20m per year, including the estimated €5m per year in entry costs.

"I think it's embedded in the DNA of the championship to have a competitive field and to make it appealing for the teams and to be able to have a sustainable business model," says Reigle.

"What's appealing for the teams is, it's still expensive, it's motorsport, but it's not going to cost hundreds of millions to put a team on the track and they've a reasonably good chance of winning if they build a proper team. So that flywheel gets spinning and I think that's why Formula E have had great success bringing in all the OEMs and all the teams."

The motorsport's ability to attract so many of the OEMs, ancillary suppliers from the electric automotive sector, and even fossil fuel companies, has also, on occasions, been used as a stick to beat it. Chase Carey, chief executive and chairman of Formula One, is among those to criticise Formula E as being a "business-to-business proposition, as opposed to a sport."

Agag says the arrival of brands like Moët & Chandon, Tag Heuer and

Heineken proves Formula E is making the transition to more of a consumer-facing proposition. Reigle's remit to build audiences is consistent with a strategy to attract more brands like these.

"One of the main objectives is to convert and go from a business-to-business platform to a business-to-consumer platform, without forgetting our business-to-business aspect," says Agag. "A great positive asset of ours [is] to be a business-to-business platform and I think many people would like to be a business-to-business platform like we are."

City centres

Formula E's city centre racing model will be key to building consumer audiences as it brings the sporting action to the fan, and families in particular, removing the requirement to travel out-of-town to watch a race. It also happens to provide the most complications for the business and the sternest test of Agag's political skills. Cases in point were the cancellation of a race in Hong Kong because of the demonstrations in the city and the protests that preceded this year's Swiss ePrix in the city of Bern.

"It is the beauty of a championship but at the same time it is a huge challenge, because cities are living entities where things happen," says Agag. "This just means that we need to be more flexible and we need to have a capacity of adaptation to circumstances."

The Spaniard says he is sceptical about Formula One's plans to take a street race to Miami because of his own struggles in taking an ePrix to the city.

"I think we had to fill out 137 planning applications," he says "You have federal roads, drains, there was a train going through the circuit…Every restaurant will ask your for something because they say they will get a lot less customers."

For these reasons, Formula E tends to prefer inner city circuits which are sufficiently removed from large concentrations of homes and businesses to decrease the levels of bureaucracy. The German ePrix at Berlin's Tempelhof aerodrome and the British ePrix, which will make its debut at London's Excel arena in 2020, sit in this sweet spot.

Agag, who was a Member of the European Parliament between 1999 and 2001, says he has been particularly outspoken about the dangers of Brexit because of its potential to disrupt Formula E's logistical operations, which are run out of the UK. "If there is free movement of goods, we can move in and out with the cars without problems," he says. "What was scaring me was tariffs to come into the UK."

Change of roles

The change of leadership will free up Agag to focus on the sort of political and bureaucratic problems thrown up by the city-centre racing model and leave him to manage the sport's relationships with long-term sponsors and the FIA. The Spaniard will also apply his entrepreneurial talents to the development of Extreme E, the new off-road racing series described as an electric version of the Dakar Rally. This will leave Reigle to work on the day-to-day growth of the company and on building the engagement he has prioritised. But the Canadian insists no area of the business exists in isolation.

"We need to work on what I'll call the sense that a Formula E event is a must-attend or a golden ticket within those cities," he says. "People want to watch the core product, the race itself, but they also want to feel like they're part of a broader community.

"If you get a sense that there's 35,000-40,000 people in Mexico City, watching a race, and that is something other people care about and are really engaged in, there's a bit of a positive feedback loop that you can get going there."

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Formula E closing the gap on Formula One as a sponsorship proposition

Agency Right Formula has seen increase in interest toward FE

Brands are looking for "better, more tactical deals that are justifiable"

Now is the "smart time" to invest in FE, while the price is low

(Sam Bloxham/LAT Images/FIA Formula E/Getty Images)

Matthew Glendinning

When season six of the Formula E Championship gets under way in Saudi Arabia on November 22, there will be a brief overlap with the 2019 Formula One Championship, which ends in Dubai on December 1.

Overlaps on the financial scale of the two FIA-approved motorsport series may not yet be as close, but the convergence of sponsorship rights fees between the two is increasingly apparent – and one specialist business is making the most of the situation.

London-based Right Formula is now the largest motorsports agency by volume of brands represented, and the growth of Formula E has made a significant difference.

Servicing of clients in Formula E has more than doubled at Right Formula over the last year and the agency is currently receiving more enquiries from potential sponsors about Formula E than Formula One.

Right Formula founder and chief executive Robin Fenwick sees future interest going only one way, with Formula E getting closer to Formula One in terms of both team and series sponsorship deals values.

OEM heaven

Given the F1 season is longer than Formula E's, with 21 rounds of racing compared to Formula E's 15, full value convergence might seem unlikely, but Fenwick believes that Formula E has created a compelling sponsorship platform.

"The interest is in what Formula E stands for, and how that aligns with Fortune 500 companies," he tells *SportBusiness Review*.

"The CSR [corporate social responsibility] messaging is important, as is the association with the future of mobility and electric vehicles.

"It's fascinating for me when you have a property with 'purpose', as Formula E most definitely does, to see that brands will flock there because they feel there's a real story there and it's something that they can get behind as a business."

Fenwick also highlights the fact that Formula E has attracted a significant volume of OEMs (original equipment manufacturers) to the sport – currently more than in Formula One.

"You are naturally going to attract a number of brands because of potential association with carmakers like BMW, Porsche, Nissan, Mercedes-Benz and Audi.

"It's also interesting to see the big fuel and oil companies coming into the sport. ExxonMobil, for example, just announced with Porsche, Shell with Mahindra, as well as Nissan and BP Castrol with Jaguar.

"I know there's a couple of others that are looking very closely at deals too, and it's not just because of the alignment with the OEMs, but because they can also use the series as an R&D platform to further develop their EV ranges."

Consumer brands

One criticism previously levelled at Formula E, compared to Formula One, is that it is a technology platform that speaks only to itself, and has less appeal to a broader spectrum of consumer brands.

Fenwick disagrees with this characterisation. "I think the Formula E messaging can be widespread, it depends how the marketing assets are used. You've seen Bosch, Heineken and ABB come into the sport, which you could argue was relatively unexpected. This is mostly down to the synergy they see with the positive messaging around Formula E.

"There'll be other businesses that are interested from a consumer perspective too, because you're talking to a younger demographic, compared with most other forms of motorsport.

"Formula E have just launched 'virtually live ghost racing' so that esports fans can actually race against the drivers on track as they're racing, which is pretty phenomenal. So I think initiatives such as this will continue to attract a digital-savvy audience, which will in turn start to draw brands in."

Moreover, just because Formula E is purpose-led doesn't mean there are no ancillary benefits for sponsors: "Aside from the traditional benefits of hospitality experiences and brand exposure, there will be some B2B sales benefits such as pourage rights for Heineken at the races and a reasonable logistics spend with DHL."

Over time, he expects the deal values to increase in Formula E as the audience continues to grow, the calendar increases, and the organisers continue to improve the sport's infrastructure.

Reducing Fees

Formula One's part in the convergence story is largely negative.

Formula One deals, Fenwick says, have largely reduced in value over the years at both a team and series level: "Although the value of the largest series deals are still quite far apart between Formula E and Formula One, it has been a while since Formula One has signed a really significant consumer brand partnership.

"This is partly to do with the sponsorship market. Brands are more cautious than ever about parting with significant sums of money, which could be as much as $40m (€36.5m) per annum in Formula One."

Right Formula, he says, has been tasked with more strategic analysis than ever before, requiring them to independently evaluate partnerships and ultimately demonstrate the return on investment to the brand's senior management or board members.

"We all need to understand that the sponsorship market has evolved, with brands looking for 'better, more tactical deals that are justifiable'.

"In general, there are fewer brands interested in global sponsorship properties where large sums are involved and Formula One is no different.

"In the early 2000's teams were looking at $50m-plus per year for title partnerships, and some of the Formula One series sponsors were around $40m per year. There are fewer of these deals around today and significantly lower values are being accepted.

"It's a little ironic that the benefit and value of a Formula One partnership has actually risen during this time.

"Liberty Media have delivered value to the sport; its social media is growing faster than any other major global sports series, new initiatives have been implemented such as esports, and new races have been added to the calendar and enhanced fan experiences now exist at each grands prix.

"You could say that now would be a smart time to enter the sport, while the deal values are lower than they have been for decades."

Inflated prices?

That said, almost three years into Liberty Media's tenure, the new owners have failed to generate any uplift in sponsorship value.

Fenwick thinks the problem pre-dates Liberty's intervention.

"Some Formula One stakeholders have been reluctant to drop their prices when confronted by brands unable to justify the asking price.

"One brand we represented was offered a price tag of $20m, which they simply couldn't justify. They offered to pay $10m instead and the team in question turned them down, so the brand walked away. A year later the team said they would now consider a lower price, but by then it was too late!

"Maybe with hindsight it would have been better to focus on the value of the deal to the sponsor and understand how the team could grow the partnership over time based on KPIs that could be achieved.

"This approach will need a change in mindset from some entities selling rights in Formula One. They will have to listen to what brands believe the value to be rather that what they believe it to be.

"Formula E is in a slightly differently place, it started from a much lower base and they've been quite accepting of smaller fees as they established their sport. They're now building it back up, and as Formula One's coming down, they're now closer than they have ever been before."

Better racing

If there is a solution to the sponsorship proposition in Formula One, many industry observers, including Fenwick, believe that more competitive racing would get the sport back on track, with the next Concorde Agreement, starting in 2021, as the best hope for a reset.

"Whilst there have been improvements and great additions to the sport, the racing hasn't been as exciting as it could have been over the past few years and that's not helped in attracting new brands. Let's not forget fans drive the popularity of the sport and they need on-track entertainment.

"There will be lots of politics in the final Concorde negotiations but, ultimately, I hope that that key stakeholders understand the need to make the racing more competitive and unpredictable.

"Hopefully with a budget cap in place, the teams outside of the top three will stand a greater chance of competing, maybe not immediately, but certainly in the future.

"In the meantime, perhaps Formula One could give some further thought around its purpose before it is overtaken by Formula E."

(*Charles Coates/Getty Images*)

The future of football sponsorship data

Created specifically for football clubs, SportBusiness Soccer is the essential tool to benchmark your assets, spots gaps in your portfolio, identify new markets, hear the moment a new deal is announced and understand what your competitors are doing. SportBusiness chief executive **Roberto Dalmiglio** and head of product **Matt Horsford** explain how it works.

Why did you develop SportBusiness Soccer?

RD: The business of football is still not mature and there is significant opacity in accurate systematic, independent pricing of football sponsorship.

It's very much a market where everyone is looking at what the largest clubs are doing and where they go – in terms of type of deal, markets, sponsorship opportunities, the others follow so being able to track them would clearly be a help to other clubs and that 'follower' approach is how all the clubs work.

The (potential) softening in media rights makes the need across all leagues / clubs for more sponsorship income clear but regardless of that, the clubs and agencies want to maximise their revenues and we think we can do that.

MH: We also realised no one had done this before – capturing the whole market and keeping it up to date live, was something that will also be valuable to lots of other adjacent markets.

The clubs spend a lot of time on this sort of data collection and we believed we could do it systematically, more efficiently and keep it up to date. Our expertise and legacy in data and information in sport made us uniquely placed to develop a product like this.

> *"SportBusiness Soccer is a digital platform that lets you see every deal from every club and sponsor in football across the top four leagues."*

Exactly what is it and what does it do?

MH: SportBusiness Soccer is a digital platform that lets you see every deal from every club and sponsor in football across the top four leagues. You can view this data by league, by club, by sponsor, or simply search across 2,500 active deals and 1,000 inactive deals (from the 18/19 season) in our filtered search by industry, type of length and value of deal.

We let you compare portfolios of up to 10 clubs at any one time and see which clubs have which deals and which your club is missing. You also can set up alerts so the moment a deal is signed, or coming up for renewal you can be alerted by the platform.

RD: It gives you a comprehensive database of sponsorship deals across the four major leagues, updated live within a simple digital platform you can access anywhere and which anyone in your team can use.

Who has it been designed for?

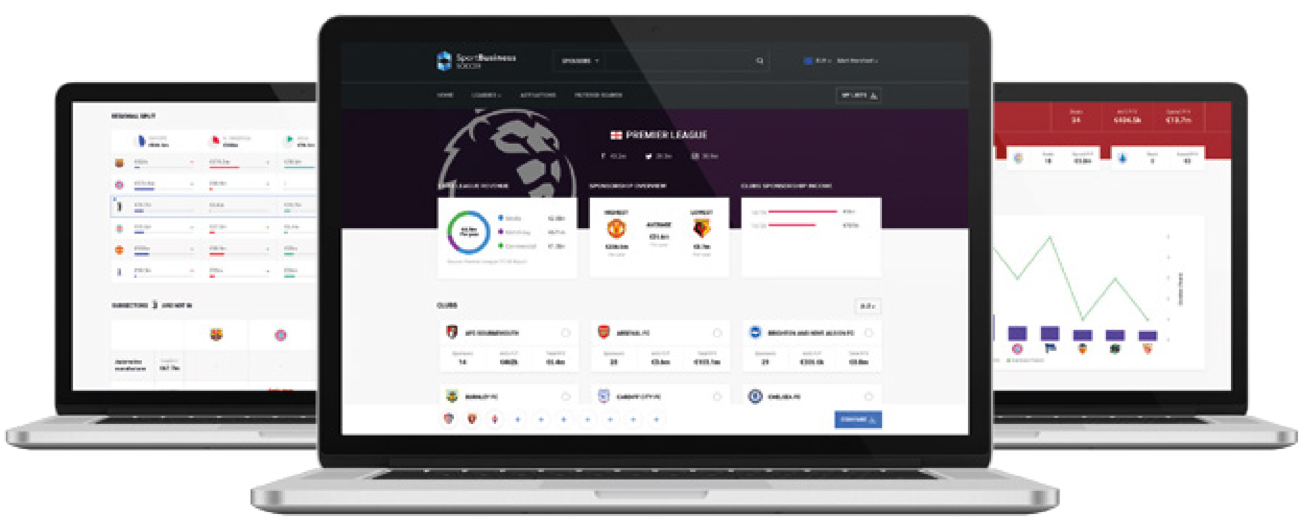
RD: It's for anyone working in the buying or selling of sponsorship within soccer.

MH: If you benchmark deals, analyse industries or want to know (in detail) what's going on in sponsorship in football then SportBusiness soccer is invaluable.

Why is it unique?

MH: No one has ever tracked football sponsorship live before – bespoke work has been done by clubs, brands and agencies but it's very difficult, expensive and time consuming and where this is done (by consultancies) it costs a fortune.

On top of having every deal we have also priced every deal, allowing our customers to



benchmark (regardless of value in kind and bonuses or penalties) the value of every deal in football. Want to see how many regional banking partners there are (30 at time of publication), and how much they're worth (€28.3m)? You can do it easily.

We've built an advanced, intuitive digital platform that lets you instantly see club and brand sponsorship portfolios, you can easily search all 2,500 deals and be alerted the moment something changes and uniquely personalise the product and see the gaps in your own portfolio. It's a breakthrough for the industry and we have only just started.

Roberto Dalmiglio, chief executive, SportBusiness

How did you acquire the data?

MH: In terms of finding out if a club has a deal, we track over 1000 media outlets, 1,500 brand pages of those brands in our database and the 78 clubs. As soon as it's officially announced, or a logo is added to the sponsor page of club's sites we will add it to our database.

In terms of values and durations we have three ways:

Anything that is publicly announced like the Nike and Barcelona deal we will add that into our database.

Secondly, we have people in each market (agents, people at clubs and the brands and third parties) who we speak to and who get us values and durations on as many deals as possible. This isn't trivial we many clubs with over 100 deals and those can be as small as a few thousand euro through to the mega deals with the world's biggest clubs.

Thirdly we have a statistical model.

"We do everything we can to ensure we have the most accurate, independent, benchmark data on every deal."

How can you be sure it's accurate?

MH: We do everything we can to ensure we have the most accurate, independent, benchmark data on every deal, but we are not trying to guarantee 100% accuracy. We can't do that because this information is not publicly available – we are trying to be the most accurate, independent benchmark tool possible.

RD: We constantly check the numbers we have sourced from agencies, clubs, brands and third parties associated with deal. We aim to get multiple sources and here our history of sourcing this sort of private information in Media rights helps us enormously, because we have credibility in the market, we are extremely well connected (we have agents in each country working for us) and after 20 years we know how to do this well.

MH: We work with the clubs and our customers to ensure that we are as close as possible, but we don't just use our contacts and network, we also have an advanced statistical model that calculates the expected value for all sponsorship deals in our database, which uses over 13 parameters to calculate the size of a deal (from UEFA coefficient, social media reach of the club, type of deal, industry etc) as well as going through the annual reports of every club – to benchmark their sponsorship. It's multiple different methods to get as accurate, independent data as possible.

What future developments are likely?

MH: More clubs – at the moment we track 78 clubs across the top four leagues, but we want to also have Ligue 1 in France and The Championship in England and then the largest clubs from the other leagues across Europe such as Ajax, Benfica, Galatasaray et cetera.

We are also creating the largest database of activation case studies (on football) in the world. By the end of next year we plan to have over 400 which will let clubs see deals from all levels, categories and types and how they activate, what assets you get, the agencies and parties that worked on the deal and the outcomes – we think it will be a massively useful resource.

Alongside that extra data and analysis, we will allow clubs to see the churn rate of sponsors season by season

We will align that to performance and audience reach to help them understand why teams like Manchester United can get 9 banking partners in Asia etc.

We will let brands compare each

Matt Horsford, head of product, SportBusiness

other and do industry sector analysis that will let both clubs and brands see instantly what's going on within a particular category or sector.

RD: We are committed to continue to get the most accurate independent values and durations for every deal. This isn't just for live deals, but all the deals in our database, we want to have the industry standard for independent, accurate data on soccer sponsorship and we will continue to invest in that and working with our customers to give them that.

Contact us now for a personalised demo and to discuss how a paid-for subscription to SportBusiness Soccer can help you gain a competitive advantage.

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The Trailblazers

The global economy may have stuttered amid political and trade disruptions this year, but the world of sponsorship has continued to innovate and deliver value. Here are the men and women who shaped the sector in the last 12 months.

Some of the individual trailblazers in sponsorship name-checked below come from properties, like League of Legends and Formula E, that didn't exist a decade ago.

League of Legends, the video game, was released by Riot Games in October 2009. Professional tournaments began in 2011. The first series of Formula E powered up in October 2015.

Others are putting a new spin on bricks and mortar properties, like stadium naming rights, which have traditionally been the constituency of Fortune 500 companies but are now attracting challenger brands with new stories to tell.

This year has also seen an acceleration in sponsorships involving 'purpose-led' brands or agency-led campaigns reflecting a desire among consumers for brands to make a difference amid the disruption.

And then there are the brokers that have simply struck the biggest or smartest deals, bringing new brands from new markets into sport, transforming the way business is done.

Here, we highlight nine industry players who have made unique contributions to the sponsorship sector in the last 12 months.

Naz Aletaha

Head of global sports partnerships & business development, Riot Games

As head of global sports partnerships & business development for Riot Games, the publisher of League of Legends – among the top five esports both by prize money and popularity on streaming platform Twitch – Naz Aletaha is the originator of major esports deals with consumer brands across the world.

Moving beyond the usual endemic brands connected with esports, Aletaha helped secure payment services brand Mastercard as the first global partner for League of Legends esports in 2018. She was also involved in the expansion of the deal announced this year.

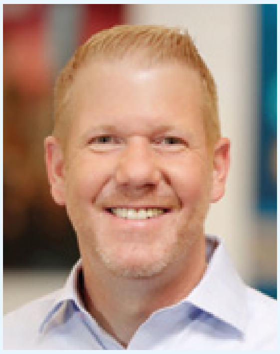
League of Legends now has tens of millions of dollars under contract for its League of Legends' global events. Aletaha has helped guide strategy, while bringing in brands like Red Bull and Honda in 2019.

"Since we have built up such a huge and truly global infrastructure, I think this is a fantastic time for sponsors to enter the League of Legends ecosystem," Aletaha tells *SportBusiness Review*. "As the governing body, owner and operator of all our leagues, we are really able to customise and get creative with our sponsors.

"We don't have a lot of constraints in terms of what we can do. I always say our only constraint is the limits of our imagination in terms of what we can do with sponsors and partners."

Scott DeAngelo

Chief marketing officer Allegiant Air



Allegiant Air is far from a household name. Just 22 years old, the Nevada-based airline has roughly a tenth of the fleet size as major carriers like American Airlines, United or Delta.

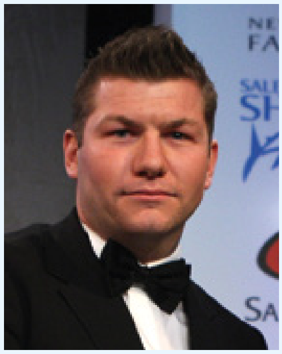
But over the past two years, the upstart company – led in part by DeAngelo – has made major waves in sports sponsorship, striking a series of deals that would historically have been the province of its larger competitors.

The company's aggressive dealmaking began in earnest with the multi-year official airline partnership with Minor League Baseball in 2018. And the MiLB alignment continued to grow in unique ways, subsequently giving the company naming rights to MiLB's innovative in-ballpark digital advertising network, as well as a branded credit card partnership that is the first of its kind between a sports property and an airline.

DeAngelo and Allegiant didn't stop there. Earlier this year, the company signed a naming rights deal with the soon-to-be-relocated Oakland Raiders for the NFL team's forthcoming new stadium in Las Vegas.

The agreement is estimated to be worth in excess of $20m per year and will run for more than two decades. And it runs directly counter to the sponsorship strategy at American Airlines, which is taking its name off of Miami, Florida's main indoor arena.

Robin Fenwick
Founder and chief executive
Right Formula



London-based Right Formula is now the largest motorsports agency by volume of brands represented, and the growth of Formula E has made a significant difference.

Servicing of clients in Formula E has more than doubled at Right Formula over the last year and the agency is currently receiving more enquiries from potential sponsors about Formula E than Formula One.

As the king of Formula E deal-making, Right Formula founder and chief executive Robin Fenwick believes that the electric car racing series has created a compelling sponsorship platform, and the deal valuations it is attracting – both at the team and the seres level – are getting closer to Formula One.

"The interest is in what Formula E stands for, and how that aligns with Fortune 500 companies," he tells *SportBusiness Review*.

"It's fascinating for me when you have a property with 'purpose', as Formula E most definitely does, to see that brands will flock there because they feel there's a real story there and it's something that they can get behind as a business."

Chrissy Fice
Brand director
Vitality UK

Chrissy Fice is the driving force behind the innovative partnerships that propel Vitality's core purpose (a material one for an insurance brand): "to help people get healthier".

Vitality is the title sponsor of the Parkrun concept of weekly running events for people of all ages, as well as the main sponsor of England Netball, in a deal that includes naming rights to the England national team – the Vitality Roses. This year, Vitality also extended its partnership with the England & Wales Cricket Board to include The Hundred, its new short-form competition, as well as the Vitality Blast T20 competition.

Activated across brand-owned media and national television campaigns, sport sponsorship is an integral part of Vitality's business strategy and purpose.

In netball, for example, its funding has enabled more women to make a career of playing in the Vitality Netball Superleague, and at this year's Netball World Cup, Vitality pledged that for every hundred goals scored during the competition and host city activations, the company would fund a level-one netball coach.

Steven Lam
Managing director for Southeast Asia & wholesale/travel retail Asia-Pacific
Hugo Boss

Hugo Boss has been in sport sponsorship for over five decades, with A-List ambassadors ranging from golfers like Martin Kaymer to Formula One drivers like Nico Rosberg and footballers like Toni Kroos. The fashion brand has also made big team or event commitments in four sports: football, motorsports, sailing and golf.

This traditional strategy spend around world stars and major events might have been the reason Steven Lam describes his initial attempts to sign up a host of new brand ambassadors in Southeast Asia as "a hard sell" to management.

That may well have been the case at first, when he brought Singapore's Olympic swimming gold medalist Joseph Schooling into the fold, but no longer.

Going local has become part of Lam's strategy. He describes the brand's sponsorship deals in the region as very organic, with authenticity and a genuine love for the brand as the top traits he looks for in ambassadors.

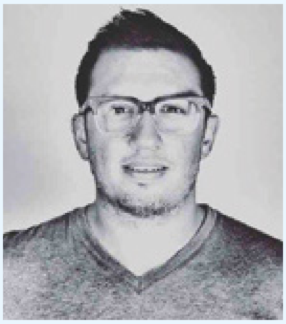
"If you bring the right person in, they will want to be part of you. This is our main approach when managing personalities," he says. Lam insists on meeting potential candidates face-to-face and getting to know them personally.

In 2019, he has continued the trend of signing social media-savvy Southeast Asian athletes by adding Philippines golfer Miguel Tabuena as an ambassador. Lam is in the process of signing other sporting stars for Hugo Boss in Malaysia, Indonesia and Myanmar.

Henry Nash head of strategy & Josh Green, creative director, Octagon

Octagon head of strategy Henry Nash (left) and creative director Josh Green were the ideators of the 'Save our Shirt' campaign, which aimed to clean UK football club shirts of unwanted branding in the face of what Nash called "football's crass commercialisation and relentless exploitation of fans."

The concept was presented to the irreverent bookmaking brand Paddy Power, which took the idea a stage further by emblazoning Championship club Huddersfield Town's new season shirt with outsized Paddy Power branding during a pre-season friendly.



Once the flurry of social media and press outrage peaked, Paddy Power revealed that it was actually buying the sponsorship in order to give the shirt back to the fans – unbranded. Nash believes the idea "will have a lasting legacy – not just on the brand but on the game itself".

Either way, Octagon's client got its money's worth.

Anthony Noto

Chief executive Social Finance

Anthony Noto is no stranger to the sports industry, having spent more than two years as the NFL's chief financial officer.

But Noto's current role – as the chief executive of fintech company Social Finance (SoFi) – has brought a whole new level of exposure for him personally and to the startup operation.

Noto and SoFi earlier this year struck a landmark, 20-year agreement for naming rights to the forthcoming stadium in Inglewood, California, that will be the home of the NFL's Los Angeles Rams and Chargers, estimated to be worth more than $600m in total.

Far more than a typical NFL stadium, the facility is designed to be a showpiece for the entire league, as it was a foundational piece in the league's decision to return to America's second-largest media market after an absence of more than 20 years. The facility, to be known as SoFi Stadium, will host the Super Bowl in 2022, the College Football National Championship in 2023, and the Opening and Closing Ceremonies for the 2028 Olympics.

For Noto and SoFi, which forged a niche in student and personal loans, the massive deal is designed to jumpstart a corporate development process and consumer awareness campaign that otherwise would have taken years, if not decades. Noto led a negotiating process that will also see SoFi essentially swap out some budget for an extended series of TV ads and traditional marketing.

Michael Payne

Chief executive Payne Sports Media Strategies

Yes, we're talking about that Michael Payne. The veteran marketer was key to the largest sponsorship deal in history in 2019 – the joint Olympic deal struck by Coca-Cola and Chinese dairy company Mengniu. The partnership, signed in June, is captured in one master contract and includes a major commitment to media spend – the first time one has been included in an Olympic sponsorship.

The deal was brokered by the former IOC marketing chief, who was hired by Mengniu on its sponsorship of the 2018 World Cup in Russia and approached afterwards to work on the brand's strategic vision for international expansion. Payne has also maintained close links with Coca-Cola since his time at the IOC.

Negotiations took place over 10 months, led by Payne, Ricardo Fort, head of global sponsorships at the Coca-Cola Company, and Yong Zhang, vice-president of strategic management at Mengniu.

Payne is specialising in massive strategic deals involving Chinese brands and the major federations.

In January 2017, he brokered the deal for Alibaba to become the IOC's Official Cloud Services and E-Commerce Platform Services Partner, as well as a Founding Partner of the Olympic Channel.

This deal will have far-reaching effects as Alibaba helps build the ticketing database that will form the basis of the IOC's CRM platform.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GLOBAL COO, SPORTS - KANTAR
NESLİHAN DEMİR GÜLER
OLYMPIC VOLLEYBALL PLAYER
CEM TOPÇUOĞLU
PRESIDENT, INTERNATIONAL TBWA/WORLDWIDE
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Endeavor's IPO postponement completes summer of gloom for industry

Endeavor blames poor trading climate for delaying IPO less than 24 hours before trading opened

Postponement raises questions about IMG's competitiveness in rights market

Climb-down follows weak Wanda Sports IPO in July in a bad summer for sports marketing firms

Endeavor co-chief executive Ari Emanuel (*Emma McIntyre/Getty Images*)

Frank Dunne

The postponement last week by Hollywood talent and sports marketing agency Endeavor of its initial public offering on the New York Stock Exchange – for the second time in two months – raises important questions for the sports industry.

On Thursday, September 26, less than 24 hours before trading was due to begin in Endeavor shares, the company postponed the IPO to an unspecified future date. It blamed unfavourable trading conditions and weak demand from investors for IPOs.

Earlier that day, the company had reset its opening share price guidance from a range of $30-$32 (€27.5-€29.3) to $25-$27 and reduced the number of shares for sale from 19.4 million to 15 million. The initial targets would have raised between $550m and $600m, valuing Endeavor at about $8bn. The revised target would have raised between $360m and $430m and valued the business at about $6.5bn.

Endeavor's sports assets include the IMG agency, the UFC mixed martial arts promotion, the Miami Open tennis tournament and the Professional Bull Riders organisation. It also owns talent agency WME, the Miss Universe pageant and streaming provider NeuLion.

Reaction in the sports media and marketing sectors has focused on three questions:

- How will IMG's aggressive spending campaign be affected?
- Will Endeavor now be forced to sell off assets to raise cash?
- Taken together with the disappointing IPO of Wanda Sports in July, what does this mean for sports media and marketing vehicles generally?

IMG scaling back

IMG's aggression in the sports-rights market will not be scaled down as a direct consequence of the IPO postponement for one reason, IMG insiders say. The scaling back had already been under way for months, following big overpayments on several football properties.

Despite its own disappointing performance on the stock market, where it is trading at less than half its opening-day value, the Infront agency appears to be taking advantage of the situation.

As reported in *SportBusiness Review* in June, Endeavor's IPO prospectus showed three media-rights deals were dragging down IMG's profitability. These were for: the global rights, outside Italy, to Serie A; the global rights, outside the UK, to the FA Cup; and the rights in the Nordics to Spain's LaLiga.

An informed source said recently: "IMG has already dialled down its aggressiveness. If you speak to people in the market, everyone is now talking about how aggressive Infront is in comparison. Infront is going after landmark properties and looking at long-term deals. Behind the scenes, they are approaching properties and talking huge numbers.

"IMG doesn't seem to be in the game. They certainly don't appear to be taking on the same level of risk as before."

Six months ago, IMG insiders were keen to point out that Endeavor's founders Ari Emanuel (pictured) and Patrick Whitesell had total faith in IMG and backed the agency's judgement in the sports-rights market. That seems to have changed. "In the past, Ari never questioned a deal, he just signed it off," the source said. "Now everything is under scrutiny."

The main short-term risk to the agency, other sources say, is a flight of talent, by managers now set to miss out on an eagerly awaited pay-day.

One executive familiar with the company says IMG is a good company to work for and "not a place that people want to leave" but that some of the younger, more ambitious, staff would now be considering their positions.

"If you're missing targets for two years in a row and then missing a pay-out from an IPO, you start asking yourself questions. 'If I stay for an earn-out from an IPO in a year or two years' time, it will only compensate me for the years I didn't get the bonus'. Morale has been affected."

However, one former IMG executive argued that the agency had dodged a bullet by not being taken public. "The old sports agency model built around events, TV and distribution is a tough business. It's not one suited to public ownership," he says. "You have to share too much information. The steady plod towards quarterly growth doesn't suit the nature of the business. It's a business where you win some and you lose some. You have to take big punts and a long-term view. And rights deals are getting longer now."

What now for Endeavor?

In an internal email, seen by *SportBusiness Review*, Endeavor co-founder Emanuel told staff in September: "I wanted to let you all know that we just announced our decision not to move forward with the IPO. Over the last several weeks we have been focused on attracting long-term investors who share our vision and appropriately value our company. In the last few days, however, unfavourable market conditions have negatively impacted overall IPO investor sentiment."

There is no question that there had been warning signals from the IPO market, both on the NYSE and the Nasdaq, during the last two quarters. A series of disappointing launches – including Wanda's in July, and that of ride-sharing giant Uber in May – was followed by perhaps the biggest surprise of the summer: the indefinite postponement two weeks ago of the eagerly-awaited IPO of shared workspace company WeWork, which was targeting a valuation of $20bn. The day before Endeavor's planned IPO, shares in digital fitness start-up Peloton fell by 11 per cent on the first day of trading.

One well-placed source tells *SportBusiness Review*: "Peloton spooked everybody. After the weak ride-share IPOs and the WeWork flame-out, it was the straw that broke the camel's back."

However, there is one sentence in Emanuel's email that is open to question: "unfavourable market conditions have negatively impacted *overall* IPO investor sentiment." The question is whether all IPOs are facing a soft market, or just certain types of company. The fact that numerous IPOs have got away successfully in New York in the last two quarters suggests it is probably the latter.

The more-high profile failures have tended to conform to a pattern: unicorn start-ups, run by digital whizz-kids who spotted something first, scaled rapidly, generated more hype than profit and tried to cash out.

Endeavor does not fit that profile. The constellation of assets it contains may have been put together recently, but the assets themselves are far from being start-ups. The William Morris agency which WME is built around was founded in 1898. IMG was founded in 1960. And none of the major stakeholders in Endeavor – Emanuel, Whitesell and private equity house Silver Lake – was selling a single share.

But for many analysts, what Endeavor shares with some of the other IPO flops is an unconvincing balance sheet – a heavily-leveraged $4.6bn debt and, beneath the upbeat 'adjusted Ebitda' figures in the IPO filing, no clear route to real profit.

As one US media expert put it this week: "What we are seeing is the market returning to a focus on the fundamentals over hype."

Endeavor is confident that it was not the balance sheet that caused weak market demand. All that information

(Theo Wargo/Getty Images)

has been in the market since the IPO filing in May, the argument goes, with plenty of time for discussions with potential investors. "Had the balance sheet been the issue," one insider said, "the listing would have been pulled much sooner, not 24 hours before."

Whatever the real reason for the postponement, the question now is: where will Endeavor get the $400m it had wanted to pay down debt and continue expansion? The two most logical options are raising more funds from private capital or selling non-core assets. Insiders say it is too soon to tell if either of these options will be explored.

Analysts remain relatively sanguine about the next 12 months. One investment adviser said anyone who thought the postponement represented an existential threat to the business did not understand the nature of its main financial backer, technology investment vehicle Silver Lake, which has $43bn of assets under management.

"Silver Lake is so powerful and the funds they have access to are so huge, they really won't care too much about not raising $400m," he said. "And don't be under any illusion: it's Silver Lake running the show."

Even with the best Hollywood scriptwriters at their disposal, it will be difficult for Emanuel and Whitesell to conjure a narrative which turns this situation into a triumph for the company. Best-case scenario is that everyone – both inside and outside the company – buys the line that nothing has really changed.

This take on events was summed up by one source close to Endeavor: "Going public was not going to be transformative. It wasn't going to change the day-to-day. Not for IMG. Not for WME. Not at UFC. And holding off on this is not going to be transformative either. If the market has been spooked by these other IPOs, why go right now? There is nothing that was entirely reliant on this happening."

Agency futures

Coming on the back of Wanda's disappointing IPO, the refusal to expose Endeavor to the harsh glare of the markets has inevitably led people in the sports media and marketing sectors to look for connections between the two situations.

For some, those connections are to be found in the fundamentals of the media-rights market. "Agencies built on pay-TV growth are not safe businesses and their economics tell the tale," says one senior digital media executive. Another argues that agencies have been knowingly overspending on premium rights for several years and have not been able to refinance those investments from a broadcast sector which is facing huge challenges. A common refrain is that traditional intermediaries in a content sector pivoting increasingly to direct-to-consumer offerings face a challenge to survive long term.

One media-rights consultant says the two situations could have a domino effect on investment in sport: "Taken together, the Wanda and Endeavor IPOs cast a shadow on the business of sport, media and entertainment. There are private equity groups circling the sports media industry and they'll be thinking this does not herald a positive outlook for our sector. Private equity looks at sectors that are buoyant, not those that appear to be trading south."

The counter view is that traditional sports marketing activities only make up one vertical of what are big, diversified businesses, where the risk is spread widely across multiple activities.

"The rights-trading element is too small a part of the overall business for investors to be influenced by that alone. They look at the total numbers, not one vertical. And with IMG, the underlying business is solid. Some wonky projections on Serie A and the FA Cup won't blow them off course. The broadcasting industry is in flux, but the real difficulties will be felt by lower-tier rights-holders."

Other industry executives point out that Infront's current assertiveness in the market undermines the idea that a difficult short-term trading position is potentially damaging to a sports marketing company.

As one well-placed insider put it: "Infront doesn't see this as a failure at all. Inside the company there is great excitement about having gone public. [Infront chief executive Philippe] Blatter sees this as a real milestone. He's totally convinced that the fundamentals are right and, long term, the decision to go public will be vindicated."

For Endeavor, the gamble is that the decision not to go public – now – will also be vindicated long term.

Patrick Whitesell, Emanuel's co-chief executive at Endeavor (*Ilya S. Savenok/Getty Images*)

The NBA's burnt bridges in China won't be easily mended

Despite NBA commissioner Adam Silver's best efforts, the wounds caused by Daryl Morey's pro-Hong Kong protest Tweets will have lasting repercussions on the future of basketball in China.

James Harden of the Houston Rockets. The Rockets were known as 'China's team' after Yao Ming's years at the franchise made it the most famous in the country, but Tweets by Rockets GM Daryl Morey have soured the relationship (*Takashi Aoyama/Getty Images*)

Chen Yaolin

A Tweet by Houston Rockets general manager Daryl Morey has plunged the NBA into its most complicated crisis, after what started as a mostly China-Houston issue became a full-blown China v NBA war when league commissioner Adam Silver said there would be no punishment or censure for Morey.

Morey's tweet – in support of protestors in Hong Kong – was swiftly deleted and the sentiment was rebuffed by the Rockets and the NBA, but nonetheless kicked off a week of national outrage in China.

An array of NBA China's Chinese-owned official partners halted business with the league, including: smartphone maker Vivo; China's biggest travel website CTrip; dairy products company Mengniu; fast food chain Dicos; skincare brand Wzun; home appliance group Changhong Electric; sportswear giant Anta; China Mobile subsidiary Migu; food and beverage brand Master Kong; car rental company eHi Car Services; home appliance manufacturer Meiling; and financial firm Xiaoying Technology. An industry observer tells *SportBusiness Review* that the lowest value of the NBA China's Official Partner category is more than $6m (€5.4m), and a conservative estimate of the value of these suspended sponsorships involves over $500m annually.

The *New York Times* reported that the Rockets could lose about $25m in sponsorship for the 2020-21 season, and Yahoo Sports reported that at least five unnamed teams are concerned that the NBA's $116m salary cap for the season could drop by as much as 10 to 15 per cent.

In the short-term, while the NBA Global Games went on as scheduled last week, with the Brooklyn Nets and the Los Angeles Lakers playing in Shanghai and Shenzhen, sponsorship booths and press conferences were cancelled. The broadcasts were removed from state-run television, Chinese sponsors were scrubbed from the event, and marketing collateral nation-wide removed.

But what of the long-term effects?

For starters, the NBA has several lucrative real estate projects that will be greatly affected.

Chinese state media Xinhua reported in April last year that NBA China had partnered with Chinese real estate investment company, the Hongkun Group, to launch a themed "lifestyle" complex in Tianjin, with similar properties planned in Wuhan, Chengdu, Changsha and other Chinese cities.

These 12,000-square-metre 'NBA Centres' are meant to immerse fans in an interactive world of all things NBA, featuring recreational basketball courts, retail stores selling NBA merchandise, and children's game centres.

In addition, the relationship between the NBA and the Chinese government is likely to take a backward step, despite Silver's best efforts after jetting to Shanghai to try and ease tensions. A well-placed observer familiar with both the Chinese landscape and NBA dealings tells *SportBusiness Review*:

"Previously, when NBA commissioners came to China, they would be received by senior government officials from the central government. That level of access is certainly not going to continue."

While Tencent, the NBA's exclusive digital partner in China, resumed broadcasting games from the league last week, tensions are still high at the Chinese conglomerate, according to an employee at their sports division, who says: "Tencent Sport's NBA content team has a headcount of around 150 people, and if the partnership with the NBA does end, the worst-case scenario will be huge layoffs."

There were signs late last week that the Chinese government has moved to tone down the level of fervor in Chinese media. Hu Xi, the editor of *Global Times*, said: "This issue with the NBA will subside gradually, and the media should stop fanning the flames further." The Chinese foreign ministry has also issued statements saying that "mutual respect is the foundation for all future economic and political exchange and cooperation", a softening of the intially strident pushback to Morey's tweet.

Still, employees at NBA China tell *SportBusiness Review* that Moray's comments had posed the 200-strong team a genuine dilemma, and some have considered resigning. One employee said: "We feel sandwiched between our jobs and our duty as Chinese citizens."

A sponsor of NBA China also told local media: "The NBA has always had a good reputation in China, and were very aggressive in negotiations, and required us to make payments for our sponsorships upfront. We have learnt our lesson, given we didn't anticipate such a change in political climate."

Zhang Qing, the chief executive of Chinese sports consulting firm Key Solution, adds: "This really is a lose-lose situation. In the long run, the commercial value of the NBA in China is going to take a great hit, as well as affect the value of any NBA stars coming to China to build interest in the league. For NBA China sponsors and partners, this has really been a huge waste of their sponsorship dollars."

For those sponsors, this whole fiasco may trigger a shift in their strategy toward China's domestic league, and several of them will be looking enviously at Chinese sportswear company Li-Ning, whose share price has more than tripled this year so far, and has gained a further nudge after the NBA's fallout with China.

> ***"For NBA China sponsors and partners, this has really been a huge waste of their sponsorship dollars."***
>
> **Zhang Qing** | chief executive, Key Solution

The company, which trades on the Hong Kong Stock Exchange, saw its shares jump by about four per cent last week, with traders bullish on the brand in anticipation of heightened interest in the Chinese Basketball Association and a rise in patriotic buying.

Expectations are that more Chinese fans will switch to watching the domestic league, which will bolster sales at home-grown sports gear makers. Other Chinese basketball-linked companies that recorded stock price spikes includes Dongguan Winnerway, whose parent company Guangdong Winnerway Holding owns CBA title-winner Guangdong Southern Tigers, and Shenzhen-listed tyre maker Qingdao Doublestar, the sponsor of CBA team Qingdao Eagles.

Silver himself admitted during his visit to Shanghai that CBA chief and ex-Houston Rockets star Yao Ming is "extremely upset", "extremely unsettled" and "extremely hot", and said: "I am hoping that together, Yao Ming and I can find an accommodation. But he is extremely hot at the moment, and I understand it."

Yao has wasted no time moving on from the NBA China crisis, with the CBA holding a press conference recently to confirm that the CBA 2019-2020 season will officially kick off on November 1, and that the new season's CBA All-Star Game will be held in Guangzhou from January 10-12 next year. It will certainly be a key marker to find out if Chinese fans and sponsors have moved on from the NBA just as quickly.

A Chinese sponsor's logo is scrubbed from a cameraman's vest during one of the 2019 NBA Global Games China between the Brooklyn Nets and the Los Angeles Lakers (*Zhong Zhi/Getty Images*)

Can data be classed as IP? Sportradar and Genius want to find out

Genius Sports and FDC have taken a hard line against unofficial data scouts

Sportradar accuses Football DataCo and Genius Sports of anti-competitive practices

US major leagues likely to be influenced by attempts to police exclusivity

Ben Cronin

Hull City supporter Daniel Mawer found himself caught in the middle of a hotly-contested commercial dispute while watching an English Football League match in early August. The Tigers fan was innocently texting his girlfriend when he was asked to put down his phone or face being evicted from the team's KCOM stadium.

The EFL later revealed that a monitor, acting on behalf of Football DataCo (FDC), the data rights-holder for the English Premier League, EFL and Scottish Football League, had mistakenly thought Mawer was collecting data as an unauthorised scout. As such, he could be descibed as collateral damage in FDC's attempts to protect the exclusivity of the data rights deal it signed with Genius Sports in May this year.

FDC and Genius's zero-tolerance approach has proved to be divisive in the data services sector. Depending on who you talk to, it is either a fair and justifiable attempt by a rights-holder to claw back a reasonable share of the large sums wagered on football, or it is heavy-handed and anti-competitive.

Data services company Sportradar strongly leans toward the latter and has issued a letter before action claiming the way the partnership is structured contravenes EU competition law.

The story starts with the five-year deal signed by Genius Sports in May this year to become FDC's official supplier of live data to the global betting sector from 2019-2024.

The deal, thought to be worth around £100m (€116m/$129m) in total, gave Betgenius, the sports betting division of the company, the rights to capture official live game data in stadiums at the 4,000 fixtures per season across the three leagues and distribute it to hundreds of licensed sportsbook operators globally.

Significantly, it also placed the authority to sub-license the rights to other suppliers in Genius's hands.

Anti-competitive?

Sportradar argues that this set-up has put Genius in a super-dominant position which it is abusing to foreclose the market to its competitors. It accuses Genius of not making supplier sub-licenses available on 'fair market terms', thereby contravening EU Competition law.

Speaking at the recent Betting on Sport conference in London, David Lampitt, Sportradar's managing director, sports partnerships, claimed that the company applied for a sub-licence during the tender process and has done so again subsequently. He says the decision to place the licensing rights in Genius's hands went against the spirit of the original tender in which the rights were initially made available on a non-exclusive basis.

"Our position is very clearly that there should be proper competition in that market," he said. "And, in fact, the licence structure should enable that, rather than the licence structure really foreclosing [the market]."

Controlled distribution

For Genius and the leagues represented by FDC, this exclusive approach is all about controlling the way the official data is distributed. Live data is the lifeblood of the in-play betting industry, as it allows bookmakers to accurately price their markets and settle bets rapidly and accurately. Until now, they say some suppliers have flouted official data rights by sending 'unofficial' scouts into matches where they gather data that they can sell at a reduced price to bookmakers. This, they argue, undermines the value of the official rights and short-changes football. In their view, the comparatively high premium Genius paid for exclusivity justifies the hard line FDC has been taking in policing stadiums. The monitor who identified Mawer was acting on a policy to evict these scouts on the basis that this sort of activity contravenes the ticketing terms and conditions across the three leagues.

Speaking exclusively to *SportBusiness Review*, Bill Bush, director of policy at the Premier League says: "The Premier League is a successful competition that depends on audio-visual rights for the


Daniel Mawer
@skintnortherner

Today, at half time I was told by an 'under cover security guard' that if I continued to text about the football match at the KCOM stadium I'd be ejected from the ground.

A confused thread...#hcafc #readingfc

2,694 6:12 PM - Aug 10, 2019

1,189 people are talking about this

"This shadowy world of data piracy drains money away from the sport and threatens the integrity of the game."

Bill Bush | director of policy, Premier League

investment that keeps standards high and fans happy. We will always protect our rights to defend ourselves from piracy in any form, whether in broadcast or data rights.

"Accordingly, we support measures taken by any of our clubs to safeguard their intellectual property and prevent sophisticated networks of unauthorised data collectors from operating in stadiums to steal data in breach of ticketing and ground conditions. This data is highly variable in quality, open to manipulation and unfair to punters and fans. This shadowy world of data piracy drains money away from the sport and threatens the integrity of the game."

Sources close to FDC and Genius say a sub-licence is available to Sportradar, provided it matches their efforts to stop unofficial scouting at matches. *SportBusiness Review* understands Genius's sub-licensing terms include a requirement that data suppliers ensure that all of their bookmaker clients in the downstream market also have an over-licence to use the official Genius data. The over-licence ensures the bookmaker doesn't use data from suppliers outside of Genius or its sub-licensees. This, combined with the strict policing of stadiums, and the fact only 30 per cent of FDC's matches are televised, effectively means FDC and Genius have severely inhibited the market's ability to access data from other sources.

Genius is also understood to be moving towards a model in which it asks for a share of bookmaker revenues rather than charging a flat fee. One well-placed source said the supplier was thought to be asking for between 7.5 and 15 per cent of gross gaming revenues (GGR) – a substantial increase on the sort of fees bookmakers are accustomed to. For comparison, one bookmaker indicated Sportradar was charging betting firms between 1.5 and 2 per cent of GGR for the NFL's official data and bookmakers are not required to buy an additional over-licence to use the US league's content.

Bookmaker complaints

Inevitably, these demands have proved unpopular with betting firms. Speaking on the same panel where Lampitt outlined Sportradar's position, Jamie Mckittrick, group head of commercial at betting and gaming company GVC Group, said: "Ultimately, operators are just getting squeezed and squeezed and squeezed, and at some point, we're going to have to push back and stop paying for things that are too expensive, otherwise it isn't viable."

The counter argument runs that any complaint is sour grapes on the part of bookmakers who have become accustomed to acquiring data from 'unofficial' sources on the cheap. Genius and FDC admit that their prices are higher than the industry averages, but they argue that they are trying to bring

a maturity to a market that has hitherto resisted attempts by rights-holders to extract a fair share of betting revenues.

Sources close to FDC say the rights were structured on a similar exclusive basis in the last cycle, when Running Ball, part of the Stats Perform Group, won the data supplier contract. Genius is understood to have sub-licensed the rights from Perform at that stage, but Sportradar didn't agree a deal. The only difference in the way the deal was structured was that FDC determined which betting operators should be granted over-licences. Sportradar complained to the Competition and Markets Authority but the UK regulator didn't take the case any further.

Define 'official'

Essentially, the dispute boils down to different interpretations of what people in the industry mean when they talk about 'official data'. This is more difficult than it first appears because there are so many different models employed by rights-holders in different jurisdictions. At the conference, Lampitt said it was possible to have exclusive data partnerships that were compatible with fair competition but he appeared to suggest non-exclusive models were preferable. He referenced the non-exclusive approach employed by the NBA in its domestic market, whereby the league controls sub-licences and chooses to allocate the rights to multiple suppliers and bookmakers. Sportradar has also held up the Bundesliga approach where there is an official data provider and multiple accredited providers below who are granted lesser rights such as the ability to collect data from a fast video feed.

In a competitive market, Lampitt says all major suppliers of data, including Genius, gather a 'mix' of official and unofficial data, whether from inside stadiums, or from video feeds, because no single company has official status with all sports properties. Bookmakers then have a choice between a premium official product, if one is available, or an open-source/unofficial product. He argues this choice encourages competition on price, drives innovation and can also uphold integrity concerns.

According to these definitions, the exclusive contract Sportradar recently signed to supply the NFL's official data – and for which supplier sub-licences are unavailable – is not anti-competitive because all of the matches are streamed or shown on TV, meaning an alternative data source is available. To boot, Sportradar says it would not object to Genius, or others gathering unofficial data from TV coverage of the league.

But the company says FDC's football contract with Genius forecloses competition because only 30 per cent of the matches across the deal are shown on TV and Genius and FDC are blocking other suppliers from gathering data in stadiums.

"There should be competition, there should be choice, and the operators in the downstream market should have that choice of supply," said Lampitt at the Betting on Sport conference.

Contradiction?

However, one expert said Sportradar's official deal with the International Tennis Federation (ITF) is completely at odds with this pro-choice position. The deal gives Sportradar exclusive data rights – including the opportunity to sub-license supplier rights – to 60,000-plus ITF events a year. The source argued that the contract was 'anti-competitive' because only around 10-15 per cent of the matches are televised and there is no alternative way to access the data.

When presented with this argument, Sportradar said this does not constitute monopolistic behaviour because it has sub-licensed the rights on 'fair commercial terms' to other suppliers in the market.

Data 'piracy'

For Genius and FDC, the whole point about 'official' data is that it should be licensed and treated to exactly the same IP protections as media rights. In their view, an 'unofficial' data scout is no different to someone pirating match footage on a mobile phone. In a telling exchange at the conference, Sportradar's Lampitt and Adrian Ford, general manager, Football DataCo, disagreed about whether data could be classed as intellectual property (IP).

"There is IP in data, which we all know, in Europe at least, if not in the United States," said Ford.

But Lampitt challenged him on his comments: "There isn't IP in data. There is IP in a database, if you organise yourself into a database, but the data does not carry IP," he said.

The exchange gave an indication of how FDC and Genius might seek to defend themselves if the argument with Sportradar goes to court. In 2013, the England and Wales Court of Appeal ruled that Sportradar's unauthorised use of FDC data to operate Sports Live Data, an online football statistics portal, amounted to 're-utilisation' under the EU Database Directive.

In a blog on the subject in 2018, Ruth Hoy, a partner with global law firm DLA Piper who has previously represented the Premier League, wrote: "The truth is that there is no property right in information itself. Nobody owns the fact that a goal has been scored, or foul has occurred. That is pre-existing, factual data. But, in Europe, there is an ability, through the *sui generis* [unique] database right, for those who make a substantial investment in obtaining, verifying and presenting data, to obtain an intellectual property right in the resultant database into which the data is stored."

Hoy indicated that a database right will often belong to competition organisers who make a substantial investment in an 'official' data feed. This might include investment in a large team of data scouts or technical infrastructure in stadiums such as high-speed broadband to support fast extraction of data. There is no equivalent protection in the USA.

Sportradar doesn't dispute the existence of the database right under EU law – saying that its own business is in fact reliant on it. It claims its objection is to a system which allows only one party to create a database by foreclosing access to the data itself. In fact, it says that to ensure it doesn't risk infringing FDC's database, the only option is to collect its own data at source, which it is being prevented from doing. The company added that the presiding judge, Justice Floyd, warned against the risk of data monopolies in the the 2013 Appeal judgment, stating that "the Directive should not be construed in a way which gives a party a monopoly in facts."

Clearly the argument has the potential to rumble on. But whichever way it pans out, FDC's approach won't have gone unnoticed by other rights-holders – not least those trying to extract maximum commercial benefit from the emerging legalised betting market on the other side of the Atlantic. At one stage, the US major leagues lobbied for legislation that would mandate bookmakers to use official data. In their own way, that is exactly what FDC and Genius have done with their football betting rights. ○

(Phil Walter/Getty Images)

FIBA
We Are Basketball

FIBA Basketball World Cup smashes viewing and engagement records

(FIBA)

Spain's 95-75 victory over Argentina in the final of the Fiba Basketball World Cup 2019 brought the curtain down on an enthralling tournament in fitting style.

In lifting the famous Naismith Trophy for the second time, Spain went through the competition unbeaten, entrancing crowds everywhere they played and earning themselves a heroes' welcome on their return to Madrid.

Their triumph on an unforgettable night in Beijing capped a World Cup that will live long in the memory not only for the action on court but for its role in taking the competition to a new level and winning it record levels of exposure and engagement with audiences around the world.

Success in numbers

The figures speak for themselves. The cumulative TV audience reach for the tournament was over three billion while video views on social media hit 1.5 billion. For perspective, the television audience – delivered by over 70 broadcasters in 190 territories – represents an 80-per-cent increase on the last World Cup, in 2014, and the final alone had a global reach of 160 million.

In Spain, coverage of the final gained a 46-per-cent share with 10 million viewers tuning in and 6.2 million watching the entire game, making it the most watched basketball game in the nation's history.

In host nation China, the World Cup generated the two highest sports ratings of the year on national broadcaster CCTV, with a reach of 68 million China v Poland and 60 million China v South Korea.

In a nation with a sophisticated digital infrastructure, viewing on mobile and other devices is a key means of watching sport and 52 million live views were generated by Fiba partner Tencent's digital coverage of China v Venezuela, while 50 million followed the game against Poland digitally.

Social media engagement was just as impressive with the #FIBAWC and #WorldGotGame hashtags reaching 22 billion impressions and 535 million engagements. There was also significant growth on FIBA social media channels, with the Weibo Fiba and Fiba World Cup accounts combined experiencing over 200 percent growth to over 10 million fans.

The official Fiba Basketball World Cup 2019 mobile app, presented by Tissot, was downloaded over two million times, giving fans a personalised experience by enabling them to follow favourite players and teams. The app also delivered live statistics and video highlights of the most memorable moments. The app and the official website, available in 12 languages, had 156 million views worldwide.

Success based on winning strategy

Those figures fully support Fiba's decision to move the World Cup out of its previous quadrennial cycle and into a year when the sports calendar is uncluttered by either an Olympic Games or Fifa World Cup, traditionally events which absorb media and public attention.

And it can be no accident that rising engagement worldwide has followed the introduction of a new-style qualifying system designed to give national teams the opportunity to play and build a new relationship with their fans and media.

Now that the dust has settled on a tournament that saw Fiba moving a step closer to achieving its ambition of establishing the World Cup among global sports Crown Jewels, secretary general Andreas Zagklis has had an opportunity to reflect on what has been achieved and how it sets the scene for the next edition in 2023.

"It was undoubtedly a great experience in every aspect," he said. "With an expanded roster of 32 teams and games played in eight cities across China it was of a far greater magnitude and there was a new scale of difficulty to manage but the challenge was converted into a huge opportunity, upon which we are already working to capitalise.

"The figures for viewership and engagement speak for themselves and are multiples of anything which has been achieved in the past. It made a tremendous impact in 130 countries on five continents."

It's worth noting that the four semi-finalists, France and Australia as well as Spain and Argentina, represent three different continents, something which speaks not only to the truly global nature of the sport but to the standard of play across the world.

Bring your best team

The absence of the United States from the final stages – they were eliminated by France in the quarterfinals and finished in seventh place – also demonstrated the significant rise in playing standards in countries around the world. With more countries boasting world-class players than ever before, a nation needs to bring its best team and compete at its very best to have any chance of winning the World Cup.

"It was one of the most open tournaments ever and goes to show that when you give teams the opportunity and they prepare well then they can do it," said Zagklis.

"The quality of basketball is a reflection on the new qualification system, which meant that teams started out on the journey in 2017 and had the opportunity to build a cohesive roster. Teams like Poland and the Czech Republic, not known as basketball powerhouses in recent years, claimed their best results ever, and this would likely have not been possible for them if it wasn't for the establishment of a new competition system and the expansion to 32 teams. The World Cup proved that success is about building a team and that an accumulation of talent doesn't guarantee a result."

And he points to the example of France's inspirational point guard Andrew Albicy. He received the French Basketball Federation's Coq d'Or award in recognition of his attitude and

(FIBA)

dedication for playing in every qualifying game and hitting a vital shot to ensure his team won the Bronze medal.

Post China, Fiba will focus on building on what has been achieved in order to create even more sustained impact and engagement around the 2023 edition and its qualifying tournaments of six windows, which gets underway in 2021 over a 15-month period.

Trampoline bounce

"This World Cup was the result of a period of five years of significant investment and the remarkable exposure which it generated should act as a trampoline which we can use to take it to another level," said Zagklis. "We must build on what has been achieved so far."

The fact is that the positive results from Fiba World Cup didn't happen by accident. They were the result of a meticulously considered and implemented strategy developed after a root and branch review of the previous World Cup through the lens of what basketball needed to move toward its desired position as the world's top team sport.

And, said Zagklis, it would not have been achieved without the proactive input of strategic partners including Nike, DAZN and Wanda, each of which went above and beyond expectations to ensure the success of the competition.

"Their conscientious approach meant that their importance extended way beyond their financial contribution. In their different ways they worked so hard to make the World Cup a game-changer, whether that's through Nike's promotions and the high-profile Ambassador programme, the creation of Fiba Marketing with Infront enhancing our partnership programme or DAZN's work to ensure that coverage reached the widest possible audience through Fiba Media."

Zagklis is also hugely grateful to the event's Chinese hosts. "From the draw in Shenzhen which attracted a sell-out crowd to the spectacular Opening Ceremony, this was the best World Cup before it had even started," he said.

"Now we look ahead to a World Cup hosted in three countries and another chance to build on this success and grow the game further."

Looking ahead to 2023

Fiba continues its Asian adventure for the next edition of the World Cup, which will be hosted in Indonesia (Jakarta), Japan (Okinawa) and the Philippines (Manila) in September 2023.

Indonesia and Japan will host group phase games while the Philippines will host both group games and the final phase, which will be played at the 51,989-seat Philippine Arena, the world's largest indoor arena.

Basketball officials from the three countries officially took over hosting duties at a half-time ceremony during the Fiba Basketball World Cup 2019 final.

"The representatives of the 2023 hosts certainly learned a lot during their visit to China and left with many notes," remarked Zagklis.

"We are delighted that the World Cup will stay in Asia. In the Philippines in particular the sport is already hugely popular and hosting the World Cup will provide the opportunity to grow the game across the region and for the national teams from Asia to make the jump [in playing quality] that will make them even more competitive on the court. With a combined market of just under 500 million people in this region, the growth of basketball will only continue to rise."

Fiba secretary general Andreas Zagklis awards the winners medals to the Spanish team (*FIBA*)

SPONSORSHIP CASE STUDY

Global Airline Partner – Aeroflot & Fiba

Aeroflot was the Official Airline of the Fiba Basketball World Cup 2019.

Objectives

Aeroflot wanted to increase its brand awareness and grow its commercial footprint in China, host country of the Fiba Basketball World Cup 2019.

Activation

Fiba's rights included Presenting Partner of the Fiba Basketball World Cup trophy, which was presented by Aeroflot flight hostesses as it visited 27 countries in the 3 months leading up to the World Cup.

During the tournament itself, the airline received premium branding in the eight arenas across China, with brand visibility on the court and courtside LEDs.

On digital, Aeroflot worked with basketball legend and Fiba Basketball World Cup global ambassador Kobe Bryant to produce three videos for promotion via digital campaigns on key social media platforms, especially in China.

It also created the Aeroflot Best Flying Moment, a video clip featuring the most spectacular in-game action of the day with a 'flying player'. The clips were distributed across Fiba-owned social media channels during the competition.

Outcome

Posts featuring Aeroflot and the trophy tour ahead of the Fiba Basketball World Cup garnered 47 million impressions and two million engagements across social media channels between June and August 2019.

The Kobe video earned a massive 470 million views in just three weeks. During the tournament, the top-performing Best Flying Moment clips (by platform) hit 840,000 video views on Sina Weibo's Fiba Basketball World Cup official channel and 945,000 impressions on Facebook's.

Overall, posts featuring Aeroflot hit 243 million impressions and 26 million engagements across Fiba-owned social media during the competition.

Sinclair president Ripley: 'There's real commercial logic' behind buying more RSNs

Chris Ripley, the Maryland-based president and chief executive of Sinclair Broadcast Group, has rapidly become a major player in the US sports media landscape, and has aggressive goals for more growth.

Chris Ripley (left) at Advertising Week in New York, 26 September, 2019

Eric Fisher

Seemingly in a matter of months, Sinclair Broadcast Group has become one of the most important players in US sports broadcasting. The Baltimore, Maryland-based company, best known as one of the country's largest owners and operators of local broadcast TV stations and a part-owner of startup digital sports media network Stadium, early this year formed a partnership with Major League Baseball's Chicago Cubs to create the Marquee Sports Network. The new regional sports network, now the local TV home of one of the most popular teams in US sports, is set to debut early next year.

Sinclair then built upon that much-discussed deal by prevailing in a high-stakes auction for the 21 regional sports networks the Walt Disney Company was forced to sell following its acquisition of 21st Century Fox, giving the company sizable television presence across not only MLB, but the National Basketball Association and National Hockey League. Not content to rest there, Sinclair was also part of a group helping the New York Yankees reacquire a controlling stake in the YES Network, which in most years is the most-watched RSN anywhere in the US.

Chris Ripley, Sinclair's president and chief executive since early 2017, recently spoke with SportBusiness US Editor Eric Fisher on numerous topics, including the future rebranding of the Fox stations, Sinclair's future acquisition plans, and how the company's noted and sometimes controversial conservative news might interact with its sports operations.

What is the status of the integration of the Fox Sports regional sports networks into Sinclair?

It's going well. It's a relatively simple process. It is work, though, you have to put in the work, unplugging Fox corporate and plugging in Sinclair corporate. But it's something we've done time and time again on the station side.

What happens with the branding and renaming of these RSNs?

It's a great question. Rebranding the stations presents a great opportunity. No one watches these stations because they're called Fox Sports. They watch because their local teams are on those channels.

So a SWAT team is already formed [to look at this]. This is a separate initiative – what should we call these channels?

(Win McNamee/Getty Images)

It's really a unique situation. I've never seen a major media asset come in with no brand whatsoever. So you've got a fresh sheet of paper, which means we're thinking about things. And because there's already a base of consumption, whatever brand you come in with will immediately accrete value.

There's broadly two ways we think about this. One, you could just invent a new brand. But that only makes sense if you're also going to use that brand somewhere else, because there's no way to monetise the brand unless you're actually using it in other ways.

The other way we're thinking about it is whether we should have a sponsor involved in the brand in some way. You think about the exposure a sponsor could have being associated with the network on its name, and that's got tremendous value.

Quite honestly, I don't think any other media company would do that with its brand in place already. But since we don't have one, we're starting to think about things that are unique.

What kind of timetable does all this exist on?

There are a lot of dependencies that come with renaming the channels. You've got to do a whole [on-air] graphics refresh. And the graphics, quite frankly, are looking a little stale. You'd also want to coordinate with a digital footprint reboot. So there's a lot of things that would need to change.

We have an 18-month runway of using [the] Fox Sports [name]. If it was just about changing the name, I would say let's change it tomorrow. But if I had to guess, I would say it's going to be at the latter end of that 18-month timetable, given all of the other things involved and work that needs to be done.

"AT&T is rumored to be in the market [with their four RSNs]. So we would be interested in that."

What is the likelihood of Sinclair buying more RSNs?

AT&T is rumored to be in the market [with their four RSNs]. So we would be interested in that. And you've got all of these singletons in the market, like MSG here [in New York], NESN, MASN, and so on.

And you look at how in many cases they're underperforming relative to the market. They're often not getting carriage on the virtual MVPDs, which is the growth area of the market. Their cost structures are higher because they don't have scale. And there's no synergy. So it's not a real good time to be a singleton. There's real safety in numbers.

Our platform has 55 per cent of all the US-based [pro] teams. And we're always going to have teams that matter. We're always going to have winners. You hear that winning really matters. Well, that's why we have 55 per cent of the teams. We're always going to have winners.

You're saying there will be some additional acquisition activity of some form by Sinclair?

Yes, I think there will be. There's real commercial logic for it. You need to come to a deal. People have to agree, and that can prevent some things from happening. But when there's commercial logic behind it, that tends to lead to activity.

How is YES going to work for Sinclair, with you being a minority partner there as opposed to a majority owner of your other RSNs?

We're not going to treat YES any different than the rest of the RSNs. With a lot of our other RSNs, we have other owners, like the teams themselves. So we're going to treat YES just like everyone else. They're a part of the family, and they'll see the benefits of our best practices that we'll spread across the rest of the RSNs.

The ownership structure does make a difference in that [YES president] Jon Litner reports to the [YES] board instead of reporting up through our governance structure. But from a day-to-day perspective, it doesn't really make that much difference.

And we're excited to have partners like Amazon in the YES Network, where they're going to be broadcasting games over the top and they're going to be innovating the viewer experience. Based on what they do with YES, that could be a model for our other RSNs.

You've got the Cubs' Marquee Sports Network debuting next year. How do you avoid the mistakes the Dodgers' Spectrum SportsNet LA made at launch, and the continued distribution challenges they've had?

There's a couple of different ways. Number one, it's the reason the Cubs chose us to partner with us, to avoid that outcome. We now come with a huge portfolio of teams and a whole broadcast portfolio to make that [carriage] discussion easier with distributors.

"You hear that winning really matters. Well, that's why we have 55 per cent of the teams. We're always going to have winners."

But you had this Cubs deal in place before you had the Fox RSNs and those additional teams.

Yes, but we've had great relationships with distributors on the broadcast side. So there's that. Also, when you look at the fanbase in Chicago, it's stronger and more concentrated than what you see in LA. And the other thing that we won't do is that the Dodgers came out with really huge step-ups in pricing. And the distributors there just said no.

The Dodgers needed that because it was securitised to finance the purchase of the team. We don't have that situation here. We're coming into the market with a very reasonable pricing scheme, and coming with the most-watched [sports] team in that market.

During the pursuit of the Fox RSNs, you said there will not be crossover between your news operations, particularly at your local broadcast stations, and your sports operations, and that there would be a firewall between them. Is that still the plan?

Yes, and the sports operations have their own capital structure. It is a separate division that will pursue its own growth strategy.

And that relates to programming as well?

To the extent that we can share resources, and it makes sense for both entities, then we'll do that. We're certainly going to try to create efficiencies and synergies. But [the sports division] is going to be a sports-focused entity.

Vodafone and Bundesliga build bridge from stadium to living room with 5G first

Fans can view player data through AR app

App is part of sponsorship deal with Vodafone

Bundesliga hoping to license the technology

Guests test the new DFL and Vodafone App with the 5G connection standard during the Bundesliga match between Wolfsburg and Hoffenheim on September 23, 2019 (*Alexander Koerner/Bundesliga/Getty Images*)

Adam Nelson

Two months after announcing their collaboration to bring 5G mobile technology to venues across Germany, the Bundesliga and telecoms giant Vodafone launched what they claimed was a world-first in football, using 5G to deliver a real-time, in-stadium augmented reality experience to selected guests during a recent clash between Wolfsburg and Hoffenheim.

Enabled by a 5G antenna at Wolfsburg's Volkswagen Arena, the first to be enabled at football venue in the country, as well as some of the few commercially available 5G handsets, the Bundesliga and Vodafone offered an early demonstration of the next major leap in fan experience.

"At the DFL [the body which operates the Bundesliga], we always try to generate the best possible, most innovative media product for TV and the media partners we work with," says Andreas Heyden, chief executive of DFL Digital Sports, making reference to the league being the first to broadcast in ultra-HD 4k and 3D. "Now we are simply taking that approach towards the fan inside the stadium, asking ourselves, 'how can we use technology to extend the experience in the stadium?'"

The app is disarmingly simple, and effectively brings the kind of on-screen graphics used by major broadcasters to the live experience. Simply point a 5G-enabled device at the pitch and the app allows users to view the line-ups in the formations they are using on the pitch, tap on individual players to track in-game statistics, and view historic data. Thanks to the speed and low-latency of the 5G network, the movements of each player, the referee and the ball are updated 25 times each second and relayed to the user's device near-instantaneously.

The technology seen by *SportBusiness Review* is impressively responsive, genuinely working in real time to display match data, though at this early stage the numbers provided by the app are rudimentary – showing basic stats such as distance covered, current running speed and number of passes completed – without necessarily adding a crucial further level of understanding to the game.

But, as both Vodafone and the DFL make clear, this is an early testing stage and the next two years will see the technology handed over to "real users" to find out what the best-use cases are and what requirements the final product will need to meet.

"We will test and have discussions with the ultras, with the families in the hospitality suites, with different fan groups coming to the games," says Heyden. "We want to find out about their experience and what we need to do differently or more of."

Living room and stadium converge

The DFL isn't worried about the impact the technology might have on the live football experience; indeed, with 'second-screening' increasingly the norm for broadcast viewers, Heyden feels it may help to attract younger fans to stadiums, as well as offering new fans an easier way to learn about the game while enjoying the live experience.

"Firstly, it's an offer which you're not obliged to take," he notes. "If you just want to watch the game, you can watch the game. It's all about enhancement of the experience. If you feel that you're missing information, we're giving it to you. We are starting by aiming this at the younger, tech-oriented fan.

"But when I am at games, I'm sat in the family block with my two kids and they are asking me questions that I can't answer. I'm not that young anymore, but I am technically-oriented, so it can offer something to the people like me as well."

One of the biggest points of inspiration, particularly for the user interface and design of the app, has been video games. As traditional sports continue to work out how the rise of esports will impact their ability to attract younger fans, greater convergence between the two worlds is inevitable, says Heyden.

> *"There is no point fighting against this, we have to move towards where the young fans are and what they need to see from us."*
>
> **Andreas Heyden** | chief executive, DFL Digital Sports

"There is a whole generation coming up who learn everything they know about football from *FIFA* or from *Pro Evolution Soccer*, and they expect their experience of football to be closer to those games," he says.

"They know their data, and they are used to having that data in real time, and we want to satisfy that demand. There is no point fighting against this, we have to move towards where the young fans are and what they need to see from us."

Similarly, he suggests that the app can help to fill the natural downtime in games caused due to stoppages – particularly those caused by the recent implementation of the video-assistant referee, which can occasionally cause breaks of several minutes while a decision is reached, often without fans

Andreas Heyden, chief executive of DFL Digital Sports (left) and Vodafone Germany chief innovation officer Michael Reinartz at the launch (*Alexander Koerner/Bundesliga/Getty Images*) even knowing what is being checked. “There are always situations in a game where there are pauses, and in these kind of situations we want to give the fans the possibility to gain knowledge of the game and better experience and understand what is happening in this momentum,” says Heyden.

> *“We do not do innovation just for the sake of doing innovation. We want to have a thoroughly-designed business model behind doing it.”*
>
> **Andreas Heyden** | chief executive, DFL Digital Sports

Business platform as well as technology showcase

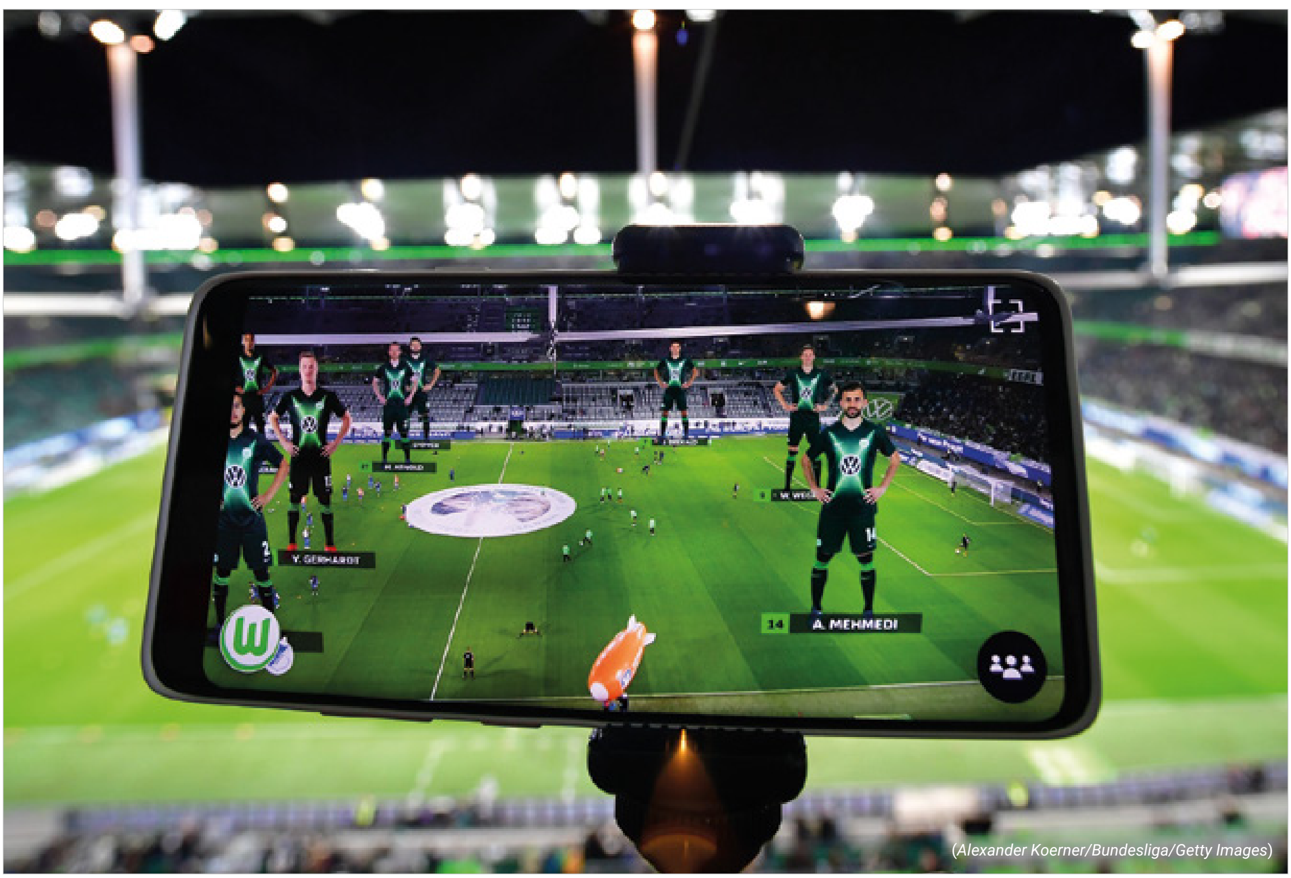
Michael Reinartz, chief innovation officer of Vodafone Germany, says his company approached the Bundesliga about a partnership after identifying football as a perfect mass audience showcase for its technology. Since launching its network in Germany, Vodafone has demonstrated “an airship by Airbus being tele-operated using 5G, a tele-operated train, and the first 5G-enabled factory”, says Reinartz. “But they are all enterprise cases. With the Bundesliga, we are showing the first consumer-centric case where really the end-consumer gets a notion of where this could lead and what kind of solutions will be made possible by 5G. The DFL is similarly-minded to Vodafone in showing firsts, and that’s why we found each other.”

For the Bundesliga, retaining a reputation for innovation is crucial, but so is the ability to “own the value chain”, as Heyden puts it, and licence the technology. Another “major partnership” centred on the development of the AR app is set to be announced in the coming weeks, while he also confirms that the technology that underpins the platform will be made available as an open SDK, allowing clubs, stadium operators and other DFL stakeholders to build on it and integrate into their own apps.

“Like all our innovations, we start with the user, try to satisfy the user,” says Heyden. “Then we try to find the business model afterwards. We are building a technology ecosystem upon which partners can build their products.”

Reinartz adds that at this stage, with 5G still in its infancy and few devices available commercially, the project is about developing awareness for what the technology can achieve. But over the long-term the partnership with the Bundesliga is expected to offer an effective marketing platform as well.

“It’s both about building our image and adding subscribers to our network,” he says. “Whenever we judge innovations, there is always what we call a ‘connect to cash’. We do not do innovation just for the sake of doing innovation. We want to have a thoroughly-designed business model behind doing it, so, yes, we use this partnership to show what our network can do, but also in the belief that people will then want to get onto our network and use the technology.”



(Alexander Koerner/Bundesliga/Getty Images)

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Ashley Ehlert, Legal Director at IIHF and FIFA Master alumna

The American Ashley Ehlert started working in sport while still studying at University of Central Florida. She supported the (American) football team, dealing with NCAA compliance issues related to recruitment. She remembers: "When I started working for the football team, I was not positive I wanted to work in sports, but after working with the players and seeing the positive impact being part of the team had on their lives (many came from extremely low social economic families), I decided that I would try for a career in sports".

After university, she went to law school, and during her third year, she was offered a clerkship, which continued into a position with Minor League Baseball (MiLB). "While finishing my third year and working for MiLB, I decided that I wanted to pursue a sport that would allow me to travel the world, and as such, began looking for LLM programs in sports in Europe and Australia. During my search I found the FIFA Program and decided that while the program was not strictly law, it would open up many doors through the exceptional lecturers and academic advisors", Ashley recalls. After the FIFA Master, she was offered an internship with the International Ice Hockey Federation (IIHF), in Zurich, which quickly turned into a full-time position.

"While at the IIHF I have really forged my own career", Ashley says. "After only nine months at the IIHF, my predecessor left, and I was offered his position. This forced me to learn as I went and allowed me to shape the IIHF Legal Department into what it is today" she concludes.

What is your job like, as Legal Director at IIHF?

My job is extremely varied as the IIHF Legal Department handles many issues that would not on their face seem strictly legal. For example, I handle all of our major commercial contracts, but also deal with all integrity issues from anti-doping and match fixing to ethical conduct on and off the ice. However, I would say the biggest part of my job is problem solving. Most of the issues that come up within an IF are sent to or at least run by the legal department.

What is the thing that you love about your job?

I love the variety of my job. In a bigger sports federation like FIFA, as a lawyer you work in one area - for example, commercial legal or player's status. However, in working for the IIHF, from day one, I was able to handle all legal matters. For example, one day I am dealing with a disciplinary or CAS case and the next day I am writing a commercial rights contract or setting up a player support program.

How important was the FIFA Master for your career?

I did the FIFA Masters to gain a better understanding of sports within Europe and the world. The sport model in Europe is very different than the sport model in the USA. I have no doubt that what I learned throughout the FIFA Masters is what has allowed me to succeed in my current role.

What are your fondest memories of the FIFA Master?

From a personal perspective, my fondest memories were the first couple of months in Leicester. During this time, lifetime friendships were formed. For example, my roommate in Leicester was the maid of honour in my wedding and is the god mother of my son. From an academic perspective, my fondest memories were the field visits as this was the time that theory learned in the classroom was connected to practice as seen on the actual job.

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

Yes, I think this is seen both on and off the court (or ice). Women are more actively participating in sports and more people are actively watching women's sport. For example, in ice hockey, USA and Canada have always dominated the sport. However, during the 2019 Women's World Championship, Finland made history taking the silver medal. Further, the women's ice hockey final is always one of the most watched Winter Olympics events internationally. We also see more women take on leadership roles within the sports world and being recognized for their talent and contribution to sport.

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Auckland plays to its strengths as New Zealand's global gateway

The world's most isolated major city has broken down geographical barriers to punch above its weight consistently in the sports events sector. Bradley Rial finds out how.

Bradley Rial

If you dug a hole in the middle of the pitch at Auckland's Eden Park stadium and just kept on digging downwards, apparently you would eventually emerge about an hour southeast of Seville in Spain.

Sydney, the closest city with more than a million inhabitants, is 2,155km away – a near-four-hour flight. But such isolation has not been an impediment to sporting success.

Rugby union's All Blacks, arguably the most feared jersey in the history of sport, have twice won a Rugby World Cup final at Eden Park and are unbeaten at the national stadium for more than a quarter of a century. New Zealand's national teams also excel on the world stage in cricket, hockey, netball, rugby league, sailing and other pursuits, establishing an image of a sporting powerhouse that belies the country's population of less than five million.

When such a sporting pedigree merges with a growing reputation as a tourist destination, New Zealand presents rights-holders with a unique and powerful proposition; and Auckland, as the country's entry point for international visitors, will not allow geographical obstacles to dilute its event ambitions as it continues to punch above its weight.

Unique proposition

New Zealand is blessed with spellbinding scenery. This was captured vividly in the early 2000s' *The Lord of the Rings* films, which provided a catalyst for the country's tourism industry, with the number of overseas visitor arrivals increasing from 1.5 million in 1999 to 3.88 million this year.

More than 150 locations across the country were featured in the films, portraying an otherworldliness that is a common feature of the landscape. For example, next year's World Surf League Challenger Series will land at Piha Pro, the global circuit's only black sand beach. The following year, the striking Hauraki Gulf will set the scene for New Zealand's defence of sailing's America's Cup.

Such unique visual backdrops appeal to tourists' sense of adventure, and Auckland Tourism, Events and Economic Development (ATEED), is keen to tap into that.

ATEED is responsible for attracting and facilitating major events on behalf of Auckland Council and works with local and national government agencies, as well as private-sector organisations when bidding for events.

New Zealand's Ministry of Business, Innovation and Enterprise will typically lead bids for national events, with ATEED focusing on regional aspects of the proposal. ATEED will often work alongside national government entities such as Sport New Zealand when a bid is led by national federations or event organisers.

In May 2018, ATEED launched its Destination AKL 2025 strategy, which is designed to guide the development of Auckland's visitor economy. With this, a new major events strategy spanning 2018 to 2025 was launched, replacing the previous strategy that had been due to run from 2011 to 2021.

"New Zealand's natural attributes play a role in our strategy as we tend to feature as a bucket-list destination for people. We have a very good reputation as a safe and welcoming place," says Steve Armitage, ATEED's general manager of destination.

"We've been very successful in attracting people here on the back of Tourism New Zealand's international marketing campaign. However, we haven't been particularly good at retaining visitors once they arrive. A lot of people bypass Auckland altogether, because we haven't been great at showcasing what the city has to offer.

"We are trying to be smarter about theming. With the America's Cup, we're looking at what other marine and business events we can put on at the same time to provide another hook for people to visit. We're also working closely with the Auckland Art Gallery and similar attractions so that the city can come to life in a much more coordinated way than before."

> *"New Zealand's natural attributes play a role in our strategy as we tend to feature as a bucket-list destination."*
>
> **Steve Armitage** | general manager, destination, ATEED

Mega-event

The America's Cup is an example of what Armitage describes as a "mega-event" for a city that readily admits showcases of the scale of the Olympic Games are out of reach.

"With the America's Cup, there is an opportunity to profile Auckland and New Zealand not only as a visitor destination, but also as a centre of marine technology," Armitage says. "A lot of our marine businesses have benefited from previous America's Cups and we see 2021 as a key opportunity to build on these legacies."

The aim is to deliver clear legacy benefits – and not just financial. For example, the America's Cup will provide an opportunity to tackle local water quality challenges. Last summer, 12 of the city's beaches were declared no-swim zones due to human and animal faecal contamination.

"We think by working with a wider group of agencies, the America's Cup gives us a good opportunity to focus on restoring our marine environment and promote the islands as tourist destinations," says Armitage, who adds that environmental impact has become an increasingly important factor in Auckland's event-hosting strategy in recent times.

TJ Perenara leads the All Blacks in the Haka at Auckland's Eden Park (*Cameron Spencer/Getty Images*)

Another opportunity for Auckland lies in a "clear focus" on women's sports, says Armitage, who adds that the agenda of equal rights and social issues set by New Zealand's prime minister, Jacinda Ardern, has "played well into our strategy."

This ideal tallies with the likes of the World Surf League, which is returning to New Zealand in 2020 following a five-year absence with a three-year deal to stage a Challenger Series event.

"The WSL is one of first sports properties to take a stand on pay equity and having a level playing field, so hosting them helps to celebrate our leadership position in terms of equality," says Armitage.

In 2021, Auckland will also play a central role during the women's version of the Rugby World Cup and the Women's Cricket World Cup, with both tournaments hosted by New Zealand.

Given the packed calendar, Armitage is aware of the significance 2021 could have on Auckland's long-term event-hosting strategy – especially as the organisation is currently contending with a squeeze on funding that has necessitated a "targeted" approach.

"We have concentrated on working with central government agencies to ensure we're playing to our strengths as a city," he adds.

"I think 2021 provides us with a key opportunity, not just for us to demonstrate to the world how well we host people and stage events, but it can also work as a demonstration to the city's leadership and citizens.

"If we can leverage the benefits from these events in the right way and show, beyond the short sugar hit, that there are lasting legacies that are positive for communities, that could potentially open up a conversation about funding going forward."

Track record

Auckland's track record includes 15 matches during the 2011 Rugby World Cup in New Zealand – a tournament that attracted 133,000 international visitors – and the 2017 World Masters Games, which pulled in more than 28,000 participants.

Jennah Wootten, who was chief executive of the World Masters Games, previously served as general manager of destination at ATEED. She currently works as general manager of partnerships and communication at Sport New Zealand and is an independent director of Cricket 2021 Limited, the company established to deliver the 2021 Women's Cricket World Cup.

She points out the different criteria used to assess the long-term impact of major events.

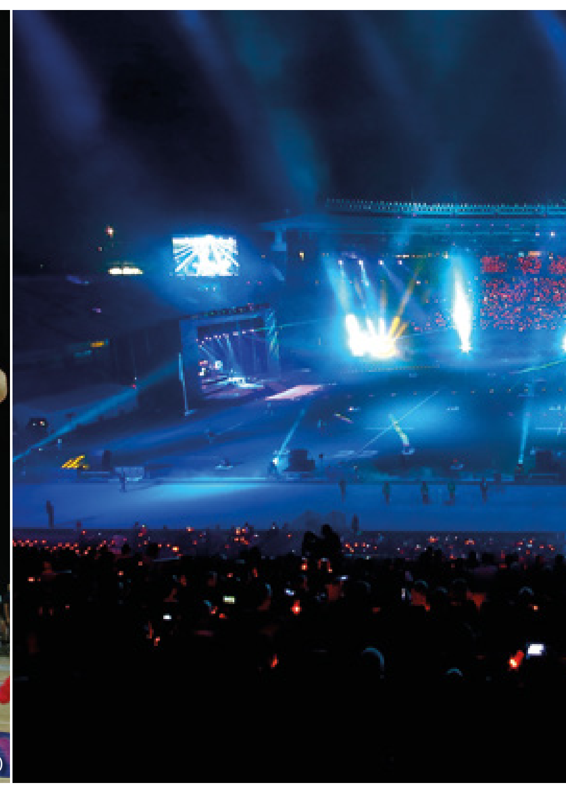
"If you look back at Auckland and Rugby World Cup 2011, that was an event that enabled significant redevelopment of our waterfront, transport and stadium infrastructure," Wootten says. "There were a number of large, visible and transformational projects of which we are still enjoying the benefits."

According to Wootten, the Rugby World Cup "set the standard" for Auckland's major event-hosting strategy, helping to facilitate the success of future events.

"In Auckland, it also led to the development of a major events strategy and a NZ$100m (€58m/$64m) commitment to major events over a 10-year period," she adds.

"With the 2017 World Masters Games, the legacy was quite different. There it was about doing whatever

(Phil Walter/Getty Images)



we could to give back to our national sporting organisations to support the continued growth of their individual Masters movement, as well as giving back to our local New Zealand Masters Games.

"When I was involved in the development of Auckland's first major events strategy, we had a clear focus on major sporting events that could generate economic benefit and/or visitor nights, increase international exposure and enhance the liveability of Auckland as a city."

Evolving vision

As times have changed, ATEED's event priorities have continued to evolve. Armitage says: "We are not just focused on driving visitation at all costs. We have to be able to demonstrate the benefits of an event to local communities and disperse events around the region so the financial benefits of hosting are not just accrued in the city centre."

Even beyond the city, reaching out beyond traditional geographical boundaries remains an essential part of Auckland's strategy – and Antipodean links have played a crucial role.

New Zealand and Australia have co-hosted numerous events, including the 2017 Rugby League World Cup, for which Auckland's 30,000-seat Mount Smart Stadium served as a host venue.

While Armitage stresses that ATEED's wish is for Oceania-based events to be exclusive to Auckland, he does not "fixate" on such a goal.

"With a series of events or concerts, Auckland can often be an add-on to the Australian programme," he says. "I think it's easier for some Australian cities to have a conversation with us about an event property rather than each other, as they won't be cannibalising their own market."

Auckland has held a sister-city relationship with Brisbane since 1988 and the two have organised a number of events that have been held in both locations. Armitage adds that he would be interested in exploring collaboration opportunities in Western Australia, with Perth, equipped with the new state-of-the-art Optus Stadium, being an obvious option.

International relations have also been strengthened by the New Zealand Warriors National Rugby League club and the New Zealand Breakers National Basketball League franchise, both of which are the sole overseas representatives in their respective Australian tournaments. Additionally, Auckland's Super Rugby team, the Blues, compete across the southern hemisphere.

The city is also home to the Northern Mystics and Northern Stars ANZ Premiership netball teams, as well as several sports venues, including the multi-purpose Spark Arena, ASB Tennis Centre, Eventfinda Stadium, Eden Park and Mt Smart Stadium.

New Zealand's national federations for cricket, hockey, football, netball and athletics are also based in Auckland, along with the New Zealand Olympic Committee and Paralympics New Zealand, making the city the *de facto* sporting capital of the country.

"The World Rally Championship is also coming back to Auckland in 2020 after an eight-year absence from New Zealand, and events like that and the World Surf League and others of that type keep us relevant on the world stage," says Armitage. "We're never going to host F1 or anything like that, but we can still show that we are an outstanding event destination."

(Phil Walter/Getty Images)

(Phil Walter/Getty Images)

DUBAI GLOBESOCCER AWARDS

11TH EDITION

29 DECEMBER 2019

Female stars to be recognised at the Globe Soccer Awards for the first time

Returning for its 11th year, in partnership with the Dubai Sports Council, the awards will include three categories for the sport's leading women.

For the first time, Globe Soccer has included three Awards categories in recognition of the world's best female football talent: Best Women's Player of the Year, Best Club of the Year and Best Referee of the Year.

On the men's side, Cristiano Ronaldo will be in the running for his sixth 'Best Men's Player of the Year' award, alongside Lionel Messi and a roster of internationally-recognised stars that will light the stage of the 11th edition of the annual Globe Soccer Awards. The 2019 Awards will take place at Dubai's Madinat Jumeirah on Sunday, December 29.

The candidates and eventual winners will be chosen by the Globe Soccer Jury, a panel of leading industry experts including Fabio Capello, Antonio Conte and Eric Abidal.

Some of the season's biggest stars are in contention this year, including Liverpool enforcer Virgil van Dijk and his manager Jurgen Klopp, and Manchester City's Bernardo Silva.

Added excitement is being brought to the proceedings as the outstanding skills and contribution of women players such as Alex Morgan and Megan Rapinoe – who co-captained the US national football team to victory in the FIFA Women's World Cup earlier this year – are deservedly acknowledged in their award nominations. We are certainly in for an exceptional gala ceremony this year, being held in association with the 14th edition of the Dubai International Sports Conference, organised by Dubai Sports Council.

Joining Morgan and Rapinoe in the Best Women's Player category is English football star Lucy Bronze, who led French club Olympique Lyonnais to victory in the Women's Champions League.

"The sport is going from strength to strength and with the popularity of FIFA Women's World Cup this year, watched by over 1.5 billion people across the globe and an impressive fan base, we wanted to recognise the immense talent that is evident across the board," said Tommaso Bendoni, chief executive of Globe Soccer.

"We'll be welcoming the biggest names in the sport to Dubai for another all-star event including international players, coaches and the people who work behind the scenes to make competitions possible.

"We also extend our thanks to Dubai Sports Council for their ongoing support in helping recognise the talents in soccer, both regionally and internationally."

Last season was a magical one for Liverpool FC and its supporters as the club became champions of Europe for the sixth time. This makes the club's nominees strong contenders in all the categories for which they have been nominated, including Best Club, Best Men's Player (Virgil van Dijk, Mohamed Salah, Alisson Becker and Sadio Mane) and Best Coach (Jürgen Klopp).

Given Portugal's amazing reputation for turning out world-class football talent, it is no surprise that serious competition will be provided across the categories by Cristiano Ronaldo – shortlisted once more for Best Men's Player, along with his countrymen Bernardo Silva – João Félix (Best Revelation Player) and Fernando Santos, who is up for Best Coach.

At its 11th edition, the Globe Soccer Awards is considered part of the 'Grand Slam' of football award ceremonies alongside the Ballon d'Or and The Best FIFA Football Awards.

The day before the awards, on Saturday, December 28, the associated Dubai Sports Council's 14th edition of Dubai International Sports Conference will host a wide range of speakers, from club owners to coaches, players and sponsors who will be discussing the future development of football.

See you in Dubai!


DUBAI
GLOBE SOCCER
AWARDS
11TH EDITION NOMINEES
29 DECEMBER 2019
SADIO MANE
CRISTIANO RONALDO
ALISSON BECKER
VIRGIL VAN DIJK
BERNARDO SILVA
LIONEL MESSI
MOHAMED SALAH
BEST MEN'S PLAYER OF THE YEAR
MARTA VIEIRA DA SILVA
ADA HEGERBERG
ALEX MORGAN
LUCY BRONZE
SARI VAN VEENENDAAL
MEGAN RAPINOE
AMANDINE HENRY
BEST WOMEN'S PLAYER OF THE YEAR
AJAX AMSTERDAM
LIVERPOOL FC
LYON FEMININ
BEST CLUB OF THE YEAR

DUBAI GLOBE SOCCER AWARDS

BEST PARTNERSHIP

BY

SportBusiness

And... announcing the new Best Partnership award, with SportBusiness

In 2019, for the first time, the Globe Soccer Awards programme will recognise best practice, creativity and outstanding results in partnerships between football clubs and their sponsors.

The award for the Best Partnership, by SportBusiness, will be presented to the club and brand whose partnership has, in the view of a panel of experts, stood out against three key criteria.

These are: length of partnership and its enduring appeal; examples of creativity in activation to engage with key audiences; results against stated objectives.

A panel consisting of specialist SportBusiness writers and analysts – as well as independent industry experts – will consider partnerships from Europe's major football leagues using a raft of source information including data drawn from SportBusiness Soccer, the recently launched sponsorship strategy tool built around the most comprehensive database of sponsorship deals, durations and values ever assembled.

In conjunction with the team at Globe Soccer, they will draw up an initial shortlist of six partnerships, each of which will be highlighted and assessed in detail in SportBusiness News 24 in the coming weeks.

The final three contenders will be selected from the shortlist and announced in early December ahead of the glittering Globe Soccer Awards in Dubai on December 29.

The award for Best Partnership, by SportBusiness, is designed to reflect the role of both parties in creating successful sponsorships and awards will be presented to both the winning clubs and brands who will be invited to Dubai for the presentation of the award and to receive the acclaim of the football world.

"The launch of the award for Best Partnership by SportBusiness is recognition of the importance of effective sponsorship to the economics of football and we are delighted to take this opportunity to celebrate some of the tremendous work being carried out by clubs and brands alike," said Roberto Dalmiglio, chief executive of SportBusiness.

"This year our team of researchers, analysts and technicians has conducted the most thorough study ever conducted into European football sponsorship in order to develop SportBusiness Soccer as the ultimate tool for clubs and those working in the business of football sponsorship.

"The data about the deals and insights into the activation programmes, gathered from our exhaustive research, will be used to inform the panel selecting the winner of the inaugural Best Partnership Award.

"There are many outstanding examples of deal-making, creativity and bets practice to be found in European football and you can be sure that the panel will have difficult decisions to make before selecting and announcing a winner but I expect this Award to become something which clubs and sponsors alike aspire to winning this year and for many years to come."

DAZN-Infront joint venture aims to run handball federation "like a business"

Joint-bid from Infront and DAZN secured 300-per-cent increase in EHF's media and marketing rights

DAZN brought on board to help modernise EHF's digital output in the agreement

Goal across agreement is to grow handball by running federation "like a business"

Adam Nelson

Last year, on the eve of the EHF Champions League FINAL4, the European Handball Federation announced it was entering into a 10-year media and marketing rights partnership with agency Infront and digital sports broadcaster DAZN.

The deal packages all of the rights for the EHF's club and national team competitions together for the first time, in the most lucrative agreement in the history of handball – one which guarantees the federation an average of €50m ($58m) per season between 2020 and 2030, a 300-per-cent increase in the value of its rights over the previous arrangements.

Internally, the EHF had long felt that its byzantine rights structure – with Infront handling global media and marketing rights for national team events, the now-defunct MP & Silva agency selling media rights for club competitions, and its own in-house commercial arm, EHF Marketing, filling in the gaps – was hampering growth. It also believed that the rights themselves were undervalued but, due to the irregular nature of its rights cycles and the sport's niche status in most markets, had been unable to secure the comprehensive deal it felt its combined rights would command.

David Szlezak, managing director of EHF Marketing, who was named a 2019 SportBusiness Trailblazer for his part in negotiating the deal, admits the role of fortune in enabling the agreement that secures the future of the sport for the next decade. "Back in 2016, we found ourselves in a situation where all the main contracts of the EHF were finalising in four years' time," Szlezak tells *SportBusiness Review*. "That gave us a once-in-a-lifetime opportunity to package the complete rights of European handball and to ask the market about the relevancy and strength of handball."

Running like a business

The EHF issued two tenders, allowing for separate bids for the media and marketing rights, with little expectation of receiving one bid for both packages. The feedback was immediate and positive, Szlezak remembers: "We saw that the decision was the right one because all of a sudden, the EHF was in a position to talk to players like Amazon, ESPN, Google. Before that we had no chance to talk to such media giants because they were asking: 'what's handball?'."

Seven bids were received from leading sports marketing agencies and media companies, but the joint venture between Infront and DAZN (then Perform Group) emerged as an early favourite, and was the only bid that was seriously considered.

Sascha Kojic, chief executive of SN1 Consulting, which works with the EHF, recalls that the bid from DAZN and Infront was "a 180-page book, with full analysis on the media markets, on the value of the rights and how they'd been undersold, on the potential from the marketing side and how they intended to elevate the sport. It was comprehensive and clear that these guys were serious about promoting handball." The bid, says Kojic, was "a total game-changer for the EHF."

The two parties came together after DAZN identified handball as a key strategic sport for its growing portfolio of rights but, having never worked in the sport before, turned to Infront – an EHF partner since 1994 that was separately preparing a bid to expand its marketing rights agreement – and suggested the joint proposal.

"The opportunity to partner with Infront, who have such experience in handball and with the EHF over the last 25 years, was one where we felt could come up with a proposition that was much stronger than if we'd independently bid for the media and marketing rights," says James Chubb, vice president of global rights partnerships at DAZN.

Julien Ternisien, Infront's vice-president of summer sports, agrees that the partnership allowed the two to present a much more robust bid than either would have been able to independently, but adds that while each party brings its own strengths, the venture will be run like a single entity: "It's not like we are selling marketing rights, DAZN is selling media rights, EHF is running the sporting side. Any and all decisions are taken by the joint venture – we don't even really call it a 'joint venture' because it's one fully dedicated team working on the project."

That, says Szlezak, was "one of the main points of the bid – that Infront and DAZN will build up a 100-per-cent dedicated handball team". Both are committing full-time members of staff to the joint venture, which will be based in the EHF's offices in Vienna.

"We don't even really call it a 'joint venture' because it's one fully dedicated team working on the project."

Julien Ternisien | vice-president, summer sports, Infront

EHF Marketing managing director David Szlezak

At the time the agreement was signed, EHF president Michael Wiederer declared that the deal would ultimately see the body "run more like a business than a sports federation would usually work." Part of the thinking behind the EHF's initial desire to package its rights together was an acknowledgement that "we were not able to run the whole European handball machine", says Szlezak, "particularly when it comes to the specifics of the market. We recognise that we don't know everything about handball. Most of it, but not everything. We needed to accept that we can achieve more by working with people who know their markets."

Being able to retain control over its rights was another key part of the agreement, he adds. "Yes, we need revenues; yes, we need to earn money. Otherwise we cannot grow the sport. But we do not want to lose access to our competitions and to our sport, which is something the big agencies are aiming for – they want to control everything because they have pressure to refinance their investment. When Michael says we will run this like a business, it means that three parties are aligning our strategies rather than it being, 'they are selling and we are playing'."

Above the guaranteed €50m ($55m) annual average the EHF is due from DAZN and Infront there is revenue-sharing agreement, though Szlezak declines to make the details of this public. "We can say that it will increase motivation, because all four parties have a common interest in driving revenues."

All about digital

The EHF has made digital growth a cornerstone of its strategy going forward and Ternisien says that after reviewing the tender "it made perfect sense for Infront to team up with a company like DAZN to strengthen our digital component".

"It's all about digital," adds Szlezak. "Digital content, digital storytelling, big data, identifying all the possibilities of the digital market. We knew that when it comes to digital, we cannot survive on

Julien Ternisien, vice-president, summer sports at Infront

our own. We wanted to bring in external experts to work internally for European handball because our digital offering needs a lot of work."

That work will entail a full revamp of the EHF's digital strategy at all levels, what Szlezak calls its "digital business card". A badly needed new website is in the offing; so too is a redress of how the EHF uses its digital channels to engage existing fans, and how it utilises digital distribution to attract new fans in territories where handball is still establishing itself.

"We've seen in our research over the last 12 months that handball needs an injection of youth in terms of its audience," says Chubb. "We are very heavily looking at the digital landscape, as we would as DAZN, and looking at the marketing strategy and the content strategy behind the promotion of the sport. So we obviously have the traditional marketing and media sales operations ongoing. But really, each of those will be kind of impacted by our digital strategy to ensure that we are reaching new audiences. Handball is a hugely successful sport in Europe, particularly in a few countries; our aim is to widen that scope, not only in Europe, but globally as well."

"We've seen in our research over the last 12 months that handball needs an injection of youth in terms of its audience."

James Chubb | vice-president, global rights partnerships, DAZN

While attracting a younger fanbase will be a significant challenge over the next decade, DAZN and Infront's belief that handball can engage those audiences was a major part of the reason the joint venture came together in the first place. Ternisien believes the sport is uniquely placed to benefit from a set up like this.

"I think a project like this is beneficial for handball because it's a sport which is growing extremely fast and which has massive potential," he says. "There are other sports we wouldn't do something like this for, where they have already reached the maximum benefit they can get from the market and the margins are small." Handball, he explains, has a few core markets in which it is extremely strong – Ternisien namechecks France, Germany and Scandinavia as the territories where the sport is popular and rights fees are high – and many others where its footprint is growing.

With a few months remaining until the partnership officially kicks in from June 2020, he already has evidence to back him up. The joint-venture has signed media-rights deals in three key territories over the past 12 months, including Germany and the Nordics.

The latest, an agreement in eight Balkan countries with Serbia-based broadcaster Arena, brings all EHF competitions under a single umbrella in the region, with Arena taking digital and linear rights and, with the broadcaster paying €7m over four years, is also the greatest indication so far of the joint-venture's ability to squeeze maximum value out of the EHF's assets. The figure represents a 75-per-cent increase on the previous valuation, according to *SportBusiness Media* estimations.

In addition to the rise in rights fees, a source close to the deal told *SportBusiness Review* that the production obligations for broadcasters under the new regime have increased significantly, with the EHF's partners now expected to cover the full production costs for Champions League and European Handball League home games – another major boost to the EHF.

Duration offers stability

Szlezak emphasises the two key qualities of stability and predictability that the deal gives the EHF. Given the previous undervaluing of the rights, he is confident that the EHF would have had the potential to recoup a similar amount, if not more, over the coming decade had it continued to issue a fresh tender every three years. But it would have missed an important opportunity to "take risks" and to "change things dramatically".

"It would have been easy to go for three years, and another three years, and another three years," says Szlezak. "But we recognise that we need to change things significantly, and this will mean a lot of effort on our side. We need to more or less reinvent ourselves, and we can't do that if we are going back to the market every three years and struggling to find stability. If you know that you need to build up a project for 10 years rather than three years, then you are more motivated

James Chubb, DAZN's vice-president, global rights partnerships

to invest at the beginning. And obviously there is investment needed, not only in terms of finances, but also in terms of mentality, in terms of motivation, in terms of staff."

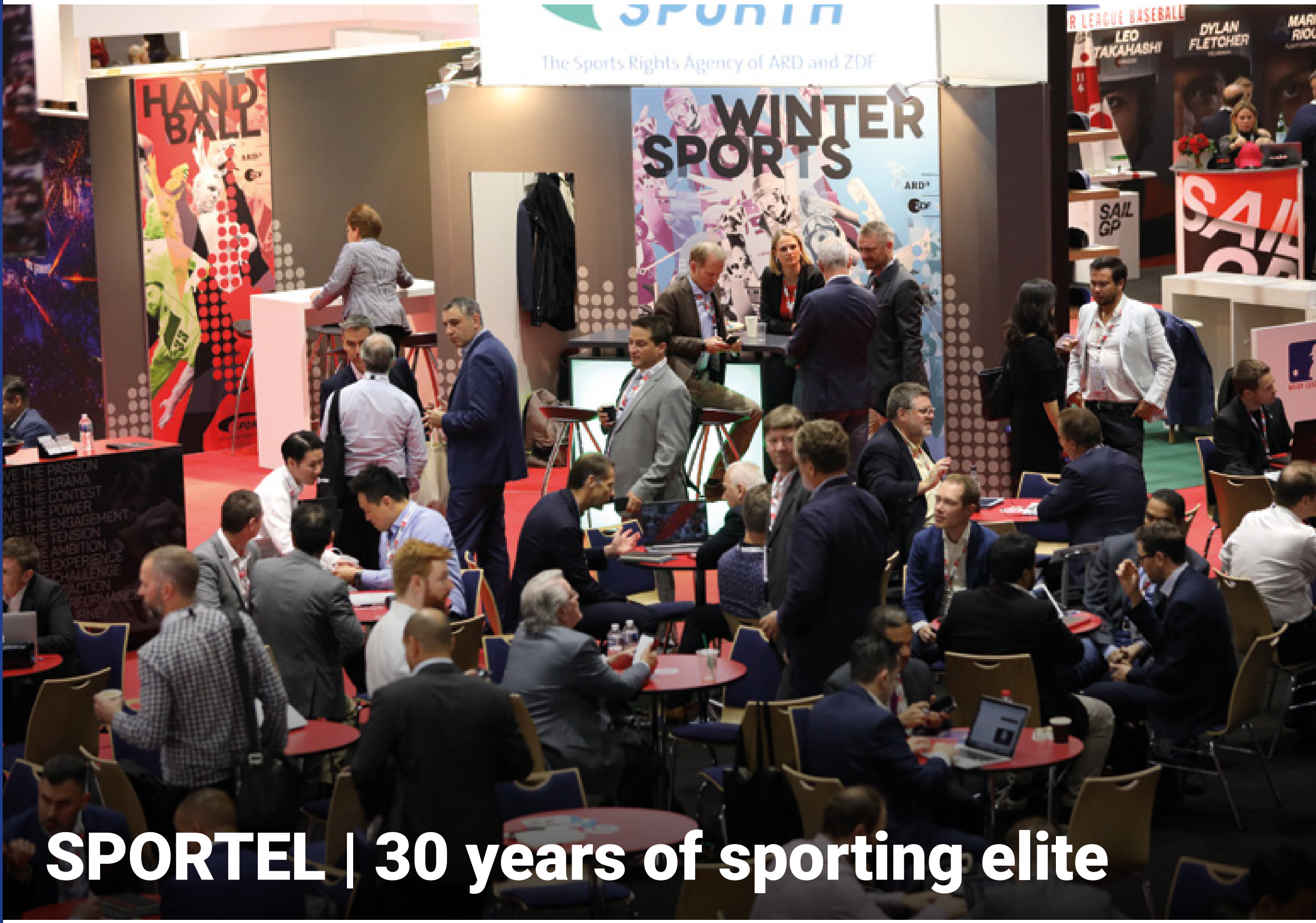
Chubb says that from DAZN's perspective, being able to plan media-rights sales over a decade "means we don't have three years where we are restricted by ensuring there is an immediate impact in commercial terms. We obviously have targets to hit and objectives to meet, but it allows us to be a bit more strategic about looking further ahead towards where we want to get to, not where we have to be in a couple of years."

Kojic also suggests that the longer duration gives the joint venture the opportunity to take more risks with the digital strategy and to test the waters with the "likes of Amazon and Facebook", who have shown some interest already, to try and get EHF competitions in front of a wider audience.

"What we were looking for with the long term of the deal was a partner who was ready to invest aggressively, and also to take a risk," says Kojic. "By having the long-term stability, the EHF is enabled to work on the brand, on the competitions, and not think every 18 months about entering renegotiations over its rights. Instead of seeking maximum value in the short-term, we can look for agreements that help to build handball over the future."

The 10-year agreement has still not officially commenced, but Szlezak is already looking beyond its end, so excited is he about the potential for handball's growth over the next decade. "What we can achieve in these years is to really put handball on the global sporting radar," he says. "Infront and DAZN obviously have the task to refinance our inventory in the best possible way, but we also know that there is a time after 2030 as well. It is our task to not only grow and develop the sport over the next 10 years, but to build an EHF that is flexible enough to handle the challenges that come after that."

(Juergen Schwarz/Getty Images)



SPORTEL | 30 years of sporting elite

SPORTEL Monaco proved once again this year that, in the world of sport business, it is THE event not to be missed; a showcase for all the latest market trends. Alongside old familiar faces, SPORTEL has, over the last five years, put the spotlight on new technologies, revealing the key players in anti-pirating, monetization of content and fan engagement.

For the first time ever, a new 'Innovation Zone' was mixed together with sport business leaders such as LaLiga, Bundesliga International, Infront Sports & Media, Matchroom and NBA, clearly demonstrating that this is a sector in full flight.

"Business leaders know that, during three days, we give them the opportunity to meet the main actors both from international sports media and from the new technology sector. With 3126 participants – an increase of three per cent – representing 980 companies from 73 countries, SPORTEL Monaco is now, more than ever before, the industry's biggest international gathering", declared chief executive Laurent Puons.

On Monday 21st October, SPORTEL Monaco celebrated its 30th anniversary. All of the SPORTEL community were invited to mark 30 years of meetings and opportunities at an evening event that mixed business and fun. There were friendly games of darts, ping pong and table football.

"I'd like to thank all of those companies who've been coming to SPORTEL from the very beginning, and to the more recent arrivals, for their loyalty. Thank you for your trust! I would also like to thank all of our sponsors: Bundesliga International, DLA Piper, Eurovision Sport, Fight Sports, Getty Images, Leadership Institute in the Kingdom of Saudi Arabia, LaLiga, Ligue Nationale de Rugby, Mediakind, Nielsen Sport, Red Bee Media, Telstra, Vimeo, the Monaco Olympic Committee, the French National Olympic and Sports Committee, A.S. Monaco, CPC &

Associés, ONE Championship, Peace and Sport, SEBMAN, A.S. Star Team for the Children MC. Our aim is to continue offering opportunities to do business, share ideas and grow the event with each passing year. Together we are building the future of sport," added Puons.

As well as organizing exclusive conferences aimed at the professionals, SPORTEL also wanted to involve the general public more, through a variety of complementary happenings. Having become an event in its own right, SPORTEL Awards now offers sports fans meet-ups and signing sessions with different sporting personalities, together with exclusive screenings!

Once again this year, the traditional SPORTEL Awards Ceremony was a unique and enjoyable experience for the general public, who turned up in numbers. The most moving moments of the evening were a retrospective of the first edition of the SPORTEL market in 1990, followed by several tributes and finally the awarding of the Lifetime Sport Achievement Award to Alain Prost in recognition of his brilliant career.

To mark the opening of the event, SPORTEL Awards organized for the first time, and under the aegis of the Monaco Boxing Federation, the 14th edition of the Monaco Boxing Challenge. It was a huge success, featuring eight professional fights, including two French Championships.

"We wanted SPORTEL 30th anniversary to kick off with an exceptional event. We got to witness some passionate and explosive fights, featuring members of Team Monaco Boxe. Christ Esabe and Khalil El Hadri, two of French boxing's brightest young stars, both won championship belts in their respective categories for the first time," declared Puons.

Next year's sport business' rendez-vous will take place in the USA. After a two-year absence, SPORTEL will be returning to Miami from 3rd to 6th March 2020, with a brand new format. An additional day will be set aside for high-level conferences, themes of which will be announced shortly.

Badminton steps outside with new format

The Badminton World Federation has launched a format variation called Air Badminton

Aims to move the sport outdoors, creating the opportunity for bigger arenas

Scheme also aligns with Chinese government's new "Healthy China" initiative

BWF secretary general Thomas Lund takes a smash at Air Badminton at the launch of the sport in China (*Badminton World Federation*)

Kelvin Tan

Badminton has joined the ever-growing list of sports with a format variation aimed at capturing new players and viewers. The twist for badminton, which at the competitive level is always played indoors, is an outdoor game. The Badminton World Federation calls it Air Badminton and it has been powered by the development of the AirShuttle, a shuttlecock capable of outdoor play.

BWF secretary general Thomas Lund tells *SportBusiness Review* the format is aimed at "allowing badminton to get into new markets, while giving countries that don't usually have a chance to win at the traditional variant to have new opportunities."

The BWF, which has been tinkering with Air Badminton for over five years, understands it faces a tough task carving out a slice of attention from today's consumers. But it believes an outdoor game taps into some fundamental needs. Lund says: "There's no doubt the world is changing, and ultimately sport has to compete with other human priorities for time and attention. Today, what's trending is esports and digital devices, but ultimately these don't replace the need to go out and be active, for physical and mental health reasons."

Previously confined to specialised courts, badminton can now be played on different surfaces like hard courts, grass, and even sandy beaches. The BWF hopes the move outdoors will generate exciting games and potentially larger crowds at events. Most indoor stadiums can seat 3,000 to 5,000 – moving the sport outdoors means potential for larger arenas.

The AirShuttle

The AirShuttle has been crucial in moving Air Badminton from concept to reality. The key feature is that it is much more resistant to wind than a standard shuttlecock. The BWF worked with the Institute for Sport Research at the Nanyang Technological University in Singapore to develop it.

Lund says: "The biggest challenge in playing badminton outdoors has always been airflow. Ball sports like football or basketball are less affected by wind conditions, but badminton is particularly susceptible to it. While we can't take away wind as an element, we can certainly mitigate it."

The AirShuttle is designed to mimic the trajectory, acoustics and feel of the traditional indoor shuttle. It is minimally affected by side and axial wind, and by humidity variations. Over

30 prototypes were developed before a final design was tested in independent studies by the University of Alicante and the University of Malaya. The design allows the shuttlecock to be played with in winds of up to 12km/h.

Mass production of the AirShuttle will begin at the end of 2019, and it will be available to the public in the first quarter of 2020.

Starting in China

Lund said plans are in the works for a full launch of Air Badminton at the upcoming BWF World Tour Finals in Guangzhou, China, from December 11-15. While most of the attention at the event will be on the players competing for their share of the biggest badminton prize pool ever, $1.5m (€1.35m), the BWF also plans to announce the Guangzhou Air Badminton Legacy project. This will see the official opening of Air Badminton courts at the Tianhe Sports Complex. There will be outdoor courts with different surfaces for fans to try playing the game.

HSBC, the BWF's Global Development Partner, is supporting the launch and the bank has secured naming rights to the Guangzhou Legacy project.

Air Badminton looks to align nicely with the Chinese government's new "Healthy China" initiative. Launched in July this year, the plan aims to improve Chinese citizens' levels of health, fitness and sports participation. The BWF will work with the China Badminton Association to explore Air Badminton's potential to help fulfil the Healthy China goals, Lund says: "There are certainly logistical challenges in city environments, but we will work with national and city authorities to help improve public health with Air Badminton.

"It's easy to set up and you don't need a bespoke area for it, unlike football and basketball. All you need is to demarcate the playing area on any surface. We are also working with manufacturers on creating large, inter-locking playing surfaces for a mobile setup of the game."

Olympic aspirations

The BWF believes Air Badminton can enhance the sport's popularity in developing markets where indoor facilities are less accessible. Lund says: "There are loads of countries in Southeast Asia where the game is perfect, especially in areas where they have no indoor facilities. Already, plenty of badminton fans simply play in fields or in the street. We've seen this with BWF school programmes where our federations engage grassroots educational institutions to teach their children the game.

"Badminton is popular in Africa, South America, and even islands in Oceania, and those areas have great potential to take to the outdoor variant due to a lack of indoor facilities too."

Lund hopes Air Badminton will open the door to a new sponsor base, with new opportunities appearing via the kit worn by players and other aspects: "Naturally, when the environment is different, the attire will change – at the very least we may start getting sunscreen advertisers!"

Ultimately, the BWF would like to see the format gaining Olympic status, as other sports have with their own variations, such as basketball's 3x3 format. But Lund recognises there is some progress to be made first in terms of take-up: "As we grow Air Badminton, the pyramid of players, sponsors and competitions will surely grow, and this will create transfer effects with the indoor game, and vice-versa, which we've all seen happen with 3-on-3 basketball, street football, and beach volleyball...

"For now, we operate Air Badminton a little bit like a startup – we put this to our key partners, the national federations, to look at how they can implement it in their own local context. They'll be able to tweak and adjust the game and how it's implemented in their own way.

"Let's see where that goes, and perhaps when competition systems reach regional levels, we can dream of it being an Olympic discipline one day as well."

(*Badminton World Federation*)

New Devils boss looks to leverage arrivals of NHL stars Subban and Hughes

Summer arrivals of No. 1 Draft pick and superstar defenseman were 'a game-changing moment'

NHL franchise has expanded digital staff after spike in engagement

Devils to become a 'challenger brand' locally and view China as a major growth opportunity

Jake Reynolds, who was appointed president of the New Jersey Devils in September (*HBSE*)

Bob Williams

There is a new wave of optimism and excitement for the National Hockey League's New Jersey Devils following the arrival within a 24-hour period this summer of center Jack Hughes as the No. 1 NHL Draft pick and superstar defenseman PK Subban in a trade with the Nashville Predators.

The signing of Subban – a larger-than-life personality who has approximately two million social media followers and is engaged to former Olympic skiing star Lindsey Vonn – has immediately given the Devils national and crossover relevance.

Vonn, who herself has more than three million followers on Twitter and Instagram, is widely expected to attend a number of Devils games this season, after recently purchasing a house with Subban in New Jersey.

There is also widespread hope that the highly-touted Hughes will become the long-term face of the franchise, which also includes the 2017 No. 1 Draft pick, Nico Hischier.

Hughes has already made an impact. During the 2019 NHL Draft, the Devils generated three times the number of impressions on Twitter and five times the number of impressions on Instagram, compared to 2017, when the team took Hischier at No. 1.

The Devils have also had a shake-up in the organisation's front office over the summer. Jake Reynolds was promoted to become the team's president, having previously worked as the chief revenue officer for parent company Harris Blitzer Sports & Entertainment (HBSE).

Reynolds replaces Hugh Weber, the Devils' president from 2013 until 2019, who has assumed an elevated leadership role within HBSE.

Reynolds will look to continue the Devils' recent commercial growth, in which the team is ranked among the top NHL franchises in social media engagement on multiple platforms and in the top 10 in the NHL in new season-ticket sales.

The Devils have also aggressively capitalised on the legalisation of sports betting in New Jersey by recently signing Unibet as its latest wagering partner, in addition to prior deals with FanDuel, William Hill US and Caesars Entertainment.

Ahead of the Devils' October 4 home opener against the Winnipeg Jets at the Prudential Center in Newark, *SportBusiness Review* spoke to Reynolds about his new role and his plans for the franchise in the short and long term.

How has the mood – or expectation – around the Devils changed following the arrival of Jack Hughes and PK Subban?

Reynolds: We knew in the moment that when the card flipped over and we got the No. 1 Draft pick that that was going to be a game-changing moment for our franchise and for our organisation. You have a moment like that when you can get a generational talent like Jack Hughes and then be able within a 24-hour period to add a superstar and former Norris Trophy winner in PK Subban, that is a pretty successful 24 hours.

The amount of work that [Devils general manager] Ray Shero and his team did this off-season to put our team in the position that we're in now going into the season is pretty incredible. I feel obligated every time I see Ray right now to give him a hug and thank him over and over again.

What impact do you think Subban will have on the franchise on and off the ice?

R: Any time you bring in a star that crosses over not just sports but sports, entertainment and lifestyle, it's an opportunity to continue to grow and drive awareness and expand your brand. As we look back on the 24 hours in which we brought in Jack Hughes and PK Subban, it's been pretty remarkable to track and watch how this has transformed our entire business. Before then, we had a content staff of two people.

Since then we've expanded that to a team of 11. We've set and broken every major organisation engagement record, whether it was on the official website, or through our social and digital channels since the draft.

Can we expect to see Lindsey Vonn at a number of Devils games this season?

R: I think you will. She has already been at a few of our pre-season games and I know there is the expectation that she will attend a few of the games. We had an incredible welcome to New Jersey event for PK to introduce him to our premium partners, our sponsors, some of our season-ticket members and both he and Lindsey came to that. They were incredibly gracious and loved being able to interact with our fans and being able to spend time with them.

In terms of your promotion to team president, do you plan to run the team in a similar way to Hugh Weber?

R: Hugh built an incredible foundation, and I'm incredibly excited to take that torch and expand on what he was building here and continue to take this business, organisation and this culture to the next level.

In what ways will you look to put your own stamp on the franchise?

R: I think some of it will happen organically and other pieces are continuing to expand, namely the interaction and engagement I have with the fans here. Everything we do here starts and ends with the fans. We want to create a best-in-class fan experience. We want to create an atmosphere that is going to drive the best in-ice

Jack Hughes (centre) was taken by the Devils as the number one pick in the 2019 NHL Draft (*Bruce Bennett/Getty Images*) advantage in the NHL.

For me, it's having the opportunity to spend time with the fanbase to understand what matters to them. Obviously everyone wants to win – and we have ambitions to bring a fourth Stanley Cup to this organisation – but I'm looking forward to being on the concourse before games, interacting with fans to getting a pulse in terms of what they love and what enhances the fan experience and being able to continue to drive that.

What new innovations will fans see this year?

R: We're looking to kick the season off in the right way. We have an incredible activation plan for the home opener, starting with a red carpet arrival presented by Infiniti, in which our players will walk the red carpet and allow the fans to spend time with the players as they are walking in.

In addition, we have a fanfest which will continue to build on the anticipation from the off-season. We have some new partnership activations that we're really excited about: we just did a deal with Magic Hat, where we're going to have a Devils-branded beer here on tap at the arena called the Woo! Brew.

> *"We have a unique identifier in that we're the only [team] that wears 'New Jersey'."*
>
> **Jake Reynolds** | president, New Jersey Devils

How great is the challenge to make the Devils more relevant locally?

R: If you look at this market place, there are 11 professional sports teams. We have a unique identifier in that we're the only one that wears 'New Jersey' across our chest. But we want to be a challenger brand, we want to break through and put our own stamp on this. For us, a lot of it starts from a content standpoint being able to create platforms for our fans to engage and get to know and fall in love with these players. That is a critical piece, as is being able to use the platform we have to drive meaningful change in local communities. Every employee here commits to 76 hours of community service and once a quarter we shut down the office and the entire staff – 300-plus employees – go out into the community and takes the day to serve to make the community of Newark, as well as others where we live, work and play, that much better.

New Jersey Devils defenseman PK Subban and fiancée Lindsey Vonn, the former Olympic skiier, have a combined five million followers on social media (*Jamie McCarthy/Getty Images*)

The team has looked to grow internationally too in the past few years, in what ways will this continue this year?

R: We have global ambitions as a brand. We were fortunate that we were able to play two games in Switzerland and Sweden last year. We also had 13 European Games of the Week last year and 45 games over the past two seasons have been broadcast in China on Tencent.

The global growth of the game of hockey is something that we're incredibly excited about and we're also excited about being able to drive and push that. Our team, led by our chief commercial officer Adam Davis, goes to China once a quarter to be able to spend time with local companies there, to drive awareness around our brand, and we've made it known to the NHL that we'd like to continue to play in overseas games.

Q. Being based in New Jersey, where sports betting is legal, just how important is wagering in terms of fan engagement and commercial revenues for the team?

R: We're fortunate to be in New Jersey, the first state for sports betting to be legalised in [after the Supreme Court repeal] and our commercial team did an incredible job to be prepared to capitalise on that opportunity.

We have four partners here, with William Hill, Caesars, FanDuel and now Unibet. Each has its own lane in this space and specific outcomes that they want to drive but we believe that this will create a better fan experience and more engagement for fans when they are in the arena.

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