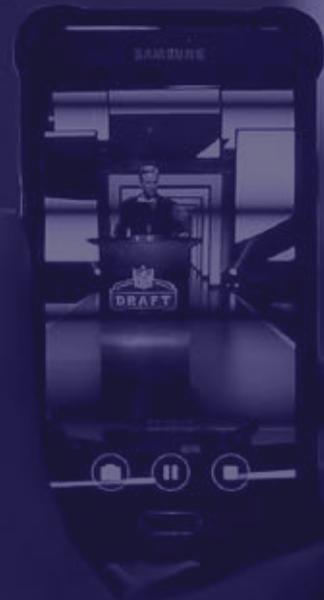




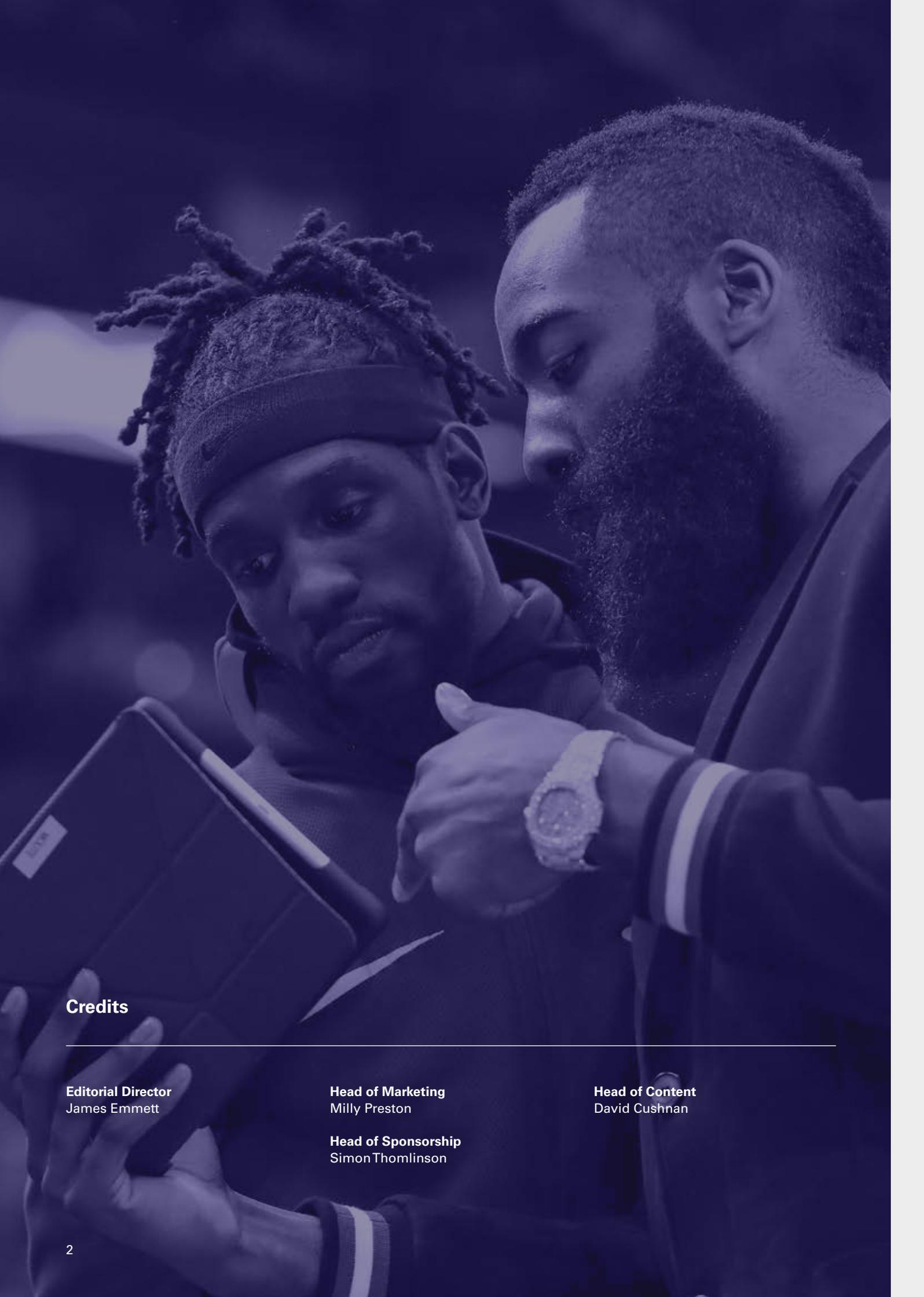
LEADERS *Report*

Data-driven decision making: sport and the digital revolution

September 2018



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In today's sport and entertainment industry, data analysis and business intelligence are amongst the most exciting and progressive topics. In a matter of just a few years, rights holders and brands have taken data and analytics from a concept to full-scale business units. Today, some organisations have upwards of fifteen full-time employees dedicated to managing data and generating insights that influence business decisions. In many cases, members of the business intelligence division have become the primary advisors for owners and executives.

As an industry, we're still discovering the full power of data analysis. It's an ongoing process that uncovers new applications, data sources, and stories that help shape the way we do business.

Will data ever replace making decisions based on gut feelings and experience? Not at all. In fact, rising leaders carefully balance empirical evidence with context and experience to make informed decisions. There's no doubt that when data analysis brings new insights to the table, our entire industry evolves. The end result can be increased revenue, better fan experiences, and smarter and quicker decision making.

Take pricing strategy as an example. Now that clubs have access to an abundance of ticketing and fan behaviour data, they can offer the right ticket price to the right fans. They can observe trends, gain market value insights from secondary market data, and adjust their primary ticket prices accordingly. Along similar lines,

sponsorship groups can pull data from traditional and digital media channels to influence their asset valuation and increase margins.

Fan engagement used to be measured by one or two metrics, such as attendance and spend. But today, rights holders are aggregating data from multiple sources, including mobile apps, websites, social media, and in-venue experiences. These tools work in synergy to create tailored experiences throughout the fan journey, which increases loyalty and lifetime value.

In the world of sponsorship, data has created an entirely new dynamic for partner-to-partner relationships. Brand partners and their agencies are asking for better ROI measurement and accountability. Some brands even include escalating deal incentives based on performance metrics, such as social media shares or likes. As a result, rights holders are forced to become more sophisticated with data to justify spend and to increase the value of their offerings.

At KORE Software, we empower rights holders, brands, and agencies to make the most of their data. Through a combination of software applications and services, KORE helps over 6,000 sport analysts, reps, and executives make data-driven business decisions every day.

Whether your organisation is just discovering the power of data or you've been data driven for a while, you'll find great value in the ensuing report and case studies. Together, we're raising the stakes in our industry and building paths for improved fan experiences, better profit margins, and more effective business management.

Digital Transformation: what, why, how and when?



Digital transformation: what, why, how and when?

Sports organisations – from rights holders to sponsors, broadcasters to agencies – are embarking, to some degree or another, on a process of digital transformation; increasingly putting data, analytics and technology at the heart of their day-to-day operations and decision-making processes.

What is digital transformation? It's always tempting to begin an article with a dictionary definition of a process, phrase or word. But since this is about digital transformation, it's perhaps more apt to begin with Wikipedia: 'Digital transformation is not necessarily about digital technology, but about the fact that technology, which is digital, allows people to solve their traditional problems. The transformation stage means that digital usages inherently enable new types of innovation and creativity in a particular domain, rather than simply enhance and support traditional methods.'

While an examination of how and whether to integrate cloud computing, Internet of Things (IoT), big data and Artificial Intelligence (AI) into an organisation's processes are fundamental, an evolution in corporate culture, collective mindset and organisational leadership are just as key.

When NBA Commissioner Adam Silver sat down for an extensive interview in early 2018 with Christopher Vollmer of Strategy&, PwC's strategy consulting business, and Daniel Gross of *strategy+business*, to discuss the NBA's growth and future prospects, he revealed just how far the league has come in terms of the decision-making funnel it has set up that runs from initial data collection to the commissioner himself pushing the button on fundamental changes that go to the core of the game and the product wrapped around it.

"Through our over-the-top products and our direct-to-consumer relationship, we have ways of measuring interest that just don't exist in our conventional television relationships," Silver explained. "With our online products, like League Pass, we're able to monitor not just sales, but usage. We know how long people are watching those games, and what portions of those games.

"From last season to this one, based in large part on the data we gathered, we changed the format of our game. We went from a possible 18 time-outs to 14 time-outs, we standardised the length of the time-outs, and we shortened halftime by a few minutes. And we made additional changes to the commercial format, because we were able to see exactly where we were losing fans."





Not long after that interview was published in April, the NBA took another innovative step, again acting on insight from data collected through League Pass, its in-house, international OTT offering. As an experiment towards the end of the season, it began offering fourth-quarter-only streams of its games for a 'micro-transaction' of 99 cents, making good on hints Silver had been dropping for at least two years.

Whether the league will continue the experiment into the 2018/19 season remains to be confirmed, but the move bore all the hallmarks of an organisation embracing digital transformation: courage in the face of risk, boldness in upsetting the status quo, and a shift towards personalisation through technology and, ultimately, giving consumers what they want. More data will need to be analysed and triangulated before the league is certain it's not cannibalising revenue away from other areas of its business, or its media partners' businesses, but the move was a bold one and in keeping with the league's underlying philosophy towards change.

Innovation at the core

The last five years have seen a tangible shift in the positioning – if not necessarily the core focus – of several of the biggest sporting rights holders in the world. Heritage and history, which many of the same organisations have long held as their core brand positioning, has been replaced or allied to a sense of future-focus, of innovation, modernity, invention,

technology, and change. If rights holders aren't outwardly marketing themselves as 'innovation hubs', alongside whatever the core sporting product is, of course, they're dabbling in hackathons, hosting accelerator events, and running incubation programmes. The LA Dodgers, the San Francisco 49ers, FC Barcelona, Real Madrid, Arsenal, Manchester City, and Bayern Munich – name any top tier club in any top tier league and they'll likely be thinking about it if they haven't moved already. Some of the initiatives undertaken by the rights holder above have been faithful to their stated purpose, others seem like worthy first attempts that will at least position the clubs exactly where they want to be positioned. And there's no doubt that an 'innovation positioning' is attractive to multiple blue chip brands – potential sponsors – looking to position themselves similarly in other industries.

But an authentic innovation position takes resource, vision, and a strategy set from the top, a commitment to organisational transformation to match the technological and societal transformation that has swept all corners of the globe in the internet age. Arguably, the NBA is the one major sporting rights holder that comes closest to such an authentic position, having appointed sport's first 'Chief Innovation Officer' in Amy Brooks in November 2017.

Brooks also leads the NBA's Team Marketing & Business Operations (TMBO) division, and the function is essentially one of business intelligence, but business intelligence with a clear slant.



“WHO CAN SAY THAT IN THREE TO FOUR YEARS A BIG DATA COMPANY WON’T KNOCK ON YOUR DOOR, AS A SPORTS RIGHTS HOLDER, AND SAY, ‘I WANT TO CHANGE THE RULES OF YOUR SPORT.’”

LUIS VICENTE, FIFA

“The innovation side means two things,” Brooks said when she sat down to talk to the Leaders Podcast a few months on from assuming the role. “Firstly, it’s about helping see through our priority growth initiatives for the NBA. It’s broad but it’s fun. I see my role as a catalyst: some of the initiatives I’ll lead but most I’ll support. But it’s about how we grow the game and how we grow our fanbase globally. Objective two is how do we be more innovative, period? As a company, as a league, as a set of teams, we need to see what the most innovative companies out there do to promote forward thinking. We’ve got about ten people in the group and a lot of them have strategy backgrounds. It’s about enhancing communication across the organisation, the speed by which we innovate, making sure there are milestones. We want to be first in things that we do.

“We see ourselves – as the league – as a catalyst for innovation. If someone’s doing something good in

Sacramento, we’re in Toronto next week and we’ll share it there. We feel like we’re able to push growth quicker because our teams have business relationships with each other, and they’re out there and we’re pushing them to think differently and new. The new role is about trying to translate that across the league and the teams in a variety of different ways.”

Change or be changed

The NBA has engineered innovation into the core of its operation, and perhaps unsurprisingly given the make-up of the some of the ownership teams – many of whom made their money leading tech businesses – across the league’s 30 teams.

By committing to innovation, by committing to change driven by technology and data insight, the league is the master of its own destiny, changing before change is forced upon it. And that, according to the most knowledgeable advocates for full-scale digital transformation across sport, is arguably the most fundamental motivator for undertaking the process.

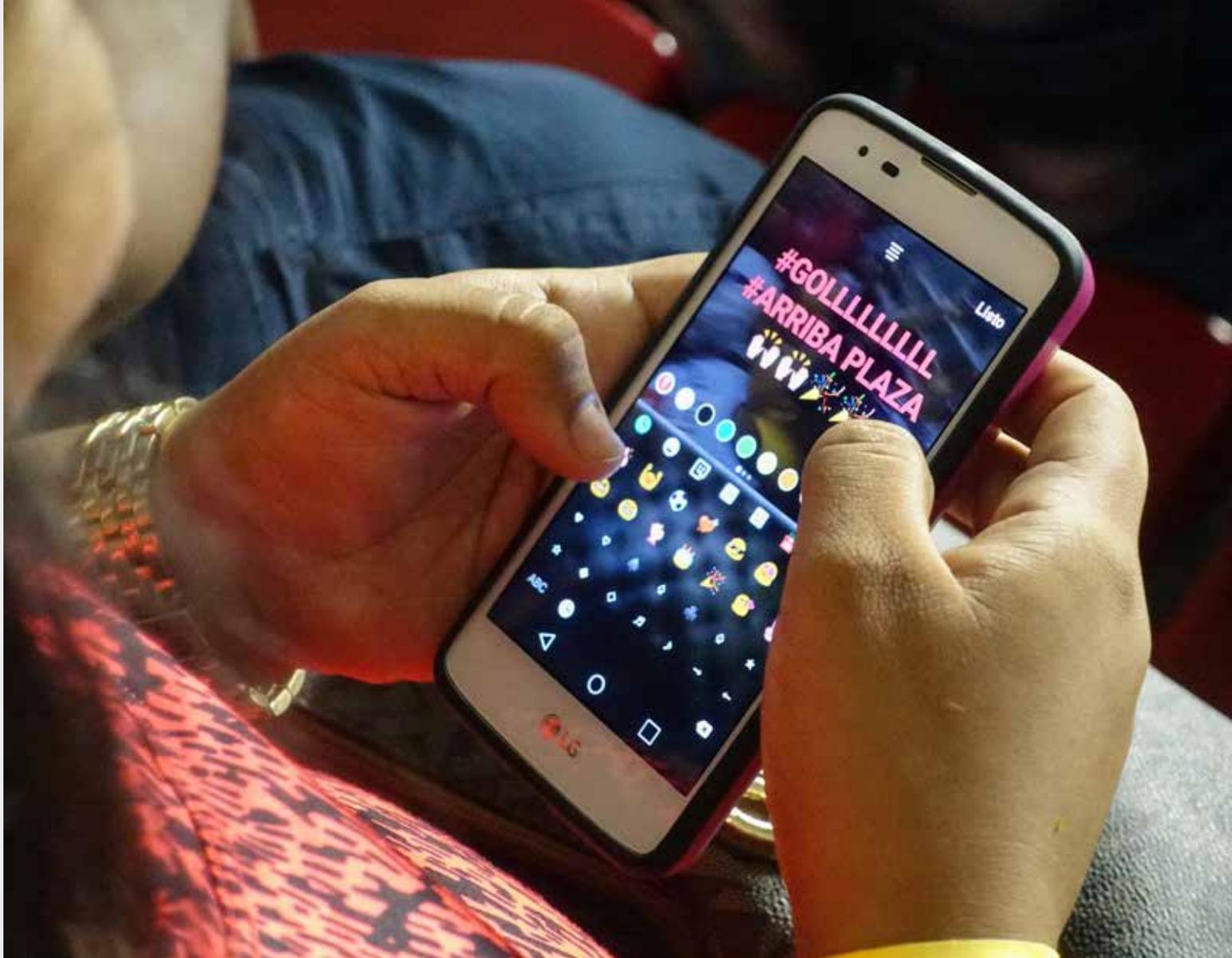
“Who can say that in three to four years a big data company won’t knock on your door, as a sports rights holder, and say, ‘I want to change the rules of your sport.’ Every governing body will respond that ‘the rules have always been like this’, but who will stop that entity doing what they want? And who should? Because that entity will have much more information about what the fans want and need, and much more information about how advertisers and the full community of users want to pay for it.”

The words of warning belong to Luis Vicente, a pioneering commercial operator across numerous top-level sporting outfits over the past two decades, and, since a landmark appointment in September this year, Chief Digital Transformation & Innovation Officer at football’s global governing body, FIFA.

The why

Vicente’s appointment marks a commitment from FIFA to embark on a significant digital transformation project – with Vicente’s responsibilities ranging from digital to content, technology to esports, data, BI, digital business strategy and digital ventures. Coincidentally, it comes in the same period that European governing body UEFA appointed former Microsoft and Tata Communications executive Craig Hepburn to its own newly created position of Head of Digital Transformation. And while neither executive is yet in a position to fully reveal their vision for their respective organisations, the winds of digital change have begun to blow across the plains of world football. And Vicente, at least, is more than happy to play the meteorologist, detailing how these winds got here, and where they’re likely blowing.

Once the fundamental point has hit home at leadership level that digital transformation is about deep, organisational change, and not simply the optimization of digital tools or practices, Vicente says there are at least five key drivers, internal and external digital transformation catalysts, in the sports industry that need to be understood:



1| Genuine personalisation

Developing a better understanding of users, clients, consumers, customers, fans, spectators – whatever term is used to define the ‘end user’ of a product or service – is a business objective that transcends multiple industries in 2018. A better understanding, so the logic goes, leads to a better capacity to deliver a personalised service or product. In sport, it should also lead to a greater sophistication in the content production, distribution and monetisation models. “We used to consider a one-size-fits-all market solution in sport,” says Vicente. “In many ways we still do. A 10-year-old fan in Europe, an 18-year-old fan in China, a 50-year-old fan in the US – we treat them all the same way. We have to assess so many more demographics than we’re currently doing, all of whom are now empowered to connect with what we do, are empowered to demand what they want.”

2| Third parties

Sport is a happy hunting ground for the middleman. In athlete trading, representation, sponsorship acquisition and servicing, media rights arbitrage and many more areas besides, long-established agencies have built strong businesses. Whether through lack of resource, lack of market knowledge, lack of economies of scale, rights holders themselves have – by and large – been happy to cede slices of business to third parties. “We prefer the

security of giving it to someone else to let them sweat the asset,” says Vicente. “We need to find new ways to start creating this direct relationship with our end users: fans. And not just through streaming but in multiple ways. And then we’ll be in a position to start taking decisions on what should be with third parties or not.”

And it’s not just personalisation that should be possible. Monetisation opportunities are, Vicente believes, being left on the table under the current commercial models in sport. “I think we’re probably between 25 and 35% of our full potential in football,” he says. “Let’s take Netflix as an example to illustrate the opportunity. They have approximately 130 million subscribers. And you know this equates to around \$15 billion in subscription fees. Let’s try to compare this with the full football community. We’re talking about between 400 million to 500 million professional and semi-professional players; we’re talking about 1 billion to 1.2 billion mass participation community; and we’re talking about around 4 billion followers. So if you aggregate the revenues that are generated by media rights sales from FIFA, UEFA and all the top leagues, it’s \$15 billion. How can a business with a community of only 130 million make the same amount of money as a business that has potentially 4 billion in its community? It all starts with the fact that we don’t know much about our own community. We need to start by drilling down and understand where our untapped potential is.”



3| Security and privacy

People talk about the opportunities presented by blockchain to the sports industry, says Vicente, but nobody is currently talking about the threats. “Blockchain is probably the biggest threat to sports governance as we know it. It doesn’t mean that people that are doing blockchain projects have that intention but the nature of the technology enables a closed network and a closed circle of trust. It allows anyone with a computer to do an ICO and raise \$100 million and launch the biggest betting company in the world from a click. It’s important that we address situations that are related to the rights of privacy of people, but we also need to raise our game considerably because this is not a situation you’re going to fix on legal terms. The situation you’re only going to fix by actually improving the experience and the quality of the service to the end user.”

4| Knowledge transfer

Digital transformation at a large organisation should also mean the democratisation of knowhow. As far as international sports federations are concerned, this is crucial. A governing body like FIFA has 211 national constituent members, and some are more commercially developed, more technologically equipped, more commercially mature than others. “It’s important that we can create conditions for the full football community, the full sports community, so that everyone can benefit from the same tools, the same level of knowledge, the same capability of strategic thinking as the big power brands of sport,” says Vicente. “We need to

make sure that anyone from these smaller nations or smaller clubs can actually engage their fans properly; can know their fans properly; can build a proper digital strategy, a proper commercial programme. Imagine what football could be like if everyone had the tools, the strategy and the resources that the NBA has or Real Madrid has across everything.

5| Outside forces

“As much as we try to hide from it,” says Vicente, “there are new business models and new competitors out there. This is happening in front of our eyes. Who is forcing digital transformation in sport? It’s not the clubs, it’s not the leagues, it’s not the federations. It’s Facebook, it’s Amazon. They know much more than any of us about the communities that we represent. I don’t necessarily think that they are competitors. They’re actually our preferred partners. If we manage to be mature and create new terms and conditions to our relationship with them, and this is why the industry needs to move as one; if we don’t get our act together as a community, we’re not going to be in a position to demand anything or be the machine that pushes the train in four or five years from now. Sport will be just a wagon if it doesn’t come together.”

The how

1| Time, effort and commitment

Like any large-scale change process, long-term vision, and long-term patience are imperatives. Vicente believes

that in sport, a serious digital transformation journey will take anywhere between five and ten years. “You need to establish a clear roadmap,” he says. “You need to have a collective movement; so you need to get all the mobile parts moving in one direction. It’s not easy. How many organisations in sport are really prepared to do an A-Z digital transformation? How many leaders in sport are prepared to take the right journey to go from A-Z? It’s not just bringing in a digital transformation guy. It’s about having the courage, the vision, the drive and the clear mindset of the opportunity and the sense of a mission.”

2| A uniform definition for a fan

“Today it’s widely accepted that we live in an attention economy and there is a simple principle that we need to put on the walls of our offices if we want to do it right: a fan is someone who is prepared to give us time,” says Vicente. “That might be someone who wants to give us three seconds of his day; it might be someone who wants to give three minutes; or someone who wants to give us three hours. But we need once and for all to demystify this and really try to build the tools and the strategies to execute properly to make sure that we get a mature vision on this, because if not then we’re never going to change.”

3| Take a different relationship with technology companies

As much as sports rights holders and sponsorship agencies might dress it up in the modern language of partnership, technology remains an important sponsorship category at most major sports rights holders. It’s still a client-seller relationship in most cases rather than a true partnership “Of course we need these partners,” says Vicente. “But we need them not just to give us a cheque and put a beautiful commercial programme in place. We need to have these partners help us change our industry – by giving us a lot of support in R&D, to help us to get the right incubation and to get innovation flowing as a real serious business in sport, 24/7/365. We need a different mindset on that.”

4| Recognise and enable the paradigm shift

Vicente believes that a fundamental dynamic in sport is in the process of shifting. The mature sports business dynamic – the one that has held good for the last 25 years at least – has sports rights holders in a co-dependent relationship between commercial sponsors and media broadcasters. “This trinity of power is moving to another version,” explains Vicente, “where you have fans and athletes, data companies, and financial investors. As much as we don’t want to understand it, it’s happening in front of our eyes. The piece around athletes and fans is fundamentally important because today finally the industry understands that there is a big group of fans that is not committed, does not have this legacy relationship with one club brand. They actually have a much more committed relationship with a player brand. And if that player moves then they move with them. And if the player interacts with them, then they interact with the player. We need to give fans the keys; don’t just hide from your fans, give them the keys and make them part of the journey. Don’t make them feel like a passive element; they’re an active element.”



“WHO IS FORCING DIGITAL TRANSFORMATION IN SPORT? IT’S NOT THE CLUBS, IT’S NOT THE LEAGUES, IT’S NOT THE FEDERATIONS. IT’S FACEBOOK, IT’S AMAZON. THEY KNOW MUCH MORE THAN ANY OF US ABOUT THE COMMUNITIES THAT WE REPRESENT”

LUIS VICENTE, FIFA

The transformation tactics board

According to FIFA's Chief Digital Transformation & Innovation Officer Luis Vicente, there are 11 distinct and identifiable groups that make up 'a football team' of different interests with a stake in the future development of football, and, more broadly, sport itself. Each group is in its own state of maturity and embeddedness within sport, some are cooperative or codependent, some are competitive, and some have not clearly defined their relationship with sport – yet. But all of them need to be tracked and understood and connected by anyone hoping to play a role in large-scale digital transformation in sport.

Sports rights holders

Leagues, federations, teams and tournaments, some are further along in their journey towards digital transformation than others – both in terms of commitment to the concept and in execution. Vicente himself has just been given the go ahead at FIFA to instigate a full-scale transformation. He points to the **NBA**, **Manchester City**, the **San Francisco 49ers** and the plans being put in place under new ownership at **Formula One** as models in the space. "But it's the guys at **Formula E** that people really need to say thanks to," he says. "They understand that disruption and playing disruption wisely is a massive weapon. Everything they do is always focused on that angle."



Social video outfits

Facebook, Twitter, YouTube and Snapchat are all still in experimentation phase. Though it's becoming ever clearer that sport is taking a more central role in their content strategies, the end goal, or at least the global picture, isn't yet clear. Facebook's recent La Liga and Premier League rights acquisitions in India and parts of Asia were eye-catching, but production tweaks and experiments with streaming capacity will, in all likelihood, remain the primary objective for now.



Marketplace giants

Amazon, Alibaba and Rakuten have emerged as the world's leading online retailers – and all three of them have caused significant stirs at the top end of world sport, either through media rights acquisitions or landmark sponsorship agreements. Their relationship with the end user – and how that could be developed and further monetised through activity in sport – is the key to understanding how they might move forward in sport. "They really see our business in a very different way from any other group," says Vicente.



Technology players

The likes of Microsoft, SAP, Intel and IBM have, according to Vicente, got the ball "and they're dribbling forward with it". These established technology giants have first mover advantage when it comes to digital transformation, they have capacity for innovation, and the gravitas to force innovation too. "They have the chance to force disruption and the transformation of the industry," says Vicente, "but at the moment they prefer to be suppliers, not the main actors."



The 'experientials'

Disney, Apple, Netflix and Spotify are a group of businesses Vicente calls the 'experiential' companies; all are transforming consumer experience on a massive scale, affecting lifestyle, through the rapid, tech-driven evolution of product or products. Disney owns ESPN, Apple owns Beats, Netflix makes sports documentaries, "but all four will come into sport in a big way," according to Vicente. "Nobody really knows what they're doing; some talk more than others; but they're all preparing."



NETFLIX



Virtual players

Esports publishers, teams, gaming platforms and hardware, Twitch and the ecosystem that enables, perpetuates and commercialises huge online communities through games is increasingly migrating towards a traditional sports model. Whether full convergence will ever occur is academic, it's a direction of travel that seems clear.



PlayStation



Traditional broadcasters

Discovery/Eurosport, ESPN, BeIN Sports, Turner, all of them would have balked not too many years ago at the idea of being considered 'traditional', but all of them grew and thrived on the old cable sports package bundling model, but the scent of disruption is strongest in the broadcast space and the big players are adapting, taking more active, versatile positions in certain areas and doing "more than anyone to work with the big data companies in the digital world – the likes of Facebook, Twitter and Snapchat."



Streaming platforms

The likes of **DAZN**, owned by Perform, and **Eleven Sports Network**, a much smaller operation owned by Aser Media are pioneering with premium live rights on streaming-only platforms. While nobody has an adequate technological solution for concurrence demand issues yet, the leadership at DAZN and Eleven have been courageous enough to take the consumer flak that comes with launching, testing and iterating in a live environment.



Telcos

The likes of **Vodafone** and **Telstra**, **T-Mobile** and **AT&T**, giant connectivity companies emerged from the chrysalis of their telecoms heritage. All have played in sport before; some are still playing; and, according to Vicente, most will play again.



Agencies

Endeavor, **Infront**, **CAA**, **Lagardere**, **Octagon** and emergent Chinese player **Desports**, all of them agencies on the move, representation organisations that became rights traders, producers, and much more. "Look at Endeavor," says Vicente. "It's aggregated a group of businesses and services really preparing itself for digital transformation of sport. All are making serious investments in content, in digital, and capabilities which can service what is coming next for the industry."



The new world

The band of digital native organisations offering new services, fresh thinking, or a new take on an old theme in sport – the likes of **Copa90**, **MyCujoo**, **Strava** and **Bleacher Report** – these are the next frontier sports organisations Vicente refers to as 'the new world.'



Painting by numbers





Microsoft
Surface

Microsoft
Surface

Painting by numbers

OTT-only platforms are increasingly able to process consumption data to run predictive models for key rights acquisition, scheduling or content positioning decisions. Traditional linear pay-TV players, however, have their own detailed processes in place.

James Rushton, CEO of OTT pioneer DAZN from January 2015 through its launch and initial growth phase before becoming Chief Revenue Officer after a Perform Group organisational restructuring in September 2018, spoke to Leaders ahead of the broadcaster's US launch in the summer. DAZN, already dominant in Japan, and increasingly strong in German-speaking Europe, have taken a market-by-market approach to global expansion. The process is, as Rushton explains, fundamentally data-driven, as is almost every decision the group takes, a capability and process that, he believes, gives DAZN a unique advantage over its more traditional pay-TV competitors. "A linear pay-TV broadcaster won't know exactly what each and every one of their users does – what they watch, how they watch, when they watch, how long they watch it for, and how that interaction with the product creates a reaction in terms of engagement and the subscription or not to the service," says Rushton. "The great thing about DAZN as a pure digital service is that we're creating terabytes and terabytes of data on our users by which we can create cohorts, study, have our big data science team

analyse and look for marginal gains. And that might be how we recommunicate to people, how we market to people; it influences how we syntax the site, how we show it, what type of descriptors we put on certain content; it influences what type of content we buy; it influences what type of original programming we want to curate and create; it influences what our social media strategy should be; it influences what our partner strategy should be in terms of working with the likes of Facebook, YouTube, Twitter et al. All of that is based on fundamental truths – people's usage patterns; it's based on a data science approach. None of the traditional broadcasters have that because they don't have access to the one-to-one relationships with their users like we do. That's the same unique advantage that an Amazon Prime, a Netflix or a Hulu would have over their traditional competitors too."

Rachel Knight is the Commercial Director at BT Sport. She is responsible for acquiring rights and managing relationships post-acquisition. She also oversees the process that leads to rights bids – either new acquisitions or renewals – being made. BT's dramatic arrival on the

"WE ACTUALLY SEE A LOT LESS SWITCHING OF BROADBAND BEHAVIOUR NOW IN THE MARKET, SO IT'S MORE ABOUT WHETHER PEOPLE WOULD ADD BT SPORT"

RACHEL KNIGHT, BT SPORT



sports broadcast market in the UK in 2012 coincided with the widespread adoption of the term 'triple play' in industry circles. BT's business model wasn't simply about selling TV packages, but about bundling in other services: broadband connection and a phone line. Sky's business adapted to fit the new landscape. And soon enough, with BT's 2015 acquisition of mobile network operator EE, triple play became quad play. The business rationale behind spending on sports rights had become a lot more sophisticated.

As Knight explains, the business case that needs to be produced to satisfy both the complexity of the business and the layers of management inherent in a large-scale corporation is by no means based on gut instinct.

What process do you go through before formalising a rights bid?

If it's a brand new set of rights we would look at how many subscribers we think we could gain from acquiring that set of rights. We mainly look at TV audience data for that, and then the interests within that sport and what our customer base say they think about that sport, and whether it's a must-have pay-TV product. We have a survey that asks which of the following are the most important sports for you to see in your pay-TV product. I actually always take that with a pinch of salt. We don't rely on that. We look at the audience data in terms of what we would call heavy viewers: how many people will tune in consistently throughout that sport's season, and then we do a sensitivity analysis around how many of those viewers we would class as heavy viewers, and then a percentage of those that we think will shift to or add BT Sport. We actually see a lot less switching of broadband behaviour now in the market, so it's more about whether people would add BT Sport. And then we take a percentage of how many people we think would add our broadband or mobile products and that helps us to round out the case because it's not just revenues coming into our TV business, it's much broader for us.

How is the process different if it's a renewal?

We flip it on its head so it's how many customers do we think we would lose if we were to stop making those rights available. In both scenarios, but especially acquisition, there's always the question of 'why haven't they joined us already? Is this the tipping point?' And arguably for some of those smaller sports, that rationale gets harder and harder to make because they haven't joined us for Premier League, they haven't joined us for Champions League, they haven't joined us for two rugby properties – will this be the third rugby property that tips them over the edge? And likewise when we do our churn analysis, yes, we can say they are a heavy viewer of this sport and we really think that this is one of their key sports within their BT Sport package, but on the other hand, if they like Premier League and Champions League, will they really leave? We can look at the data on whether they watch Champions League and engage with Premier League, and then you have to make a judgement call on how many would actually leave.



How does that process differ from the analysis they do at OTT broadcasters?

I think there might be some difference in terms of the number of people we consult with in creating that business case. I may be wrong, but I imagine we're quite different to the OTT players for example; we will obviously go through and talk to our production teams, and our editorial teams – what's their desire for these rights and where would they fit into the schedule; then we'd talk to the propositions team to see whether it would coincide with either the launch of a new product or a certain time of year that would be helpful for them, or whether they could even design a proposition around it. We then talk to our marketing and trading teams. Then finance, and now most things will go to the CEO of BT Consumer – Marc Allera – and his CFO and we walk him through that rationale. And as part of that, the data that we need to put together is fairly key, so we get a lot of that from our TV and digital audience team, and then they sit within a team which is called Insight, and then we get other data – it could be decisions around signing up – we do a monthly tracking of our customers to find out what sports they're interested in and see how that changes over time.

Are you able to harness other bits of data from around the wider BT business?

We're starting to see that now with EE. They came into the BT group two years ago. In that time, we've had a couple of above-the-line campaigns to EE customers making BT Sport available to them. I think we've done three of them now. We get the data from our BT Sport app, but this in effect allows us to triangulate that data by looking at another purely digital product. We've got lots of datapoints around how we think people behave, why they would be watching on an app; we see it on our Champions League nights for example – we think people are watching the TV for their main game, and they're watching another one on their phone. We track that data and we can see those peaks and troughs throughout the season. Having the data coming in from EE as well is helpful. It gives us a bigger pool. One of things that struck me when thinking about purely OTT players is that we're able to look at A) how it compares to TV but B) insight gleaned from a very big sample size. And that helps you pull out trends.



Analyse this



Analyse this

Three rights holders of varying size and scale, one independent expert, four approaches to business intelligence in sport. Data analysis and business insight are not reserved for only the largest, most sophisticated rights holders in global sport. Through an understanding of resource, and a set of clear goals, tangible business outcomes can be driven through data at any organisation that relies on the fundamental revenue streams that power sport.

The panelists

Mike Vitti

VP of Data Analytics,
PGA Tour



Vitti rejoined the PGA Tour in April 2017, having spent four years as Director of R&D at the world's biggest golf tour in the mid-2000s. In the interim, he held senior data and technology roles at the likes of Repucom International, WWE and analytics software firm SAS. He has a masters degree in statistics and his responsibilities cover all data and analytics activities outside of competition.

Dr Anna Semens

Head of Insight,
Formula E



Semens became the first Head of Insight at Formula E when she joined the team at the global electric motorsport series' London office in February 2018. With a background in econometrics, Semens worked at the Havas Sports & Entertainment Cake before joining Formula E, latterly as Head of Analytics, working across the sports marketing agency's portfolio of brand and right holder clients.

Bas Schnater

Marketing Manager,
AZ Alkmaar



Schnater has worked in fan engagement, data and digital at Dutch Eredivisie football club AZ Alkmaar for almost two years. His chief responsibility is for the strategic implementation of data-driven business practices across the club, including data warehouse management, data analysis and insight generation, and campaign execution. Major League Baseball sabermetrics pioneer Billy Beane is an advisor to the club.

Russell Scibetti

President,
KORE Planning & Insights



A former CRM executive at the New York Jets, Scibetti joined KORE in 2014 and spent his first three and half years at the business management solutions firm as VP of Product Strategy, driving the development of its ticketing and fan engagement, sponsorship and partner engagement, and data warehouse and analytics applications among other things. He now runs KORE's Planning & Insights division, a business intelligence consultancy focused on serving clients across the global sports and entertainment industries.



What does your BI or insight department look like?

Mike Vitti:

I head up a department with four dedicated resources. There are two other statisticians, and then we have someone who specialises in digital data and analytics. And then we have a technologist and a programmer who are directly on the team. And then throughout the organisation we have 20 or so analysts who are embedded. Each business at the PGA Tour has their own. We support those analysts through either technology or advanced analytics techniques. We meet as a full team every couple of weeks, and all the analysts will get together and share what they're working on, so we're all connected and so that people can share insights across what they're doing. We make sure we're not duplicating efforts that way too.

Bas Schnater:

There's one guy that works with data at the moment, and that's me. I'm situated in the marketing department right now. The CRM system is a white label warehouse which is like Excel on steroids. We've outsourced our data; and Two Circles is doing the data management, but we still do all the campaigns and we're starting to do the analysis ourselves as well. We've just published some of the earliest results from the digital transformation process we're going through as a club, and it's been very promising.

Anna Semens:

At this point of time it's just me in the insight team, but we are recruiting. I look after anything that has to do with numbers that's not finance. That involves setting and monitoring KPIs to make sure we're on target; looking at the objectives we've got and making sure they make sense, working with all the departments we have – media, marketing, commercial,

social, digital, events – to make sure they're all delivering and working out how to optimise that. The real role of the insight department is to take all of the data and make sense of it. The interpretation of data is really crucial because if you don't understand the context then it's very difficult to make the right recommendations: to make sure we do hit our targets and hit them in the most efficient ways.

What does best practice BI in sport look like?

Russell Scibetti:

The biggest fundamental is a staff with the skills to be able to leverage the volume of data and the variety of technology that these teams now have access to, and improve decision-making, planning and forecasting across the entire business. Everyone has to recognise where they are in their state of comfort and innovation. Best practice doesn't mean all of a sudden hiring five data scientists and a VP and three directors if that's not what your organisation has ever been used to. There's a very natural flow that can take place over a couple of years to expand an organisation's business intelligence capabilities and comfort. Eventually certain things do become best practice: I tend to be more of a believer in centralisation of BI resources, in terms of the overall strategy, subject matter expertise, the ability to train across different business units so that people can become mini-experts in their department and leverage the technical skills across the entire business. The old practice was for these roles to live purely in IT. Some people have swung all the way the other way and they're only in business. But you really need a collaboration between the two, as IT evolves. Everyone needs to start evolving their internal data science skills too. Best practice is making sure you have a constant evolution in your statistical capabilities because that's where you're going to start pushing the most insights.



“THE DATA ITSELF DOESN’T SOLVE YOUR PROBLEMS; IT’S THE ACTIONABLE INFORMATION FROM THE DATA AND THE FINAL EXECUTION BASED ON DATA.”

BAS SCHNATER, AZ ALKMAAR

What data inputs are you currently collecting and why?

Anna Semens:

Within the master dashboard we’d have data across all out social channels - Facebook, Instagram, YouTube - how all the numbers are moving. We’d also look at content distribution, and we’d be asking our partners to tell us where our content’s being pushed out – whether that’s through PR or media partnerships. We’d also pull things in across CRM – so we’d see email open rates etc. If we’re doing a specific campaign, we’d also pull those numbers in. We’d have sentiment analysis and brand pulse stuff; we’d know the share of voice that we have. This is where we’d have competitor analysis as well. In terms of the TV numbers, we’d have a look at exposure, we’d look at where value is coming from partners; we’d analyse where the value is coming from in terms of placing the branding, and that’s something you can change before the next race.

Mike Vitti:

Almost everything now produces data, so I consider everything a data source. We have websites, apps, tickets, merchandise, concessions at all of our events, we have partners – and all of these things are creating data. All of them are important depending on the constituents or the team. What’s important to one group – say, digital

data – might not be so important to another group that’s looking at merchandising. But there might be some overlap in between. We’re collecting data from all our systems – inventory systems etc. Digital is probably the largest dataset we have because we collect data on a very granular level on a daily basis – all the activity across all our digital platforms and we ingest that into our systems, as well as all the social activity too. That’s brought into our system for analysis too. Those are the two largest.

Bas Schnater:

We started working with Two Circles last September because we wanted to have more information on our fans. It’s always a collaboration. Two Circles support us with the quantitative part. They help us to structure, cleanse and analyse the data we get back from our fans. Then we combine that with the qualitative where we’ve conducted a survey, we’ve talked to the fans, we’ve had focus groups to gain the additional insights on top of the data analysis. That’s when it all comes together. The data itself doesn’t solve your problems; it’s the actionable information from the data and the final execution based on data.

How do you store, manage and interpret the data?

Mike Vitti:

We’ve moved all our infrastructure into the cloud. We’ve built a modern platform so we keep data that’s structured and unstructured. We use storage that allows us to keep any type of data, whether it’s video or text data – things from social – so it can be stored in its raw, native format and from there we can decide how we want to process it and push it through, whether or not we want to put it in more normalised data structures, put it into colander databases, or just get things in analytic-ready datastores. It depends, but we leave a lot of data in raw storage and then use it as needed. We’re now moving to a more modern model of extract, load and then transform on use, which allows us to do things much, much faster and be more nimble and flexible. We can spin up a new data source and bring it into our system within an hour or two. We use KORE Software’s data warehousing for our ticketing data in particular. We also work with them for technology as well. But we’ve built our own data infrastructure system on a different platform. But we use KORE Software for technology guidance as well. I’m trying to push the envelope a lot, and they’ve been helpful in doing that, but we’ve built our own platform. This is core to our business, so I want to make sure we understand as much of it as possible; and we’re trying to push some of our own IP too. But KORE Software have been fantastic in helping us get established and launched quickly.

What’s your approach to disseminating insight across the organisation?

Mike Vitti:

It’s a federated model which allows people to go and get the data themselves, which allows the analysts to be embedded in the teams to provide the insight at the right time. I don’t like when people talk about ‘real-time data’, because it should be about ‘right-time data’; it should be when you need it. We had a new CMO join the PGA Tour last year to try to learn more about our fans to better target our marketing efforts



and increase fan engagement. He's done a fantastic job in taking us in that direction, and now him and his team have a capability to get the data they need when they need it through dashboard systems we've set up. Internally I've set up a business information portal which allows any of the departments to go in and select what they need whenever they need it and service themselves – and their analysts can build out insights and reports and analytics and publish them out to the portal as well to share it as far as they want. Data has to serve the need of the business unit; they have to be the ones that need it; it can't be me forcing data on them to use; and they have to help guide us.

Anna Semens:

Part of the role of the insight team is to stop all the other teams from working in silos. There has to be knowledge transfer that goes on in real time. If you wait for a nice deck to be presented then sometimes you've just missed it. So a lot of it is on a fairly informal basis. It's an ongoing conversation. There are regular sessions scheduled with our marketing agencies and all the different departments too. I do feel like it's my job to take whatever there is and put that into a language in which everybody across the business can see it; and sometimes that is sitting down with somebody and taking them through a spreadsheet and saying this is what



“I DON'T LIKE WHEN PEOPLE TALK ABOUT 'REAL-TIME DATA', BECAUSE IT SHOULD BE ABOUT 'RIGHT-TIME DATA'; IT SHOULD BE WHEN YOU NEED IT”

MIKE VITTI, PGA TOUR



this means, this is how I interpret it; sometimes it's nothing to do with a spreadsheet and more to do with general trends we see happening. Probably in this role more than I've seen in others, there aren't the barriers between the insight team and everybody else. Sometimes I think insight teams don't help themselves by the way they share information. They can be impenetrable to some extent – as if they hold the answers but don't want to share. At Formula E, the culture is that we're all working together. And because of that there's much more of an open relationship with the agencies, with the stakeholders, with the teams, with everybody.

What tangible business outcomes do you currently drive through data insight?

Russell Scibetti:

Usually business intelligence is tied to revenue growth: how do we grow partnerships, how do we retain partners and customers, how do we focus our resources better on the right audiences, how does that efficiency lead to better productivity. Ultimately it should be revenue-centric to make sure you are prioritising the rights things.



Bas Schnater:

The application that we do with Two Circles is on memberships. Memberships were declining and we needed to find the answers to the questions: where does the decline come from? Why do we have a lot of fans that don't renew? Do we still have many fans that come back to us every now and then? We had no insights, it was all gut feeling and experience. We were looking at two potential CRM partners: one had amazing tools but limited consultancy and the other was Two Circles who may not have had the shiniest tools but delivered amazing consultancy. And to me it was clear we needed more guidance in the beginning. They promised they could help us grow by several percent in two years, and those ambitions really struck me. We were able to drive responses to a few basic questions: who is a fan and for what reason? Why are they here? What are they expecting from us other than football? Then we split those answers to the four stands of the stadium. It's basic segmentation but it did give us good insight. We found, for example, that people who sit in the stand where the fanatics are really value player interaction. We could then adjust our communication so we would serve a separate bit of content to that specific part of the fanbase where you would see a player jumping into the crowd after a goal, because that's important to them. And that helps to create and maintain this emotional connection every time. On another side of the stadium, the family stand, what were the reasons people were sitting there? Safety, accessibility and being able to sit next to other families that you know. So then we would personalise the content for those people to families sitting together and waving to the camera. That helped us in our campaign conversion;

which resulted in better click rates and better conversion to your website. We were promised growth of 3.5% per year; and we've actually turned around the retention from 78% - which was quite unhealthy - to 95% retention. And we've acquired 10% more fans than we normally would. So they've definitely over-delivered on that.

Mike Vitti:

We're able to segment our audience more on behavioural data now so we can make better decisions on what type of content needs to be produced, and we've been able to understand how frequently people come to the site and start down the path to personalisation. We're also doing a lot of work with our business development teams, mining the data to find certain fan affinities: affinity to certain types of clothing or products or brands; but even on the B2B side, we can tell if we have fans who are more engaged with certain technology areas.

What are the biggest challenges you're encountering?**Anna Semens:**

The biggest challenge is that there's always more to do. So it's about making sure that you're doing the most important things and not necessarily the things that are just interesting or easy to do. Everything is interesting! I think it would be easy to get bogged down in one area. But that's not my remit. My remit is to look across the whole business and use data to help and support in any way that I can.

Russell Scibetti:

Departments at sports organisations tend to be very lean. If you had a merchandise business, and a licensing





business, and a ticketing business, and a partnership business and these were all truly separate businesses then each of them would need resources to delve into the data that's appropriate for that particular business. But in sports where staffs tend to be leaner, the better approach is to have this business intelligence team that isn't necessarily aligned to any one specific line of business and that can navigate the overall organisational priorities. Fundamentally we're talking about change management. There's been rapid change over the last five to ten years compared to what came before. But as an industry we need to be more comfortable with change, but a lot of that comes down to culture and the culture gets set top-down in most organisations. So if you have executives who say, 'yes, we believe in data,' but they're not willing to look at a report and still want something printed out and put on their desk, these are the little things that send messages to an organisation that say 'we're doing this but we're not really believing in it'. The more that message can come top-down and they more they see the adoption happening top-down, that has a huge impact on culture and the willingness to accept change.

Mike Vitti:

The Tour has a unique challenge in that because we have so many different events globally, we have a lot of small, disparate datasets that come in at a rapid pace. We have to handle a lot of small datasets that aren't uniform and that presents challenges of its own. I also think everybody thinks other people are way ahead of where they are; everybody feels like they're chasing somebody. In our case, we are now really pushing the envelope in this area and trying to make ourselves one of the leaders in this area; we've made good strides over the last 12 months to do that. It's an area that changes and adapts so quickly; you have to keep up on

it and keep attuned to it to make sure that you're aware of the changes in the data and the technology otherwise you do feel like you're lagging behind.

Bas Schnater:

It's interesting to compare us to non-football organisations, like the NBA. The NBA is very forward thinking. In football, especially in Holland, we're still a bit conservative when it comes to technological change. Because what if this data approach shows we're not doing our work properly? Yes, data can expose that, but that's not what it's about. It's about helping people to do support them in doing their work more effective and efficient. Also the change management part is challenging. In order to make that happen, you do always need a leader who believes in it. With the CEO's support, it's easier because he believes in the change process and the added value of data.

What does the future look like for your use of data-driven insight?

Russell Scibetti:

It's a cliché, but it's all about people, process and product. We love our products and we think they can be really effective but they also need to be part of a good process and managed by the right people. If you don't have that whole triangle, you're not setting yourself up for success. There are some interesting questions we're looking at now: Can we do test mining into your survey data to help reveal interesting patterns in customer satisfaction? Can we move forward from static regression models to machine learning to build better fan profiles? The more we can mix in that little bit extra of creativity and experimentation – that's what's going to help us get that last 10% or 20% and help the whole industry evolve.

Mike Vitti:

Things are changing so fast that even looking five years out is probably too far. We've got to the descriptive analytics phase now, where I can do reporting or other people can self-serve; we've got 20 analysts plus people who wouldn't be classified as analysts trained in data visualisation tools to pull all that out. So it's becoming a regular part of the conversation, but building on that is where you start moving further along the analytics maturity model, and you start moving into the more predictive side of things – machine learning etc: How do we get to the point of expected value; how does something perform each week; was that how it should have been? What do fans want and how do we provide a personalised offering?



“IT’S A CLICHÉ, BUT IT’S ALL ABOUT PEOPLE, PROCESS AND PRODUCT. IF YOU DON’T HAVE THAT WHOLE TRIANGLE, YOU’RE NOT SETTING YOURSELF UP FOR SUCCESS”

RUSSELL SCIBETTI, KORE SOFTWARE.



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