

The future of sports reimagined with Alex Balfour and Andrew Cronyn - Part 1

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BRADLEY HOWARD (BH): Hello, I'm Bradley Howard, and welcome to our podcast. A place where we get technology experts together to explore innovative ways to reimagine the relationship between people and technology as it relates to things that influence our everyday lives. Today, we're talking about the future of the sports industry. Joining me are Alex Balfour and Andrew Cronyn. Alex, would you like to give a brief overview of your background?

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ALEX BALFOUR (AB): Certainly. So, I've spent 25 years mainly in the sports industry in digital. I started in the early days of digital when I had to explain to people what the Internet was and built a startup called Cricinfo in the 1990s. I then through a hop, skip and a jump ended up running everything digital for the London Olympics, and after that have worked in a range of sports. I'm more recently focused on commercialising digital primarily for Champions League, EURO 2020, Commonwealth Games, and Qatar World Cup.

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BH: And Andrew?

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ANDREW CRONYN (AC): Thanks, Bradley. Yeah, I've also been in sports' digital industry for about 25 years if it's possible to have been in digital that long. Started out in—was thrown the responsibility for building the first website for the New South Wales Waratahs down in Australia. I was given the job because I was the only one who actually knew what the Internet was amongst a bunch of people who didn't. Fast forward 20-odd years after stints at companies such as IMG and WWE, for the past eight years, I've been running a company called FanHub Media, which specialises in providing digital fan engagement products for the sports industry. We set up with offices in three countries around the world serving some of the premium sports bodies around the world, including NBA, NFL, media companies such as News Corp, FOX Sports, and many others.

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BH: Thank you for those introductions. So, in both the US and UK, kids' participation in sports is still falling, especially for low income families. What can be done to halt the decline?

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AB: So, I think it's an irony that when I was involved with the London Olympics, our strapline was to inspire a generation, and a big part of the London's bid was around energising kids around sport, and I think it'll probably be proven statistically that Coronavirus has done more to encourage young people to take up activity than London 2012 ever did either in the UK or further afield. And there's been a long-running challenge around getting young people to be active. I think there are a couple of ways of looking at this. One is, is that there is a disconnect between people's interest in consuming professional sport and actually participating, and the two things are not always the same. When I was working at London, we actually raised a significant seven figure budget from Adidas—I think it's okay to say this now—as part of their sponsorship to drive a sports participation programme, and it became obvious, at least in the UK context, that as we tried to bring that to life and it was a digitally driven programme even back then, that it was going to be very difficult to bring together all the bodies that were needed to do that. And it was effectively going to be a major distraction for us from doing the core job, of which is pretty damn difficult anyway, of putting on an

Olympic Games. So, the programme slowly fell by the wayside. And in the end, I think we actually gave some of the money back, which is sort of disappointing—but it is a complex and difficult thing to do. And the connection between consuming and being active in a—there is a disconnect there, even though you'd think there should be some logic between, connecting the two. I think the other thing is, is that for a long time in the UK, most certainly in England, a sport, England spent a lot of money on an active people survey to see how many people were active in any sport across mainly 16 and up. They no longer continue that survey because it was a hundred thousand-person panel and pretty expensive to put together, but it sticks in my mind that the most active sporting activity was generally swimming, and generally that meant not much more than a quarter of the adult population or 16-up population participating. And my assumption is a lot of those were people who were just taking their kids or going to a leisure pool. So, a huge part of the population is deeply inactive in quite a, you know, for someone like me who has been involved in sport and participated in sport, now I find it quite hard to compute. And clearly, the health implications for that are really significant. So, now I think that's a deep-seated challenge, that culturally people are not active, and not clearly adults guide children, and there the problem starts. I think that the wider context of opportunities for young people and kids is that there's so many things that can distract them or take up their time or their imagination that sport is only one of those. And I do think that, you know, if there are any compensations for the really difficult times we're going through and will continue to go through is that as life becomes simpler, simple activities—and that includes sport—may become more compelling and attractive for many people. Plus, with just less complexities and distractions in their lives, people have the opportunity to do simple things again. So, I see some hope in that. But I think the long-term trend has always been for participation to be effectively a minority activity anyway.

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BH: That's really sad to hear, though, isn't it? And why is it so linked to income as well? Why do low income families tend to be less active?

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AB: It's a good question and probably outside my core area of expertise, but, you know, I think it's just about opportunity, you know, particularly around open spaces. There's been some interesting data coming out of, say, London, where I know you live, Bradley, over the last few months indicating that most of the real estate, for example, in London, something like 30% of real estate is given up to gardens and outdoor spaces in areas where richer people live, and it's only about 20% or below in areas where poorer people live. So, people are crammed into tighter spaces to have less access to the outside. They have less access to facilities. And at the end of the day, sports participation, even for the simpler sports, you know, maybe with the exception of the very simplest, costs money. Well, even, you know, even to go running you need a pair of shoes. And if you don't have the right pair of shoes, it's unappealing and you get injured. So, you know, sport does cost money and some people simply don't have the opportunity to participate because they can't afford to get involved.

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BH: And Andrew, what's it like down in Australia?

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AC: I think the trend is similar down here. It probably hasn't arrived or occurred to the same extent sports as being a big part of the fabric of society, down here for a long time. We're overburdened with open spaces, and I think government through the year have approached sport as a fundamental part of society. But as Alex touched on, increasingly, more and more opportunities in things competing for the entertainment and eyeballs and energy of the youth of today. So,

technology has probably played its role in causing this problem both here in Australia and abroad. I mean, the other point is, again, as Alex touched on, sports verges on being a luxury item when a family's focused on putting food on the table. Mum and dad are working two jobs to keep their head above water leaves much less time to take the kids to football on a Sunday morning or get them off to tennis training, if they're even able to afford that tennis racquet. So, the same problems apply globally. I'm sure it's even more exacerbated in less wealthy countries than what we're all lucky enough to live in. It's still definitely an issue here.

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AB: Also, there is a challenge with—which maybe points towards a future opportunity—that a lot of sports aren't that participative in the sense that there's a focus on performance. There's a focus on the elite or on the professional. And, I know we'll come on to talk about it more, but I think that context may change because of the cultural shifts that will come about because of Coronavirus and maybe people's attitude to what's important in sport will change. And therefore, maybe people's interest in participating in sport might take on a different perspective simply because sport may no longer be quite so focused on being the fastest, fittest, and best or, you know, higher, faster, and stronger. It's maybe still important in the professional context, but isn't necessarily the prism through which we'll see all sport in the future. Just the ability to even move and partake in something may be valued more than being brilliant at it.

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BH: Moving on to another subject that's very close to our hearts: The audience sizes for women's football and other women's sports as well. So, why do you think that still in 2020 the audience sizes for women's sports is still lower than men's sports?

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AC: I suspect there's many reasons to it. Most of all, it's probably a legacy-type situation where most sports and the fandom around it has been built up over 50, 60, 100 years. And one of the great things about sports is that the traditions and heritage behind that view look at what is probably the most successful, if you measure it in terms of eyeballs in audience with women's sports, and that's women's tennis. Or with women's tennis has been pretty much held on an equal footing as men's tennis as long as any of us can remember. Women's football, women's cricket, which are more recent, I guess, activities to be put to the forefront that just haven't been part of the mindset or entertainment options presented to the population, that it will take time for them to get that rusted on support that you might have for an Arsenal, Bradley, or you know, Lakers fan in L.A. might have for the men's basketball team or whatever it might be. So, I think that's a big factor. Another is probably almost a—the weight of importance sexes themselves put on sport. Rightly or wrongly, it's such a big focus of not all males, but many males in society. You know, I think that focus with women is potentially a smaller proportion. This might be a chicken and egg type of thing. So, less women are inclined to want to participate in, less women are inclined to want to view. And therefore the quality of the women's product takes time to reach the level that it does with the men's where people are used to and want to watch the best. Everyone wants to watch the English Premier League because it's widely regarded as the best soccer league in the world, and that's where all the best players gravitate. Well, the same thing applies to women's sports. You need the best athletes out there and a high quality product out on the pitch or else people just won't be as interested. So, I think there's a real chicken and egg element to getting more and more women interested in following sports and wanting to aspire to be like their heroes and emulate those feats on the pitch. But none of that happens overnight.

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BH: And Alex. Anything to follow up with that?

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AB: I agree very much with what Andrew is saying. I think the majority of sports watching is done by males. And I've been tracking social numbers for the last year or two, and you see that in most major sports, the fan numbers tend two-thirds to a third towards males in most professional sports. They move more towards the population mean when you look at the very biggest sports in a country. For example, NFL in the US, football World Cup globally. So, the very biggest events capture the imagination of people of both sexes, but generally sports are male, they therefore reflect male prejudices in a way that they're presented and in the media choices of what's deemed to be important or not important. And ultimately that does reflect on participation. I mean, there are some interesting sports which have more female following. There are some where, you know, women excel and men don't really participate such as netball, but there are others. I did some work for UK athletics last year. The watching base is generally more female than male. That's sometimes the same for sort of multi-sport events in some countries as well like the Olympics and Commonwealth Games. So, there's interesting potential there, and that does sometimes shape how other sports are presented. But I think generally, you know, Andrew is also right that until the best forms of women's sport—it is chicken and egg—until they get a wider airing, people can't appreciate them in their own right, and when they do, that starts to show some green shoots. And I think that's been the case with the women's football World Cup. Last year was a fantastic event. It was given meaning because it was properly covered. It was given a sense of importance because people turned up in big numbers to watch the games and suddenly the events were deemed more meaningful. And then when you actually watch the play, to me, a lot of the Women's World Cup football was like fun football from 25, 30 years ago where there were lots of attacking, lots of ball loss, you know, plenty of tactics and plenty of skill and plenty of endeavor, but actually really exciting, vigorous sport. When you start to appreciate that in its own right, then you no longer think about the gender of the participants. You start to get an eye for the way that the play is shaped. As other sports get a bigger pool of elite athletes, you start to appreciate them in their own right in that same way. And then I think the other factor that helps: Men who take their daughters or help their daughters participate in sport tend to start to understand the unique values and positioning of women's sport. So, I think we're on a very healthy trajectory. And again, maybe some of those contexts will change as people's priorities and what they want from sport will change. But a lot of the cultural habits around male-dominated sports are going to be tough to shift.

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BH: So, especially relevant at the moment whilst live sports events aren't running, what do you think sports organisations can do to keep and engage fans at the moment? Let's start with Andrew.

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AC: It's a difficult question, isn't it? Every sport's on a bit of an even keel at the moment with that. I think there's a long list of opportunities in technology, and digital enables that in ways that just simply wouldn't have been possible 10, especially 20 years ago. So, I think depending on the nature of the sport, it's embracing your athletes to share their stories or behind the scenes activities with the fan base. I think what we're seeing a lot of at the moment is pulling on a lot of archive-type content, whether that's obviously replaying old classic games and/or trivia-type competitions, activities and products like that. I think that will only last so long. That'll eventually start to wear thin. So, I think if the current situation continues for a prolonged period of time, it's going to be a real challenge that sports are going to have to really get their thinking hats on as to how they can continue to engage fans when their core product doesn't exist. It's much easier said than done.

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BH: And Alex, I know you've written a bit of a manifesto recently about what sports organisations can do to keep and engage fans at the moment.

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AB: What I didn't cover so much is as to what sports can do in the short term. And Andrew's right. There's lots of move to archive. There's some interesting moves around people pushing the e-sports variants of their sport, which works well for some more than others. Yeah, there is only so much value you can get out of archive. You know, we come off the back of ESPN showing in the US the Michael Jordan story, which I think has become a sort of mini cultural phenomenon. But speaking personally, I've hardly watched any archive material, you know, partly felt a bit melancholy doing it, partly it's just not the same as real time sport. And I think it is showing us that digital is incredibly important to how we present and service our fans. But it's not a replacement for the sport itself. It's part and parcel of it. It's not the same as delivering live tangible sports. So, how we come out of this is going to be super interesting, and whether some sports still really work is quite a big question. I mean, over the last week, PDC, the darts, have gone livestreamed from home and I tuned in last week quite excited to see what they'd make that look like. And it just—the presentation wasn't there yet. So, it didn't feel meaningful, even though you had in their own right high-performing athletes performing at high levels of ability, but it just didn't have the same context. There weren't the crowds there. You couldn't really feel the pressure. And I think this is a real challenge for how sports present themselves. You know, I think it's going to ask some interesting questions about what some sports will look like and whether they feel authentic and whether we can come to terms with what that experience is like instead—appreciate it in its own right when we get there. But I think sports are struggling now. I think, you know, there was quite a lot of big push to put things out in archival replay. Now, there's lots of talk of playing things behind closed doors, but none of it feels like a new normal that any of us want to embrace yet.

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BH: I agree about the point about darts that it wasn't quite as professionally shot as one would expect, but I don't know if either of you saw the Formula One on the weekend, which felt that it was the other end of the spectrum. It felt to me almost photorealistic. And I thought it was presented, and the commentary was really exciting. How do you both feel about that?

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AC: Yeah, it's quite extraordinary in a—certain sports like that—Formula One motor sports is probably the most relevant. It could point to what the future of those sports actually look like in, you know, in, say, 20, 30, 40, 50 years, whatever it might be in terms of—its infinitely much safer for a Formula One driver to be doing that in a simulated environment than a real car hurtling around the track. And if the experience and the skill sets at the same, all you've removed is really the risk and the physical pressure of being in a car hurtling around the track. Then, who knows? If the fan experience is just as good, the production values can deliver what the fans want, then have, you know, seismic changes for those sports where end up getting to the point where why are we even shipping these cars around the world to do this when we can just simulate. It's a pretty, sort of, extreme extrapolation of possibilities, but it's certainly not out of the question.

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AB: I'm not a big F1 fan, but I think it's interesting to see exactly, as Andrew said, how that brings out so many of the essential qualities of racing. And now I suppose you ask the question, how much is the dependance on the reality we know part of that experience and how much of it could shift to future and on the later convert to Zwift? But as a rider on a virtual course, one of the interesting things about Zwift is that it allows you to participate in cycling on courses in real places,

which then it augments with weird extra features like bridges that don't exist or rides in the sky or different things that aren't there. And I think that the interesting question is to whether you take the fans on that journey and then they're riding on an F1 track, but the F1 track then has an undersea tunnel, which it doesn't have in real life, or whether you then start riding on fantasy tracks from whether people still have the same level of interest. So, that's an interesting takeoff point from where we are now to where we might be, but I can certainly see how that might work. And I think the quality of presentation is key as well. So, I think, you know, I've seen little bits and pieces of NASCAR and seeing that they're still doing the anthems before, they're doing as they do the pre-race commentary, you get the flythroughs and flyovers, albeit the electronic tracks. And all that stuff just brings back some of the atmosphere you'd expect from a normal broadcast. And then the question is, is can they then evolve it from there or do people want it, or how quickly do they move from simulation into realms of pure fantasy? And where do the fans sit comfortably with that?

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BH: And to emphasise that point, almost five million people watched the virtual Grand National, which is a horse race, probably the biggest horse race in the UK. So, almost five million people watched it, which is incredible the size of audience. But again, that was almost photorealistic. So, there's two types of e-sports. There's the simulation, which is, as it implies, drivers driving around a Formula One track or racing car or even *FIFA*, the football game. And then we also have fantasy e-sports as well. So, that's things like *League of Legends* and *Dota 2*, etc. Do you see a potential rise for those fantasy e-sports, Alex?

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AB: I'm not a huge e-sports devotee. I have teenagers, so I get, whether I like it or not, a good dose of it in my house every day anyway. To me, the most interesting part of it is not the elite end. And I know there are some solid numbers there which compare with a lot of sports franchises and arguably they will grow. It's interesting, if you think of a lot of console gaming before—certainly in that sort of five years ago, before the kind of rise in a lot of e-sports—the console gaming audience actually was running with generally people of my generation. I mean, I'm in my late 40s—I'm saying that ambitiously—that the console gaming audience actually moved with the generation that started doing it into the 20s and then moved into the 30s and the generation behind them didn't follow. So, it'd be interesting to see how e-sports or the specific way it's played out now will evolve and whether it moves generation to generation. Anyway, I think the most interesting thing about it is not the elite end, which to me looks to have all the potential, but also the potential to be just as boring as lots of other professional sports. It's the sense of agency you get when you play with friends. It's the fact that you can participate and it's all that kind of hinterland in between where again, you know, anecdotally, I see my kids playing the games that they like, especially things like *Fortnite* with their friends, but also watching loads of people on YouTube who are also playing whose special skill isn't really that they're brilliant at the game, it's that they're funny about it. They're really good at enjoying the culture of those games. And that's quite unique. I mean, you know, there is some sort of fandom around that, and, you know, we have programs like *Soccer AM* in the UK, which is all about fandom and being a fan of soccer football. But there's an extra level to that in e-sports where you can run all these things in parallel. There aren't many other sports where you can play at lots of different levels the same game and enjoy all the people who do that with you. You know, maybe, weirdly, golf is one of the analogous sports where you can play at quite a lot of different levels and enjoy the professional game and all kind of participate up and down the value chain there. But that, I think is a really unique asset for a e-sports.

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BH: In the introduction, you both mentioned that you worked in the industry for 25 years. Neither of you look old enough, by the way, but how do you think that the industry has grown and changed in those 25 years? Let's start with Andrew.

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AC: It's growing massively. Digital, the media, and the globalisation of our world have probably been the three big drivers for that. I think 25 years ago, the focus of most sports teams and leagues would at most been at a national level. I mean, from the perspective of a football club or a basketball team in the US would have been focused largely on what they could do around ticket sales and local sponsorships in their city or their town. And now, through the advent of the world getting smaller, the biggest teams and leagues have really now got a global view, capturing audiences through the means that digital presents and no longer thinking about, "Well, the season ticket holder is our most important stream of revenue", but rather, "Our most important stream of revenue probably comes from the 99% of our fans". If you're talking about massive teams like Manchester United and Real Madrid, the 99% of fans who will never even set foot in Old Trafford or wherever it might be, and will always experience the sport digitally, has been the big driver to that change and growth. And like so many things, I think a lot of that growth has been that the big getting stronger and bigger and bigger, and a lot of smaller sports and smaller teams and clubs being left behind.

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AB: Yeah, I agree with that. I think it is interesting how global some sports have become and how much they've been able to benefit from that. I was looking at some figures of daily active users of interest groups of sports on Facebook and Instagram. You know, looking at the numbers even from yesterday, while the NFL, which is largely an American focused sport, about half of its online fans on Facebook and Instagram are in the US, for the NBA it's less than 20%. Same for PGA golf. Same for many of the big properties where they have an international audience they didn't have before. People who will never see that sport in person, often whose experience is primarily digital because they're not always watching things live. You know, so the games—Champions League game or some NBA games are not—they're consumed in China at a time when it's been in the morning. So, there's this massively increased audience size and a huge amount of digital ways of engaging, which weren't there before. I think it's taken a long time, nonetheless. Despite it being so dynamic, nothing moves quickly, especially in the biggest sports. When I could first find cricket online in the mid 1990s, I was amazed to find that people from around the world could contact one another through the Internet and exchange cricket scores. And then, you know, I never looked back, but it took a lot of people time to get to a point where digital consumption was part of their everyday experience of sport. And I can say for someone who's worked in commercialising sport, it's really only at least in my experience, in the last three, four years that digital has really come to top table as a participant in the big money discussions around sponsorship and media. And I think even now, and I think the shift that's going to be really interesting as a result of Coronavirus, is that digital has been part in recent years of the conversation about how commercial partners activate around a sport and how they present the sport, but it still felt a bit intangible in commercial discussions about, "What's it actually worth?" and "What does it actually do?". And now I think that there'll be some challenges certainly for smaller sports and possibly for some bigger ones around media rights values and definitely around sponsorship that the role of digital, the value of digital, the proper evaluation of digital is going to be absolutely critical in that mix, in sport's commercial survival, as well as general relevance for the public.

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AB: As we've discussed throughout this podcast, sport is dug in culturally and the big sports are dug in culturally in ways that you can't see them drifting from people's mind's eye or relevance. But

I think there'll be some economic casualties without doubt in all fields of activity. But in sport, over the next few months and years, there may be some cultural casualties where some sports just play it wrong or don't feel right anymore, or the way that they're organised doesn't feel right anymore. And you think, looking over the whole span of things, it just, to me, it feels historically problematic to think that the importance of professional sports in our lives is going to look the same way in 20 years as it does now. You know, I think there's going to be an evolution and there may be other things that become relevant and important to people. This may be a strange analogy, but it's the first one that pops into my mind, sitting on the board of English Heritage for the last few years, which I gave up in March, but they're a body that looks after national monuments in the UK, and their most visited monument is Stonehenge. And although Stonehenge has been known about for literally millennia, the start of the 20th century, it was a, you know, a pile of stones owned by a private landowner, which had some visits and some interest. But over the course of the 20th century, its role as a global cultural icon has increased through tourism, through art and film and focus to where now everyone would think, "Oh, well, obviously Stonehenge has been world famous for two and a half thousand years of its life". That's not actually the case. And I think that analogy isn't a bit too weird and left field. Similarly, our high pedestal that we put a lot of professional sport on, I think is something that we've only assembled in the last, for many sports, in the last 30 or 40 years. And in 20 years, the landscape could look very different. And the things that we think are certainties and cultural touchstones today may no longer be.

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AC: Yes, it's obviously a shock to the well-oiled machine that we've known for quite some time. That's happening right now. And it may bring on changes that would normally take 20-plus years to bring about. Now, I think part of that will be what I mentioned before, and that is the theme of the strong getting stronger and the biggest getting bigger. I think sport's greatest strength in the current environment we have, and I suspect will continue to be so, is it's one of the few remaining things in life that is a cultural unifier and best experienced in the live moment when the result is unknown. You know, gone are the days of—I'm not even sure whether it was big in the UK—where people would watch *Melrose Place* every Tuesday night at 8:30, or *Seinfeld* on TV at eight o'clock every Monday night. You watch it when you want to watch it. But World Cup finals and the Super Bowl and NBA Finals, if you don't watch it in the moment, you don't experience it as part of the broader community. So, I think that's sport's great strength, and if it continues to embrace that, then I think it will remain and probably become an even bigger part of what is such an increasingly fragmented entertainment world, because that is ultimately what sports at a professional level comes down to is it's entertainment. Flipping back to your earlier questions, sport at its most important is at a participation level, but probably never those two things being so far apart. And maybe that's one hope for the future that to come a bit more of a full circle back to each other where LeBron James of the world and Cristiano Ronaldos are today ties back to where they were as kids. But I think there's a real separation between those two extremes in the industry at the moment.

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BH: Well, thank you very much to both of you for some really interesting insights into the sports industry and how technology can reimagine this. In part two, I take a closer look at how Alex and Andrew started their career in sport, and we'll take a look back at how the industry has changed over the last two decades. Don't forget to like this podcast and subscribe to automatically get all our new episodes directly to your device.