

Impact of ipl essay

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“ IPL’s Cricketainment is a marketing and branding case study” MTI MTI’s Delhi based Shanker Bhattacharyya shares MTI’s strategic thoughts, analysis and learnings from the IPL Q: Is IPL a brand success, a media success or both? How do you describe IPL? Convergence of Cricket, and entertainment, one can describe this as cricket tournament, an entertainment event or a media spectacle! “ Cricketainment” perhaps? The lines get blurred at times. If we are to go back few years, the idea was mooted for the first time in 2002.

It was none other than Mr. Lalit Modi, scion of the KK BIRLA business family and empire who had a fixation and an inspiration of holding a cricket tournament in India. Inspiration came from the NBA league in US and also to some extent the club football leagues in the European continent. Here both the tournaments and the clubs are also a brand “ property”, complete with media rights, merchandizing rights, sponsors, advertisers and a die-hard fan base worldwide.

Until now, this has existed in the developed markets or countries (first world countries if you please). IPL is the first such an attempt to build a sports brand franchisee /property in South East Asia, based on one of the most popular sports in the region. To me, this creation is what Malcolm Gladwell calls the “ tipping point” in the annals of cricket history worldwide. The effect of this will be felt throughout the cricketing world.

It will inspire and create spin offs of similar products/brands, attract sponsors and advertisers, and on the whole it will change the economic contours of cricket and hopefully other sports as well. Is IPL a brand success? Or should

we be more specific and determine whether this episode of the IPL is a success? Let's examine this a little more closely. Any brand, by definition, should have an uncluttered, unique and relevant value proposition to its customers. In addition, it should be attuned to the culture in which it exists and a strong emotional connection with its customers. Does IPL have all this? I think it does. Here is why. The content is cricket, or rather quality of cricket provided by the best players in business.

Showcasing their skills in typical “ football” like atmosphere for 3 hours – long enough to keep them engaged and short enough not to be boring – you can compare it with other entertainment avenues viz. a football match of two hours or a movie of three hours. It is like a good thriller with a tight script. It grips the audience. That is the heart of the value proposition; it is unique in its value proposition and perfectly relevant for the Indian audience. The cricket, as expected, has a very strong emotional connection. Without doubt IPL has all the essential characteristics of a brand in the Indian cultural context.

The other very important aspect of this content is the eight teams based on city loyalties and rivalries. This artificially created rivalry was an important part of this brand. Without this artificially created loyalty (similar to a Man U vs. Liverpool contest with the competition and accompanying drama) the content would fall flat. Without competition no sport is worth watching, whether live or on television. Now to gauge the success.

But how would one judge the success of this brand? We know that the value proposition of this brand has the uniqueness, appeal and relevance to the

Indian audience. Unlike a product or a service where a certain level of awareness and trial would be a top line indication of customer acceptance of the brand, a sports brand property would not have the same measure of success. At the heart of any sports brand property would be a valuation of its ability to attract a captive audience. It is as much a live event as it is a media event. The biggest share of revenue comes from selling television rights. The majority of the value is based on the estimated number of viewers this brand /event is able to deliver. This is a judgment call made by a television company. In this case WSG paid \$ 1.

026 billion for a 10 year period to the IPL for telecast rights across the world, of this \$ 918 million for television rights, and \$ 108 million for promotions. Sony Entertainment television paid \$ 612 million for similar rights in India. Has the brand or the event has been able to deliver a captive audience or adequate viewership? So far a rough estimate of audience measurement shows that approximately 130 million people have watched IPL matches, a substantial number by any stretch of imagination. A sign of success? Perhaps.

It is definitely high compared to the cricket world cup or even T20 world cup! Other aspect of brand success would be look at the in-stadia footfall. This ranges from 30% in some of the matches in Mohali and Hyderabad to a maximum of 100% in Eden garden Kolkata. A sign of brand appeal! Key indication of probable success of the brand is the ability to attract sponsors. IPL has attracted more than one sponsor. It is a bidding process like any

other. The highest value offered is selected as the main sponsor. This again is a judgment call based on estimated viewership of the event.

IPL has DLF as the main sponsor for its brand. They paid approximately \$ 2 . 0 billion for the event. Based on the numbers, the IPL obviously believes that it is spending money well on behalf of the brand owners.

It will be a long road for those who have put their bets on IPL, but the milestones to be achieved will make this qualified success in the coming years. So come summer of 2009 when you switch on your television sets at 8. 00 pm you will only help it along. Is it a media success? We have answered part of this in the first section. By definition success of a media event or a program would have two critical ingredients. a) A captive audience, and b) Perceived value any advertiser would willingly to pay to access this audience.

Let us examine this a little more closely. We all know that success of any television program is largely depending on the content; it has to be interesting, intriguing and relevant to the audience in question. The content, in this case is a “ cricketainment” program, provided all the above necessary ingredients.

One interesting aspect of this audience is that it was one of the few television programs which had very low age, gender, income or even regional skews. It is a media practice that one creates a program or content keeping in view a particular demographic or psychographic segment. The viewing habits of this particular segment determine the time slot of this

program to be telecast. In case of IPL matches the audience profile had no age, income or gender skews, which meant the program was watched by practically any one and everyone in the house which had a cable and satellite connection. Is this significant? Yes it is. To illustrate this point let us consider a one day international where India is playing. There would have a male bias in the viewership in the 15 - 55 age group in the afternoon time slots or in the evening if it is a day night game.

In case of IPL it was not so pronounced. Its audience had no gender skews, and practically no regional skews. From the television station's point of view it was able to attract a wide cross section of brands from facial creams to tires, mobile phones and real estate developers during prime time i.

. 8 pm to 11. 30 pm. TV rating of over 6.

0 on average for 44 days spelled big money for the channel. If one looks at the ratings of the Top 10 programs in the same time slot from other channels they were in the region of 4. 0-5. 0 at most in the non match days. No other program in any other channel has managed to achieve such a sustained high rating for over one and a half months. A media success! The second ingredient of this media event is the perceived value that the advertisers are willing to pay for advertising in that program. Sony sold the spots for INR 1. 5 lakhs for 10 seconds in the first stage of the tournament. It gradually increased to INR 4 lakhs in the semifinals and finals. A typical 30 second slot in the final had cost INR 12 lakhs, or roughly 30 lakhs Sri Lankan Rupees.

There were more takers for this than time available in the Three and a half hour period. Sony felt that they could have sold for more.

Unofficial (real figures are not available) estimate indicates that SET could have earned as much as INR 400 crores from the first episode of IPL, alone. They think it is a success. Is there a proof of success? These numbers do not necessarily prove that IPL is a successful media event.

Because in the Indian context there was no comparable event before that could provide us with benchmarks. Nevertheless these are impressive numbers and they give us a glimpse of the shape of things to come. There were other indicators of public interest in media. All the news channels had fifteen minutes to half an hour slot devoted to IPL coverage in the morning and evening time slots. The print media carried two full pages on match results, tidbits/gossip, interviews, opinions/columns of experts, predictions.

There was one correspondent devoted to each team, so each daily newspaper carried eight stories on the teams alone. But the biggest proof of success came from debates it generated across the country, on drawing rooms, pubs and offices etc. The “ buzz” was all encompassing. Even strangers in planes, airports, trains and buses chat about Daredevils and Super Kings. Has IPL changed media habits of Indians? Did it have a lasting impact on the media habits of Indians? The answer is no. Depending on which demographic segment you are referring to, they still go to the movies, read newspapers, listen to the radio, surf the internet as often as they use to.

There was however a marginal change observed during the duration of IPL. Unofficially cinema managers admit to 15-20% drop in attendance in the last one and a half months. There was less traffic in shopping malls, restaurants and pubs across the metros. However one has to take in to account that during summer holidays there is always a rise in attendance in movie theatres, restaurants, and shopping malls in the metros and tier 1 cities across India. Therefore overall there may not have been a significant change. Though the official estimates are hard to come by, the media planners did not see any significant rise in circulation or rise in time spent in media consumption. A similar trend was observed in radio listenership patterns.

The only medium where some degree of shift was observed was television viewership patterns. The most significant observation was that more viewers switched on to their TV sets than they otherwise would have done, in simple terms it means more people watched television during that time slot. Surprisingly number women viewers also increased for IPL matches. As I have said earlier there were less skews in viewership of IPL matches than other cricket matches or sports events.

Overall, there was marginal shift in media habits, by habits I mean type of media consumed, frequency of consumption, profile in media consumers etc. Media experts believe that this marginal shift is likely to last only for the duration of the tournament; it is less likely that there would be any permanent shift in media consumption pattern in the long run.