

**HOW DOES GLOBALIZATION IMPACT THE
WORLD OF SPORTS?
OPPORTUNITIES AND THREATS FOR
EMERGING MARKETS**

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Our game plan

- ◎ Transformation of the sports industry
- ◎ Opportunities and threats for emerging markets
- ◎ Final word



Transformation of the sports industry

◎ Some numbers...

- Sports industry: 126 billion US\$ in 2011 (PWC)
- Licensed goods: over 20 billion US\$ in North America; over 10 billion US\$ in Europe (PWC)
- Average salary, MLB (Bloom, 2009; Forbes, 2011)
 - 1.1 million US\$ (1995); 3.3 million US\$ (2010)
- Average salary, NHL (Bloom, 2009; Forbes, 2011)
 - 572,000 US\$ (1994-95); 2.4 million US\$ (2010-11)



Transformation of the sports industry

- ◎ From sports to « sportainment »
 - From a local to a global activity / event
 - Village circus vs. Walt Disney or Cirque du Soleil
 - Sports and entertainment
 - Socialization and unique experience
 - Transformation in product, management and ownership
 - Sports content wrapped up in entertainment packaging for delivery through media and communication platforms (added value?)
 - Sports marketing
 - Strategic leverage for today's challenges



Opportunities and threats for emerging markets

- ◎ Capitalize on emotional attachment of fans
 - Strong brand, anchored in community, history
 - Sports and lifestyle brand (USP)
- ◎ Make fans enjoy a unique experience
 - Fans, true « consummactors » (real and virtual world)
 - Ambassadors and « co-creators » of the brand
- ◎ Stadium, entertainment convergence point
 - Stadiums and arenas: multipurpose facilities
 - « Jewellery boxes » and revenue generators



Towards a « VIPization » of sports?



Air Canada Centre (Toronto):
287 to 465,000\$/year,
10 people



Prudential Center (Newark):
225 to 285,000\$/year,
12 to 18 people



Nationals Park (Washington DC): From 400,000\$/year, 16 to 60 people



Pool Zone (Phoenix):
6,500\$/game, 35 people



FedEx Fields (Washington DC): 100 to 225,000 \$/year, 30 people



Rogers Centre (Toronto):
100,000\$/year,
16 people

Opportunities and threats for emerging markets

- ◎ Globalization of sports
 - Internationalization strategies of sports brands
 - Emotional anchor point (« glocalization »)
- ◎ Rising emerging markets
 - Expansion opportunities for Western brands
 - Fearless challengers...
 - Major event organization: Olympic Games (Brazil, Russia), World Cup of Soccer (South Africa, Qatar), Formula 1 (China, Malaysia), etc.
 - Club financing (Emirates, Qatar, Hong Kong, etc.)



Final word

- ⦿ Emergence of « Sportainment »
- ⦿ Tornado of globalization
- ⦿ Influence of « Consummactors »
- ⦿ Major threat to integrity: sports betting
- Branding: strategic leverage



The sports business universe



Terima kasih di atas perhatian anda!

Thank you for your attention!

