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INDIAN PREMIER LEAGUE AND ITS IMPACT ON INDIA

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Abstract: This study has been undertaken to know the emergence of Indian Premier League in India. Cricket is the most favorite sport in India and its impact on Indian economy is huge. This paper focuses on the introduction of IPL, types on investment in it, the growth phase, brand crises, economic impact of IPL on different sector in India, contribution to GDP and finally new trends in India because of it.

Index Terms – Indian Premier League (IPL), Cricket, Twenty20, ICC.

1. INTRODUCTION

The history of cricket in India is very old. The first ever cricket match played in India was in 1864 between Madras and Calcutta. Britishers (East India company) introduced cricket in India. And as the time passes it became the most popular sport in India. People celebrate cricket as a festival and treat the players like God.

The moment when it became popular in India.

- 1983 “World Cup” where India defeated two-time world cup holder team West Indies in final and claim the title. Kapil Dev was the captain of Indian team.
- 2007 “T-twenty World Cup” where India defeated Pakistan and won first ever T-twenty world cup. M.S.Dhoni was leading the team.
- 2011 “World Cup” where India defeated Sri Lanka and won Second world cup for India. M.S.Dhoni was the captain of Indian team.

And there were some other moments when people in India celebrate cricket and making it popular in India.

There are some players who evolved cricket as a sport not in India but all over the world

- Sunil Gavaskar.
- Sachin Tendulkar.
- Saurav Ganguly.
- Yuvraj Singh.
- M.S. Dhoni.
- Virat Kohli.

1.1 Formats of cricket

1.1.1. Indian Premier league

The first edition of IPL was in 2008. People enjoy this format. It is important not only as the cricket point of view but also the financial point of view. It evolves the new talent in India give them a platform to showcase their talent. It also helps to increase financial area of India. IPL is held under BCCI.

1.1.2 Ranji trophy

The Ranji Trophy is a domestic first-class cricket championship played in India between multiple teams representing regional and state cricket associations. The competition currently consists of 38 teams, with all 28 states in India and four of the eight union territories having at least one representation. The competition is named after the first Indian cricketer who played international cricket, Ranjitsinhji, who was also known as 'Ranji'.

It is important because it gives the chance to domestic players and it is also known as the first step to the International cricket team of India.

1.1.3 Duleep trophy

The Duleep Trophy is a domestic first-class cricket competition played in India. Named after Kumar Shri Duleepsinhji of Nawanagar (also known as 'Duleep'), the competition was originally contested by teams representing geographical zones of India. Since 2016-17 it has been played by teams chosen by BCCI selectors.

And there are some other formats played in India like

- Vijay Hazare Trophy
- Deodhar Trophy
- Irani Trophy
- Syed Mushtaq Ali Trophy
- BCCI Corporate Trophy

International competitions

1.2.1. ICC Cricket World Cup

The ICC Cricket World Cup is the international championship of One Day International (ODI) cricket. The event is organised by the sport's governing body, the International Cricket Council (ICC), every four years, with first qualification rounds leading up to a semi-final and then finals tournament. The tournament is one of the world's most viewed sporting events and is considered the "flagship event of the international cricket calendar" by the ICC.

1.2.2. ICC World Twenty20

The ICC Men's T20 World Cup (earlier known as ICC World Twenty20) is the international championship of Twenty20 International cricket. Organised by cricket's governing body, the International Cricket Council (ICC), the tournament currently consists of 16 teams, comprising the top ten teams from the rankings at the given deadline and six other teams chosen through the T20 World Cup Qualifier. All matches are played as Twenty20 Internationals.

1.2.3. ICC Champions Trophy

The ICC Champions Trophy was a One-Day International (ODI) cricket tournament organised by the International Cricket Council (ICC), second in importance only to the Cricket World Cup.

And there are some other formats played by Indian team.

- Asia Cup
- Women's Cricket World Cup
- ICC Women's World Twenty20
- Under 19 Cricket World Cup

Introduction of Indian premier league (IPL)

IPL was founded in 2008 by BCCI former vice-president Mr. Lalit Modi. He was the mastermind behind this idea. But before IPL, ICL (Indian cricket league) played in India which is kind of similar format of IPL. The founding was provided by Zee entertainment and not by under BCCI or any cricket board. It was not that popular.

In 2008 when IPL launched under BCCI it became famous not only in India but all over the world. On 13 September 2007, BCCI announced to start a new chapter of cricket in T-twenty format that is IPL.

On 24 January 2008, the first auction of IPL was held with total base price of franchise which cost \$400 million. And the team were Bangalore, Kolkata, Chennai, Delhi, Hyderabad, Mumbai, Jaipur and Mohali. And after that in 2010 new teams were announced Pune and Kochi.

Awards:

1. Orange cap

The one who scored maximum number of runs gets this award with some amount of cheque.

2. Purple Cap

The one who gets maximum number of wickets was awarded by purple Cap with some amount of cheque.

Some figures

Total number of tournaments: - 12

Number of teams competing: - 8

Current champion: - Mumbai Indians

Most successful: - Mumbai Indians (4 titles)

Most Runs: - Virat Kohli (5412)

Most wickets: - Lasith Malinga (170).

2. TYPES OF INVESTMENTS IN IPL

Cricket is undoubtedly the most favourite sport in India. This sport became household name for every Indian after Kapil Dev's team won the 1983 world cup in England. It became an emotion for every Indian cricket fan when MS Dhoni won the inaugural T20 world cup in 2007. In April 2008 BCCI initiated the Indian Premier League, which changed the dimension of Indian cricket. IPL was played among eight domestic teams which were named after 8 states or cities in India. This shorter format of cricket involved Indian players, International players and upcoming Indian talent. The shorter format was accepted not only by Indian fans but cricket lover all over the world, making India the new cricketing superpower.

The IPL business model is both profit and entertainment driven. The profit comes from the audience who watch the matches on TV and in stadium. Also, IPL has two revenue streams that are centralised and decentralised streams.

Centralised Streams

- Sponsorships
- Franchises
- Broadcasting

Decentralised Streams

- Ad space on team uniform
- Player auctions
- TV displays to other firms

2.1 Sponsorships:

The 13th edition of IPL is yet to start. Star India the media right holder for this tournament has signed nine sponsor deals with Vivo, Coca-Cola India, Amazon, Phone Pe, Dream 11, Maruti Suzuki etc. These deals are for different sponsorships such as title sponsor, official partners, co-presenting sponsor, strategic time out partners, associate sponsor etc.

About title sponsorship, DLF one of India's largest real estate developer was title sponsor of IPL from 2008 to 2012. They secured the rights of title sponsor with a bid of Rs. 200 Crore (US\$28 Million). For the next 5 years PepsiCo bought the title sponsorship right for Rs. 397 Crore (US\$56 Million). However, the deal was terminated because of the suspension of Chennai Super Kings and Rajasthan Royals due the spot fixing scandal. Hence the title sponsorship was transferred to Chinese smartphone company Vivo for Rs. 200 Crore. Vivo retained the contract for 5 years for a whopping 439.8 Crore (US\$61.7 Million)

The commercial value of contracts such as official sponsors/partners of the tournament is nothing less than an amount worth its weight in gold. Sponsor like Vodafone, Yes Bank, Star plus, kingfisher, Jio etc have been connected with IPL for long time. This year the official partners are FBB (Future Group), Dream11, TATA (Altroz). The umpire partner is Paytm and official strategic timeout partner are CEAT tyres.

2.2 Franchises:

The inaugural edition of IPL started with 8 teams named after different cities or states in India. This 8 teams were owned by some of the leading Indian industries, movie stars, politicians and other celebrities. IPL works on a franchise system based on American style of hiring players and transfer. This franchise is entertainment, revenue and profit driven. Under this the sponsor who want to own a team will have to pay stipulated fee to the BCCI. Below are the eight teams and their owner:

- The Bangalore team was bought by Vijay Mallya's UB Group for \$111.6 million.
- The Mohali team was bought by Bollywood diva Preity Zinta, Ness Wadia for \$76 million.
- The Chennai team was bought by India Cements for \$91 million.
- The Kolkata team is owned by Bollywood actor Shah Rukh Khan, actress Juhi Chawla and her husband Jay Mehta for \$75.09 million.

- The Hyderabad team was bought by Deccan Chronicle, a media house, for \$107 million.
- The Mumbai team is owned by Mukesh Ambani's Reliance Industries Limited for \$111.9 million.
- The Delhi team is owned by GMR Holdings for \$84 million.
- The Jaipur team was bought by UK-based company Emerging Media for \$67 million.

Franchise need to pay two big expenses that is the franchise fee paid to the IPL and player cost. Apart from this the franchise will also have to pay stadium hire charges to the local association for the use of the stadium for the matches. Also, other expenses include marketing cost such as events for promotion of the team, star ambassadors etc. From the total revenue, the IPL body keep 40% of the central revenue stream. The remaining 54% is shared among the franchises and 5% is given as the prize money.

2.3 Broadcasting:

Sony TV and the world sports group bought the broadcast rights for US\$ 1.026 Billion for 10 years. The domestic television distribution was handled by Sony TV and International distribution was handled by world sports group. Because of IPL, Sony MAX became the most watched television channel in India and channels annual advertising revenue surpassed Rs. 12 Billion (US\$ 170 Million). This revenue was further going to increase in coming days because of the new BARC rating system in India. Knowing this on September 2017, Star India acquired the global media rights of IPL valued at Rs. 163.475 Billion (US\$ 2.55 Billion) for 5 years. This was the most expensive broadcast right deal in history of cricket. The television broadcast is distributed by Star India and it can also be viewed online on their video streaming platform Hotstar.

2.4 Ad Space on team uniform:

Franchises owners sell Ad space on team uniform and equipment's such as helmet, bat etc. IPL franchisees are making impressive gains in sponsorship deals in spite of an economic slowdown worldwide. Below are some sponsors of all IPL teams 2019:

Chennai Super Kings: The Muthoot Group (Title Sponsor), India Cements, Gulf, British Empire, HIL, Nippon Paint, Jio, Frooti, Peter England, Right Lane club, Nestle Milo, Duroflex, Khadim's, Act Fibernet, Zomato, Dream 11, Seven, Fever FM, Hello FM.

Delhi Capitals: Daikin (Title Sponsor), Apollo, Lotus Herbals, Jio, JBL Harman, HPL, TCL, Jetking, DTDC, Senco Gold & Diamonds, Kross Bikes, Coca-Cola, Kingfisher, Dream 11, Fever 104, Fortis, Zomato, Radio Nasha.

Kings 11 Punjab: Aaj Tak (Title Sponsor), Bageshree Infratech Pvt. Ltd., Jio, Fena, Royal Stag, Finolex, VIP, Kingfisher, Beardo, Prayag, T10 Sports, Coca-Cola, Welspun, Dream 11, Boat, The Souled Store, Cricfig, BIG FM, Cash Your Drive.

Kolkata Knight Riders: Nokia (Principal sponsor), Jio, Lux Cozi, Exide, Royal Stag, Greenply, Khadim's, Astral Pipes, Asian Paints, Senco Gold & Diamonds, The Telegraph, Fever 104 FM, Goibibo, Sprite, Dream 11, Sampark.

Mumbai Indians: Samsung, Colors (Principal Sponsors), DHFL, Jio, Kingfisher, Usha, Sharp, Burger King, Taiwan, William Lawson's, Dream 11, Raw, Boat, New Era, Education & Sports for All, BookMyShow, Radio City FM, Fever 104, Performax.

Rajasthan Royals: JK Lakshmi Cement, KEI, Surya LED, Jio, Nerolac, Astral Pipes, Chawla Band, JK Sixer Cement, INOX, Alcis, Kingfisher, Daikin University, Clear Score, Dream 11, Zomato, SBI, Cricfig, Mitashi, Rajasthan Patrika, Yellow Panther.

Royal Challenger Bangalore: Wrogn, Pillsbury (Principal Sponsors), Valvoline, Jio, Domino's, Duroflex, Nerolac, Single, Zomato, Nissin, Goibibo, Max Life, Kingfisher, Too Yumm, Duraguard, Acko, Himalya, Raw, Pepsi, Royal Challenge, DNA, Fever FM, Zeven, iB Cricket.

Sunrisers Hyderabad: Coolwinks, Red FM 93.5, Rupa, Jio, Astral Adhesives, Nerolac, Grado, Car2Drive, Kingfisher, Sprite, Dream11, Tyka, Apollo, Mera Hoardings, Hylife.

2.5 Player Auction:

Franchises form their teams by bidding from a collection of domestic and international player. Team owner bid for the services of players. They bid for the salaries which they are ready to offer the players. Each player has a base price fixed by the IPL authorities. Each team can purchase 8 international players. Only 4 from which can play in the playing eleven. Once the franchise wins the bid for a player, the salary offer is valid for 3 years. Player auction bidding completely depend on the prime skills of the cricketers and performance in the 20 over format.

3. GROWTH OF INDIAN PREMIER LEAGUE:

When Indian time struck 8 pm in the month of March, April or May, probably it be IPL time in India. IPL is full of manic moments of drama, spectacle, ecstasy and agony. The first season of IPL was played between 18th April and 1st June 2008 with packed houses for 44 days. This inaugural edition of IPL earned BCCI Rs. 350 Crore which was much more than entire BCCI's profit of Rs. 235 crores in 2007. In 2009 due to Indian national elections, government was unable to provide necessary security to the League and it was moved to South Africa. Season 2 was a successful experiment with globalisation. It was India's 1st truly global sporting export and helped create India's 1st International sporting

brand. In 2010, IPL's 3rd edition returned home in March 2010 when it was again played in packed houses. IPL's brand valuation in 2009 was US\$ 2 billion and in 2010 it was US\$ 4.13 billion. As the success of IPL repeated in 2009 and 2010, it helped Indian cricket to become a cricketing superpower. This trend was encouraging and it showed how excellent marketing can bring in crowds and money. However, in 2011 and 2012 the brand valuation of IPL fell to US\$ 3.67 billion and US\$ 2.92 billion respectively. The TRP rating of television also fell from 4.81 in 2008 to 3.27 in 2012. In 2012, the IPL title was bought by PepsiCo for a whopping 400 crores and other brands such as Vodafone, yes bank, Star plus invested as sponsors. Brand IPL showed growth again. It was pegged at a whopping US\$ 3.2 billion in 2014 and according to BCCI the 2015 season of IPL contributed over US\$ 182 million to Indian economy. This rapid growth of IPL continued in years 2016-2018 as the value of each season was more than previous season. The 2016 edition valued US\$ 4.16 billion. It further increased in 2017 and it grew to US\$ 5.3 billion. The growth continued on 2018 as well and the value increased to US\$ 6.13 billion.

- The humongous growth of IPL has made it the best Twenty20 league in the world by all accounts.
- A report from Duff and Phelps said that one of the contributing factors in the rapid growth of the value of the Indian Premier League was signing a new television deal with Star India Private Limited, which engaged more viewers due to the fact that the IPL was transmitted to regional channels in 8 different languages.
- According to another independent report conducted by Brand Finance, a London-based company, after the conclusion of the 2017 league, the IPL has seen its business value grow by 37% to an all-time high of \$5.3 billion — crossing the five billion mark for the first time in a season.
- From a modest Rs. 236 crores in 2008, the media rights touched a phenomenal Rs. 4087 crores in 2019. The consolidated sum for 2019-2022 is estimated to be around Rs. 3065 crores. After the first 10-year revenue cycle, the second revenue cycle has been reduced to five years of 2018-22.
- The sponsorships sum has grown from Rs.111 crore in 2008 to Rs. 618 crores for the 2018-2022 cycle, much of it coming from the title sponsor, official partners, umpire sponsor and strategic time out sponsor. Three slots are open in the associate partner category.
- The fixed franchise fee payable to the BCCI was an average of Rs. 40 crore per team; it's estimated at Rs.65 crore each year for the 2018-2022 cycle.
- The IPL ecosystem value increased by approximately 13.5% from Rs 41,800 crores to Rs 47,500 crores fostered by association with the advertisers, broadcasters, sponsors, affiliates, partners and viewers.
- IPL team Mumbai Indians, with a brand value of Rs 809 crores up by almost 8.5% from last year, is leading the franchise list followed by CSK which has seen a massive gain of 13.1% in its brand value to Rs 732 crores.

4. IPL BRAND CRISES

The Indian Premier League is undoubtedly the world's best T20 league. The league has mostly had its headlines made for its controversies more than the on-field heroics. Ever since it was introduced in 2008 there has been a lot of hullabaloo. While the level of cricket played is topnotch, the brand knowingly or unknowingly has been raising its profile by leaps and bounds. In fact, there are lots of controversies but let's take a look at some of them and understand how the brand IPL took a hit and gained a lot of negative publicity.

4.1 Slapgate

The first season itself provided a lip-smacking controversy for the media with Harbhajan Singh and Sreesanth involved in it. The match was between Kings XI Punjab and Mumbai Indians. The cameras captured the moment and Sreesanth's tears, the cause of it is still unknown as to why that happened.

4.2 The End of Lalit Modi

The IPL was founded by Lalit Modi, it was his idea which has helped put the Indian cricket on the top of the world with IPL. In 2010 however, he was sacked from his post by BCCI after financial mismanagement and corruption. He was banned by the BCCI from having any interference in cricketing affairs.

4.3 Shahrukh Khan Wankhede Ban

Shahrukh Khan, in 2012, was involved in an altercation with security guards at the Wankhede Stadium in Mumbai following KKR's win, a team he owns. The no nonsense, rule abiding Mumbai Cricket Association banned him from entering the stadium for 5 years.

4.4 Spot- Fixing Scandal

In the 2013 edition of IPL, sport fixing again popped up its ugly head when Delhi Police caught three Indian players – Sreesanth, Ajit Chandila, and Ankeet Chavan were caught spot fixing and were jailed subsequently. Investigations from Mumbai Police then lead to Gurunath Meiyappan's arrest. Meiyappan is the son-in-law and an alleged owner of CSK. The scandal rocked the IPL, prompting a crackdown on betting in India and driving a decline in television viewership the next season.

5. STORY BEHIND STARTING OF TWENTY20 CRICKET IN INDIA:

Like most things cricket, Twenty20 had its start in England. The English cricket authorities, the guys whose job it is to pick cricket teams that hand over the Ashes to Australia on a regular basis, decided to spice up domestic cricket competitions and attract more viewers with a shortened version of cricket. Because, you see, the sponsors were fleeing. Out of boredom, perhaps.

Fans responded by flocking to cricket grounds to watch this fun version of cricket. Soon, we had a T20 World Cup in 2007. But, even among players, Twenty20 was considered a novelty that serious pros smirked at. Test cricket is the real cricket, or some variation of that cliché. I recall all the big shots of Indian cricket skipping the first T20 world cup. Which, looking back, wasn't a terrible thing for cricket.

The cricket commentariat, the serious commenters who spoke and wrote like their opinions mattered more than most, thought it was a passing fad. Unfortunately for those optimistic folks, India won the T20 world cup. The tournament was a huge hit, with even an India-Pakistan final thrown in. Ratings were off the charts and a new market was discovered.

A gentleman by the name of Lalit Modi, the BCCI's commissioner at the time, decided it would be a good idea to bring T20 cricket to India, glam it up and have a competition along the lines of the English Premier League. For those that don't know or care about football, the EPL is the, well, most premier of football leagues. It is played in England, and teams pick players from different countries and clubs, paying big money for big talent. Even if you don't follow football, you must have heard the phrase Manchester United. That alone explains how successful the EPL is. Lalit Modi wanted that kind of success for the IPL. He named it the Indian Premier League. Does anyone see any kind of similarity in the names? Hmm

Modi wanted to attract larger, younger audiences who wanted to see an exciting sport that also had a collaboration with India's other passion, movies and celebrities.

The business model goes something like this. The teams, named after cities or states, are owned by corporate houses and Bollywood celebrities. Think Mukesh Ambani, Vijay Mallya, Shahrukh Khan, Shilpa Shetty and Priety Zinta. Owners are allotted teams through a bidding process and, once the teams are allotted, cricketers from India and other countries were put to auction. A cap on the maximum amount was fixed to make bidding more fruitful. That meant teams would 'buy' cricketers within the maximum amount equally fixed for all the teams. This model was similar to the ones used by- yes, you're right- the EPL. They could let go of any player the next year or retain the players by buying them again. Yeah, it reads like they were treating humans like horses but that's the nature of bidding and cricketers didn't mind. The IPL has made many players rich overnight.

Eight teams were announced in 2008 with a base price of \$400 Million that went on to fetch approx. \$723 Million.

The BCCI and the IPL itself would make their money via the auction of broadcasting rights, title sponsorship and corporate sponsorship, ticket sales, auction of franchise rights and official umpire sponsorship. You heard that right. The umpires are sponsored too. You never noticed, did you?

And how would the franchises, the guys who paid the big bucks, earn back their investment? Their sources of income included a share in revenue from broadcasting rights, a share in the sponsorship money, a share from ticket sales, revenue from in-stadium advertising, sale of players to other franchises and revenue from own sponsorship and corporate sponsorship.

In 2008, all revenue was initially directed to a central pool. From this pool, 40% share went to the IPL, 54% to the franchises and 6% was given out as prize money to the players. This was to be the revenue distribution model for 10 years, that is until 2017. The broadcasting rights went to Sony Entertainment Television Network and Singapore based World Sports Group for \$1.026 Billion for a period of ten years. Sony-WSG then licensed these rights geographically to other companies around the world.

The IPL was valued at \$3.2 billion dollars in 2014 and \$5.3 billion after the 10th edition last year. In 2018, we are now in what the BCCI calls the second cycle of the IPL. There's a new business model including the option for teams to go the IPO route. Let's take a closer look at the ways IPL has made T20 cricket to a festival of cricket and become a phenomenal success.

5.1 Sponsorships:

Around 60 percent of the IPL's revenue is from sponsorships. Fifty percent of this is distributed amongst the franchises. In January this year, the BCCI invited bids for a maximum of six official partners of the 2018 IPL. There will also be two other partners, for the strategic timeouts - you know, those annoying breaks which are essentially extended ad breaks- as well as sponsors for the umpires. If there is one thing that the BCCI is good at, it is spotting opportunities for revenue.

Official IPL sponsorships rake in serious money. DLF, the real estate company, was made the official partner from 2008 to 2012 after paying 200 crores. In 2013, Pepsi paid 397 crores to become official sponsor.

This brought the Chinese mobile brand Vivo into cricket. Vivo, a part of Chinese manufacturer BKK Electronics that also makes Oppo and OnePlus phones, rescued the BCCI and bagged the sponsorship rights for IPL in 2016 and 2017, reportedly at a price of 100 crores per year. Vivo again successfully bid for IPL rights for 5 years, from 2018-2022, for.... wait for it... 2199 crores or 330 million dollars! It works out to 440 crores per year. That's a crazy amount of money for a company that's trying to find its feet in the Indian mobile market. This profligacy by Vivo left many analysts unhappy but the BCCI wasn't complaining.

PayTM signed on as the Official Umpire Partner until 2022. PayTM is already BCCI's title sponsor for cricket in India. CEAT Tyres is the official timeout partner for IPL for another 5 years. The Future Group is also an official partner as is Tata Nexon.

5.2 Broadcasting rights

The other big IPL story this year, before the tournament began, was the broadcasting deal between the BCCI and Star Sports. Last year, Star had won IPL rights for a record Rs 16,347 crore or \$2.55 billion. The deal holds good until 2023. Star also own the rights for all ICC tournaments - men's and women's 50-over World Cup, World T20 etc.

Media reports stated that Star Sports will enjoy a near monopoly over broadcasting Indian cricket after signing another deal for all of India's home cricket series as well as domestic tournaments for 6138 crores or ~944 million dollars.

The IPL broadcasting deal works out to over 54 crores per match. As per the agreements between BCCI and the team owners, 50% of this money goes to the franchises.

Star Sports also announced that 34 brands signed on as commercial partners for IPL 2018 - both TV and digital. While Vivo, Coca Cola and Reliance Jio came on board as co-presenting sponsors, brands like Polycab, Parle, AMFI, Make My Trip, Vimal Pan Masala, Asian Paints, and Dream 11 are associate sponsors.

Analysts estimate that the co-presenting sponsors have paid around Rs 80 crores each for the association while associate sponsors are likely to have paid around Rs 40 crores. Sources claimed Star India had set itself a stiff revenue target of Rs 2000 crores for this year's IPL. Star's asking price for advertisements is around Rs 10 lakh per 10 seconds. As we mentioned earlier, the network expected to reach an audience of 700 million across TV and digital media.

Viewership for the 2017 edition of IPL is estimated at 535 million. IPL 10 broadcaster Sony had garnered ₹ 1,300 crores from the league sponsorships, while the Star-owned mobile platform Hotstar had sold advertisement inventory worth ₹140 crores.

Further, with the money it raked in thanks to broadcasting rights, as per the IPL contract, BCCI will share 40% of what it receives among the eight IPL franchises. That's a cool 150 crores per team.

5.3 Individual team sponsors

Every IPL team has its own set of sponsors. Dedicated sponsorships play a huge role in generating revenue for team owners. However, more than ten years later, we learn that the teams needed the sponsors more desperately than previously thought. Without the sponsorship deals, most franchises would have been "on ventilator", as one IPL tracker chose to phrase it.

Team sponsorships are not too different from startup companies attracting VCs. Most of the teams in IPL are guilty of overspending - on talent, marketing, fan-building etc. They seem to have done this while ignoring the bottom line. Startups do that too sometimes, going all out to acquire customers and build a loyal, returning base.

This is where the IPL may have fallen short. Quite short. Successful international sports leagues and teams - like the EPL, La Liga, Bundesliga - have fiercely passionate fan bases that translate into tangible incomes by way of huge ticket and merchandise sales. Think Man U or Arsenal or Barcelona or Real Madrid. However, in India, most cricket fans follow individual players, not the franchises per se. If a player moves to a different team, the fans shift loyalties. Of course, there are exceptions to this - Chennai Super Kings, Mumbai Indians and Kolkata Knight Riders are the exceptions. They have a strong vocal and loyal fan base.

But overall, this has hurt franchise profitability across the IPL board. Barring the Kolkata franchise, which is the most valuable IPL franchise, none of the other franchises have been able to convert fan loyalty to profitability. For Kolkata Knight Riders too, the \$58.6 million valuation is largely due to owner Shah Rukh Khan's charisma and popularity as an A-list movie star, more than its players.

Direct sponsorship forms 20 to 30 percent of a team's revenues. Franchises are usually able to sign on 12-15 sponsors each season. Popular franchises like Kolkata, Mumbai and Chennai are able to sign more. They also command better rates than teams like Delhi, Punjab, and Rajasthan.

The bottom teams sometimes struggle to get sponsorships even at discounted rates. This reminds one of Formula One teams. The teams that don't do well just fall away because there simply aren't enough sponsors. Their ability to earn sponsorships depends not just on league performance, but also the talent they have and the locations they play in.

Experts say sponsorship revenues have segregated IPL teams into two halves. Leading franchises earn between Rs 50 and 60 crores through direct sponsorships, while the rest make 30 to 35 crores. This impacts the teams' bottom line directly.

5.4 Ticket sales

Ticket sales are another source of revenue for the teams, accounting for roughly 10% of team revenues. The Delhi franchise claims it had 92% occupancy in the stadium for home matches last year. They also claimed to have the highest number of hospitality seats and already have 400,000 registrations this year.

In 2016, IPL as a whole, generated nearly 160 crore rupees through just ticket sales.

In terms of revenue from tickets, Bangalore with Rs 25 crore, Mumbai with 24 and Delhi with Rs 22 led the field. The BCCI netted almost Rs 10 crore from ticketing revenue.

One of the best things about IPL is the excitement of a local Indian talent bursting onto the world stage. The IPL has catapulted many unknown players to fame. Every edition of the tournament has produced stunning performances from established stars as well as newcomers. When a local cricketer does well for a franchise, the entire city rallies behind the team. This usually led to higher ticket sales.

5.5 Merchandising:

Every IPL franchise sells merchandise that includes T-shirts, Caps, Wrist watches etc. And IPL has just about scratched the surface of merchandising. There's a lot more to come. While sports is one of the largest areas of licensing globally, according to data from International Licensing Industry Merchandisers' Association, it plays a minuscule role with a mere 1.3% of the total sales of licensed merchandise. In 2016, Indian retail sales of licensed products was at \$1.4 billion, of which only \$18 million was through sports merchandise. Globally, sports retail sales make up \$25.3 billion, which constituted 9.6% of the overall \$262.9 billion of global retail sales of licensed merchandise.

The IPL Experience:

The Indian premier League provides regular people an opportunity to be hang out with celebrities and cricket stars and also promises a magical experience while watching an engrossing game of T20 cricket.

The association of movie stars like Shahrukh Khan, Preity Zinta, Shilpa Shetty has helped the IPL draw newer audiences to cricket. The glamour of Bollywood, or even the association of regional movie stars in the various states, has led to undeniably higher visibility and brand value. There are enough videos on YouTube that serve as testimony to the craze about movie stars in India. Combine cricket and movies and you have a potent, winning combination in terms of brand recall and visibility.

The Kolkata team, jointly owned by Shahrukh Khan and Juhi Chawla, has been one of the most popular teams. For the burgeoning media industry in India, the popularity of the IPL translates into consumption that is through the roof. The IPL is a ratings bonanza if ever there was one in India. Essentially, 47 days of a large, captive audience. There's a reason it feels like a 2-month long festival every year. The media loves this windfall and celebrates it unabashedly.

The IPL has come a long way from that famous inaugural match when Brendon McCullum decimated the Bangalore side with his speed-of-light 158. That day set the tone for what would become a spectacular carnival of cricket. IPL 11 kick started a new phase, and the tournament looks set to grow much bigger. Let the fun times roll!

6. IPL'S CONTRIBUTION TO INDIAN ECONOMY

According to the data provided by BCCI, the Indian Premier League (IPL) contributed Rs 11.5 billion (\$182 million) to India's Gross Domestic Product (GDP) in 2015. In that season, a total of 60 matches were played between 8 franchises over 44 days in 13 host venues in 12 cities across the country. The data was compiled by KPMG Sports Advisory Group through an economic survey which revealed that the economic output associated with IPL in India stood at Rs 26.5 billion (\$418 million).

IPL's contribution to the country's economy goes way beyond the ticket sales. The key benefits and opportunities that arise are employment generation across sectors, tourism development and support of tier two cities providing key media exposure and development of cricket and sports participation across the country.

It isn't just the administrators or the players that are benefitted from the tournament. IPL was the perfect property; a lot of brands were looking for. This was one of the major reasons why Rupert Murdoch's Star India was ready to pay \$2.55 billion to buy the five-year global media rights of the Indian Premier League (IPL). Interestingly, Facebook was willing to spend \$600 million just for the digital rights of the tournament for 2018-2022, compared with the \$45 million the rights were sold for less than three years ago to Hotstar.

The excitement around this league can be really understood by the fact that even the IPL 2018 player retention event attracted 8.1 million viewers and quickly became the most talked about topic on social media.

7. EMERGING TRENDS OF DIFFERENT LEAGUES AFTER IPL

IPL's huge popularity led to formation of tournaments in various other sports. Sports like Kabaddi, Football, Hockey, Badminton, Tennis, etc. had their own leagues formed after IPL and are hugely popular from the fans viewing them and cheering their favorite sportspersons thereby making leagues to invest more and more to make their respective leagues popular.

7.1 Pro Kabaddi League

The league was launched in 2014 with 8 teams in total. The first edition did well and the league grew with a total of 12 teams competing now. The first season had doubts if it would be successful by emulating the IPL model, it was by 435 million viewers viewing the league and making it successful.

7.2 Badminton League

The league when it was launched initially in 2013, was known as Indian Badminton League. Before the start of second season it got renamed as Pro Badminton League. There are in all 7 teams competing in the league.

7.3 Indian Super League

The ISL came into picture in 2013 with a lot of fanfare and was a huge success with several top Indian as well as foreign veteran players were a part of the league. The league has 10 teams in all and is hugely popular alongside the I-league in India.

7.4 Hockey India League

The HIL was founded in 2013 and has total of 6 teams in total. The league is hugely successful alongside several other leagues in India. The launch of the league proved to be fruitful for Hockey India, who were in financial disarray and the league helped it get back on its feet.

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