

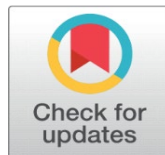
INDIAN PREMIER LEAGUE: A NEW SPORTS ECONOMICS MODEL

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ABSTRACT

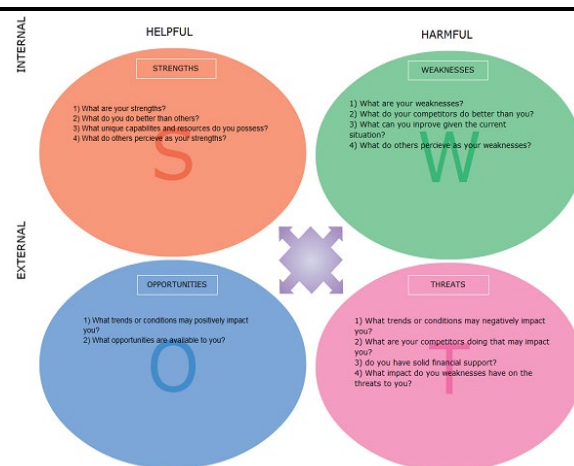
The IPL has advanced beyond other sports organizations by using economists to optimize its revenue generation strategies. The marketing initiatives are appealing and executed systematically, providing advertising and sponsors enhanced marketing chances. The presence of multiple franchisees as competitors fosters a substantial fan base for the organization. The foundation would thereafter augment the income derived from television revenues, benefiting both the franchisee and the organization. The fan base is distributed over many geographical regions, and the sport is played in multiple locales. This indicates that spectators incur different expenses to view the sport. This strategy could assist small businesses in promoting and locally advertising their products, such as suiting, shirting's, designer sunglasses, and shaving creams, as these nascent players are more accessible and financially feasible for burgeoning middle-class enterprises. Fans purchase items including apparel, souvenirs, autographed mementos, and cricket equipment. IPL Seasons 3 and 4 both received the highest engagement from the 35+ age demographic, but IPL Season 4 experienced a rise in viewership among children. Fifty-seven businesses gained visibility via sixteen accessories platforms, contributing 2% to the overall 'In-stadia' advertising share. The entity IPL was established in 2008 and subsequently undertook a vigorous marketing campaign to promote its business; nevertheless, its most significant achievement was the live telecast of IPL matches on YouTube, which attracted millions of users.

Keywords: IPL, Franchisee, Scholar Evaluation, Revenue, Economic Model



1. INTRODUCTION

Scholar Evaluation is a widely utilized method by which managers generate a concise assessment of a company's strategic position. Every organization possesses its strengths, weaknesses, opportunities, and threats. It can serve as a pivotal element that distinguishes you from your competition and is also essential for your progress. Some companies fail to recognize or assess their strengths. Strength can manifest as a tangible entity, such as a substantial and expanding consumer base, or as an intangible quality that is more difficult to quantify. The Scholar Evaluation analysis delineates your strengths and accomplishments; conversely, any deficiencies can be identified as weaknesses. Weakness is considered to be quite palpable. Seizing opportunities promptly can facilitate business development and the achievement of objectives. The more swiftly these opportunities are exploited, the more robust the growth will be. Opportunities may arise from observations, market surveys, and competitive company strategies. A vulnerability recognized by a rival may represent a significant risk to your organization. It is crucial for an organization to recognize and eliminate dangers at every level of development.



The Indian Premier League (IPL) is contested among two teams for 20-20 overs for a duration of two hours and thirty minutes. One can envision the speed and exhilaration, given the duration involved. The shorter version of this game is of an enticing character for the sports lovers globally. The IPL has advanced beyond other sports organizations by using economists to optimize its revenue generation strategies. The entity achieves success when the sport is consolidated. Athletes from several nations compete collaboratively, enhancing the intrigue and expanding the entire viewer demographic. The revenue is derived not just from the tournament's main sponsor but also from the league's franchisees, resulting in substantial profits. The franchisees implement independent marketing methods to promote their teams, so indirectly enhancing the overall entity's visibility. Restricting the number of teams in the event preserves a fundamental economic equilibrium, wherein demand exceeds supply, resulting in increased value. Owning an IPL team confers social status and facilitates image enhancement and networking, which are advantageous for business and invaluable for personal prestige. The abbreviated version of the game has gained significant popularity and may supplant the original iteration. The target audience originates from several geographical regions and will need to allocate substantial funds for travel and lodging. They may also find themselves waiting in lengthy lines when the match occurs between renowned teams. The financial investment by franchisees is substantial, and certain franchisees may struggle to endure short-term setbacks. They may ultimately make swift judgments, such as firing managers or team members. This situation appears unfavorable in the long term due to a loss of confidence. In pursuit of immediate gains, several franchisees have increased their advertising and sponsoring prices. The marketing initiatives are appealing and executed systematically, providing advertising and sponsors enhanced marketing chances. The presence of multiple franchisees as competitors fosters a substantial fan base for the organization. Franchisees consistently discover innovative methods and strategies to promote their specific teams in order to recruit appealing sponsors and fan bases. The teams concentrate on three primary sources of revenue: sponsorships, ticket sales, and merchandising. If the franchisee can establish a reputation over time, it will cultivate a loyal following. The foundation would thereafter augment the income derived from television revenues, benefiting both the franchisee and the organization. The fan base is distributed over many geographical regions, and the sport is played in multiple locales. This indicates that spectators incur different expenses to view the sport. This would guarantee an effective strategy for promoting both the products and the brand through various channels. Due to the substantial endorsement fees charged by icons such as Virat Kohli, Dhoni, and Yuvraj, the IPL presents an opportunity to engage emerging talents of the season, including Ravinder Jadeja, Paul Valthaty, Ajinkya Rahane, as well as recent entrants Harshal Patel, Yuvender Chahal and Mohammad Sami. This strategy could assist small businesses in promoting and locally advertising their products, such as suiting, shirtings, designer sunglasses, and shaving creams, as these nascent players are more accessible and financially feasible for burgeoning middle-class enterprises. Fans purchase items including apparel, souvenirs, autographed mementos, and cricket equipment. In earlier year, Rajasthan Royals separated themselves by launching an exclusive fan apparel collection in collaboration with Provogue, one of India's premier clothing brands. The collection has been designed by Shilpa Shetty Kundra, and we anticipate that this development will undoubtedly delight our customers and enhance our merchandise sales. It also presents a significant chance for the venue to generate substantial revenue during the event. Each franchisee may select a certain venue as their home ground, which then facilitates the sale of products for the home club, so generating substantial revenue. According to the regulations, teams are permitted a maximum of nine sponsor logos on

their shirts. If effectively promoted, this may generate approximately Rs 60 crores (\$10 million). The substantial revenue is derived from the primary team sponsorship position - the 206 square centimeter area on the front of the jersey, which can command around Rs 20 crores (equivalent to \$3 million) year. The six additional logo placements on a team shirt are costly; those on the trousers and helmet command lower costs. Alternative licensing agreements, which permit the utilization of the franchise's logo, are available at a more economical rate of approximately 50 lakh or \$92,000 annually.

Scholar evaluation template

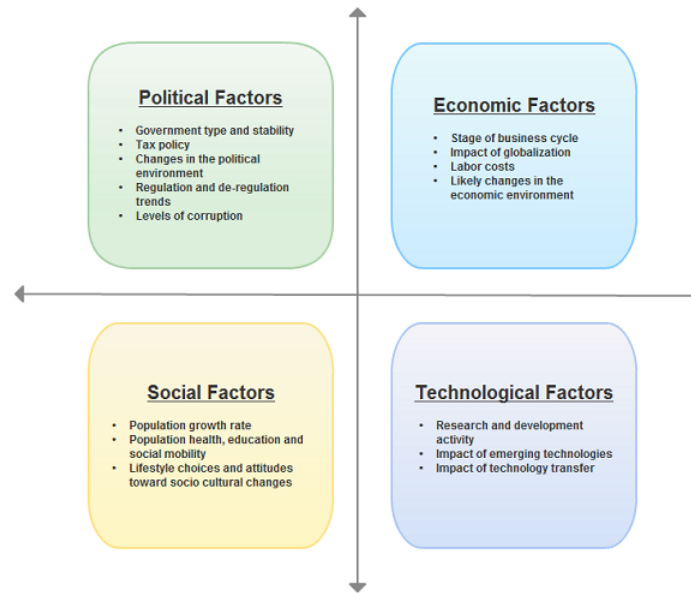
	Team	Partner Type
Burn Fitness Port	Deccan Chargers	Gym Partner
Shivdeep Insudtries Ltd.	Rajasthan Royals	Snack Partner
Saj Food Products Pvt. Ltd.	Kolkata Knight Riders	Tea-Time Refreshment Partner
Opium Spas	Deccan Chargers	Spa Partner
India Cements	Chennai Super Kings	TVS Eurogrip
India Win Sports	Mumbai Indians	TVS Eurogrip

Source www.livemint.com

An additional significant component of the IPL is that the franchise payments will remain at a set cost till the 2017-18 season. This would safeguard investors' investments from inflation, a prevalent concern in India regarding investment. The IPL has attained a standard that must be upheld. It necessitates continual enhancement and modifications to attract an increasing number of individuals. A minor deviation in improvement and change can signify the demise of a sports entertainment entity, potentially leading to a decline in fan interest in the league. The league's viability may also pose a significant danger. Revenue may decline if competition diminishes. The league's primary appeal lies in its capacity to have top-ranked players compete for various franchises. If they fail to get the premier players to participate in the league, it will begin to diminish in appeal. The income of franchisees mostly depends on their fan base; a decline in this base would affect their ability to pay player salaries. The franchisees acquire top players at substantial costs; but, if these players fail to deliver competitive success, it requires considerable time for the franchisees to recoup their investment. Consequently, they are compelled to remain there for an extended duration. The franchise fees are exorbitant and continue to escalate. Franchise for the newly introduced Pune Warriors incurred a fee of \$369.33 million, exceeding threefold the initial edition's cost. The franchises with substantial support generate a greater proportion of revenue than the teams with elevated valuations. This is due to the concept itself, which guarantees that fans are optimally amused. Increased audience support correlates with heightened revenue generation for a team.

2. SOCIO-POLITICAL ANALYSIS OF IPL

A Socio-Political analysis is a framework that identifies environmental effects that might significantly impact a firm, considering political, economic, social, and technical forces, as well as optional considerations such as environmental and regulatory aspects. The aforementioned characteristics, along with external micro-environmental elements and internal resources, can be utilized to identify opportunities and threats in a Scholar evaluation. This can be regarded as an effective instrument for assessing market growth or decline, evaluating corporate positioning, and identifying current and future potentials and operational directions. Political interventions impact areas such as tax legislation, labor regulations, and trade barriers. Frequent alterations in government and its policies can disrupt business operations, necessitating adjustments in planning to align with the new regulations. Players compete year-round and are susceptible to injuries, which occasionally necessitates their withdrawal from contests. This is a significant worry for franchisees, as they invest substantial capital in the players, but could not get anything in case of their injuries. Given that numerous players from diverse nations are employed by their franchisees, it is important to acknowledge that cultural differences from their home countries may result in a player not participating for the franchisee. To achieve the goal of cultivating a fan base and effectively presenting their brand, teams organize cricket tournaments for underprivileged children, visit hospitals, spearhead advocacy campaigns against diseases, and support United Nations initiatives for girls, among other activities. It is essential to stay abreast of competition, as business and technology are interconnected. Given that the IPL is entirely an entertainment enterprise, it is imperative to employ the latest technologies to enhance its appeal. Utilizing technology should facilitate global distribution rather than relying on conventional delivery methods.



The present study encompasses a Scholar evaluation and Socio-political analysis of the Indian cricket sports model, commonly referred to as the IPL.

3. DEFINITION OF TERMS

Advantages: The strength of an organization can be characterized as a capability in which it excels beyond its competitors.

Vulnerabilities: A weakness is a defect, a gap, or an issue that may hinder your firm from progressing or achieving its maximum potential.

Prospects: Each firm possesses unique opportunities that can facilitate its growth. The Scholar evaluation examines external chances for business growth by identifying competitors' shortcomings, so transforming their weaknesses into potential advantages for you.

Hazards: All corporate entities are susceptible to various threats. Unstable market conditions or internal disruptions may diminish productivity.

Political matters: Political issues can be characterized as the extent of governmental intervention in the economy.

Economic variables: The nation's inflation rate is solely contingent upon the financial system used by the government. **Societal factors:** The IPL's strength lies on its capacity to attract top international players representing their home countries.

Technological Elements: The realm of technology continually evolves and enhances daily. The company is required to monitor any new advancements and apply technology that may be beneficial to them.

4. ANALYSIS OF THE CURRENT RESEARCH:

Scholar Evaluation and Socio-Political analyses are complementary to one another. To ensure the success of the Scholar Evaluation analysis, it is imperative to conduct a comprehensive examination of all potential threats and disadvantages. have been prearranged. The merits and demerits of Socio-Political analysis lie in its thorough examination of external issues, although it lacks an assessment of interior elements. This is exclusively managed by Scholar Evaluation alone. It is advisable to conduct a Socio-Political analysis and thereafter incorporate the findings into the opportunities and threats segment of the Scholar Evaluation. The primary political concern confronting the IPL is the increasing involvement of politicians in the sport. The IPL was established by the BCCI and can be considered a subsidiary of the BCCI. The issue lies in the governing council's composition, which includes prominent politicians who frequently change with each governmental transition. This indicates a management-level instability that may negatively impact the entity. The recent political turmoil over Sri Lanka in Tamil Nadu has resulted in a restriction on the participation of Sri Lankan

cricketers and match officials. This presents a significant opportunity for the IPL, as it would likely attract an increasing number of investors willing to finance various franchises or the organization as a whole. This would indicate that IPL revenue would escalate rapidly and consistently, potentially facilitating further expansion initiatives beyond national borders.

The commercial success can be quantified as follows:

Year	Season	No. of Matches	Avg. TVR %	Cumulative Reach '000s
2008	IPL 1	*47	4.72	98988
2009	IPL 2	*46	4.05	118698
2010	IPL 3	48	4.53	137049
2011	IPL 4	*47	3.54	152720
2012	IPL 5	*46	3.40	151585
2021	IPL 14	*60	60	9600000
2022	IPL 15	*74	78	15700000
2023	IPL 16	*74	116	314400000

(Source: TAM Sports; Market: All India; TG: CS 4+ yrs; and 2021 to 2023.)

5. DISCUSSIONS FROM IPL STUDY

IPL Seasons 3 and 4 both received the highest engagement from the 35+ age demographic, but IPL Season 4 experienced a rise in viewership among children. Fifty-seven businesses gained visibility via sixteen accessories platforms, contributing 2% to the overall 'In-stadia' advertising share. The entity IPL was established in 2008 and subsequently undertook a vigorous marketing campaign to promote its business; nevertheless, its most significant achievement was the live telecast of IPL matches on YouTube, which attracted millions of users. The impact was on its brand value, estimated at approximately \$4.13 billion that year. This business organization has the distinction of being the second highest-paid league to follow the NBA. The mean annual compensation of a player from IPL is approximated at 3.84 million dollar. The Indian Premier League (IPL) generated substantial revenue growth between 2021 and 2023, primarily driven by new media rights deals and increased sponsorship revenue. BCCI's total income from IPL 2023 saw a 78% year-on-year increase, reaching ₹11,769 crore, compared to ₹6,648 crore in the previous year. This growth led to a record surplus of ₹5,120 crore, an 116% increase from the previous year.

Primary Factors Contributing to Revenue Expansion are recent media rights agreements for the 2023-27 period, valued at ₹48,390 crore, led to a substantial rise in media rights revenue, totalling ₹8,744 crore in IPL 2023, marking a 131% increase over the prior season. CNBC Television 18 Viacom18 secured the new deals for digital rights through Jio Cinema, while Disney Star obtained the television rights.

Sponsorship revenue rose to ₹847 crore in IPL 2023, reflecting a 2% gain from the prior year, but at a diminished rate. Commercial Benchmark

Franchise fees generated revenue of ₹2,117 crore in IPL 2023, reflecting a 22% rise.

Individual Team Revenue for Private Circle indicated that IPL teams generated an average of ₹307 crore in FY23, reflecting a 23% rise from the prior year.

6. RECOMMENDATIONS

Other sports federations should use the IPL cricket model for the promotion of various sports. This model ought to be contrasted with other sports models, such as the European Football League. This strategy should be expanded to include school students for grassroots development of sports. This concept requires oversight by a governmental body to ensure equitable and transparent behavior of participants and officials.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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