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CASE STUDY : THE INDIAN PREMIER LEAGUE CHANGING THE RULES OF THE GAME

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ABSTRACT

We start by taking a look at the unprecedented success of the Indian Premier League, with special emphasis on the external factors responsible for this. We then look at the kind of impact it has on the game of cricket and its core brand. This has been possible due to innovations and we see how this has been a great takeout amidst all the controversy surrounding the brand. We then focus our attention on its impact on the sporting industry of India as a whole and finally look at the future challenges and possible strategy the BCCI might be adopting to overcome those.

INTRODUCTION

The Unprecedented Growth

The rhapsody of cricket, glamour, million dollar pay cheques and billion dollar valuation; the Indian Premier League has seen it all. Many an analyst, marketing head and agencies look up to the IPL with awe and why not, how many businesses see a valuation swing from a billion dollar to 4.1 billion dollars in just 3 years! To an untrained eye, it might seem that Lalit Modi has the Midas touch which has been giving compounding returns to BCCI and IPL as a franchise but what is lost in this translation is the alma mater of IPL i.e. Twenty Twenty Cricket, popularly known as T20 cricket.

Had it not been the primordial ingenuity of T20 cricket, IPL would probably have been still in its infancy. So what is the story behind the rise and establishment of T20 cricket, how did IPL gain a competitive edge in Indian scenario and what on earth happened to ICL? This write up attempts to understand, classify and analyze the facts of the case using relevant management ideologies.

The Big Bang Theory

Long before the IPL hogged the limelight, there was a flutter in the cricketing circles to popularize the game of cricket beyond the commonwealth and increase their revenues. While idea of the short format of sport was discussed in the year 1998 and year 2001, but 20-20 cricket was not officially introduced till year 2003 when England and Wales Cricket Board (ECB) launched twenty20 cricket cup in the attempt to restrain the declining attendances to the matches of the County Cricket. It was intended to deliver fast paced, exciting cricket accessible to thousands of fans who were put off by the longer versions of the game. Stuart Robertson, the marketing manager of the ECB, proposed a 20 over per innings game to county chairmen in 2001 and they voted 11-7 in favor of adopting the new format. And what followed next was a mega explosion of super charged cricket entertainment taking the world by storm. A lot of entities like Big Bash league, Scotiabank National T20 Championship, Natwest T20 Blast, Indian Cricket League etc. came to existence. The IPL, the single largest super successful entity was yet to become a force. That, the T20 cricket was born is a story but how was it able to muscle its way out against the established and generations old version of Test Match cricket and the One Day International cricket is a separate story altogether.

The Blue Ocean Strategy

The Blue Ocean Strategy compares the blue ocean to the red ocean. In a Red Ocean just like an established market, businesses are constantly fighting each other to gain customers and increase sales. This is like an ocean full of sharks that tear each other apart and turn the water red with blood. The smart ones can move to another ocean which is peaceful and blue, without the vicious sharks which allow them to grow and prosper. The T20 cricket also was able to adopt the Blue Ocean strategy very deftly.

The Blue Ocean Strategy is most effective when a market is saturated or in decline. Before T20 gained credence, this exactly was the case. The gradual viewership of test matches was declining and the ODIs were getting saturated



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in terms of viewership and revenues. Cricket badly needed a lease of fresh air and T20 was able to bring it. The Blue Ocean strategy also makes the most when there are multiple markets. This allows combining the best of the attributes of the available markets and creating a single product. T20 was able to mix the intensity of cricket and the excitement of a 2.5 hours entertainment event.

There are various other parameters by which T20 was able to successfully build and grow its clamor. These also can be related to the Blue Ocean Strategy:

1. **Creating an uncontested space** – T20 created a unique space between test matches and ODI matches and none of them could match with the euphoria, craze and success of T20 matches. Neither the test matches were able to pull the kind of crowds T20 was able, nor were the ODI able to garner the kind viewership.
2. **Looks across functional or emotional appeal of buyers** – No format of cricket had seen the kind of colors, cheerleaders, music, fireworks and celebrity appeal that T20 cricket was able to dish out to its viewers. This immediately had an impact on the fan following of T20 cricket and it was placed in an orbit way beyond the reach of older formats.
3. **The 4 Action framework** – The ERRC grid.

Eliminate	Raise
Which factors that the industry has long competed on should be eliminated ?	Which factors should be raised well above the industry's standard?
Reduce	Create
Which factors should be reduced well below the industry's standard?	Which factors should be created that the industry has never offered?

FIG.1

Reduce – The T20 created a niche for itself by focusing on reducing factors like time duration of the play, the uncertainty of results in the matches and the barriers in watching cricket across mediums.

Create – It created a new segment in entertainment which could be seen as an alternative to watching a movie with family or other recreational activities. It also created a lot of demand for ancillary services associated with cricket as there was a lot of marketing, branding and promotional activities around the event.

Raise – T20 was able to raise the expectations from a sport activity and created a lot of involvement with general public across the globe. So much so that even countries like USA, Canada and Africa started hosting their own tournaments. The revenue and reach associated with cricket definitely got a fillip due to T20.

Eliminate – Cricket in developed countries was looked upon as a game for commonwealth countries but the advent of T20 eliminated that belief and it became a rage across many developed countries too. It also was successful in breaking the age old traditional views on cricket as a game of gentlemen and that it was a slow and most of the time sans result (test matches) by bringing in a healthy dose of entertainment and anticlimactic finishes.

As can be understood above, T20 created a new market segment with humongous success for itself in the established world and genre of cricket. However, its most successful variant in the form of the Indian Premier League went on to achieve what no other new form of a sport has been able to in the last few decades.



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Quite a few things went in favor of the IPL for sure but it was the event's alacrity in even times of distress that it was able to guard its sheen in rough weather and was primarily the reason that IPL developed a competitive strategy in India.

From Marketing to Mega marketing

An idea/product/concept requires the eclectic approach towards the traditional Marketing Mix of 4Ps namely Product, Place, Price and Promotion. IPL was able to get the competitive advantage over many other similar sports and entertainment programs because of Mega marketing the event. Mega marketing includes the concept of Public Relations and Power. Understanding this market mix can give a good insight into how IPL was able to become such a huge success in such a short span of time.

– The IPL as a product is an eclectic mix of cricket and entertainment interspersed with big names associated with Bollywood and corporate India. This gives the product a unique strength and acceptability since India is a nation crazy for cricket and movies. It also allows us to understand why, this concept as a product has failed to lose its charm and following even after 7 editions.

Place – One might come across a lot of names in the T20 format like Big Bash, Natwest T20 etc. but nothing beats India when it comes to launch of an event like IPL. The event has a distinct Indian flavor to it with loads of music, colors, big movie stars and cricket. Definitely, there was no other place better than India to launch this event. The sense of 'Place' is also reflected in the teams participating in the contest with teams based on cities like Kolkata, Mumbai, Delhi, Chennai etc. which gives a sense of belonging to the team's followers from those cities. The games organized in the respective cities of the teams also add to the acceptability and following of IPL further. Even in case of a threat from elections or security, the places chosen for IPL like South Africa and UAE were spectacular from the point of view of strategy since these places have a great following for cricket and also revel in music, colors and Bollywood.

Promotion – IPL used every possible means to promote itself, some traditional and some really whacky and out of the box. The promotion blitzkrieg was such that IPL threw out even release of movies out of contention and production houses had to defer their releases. Movies which could have been a worthy competition to IPL was out of contention and needless to say that Indian Cricket League was nowhere in the game. Who would shy away from purchasing a ticket from Preity Zinta with her autograph on it?

Price – The pricing of the matches was again a sweet spot which allowed IPL to address the concerns of affordability and revenue generation both. Consider this, from Rs 220 for each match for a seat on the floor to a staggering Rs 1,92,500 for a season ticket for the all-inclusive 'J' stand that has air-conditioned boxes with 20-25 seats per box, IPL ensured that at the lowest price band it gave a movies in multiplexes a run for their money where as at its costliest, it earned a fortune from premier pricing. The pricing strategy had everything for everyone at IPL which allowed it reek of profits.

Public Relations – The Shah Rukh Khan incident at Wankhede, the Lalit Modi imbroglio and match fixing issues being probed by Mudgal Panel; events of such high controversy quotient can tank the biggest of the vessels. IPL used Public Relations discreetly which allowed it to sail through the turbulent waters.

When the overall mood after such controversies was that IPL is only money making machine through illegal means, Delhi Daredevils sponsor Muthoot Group leveraged its association with IPL team Delhi Daredevils by launching CSR initiatives include a giant Golden Bat (reflecting the group's roots in finance against gold) and a giant Wishing Ball where people can sign up and help educate a child. The group has also launched The 'Muthoot *Dus ki Toli*' initiative which is a platform through which economically challenged children from Delhi will get the opportunity to be on the field retrieving cricket balls for players and officials during the Delhi home matches.

Another such initiative "Batting For Art", an idea brought together the Delhi Daredevils and Arts4All for fundraising for unrecognized artists.



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Also, the public apology from Shah Rukh Khan after his team's win at the international stage, further took the sting out of the tail of controversies. These events were simultaneously getting disseminated in media to maintain the cohesion and intrigue in IPL's followers.

Power – As an important concept Kotler's framework of Mega marketing, power elucidates the importance of establishing strong ties with powerful political members in external markets; this, in turn, should enable ease of access to engage in commerce with these parties. Association of Sharad Pawar as president-elect of the International Cricket Council and president of the Nationalist Congress Party as well as president of the Maharashtra Cricket Association and an affiliate member of the BCCI gave IPL the necessary clout and teeth to bite through bureaucratic hurdles which allowed it an unrestrained operation field. Further, Lalit Modi had his own share of political connection with Vasundhara Raje, a Congress biggie from Rajasthan allowed Lalit Modi to iron out any creases on IPL's operations. It can't be sidelined that despite serious allegations against operations of IPL, it has been allowed to flourish and expand and definitely the powerful corridors of Indian politics have helped it in that.

EFFECT ON THE CORE BRAND OF CRICKET

There are three different formats of cricket that are currently being played at the international level – Test Matches, One Day internationals and T20. These formats have evolved over the last century. With sports becoming a profession rather than a pastime, there is now an economic dimension to devising game formats over and beyond the objective of revelling the best player or team. There is clearly an economic rationale for devising ODI format of cricket, Compressing the game so that the audience spends a day rather than five days to watch the contest reduces their opportunity cost which can be defined as the implicit price of watching the match, such as wages lost by watching the match instead of working, value of other entertainment foregone to watch the match etc. and thereby increases demand. The 20-over-per-side T20 format is a logical extension of the one-day format. A fan only needs to spend an evening—the time he/she would spend watching television or a movie or any other entertainment is, therefore, the opportunity cost—to watch a game of cricket. The three-and-a-half-hour sporting entertainment package has been perfected by professional sporting leagues in the US, and cricket has mimicked this with the T20 format.

Entrepreneur like Kerry Packer and Lalit Modi who looked at the game from a completely commercial angle and exploited the latent demand for shorter and more entertaining formats of the game that catered to a wider fan base led to these revolutionary changes in the format of the game. The ODI and T20 formats in cricket are similar in some ways, but they are entirely different in others. T20 started only about a decade ago and has caught the public imagination in a big way. All the big cricket playing nations now have a domestic T20 league in their home countries. The Indian domestic T20 league and the multi-nation T20 league of champions are now huge global entities. T20 matches have a glamour element attached to it with cheerleaders and big sponsors making the tournament even more exciting.

Though both the ODI and T20 formats are limited overs formats there are certain important factors, strategy-wise, which create stark differences between them like power hitting is more prominent in T20s, More proactive captaincy is required and fielding is a top priority in this format of the game.

Temporal Evolution Of Odis

Duckworth – Lewis

Early on the side that has lost fewer wickets when the game was interrupted was declared the winner. The rule was later changed on the basis of average. Now, the Duckworth-Lewis system is in place.

No Balls and Wide

Earlier No balls and wides were calculated as extras. It was only from 1983-84 that these were credited to the bowler's figures. Now every no ball is a free hit.

The Balls

Early on to counter the effect of dew on the ground in day-night matches, two white balls were used during an inning. One from each end.

Day night games



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Kerry Packer introduced cricket under floodlights and the first day and night match was played between Australia and West Indies in 1979. The whites too gave way colored clothing and red balls were replaced with white ones as they were easier to see under lights.

The Umpires

The 3rd umpire was introduced during the 1992-93 South Africa-India series. Match referees also came about during the same series.

Super Sub

The Super Sub rule was implemented by the ICC in 2005. The 12th man of a team, as per the rule, could bat and bowl in ODIs. The rule however was withdrawn in 2006.

Field Restrictions

The 30 yard circle rule stated that only two fielders could be placed outside the circle during the first 15 overs. Now under the Power Play rule, the field restriction has increased to 20 overs.

Experts' Opinion

Industry experts have mixed opinion on the extensive commercialization of the sport with the advent of this new format of the game. Some find it as a medium of making the game more popular other see it as annihilating the essence of cricket. Some of the opinions of the industry experts are described below:

Harsha Bhogle: "I have always wondered why it has to be one or the other. Dravid or Tendulkar? Rap or classical? Pizza or dosa? Brazil or Argentina? I'm sorry but I like both Test cricket and 20-overs cricket. And the one-day international."

Ravi Shastri: "You need that injection by way of T20 cricket. Now how you distribute the formats, how you balance it up, is there any need for bilateral T20? I don't think so. I don't think there is any need for bilateral T20 cricket and these one-off matches. You want one-day cricket play it but even that can be reduced. You don't have to play 5 one-day matches series. Keep the emphasis on world cups both in the T20 and in the 50 over format and then let your domestic competitions thrive,"

Kapil Dev: "If promotion means allowing a singer to perform during breaks in Test match or bringing in cheerleaders, be it. Test cricket is the ultimate test of a cricketer and the game of cricket. The cricket board should find a way to promote the Test cricket, If marketing is only done for the T20 cricket and TV channels only show T20 games, more and more players will choose an easy option of playing it."

Mitchell Johnson: "I think I've got to be a lot smarter now. Twenty20, I will quite happily say, is not my favorite format - I would rather play Test cricket"

Net Impact

If T20 is restricted to just a month in a year, the effect would be very limited. But if it's overdone, it will definitely impact the standards of Test cricket, which are already declining. Money is important in cricket, but unless there is a balance, the game is going to be affected and it already has been affected by One-day cricket. Basically, it's not much of a test of a player's skill and temperament. It's basically about talent with a big element of chance in it. While it's a spectacle, people enjoy it, it's not a great test of cricketing abilities. Put it this way - if a team wins a T20 competition, necessarily it cannot be considered as a quality team, because any team can win such a short competition. Test cricket remains the true test of a cricketer. Unless a balance is struck, and if Test cricket gets affected, then standards of the sport all over are going to get affected.

INNOVATIONS AMIDST CONTROVERSY

In 2009, IPL was awarded by the Business Standard as the "Most Innovative Event". And could it ever have lived up to its name more, in a scenario where innovation has not only remained restricted to the sport, marketing and business growth but has also been aptly used to come up with new ways to cheat the system and land it into controversies. This mega blockbuster of 'cricketainment' has actually turned into much more of a mega 'tamasha'.



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Hence, it requires real creativity and innovation to counter this corruption and wade one of the largest sports properties out of controversy.

But before that, we need to analyse what all factors actually lead to these endless controversies surrounding the IPL. A brief look at the timeline and we can segregate the whole issue into four distinct sources ie controversies arising out of:

1. corporate corruption
2. match fixing
3. player conduct
4. outside influence

In our analysis, we would be considering each problem separately, going into the root causes and coming up with the solutions.

Corporate Corruption

There are times when your biggest asset can become your biggest liability. This is primarily the case with IPL where the amounts of money involved are so huge that you end up having a number of points where corruption could come into place. The whole Lalit Modi case (1.2) was just one example how these points could be leveraged to fill the corporate coffers. Collusion and corruption could be easily seen in his mail to the then BCCI chief regarding under-hand player transfers and deals. The mail, as reported by PTI, went “*What a nightmare to convince them not to terminate Tanvir and not to take Flintoff. Warne went off the handle. But have managed by using stick and carrot therapy. Thus they have \$1.8 million*”

So, we identify the complete process of inflow and outflow of money into and from the system. This gives us primarily seven key nodes where we need to check for corruption. We can tackle all these by the using the ‘Corporate Integrity’ model. Going by this model, a business must:

1. Strengthen, adequately fund and assess compliance and reporting efforts by reporting on all elements of corporate citizenship and providing information on compliance systems, public policy engagement, and company revenues and taxes. If needed, we may have observatory sub-bodies just for the purpose of monitoring the cash-flow and the end-points of this cash.
2. Monitor compliance with a company’s internal policies by setting up and supporting mechanisms for the independent monitoring and verification of compliance with company codes and commitments.
3. Organize broader stakeholder action and collaboration by:
 - a. Supporting employee training and orientation programs that emphasise ethical growth and an individual employee’s integral role in corporate integrity.
 - b. Adopting, supporting and actively engaging in the development of related standards for transparency, accountability and integrity.
 - c. Collaborating with other companies in environments where corruption is endemic to develop common approaches to address corrupt practices.
4. Ensure due diligence by:
 - a. Developing strong processes for selecting reliable partners with particular emphasis on establishing company-led anti-corruption safeguards, where local institutions might be weak or lax.
 - b. Implementing effective business codes to ensure compliance. Codes must be comprehensive, morally justifiable, tailored to a company’s particularities and embedded in its operations. Anonymous hotlines to report abuses, whistleblower procedures and ethics committees are tools that provide the impetus for applying codes in practice. The actions taken should be of a nature such that strict punishment as well as high anonymous appraisal is offered.

Along with these measures, we recognize the fact that the brand’s image has been tainted by the conduct of earlier CEOs and other top officials. Hence, the CEO has to put in extra effort to reclaim the lost mutual respect. For this, we recommend the top brass to use some internationally acclaimed practices as suggested by the Ernst & Young



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fraud survey^{V,III}. They need to start by owning the problem and ensure that they press the management so that the risk is prioritized. A focused resource use is suggested where the harms and benefits are clearly communicated to the subordinates. Finally, they need to ask the right questions and make sure the employees are forced to give the answers, making compliance as real as it gets!

Match Fixing

Perhaps the biggest stigma to cricket itself has been match-fixing. Right from the days of Hansie Cronje, the bookies have had a gala time with whenever cricket has given them the slightest sniff. Hence, the corruption laden IPL was a virtual feast where they had all the right ingredients: huge amounts of money, nail-biting matches and young inexperienced Indian players too weak to resist money. And when finally the drama unfolded, the whole world was left shocked at what had been happening behind closed doors. (1.3)

Spot fixing can happen in several scenarios and it is very important to understand them in order to counter them. This can happen through the direct approach or with an indirect approach (trust the captain?), by opportunists as well as people who offer a quick fix to troubled sports stars. So, we use a 5-pronged "Sports Integrity-Package" strategy to counter this problem.

1. Sports Regulations: Having an awareness of betting-related risks when sports regulations are being drawn up provides for prevention, intelligence and investigation to be built in from the start. A zero tolerance policy has to be made mandatory in order to not only punish the defectors but also to act as a strong deterrent. Possible alliance with the Indian Government on this would ensure a stricter legal action, and a greater deterrence.
2. Betting Regulations: This has to be done by the Government of India through BCCI. But IPL has to be active in pursuing it rigorously. However, we also suggest a right balance here since too strong regulations might result in betters dropping out of the system completely and indulging in under-hand illegal betting which would be a bigger problem. Hence, we need a balance where enough breathing space is left for the betters as well as the company as a stronghold on the betting as such. (1.4)
3. Organisation: The company has to have close ties with the local authorities and a centralised approach would have to be diluted down to a more local and street-level approach. We could also create our own intelligence department solely dedicated to this issue. This would allow them to react faster and sustain a stronger relationship with the police.
4. Prevention and Education: We need to understand that the player is a key component of our system. And the player might not be as educated, smart or aware as we would want him to be. Hence, education and awareness have to be part of the initial training process. Since a number of times bookies leverage the ignorance of players, no player should be allowed to take part in the tournament unless he has a sound understanding of match-fixing, its multiple ways and consequences.
5. Betting Market Monitoring and Alerts: Obviously, it would be much more convenient if we the company could judge when the bets are likely to be made and where the bookies would be targeting their resources. Such pinpointing could bring down the complexity of the problem to a great extent. Hence, we strongly recommend to set-up a team which would monitor the betting trends and patterns, if the company hasn't already done that.

Finally, in India, we often tend to ignore standard procedures going on elsewhere in the world. These globally applicable tools when tailored to the Indian setting could go a great way in stopping the match-fixing and ultimately the controversies arising out of it.

Player Conduct

What happens when hot exotic glamour meets cold hard-working brutes? You get controversies! Initially the whole idea was to leverage all this glamour to get people's attention and higher TRPs. But the company did not know when to stop and what followed took this popularity into the troubled water of controversy.



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A prime-time television slot was not enough, so there was a live telecast of the after-parties. But parties are too mainstream, so you had to include all the big stars, the role-models dancing around with scantily clad foreign imports and having (or pretending to have) fun; fun that usually goes way beyond the dance floor into 5-star hotel bedrooms! The top-notch business honchos would not stay behind in this pleasure train either, and we had a certain Gabiella Demetriades, a “good friend” of Lalit Modi who grabbed headlines for the latter trials to deny her an Indian visa^{vii}. And on the other end of the spectrum, we have a Harbhajan slapping Sreesanth on the field itself and ripe rumors of rifts in the Indian Cricket Team.

So we realise that the problem exists when the glamour becomes larger than sport itself. So, we suggest the following solution:

- The telecast of after-match parties should be stopped immediately. As it is we have a lot of TRPs, and as we can see these parties are not really adding any significant amount to the TRPs or publicity(1.5). But the harm done by controversies arising in these parties is much greater.
- The media hype of players or other eminent people sleeping around is really overcooked and unreasonable according to us, but anyways the company is losing from it. Hence, it should be made very clear that indulging in such activities at the after-party venue would be heavily penalised.
- On the other hand, team building exercises (for the Indian team) should be implemented. So, we should recommend the BCCI to do that. Also, the company should have zero tolerance against any franchise that seeks to influence the selection procedure or the Indian team dynamics in any way. Help of the Indian Selection Committee could be taken in this respect. After all, the main reason IPL is popular is because of cricket’s popularity, which is in turn due to the national team. So, we have to preserve that at any cost!
- Lastly again, education and awareness here is important. Fresh young boys need to know the stakes of such adrenaline-outbursts and how such acts could not only spoil their image but also have deep lasting consequences on their career.

Outside Influence

BCCI has long been criticised for having deep roots into the underworld. Links with crime lord Dawood Ibrahim have been resurfaced time and time again for the “charitable organisation” exempt of any income taxes. So it is but natural for an offshoot of the BCCI to fear such links and we strongly recommend the CEO (provided he is not part of the underworld nexus as well!) to take strong steps in becoming self-reliant. As mentioned earlier, the company needs to have a pinpointed check on the influx and outflux of cash, identifying with clarity the source and sinks. With this mechanism in place, and with the kind of popularity IPL has gained, we are sure any outside interference can be tapped, monitored and adequately dealt with.

IMPACT ON INDIAN CRICKET AND THE SPORTING INDUSTRY

To critically analyze the 3 formats of cricket: Twenty20, One Day Internationals and Test cricket, we need to look at these formats from various perspectives:

1. Spectators’ Perspective
2. Board’s Perspective
3. Players’ Perspective
4. Franchise’s Perspective

Let’s analyze the critical parameters important to each of these stakeholders in this multi-million dollar cricketing industry.

Spectators’ Perspective

As an avid cricket fan, just like half of the nation, I always looked out for an exciting game of cricket. Before the first T20 world cup, the excitement was in the ODI matches especially the last 10 overs which even my mother used to prefer watching instead of the whole 3 hours innings.

Entertainment: Indian Premier League (IPL) started after the tremendous success of first T20 world cup 2007 which India won beating Pakistan in the finals. The Board of Control for Cricket in India (BCCI) realized that T20 world cup chewed up the TRPs of the prime time programs in India which features in the entertainment industry.



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IPL is the end result of mixing the sporting club culture with T20 cricket. While the test cricket is 5-days long affair, even after which there is no surety of result. It is almost impossible to make the audience stuck to their television sets from 9 AM to 5 PM. Considering the slow pace of the game, there is little excitement for the cricket fans. ODIs attracts more audience than test cricket owing to a shorter version and a surety of the result at the end of the day. However, only cricket frenzies can bear to watch a 6-7 hour long match. Again, for watching these matches, it requires a complete day off from the work, even if you are watching at home, which is very difficult for many people. IPL is the most attractive prospect out of all 3 because of its short time duration of 3 hours, surety of result, the prime time of telecast which allows even the office goers to come back home and enjoy a quick game. IPL has proven to be the most exciting and popular format to watch, really providing a game where wickets and sixes come euphorically frequently. IPL has more tight last over finishes than any other format which makes it even more exciting to watch. IPL competed not only with soap operas in India like Balika Vadhu, Yeh Rishta Kya Kehlata Hai etc but also with the Bollywood industry with the involvement of big film stars in the league. The semi-finals and finals of the IPL are showcased at various pubs, bars and theatres.

Jerseys & Attire: Test cricket makes it mandatory for players and umpires to dress all white including shoes which makes it more dull a format. ODIs and IPL have a more vibrant jerseys for the teams which makes it a more vibrant experience for the viewers to watch the game. The same can be ascertained with the extent of sponsorship on the jerseys of IPL. It is apparent that IPL jerseys have the most number of sponsors which the Indian ODI team and test team doesn't have. This signifies the interest of the Indian audience in the IPL.

Music, Atmosphere & Crowd: Test cricket doesn't have the crowd to watch the game, leave apart the music. There are empty stands that can be found even at the most interesting cricket rivalries like India vs Pakistan or the famous "Ashes Series" of Australia vs England. ODIs have the crowd but it is house full only for important clashes or finals especially on weekends. Moreover, ODI's frequency is less as compared to IPL. India played merely 21 ODI matches in 2013-14 while IPL 2014 itself had 60 T20 games between various franchise. Despite this, every match of IPL attracts more audience due to the loud music, vibrant atmosphere and the power packed crowd supporting the two rival teams.

Cheerleaders: Cheerleaders are an inseparable part of IPL games since its inception despite much criticism from the conservative Indian society. They bring glamour to the game which many people look for in a game. Test cricket can't have cheerleaders because of the slow pace of the game. Some ODIs started with this concept but it was relevant only during the last 10 overs. Even in most of the IPL advertisement, there are 2-3 seconds given to cheerleaders.

Ticket Rates: The ticket rates are usually a true indicators of the demand for various formats of games in India. While a typical IPL ticket ranges from 500 – 5000 INR in Delhi, an ODI ticket comes in a price bracket of 300 - 3000 INR. The test matches tickets start from a meagre 100 INR for some of the matches.

Batting Paradise Pitches & Shortened Boundaries: With IPL, we have seen much shortened boundary lines to make it a batsman friendly game as audience tends to enjoy high scoring games. Batting paradise pitches are consistently demanded from the curators by the organizers to garner TRP ratings. Earlier, a typical boundary length from the pitch used to be 80-90 meters but in IPL we have seen sixes sailing over a boundary of merely 65-75 meters. However, the ODI boundary and test matches tend to have the same ground size as it is more of a strategy game with more endurance rather than hard hitting fast-paced game.

Infrastructure: Test cricket doesn't need the extravagant and expensive technology infrastructure like the Umpire Cam and Spider Cam. However, there are Umpire Review systems which are used in test matches which allow the players to challenge the umpire's decision a fixed number of times in a test match. This is however allowed only in test and ODIs as the time spent on finalizing this decision can be accommodated in a slow pace game. Moreover, the importance of even a single wrong decision can be catastrophic in a 5-day long test match. In IPL, these systems are not permitted considering the time crunch with the format. Instead, there are in-match interviews, umpire cams, spider cams, graphical dashboards, ultra slow motion cameras etc. to engage the audience.



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Marketing: Hardly ever we have seen advertisement for a test cricket on a hoarding or in newspaper. But, with franchise owned teams, it is a daily affair when IPL is going on. The games are marketed well to ensure proper attendance for the home teams as the revenue that comes is shared with the franchise.

TV Viewers' Experience: In IPL, there are efforts made by the organizers to elevate the television experience of the viewers with concepts like pre-match shows, in-match interviews, owners' match, dashboards to assist the commentators etc. Strategic timeout is a great move in this regard. It allows the BCCI to gather more funds by advertisements at the same time this allowed the families watching at home to set up their dinner in 10 minutes and start the game from where they left it live. Tests and ODIs are lagging in this regard because of the long time duration involved with the formats. Moreover, it is nearly impossible to make a person glued to TV for an entire match. The average TRP rating for IPL 6 was 3.9 while the viewership stands at 100 million. These figures outnumber almost any ODI or test matches viewership figures.

Board's Perspective

Board of Control for Cricket in India (BCCI) controls the execution of Indian Premier League in India. It is also responsible for the One-Day Internationals and the test matches being played by the national team. From board's perspective, there are following parameters crucial to each format for the game.

More Formats, More Talent: The continuous pursuit for newer talent forces BCCI to allow players exposure to all formats of the game. While Ranji Trophy allows the local talents to prepare for the National test team, IPL allows the domestic players to be ready for T20 side. These platforms also allow the selectors to be continuously vigilant and give the players currently in-form a chance to the national team. This is the reason, it is mandatory to have at least 7 local players in each IPL team.

Money Earned: BCCI earnings has skyrocketed since the inception of IPL. BCCI is a not-for-profit body but the profits for 2013 has doubled that of 2012. BCCI's profit from IPL 6 has been a whopping Rs 385.36 crore compared to profits amounting to Rs 174.73 crore in 2012 edition. However, the money earned from the test matches and ODIs are nowhere near to this figure. This is another reason why BCCI promotes IPL over other formats of the game. This money is then used to raise the standard of sports among the national level players

Promoting The Sport: Sensing the potential of T20 in India and the world, BCCI, Cricket Australia and Cricket South Africa started this league in October 2009. It promoted the sports world wide with teams from different leagues coming to battle it out with the champions in their own leagues. This also opened doors for the individual players from non-cricket playing nations like Netherlands, Belgium etc. Although, the same is not true with ODIs and test matches where only nations compete as of now. Also, to promote the test cricket, now there are plans to have a day-night test matches with pink balls and in 2018, World Test Championship is slated to happen.

Nation First: IPL, as a format, is not only a cash-rich league but it also nurture the local talent with the presence of international players in the same team. BCCI thinks that this helps the cricketers to excel not only in T20 but in all forms of cricket. The journey of Indian Cricket League (ICL) which was started by BCCI rebels couldn't continue as BCCI felt that it will hurt the players' interests of playing for the nation and should be in association with BCCI.

Players' Perspective

Players are the most important stakeholders in this entire cricketing affair. From a player's perspective, these are the crucial parameters to different formats of the game.

Match Fees: Earlier, most cricketers used to do some side job as the earnings from cricket were not sufficient to run their homes. This was especially true for Ranji Players. However, now the match fees for a test match, ODI and T20 match is 7 lakhs, 4 lakhs and 2 lakhs respectively. Also, BCCI have grades A, B and C players who get the retainer ship annual payment of 1 crores, 50 lakhs and 25 lakhs respectively. But with IPL auctions, we see that the base price of the players themselves is 25 lakhs INR (50000 US\$).

Dream Test: If you ask a real cricketer, he always wants to play a test match for his nation. A test match tests the endurance, patience and skills of a player as it allows the natural game to come forward without any restriction of time and overs. A lot of criticism has happened over ODIs and T20 formats as they encourage the batsman to hit every ball for a six and the bowlers tend to be defensive always



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Hectic Schedule: Kevin Pietersen and Graeme Swann, two prolific England cricketers, both have criticized the ODI format, the former retiring from limited overs cricket because he could not keep with the ODI and T20 schedule. Players can't choose all formats to play at the same time. They have to specialize in at max two sports so that it doesn't get too demanding from them for performance every time.

Franchise's Perspective

It gives a chance to the franchise to promote their jerseys, outfits, accessories like caps, wristbands, toys etc in the market. IPL has evolved into a big industry and it has created huge employment in India. IPL is now telecasted at mall, theatres, pubs and bars. The T-shirts, franchise bats and accessories are sold online which earn them revenue. From their perspective, this is an unprecedented form of marketing and business which can't be achieved in ODIs and Test match cricket. Thus, After comparing the 3 formats of the games on various parameters, most of the changes that happened in the cricketing industry in India happened were favorable. From technology to payment, from exposure to nurturing talent, all these have resulted in the upliftment of Indian cricketing industry. These have also transformed in to results with India winning the ODI world cup after 27 years in 2011. There is a large number of steps which are planned by the International Cricket Council to revive the ODI and Test cricket but only time will tell which way the audience's interest sway.

FUTURE CHALLENGES AND POSSIBLE STRATEGY

IPL has been able to grab humongous popularity with over 140 million of TV audience and was recently valued at 400 billion US dollars. The high on glamour and publicity franchisee modeled cricketing event at the same time has been seeing unprecedented amounts of fee paid to franchisees, players accumulated through revenue from advertisement. Amidst all this were match fixing scandals, political power shifts and nail biting entertaining matches. But despite this feat that IPL has achieved, it faces a league of challenges in the coming year. It has been a huge success till date, it has overcome odd obstacles in last six years and has inspired other sports to follow its model in India. But the question arises can it sustain its stardom, is its model robust enough and can it overcome the realm of challenges it foresees in coming years and what role does BCCI play in all of this?

Before we delve into the challenges that it might face, let us try to clear what is it trying to achieve and is it on the right path, or are the strategies and goals in contradiction to each other. IPL is a brand is trying to position itself as the EPL or NFL of the west. The craze towards cricket in India is at par or even more than how fans in west look at football. There's no doubt on that, that's why it's called a religion in this part of the world. The game format is short and crisp 3 hour dose of cricket just like EPL and NFL, short enough to be engaging and long enough to receive one's share of entertainment.

Viewer Fatigue

But the problem with IPL is that it is in the top of the mind recall of the fans and consumers for a span of only two months. And hence there is a need to extend the duration of engagement either through extension in the duration of tournament or increase in the number of games played. This is required to remain in the minds of the consumers for a longer duration of time to build them into the fabric of national life. The reason for doing this is that with extended exposure, it would not be looked upon as just a mere source of entertainment that takes place for 2-3 months but a new cult of fan following. Even research has suggested that constant interaction and increased frequency of usage of the brand results in developing emotional connect with the brand and that's what is required for IPL to achieve its feat.

On the contrary, the challenge that IPL faces is that on one side there is tremendous amount of cricket being played all through the year including the national games, Champions league post IPL and other world cups have led to viewer fatigue. This has been also cited as primary reason for decline in TRP ratings. So in this case how does BCCI ensure it increases the exposure of IPL at the same time deal with viewer fatigue?

Public Sentiment

A major challenge that IPL faces in coming years is that the fans have not been able to follow teams. The fan base currently exists for their favorite players but not the teams that they play for. Thus if a fan who was following KKR



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because he was joyed by the fact that Sourav Dada plays for KKR is now unable to relate with KKR as Dada shifted to Pune Warriors. Thus a big challenge is to condition the fans to be able to follow teams and not players.

Inspirations from IPL: opportunity or threat?

Many other sports league have emerged including Boxing, hockey, Badminton, Kabaddi and the most successful of them all ISL. These leagues have started receiving a good response and ISL has had a good amount of success which started late this year. The problem with BCCI is that should it nourish the other leagues and try to create a sports culture in the country getting rid of the problem of positioning IPL as only entertainment source and thereby also increasing the consumer recall. But ultimately the business model is created such that only sufficient viewers in the stadium and on TV will help the event to survive and hence important is the issue of creating fan base and not dividing the fan base and viewership with other leagues.

Retaining Franchisees

Another very crucial aspect of IPL's business model is the franchisee model. The people who have invested in franchisees are business men and expect returns from their investments. There are two ways someone can buy a franchisee: from fresh bids made by BCCI or buying it from the existing owner. Buying from fresh bids is a much better idea than buying an existing franchise. This is because BCCI follows a model of deferred payment of revenue expenditure based on a five year franchisee fee payment. While in the other case it would have to be a bullet capital investment that the buyer would have to pay to the seller of the franchisee. The NPV concept makes it a much more attractive option and hence it becomes the total acquisition cost. For example SUN TV's bid for Rs 85 crore per annum come down to an NPV of cash losses over five years of Rs 75 crore as the total acquisition cost.

For teams that started with the origin of IPL, from 6th year onwards, there will be no annual payment and thus will start to reap some profits. But these profit are not sufficient to give the returns they expect from their investments. So why did they end up investing if the profits were never meant to be that great. The logical reasoning that comes is that these franchisee owners acted as PE investors. Let us see how can this be possible: For SUN the acquisition cost is 75 crore. If Sun decides to exit after exactly five years, its base valuation will be at least Rs 300 crore in 2018, whose NPV comes to be 163 crore thus making a profit of ~ Rs 88 crore. Thus from a financial perspective we are looking at IRR of ~34% which is a great proposition.

This is where the issue arises, the franchisee owners after completing the term of five years are looking at exit opportunities but the proposition of paying one time bullet payment to existing owner, not being favorable, has led to no buyers in the market. Thus franchisee are getting restless to get back their returns and market has no buyers available. Making it a very uncomfortable situation for franchisees. This is an issue which need to be sorted or could turn out to be catastrophic for IPL. Thus the question is who will buy the franchisees? And it is not going to be easy considering the fact that the scandals that occur every once and then, no one would want to be in the limelight of bad media.

Scandals

The recent spot-fixing and betting scandal have tainted the reputation of IPL. Cricket was a game which was once considered as a pure sport, but recently it has turned into one of instant fame and quick money. Not only it depreciated the fan base but has other consequences as well. IPL grabs the eyeballs by tight finishes and quality cricket but with such scandals doing the rounds, Fans expect that if a batsman has hit a six then bowler must have taken money. Thus depleting the core essence of IPL.

Also we are roaming around the question of who will buy franchisees when there are no buyers. Having scandals is not going to make it easy considering the fact that the scandals that occur every once and then, no one would want to be in the limelight of bad media. Thus it repels investors and advertisers as well.

Betting

Despite the fact that betting is illegal in India, the quantum of bets made on IPL equals to ~USD 20mn per match as compared to ~USD 5mn for a top notch golf tournament. Thus amount of betting combined with T20 format makes IPL a potential target for fixing mafia and thus being vulnerable to scams and scandals. Can legalizing betting help the situation?



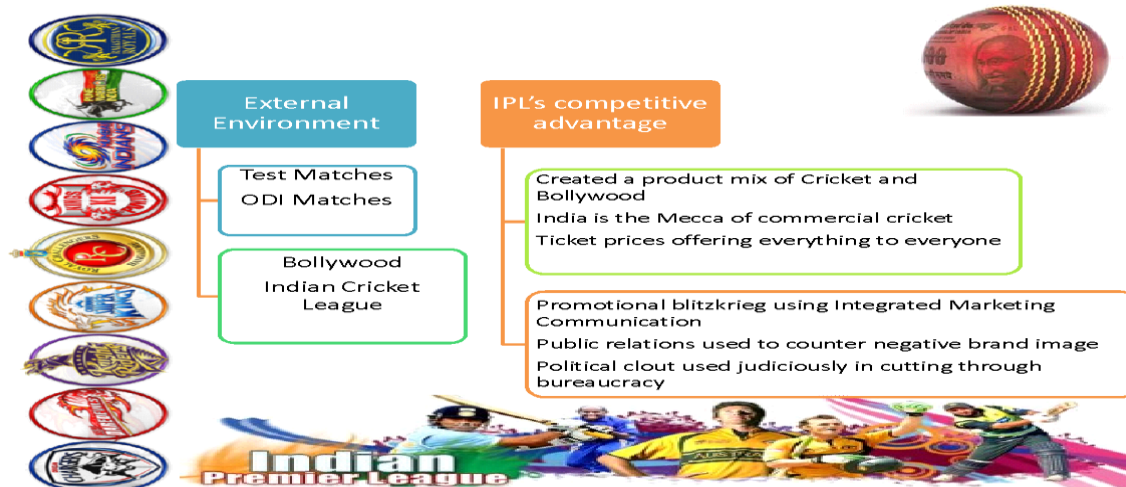
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Maintaining The Competition

The revenue of IPL can drop significantly if the level of competition displayed in the tournament falls. The main attraction of the league is its ability to make top ranked players to play for different franchisees. If they are not able to attract best players to play for the league it would start losing its attraction. The franchisees income is largely based on the fan-base they have, if this comes down they would be earning income to pay their players salary. The franchisees also buy the best players for a lot of money, if the players do not perform and win competitions for them, it takes a long time for the franchisees to get their return on investment. Hence, they are forced to stay there for a longer period.

EXHIBITS

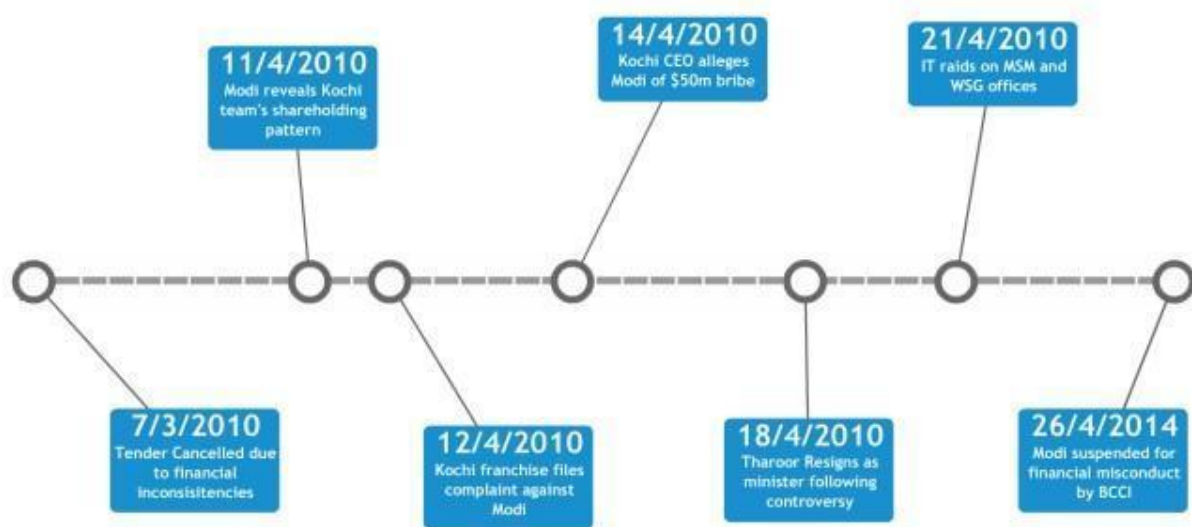
1.1 External Environment And IPL's Competitive Advantage In India



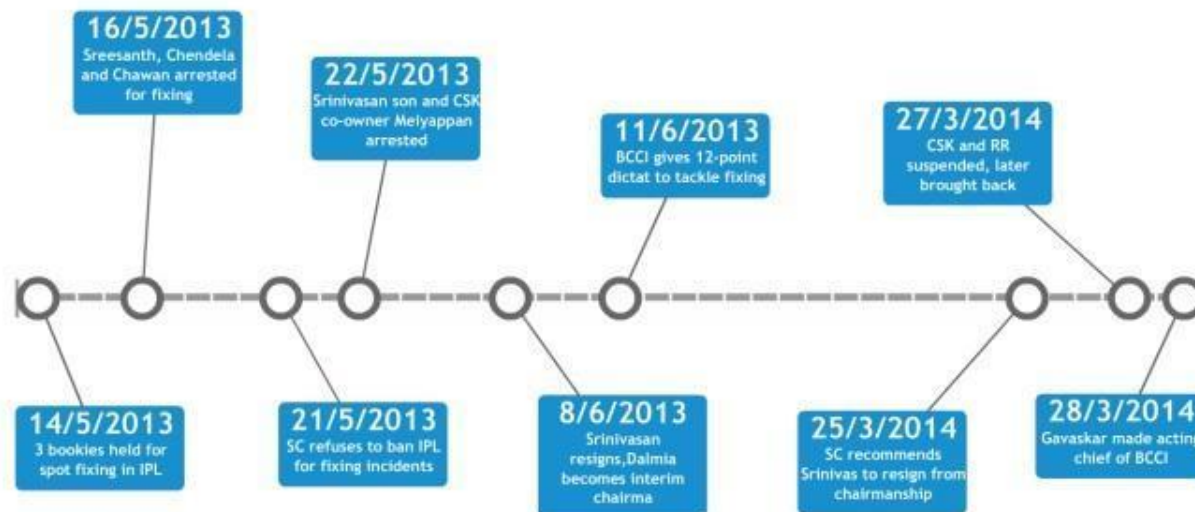


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1.2 Corruption Timeline



1.3 Spot-Fixing Timeline



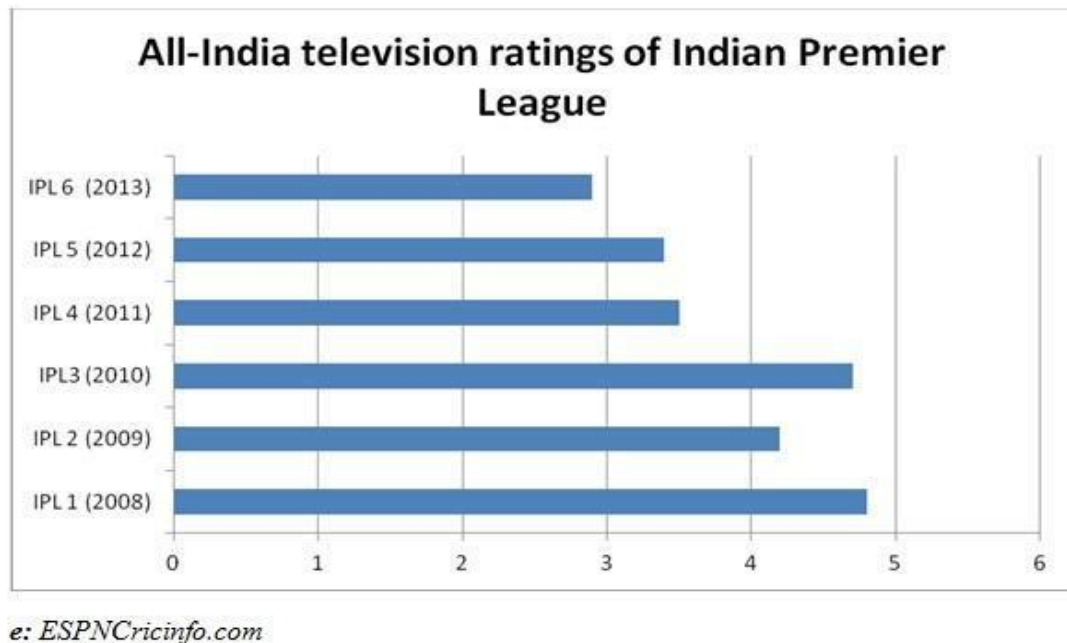


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1.4 Choice between strong or moderate betting rules

	Scenario n°1 : Strong regulation	Scenario n°2 : Limited regulation
Main objective	Protection of society and consumers	Creation of fair competition between betting companies.
Betting products	Leisure betting. Prevention of high-risk bets. Market of no interest to professionals and criminals.	Profitable betting. Few limitations. Interesting market for professionals, launderers and fixers.
Core target	General public (leisure)	Professionals (bet only for the investment return).
Payout rate	Limited (fair balance established under current standards)	Not limited
Gambling taxes	To cover the cost of gambling (social etc.). Betting contribution to be paid to sports.	Low barriers to entry for new betting companies giving a lift to the economy.
Number of betting companies by country	Limited (better control) to 3-5 betting companies licensed in each country.	Not limited
Major risks	Illegal betting, addiction, transnational match-fixing cases	Money laundering, addiction, high risk of match-fixing.

1.5 IPL TRP Ratings over the years





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CONCLUSION

Having encountered some of the major challenges that IPL faces, let's understand how can BCCI encourage such changes in the format and overcome these challenges. One thing has been very clear till now is that the success of the event and franchisees is highly dependent on the fan base that teams have and overall the event has. To catalyze the increase in fan base and condition the fans to support teams rather than players, BCCI needs to encourage franchisees to take initiative much more proactively and implement innovative ideas to increase the fan base.

Teams have created fan clubs but they are hardly active. They can take a small fee and give members benefits such as discount on tickets, merchandise, autographed t shirts, opportunity to attend events with players etc. The sponsors can be roped in by creating a special credit card where the services and products of sponsors are given an extra discount. Of late the team clubs have become active on social networking sites but their highest activity is at the time of season. Teams need to engage the community throughout the year to keep a connect through exhibition games etc.

From the context where BCCI is trying to position it as EPL and NFL of East, people compare with what happens elsewhere in the world, Thus IPL will have to ensure similar level of facilities. For eg. New stadiums, corporate boxes which have the best view of the match and rest of the stadium providing minimum standard of comfort and facilities those viewers expect.

For making new buyers in the market for franchisee, BCCI can experiment with crowd funding or listing the franchisees on Bourses to enable capital generation and smooth exits of existing owners.

BCCI does not have to be just future-er but also a now-er, thus has to compete with the entertainment industry which it has positioned it to be. This can create alternate sources of revenue for IPL like 3D screening of matches or screening in 270° screen theatres for live stadium view feel in a theatre.

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