

AN INTERVIEW WITH



telecoming

The Emerging Sportech Opportunity

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## Mover & Shaker Interview with Telecoming on the Emerging Sportech Opportunity



Juniper Research interviewed Patricia Peiró, Telecoming's Chief Strategy Officer in April 2023.

Peiró is Telecoming's Board member in charge of the short- and long-term company strategy. She works on analyzing the trends and needs of the different markets Telecoming operates in, and is responsible for coordinating corporate alliances. Peiró is passionate about the mobile economy, technology, and of course, innovation.

### 1.1.1 How are sports clubs and brands looking to change the way they engage with their audiences?

The mobile ecosystem offers sports clubs and brands many opportunities to get closer to their fandom. Sports fans share similar characteristics: they have an emotional connection with the brand, are used to double-screen consumption, and are very creative because of this passionate affinity. All these characteristics are common, whether young or not, and mobile devices are becoming an excellent channel to capitalize on them. Offering fans new casual and official experiences will boost clubs' profitability.

Sports organizations can deliver different experiences beyond the 90 minutes of a match to their fans. We are already developing them with a mix of technology, content, entertainment, and information, among other features.

Clubs have successfully generated profitable business lines, such as ticketing, broadcasting, and merchandising. However, the mobile economy now offers new opportunities and ways to monetize communities. What we call 'mobile consumption' has great potential for sports organizations.

Monetizing this audience through new channels is interesting for any club because these are new and complementary revenue streams.

### 1.1.2 How can mobile devices be used to create a more engaging fan experience?

From our point of view, mobile consumption has not reached its peak; there is still room for this consumption model to continue growing. For example, according to GSMA data, there were 5.4 billion unique mobile subscribers in 2022, rising to 6.3 billion by 2030. Also, there will be 9 billion smartphone connections by 2030, equivalent to 92% of the total market.

Smartphones are part of users' day-to-day life, including sports fans, who have fascinating characteristics from a business perspective. They seek exclusivity and, at the same time, want to share with passion their sense of belonging. They are looking for information but also entertainment. They want to be part of a team and differentiate themselves from others. They are ready to pay for what can meet these expectations.

And above all these facts, fans are modern users who carry everything on their mobile device. They hold their cards, agenda, contacts, and much more!

The cellphone is their vital space, and we can take advantage of it, turning it into a tool for interaction with sports. Keeping them in this mobile environment is fantastic. You'll be able to offer an experience they can consume, find, and pay for on the device they are always carrying. This can only be done if you integrate Direct Carrier Billing as the preferred payment tech.



DCB (Direct Carrier Billing) is the ideal payment model for the mobile economy. It is simple, secure, and has the highest penetration rate in the world. Big brands are discovering it and are already aware of its outstanding performance. It is one of the three pillars of the effective distribution model we have been developing for a while: DCB as a frictionless payment method, Adtech to impact the right user at the right time, and of course, an official product that persuades the fan.

Our distribution model is consolidated in other industries, such as gaming or video-on-demand. In the specific case of the sports world, it still has a long way to go.

### **1.1.3 What technologies are you most excited about for changing the fan experience?**

Technology has no limits today. We are seeing great developments in AR, VR, the metaverse, AI, etc. The challenge is to make all these innovations profitable, and the key lies in making all the innovation developments accessible.

Users, and sports fans, do not care about technology. They are interested in experiences, collaborating in content creation with brands they love, and sports. Technological innovation has to help us build all this in the best way, but it has to be helpful for the consumer. AI allows us to personalize experiences, recognize players, organize content, play with our hands in a digital environment without controllers, and compete... But users are not interested in what is behind, just in the product they are willing to pay for.

So, from a technology standpoint, I am very impressed with extended reality – I think the entertainment applications are huge. What is most interesting to me is that the sports industry has been a driver of innovation in recent years, using its popularity to bring amazing changes to society. We have seen it with NFTs. Sports, alongside art, were the industries that spread these developments. We will continue to see it in the future with immersive experiences, data visualization, and artificial intelligence.

Clubs have the opportunity to build, above their traditional productions, new digital experiences. But they need the technology to offer something different and consolidate it as a new business stream. Clubs rely on partners like Telecoming, experts in developing these mobile experiences, to deliver what fans demand.

### **1.1.4 How is Telecoming unique in the mobile fan engagement market?**

Telecoming is an expert in monetizing mobile audiences. We are applying our expertise to the world of sports because it is a mobile audience with growth capacity. In this sense, we have unique capabilities to develop and distribute official experiences that seduce sports fans.

The creation and distribution of DCB's sports services have been successful for leading international clubs such as Real Madrid CF or PSG, with whom we partner.

These clubs have understood that, besides video-on-demand services and their traditional broadcasting businesses, there are many opportunities in the ad hoc mobile experiences we create for them. Our fan engagement services are technology-oriented to monetize and strengthen the relationship between fans and clubs. The comprehensive portfolio of different features increases clubs' mobile communities and, therefore, their revenue.

Telecoming works hand in hand with mobile operators and properties to develop the appropriate services and distribute them through the DCB, simplifying the payment process.

### **1.1.5 What changes in the market are you preparing for today?**

The services we develop for the clubs are getting more sophisticated and more complete (they include podcasts, exclusive official features, sections with artificial intelligence to personalize the experiences, etc).

Artificial intelligence is one of the significant innovations we are applying to create dynamic sections of content based on user preferences, building structures, and automatic recognition of athletes in photos and videos.

In the sports sector, football and basketball have always led the way in adopting new technologies – this has played a key role in their evolution.

Now, it is the turn of other mainstream sports disciplines with very loyal communities of fans as well. A clear example of this is EFC, the Extreme Fighting Championship. EFC is the largest mixed martial arts competition in Africa and a global reference for being a competition that has grown very fast. Telecoming has



developed its mobile service and distributed it through operators, reaching fans from five countries during the first year.

We are innovating in new developments that allow fans to interact with the stadium, strengthen the feeling of belonging in the digital environment, and allow them to live unique worldwide experiences from home.

### **1.1.6 What part of Telecoming's offering in this market are you most excited about and why?**

Within our sportech project, eSports and online sports-related games are taking a relevant role. It is a massive market with enormous possibilities for growth.

Gaming users have very similar characteristics to sports fans. We are ready to monetize them with the same success we have demonstrated in other industries.