

**THE ECONOMICS
OF THE
INDIAN PREMIER LEAGUE**



ARYAN JOSHI

2019

BACKGROUND AND FOUNDATION

The Indian Premier League (IPL) was founded by the BCCI (Board of Control for Cricket in India) in 2008. It is a renowned Twenty20 cricket league (20 overs per inning) generally played in India by players from all over the world, typically during March or April and May every year. This league consists of eight teams representing 8 different parts of India.

The 2014 IPL was recorded as the 6th ranked for average attendance amongst all other sports leagues in the world and has consistently been known to be the most-attended cricket league in the world. It was also the first-ever sports league to be broadcasted live for fans across the world on YouTube in 2010. Moreover, according to Duff & Phelps, the IPL's net worth in 2019 was US \$6.7 billion or INR ₹475 billion and has risen every year since its launch in 2008. Additionally, as per the BCCI, this league contributed to US\$160 million to the Indian GDP in 2015.

On the 13th of September 2007, the BCCI announced its launch of the franchise with IMG Twenty20 competition called the Indian Premier League. The first meeting of the first season of the IPL took place in April 2008 at New Delhi where Mr Lalit Modi, the elected vice-president of the franchise shed light on the league and its details such as the game format, the prize money for the winner, its franchise revenue system and how the respective teams shall be composed. The format of the league was mentioned to be similar to the Premier League of England or NBA in the United States. Modi also revealed that the IPL would be managed and run by a governing council of seven men composed of former Indian cricket players and BCCI officials. He also stated that the top two teams of the IPL would qualify for the year's Champions League Twenty20. Apart from explaining the league's details, he also clarified that the IPL was a plan that he and the BCCI had been working on for the past two years.

Following this meeting, an auction was held by the BCCI on 24th January 2008 to decide the respective owners of the league. The owners were to invest a total base price of the franchise's cost of \$400 million. At the end of this auction, along with the owners, eight Indian cities were also selected for the league that included - Bangalore, Chennai, Hyderabad, Delhi, Kolkata, Jaipur, Mumbai and Mohali. The bids from the auction came up to a total of \$723.59 million marking the end of this auction.

IPL 1 was held in 2008 and there have been 12 IPL seasons so far with the latest being in the year 2019 which was IPL Season 12. While most IPL Season tournaments have been held in India, there have also been instances where the tournament was conducted outside India in South Africa (2009) and partly in the UAE (2014) due to general elections occurring at the same time in India.

IPL is thus the latest but most successful product form the entire product range of cricket. Cricket generally comprises of:

- Test Matches (multi-day cricket)
- ODI – One Day International
- T-20 International
- IPL T-20

WINNERS FROM 2008 TO 2019:¹

Year	Winner	Runner-Up	Year	Winner	Runner-Up
2008	RR	CSK	2014	KKR	KIXP
2009	DCG	RCB	2015	MI	CSK
2010	CSK	MI	2016	SRH	RCB
2011	CSK	RCB	2017	MI	RPS
2012	KKR	CSK	2018	CSK	SRH
2013	MI	CSK	2019	MI	CSK

¹ <https://www.mykhel.com/cricket/ipl-history-s4/>

TEAMS FROM 2008 TO 2019:²

2008	2009	2010	2011	2012	2013
8 Teams	8 Teams	8 Teams	10 Teams	9 Teams	9 Teams
CSK	CSK	CSK	CSK	CSK	CSK
RCB	RCB	RCB	RCB	RCB	RCB
RR	RR	RR	RR	RR	RR
MI	MI	MI	MI	MI	MI
KKR	KKR	KKR	KKR	KKR	KKR
					SRH
DC	DC	DC	DC	DC	DC
KIXP	KIXP	KIXP	KIXP	KIXP	KIXP
			PWI	PWI	PWI
DCG	DCG	DCG	DCG	DCG	
			KTK		

2014	2015	2016	2017	2018	2019
8 Teams	8 Teams	8 Teams	8 Teams	8 Teams	8 Teams
CSK	CSK			CSK	CSK
RCB	RCB	RCB	RCB	RCB	RCB
RR	RR			RR	RR
MI	MI	MI	MI	MI	MI
KKR	KKR	KKR	KKR	KKR	KKR
SRH	SRH	SRH	SRH	SRH	SRH
DC	DC	DC	DC	DC	DC
KXIP	KXIP	KIXP	KIXP	KIXP	KIXP
		RPS	RPS		
		GL	GL		

² <https://cricketconnected.com/all-ipl-seasons-points-table/>

SWOT Analysis of IPL

Strengths of the IPL /

The IPL is the shortest version of the cricket game there is to exist. Unlike the ODI - One Day International, which takes a day to complete or Test matches that occur over a total of five days - the IPL is a match of around two to two and a half hours. This makes the IPL exciting, electrifying and fast-paced for cricket lovers. This feature of the IPL attracts larger audiences to watch games on weekdays as well as the usual weekends. Apart from the short time frame of matches, the IPL has also hired efficient economists that work to maximise revenue, making the IPL an integrated sport. Every team has a diverse range of players spanning from India to Australia, making wide groups of cricket fans support a single team from all over the world and making the tournament more engaging, ensuring acceptance on a global level. The Indian Premier League (IPL) follows the Twenty20 format of cricket. In terms of logistics, the BCCI also has the power to alter or mend international cricket match dates if they clash with the IPL tournament dates, making sure the tournament runs smoothly.

Weakness of the IPL /

Even though the IPL match might be the shortest cricket match out there, in today's fast-paced world people might not be able to find the time to watch and enjoy a whole match or any sport. Many argue that the IPL has also changed the face of cricket in a way that makes ODIs and Test matches look less desirable or interesting. Monetary wise, hundreds of millions are pumped into each team every year in terms of branding, advertising, brand promotion, auctioning of players and therefore, the failure of a particular team may worsen the management's financial position and reputation. Additionally, these high costs also make it difficult to find sponsors for each team.

Opportunities of the IPL /

With each year that passes by, the IPL fan base keeps widening. Due to the increasing global awareness of the IPL, a high number of potential sponsors and advertisers are willing to invest in each tournament and the tournament as a whole. The IPL structure is intricate and large in its composition, allowing the several major and minor groups of each team to work in ways that allow them to generate revenue from operations and giving scope for revenue maximisation for the franchise's owner. This scope is also derived through different means of each team such as brand naming in terms of accessories, logos, t-shirts and other memoirs. According to the general pattern noticed of Indian age groups and their passion for cricket, the older groups tend to have a greater passion for cricket compared to the youth. However, with the IPL's breath-taking and thrilling format being introduced - the youth are more inclined toward the sport and the tournament, specifically making this notion redundant.

Threats of the IPL /

Along with the benefits and opportunities that a league like the IPL brings along with itself there are also some drawbacks that one must keep in mind. To begin with, if the IPL does not host the world's most popular cricket players, there might be a risk of it losing its well-established popularity. Moving on, the IPL is usually played during the domestic season for cricket in Australia, dividing players and cricket lovers. If Australian players choose the IPL over their local teams, they might lose their home country fans and vice-versa.

PLAYER AUCTIONS AND PAYMENT METHODOLOGY

If an IPL team want a particular player, they will usually bid an amount higher than the prerequisite base value. Players receive the bid amount less than a certain fee which remains undisclosed. Once the player has been auctioned, the respective players sign a contract with the BCCI confirming his participation with the particular team. Post this signing, the player receives payment for the signing and thereafter per match that he plays. Even if the player was available for the entire season, his pay will be determined on how many matches he has played.

Additionally, only if the player attends the trial match, he is eligible to receive the payment. However, a player is only entitled to 50% of his fee if he gets injured before the match. If the player gets injured during the match over the course of the tournament, he will receive full payment as he was injured during the game. Even if the player leaves to return to his home country due to a national emergency or national duty, he will still receive payment for all the remaining matches. IPL players may also get paid additionally depending on their star rating and performance. This payment takes the form of cash prizes - after every match, there are prizes for the best player, the player who hit the highest number of sixes and player who got the highest number of wickets. Even after the tournament concludes, awards such as player of the tournament, best batsmen, best bowler give opportunities to players to win larger sums of money and in some cases, cars and other tangible gifts provided for by their sponsors. Furthermore, players can avail benefits of bonuses if they cross the knockout rounds.

SOURCES OF REVENUE AND ITS DISTRIBUTION

The revenue that the IPL earns as a league is derived from 6 main sources:

- **Brand Sponsorship**

The IPL raises revenue through brand sponsorships wherein franchises tie-up with different brands for the branding of the teams' jersey/ barricades/ other accessories. The highest revenue generator's sponsored brand name will be printed on the chest of the jersey and likewise the more the visible a sponsor's name is, the greater source of revenue generation they are. Apart from branding on accessories, sponsors also hold events for the players and the team where they can promote the brand better. These sponsors form cumulatively 20-30% of revenue for every IPL team.

- **Media Rights**

The BCCI sells media rights to particular broadcasters, online streamers, channels for them to be able to air the live match for viewers to watch. These rights are sold to the media and are distributed to the teams after the BCCI deducts a particular sum of money. The team ranking the highest of the eight teams will get the largest share of media revenue and therefore, depending on the team's performance, the revenue will be shared accordingly on a weighted average method. These rights reportedly form about 60-70% of the revenue earned by the teams as a whole.

- **Ticket Sales**

Every team gets to host about seven matches in their city, and therefore this is their opportunity to raise revenue by making sure the matches are sold out at the stadium. The ticket prices are decided by each team's owner and a minor percentage of this revenue generated is offered to the BCCI and sponsors. Usually, every team sells about 80% of their tickets each year. Revenue collection from the ticket sales sums up to a 10%.

- **Award/Prize Money**

With each year that passes by, the prize money of the IPL Championship increases. The prize money gets divided between the owner of the team and its players. According to the legal terms, at least 50% of the prize money is to be distributed amongst players and the remaining amount is decided at the owner's discretion.

- **Merchandise Sales**

Each team and its franchise sells its own T-shirts/Caps/Jerseys/Flags and so on, according to the Times of India (2014) the sports gear industry is growing at a rate of 100% annually valuing the industry at \$30 million back in 2014.

- **BCCI Central Pool**

The BCCI also offers particular sponsorships and partnerships for its committee. The money generated from these sponsors is distributed amongst all eight franchises according to their rank in the league table.

- **Stall Rentals**

A minor proportion of the revenue earned is also derived from the store rentals selling food and beverage to fans during the match. These vendors are taken up on a contract basis to a third party that then subcontracts agreements with each food/beverage brand. A franchise earns a fixed amount of money from each stall per match.

Additionally,

Player Trading - Followed by the player auctioning and bidding, there is a brief period of time where players can be traded within teams. These players are traded and exchanged with money given as compensation thereby generating revenue for the franchise and IPL as a whole.

STAKEHOLDERS

A stakeholder refers to any individual or group of individuals or a firm that has either a direct or indirect interest in the organisation and would get affected positively or negatively due to the performance of the organisation.

These stakeholders can be external or internal to the organisation.

For IPL the stakeholders can be segregated as mentioned below which would be affected in an economic aspect due to the success of the failure of the IPL.

Internal Stakeholders / These consist of members of IPL

- Employees of BCCI (both permanent and contractual)
- BCCI Managers / Management

External Stakeholders / These are not part of the business. They have a direct involvement or interest in IPL.

- Franchisees
- Viewers (Consumers)
- State Cricket Associations
- Advertising Agencies
- Broadcasters (Television and Internet and Radio)
- Players
- Special Interest Groups
 - Local Community
 - Government
- Suppliers
- Local Businesses

The impact of the IPL at both the microeconomic and macroeconomic levels has been examined.

BCCI

The BCCI is the main cricket association in India and has various products such as Test matches, ODI's (One Day Internationals), T-20 and the IPL. Out of these, the IPL has been the most successful product and contributes to 95% of the surplus earned by BCCI.³ The success of the IPL and the immense profit has helped the BCCI to wield enormous bargaining power in the international arena and with the International Cricket Association, to serve the benefit of Indian cricket. An example of this is, the BCCI allocating Rs.50 crores towards the NCA (National Cricket Academy) in the year 2018 compared to Rs.26 crores in the year 2017.⁴ The BCCI has become a powerhouse internationally because of the success of the IPL.

It has changed the levels of income earned across all formats of cricket, making cricket an exciting career option for Indians. The BCCI has increased the amount they pay even to the domestic players who have been unable to make it to the IPL. Ishant Sharma and Cheteshwar Pujara⁵ are examples of players whose contribution to Indian cricket has been substantial in Test cricket. The BCCI has ensured that they do not lose out just because they do not fit into the required skills for the IPL.

PLAYERS

The IPL has many real rags-to-riches instances of players coming from humble backgrounds and getting selected for the IPL based on their skills and performances. An example is Yashasvi Jaiswal who has been selected for the IPL 2020. He was a street vendor and was sleeping in a tent during his teenage years, and now because of his cricket skills, he has been selected by Rajasthan Royals for Rs.2.40 crores.⁶ Another example is Rinku Singh who is with Kolkata Knight Riders since 2018 when he was selected for Rs.80 lakhs. He is also from a very humble background where his father was a cylinder delivery man and his brothers were rickshaw drivers.⁷ There are numerous examples that are motivating hundreds of youngsters to look at cricket as a lucrative career. This has helped to immensely improve the talent pool available for cricket and also improved the quality of many facets associated with it ranging from players mental approach and fitness regime, coaching quality and expertise of support staff.

³ <https://www.indianfolk.com/economics-indian-premier-leagueipl/>

⁴ <https://www.indianfolk.com/economics-indian-premier-leagueipl/>

⁵ <https://www.news18.com/cricketnext/news/how-has-the-ipl-benefited-indian-cricket-2162875.html>

⁶ <https://timesofindia.indiatimes.com/sports/cricket/ipl/top-stories/ipl-contract-completes-yashasvi-jaiswals-rags-to-riches-story/articleshow/72896958.cms>

⁷ <https://cricket.yahoo.net/news/ipl-rags-riches-stories-melt-122947157>

The confidence levels of young players have also increased as they have interacted with international cricketers. Brushing shoulders with cricketers such as MS Dhoni, AB de Villiers, Chris Gayle and the like has given the youngsters the much-needed confidence and mental strength to face any opponent on the field. They are able to focus on playing their natural game rather than getting intimidated by the dazzling lights and screaming spectators. The IPL has also given Indian players such as Umesh Yadav, Jasprit Bumrah and Bhuvneshwar Kumar a platform that increases their chances of selection for the Indian cricket team. They were initially associated with the IPL and they have realised that consistent performance in the IPL will increase their chances at candidacy.⁸ Many former players such as Sachin Tendulkar, Ricky Ponting, Mahela Jayawardene who are associated with franchisees as coaches and mentors have also added to laying the foundation for success at the international level for all the players in the IPL as their advice is most significant on the various aspects that must be implemented for being successful on the field.

LOCAL COMMUNITIES AND LOCAL BUSINESSES

The success and glory of each cricketer is his talent on the forefront. However, it is also equally dependent on the numerous dedicated coaches, masseurs, dieticians, physiotherapists, and a huge base of skilled individuals who support and manage the entire team on and off the pitch. These people include maintenance workers of Sports Facilities like the Stadium, Analytics, Digital Media Marketing, Management, Sports Administration and Management, Communications, suppliers of the sports equipment, Event Managers, Sports Broadcasters and channels, Finance team, Risk Management team etc. Under these numerous teams, there are several workers who operate small businesses and work relentlessly to make the IPL T20 an enjoyable experience by making and selling merchandise, food stalls, flags and more. Popular leagues such as the IPL not only generate revenue for sponsors, owners of each team and the BCCI, but also help in providing an opportunity for small vendors and businesses to grow each year. These vendors may have season demand for their services and the IPL helps them meet this demand and provide for an income, thereby rooting off entrepreneurial ventures by supporting small scale start-ups and encouraging more entrants into the market for their services. The IPL also promotes and markets India as a country through having matches set in different cities showing Indian culture and promoting the tourism and hospitality industries in India. Furthermore, industries such as the Graphic designing industry, Animation industry or Digital Media Analytics industries also get boosted as they inherit the skills to support and broadcast the IPL's live matches through different means of media platforms.

⁸ <https://www.news18.com/cricketnext/news/how-has-the-ipl-benefited-indian-cricket-2162875.html>

ECONOMIC GROWTH

It goes without saying that the IPL has made an immense contribution towards increasing the aggregate demand and economic growth. Aggregate Demand (AD) is the sum of consumer spending, investment, government spending and net exports. The IPL has positively impacted all the 4 components of AD.

Consumer spending is in the form of tickets sold for matches, T-Shirts and caps and other accessories purchased by the fans and viewers and spending on food and beverages at the match venues.

Investment spending is broadcasters who have made heavy investments in broadcasting rights, sponsorship deals, local vendors who have set up small shops selling merchandise and food and beverages in the vicinity of stadium venues, cricket equipment manufacturing companies who have increased their production capacity.

Government spending has been positively helped due to the tax revenues received by them as government has more funds to spend on providing merit goods that will benefit society. The tax revenues of the government from IPL in the previous 11 years since the IPL inception in 2008 have been Rs.2.5k crores.⁹

Net Exports have benefited due to sports tourism. The IPL witnesses' huge crowds from across the globe and this helps domestic tourism as hotel occupancy increases and sight-seeing tours increase, thus bringing in foreign exchange and contributing towards improving the balance of trade in service for India. A report by Cox and Kings on IPL 2019 said that the number of tourists has increased by 30% and especially there has been an increase in women travelling alone. (2019)¹⁰ These tourists are combining their holidays to sync with the IPL matches and so nearby locations such as Alibaug for Mumbai also are witnessing an increase in tourists. In 2014, 20 matches of the IPL were held in Dubai which contributed 275 million Dirhams for Dubai economy. Also, in 2009, when the IPL was held in South Africa, 22000 hotel rooms were booked and 1 lakh domestic flight tickets were booked.¹¹

⁹ <https://www.news18.com/cricketnext/news/how-has-the-ipl-benefited-indian-cricket-2162875.html>

¹⁰ <https://timesofindia.indiatimes.com/travel/destinations/cricket-tourism-in-india-is-in-a-boom-during-ipl-season/as68722612.cms>

¹¹ <https://www.financialexpress.com/sports/ipl/ipl-economy-what-the-cash-rich-league-adds-to-indias-gdp/1025063/>

EMPLOYMENT

Employment opportunities have increased manifold and seasonal employment has been generated in addition to decreasing the NRU (Natural Rate of Unemployment) by increasing the potential output. Cricket equipment manufacturing companies need more workers as demand for cricket bats, helmets, shoes and other equipment has increased. Hotels need more workers during the IPL season which typically is of 60 days thus generating employment for cooks, bell boys, maids, laundry businesses and taxi operators. Self-employment opportunities have increased for small vendors selling cricket memorabilia and other road side shops selling tea, snacks and food and beverages. There is an increase in demand for cricket coaches, umpires, match referees, commentators, physio and support staff across all cricket academies and cricket associations. The IPL has also opened up academic avenues such as specialised courses in sports management. It created an ecosystem of employment across the population.

EQUITY IN INCOME DISTRIBUTION

Prior to the IPL, within the cricketing fraternity itself, there were large discrepancies in the payments made to cricketers. The IPL has reduced this inequality to a certain degree. The surplus funds generated by the IPL helped the BCCI to award former players who had retired and hence, missed out on the lucrative payment system of the IPL even though they had served the game of cricket in their heydays with the same passion as players of today.

In the year 2015, the BCCI announced a bouquet of financial benefits for domestic as well as international players which are listed below:¹²

Payment made to	Financial Benefit	Eligibility Criteria
Test Cricketers and their widows	Rs.50000 monthly	<ul style="list-style-type: none">○ Retirement prior to 31/12/1993○ Played > 25 Matches
Test Cricketers and their widows	Rs.37500 monthly	<ul style="list-style-type: none">○ Retirement prior to 31/12/1993○ Played < 25 Matches
Test Cricketers and their widows	Rs.22500 monthly	<ul style="list-style-type: none">○ Retirement on or after 01/01/1994 irrespective of number of matches played

¹² <https://www.thehindu.com/sport/cricket/bcci-announces-monetary-benefits-for-former-players/article7858415.ece>

ODI	Rs.15000 monthly	<ul style="list-style-type: none"> ○ Represented India in one day international match
Ranji Trophy players	Rs.15000 monthly	<ul style="list-style-type: none"> ○ Minimum 10 matches played prior to 1957-58 season
First Class Players	Rs.15000 monthly	<ul style="list-style-type: none"> ○ Played 25 to 49 matches up to season 2003-2004 end
	Rs.22500 monthly	<ul style="list-style-type: none"> ○ Played 50 to 74 matches up to season 2003-2004 end
	Rs.30000 monthly	<ul style="list-style-type: none"> ○ Played 75+ matches up to season 2003-2004 end

In addition to the above, the BCCI also ensured that all Test cricket matches umpires who have retired will get a payment of Rs.22500 monthly while all those umpires of the All India Panel of Umpires who were umpires in ODI in capacity as field umpires will be paid Rs.15000 monthly.

Women equality

Cricket has mainly focused on men and it is men cricketers who get all the attention and the monetary benefits thus ending with a giant share of the pie.

The BCCI decided that it was high time that women cricket and women cricketers were given their due recognition and compensation. The BCCI has indeed taken a welcome step in the right direction by announcing a monthly payment system where all women cricketers will be paid a monthly sum on the basis of number of test matches played. So, women cricketers who have played between 5-9 tests will be paid Rs.15000 monthly and played 10+ matches will be paid Rs.22500 monthly.¹³

In 2019, the BCCI had held a Women T20 Challenge tournament where 3 teams had participated. Finally, things are beginning to look up for women cricket which has hitherto been largely ignored.

¹³ <https://www.thehindu.com/sport/cricket/bcci-announces-monetary-benefits-for-former-players/article7858415.ece>

CONSUMERS

The IPL has revolutionised the form of entertainment for the consumer who is now spoilt for choices. Although there were Test matches, ODI and T20, they were few and far between and restricted to main venues. The introduction of the IPL has widened the horizon by increasing the number of matches that the consumer (viewer) can choose from and also has expanded to more venues thereby reaching a wider consumer base for matches. Live streaming of matches has given the consumer a wide array of choices regarding which match to see and subscribe for. The IPL being a 60-day event offers non-stop entertainment for the consumer. In fact, consumer spending on ticket sales was Rs.160 crores in 2016 which was 10% of the IPL revenues.¹⁴

NATIONAL INTEGRATION

The IPL has contributed in its own unique way to foster the spirit of national integration by giving an opportunity to all young players from small villages and cities spread across the length and breadth of the country to participate in the IPL based on solely their merit and talent. It has brought the entire country together on a common national platform where cricket is the only religion and caste and nothing else matters. From Kashmir to Kanyakumari, cricket has unified India.

The State of Jammu and Kashmir has been witnessing terrorism and the youth are being misguided by inimical elements. There is rampant unemployment and job opportunities are few and far between. The IPL has provided a small window of opportunity where young boys from J&K are now part of the IPL teams. The first player from J&K to feature in the IPL was Mr. Parvez Rasool (an off-break spinner) who initially represented Pune Warriors and then played for Sunrisers Hyderabad. Other players to be honored to be part of the IPL from J&K are Manzoor Dar who was selected by Kings XI Punjab and Rasikh Salam who was selected by Mumbai Indians team.¹⁵ It is indeed a welcome sign that youth from J&K are participating in national tournaments and this has helped to a certain extent in creating a positive atmosphere of hope in the valley especially among the youth.

In 2017, during a tour organized by youth from Gurez valley where they met the army chief Mr. Bipin Rawat, one youth expressed a desire to play cricket, the army chief asked his subordinate officers to check if the boy could join an academy for cricket and also assured that one day J&K would have their

¹⁴ <https://www.news18.com/cricketnext/news/analyzing-the-economics-of-the-indian-premier-league-1944069.html#:~:text=Ticket%20sales%20are%20another%20source,roughly%2010%25%20of%20team%20revenues.&text=In%202016%2C%20IPL%20as%20a,Rs%2022%20led%20the%20field.>

¹⁵ <https://www.firstpost.com/firstcricket/sports-news/ipl-2019-rasikh-salam-becomes-second-player-from-jammu-and-kashmir-to-play-in-tournament-youngest-debutant-for-mumbai-indians-6318851.html>

own IPL team.¹⁶ In the year 2018, the then governor of J&K Mr. Satya Pal Malik had even held parleys with Mr. Rajiv Shukla (who was then the IPL Commissioner) for forming a separate team from J&K for IPL similar to teams such as Mumbai Indians and Chennai Super Kings.¹⁷ Women from J&K are also joining the bandwagon and this is witnessed by the success of women T20 matches held at Bakshi Stadium.¹⁸ In fact, the first women IPL tournament of 2019 held at Jaipur would have the 1st female cricketer Ms. Jasia Akhtar from Shopian district and she will be part of the Trailblazers women team.¹⁹

OTHER SPORTS

Viewership of non-cricket sports in India

Overall non-cricket properties contribute to 20% of the live matches viewership



Source: Broadcast Audience Research Council

20

The success of the IPL acted as a catalyst for other sports in India. It led to organisers and associations of all sports thinking about replicating the IPL model for their sports also. The first sport to launch a tournament on lines of the IPL was football. ISL was launched in 2013 as a football league and it was also a major success with the stadium attendance averaging 24657 in the year 2013, which was the

¹⁶ <https://www.dnaindia.com/india/report-we-will-have-a-a-separate-kashmir-ipl-team-for-you-army-chief-rawat-assures-cricket-loving-youngster-2547438>

¹⁷ <https://www.indiatoday.in/sports/cricket/story/jammu-and-kashmir-governor-pushes-for-an-ipl-team-from-the-valley-1346210-2018-09-22>

¹⁸ <https://www.indiatoday.in/sports/cricket/story/jammu-and-kashmir-governor-pushes-for-an-ipl-team-from-the-valley-1346210-2018-09-22>

¹⁹ <https://zeenews.india.com/cricket/jammu-and-kashmirs-jasia-akhtar-gets-selected-for-women-s-ipl-t20-2198908.html>

²⁰ <https://thefederal.com/the-eighth-column/how-ipl-helped-football-kabaddi-get-rich-but-not-grow-roots/>

4th largest attendance worldwide for a football league and in 2017 the average viewership has surged to 2.2 million per match.

Another success story is the Pro Kabaddi League (PKL). The 5th edition of the PKL had a viewership of 313 million²¹ and the success of the PKL meant emerging opportunities for rural areas as kabaddi is a sport that is very popular in rural areas. It created an opening for rural youngsters to take up Kabaddi as a profession and source of livelihood. Similarly, in 2019, the Pro Wrestling League was a success with viewership of 33 million out of which nearly 16.50 million viewers²² were from rural areas. Organising popular rural games such as kabaddi and wrestling on professional league grounds had indeed opened up ample opportunities for rural people who are now having the scope to show their talent at higher levels and also act as a financial source of income for them.

While leagues for kabaddi, football, wrestling were a resounding success, it was not the same for all sports that launched similar leagues. A glaring failure was the Indian Hockey League which started in 2013. In its inaugural year itself the Indian Hockey League had mediocre success with only 41.3 million views and ultimately the tournament was scrapped in 2018.²³

A worrying factor is that for most non cricketing event leagues, viewer fatigue is being witnessed and viewership is declining. This can be attributed to the fact that these sport bodies have viewed their league solely from a money generating view point and not made any tangible efforts to popularise the sport at the ground/grass root levels and in rural areas which has hampered the success of these leagues.

²¹ <https://thefederal.com/the-eighth-column/how-ipl-helped-football-kabaddi-get-rich-but-not-grow-roots/>

²² <https://thefederal.com/the-eighth-column/how-ipl-helped-football-kabaddi-get-rich-but-not-grow-roots/>

²³ <https://thefederal.com/the-eighth-column/how-ipl-helped-football-kabaddi-get-rich-but-not-grow-roots/>

GOVERNMENT

The tax revenues of the government from the IPL in the previous 11 years since the inception of the IPL in 2008 have been Rs.2.5k crores.²⁴

The taxation table below lists the income tax revenues slabs for the IPL.²⁵

	INDIAN PLAYERS	OVERSEAS PLAYERS
Taxability of IPL Earnings	Yes	Yes
TDS Rate @	10%	20%
Deduction from Income	Allowed <i>(to the extent of relevant expenses incurred in the pursuit of profession)</i>	Not Allowed
Additional Tax To Be Paid	May be required. Amount would depend on the Net Income <i>(after inclusion of non-IPL income & deduction of expenses)</i>	NIL <i>(if no other income has been earned in India during the financial year)</i>
Filing of Income Tax Returns	Required	Not Required

The IPL contributes a large direct tax amount to the coffers of the government.

²⁴ <https://www.news18.com/cricketnext/news/how-has-the-ipl-benefited-indian-cricket-2162875.html>

²⁵ https://www.relaxwithtax.com/App_UI/newsDetails.aspx?Type=Articles&PostId=95

BROADCASTERS

Star Sports and Sony were the two main broadcasters for the IPL.



26

It is estimated that from the 2018 IPL season (IPL 11), Star India has earned approximately Rs.1800 crores via advertising slots sale of television and digital slots and another Rs.1200 crores via overseas distribution and from overseas markets, adding up to Rs.3000 crores total revenue.²⁷ It has won the broadcasting rights for a 5 year period from 2018 to 2022 for Rs.16000 crores.

Prior to this the broadcasting rights were with Sony Entertainment Television and they were said to have earned a revenue of approximately Rs.2200 crores from the 2017 IPL season (IPL 10).²⁸

²⁶ <https://www.insidesport.co/ipl-broadcast-ad-sales-set-to-breach-magical-inr-2000-crore-mark/>

²⁷ <https://bestmediainfo.com/2018/05/star-india-estimated-to-fetch-rs-3-000-crore-from-ipl-2018/>

²⁸ <https://bestmediainfo.com/2018/05/star-india-estimated-to-fetch-rs-3-000-crore-from-ipl-2018/>

Out of the total revenues earned by broadcasters, advertising revenue comprises the major chunk as listed below:

Season	Ad revenue (₹ crore)	Broadcaster
7	700	SPN*
8	Over 1,000	SPN
9	1,200	SPN
10	1,300	SPN
11	1,800-2,000	Star India
12	Over 2,000	Star India

*SPN: Sony Pictures Network

29

²⁹ <https://www.financialexpress.com/industry/star-indias-ipl-2019-ad-revenues-slightly-higher-than-those-in-2018/1577391/>

THE DARK SIDE OF THE IPL

While many praises have been showered in praise of the IPL, the negative consequences cannot be overlooked or ignored.

The IPL is held for an approximate duration of 60 days. This is during the months of March, April and May every year. These are the months when almost all schools and colleges in India conduct their final examinations for the academic year and on the basis of student performance in these exams, the student is graded and promoted. Cricket is a religion in India and a craze among the students. The IPL match schedule clashes with exam schedule and is a distraction for students who may spend time watching the IPL matches instead of focusing on studies and consequently may either end up scoring low grades or failing also in extreme cases. This is a loss of national human resources and human capital. There are experts who would recommend parents to turn off the television or take away mobile phones for their children. However, this would only address the physical aspect while the mind of the student will be thinking about the IPL, not solving the problem at hand.

An IPL match is of 3 hours duration. Watching it on television or mobile and watching many such matches will definitely put a strain on the eyes and lead to eye problems. Also, spending a lot of time indoors watching matches instead of engaging in physical activity may lead to lethargy and physical fitness issues.

Player fatigue is another drawback of the IPL. The IPL match schedule often clashes with the match schedule of international tournaments. The BCCI seems adamant on sticking to its IPL schedule due to obvious monetary reasons. However, this leads to a situation where players are forced to play matches and series back-to-back without giving them enough time to recoup physically and mentally.

Players putting monetary benefits above nation priority is indeed a grave concern has been seen in the IPL. The IPL is a huge money-making machine and offers immense financial rewards for the players. Incidents have been reported where players have skipped participating in tours for their country citing the commitments of IPL. This is surely not a good trend. Players such as Kieron Pollard and Sunil Narine of West Indies refused to sign national contracts so that they could play in the IPL for the entire duration of the IPL schedule.³⁰

An unintended consequence of the IPL is that people are beginning to lose interest in Test Cricket. Test cricket offers the best scope for honing the skills and technique of a player. The IPL is all about slogging without caring about the skills or temperament.

³⁰ <https://www.quora.com/What-are-the-disadvantages-of-IPL-Cricket>

Lack of passion and patriotism also has been occurring due to the IPL. The young players do not feel as passionate about winning or losing an international game as they are more focused on earning money because the IPL certainly pays well. In a talk-show back in 2009, Mr. Ratnakar Shetty who was the Chief Administrative Officer of BCCI, revealed that after India were eliminated in the Champion Trophy being played in South Africa, a senior player had called him and lamented at the indifferent attitude of young players in the team on losing.³¹ Patriotism had taken a back seat due to money being earned from the IPL.

Betting and match fixing have increased manifold due to the IPL. The Supreme Court also raised this issue and Sreesanth was banned after he was accused of fixing matches in the year 2013.³² Mr. Lalit Modi, who was considered the architect behind designing IPL was also accused of selling media. It can be said that the IPL has put money above national passion and cricket has been, so to say, hijacked by a coterie of self-serving businessmen, politicians and film stars. It has dampened the true spirit of the game.

³¹ <https://sports.ndtv.com/cricket/ipl-good-or-bad-for-indian-cricket-1595454>

³² <https://edtimes.in/heres-how-ipl-has-ruined-the-essence-of-cricket/#:~:text=IPL%20Has%20Made%20%E2%80%9CMatch%2DFixing,%E2%80%9D%20And%20%E2%80%9CBetting%E2%80%9D%20More%20Prominent&text=Moreover%2C%20the%20involvement%20of%20Raj,the%20players%20of%20those%20teams.>

THE PATH AHEAD

The IPL has been a resounding success ever since its inception in the year 2008. From the inaugural session in 2008 till IPL 12 held in 2019, the tournament has consistently scaled new heights and provided fame and monetary benefits for all the stakeholders associated with it.

The achievements of the IPL are indeed commendable. However, as the saying goes, there is always room for improvement and always an opportunity to outdo past performances and achievements.

With this insight, the following recommendations would help the IPL to further build its brand image and gain more popularity and success in all spheres of influence, thereby enhancing economic and social benefits as a whole for the IPL and India:

The entire future approach for the IPL is recommended to be on the foundation of CRICKET:

The activities of the IPL are recommended to evolve based on the below mentioned vision statement:

Creating a Righteous and Integrated Circle

Kindling Economic Growth Transnationally

The IPL has begun to give attention to women cricket. However, the extent of involvement needs to be increased manifold. For this, it is necessary that Women IPL be conducted on similar lines and scale as men cricket. It holds tremendous potential as women participation would ensure a wider audience. It would enhance women equality and give females a platform to showcase their talent. The revenue generating potential would also be immense as corporates across all product ranges such as interiors, kitchen appliances, cosmetics, apparels, jewellery, women scooters, women clothing would enthusiastically endorse and advertise for such matches generating immense revenue for the IPL. The IPL organisers will also be able to enhance their brand image. Part of the profits generated could be used by the IPL specifically for activities that increase the welfare of women such as providing sanitary napkins to all girl students in rural schools and villages and providing cricket kits to rural schools to increase the coverage of the game being played among women.

The IPL needs to focus on CSR (Corporate Social Responsibility) as consumers are becoming more conscious and responsive towards firms that have a positive approach towards society. Creating a positive image as a socially aware organisation will do wonders for the IPL. It will create a positive image in the minds of the consumer thereby increasing the acceptability of the IPL across the entire nation. These CSR activities can involve a diverse range. The IPL can tie-up with NGO's for sale of tickets

whereby if a patron purchases a ticket via that NGO, then he may be entitled to a host of privileges such as free snacks and cold drinks for the match, getting a signed autographed ball from the captains of the match which he has purchased the tickets. The IPL organizers can charge a higher price for these tickets. The part proceeds of these tickets sales will be used by the NGO for social welfare activities. The IPL could also tie-up with Akshaya Patra which is involved in feeding the poor. It could tie-up with NGO organisations that look after abandoned children and provide them shelter and food. This will help to increase the social status of the IPL and generate goodwill. Patrons will also willingly help this noble cause as it will enhance their individual social standing among their acquaintances. The IPL can give such patrons special mementos which the patrons can display as a showpiece in their drawing rooms as a special status symbol.

Another unexplored area is sports tourism. The IPL can have a tie-up with major cities where matches will be played and promote the cultural and monument heritage of these cities in lieu of monetary consideration by entering into an agreement whereby the IPL displays a carnival decorated at the stadium entrance of these matches and also promotes the sight-seeing locations of these cities in the advertisements prior to the matches. This will help the IPL earn revenues and at the same time result in overall win-win situation as these Tier II cities will come on the national stage and gain recognition. It will help promote tourism as people who come to see the matches will also likely stay for a couple of days in the city and go sightseeing. This will increase the occupancy rates of hotels thus hotels will employ more workers and this will increase local employment opportunities. It is also a way for cab drivers and tourist guides to increase revenue opportunities, along with street vendors selling small memorabilia and shop selling cultural artefacts. Thus, it will create a multiplier effect in the upward direction and result in regional economic growth and also an improvement in the standards of living of the region.

The IPL can also arrange special benefit matches as part of its image building exercise for physically challenged persons. Each current team of the main IPL should have an associate team comprising of physically challenged persons, where in the captain should be a film star and vice-captain can be a film actress. This composition will help to serve the dual purpose of adding glamour as well as serving a social cause. It will attract both segments of customers namely those seeking entertainment as well as those seeking to make a charitable contribution towards society. The IPL can donate 50% profits generated from these matches towards social welfare causes such as providing wheel chairs for the lame, providing walking sticks for blind, providing hearing aids for the hearing-impaired people. The IPL can emboss their logo on these materials thereby which will act as a form of social advertising also and increase the IPL social quotient.

An interesting effect of the IPL has been that there are many local tournaments that are being organised in various villages across various States. These fixtures are organised on similar lines of the IPL and enjoy immense popularity among the local community. In many villages tournaments are being organised where the clear fields act as the playground and the finance is sponsored by local businessmen and village landlords. In fact, each team has their own unique uniform and distinctive logo. This is an opportunity for the IPL to not only increase its reach and coverage but also to identify budding youngsters who have the potential to make it big in the field of cricket. The IPL can make a humble beginning by sponsoring the apparel of the various teams. Tournament such as IGCL (Indian Gramin Cricket League) which is a big event involving participation of over 100 villages is held every year in Lucknow Uttar Pradesh and Sai Cup Cricket League in Bilimora Gujarat and Ralegaon Premier League in Ahmednagar Maharashtra are windows of opportunity for the IPL.³³ It would bode well for the IPL brand image and also for the future of Indian sports if the IPL begins associating itself with such local events. It will also help them win over the hearts and mind of the rural population. Further, when such local tournaments are given the stamp of association of the IPL, it will act as a huge morale booster for all participating teams and make the villages proud. It definitely will increase the Happiness Index for this segment of population. The Happiness Index is a measure of economic development. Also, association of the IPL will lead to a surge in the popularity and increase in audience numbers. This will have a positive cascading effect on increasing local sponsorship and also increasing sales of local businesses during the entire duration of the tournaments.

In olden times, kings would arrange events and races, villages would organise fairs and temples would organise festivals. All of these had a strong economic reasoning as such events would involve huge crowds and thus contribute to the increase in the local economy. The IPL reaching out to rural areas would be a replica of this and will help blossom the rural economy.

To conclude, the IPL should manoeuvre its moves to achieve the objective as often stated by India's Prime Minister, Narendra Modi- "Sabka Saath Sabka Vikas."

³³ <https://www.hindustantimes.com/cricket/move-over-ipl-the-indian-rural-cricket-league-is-here/story-srsc83tlpQ8ZjwDGK4BtbL.html>

BIBLIOGRAPHY

MyKhel. (2020). IPL Winners Runners List.

<https://www.mykhel.com/cricket/ipl-history-s4/>

Sunil Mali. (2020). All IPL seasons points table list (2008 - 2020). CricketConnected.

<https://cricketconnected.com/all-ipl-seasons-points-table/>

Vaishnavi Kanukurti. (2019). The Economics of the Indian Premier League. Indian

Folk.<https://www.indianfolk.com/economics-indian-premier-leagueipl/>

CricketNext Staff. (2019). How has the IPL benefited Indian Cricket. News18.

<https://www.news18.com/cricketnext/news/how-has-the-ipl-benefited-indian-cricket-2162875.html>

Gaurav Gupta. (2019). IPL contract completes Yashasvi Jaiswal's rags to riches story. Times of India.

<https://timesofindia.indiatimes.com/sports/cricket/ipl/top-stories/ipl-contract-completes-yashasvi-jaiswals-rags-to-riches-story/articleshow/72896958.cms>

Sportskeeda. (2019). IPL: Rags to riches stories that will melt your heart. Yahoo! Cricket.

<https://cricket.yahoo.net/news/ipl-rags-riches-stories-melt-122947157>

Times Travel Editor. (2019). Cricket tourism in India is in a boom during IPL season. Times of India.

<https://timesofindia.indiatimes.com/travel/destinations/cricket-tourism-in-india-is-in-a-boom-during-ipl-season/as68722612.cms>

Manas Tiwari. (2018). IPL economy: What the cash-rich league adds to India's GDP. Financial Express.

<https://www.financialexpress.com/sports/ipl/ipl-economy-what-the-cash-rich-league-adds-to-indias-gdp/1025063/>

PTI. (2016). BCCI announces monetary benefits for former players. The Hindu.

<https://www.thehindu.com/sport/cricket/bcci-announces-monetary-benefits-for-former-players/article7858415.ece>

CricketNext Staff. (2018). Analyzing the Economics of the Indian Premier League. News18.

<https://www.news18.com/cricketnext/news/analyzing-the-economics-of-the-indian-premier-league-1944069.html#:~:text=Ticket%20sales%20are%20another%20source,roughly%2010%25%20of%20team%20revenues.&text=In%202016%2C%20IPL%20as%20a,Rs%2022%20led%20the%20field.>

PTI. (2019). IPL 2019: Rasikh Salam becomes second player from Jammu and Kashmir to play in tournament; youngest debutant for Mumbai Indians. Firstpost.

<https://www.firstpost.com/firstcricket/sports-news/ipl-2019-rasikh-salam-becomes-second-player-from-jammu-and-kashmir-to-play-in-tournament-youngest-debutant-for-mumbai-indians-6318851.html>

PTI. (2017). We will have a separate Kashmir IPL team for you: Army Chief Rawat assures cricket loving youngster. DNA.

<https://www.dnaindia.com/india/report-we-will-have-a-a-separate-kashmir-ipl-team-for-you-army-chief-rawat-assures-cricket-loving-youngster-2547438>

Ashok Singhal. (2018). Jammu and Kashmir governor pushes for an IPL team from the valley. India Today.

<https://www.indiatoday.in/sports/cricket/story/jammu-and-kashmir-governor-pushes-for-an-ipl-team-from-the-valley-1346210-2018-09-22>

Zee Media Bureau. (2019). Jammu and Kashmir's Jasia Akhtar gets selected for Women's IPL T20. Zee News.

<https://zeenews.india.com/cricket/jammu-and-kashmirs-jasia-akhtar-gets-selected-for-women-s-ipl-t20-2198908.html>

Sritama Panda. (2019). How IPL helped football, kabaddi get rich but not grow roots. The Federal.

<https://thefederal.com/the-eighth-column/how-ipl-helped-football-kabaddi-get-rich-but-not-grow-roots/>

RelaxwithTax. (2020). Articles.

https://www.relaxwithtax.com/App_UI/newsDetails.aspx?Type=Articles&PostId=95

Kunal Dhyani. (2019). IPL broadcast ad sales set to breach magical INR 2000 crore mark. Inside Sport.

<https://www.insidesport.co/ipl-broadcast-ad-sales-set-to-breach-magical-inr-2000-crore-mark/>

Raushni Bhagia. (2018). Star India estimated to fetch Rs. 3000 crore from IPL 2018. Best Media Info.

<https://bestmediainfo.com/2018/05/star-india-estimated-to-fetch-rs-3-000-crore-from-ipl-2018/>

Asmita Dey. (2019). Star India's IPL 2019 ad revenues slightly higher than those in 2018. Financial Express.

<https://www.financialexpress.com/industry/star-indias-ipl-2019-ad-revenues-slightly-higher-than-those-in-2018/1577391/>

Quora answers. (2020). What are the disadvantages of IPL cricket. Quora.

<https://www.quora.com/What-are-the-disadvantages-of-IPL-Cricket>

PTI. (2009). IPL: Good or bad for Indian cricket? NDTV Sports.

<https://sports.ndtv.com/cricket/ipl-good-or-bad-for-indian-cricket-1595454>

Gunjan Pandey. (2018). Here's how IPL has ruined the essence of cricket. ED Times.

<https://edtimes.in/heres-how-ipl-has-ruined-the-essence-of-cricket/#:~:text=IPL%20Has%20Made%20%E2%80%9CMatch%2DFixing,%E2%80%9D%20And%20%E2%80%9CBetting%E2%80%9D%20More%20Prominent&text=Moreover%2C%20the%20involvement%20of%20Raj,the%20players%20of%20those%20teams.>

Riddhi Doshi. (2015). Move over IPL, the Indian rural cricket league is here. Hindustan Times.

<https://www.hindustantimes.com/cricket/move-over-ipl-the-indian-rural-cricket-league-is-here/story-srsc83tlpQ8ZjwDGK4BtbL.html>