

## **Criconomics: Study of Branding and Marketing in the Indian Premier League**

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**ABSTRACT**—Indian Premiere League, an enthralling sporting extravaganza jam-packed with glitter, glamour and entertainment quotient, has turned out to be one of the most successful advertising and branding platform for various brands. IPL, a billion-dollar business in India has created a union of commercial interest and political power to capture a viewership of audience all across the globe. The purpose of this paper is to understand the marketing strategies, branding techniques and financial model of the most eminent cricket competition – the Indian Premier League. Understanding the economics of the most successful business model that features every year and studying the feasibility from advertiser’s point of view that views IPL as a golden marketing opportunity.

**KEYWORDS**- Cricket Branding, Financial Model, Indian Premier League, Sports Marketing, Sponsorship, Advertising

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### **I. INTRODUCTION**

With the advent of technology, live sporting events across the globe are much more easily accessible to people as compared to two decades ago. In a country like India, where there exists such a fanaticism about cricket, a league which pits the best players around the world against one another in a franchise-based model is bound to gain significant attention and grow into one of the most popular sporting leagues in the world. The Board of Control initiated the brainchild of Lalit Modi and for Cricket in India (BCCI) - The Indian Premier League. It has been structured as a particular purpose vehicle of the parent, BCCI. The Indian Premier League is currently the sixth most watched sports league in the world, which is a testament to the success of the league, given the fact that cricket is a prominent sport in roughly 15 nations, and is nowhere as widespread at the grassroots level as football [19]. The objective of this study is to understand the marketing strategies, branding techniques and financial model followed by the Indian Premier League, by looking it various teams, sponsors, players and situations, in order to develop a holistic picture about the intricacies of the working of the Indian Premier League. The paper aims to analyse the impact of brand placement on consumer behaviour, the profit margins of the participating franchises and the links between the various components of the IPL machinery.

### **II. BRAND VALUE OF IPL**

In broad terms, brand value of an entity is defined as its worth, i.e., the financial muscle of a brand and its perception and image in the eyes of its consumer base [10]. Since its inception in 2008, the Indian Premier League has consistently grown in scale and stature, and as the thirteenth edition comes to a close, the brand value of IPL, as per Duff and Phelps, is close to 6.7 billion USD (475 billion INR) [1]. One of the reasons for the massive financial success of the league is its ability to act as a platform which not only brings together the best cricketers from across the globe, but also several prominent industrialists, businessmen, and Bollywood celebrities [2]. Besides the humongous viewership of the cricket matches on cable, allied business such as fantasy leagues (for example, Dream 11, Mobile Premier League etc.), sale of OTT services (primarily Hotstar), sales of products from companies sponsoring team jerseys (for example, Myntra which sponsored Royal Challengers Bangalore in 2020) also experience a large boost in revenue in the months in which the IPL is played [3]. As a result of its financial muscle and attractiveness, the tournament is also a significant contributor to India’s economic growth and development, contributing as much as 11.5 billion INR in the eighth season (2015), as per BCCI’s official data [1]. This figure has steadily gone up over the past few years, with each team and most of the star players acting as significant contributors to the revenue stream of the IPL, as a result of their fan following, sponsorships, tie-ups with corporate houses and social engagements. When it comes to the eight current participating teams in the IPL, five-time and current champions Mumbai Indians are the most profitable team, followed closely by Chennai Super Kings and Kolkata Knight Riders, both of whom have won multiple championships themselves [3]. As of 2019, the brand value of Mumbai Indians was estimated to be Rs.

809 crores, and this can be attributed to a number of factors [3]. The blue franchise from India's financial capital is the most successful team in the history of the IPL, and is owned by India's biggest conglomerate, Mukesh Ambani's Reliance Corporation [4]. With some of the greatest players of the game such as Sachin Tendulkar, Lasith Malinga and Mahela Jayawardene having played for the franchise, and a current core comprising of India's current vice-captain Rohit Sharma, and flamboyant players with millions of fans such as Kieron Pollard, Hardik Pandya and Jasprit Bumrah, the team is able to attract several thousand fans to attend its matches at the Wankhede Stadium in Mumbai, and earn significant large amounts of revenue through sponsorship deals, sale of official merchandise, special fan events, and public appearances [4]. Similarly, Chennai Super Kings, with a brand value of Rs. 732 crores, and Kolkata Knight Riders, with a brand value of 629 crores, have also achieved such success due to impressive on-field performances (CSK won the IPL in 2010, 2011, 2018 while KKR won in 2012, 2014), a pool of popular and talented players (MS Dhoni, Suresh Raina, Dwayne Bravo in CSK, Gautam Gambhir, Brendon McCullum, Andre Russel in KKR) and popular owners (KKR is owned Red Chillies Entertainment, Bollywood actor Shah Rukh Khan's production house while CSK is owned by India Cements, a large Indian conglomerate) [6, 7]. In fact, teams such as Mumbai Indians and Chennai Super Kings are two of the ten most popular sports teams in the world in a list including sporting giants such as FC Barcelona, Liverpool FC, Juventus etc. [5]. Individual players also bring their own brand value, which in some cases can be the major source of the brand value of the entire team. For example, the captain of Royal Challengers Bangalore, Virat Kohli, was named the biggest celebrity brand in India by Duff and Phelps in 2019, with a brand value of 237.5 million USD [8]. With his several ventures such as his fashion brand WROGN, his series of gyms named Chisel and his million-dollar endorsements, he is able to tap into multiple segments and build his image and brand value [9]. As a result of the attachment of consumers to the teams, the players and the brand of the IPL, the tournament is able to reap in colossal brand benefits and go from strength to strength [2].

### III. REVENUE STREAM OF IPL TEAMS

The Indian Premier League has seen a consistent growth in its annual financial turnover, and the brand continues to grow at astounding 22 percent [16]. Like other successful sporting leagues in the world, such as the Premier League (football), NBA (basketball), MLB (baseball) etc., the major sources of revenue for the franchises are match day incomes, i.e. ticket sales and viewership revenue, merchandise sales, sponsorships and corporate deals, and the share from the central revenue pool of the IPL [16]. Managing an IPL team and making it profitable is a difficult task, and despite central income for all franchises from the organizing committees, several teams have had to fold operations in the past (such as Deccan Chargers) [1]. One of the primary sources of revenue for all the franchises is from the media rights, i.e., broadcasting revenue, even accounting for as high as 60 percent of the total revenue of some teams [17]. The BCCI distributes the revenue earned from broadcasting the matches between the franchises, after taking a certain percentage of the revenue as its share. Between 2008 to 2017, Sony Entertainment India had the broadcasting rights for the IPL at the cost of 820 crores INR per season (net 8200 crores INR), while from 2018 onwards, Star India has had the media rights at an astonishing 3269 crores INR per season, a whopping four times the amount paid by Sony Entertainment [17]. In addition to the broadcasting revenue, matchday revenue is shared between the teams and the state's cricket association which maintains the ground, while all profits from the sale of merchandise (jerseys, collectibles etc.) is kept by the teams [17]. The figure depicts the branding of sponsors on the sporting equipment used by players, coaching staff and supporting staff.



**Figure 1: Various sponsorship sites on team jerseys**

Source: VIVO IPL 2019 Clothing and Equipment Regulations Ordinance

The next source of revenue comes from sponsorship deals, which includes promotions through logo and name placements on the teams' jerseys. For example, Mumbai Indians, the most successful franchise in the competition's history, has had sponsors such Idea, Videocon, Hero, and Samsung on the front of their jersey, while MasterCard, Etihad Airways, Golbibo and Colors have sponsored the back of their shirt [4]. The costs of these sponsorships vary with the team's on-field performance as when Chennai Super Kings won the IPL in 2011, Aircel renewed their sponsorship agreement with them for 85 crores INR [17]. The following table shows the subgroups of sponsorship income for the different franchises.

Title sponsorship is another major source of revenue for the IPL, and a chunk of the funds obtained go into the central revenue pool, which is then distributed among the teams. In the initial five years, DLF Group had the title sponsorship rights for 200 crore INR, after which PepsiCo bought the rights for 397 crores INR for the next five years, which was followed by Vivo after PepsiCo terminated their contract prematurely [1]. After Vivo pulled out as the title sponsor of the 2020 edition of the IPL due to the border dispute between India and China (Vivo is a Chinese company), Dream 11, a fantasy sports platform bagged the title sponsorship for 200 crores for this year's edition [18]. The final major source of revenue stream is that earned by on-field performances, i.e., the prize money. In 2019, the top 4 teams which reached the knockout stages received additional money depending on their final position, with the winner receiving 20 crores INR, the runner-up receiving 12.5 crores INR, and the third and fourth places teams being entitled to 8.75 crores INR each [16]. Besides these major sources, mid-season player trades, tie-ups with food chains at the stadiums, one-time fan engagement events etc. can also generate additional revenue for the teams [16].

**TABLE I**  
**SUBGROUPS OF SPONSORSHIP REVENUE**

<b>Subgroup</b>	<b>Includes</b>
Intellectual Property	<ul style="list-style-type: none"> <li>• Company logos on jerseys</li> <li>• Official image rights for branding</li> <li>• Official player rights</li> </ul>
Media Sponsorships	<ul style="list-style-type: none"> <li>• Use of players in commercials and advertisements</li> <li>• Player featuring on company websites/ apps etc.</li> <li>• Player featuring in interviews, company events etc.</li> <li>• Social media marketing</li> </ul>
Stadium Benefits	<ul style="list-style-type: none"> <li>• Advertisement board, banners etc.</li> <li>• Naming of stands and ground ends</li> <li>• Stalls, campaigns, events on matchday</li> </ul>
Fan Engagement	<ul style="list-style-type: none"> <li>• Access to fan databases</li> <li>• Rights to exclusive tie-ups with fan clubs etc.</li> </ul>

#### **IV. PSYCHOLOGY OF ADVERTISEMENTS IN IPL**

An advertisement makes psychological changes in the consumers' minds rather than making a change in the product itself. It makes you link your attributes to a company's product more so that a good advertisement may unconsciously capture your mind and convince you to buy that product even if it is unnecessary. For example, colour coding in photographs is primarily targeted to capture the attention of a bystander. It is used in advertisements to do just that, all the while conditioning the brains to associate the colour they use to their product [21].

IPL is one such example of a perfect advertising platform that leaves deep-rooted imprints in the viewer's mind. The followers devote their time to watch the league and idealize and follow their favourite players and clubs. For example, boAt were the team sponsors for Delhi Capital for the 2020 edition and advertised players like Shikhar Dhawan, Rishabh Pant working out in a gym wearing boAt headphones; this causes a powerful psychological impact on the minds of the club's followers, wherein the followers are particularly inclined to buy the boAt headphones for their workout sessions because the next time they go to shop for headphones it would click with them that the boAt headphones are linked with the clubs they patronize and are publicizing the same. Spending in advertisement and brandings through the right IPL platforms gives a multidimensional gain to that particular brand. Putting your bets on advertisement through IPL, reaps the benefit of the IPL's brand image, which increases awareness, uplifts credibility of the product and promotes wide acceptance of the marketed brand.

## V. MARKETING MODELS

### A. 4P Marketing Mix in the IPL

The 4Ps of marketing is a fundamental concept which is used to refer to the four fundamental pillars of marketing strategy- product, price, place and promotion [11]. Also referred to as the marketing mix, these four factors are used by companies to identify key parameters in branding and advertising [11]. In the context of the Indian Premier League as well, these four factors provide important insights into the marketing of the tournament in order to maximize the revenue stream for the organizers involved. The product is the Indian Premier League itself, the most popular cricket league in the world, which acts as a perfect blend of sports and entertainment. The attractiveness of the product, i.e. the IPL, is the fact that most of the participating teams tend to have an equal opportunity to win the league at the beginning of the tournament [12].

In addition to this, the fanfare, the immersive sixty match schedule, the massive salary caps for the bigger stars, and most of all, the opportunity to see the world's most elite cricketers compete against one another leads to the consistent growth of the product all across the world. The attachment to one's home state and the opportunity to have bragging rights over another city is also seen as another reason for the sustained growth in the viewership of the league. The next pillar, price, is an important determinant of the financial feasibility of the marketing strategy and the potential of the product [11]. The various parties involved in the organization of the tournament, such as the BCCI, Star India, and the franchise owners have several agreements in place when it comes to revenue sharing and following a uniform pricing model. Since 2017, roughly 45 percent of the total revenue generated is distributed among the franchises, with bonuses depending on league position, while roughly 50 percent of the revenue is used in the funding of the tournament by the BCCI, which includes all the maintenance costs, logistical costs, and several other expenses associated with such a largescale tournament [12]. Around 5 percent of the revenue is used as prize money for the top teams and for the various individual awards in different categories [12]. As far as franchises are concerned, they have their own sources of revenue, some of which are discussed later. When it comes to the third pillar, place, the city-based franchise model and the nationwide appeal of the tournament has allowed it to be elevated to a global level. In its thirteen seasons, the tournament has been conducted in India ten times, while it has been conducted in South Africa once and twice in the United Arab Emirates [1]. Despite cricket being a prominent sport in only fifteen to twenty nations of the world, the tournament has seen mass viewership from spectators across Europe, Africa and the USA, despite the relative lack of popularity of the sport in these locations [12]. As expected, the Asian subcontinent countries, i.e., India, Pakistan, Bangladesh and Sri Lanka provide a major chunk of the viewers, but the fact that 462 million viewers watched the IPL in 2019 is a testament to the global recognition of the tournament [13]. In this way, the global reach of the IPL definitely stands as a positive among the 4Ps. The final pillar, promotion, is an intangible element to the success of any brand or any entity [14]. The Indian Premier League has always placed promotion high up its priority list, and has used several successful tactics over the last decade to achieve the growth that we see today. The organizers have always leveraged the close ties of Bollywood and industrialists such as the Ambanis by holding several promotional events during the course of the tournament. Popular stars who are co-owners of different franchises, such as Shah Rukh Khan (KKR), Preity Zinta (KXIP), Shilpa Shetty (RR) etc. have often participated in informal events and social engagements [12]. Social media marketing, digital advertising, fan events, and the use of famous PR agencies and advertising firms have also led to a pan-India promotion of the league and individual teams [1]. For example, OPN advertising, a Chennai-based firm, worked with Chennai Super Kings in various corporate social responsibility (CSR) initiatives such as a monthly comic featuring the CSK players, and was also behind the catchy 'Whistle Podu' campaign [15].

### B. CBBE Model

The customer-based-brand equity model, also known as Keller's Brand Equity Model, has three components: the consumers' perceptions, the negative and positive effects, and the resulting value on the brand and the company as a whole. Keller's model is based on a 4-level pyramid structure, rising from brand identity to brand meaning to brand response and finally closing down to resonance.[23] With the Indian Premier League's advent in 2008, the million-dollar business had laid a strong foundation and left a strong imprint in cricket lovers' minds worldwide.

IPL's Brand identity right from the very beginning was intrinsically linked with the biggest names in international cricket. Sachin Tendulkar, Ricky Ponting, Lasith Malinga, etc., and some of the humongous industry giants as the teams' owners, namely Shahrukh Khan (Owner of Kolkata Knight Riders), Preity Zinta (Co-Owner of Kings 11 Punjab), Indian Cements (owner of Chennai Super Kings). After tying up some most prominent tags with the Brand Identity of IPL, it was no short of providing even better entertainment for its viewer base each season. The tournament delivers action-packed, thrilled, nail-biting matches each year to present a solid brand performance and an unbreakable brand image [24]. It has been on an onset ever since its inception. Millions of cricket lovers across the world have their emotions and sentiments tied with this very tournament. People resonate with the teams they support and cheer in full belief for their favourite teams. It

gives us a very detailed understanding of the psychology and the impact of what the IPL has on its followers. It leaves room for a variety of marketing and branding avenues for the corporate industry to target. Team specific brand identity, For-example Delhi Capitals raised total revenue of INR 60 crore from sponsorships and promotions, with Daikin, Lotus Herbals, EbixCash, and Jio Digital being the prime sponsors [26]. Similarly, some companies target to attach the brand identity and IPL's tag by sponsoring the tournament itself. (For example, Unacademy-signed a contract for INR 130cr to be the official partner of IPL 2020-2023, The tagline - 'Unacademy cracking six- Learn from the best' was used throughout the tournament whenever the bowler was hit for a six by a batsman in a match. This tagline made the students resonate with how 'Unacademy' delivers the best learning experience and results, respectively.) Brand benefits are the 'personal values consumers attach to the product attributes' [20].

**Figure 2: 4P Marketing Model**



Source: [27]

**Figure 3: CBBE Model**



Source: [28]

## VI. CONCLUSION

We hope this research provides deeper and detailed insights to the branding and marketing aspects of the multi-million-dollar business – The Indian Premier League. After strategic investments by brands in the Indian Premier League, the volume of sales increases and brand awareness is created. It is not confined only to products directly related to sports – such as sports equipment companies like Adidas and MRF. The benefits of sports sponsorship also extend to goods and service industries that are unrelated to sports. The paper successfully provides a deep hindsight to the IPL marketing strategies via- 4P marketing mix model and Consumer based-brand equity model. The various sources of revenue streams and the economics related to each stream is laid out in detail.

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