

For AAF's Ebersol, it's all about engagement

January 21, 2019



AAF Head of Football Development Hines Ward (left) and league co-founder and CEO Charlie Ebersol

Photo: ALLIANCE OF AMERICAN FOOTBALL

Charlie Ebersol, co-founder and CEO of the Alliance of American Football, went in-depth on market strategy, technology and the league's sustainability at the NeuLion Sports Media & Technology conference last fall. The discussion has been edited for clarity and brevity.

Why the Alliance of American Football will work when so many other startup leagues have not:

One of the things that we really take seriously is putting quality football on the field. The fundamental difference between us and everyone that's attempted to do this before is that our product started with arguably the greatest team builder in the history of professional football, Bill Polian. ... We have 474 years of NFL experience in our coaches and GMs alone. We want to put a product on the field that is really high-quality football.

Why the league is sustainable:

I think while everybody was grave-dancing on the NFL the last three years about their ratings declining, which have obviously gone up now, what they were failing to recognize is that engagement was going up.

Engagement was going up because you had all these secondary platforms that really mattered. Plus, you went from having 15 years ago a handful of games on national television, a handful of college games, to every college game is on some sort of national platform. Every NFL game is on a national platform. Every game can be discussed in 57 different forums.

If I told you that ride sharing doesn't exist for six months of the year and I'm going to launch a ride-sharing app for those six months, everyone in this room would be throwing money at me.

I say football and you say, "Well, it didn't work before," but I look at it and I look at massive engagement. I look at the median income of the people that are football fans and they, 80 million of them, stop watching sports altogether when football goes off the air. What I see is they just have never been given good product. Put good product on the field and let them show up. Our business model starts with the live event and then it transitions into this digital platform that we've built that we think is really revolutionary.

Putting technology to work:

We focused on technology to do two things, improve the experience for the fans, which is about real time. The fact that our hardware and software creates an opportunity for fans to be able to play a digital game that we've created as well as a betting game that MGM has in real time for the first time. Truly real-time betting. Unlike anything that exists.

Games, betting and analytics:

MGM obviously is not only our partner but they're an investor, and so you'll be able to bet on games in states where it's legal. In states where it's not legal, we have a new game. Think of what fantasy was 15 years ago. We have the interactive version of that where during the game you can play against your friends live for free. That's not a betting game. Much in the vein of the early days of daily fantasy and fantasy.

We want you to be playing during the game and it's a social experience. We're trying to recreate the experience of us sitting on a couch together and arguing about the game and being able to play it against each other.

What it means to have CBS as a media partner:

CBS has the wild-card game, the divisional game, the championship game and the Super Bowl. The last four weeks of football in the United States are all on one network and then a fifth week of football. CBS is three things for us. They are a monster partner. I mean you're talking about America's No. 1 network, you're talking about the Super Bowl. The other thing they have that weekend is they have the Grammys — so it goes Super Bowl, us, Grammys — so they dominate a 10-week window in terms of viewership, which is enormously important.

Lessons learned from other leagues:

When I went out to do this, the two things that I thought were enormously important was I needed the greatest football mind I could possibly get my hands on, which was Bill Polian, and I needed to raise money from people who were not Ego wasn't a participant in the decision-making.

My investors are looking at this purely as a business play. They have a live-event business that is very legitimate. The XFL as a live event made \$50 million the first year. It was a good business. The USFL was selling 37,000 tickets a game, that's a good business. Live event.

Secondarily, build a digital platform that has the ability to change sport — so my tech investors understand that this is a five- to seven-year business. ... We're trying to build an Uber or an Instagram or a Facebook.

We went to institutional investors, people who understood what we were doing and then we piled other people into that process. I don't report to one person, I report to a board of directors, [which] includes people like Keith Rabois, who's one of the greatest operators in the history of Silicon Valley. Or my father [Dick Ebersol] or people who have experience from all of those verticals to build a business.