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Sports, Media & Millennials: Evolving Landscape of Consumer Demand

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Jeffrey S. Moorad Sports Law Journal Symposium

SPORTS, MEDIA & MILLENNIALS: EVOLVING LANDSCAPE OF CONSUMER DEMAND

The 2017 Jeffrey S. Moorad Sports Law Journal Symposium—*Sports, Media & Millennials: Evolving Landscape of Consumer Demand*—features an in-depth look into the changing patterns of consumer demand in sports. Topics discussed included the future of collegiate athletics and student-athlete benefits, the growth of esports and the online playing field, and how journalists and media executives respond to changes in media platforms and different generations of sports fans.

Panel 1

BEYOND MARCH MADNESS: THE NCAA AND THE STUDENT-ATHLETE

MODERATOR: Andrew Brandt

PANELISTS: Mark Jackson, Oliver Luck, Mike Nardi, and
Vince Nicastro

Panel 1 featured leaders from all levels of collegiate athletics, from Villanova University's Athletic Department, to the Big East Conference, to the NCAA. Moderated by Andrew Brandt, the panel discussed the future of intercollegiate athletics, the challenges in managing conference and university resources among college teams, and the power of student-athletes to voice their opinions through social media.

ANDREW BRANDT: To my far left is the Athletic Director of Villanova University, someone I've known a long time, back when he was with the Oakland Raiders, soon to be the Las Vegas Raiders, Mark Jackson.

To his right is Mike Nardi. Jay Wright was going to come, but our own Josh Hart is up for the Wooden Award this weekend, so Jay is with him, and he has asked Mike Nardi, who is the Director of Men's Basketball Operations here at Villanova. So we're glad to have Mike.

Vince Nicastro, as you know, fifteen-year AD here at Villanova. I was lucky enough to have him assist me for a year before the Big

East stole him. He is the COO and Deputy Commissioner of the Big East.

And to my near left: Oliver Luck, Executive VP of the NCAA. Oliver and I go way back. We were General Managers together in something called the World League, back in the day. He had this little two-year-old running around named Andrew, who was throwing the ball . . . turned out to be OK. Let's give them a warm welcome.

I'll start with you, Oliver. Coming off the biggest stage for the NCAA this week, and of course a year ago, here we were, with our own Villanova team being the kings of that stage. And actually a year ago was the parade in downtown Philly, a year ago today for the Villanova basketball team. But coming off that, I think there's always stuff in the news about, "Where is the NCAA now?" There is so much money coming in, money seems to be the focus, and consolidation, and athletes being the faces of this and what is their compensation, the scholarship, the issue of pay for play . . . I would just like for you to address where we are with the NCAA now in addressing all of the issues around growing commercialism that people see, and at the end of the day, the student-athlete.

OLIVER LUCK: Well, good morning. Andrew, thank you for the introduction. Good morning to all of the folks here. It's a pleasure to be here and I'm sure I speak for all of the panelists that we're delighted to be here this morning. So, NCAA is a big question. We've got all sorts of issues, and I'll touch on a few of those right off the back. But I think generally speaking, intercollegiate athletics—our intercollegiate model is relatively healthy. Our signature event, of course, is the NCAA tournament; that's the revenue source that the NCAA national office has, which we use to help fund programs at all three levels: Division I, II, and III. We came off, I think, a very good tournament. We were able to spend good time with our two . . . our primary broadcast partners, Turner and CBS; they were very happy with the results, ratings and all that. There's no question that it's a very important revenue stream for us, and money drives this industry, right? It costs money to have great coaches like Jay Wright. It costs money to have basketball programs, football programs. Our economics are very unusual in this sense that we've got football programs at bigger schools, and then as you look down at some of the non-football Division I FBS schools where basketball is king, like here at Villanova, it's basketball that drives revenue. And we've got a whole bunch of other sports that we support, so-called Olympic sports, that do not generate revenue, do cost money, but

are very valuable for the broad-based programming that schools . . . we really want schools to do. So I think, in general, the industry and the enterprise is fairly healthy.

We've had a number of cases over the last four or five years that have been resolved, not in all cases going up to the Supreme Court like the *O'Bannon* case which *cert.* was denied by the Supreme Court but the Ninth Circuit obviously weighed in. And I think what those court decisions have done is sort of draw a box around the space in which we can operate. They've given us some clarity in terms of how intercollegiate athletics can operate. I think in that sense, the intercollegiate model, the amateur model, has become particularly well-defined. I think what you've seen over the last three or four years and what you'll continue to see is the amateur model being improved and that's simply providing additional benefits to student-athletes. So, historically, a scholarship was defined as room, books, board, tuition, fees. And folks who followed this know last year that many of the larger schools and even some of the smaller schools, I'm sure you're doing this for your basketball program this year, the men's and women's side . . . we've added cost of attendance. We've allowed schools to provide cost of attendance to their student-athletes.

There's discussion about additional benefits in some of those spaces where our student-athletes tell us that they're not able to do these things: internships; they can't get internships because they are too busy in-season or out of season. We can change the clock to allow internships. Study abroad programs: a lot of kids want to study abroad but can't do it because they are worried about losing their position on the team, and coming back and finding them on second team as opposed to being a starter. So, we can change the clock, and that's simply NCAA talk for figuring out a way to provide additional benefits for those student-athletes. Insurance, which is an issue. A lot of folks leave college athletics with lingering injuries, be they knee injuries, or shoulder or whatever, perhaps there's a way for us to provide additional insurance coverage for those student-athletes. So, I think what you're seeing is benefits being looked at that at the end of the day would be beneficial to student-athletes that can make their experiences as student-athletes better. I don't hear anybody within our enterprise who's advocated for a salary model. That's just not something that's out there. There are folks who have raised the issue of group licenses, which is a different model. And I'm sure those discussions will continue to happen. But I think at the end of the day the enterprise is relatively healthy.

If the last six or seven years could be termed as a litigious time for the NCAA and amateur athletics, and the intercollegiate model, I think the next five or six years won't be defined by litigation so much as it will be defined by economics. I think the big challenges we're facing are the economics of some of our FCS schools, some of the schools lower in Division I who simply need more dollars to run their programs. We saw just recently that the University of Buffalo just dropped four sports, men's soccer being one of them, and I think those are the concerns I think that will bubble up over the next five or six years because it's a challenge, right? Higher ed has a significant challenge, certainly for state schools, for their appropriations of state legislatures, and athletic departments are feeling the effects of that as well. So I think it will be an era of economic stress as opposed to the past five or ten years, which were an era of sort of litigation stress.

ANDREW BRANDT: And speaking of that, Vince, on the conference side . . . so you've seen the Big East from a lot of different levels, now being their COO. And you've seen what Oliver has just talked about; these changes. So maybe take us through that from your angle and the fact that the Big East, of course, has gone through these major changes, going away from a football model to a more basketball model, with football being kind of the big elephant in the room in college sports. You've taken it to a basketball conference and have been very successful.

VINCE NICASTRO: Yeah, so when we made the decision as the "Catholic Seven" split, a little over four and-a-half years ago I guess, there was certainly some anxiety about that, separating ourselves from this model that had included big-time football programs but also great basketball brands like UConn and Syracuse and Louisville and West Virginia and others. So there was a fair amount of uncertainty when we did that, to be quite honest. Could we continue to compete in this environment where there was this consolidation of resources at the very top, predicated on FBS football programs? Could we find a platform, a national platform, exposure for our programs? Some of those questions; after four years, largely due to our ten members doubling down on basketball, and being basketball-centric. And, as one of our ADs said early on, we can't spend enough money on men's basketball. So there's a real intentional focus for men's basketball to be the fuel for our conference, our ten members, but also for our other programs to stay competitive.

I also think that the three new members that we've brought in to the league to add to the "Catholic Seven" have added a tremendous amount of value. Their entry into the Big East has helped them grow and the other seven also grow, so after four years of this configuration, we've seen us move from a great deal of uncertainty to now this steady growth where we've had a national champion here at Villanova, seventy percent of our teams making the NCAA Tournament this year with two of them making the second weekend. So, again, I don't think we'll take it for granted as a membership and as a conference, but this ability to compete at the highest level in basketball, we've been able to sort of figure it out in this dynamic time.

ANDREW BRANDT: And Mark, I've heard you and Vince say the following statement, and correct me if I am not paraphrasing it right, is that, "We have twenty-something sports; one makes money." So that's something people don't see about the NCAA, about college sports. They see all the money, the March Madness and college football; they don't realize these twenty-something other sports. Your challenges in dealing with that—of course, we're known for basketball, that's the driver—but managing the operations and all of these issues Oliver and Vince talked about: cost of attendance, all those things. How do you manage that in this changing environment of college sports?

MARK JACKSON: It's a very difficult model for us, and we're in a unique situation, and luckily we have a wonderful partnership with the Big East and the NCAA as well. I do think that we're in an overall healthy situation here at Villanova, but nonetheless it is a broken financial model. We have twenty-four sports and over 600 student-athletes, and we have one program in men's basketball that generates a little bit of revenue. And we maximized our revenue last year. Last year was a really good snapshot of what we could produce if we won a national championship, from the conference to payouts, to television and licensing and retail, and obviously your brand exposure and the way we increased our value there. We saw that, as a result of the university and our applications are up, the whole thing. But, at the end of the day, if you compare us to maybe Oliver's former school at West Virginia, and even if West Virginia did not qualify for the NCAA tournament last year, they are working on a completely different model, like 5x of what we earned last year after winning the national championship. So, at Villanova we have a significant challenge, and we'll forever be subsidized by the university in order to make our department run, that's a fact.

And with us, what separates us even further from everybody else: we don't have FBS football, we have FCS football. There isn't a chance for us with football to generate any significant revenue, but nonetheless we're supporting sixty scholarships at \$60,000 a year, in addition to the other twenty-two programs that lose revenue. So, for us, before we can look forward to any kind of pay-for-play scheme or trying to maximize what we do across the board, we have to meet the fundamental demands of each program, which in my mind boil down to three buckets. It's scholarships, which for us about two-thirds of our programs aren't fully scholarshiped. It's staffing; right now we have varsity programs that have part-time head coaches, which is an issue for us. And the last one is facilities. Not every facility at Villanova looks as nice as this one. Anybody that's been in Nevin Field House . . . that hasn't been touched since 1932, I think.

ANDREW BRANDT: How old were you then, Oliver?

[*Laughter*]

MARK JACKSON: But, you know, and because we're subsidized, and because we work really collaboratively here at the university, we have to weigh the needs of Nevin Field House versus Tolentine Hall and versus our Mendel Laboratory, so we have to work closely together on how that plays out across the university campus. And that's a challenge. It's a challenge. But, we do have an opportunity to reduce the reliance upon that subsidy by maximizing a new arena on campus by looking at the different revenue streams that are created with that. So we're in the midst of that process, looking to a multimedia rights deal . . . how can you maximize those opportunities with sponsors? So, we have a philosophy: we don't want to cut our way to greatness, you know, we never want to get . . . no Athletic Director wants to cut a sport. We'd rather go out and find ways to raise revenue to support all twenty-four programs, all 600-plus athletes. But, easier said than done.

ANDREW BRANDT: And, staying with that, what Oliver's talking about with cost of attendance, the Power Five, increasing benefits given to the top players in the top sports, that's a major challenge. And maybe Vince and you guys can talk about . . . you instituted the cost of attendance at some point for men's basketball, for women's basketball, but what about other sports? What has that challenge been when you see these bigger schools . . . you worry, like, how are we going to keep up, even with the program that we have in basketball?

MARK JACKSON: I think again it speaks to the partnership we have with the Big East. I think we look at a lot of these issues collectively, unlike some of the other places I've been. So, for us, to look at a sport that we can support like soccer . . . we all do really well in soccer; tremendous success in that. And I think collectively we've looked at that with the presidents, and the presidents have made a commitment that soccer would be the next program that we would look at full cost of attendance. So, I think as long as it fits the profile of the Big East and what we can all do well collectively, the better off we'll be. So, that's sort of the approach we've taken as it relates to full cost of attendance and those issues, but at the same time you have to be realistic in terms of you can't do it across the board. And I will say, from the NCAA's standpoint, Oliver brought up student-athlete welfare, and we just received a wonderful dividend program, right, Oliver, on student-athlete welfare, and it's a sizeable chunk of change that we can put towards specifically student-athlete welfare. So, we're all in this together, trying to find ways to make everybody benefit.

ANDREW BRANDT: Mike, on the granular level now dealing with the athletes, what changes have you seen? I mean, you're a former athlete. Basketball player, played overseas. Now you're dealing with these guys—again, what a name, Villanova, to recruit with. What changes over the years that you've seen, what student-athletes are looking for, the whole—again, our theme of the millennial generation and social media—all those challenges if you'd talk about that?

MIKE NARDI: Yeah, it's been a very surprising thing to me to see how the Internet has really changed college athletics, just the empowerment of each individual to kind of voice their opinion, and just to kind of express how they're feeling about being paid as college athletes. I graduated ten years ago, and I think the NCAA . . . they're making the right strides to try and kind of take care of the college athletes in a way that it's the right thing to do. And, with the cost of attendance, I think it's something that's been . . . something important because they are doing a lot of things for the university and I think that it's only right that some aspect they kind of give, besides academically . . . repaid for that in a small way, in a way that's kind of, I guess you could say, not like a professional athlete, but close to it. Because they do see the major TV contracts, and the professionals that are now being paid at such a high level, and even though the model is not the same as far as how much

money they are bringing in, it's kind of similar to the fact that the pros are getting paid.

ANDREW BRANDT: Yeah, on that, Oliver, when you see students . . . I don't know if the word is "protest" . . . but when you see the sort of activism coming out, and it's about change, whether it's Nigel Hayes of Wisconsin or the Missouri football situation last year, how does that resonate within the NCAA offices? And again, you guys have made changes to improve cost of attendance, all these little things that add up, for college athletes.

OLIVER LUCK: I think in the NCAA national office, activism is viewed favorably. That might be a surprise to most folks, but at the end of the day, we think it's important for students . . . student-athletes to be students. And you think back to your time on campus, you got involved with issues you felt strongly about, felt passionately about . . . and I'll be honest, when Missouri football players had their whole activity, what was it, a year and-a-half ago, I thought it was great, because it showed that the student-athletes, in that case the football players of Missouri, were not siloed off in their athletic dormitory, were not really part of the vibe that was taking place on campus. So I think we view student activism as a good thing, because that's part of what college is all about. We believe, and people can roll their eyes, and certainly in some cases it's justifiable, but we believe that it's important for students to be engaged in non-athletic activity on campus, whether that's other extracurriculars or just the chance to go down and listen to a lecture and meet folks from other walks of life, that's important. That's part of the student-athlete experience. And when we see activism, we see it as a positive.

ANDREW BRANDT: And on the ground here, Mark, when you see, for instance, the big issue in the fall, with Kaepernick, right before the basketball season was starting up, is that something that you were worried about? Is it something you'd meet with Coach Wright about if players had their own issues about what they're going to do, and how much governance did you provide with that?

MARK JACKSON: Yeah, I think it's something we all worry about, to a certain degree, and you have to pay attention to . . . and to Mike's point, the way you reach student-athletes today and the way they express themselves today, it's instantaneous, and you better be prepared to react the right way. So, the best that you can do is open up dialogue and discourse. We asked one of our head coaches to talk about the Kaepernick incident. Fortunately, the only thing we really had going on in the fall at that time was our

football program, and those teams stay in the locker room during the National Anthem, so it gave us a little window of time to talk about men's basketball, and Jay was out in front. And there were some strong opinions, you know, all you would have to do is follow Josh Hart's or Kris Jenkins's Twitter account and you'd know that they had strong opinions about that. And you can't pretend that they're not there; you have to find a way to incorporate them. And that's just one issue. How do we educate our student-athletes on a way to promote themselves successfully through their individual brand? I hope you guys are sticking around for Erika Nardini today, because she's phenomenal, and she understands this world probably better than anybody in terms of . . . she's promoting different things through Barstool Sports, but she's brilliant. So the more that I can have conversations with people like her, or with people like Twitter, and we have a board member that is on Facebook, and to bring those people around and how to manage that and what's coming next is really important. That's one element. What consent means on a college campus today, that's a whole other way that we have to connect and reach these student-athletes because that's a huge issue; it's different than when we were in school. So, it's constant education where you're constantly looking at examples from across the country and trying to learn from them and be proactive. So, I guess to answer your question, overall it's just to open the dialogue and to make sure our students know their voices are being heard.

ANDREW BRANDT: And Vince, you have to deal with that from the conference angle, so whatever is happening at Villanova I'm sure other schools are noticing we want to be treated fairly or more fairly, whatever the case may be. And, you have to manage all those different issues.

VINCE NICASTRO: For sure, and that particular case with Kaepernick and the National Anthem, we were tracking on it, and at the end of the day we felt that it was an institutional issue. We encouraged institutions to work with their student-athletes, again encourage this type of activism, frankly. So we weren't going to be in a position of having a conference mandate about the National Anthem and what students could or couldn't do, and then in October, I think, when we met, just a regular ADs meeting, we did have a little bit of an open forum where the ADs could exchange ideas about what they were doing on each of their campuses to compare and contrast how they were handling it. But in this particular instance we felt that it was an institutional matter. We supported it

and tried to foster some communication amongst the ten schools to help the ADs sort of navigate an issue that's new and fairly difficult to manage.

ANDREW BRANDT: And Mike, does Coach Wright . . . do you guys actually sit down with athletes and talk about the things we're talking about? The Twitter, the Facebook, Snapchat, that it's out there permanently, it's not out only to your friends, it's to the world, and it's unerasable even if you delete it? So does that come up? Do these guys know their brand carries? And that's the word—they have a "brand" now.

MIKE NARDI: Right, and one thing we always try and stress to our guys is that you're always representing yourself, your family, and while you're here, Villanova University. And it's really important for those guys to understand that everything you put out is affecting everyone that's connected to you. We always go over all the social media things with our guys that are fresh and new that are going on each and every day, and I think it's important that they understand the effect they can have in a positive manner to society. And that's one thing we talked about with the Kaepernick . . . you know, we met as a team, and Coach asked each individual guy their opinion on it. And I think the message that we wanted to convey as a whole team was something positive, just trying to bring people together in a positive way, but still expressing the point that they wanted to get across.

ANDREW BRANDT: And we've mentioned Josh Hart and Kris Jenkins, and beyond Jay Wright, they are as big of a brand for Villanova as anyone out there. So you have athletes that understand that responsibility? And I know it's hard at a very young age.

MIKE NARDI: It is. Professional athletes have struggled with it, that don't want to be in that spotlight, but you just have no choice. You really have to take every situation into consideration when you're being approached by someone that you meet for the first time or a picture that you're posting on social media, because that's going to be the last thing in sight of someone that sees your account.

ANDREW BRANDT: Oliver, we're at a law school. You mentioned litigation; we're sort of away from the *O'Bannon* decision, denied *cert.* at the Supreme Court. Of course, we had *O'Bannon* on the stage last year through Skype. Pending litigation. We've talked about this Jeffrey Kessler lawsuit, which, for lack of a better term is kind of a pay-for-play. Obviously you oppose that. Do you see the . . . you say the litigation phase is ending. How do you approach

that lawsuit? How do you continue to get the message that that's not the right model you're looking for?

OLIVER LUCK: The litigation phase, I think, is slowing down, so I'm not sure it's ending, just given the size and the breadth of intercollegiate athletics with 1,100 schools and 460,000 student-athletes; I think there still will be some. There's a transfer lawsuit issue that we were discussing a little bit earlier today, so I think we're always going to have some. I think it's just slowed down a little bit. I think ultimately when folks in the industry or in the enterprise or guys that formerly played or were student-athletes, gals as well, right, anybody who's been touched by the system I think needs to talk about the benefits of being a student-athlete. It's a unique system; nobody else in the world does it. Great universities in Europe, South America, Asia, but no one does college athletics, no one sponsors programs like this with television ratings, etcetera.

Andrew, when you and I were over in Europe working for the NFL I used to get the question all the time from intelligent European sports fans, "Mr. Luck, why would a hundred thousand people buy relatively expensive tickets to go sit in the big house and watch amateurs play American football?" They were shocked; they would pay that money for professionals, but not for amateurs. So we're really the only folks in the world that do this, and it's unique. I consider, without being too trite, I consider it an American exceptionalism. And the reasons we do it, and I think will continue to do it, the NCAA system with the intercollegiate model is really the only amateur group left after 1992 when the Dream Team in Barcelona, the Olympics, were no longer reserved for amateur athletes. It became the playing ground for professional athletes. Maybe they are better off with that system. So we're the last ones doing it.

I think there are sort of timeless benefits to young men and young women receiving access to higher ed. We still have a lot of young student-athletes who are first-time student-athletes, first gen student-athletes who are using the scholarship for access. I guarantee there are plenty of folks who probably would never set foot on this beautiful campus but for their athletic prowess. And that's happening all across the country. There are lessons of discipline, etcetera, as well that we can all appreciate. And I think that athletics can be a positive force for a university. People say it's the front porch; sometimes the front porch can be kind of messy, and there's a downside for schools obviously. But I think by and large it's the glue that holds alumni together and holds the . . . almost that connection between the alumni and their alma mater. So I think by

and large it's been a force for good and a force for positive change. Two and-a-half, three years from now, in 2019, we'll celebrate the 150th anniversary of the first college football game, Rutgers v. Princeton. Rutgers won; I think the last time Rutgers won a game was back in 1869.

[*Laughter*]

I have to share this with you. I was doing some reading about that initial series. They actually played two games: one at Rutgers, one at Princeton. They played with different rules depending on the home field. But the students wanted to play a third game, and both presidents denied that request because they believed it was taking the focus away from academics, which just shows that we're in a cycle of things haven't really changed that much. But I do think there are some timeless benefits that exist with the collegiate models we practice, not to say that we've always done it very well, not to say that we shouldn't change certain things. . .that's clearly the case. But I think it's survived this long because it has some enduring and endearing qualities.

ANDREW BRANDT: As we look forward, as we wrap up, Vince, what do you look for the next few years or in the future? Do you worry . . . any downside to being a "basketball conference" with the other sports and do you see with the growth of college basketball, March Madness, all the money that could happen that could have a negative effect on the down-the-line sports?

VINCE NICASTRO: Yeah, for sure. And as Mark had mentioned, trying to be an elite basketball conference or elite basketball school in this environment which has changed dramatically over time, resources will be key. Those resources are tending to be consolidated at the top amongst those FBS five, FBS power conferences, so it will become more and more competitive I think and more difficult for schools to continue to be, or not in that grouping, across the board in every sport. One of the things, one of the strategies we're employing as a conference and institutionally is to try to be really intentional and focused so when we talk about cost of attendance, which is a great benefit, probably long overdue, we're not providing . . . none of our schools are providing cost of attendance across the board, which is very typical of Power Five football conferences. Regardless of the sport, all students who are on scholarship will get cost of attendance. We're being very focused on men's and women's basketball, and now men's and women's soccer, so I think we'll continue to really look at the landscape and be intelligent and focused about our investments. The collegiate model, as Oliver

said, is ever-evolving, so I think we're going to see more and more resources being pushed down to the student-athletes, which is great. I'm a believer that that should be tethered to education, as Oliver mentioned, whether that's study abroad programs or internships or additional resources tied to graduate programs . . . as long as it's tethered to education, it feels like that's in our wheelhouse, as opposed to a pay-for-play model. And then just the ongoing challenges of trying to manage the time demands of student-athletes, 148 years ago, universities were concerned about that, there's still a concern about it and they should be concerned about it. And then also I think the ongoing health and safety issues, whether it's concussion, whether it's mental health issues which are coming to the forefront . . . so there are a lot of challenges, although I do agree that college athletics is special, it's in I think a very strong place. The landscape continues to be very dynamic, so the leadership across national association conferences and most importantly I think on campuses really needs to play a key role in how to manage it going forward.

ANDREW BRANDT: With these changes, Mark, what keeps you up at night? The next few years, I mean obviously you have a great basketball brand, but you're dealing with all these challenges as we keep talking about with all these other sports that people don't see behind the storefront, the front porch.

MARK JACKSON: We're coming up with a strategic vision that we'll always invest in our flagship, in our revenue engine, around men's basketball. And that's really important that we keep Jay here, and the staff in place; that's really important. I think the continuity of the staff and the culture of our basketball program is paramount. But also to take those three buckets around: scholarship, staffing, and facilities, and apply that across the other twenty-three programs and how we attack each one specifically. If my lacrosse coach was here, he'd say it would be scholarships. If my crew coach was here, she would say it would be facilities. So how do you find that balance within your budget to move forward and attack those specifically? And how do you create revenue to support them, whether it's through fundraising, or the Pavilion project for us, so we're mapping that out with a lot of support from our community.

I'm also anxious to go back to the student-athlete welfare legislation and what's coming down the road, which I'm in complete support of. I think finding a balance to allow out student-athletes to have a complete collegiate experience . . . you know, we don't want our athletes trapped in our athletic facilities. We want them

on every corner of campus. We feel that front and center here with the success of our business school, and our student-athletes, many of which are engaged in that programming, see these other students landing these great opportunities on Wall Street their junior year that leads to careers in that world. To Oliver's point, it's very difficult for our athletes to take the sacrifice of leaving summer conditioning or any type of internship or study abroad program because they are going to sacrifice their spot on the team. So that's a tricky balance, but the more we can do that collectively through the NCAA and through our conference, the more leverage we have as athletic directors to implement those kinds of things.

ANDREW BRANDT: Mike, last question for you. Kind of a little off-topic, but one thing I hear from Jay Wright all the time, and I've seen him say it to our players, "Stay hungry and humble." That's hard for an eighteen, nineteen, twenty-year-old, especially with the success that they have had and the adulation they get. You pound that message, and I think it's a message beyond sports, obviously.

MIKE NARDI: Yeah, basically for us, each and every season is a different year. Even if the guy is coming back, he's a different player, whether he be better, whether he may have an injury, but each and every year is a different team. And we always have the same goal, and that's just playing hard, playing together, playing smart, and playing with pride. And Coach doesn't determine our team success on wins and losses. It's more or less just playing for each other each and every night we step out on the floor. And no matter how successful you become, always staying humble and hungry, and doing it together as a collective group.

ANDREW BRANDT: Mark, Mike, Vince, Oliver, thanks so much.

Panel 2

MULTI-TASKING MEDIA: THE MORE YOU CAN DO

MODERATORS: Andrew Brandt and Jami Wintz McKeon

PANELISTS: Jack Ford, Peter King, Jane McManus,
and Chuck Todd

Panel 2, moderated by Andrew Brandt and Jami Wintz McKeon, Chair of Morgan, Lewis & Bockius LLP, featured media icons who cover sports, politics, and the law in print, television, and online. They discussed the changes in media platforms over the past few decades, how those changes have affected their work, their connec-

tion with readers, listeners, and consumers, and their perceived credibility as journalists.

ANDREW BRANDT: [I'm] glad to co-host here with Jami [Wintz McKeon], who is quite a distinguished Villanova alum; glad to have her here with me. So we'll bring up the panel. Guys, come on up.

As you know, I wear different hats, and some of those of those hats are media. And I'm . . . this is kind of the perfect panel so that I can bring in people that I work with on the media side as well, and I'll do that.

I'm going to introduce these guys very quickly, but let them talk, because I know you want to hear from all these guys. On the far left is Jane McManus, ESPNW. I work with her at ESPN. Always someone that I admire, learn from whenever I listen to her, and we're . . . I'm just proud to have her as a colleague.

Next to her is Jack Ford. You all know Jack Ford: *60 Minutes*, sports. Jack I remember covering the O.J. trial; I'd love to hear some stories there. What a voice he was about the O.J. trial so many years ago and you see him all over; you've seen him on NBC, CBS, everywhere.

This guy's name is Chuck Todd, *Meet the Press*. Political Director to NBC News. As I said, we were worried. Who would worry about a sports symposium being affected by Syria airstrikes? We were worried he . . . he's here. He chose us over Syria.

[*Laughter*]

Who wouldn't?

[*Laughter*]

And Peter King. As many of you know, I write for something for *The MMQB*, run, and started, and founded by one Peter King. The lead NFL writer in my mind in the entire world. It's not pressure there, Peter. And Peter's gracious enough to be with us this morning as well. So let's welcome this panel.

[*Applause*]

And I'll start with you, Peter. What I'd like each of you guys to do is sort of say your role in media as we look at the changing landscape of sports media and this millennial world we're in: shorter attention spans, live streaming, digital, all of the above, how your role has changed, and I know you've gone through a lot of transformations in your long career. Talk about that, and we'll go down the line, listen to each of you guys.

PETER KING: Well, Andrew, first of all, thanks a lot for having me here in this utterly beautiful place, and I really appreciate the

invitation. I would just say two things at the start of this. Number one is: so, when I founded *The MMQB* in 2013, *Sports Illustrated* and Time, Inc. were gracious enough and nice enough to basically say, “Do what you want to do.” And so my thought was, and I had an awful lot of writer friends of mine who wanted jobs at this site, and so in the . . . this is going to be our fifth year covering the NFL in sort of a unique way. And so what I’ve done, what I really wanted to do is I wanted to hire people who were different than I am and, of the six other full-time writers, and six other full-time people we have at our staff writing, doing video, doing social for us, the average age is twenty-eight years, nine months. And the reason I wanted to do that is that I am a dinosaur. I turn sixty in June, and I am not going to be around much longer. Who knows how much longer I’ll be around.

[*Laughter*]

ANDREW BRANDT: Easy, Peter, easy.

PETER KING: I don’t mean on the planet. I just mean running things.

ANDREW BRANDT: You just broke some news here.

PETER KING: What I really wanted to do was, I wanted to try to help empower the next generation of people who are going to be doing this job. And also I wanted new ideas. I didn’t want to cover the NFL the exact same way we had covered it for a long time. I wanted people to say, for instance, “Hey, explain Snapchat to me. Explain Periscope. Explain all of these things and how people are consuming media.” Our jobs as journalists, as people covering professional football, our jobs are changing dramatically, but in essence they haven’t changed at all. I am trying to bring you stories and I’m trying to tell you stories. It’s just the way of delivery has changed, is changing, and everybody in our business, in the media business, needs to get on board with that, or else they’ll be like me. They’re going to be dinosaurs, but a lot quicker than they think.

ANDREW BRANDT: Chuck. And Chuck is a huge sports fan, which he’ll talk about. Jeff was able to Chuck here, even though the Packers connection hopefully sold him a little more with my background there. He’s a big Packers fan.

CHUCK TODD: [*Laughs*] Let me give you a little bit about my background, because actually there’s little sports background there. I got started in journalism in 1992, working for this online publication called *The Hotline*. And this is 1992. We didn’t . . . there was no Web, so we uploaded our information. And the whole point of it is, in looking back on it, we were doing something that now everybody

does: aggregates. And we were doing something that said, “Boy, wouldn’t it be great instead of just having everybody in Washington read *The Washington Post* and *The New York Times*, what if we could tell them what people in Des Moines were reading, what people in Manchester, New Hampshire, were reading, which, of course, in our world, cared about politics. And what if we could show them that morning, that same day before they had lunch?” And that was the premise, so we now joke, a bunch of us alums of this, that we were the Internet before the Internet, essentially. And we were doing it with, you know, finding old friends, and, “Hey, can we buy you a fax machine? Can you cut out the newspaper? Can you fax us these clips?” And we put this together. And so we were always considered sort of the tech . . . the only people in Washington that sort of understood what was going on with the changing landscape.

And then for me, I would say my big career break came because I wasn’t a snob about the Internet. In 1996, we partnered with . . . my company partner with *The Washington Post*, ABC News, and *Newsweek* to start a political website to cover that, called Politics Now. And the assumption was: boy, this is going to be great. All the great writers of *Newsweek*, the great reporters on ABC, and the great reporters in *The Washington Post*, we’re all going to contribute to this. And guess how many of those great reporters wanted to write for the Internet in 1996? What do you think, Peter?

PETER KING: Four.

CHUCK TODD: Well, that was four more than you should have guessed.

[Laughter]

It was zero. So here I was at the time, twenty-three, twenty-four, I was getting to write about national politics. Well that essentially gave me my break. The point, and I always like to tell this story because the point of the story is, I learned early being platform-neutral is what, is how you should be thinking when disseminating information. It doesn’t matter where people get the . . . be everywhere. So for me as a career, that was what I think gave me opportunities at a quicker age, at a younger age, simply because the generation ahead of me were a bunch of snobs when it came to the Internet. They thought, “Oh, nobody reads that. Who’s reading it?” And it’s true, in ’96, whenever we’d get a chat in politics, it would only be the Libertarians that would show up. It seemed like they were the only ones on the Internet, like there were no Republicans, no Democrats, just the Libertarians.

[Laughter]

And so, it was sort of . . . I've always taken that lesson and so one of the things, one of my goals of *Meet the Press* has been this concern that you can't just assume people are going to watch television. You have to go to them. You go to them if you have to, you go to them on cable, you go to them with podcasts, you go to wherever they are. And I've . . . I'm now going, "What is Snap?" too. I used to be the guy that told my bosses about the new technology. Now I'm, unfortunately, on that other side. But what we've tried to do is not be a snob about it. Now, what's interesting is at a . . . I always felt for the first fifteen years of my career, I worked at a start-up like atmosphere: *Hotline* and then actually I had a brief stint helping to start something called the *Sports Business Daily*, which many of you know as *Sports Business Journal* now. But now, working at a big company, it is harder to sometimes to get everybody on board that, hey, we have to be platform-neutral all the time. And it is interesting being now part of a bigger media company trying to make sure we're on top of all of these new technologies. And on one hand, everybody wants to be there, but it is harder sometimes to move the behemoth that is NBC News to say: OK, let's take this great work we did on Sunday and put it on Snap, and put it on Twitter, and make sure it's on Facebook, and make sure it's on OTT. Do you guys know what OTT is?

AUDIENCE: No.

CHUCK TODD: What do we call it? Am I getting it right? It's "over the top" programming. And so, it is . . . the essential lesson I've always had in my career is: platform-neutral is everything. Don't be a snob about any of it.

JACK FORD: For me, what has been the most intriguing, and curious, and in some ways distressing change in the nearly thirty years now that I've been doing television news has been the explosion of opinion. When I started doing news, I started early in the '90s with NBC News. I was originally, one of the original anchors for Court TV in 1991 when that began. I came to NBC News, I was the Chief Legal Correspondent; used to host the *Today* show on the weekends. And this might sound fairly quaint to you, but if I ever let my opinion seep into my reporting or even my conversation hosting the weekend *Today* show, I would have been yanked off the air. And nowadays we think that sounds fairly quaint and antiquated. But the reality is, you go back then, there were essentially three networks when I was starting, and then you had this fledgling cable news network that people were trying to figure out what that all meant.

But with that growth, my friend, former colleague, and I know works very closely with Chuck Todd is Tom Brokaw. And Tom often describes it as the “big bang theory,” the explosion of news media. And with that explosion has come this sort of explosion of opinion. Now, I’m always quick to say to people, “Look, journalism has always had embraced opinion as an integral element to it.” As early . . . you go back as far back as you can to early newspapers and there was always a component of opinion. Opinion is essential to drive discourse, to foster introspection, to forge change. But what I have seen, and especially in the last ten years or so as part of this big bang theory, is the introduction and the driving force of opinion that, sadly, is absent, or unmoored, to facts. I use the expression often, and I sort of originally attributed it to Winston Churchill, I’m sure somebody else has used it in the past, but Churchill at one point in time said, “Look, everybody is entitled to your own opinions. What you’re not entitled to are your own facts.” And he went on to say, “Facts are very stubborn things. You can push at them, you can pull at them, but in the end, there they are.” And so for me, in the last ten years or so, and again, originally being a legal correspondent, and I sat through the nine months of the O.J. Simpson trial, and covered everything from Simpson to the Clinton impeachment trial to the Oklahoma City Bombing trial. What I saw with the Simpson trial is that became a bit of a springboard for the creation of the fact-driven legal correspondents or legal analysis. And I think it spread—Chuck, you deal with it every single week in terms of folks very anxious to give you their opinions. I mean, you deal with some folks I think who have never had an unexpressed thought on your show.

[*Laughter*]

So for me, I found that troubling. Again, embracing the notion of opinion is so important to the idea of journalism, but I’ve seen . . . Thomas Jefferson said, “Opinion is power.” And what distresses me is that ill-informed, misinformed opinion can be equally powerful. And I see it a lot in terms of the legal reporting, I see it certainly in political reporting. I’ve been involved with sports for a long time, and I’m a former college football player, played at Yale in the early ‘70s, I’ve been on the board of the College Football Hall of Fame for almost twenty years now. I worked in conjunction with the NCAA for a decade and-a-half in various capacities. So, I say to people I’m an evangelist. I’m an evangelist for the value of college education, for the opportunities offered by college sports. I was raised by a single mother; my father disappeared on us when I

was five years old. I'm not going to college unless somebody else is paying for it. And I'm comfortable enough at this stage of my life to say I'm probably not getting into Yale unless they want me to come play football for them. But it worked out OK.

But what troubles me, and bringing this back to sports, and I talk about this often around the country, what troubles me is people who have formulated opinions and espousing these opinions with the biggest bullhorn they can find, but they happen to be factually wrong. There are real issues, and Oliver mentioned them before in his conversation, there are real issues that the world of sports are dealing with. But for me what's so troubling is that I see people, these alleged thought-leaders, who are offering up these opinions, a drumbeat of opinions based upon faulty facts. Facts that don't exist. So for me, I think that's been the great chore for the media business. How do we continue to drive conversation with opinion, which we need to do? But how are we able to determine that those opinions are indeed moored, in some way, shape or form, to, I guess the expression politically has become "real facts?" The fact that we have to upend the word "real" to the beginning of "facts" raises its own issues. But I think that, when you talk about the changes, that to me is what's been most significant.

ANDREW BRANDT: Yeah, and we're going to talk about sort of where's the governor on that? Have we crossed the Rubicon where there's no coming back? And I want to address that after we hear from Jane.

JANE McMANUS: Hi, I just want to say thanks for having me. It's always a thrill to walk into law school, considering that I thought I wanted to go to law school until I worked at Cravath, Swaine & Moore as a paralegal for two years. And then I decided maybe it wasn't. [*Laughs*]. Then I decided maybe not for me. But it was a good experience and I think actually it helped me in my reporting in some ways. I probably got my job at ESPN through Twitter. No one has told me that, but I suspect. And I think it's because I was on in 2008. That's when I joined. I was covering the Jets at the time for a local paper in West Chester County, New York. And I just don't know that there would have been a lot of people reading that copy if I hadn't been tweeting out links to it, if I hadn't been tweeting the news. And when I started in journalism it was, let's say 1997, '98, when I tried out for my first job at a newspaper, I used a Radio Shack Tandy. I don't know if anybody's familiar with that. But what it did, it was almost like a typewriter, but not quite. It showed you three lines of text. So you had to write an entire story, 800

words, where you could only see three lines of text at a time. And then you had to go back and edit it, seeing three lines of text at a time.

CHUCK TODD: No White-Out.

JANE McMANUS: No White-Out. And then you had to use a phone cord and plug it into your Radio Shack Tandy and then dial the number of the fax machine at the office, and that's how they would get the story. So things have really changed. And I think what's changed most for my job is, I'm not looking . . . it used to be, you know, I was writing 600 words, and that was pretty much it unless something big was happening. Now information can be a long-form piece online; you don't have to work at a magazine in order to write something like that. It can be a tweet, obviously. But we even have at ESPN . . . we've really tried to break up information into all of the different ways that it can be consumed. So, we have these like . . . on the website we might have just little blurbs of news that are maybe thirty lines, forty lines long. They don't even link to a story yet, but just kind of to get it out there. A little more than a headline, a little bit less than a story. And then we'll have short stories, updates, regular conventional-looking stories. We will have video that goes with that. Sometimes the video contains all you need to know to be a stand-alone video. We'll take it off the TV or sometimes we'll produce it simply to talk about an issue that's breaking. Something to have up there, something for people to interact with and engage with at our site. That is something that's very different. So I can get my job through Twitter because somebody sees what I'm doing and thinks that I'd be a valuable asset somewhere else. I could also easily lose my job through Twitter. So, just as easy as it is to put something out there and to find an audience that appreciates it, you have to be pretty careful with it. The idea that you have an editor is out the window when you're dealing with social media. It's you, and you have to be your own editor. And I will sometimes write a tweet, delete a tweet, think about that tweet, write it again, maybe not, maybe say, "How could I have thought I would tweet that?" So, I've seen a lot of people, and we've all seen it, people making really bad decisions on what they're going to put out there, and it's because there's no interference anymore, there's no cushion for anybody. And so I think that actually, to me, means that your credibility lies within your own self, and your own ability, to kind of be your own editor and to be somebody who's able to think about issues not just as, "I want to get this out there," but then also carry all of these other things. I think honestly

it's kind of sharpened us as a profession, where you have to be aware of how your stuff is going to sound. And the people who are out there just kind of flying things off and then, "Oh, I didn't mean that" or "I guess it turned out not to be true," very soon your credibility as a journalist is completely eroded. So in some ways I think that the . . . I have two kids, twelve and fourteen. Learning with them, teaching them about the Internet is interesting because I never . . . no one ever taught me and I luckily was at the age of majority before I had to think about it. But then, you know, teaching a kid about the Internet actually has kind of made me think about it all over again, and how do I want her to engage, and how am I telling my fourteen-year-old the permanence of what she writes even at this stage in her life? Somebody will be able to Google her and maybe pull up a horrible thing that she said at fifteen, who knows. So being able to discuss this, it's been interesting for me, because the responsibility I think that's placed on younger people, or people maybe at the beginning of their career, it's much greater. And you really have to in some ways be more self-possessed than you might have had to be at the beginning of a career, when you're writing a 200-word story that's only going to appear in a local paper, nobody's ever going to see it. So to me that's kind of . . . when I think about what the future holds and what my career was and how it unfolded. It's going to be very different.

ANDREW BRANDT: Yeah, and the responsibility. Peter, your column, your name, but now we talk about your social media. So you're approaching, whatever, two million Twitter followers. How much responsibility do you feel? Like, "Wow, this better be right, this better be something that presents me in the right way, my brand."

PETER KING: Well, there is a responsibility, but I just simply don't feel that . . . I mean I feel like on Twitter, I'm going to be myself, and I'm not going to be the *AP Stylebook*. I'm going to watch a game and watch Odell Beckham, Jr. act like a turd, and I'm going to comment on, "Odell Beckham, Jr. is acting like a turd right now."

JACK FORD: Is that a journalistic term?

PETER KING: Yes, it is. Turd. T-u-r-d. Open parentheses. N. End of parentheses. Sure.

[*Laughter*]

Basically, so I think that . . . Look, I do a very good job alienating a lot of people, both on Twitter and through my column, because I say what I think most of the time. Now, as far as having a

filter and not just tweeting out everything that comes into your head, yeah, I don't do that. I mean, I do do that; I have a filter. But I also think that Twitter is important. Twitter—I remember sitting on a bus at the Super Bowl a couple of years ago and this guy who I didn't know, he was from a small paper somewhere, and he just said, "You know, how do you feel about Twitter?" And we were talking about it and he had a great line. He goes, and this was an older guy, maybe sixty-five-years old, and he goes, "I like Twitter because it's kind of like my wire service. I am able to follow people who cover all the teams in the NFL and all other sports, and I can find out what's happening just by following these people on Twitter. It's the greatest thing." And I feel the exact same way. So I think that it's a great service. And I think too often Twitter and other social media, we treat it like it's the seventh game of the World Series. You know, it's OK to be flip. You don't want to write something down . . . I remember last fall I was on Katie Nolan's podcast and she said, "Do you regret the Roger Goodell chili photo?" And so I said, "Of course I do." In 2010 I was doing a long profile for *Sports Illustrated* on Roger Goodell. We were in Cincinnati. And it was lunchtime, and he had finished doing something, and I mentioned to him, "Man, I lived in Cincinnati for five years. I love Skyline Chili." And he goes, "What's Skyline Chili?" And I said, "Aw." So we went into a chili parlor, you put a bib on, and so we had some of his minions with him, and they took a picture of us eating chili with bibs on and looking silly, and so I tweeted it out. And so that picture basically has haunted me for the last seven years because now I'm wearing a chili bib with Roger Goodell, so I'm in bed with Roger Goodell. And I just . . . of course I regret it, because I've been made fun of for years on it. So if I had to do it all over again, I wouldn't do it. But, relax. Just relax. It's a fun moment in time, and we're not allowed, really, most of the time, to have fun moments in time on Twitter. And that's the only thing that kind of bugs me about it. It's quite an uncivil atmosphere on Twitter. But, again, it's not really going to change the way I am. I'm still going to call people out and give my strong opinions on Twitter because I think that's probably why people follow me, because I'm not afraid to give my opinions.

CHUCK TODD: I've actually changed the way I tweet. I used to be more unfiltered. And I still . . . I put an extra filter on because I don't like to become a story. Too often, especially when I got this . . . it was just a night-and-day change, when I got this job with *Meet the Press*, it became different. So there would be a few . . . the small

media organ, you know, news organizations that just cover the media, and that are just looking to spark fights, just looking to exploit something so that Bill O'Reilly will do a segment on me, or *Fox and Friends* will do a segment on me, or whatever, or some columnist. And it's . . . there is that point where I want to tweet something where like, it's going to be a distraction. It's going to cause heartburn. My bosses will be like, "Ugh, you know." So I'll be honest, I've added a filter on politics.

PETER KING: But don't you think that right now you have to?

CHUCK TODD: And it bugs me that I have to. Right.

PETER KING: You have to, because of this environment we're in now.

CHUCK TODD: But honestly, I hate that I do. I miss the first three or four years I did Twitter, when it felt like, it's just . . . I joined in '08, when you did, when it felt as if it was, oh, we're all having a conversation.

ANDREW BRANDT: A cocktail party.

CHUCK TODD: It was a cocktail party. We're having a conversation. We're all trying to have a great one-liner. I also use it as a wire service. My favorite time to be on Twitter is at 4:30 when I get up, when it's only news organizations who send out their . . . so for me it's the ultimate wire service at that moment in time. Twitter becomes less readable as the day goes on because it becomes more opinionated. But I have one other thing that it's done for me in this respect when I've tweeted something that's become a story. I have an easier time putting myself in the shoes of the people I cover. And that's . . . maybe some people will not like that. And some people won't, and it will look like I'm in bed, you know, the idea. But I now have a better understanding of what it's like to be a public official. And I have a little more empathy.

JAMI WINTZ MCKEON: That probably makes you better at it.

CHUCK TODD: I don't know. But I have a little more empathy, so I'm a little less . . . maybe I'm a little less cynical.

JAMI WINTZ MCKEON: But that's on the filter issue, going back to something Jack said. You know, it's one thing to express your opinion; you have a platform to do it. But who is responsible, if anyone, other than the individual, to worry about whether or not what is said on a news outlet, on a media show, by a media personality on Twitter, actually has some accuracy?

JACK FORD: One of the problems is, if I'm reading something that Peter does or Chuck does, they've built up a reservoir of integ-

rity and journalistic trust. So even if I might disagree with one of them, I know where they're coming from, and I can respect their opinions. The difficulty is the guy, you know, the expression we hear all the time, the guy in his pajamas in his mother's basement on his computer all day long. And what in some ways our business has we've tried to sort of . . . unfortunately, we've created a coronation for people who can say something really loud and frequently, regardless of what the content is. I remember when I was covering the O.J. Simpson trial, and I said I saw this as sort of a springboard for all of that, and I'd see some of the networks, and there would be an array of lawyers hanging out on the courthouse steps trying to get on television.

[*Laughter*]

And I would see some of these guys—who would suspect that of lawyers?

[*Laughter*]

CHUCK TODD: A couple of them became TV stars!

JACK FORD: Yeah. So, I would see some of these people and . . . Look, my career, I started off as a prosecutor, I was a trial lawyer. I tried everything from death penalty cases to antitrust cases. And I'm the first one to say on the air, "I have no idea what's going on in this courtroom today. I don't know what this jury is thinking." And I would hear these people get up, and what they realized very quickly is that they said something in twenty to thirty seconds, and if they said it really loud, somebody would put them on the air. And that sort of went from a cottage industry to being now a significant part of what we do. So we see a lot of these people who realize, and some of them discovered they can make a living out of it. Say it really loud, say it really frequently, say it in a short enough bite either for Twitter or for a sound bite for a minute and thirty-second story, someone's going to put them up there. So, the question is, as you say, and the answer is, a lot of us do our own self editing. A lot of us have people above us who do the editing with us. The first time I did a *60 Minutes* story, I was, because I was mostly sort of a live television story, and here I am doing a *60 Minutes* story. We had twenty drafts of the script, we had three different screenings, and finally it got on the air. But there was a room full of folks with eyeballs on this, and saying, "Let's make sure this sounds right, this looks right, this feels right." The difficulty is, there are sorts of entities out there that nobody does that. There are no editors, there are no fact-checking. And you combine that, to me, it's sort of a perfect storm. You combine that absence with the presence of the

possibility of notoriety. You know, the idea of people getting known. How many times, and Chuck, you've seen this, how many times I'm doing a live stand-up some place, and you know the idiots that come behind you in the camera and they kind of do this [*waves hands back and forth*] and they hold up a number one [*holds up index finger*] and say, "Hi, mom" and you're reporting on a death penalty case?

CHUCK TODD: Is that what that finger is, they're saying, that's for "one"? I don't get the number one very often. There's one finger held up.

JACK FORD: Someone once referred to it as a "digital discourtesy" that we're receiving from somebody. But the reality is there is no caution, there is no speed bump for a lot of people.

JAMI WINTZ McKEON: But isn't that media versus entertainment, right? If those people keep appearing on the air and everybody wants to see it and they're talking loudly, if nobody's policing it, does the media have an obligation to police it, or is it every man for themselves?

JANE McMANUS: I can say at ESPN, we have many, many people who are concerned with our tweets. And we have a social media policy. And it's different, actually, for people who do strict reporting and them for the reporter columnists, which is a hybrid and new hybrid which throws a lot of things into confusion sometimes.

CHUCK TODD: Distinction without a difference. I'm sorry; I have this argument internally all the time. A contributor that has NBC News versus an anchor versus . . . the public just sees NBC News. The public just sees ESPN. I don't care who's talking.

JANE McMANUS: At the same time, though, I wonder if it's been a service for journalists to pretend that we are completely neutral on every subject all the time. Because it's a physical impossibility. And so, for example, if the Women's March is happening one day, and I'm a reporter columnist for ESPNW, which is concerned with women's sports. Is it really helpful for me to pretend that I don't care about women's issues? Or that I don't see an affinity with that? I don't think it does. And I think it means that when I am reporting on stories where there's an element of gender, I have to be extra careful because I know I tend to identify with it as a woman. So for me it means that seeing that where I may have a blind spot is just as important as a reporter; it's more important, really, than trying to pretend that I might not have a blind spot. So I always try, in that situation, if I do have an opinion on something, sometimes I'll tweet about it because I don't think it makes sense for me to pre-

tend that I don't. But at the same time when I'm then a reporter in certain situations, I am making sure that there are people who have my back, see . . . making sure I'm getting sourcing for different stories. And then, with social media, we do give a little more latitude to people who are columnists. We just do. Because, again, ESPN wants voices and wants opinions on the air. People respond to that. People are passionate about sports. And if it's because they're a fan of a team, you know, it used to be that when you were a journalist you wouldn't talk about your team affinity, you know, other than cheering for Yale because you went there. If you liked the Packers or whatever, you couldn't say that as an NFL reporter. I mean, there's no cheering in the press box, that is for sure, even today. But at the same time, people will now talk about being a Cowboys fan or whatever at ESPN because they feel like that helps, it makes our audience identify with us. So, it's all evolving, but at least at my place they really are trying to think through what makes fans, what makes our audience want to tune in, and to stoke the things that do and to put aside the things that don't.

ANDREW BRANDT: What's it like for the President to tweet about your eyes?

[*Laughter*]

CHUCK TODD: Well, that goes back to . . . I did do a sub-tweet that day.

[*Laughter*]

I just noted that, you know, I was pretty awake. Although I did stay up late to watch Mississippi State beat UConn. Hashtag cowbell. Because what's interesting is that he's attacked me for a couple of years. That nickname, I one time asked him, "Where did you get that?" and he goes, "I don't remember. But once I come up with a nickname, I can't change. Branding is everything." He has said that to me, and, you know, once you pick a name, that's it. But again, it goes back to . . . I don't want to become part of the story. I think that that is . . . it is a strategy in politics more and more to make the media part of the story because it's a deflection technique, right? If the media's part of the story, there's less focus on what they did or didn't do, whatever we're talking about. That has been . . . that's something that . . . god, I don't know how to put this toothpaste back in the tube . . . but this idea that the media's, of course, that it's in the middle of the political discourse rather than being the ones covering it. I mean, I always want to say, "I'm covering the story that's in front of me, not the story that I want to have in front of me." People will come back to me and say, "Why is your

program so biased?” And I will sit there and say, “Well, are you watching with an objective eye or a subjective eye? Are you looking for information or affirmation?” So this is something that I constantly sort of, you know, churn with myself, this sort of hankering, which is, how do we still stay aggressively reporting without becoming the story? And at the same time, as we get attacked for our credibility, I think one of the mistakes we’ve made in media over the last thirty years is not defending ourselves enough publicly. And I think it’s, over time, eroded our credibility because if people are yelling, “You’re biased. You’re biased. You’re biased.” And nobody is pushing back saying, “No, we’re not. No, we’re not, and here’s why.” Eventually people are just going to say, “All I’m hearing is the one message.” And over time, I think it has certainly made it even worse I think for our standing with the public. So, I don’t know how to get rid of this, other than I do buy into the fact that all of our . . . your credibility now is that you own it. You can’t rely on NBC News, you don’t rely on MSNBC. They provide the platforms, but at the end of the day your credibility, you control it. And so I just do my best to fight in my corner of the world and try to at least practice what I’m preaching on this.

ANDREW BRANDT: One more question about the President. We’re talking about Twitter, and it just seems like he is in this age and taking advantage of it, if you will, where he’ll send out a tweet, then the outrage will flow, and by the time the outrage is still brewing he’s onto the next. And that’s what we’re talking about here.

CHUCK TODD: Well he, he is in some ways is more in tune with the short attention span culture than we have conditioned the public to be, frankly, for the last twenty-five years. And he is . . . the moment . . . you know, his attention span happens to be pretty short. I mean, he himself brags about it, he doesn’t begin . . . one of these fascinating . . . I will say this about Trump, he’s self-aware about who he is in many ways. He likes to begin his day, he says, “I don’t like to have a plan for the day. I like to react.” Twitter is the ultimate reaction machine, which is why in many ways he’s so effective at using it as a tool. And so I think we still have to adjust on how to cover it. I still want to ground myself in the belief that the President’s words matter whether they’re uttered, or written, or tweeted, that the President’s words always matter and we should take . . . they should matter the same. They should matter with the same weight because, you know, as we were just discussing here, the mediums change all the time. But at the same time, he’s very manipulative with the Twitter, right? He knows that, “Yeah, I can dis-

tract *Morning Joe* for two hours with one tweet at 6:15 in the morning.” And he’s right. And at the same time, do we ignore it? Why do we . . . is it our responsibility to pick and choose when to ignore the President? To me that’s actually the public . . . our responsibility is to cover the President. And the President’s tweeting this? OK, the President’s tweeting this. But it is . . . this is a challenge. And he is in some ways more effective at it than we are covering it.

ANDREW BRANDT: And, Peter and Jane, when we hear—when you hear, when I hear, when you hear—“Stick to sports.” When we talk about things like this, bigger things than sports, what’s your reaction?

PETER KING: Well, in 1997, the Internet was born in my life. There was this . . . we merged, at that time, *Sports Illustrated* with CNN. And we had a website that was called CNNSI.com. So all the editors went around to the people on their beats and asked them, “Would you write a column for this new site?” And I would say, just like what Chuck said before about his birth of the Internet, that nobody wanted to do it. And I don’t know how many people at *Sports Illustrated* at the time did it, but it might have been one or two. And I was one. And so I wrote a column. I basically . . . my editor said to me, I said, “What do you want? I don’t really know what this is. What do you want?” And he goes, “I just want you to empty out your notebook. If you had dinner with Warren Sapp on Saturday night before the Bucs game on Sunday, and you didn’t use much in your story, write about your dinner with Warren Sapp. Or write about what you did during the week.” And he said, “I want you to . . . the Internet is going to be a very personal place. So write about your opinions on things you can’t get in the magazine. You know, if you’re a coach in your little town in New Jersey, go write about that.” So I ended up just writing a column that was, I remember two weeks in a row maybe in 2002, my daughter who was a softball pitcher got on a great run in the state tournament in New Jersey. So I led my column in the spring for a couple of weeks on her softball games. And people just howled; they were mad, they were bitter, they were unhappy that I was introducing another kind of column into this sports world. But, you know, look, on May 17 there’s not necessarily a lot going on in the NFL. But I think what happened with the Internet over time is that it was basically made for your opinions and your life to some degree. And that isn’t the case with all columns on the Internet, but that sort of became the case with mine, and that’s sort of how it grew over time. I’m not

saying it's right, I'm not saying it's wrong. But when you read *Monday Morning Quarterback* you're usually going to get some opinions out of me about things that are not football. And that's just the way it's grown over the last twenty years.

JANE McMANUS: When I got on Twitter in 2008, not only was I the Jets beat writer for the *Journal News*, I was also in charge of social media for my roller derby league, Suburbia Roller Derby, where I played for seven years. So for me, I was not only tweeting about what I was writing, I was also tweeting like, "Hey, come to this bout. We're having a bout in Yonkers on Friday. It's going to be great."

CHUCK TODD: It's called a bout?

JANE McMANUS: They're called bouts.

CHUCK TODD: I didn't realize that. Roller derby matches are bouts. Even more reasoning to go watch roller derby!

[Laughter]

JAMI WINTZ McKEON: It's well-titled.

ANDREW BRANDT: We will be tweeting about bouts.

JANE McMANUS: Well, because I'm a sports writer, my name is Leslie Eviscerate.

[Laughter]

I and got permission from Leslie before I did that to her name. So, she was on board. But my point is it is a personal thing. So I'm letting people know already a little more about me than might show up in the column I'm writing in a newspaper or, you know, a high school sports story when I first got into the business. That is part of it. So people do know you a little bit more. I don't tweet pictures of my kids. To me, that's, like, I don't want anybody to know what my kids look like, if possible. My Facebook is a private account. But in terms of Twitter, it's a conversation. So there's more of you that has to participate in it if you're going to engage in readers as people. Now, that was more like that in 2008 than it is today. But at the same time, that has been part of your personality. So I feel like if something happens and I have a strong response to it, I'm not going to call someone a name on Twitter on fly off the handle. But if someone tweets something at me that's unfair, I may go back at them, which is something that you don't normally do as a newspaper reporter. You know, if you got a Letter to the Editor, you would not come back and say, "That's an unfair letter." But at the same time I think this medium does mean that we're more "us," because we're the ones having the conversation. So, in that sense, if you leave . . . if you're just a daily news service for whatever sport

you're covering or whatever event you're covering, then you are very two-dimensional. You might as well be a bot.

PETER KING: See, I think . . . can I just . . . I'm just going to follow up on that, just say that I do think the one thing that has changed as far as objective news reporting in sports is that I think it has become acceptable, and not only acceptable but encouraged to not necessarily give a strong opinion, but to take the years of experience you have in what you do and look at something that isn't just only the facts. And I'll give you a very good example. So, I'm at the league meetings a couple of weeks ago in Phoenix. On Monday, the owners vote 31 to 1 to allow the Oakland Raiders to move to Las Vegas. And so this was the third time in sixteen months that a franchise that moved: St. Louis to LA, San Diego to LA, and Oakland to Las Vegas. And it was the third time that they moved. St. Louis not so much, and this is not a diss on St. Louis, but you get what I'm saying. San Diego was an absolute hotbed. They loved the Chargers, great fans go to Chargers. Oakland is one of the most unique stadium experiences in all of sports. And you go to games there and you just say, "Wow. I wish I cared about anything in life as much as these guys care about the Oakland Raiders."

[*Laughter*]

But, so I just said to myself, "OK, so there's going to be a brand new, when it's over, \$3 billion, 294-acre sports palace in Los Angeles that going to house two of these teams. The campus of the new Rams stadium is bigger by three acres than the campus of the University of Oregon in Eugene. So you have that, and then you have the Raiders moving \$750 million in public money to move to Las Vegas. So the lead on my story when it happened basically was the NFL on Monday continued to choose stadiums over fans in the decision of the Raiders to go. And so, that could be seen as sort of a slap at the owners or whatever, but it's factual. The NFL is basically saying about fans, "Hey, you know, we like you, we're going to give lip service to you, and we really want you to buy our jerseys. But, you know what? You're not as important as this piece of concrete and this building over here."

CHUCK TODD: But that's the definition of analysis. That, to me, is the difference between analysis and sort of the "hot take." Hashtag hot take. That is experiential.

JACK FORD: And you look at . . . you're right. That's an analysis by somebody who has lived this—

CHUCK TODD: Who is credible and you're the expert, right? That's—

JACK FORD: You cover it.

CHUCK TODD: To me that doesn't come across as an opinion.

JACK FORD: Yeah, the difficulty I've seen, for instance, let's bring this back to the world of sports. And again, college sports. I've said, I'm an apostle. But I actually called in to some radio shows. Now they're shows that I'm usually a guest on, so I'm not that guy saying, "Hey, long time listener, first time caller."

[*Laughter*]

"We got Jack from New Jersey here."

ANDREW BRANDT: "Joe from Glassboro."

PETER KING: "This rat's going to get fired."

JACK FORD: So I call in and say, "Hey, this is Jack Ford, and I've been with the guys before, and they said something kind of, 'Come on.'" I hear things that, then again it's not analysis. Right before the College Football Championships, Clemson/Alabama, and I heard people say, "There are not real students. These are football factories. We shouldn't call them college athletes." Now, we all know that there are stories out there where that could be true. It didn't happen to be true with them. On the football field that day, and I called into them and said, "Guys, do you know, there are twenty-seven graduate students on the field between Clemson and Alabama? There are three guys who already have Master's degrees, and are working on a second Master's." Clemson was number two after Stanford in terms of a graduation rate. Clemson graduates their football players something in the area of almost 90%, way ahead of the other male students at Clemson. And Alabama was number seven. Now, you may not like the notion of how they do business. And I did a story on Dabo Swinney and Clemson. And I was astonished at the investment in education there. You walk into the football building at Clemson. You know what the first sign you see is? "In the last six years, 124 of 131 guys have graduated. Guys that didn't graduate are in the NFL." That's a really good story, I think.

ANDREW BRANDT: Wow.

PETER KING: I had no idea.

JACK FORD: And yet you have people on the air talking as if this is really true. And you have people out there listening and we know psychologically the more you hear something, the more apt you are to accept it. And that, I think is very different from Peter doing a story, which I happen to agree with, about we're taking stadiums over.

CHUCK TODD: But this is the problem, the conflation of just sort of the barstool guy who is spouting off an opinion. And by the way, when I do sports, yeah, I think I'm a pretty educated fan, but I fully acknowledge . . . I tweet more about sports sometimes than politics for the personality thing. It's the one time I feel I can express my opinion. I don't feel I can express my opinion on politics. It's very dangerous in many ways.

JANE McMANUS: Maybe that's why I tweet about politics, then. [*Laughs*]

CHUCK TODD: Right? You know, that's what I mean.

JANE McMANUS: I don't cover it.

CHUCK TODD: "Hey, stick to sports." Right? I get the whole, "Stick to politics." But this conflation of sort of . . . so, take Peter's example here. Yes, that's an opinion, on the one hand. But it's an opinion based on a whole series of facts, versus there is now . . . and the problem is too many mainstream news organizations, all of whom are represented on this stage, allow people to go on and spout opinion based on stereotypes. Because what you just described, Jack, is that stereotype opinion. I used to get really defensive, for instance, on the University of Miami. "Oh, Jimmy Johnson," and all this stuff back in the day and all this stuff. He had an 87% graduation rate. The "thugs" of the University of Miami. And, yes, I was a fan, but it grated on me even more because I knew those people. And it's like, "Hey, go to the University of Miami. Try . . . it's not the easiest school in the world, number one. By the way, go look at the fact that it didn't matter that they wanted to do a story about the fatigues." "Hey, it's the guys in the fatigues and they celebrate. If they celebrate, they must be idiots." And that's the problem, right? It used to just be over here, but now we all put them on TV and print next to Peter, and that's what we've done.

JACK FORD: And again, the stereotypes. The stereotypes of the dumb jocks, right? And I was one. We sort of lived through it. But, again, if you ask people out here, "What do you think the graduation rate is for Division I athletes in the six-year window that the federal government uses to gauge it?" It's 86%. You know what the graduation rate is for other students, non-athletes? 65%. That's a pretty impressive number. And look, were there times in the past and are there some institutions where they don't have impressive numbers? Sure. But again, it's a compelling story as to the progress that's been made. African-American Division I basketball players was abysmal ten or fifteen years ago. Now I think the most recent number is 77% graduation. So, again, these are opinions

not based on analysis, not based at all on the interpretation of facts, but a drumbeat because people are much more willing to buy into the . . . what's in local news the adage of, "If it leads, it bleeds?" Right? Watch the local news tonight, and what you're going to see is the lead story is going to be a murder, it's going to be a fire, it's going to be something . . . maybe there will be what they call a "kicker" at the very end, which is kind of a nice, heartwarming story. One of the difficulties I think in covering, and I'll talk about college sports here, there are stories such as the Baylor case. That was really good reporting and consequential reporting. But yet there are a lot of great stories out there that nobody ever talk about, just because it doesn't bleed. So it's not going to lead.

JANE McMANUS: I think, Peter could back me up on this, but one of the best things about covering an NFL team or an NFL locker room is how quickly those stereotypes are defeated when you meet all of the different players and you get to know them. It's completely different than that idea of "thugs." And I think part of it is because in the NFL, they do have to go to school. It's not one and done. You really do have to stay. And it makes a difference. Even when you come across stories like the North Carolina paper classes and things like that, I see education reflected, that education reflected in the players that we cover all the time.

ANDREW BRANDT: Yeah, and one reason I got into media was because I'm like, "No, they're wrong. I'll show them this is how it really happens." Last thought from each, and what Jack brought up earlier, can we put the genie back in the bottle? Because now it's opinion-based, it's embraced debate, it's popular, it's getting the clicks. Yes, there's credibility among people and among the best people, but are we ever going to get into sort of real governance of opinions, real governance of fact-based rather than draw it out there?

JAMI WINTZ McKEON: And let me just add to Chuck's point. You may not be able to control the barstool guy, but does the mainstream media have a responsibility to put that genie back in the bottle? And, if so, how are they going to do it?

JACK FORD: Real quick, I'll just jump in. I don't think it's going to change. It's not going to go back, let's say that. There can be change in the future. Who knows what's going to take. Twenty years ago, who would have envisioned that Twitter is essentially a wire service for us? We get a lot of stories from that. So it's not going to go back to what it was. I think you'll probably see it will become exaggerated in some ways. I think the answer is, from our

perspective, you need to make sure . . . you know sometimes you hear people talk about counterprogramming. You just need to make sure that people are out there telling the stories. And if somebody wants to believe that all college athletes are thugs, and rogues, and idiots, and morons, well we need to make sure that somebody else is out there telling the stories that make it clear that's just not true. Are there instances of people like that? Of course there are. Do the bad stories need to be told? Of course they do. But I think the answer is you're not putting anything back into a bottle. You just have to work harder that, in the end, I hate to use the term, I hate to use the "real facts," are out there for consumption.

CHUCK TODD: Look, I can tell you the lesson that I say that we in the political news media should have taken away from 2016, and so far we haven't collectively. In fact, a colleague of mine reminded me of this the other day. He goes, "There are 500 journalists covering,"—it was during the healthcare thing—"500 reporters on Capitol Hill covering that story, and probably four that were out in Rolla, Missouri or in some other town and around America wondering how is the new healthcare bill going to impact them." So I think . . . look, I am optimistic, not that we're ever going to put the genie back in the bottle, but if you look at the history of new mediums, they start out sort of in . . . sometimes they can be conspiratorial but some can be, you know, less based in facts. I mean the newspapers in the nineteenth century were barely factual at the time. And radio, in its early days. And so there is something to that. I do think that over time crowdsourcing essentially does sift out the true bad apples. But one of the concerns I think technology has done has created . . . it has disincentivized reporters to leave their areas. Their physical space. Because you don't need to. And obviously the cost-cutting nature of big media . . . no, no, you know, "I need to cut your travel budgets," or "No, you can't do" . . . I wanted to do a whole little tour, take my show on the road to a couple of spots. "No, the money's not there. The money's not there." That sort of thing. And it's because it's too easy, right? And it's too easy to . . . if you can't spend the money and tell your bosses that, "Yes, that's going to make you more money by spending this money in journalism." And you'll see the immediate impact, they are not always going to say yes. So I do think one of the things we have to guard against is this idea of no longer doing our own experiential journalism. Get out there. Get out of Washington, if it's politics. Get out of, you know, New York, LA, or Washington, if

it's anything sometimes. And I think that, in time, does help . . . I mean, the reason we lost credibility with rural America is we didn't go and tell their stories. We were more likely to tell you the story of the dreamer in Los Angeles whose parents might get deported than we were to tell you about the opioid addict in Youngstown, Ohio. And part of that was . . . that's where you can end up with groupthink, and over time that's how you erode your credibility if you're not out there just telling the stories of all-Americans. Because, if you're not, suddenly the barstool guy is more credible than we are. And that . . . because at least the barstool guy is talking about people that live in his community.

PETER KING: I think one of the most important things that we can do right now as the news media is we can have a part of . . . like at *The MMQB*, we're going to have some opinionated columns in there, which is fine, and which adds to the discussion. But we are going to have some stories that are going to sift through the guy who is sitting at the bar, and talk show America, and tweet America. And they are going to be real, they are going to be true. And people can say whatever they want about them, but I will state my absolute, total, professional reputation. I'll give you an example. We're in the middle right now of doing a Tim Tebow story. And it's everything Tebow: it's Tebow the baseball player, Tebow the icon. It's Tebow, you know, the sort of cultural magnet for so many people in our society. And one of the reasons I wanted to do this is because I believe that so many people, for instance, with Tebow, and it could be that this is true, "Oh, it's all a publicity stunt by the Mets for signing Tebow." "Oh, Tebow will never be able to play baseball." "Oh, this." And all those things may be true, but I just told our reporter, "You have some time to do this. And I want you to just shine . . . I want you to hold up a mirror to Tim Tebow's life right now. And whatever you find, you find. And whatever it is that you write, I trust you. I'll back you 1000%. And I don't care if it seems like some silly cliché or something, I just want you to write what is." And that, in my opinion, has to be our goal in this business. Chuck Todd will tell you this, you know, Jack, Jane will tell you this. Our whole jobs . . . and I would feel awful. I'd feel awful if I ever got out of this business someday and the prevailing opinion on me was, "Oh, he always had his favorites. And he always did this . . . he always did it this way, and he did that." There are going to be some people who are going to feel that way. But I want basically my reputation whenever I leave this business to say, "He sought the truth." And that, I think, regardless of how it's done, whether you Peri-

scope the truth, tweet the truth, tweet the truth, video the truth, it has to be the truth.

JANE McMANUS: I definitely agree with that. And I think back to when I first started in this business and I knew I wanted to be a sports writer. And I was a huge Knicks fan, of course all fandom has been . . . has left the building for me. Except the '93 Knicks, which I still adore. But luckily that's not really a team anyone can cheer for anymore. But I sat down with somebody who covered the Knicks, and it was like peeling back the curtain on that team. This reporter was fair, this reporter covered the team exactly as a reporter should. And yet, I got to kind of hear what he thought of the players. I got to learn a little bit more about Oakley, and who is a jerk, and all this. And I was like, "Wow! This is so cool." And I feel like journalism has, because of social media, evolved to the point where we had those reporters who used to do the straight reporting for the newspaper, but now we get to know them a little bit better because we see them. We're not sitting down and having dinner with them, but we kind of get a little bit more of a window on their personal thoughts about covering this group of people, what personalities of like, kind of seeing another layer. In some ways I think it adds a layer of depth to what we're able to understand about some of the people who are newsmakers, because we have a little bit more informality with the way we are able to present some of the reporting that we've done. At the same time, I agree. I think fairness is the most—whether you have opinions, whether you don't—fairness is always important. And if you're going to offer an opinion, for example, or if I'm going to tweet about domestic violence that isn't sports-related because I've covered the subject so much in sports, I'm tweeting about it based on my experience and the reporting I've done. So I feel like it's important to have that—cheap shots are not professional. So we have to figure out how we're going to walk that line between having a voice that is more than just what appears under our byline and still being professional about the way that it's being delivered. But I think ultimately it benefits our readers to have more insight into the people and the situations that they cover.

ANDREW BRANDT: We could go all day, but we can't. We've got the next panel, these guys have to make trains. So let's thank this panel. Great to hear.

Panel 3

THE ESPORTS PHENOMENON

MODERATOR: Andrew Brandt

PANELISTS: Darren Heitner, John Ourand, Harris Peskin,
and Mike Sepso

Featuring attorneys, a journalist, and an executive of one of the largest video game developers in the world, Panel 3 explored the lucrative and rapidly developing esports industry. Moderated by Andrew Brandt, the panelists compared esports to other traditional sports models, discussing gambling implications, immigration issues, advertising, sponsorships, team management, content delivery, and distribution.

ANDREW BRANDT: As I bring the guys up—come on up, guys—when we think about millennials, we think about sports, something that keeps resonating, people keep telling me about, and I’m not the expert; these guys are, is esports. You’ve got to talk about esports. If you’re going to talk about young people and talk about young people, you’re going to talk about what’s next, what’s the disrupter from all the sports that we know about so much so often, the big leagues: football, baseball, basketball, hockey, soccer. Well, you have to talk about esports. So that’s next. So, we have all the experts here.

We have John Ourand, *Sports Business Journal*, former home of Chuck Todd, we’ve just found out.

JOHN OURAND: [One of our] alumni.

ANDREW BRANDT: That’s quite an alumni. John has been writing about this, has been talking about this. John has had maybe the biggest week of all sports media reporters maybe for a long time. He broke the story with Tony Romo signing with CBS, he broke the story of the NFL doing a deal with Amazon for *Thursday Night Football*. So it’s great to have John.

We have Darren Heitner. Darren Heitner is a rock star to young law students because, as you can tell, he’s pretty young himself, and extremely accomplished as an agent, as a lawyer representing all kinds of brands, and now an esports expert. Great to have Darren.

Mike Sepso, Senior VP of Activision Blizzard, co-founder of Major League Gaming. We’re just delighted to have him, one of the leading experts in the field.

And here is Harris Peskin. When I asked about attorneys in the esports world, his name kept coming up. So, here he is. And, again, he looks, like, twelve years old.

[*Laughter*]

Great to have you. We're going to set this up with Mike. Mike has brought—here we are, media—he's brought a clip. What a better way to set up what esports is with a clip. So if you could introduce it, then we'll run it.

[. . .]

MIKE SEPSO: Sure, so hopefully this is a clip about our new *Overwatch* League. *Overwatch* is a new game published by Blizzard Entertainment, one of our divisions, specifically focused and built for the esports space. So, it's meant to be competitive. It's a five-on-five, kind of mix of the two biggest genres of games in esports: first-person shooters and MOBAs. We spent well over a year with many traditional sports experts, from the legal world to the business world to the media world, lots of internal teams putting together what we think the future structure for esports leagues will be. And a lot of it is borrowed from traditional sports, from the NFL and the NBA, some of it's brand new, because one of the marked differences of esports is someone owns the underlying IP, which is different, so accounting for that. But this is kind of a sizzle reel explaining what the *Overwatch* League is, and it encapsulates some of the excitement of what esports is about. So I think it will be a good start.

[. . .]

ANDREW BRANDT: So, it's a new game?

MIKE SEPSO: Yeah, it's less than a year old.

ANDREW BRANDT: And I have to admit, I'm watching that as a fan and I'm interested and I think this is really cool and then I'm like, "Oh my god, that's Serena." So just sort of the bigness of it. Serena Williams. Wow.

MIKE SEPSO: Yeah, I think one of the interesting things . . . so, I started MLG in 2002, and I'm . . . it is a very young person's industry. I'm the old guy in the industry; I'm almost forty-five. But one of the things that's happened in the past few years is the publishers have . . . the game publishers have pushed it into the industry in a very significant way where, it mostly had been bystanders for a long time, but the impact of that is you have one of the most profitable and capital-rich sectors of the entire entertainment industry, and moving in to help set up this new sport and drive the industry for-

ward. So, as a thirty-seven billion dollar market cap company, we can pay for Serena sometimes, things like that.

ANDREW BRANDT: Could you say that figure again?

MIKE SEPSO: Activision Blizzard . . . I don't know where it is today, but thirty-six, thirty-seven billion dollar market cap company.

JOHN OURAND: I mean, what's a billion dollars, between you and me?

MIKE SEPSO: [*Laughs*]

HARRIS PESKIN: Enough to buy Twitch.

ANDREW BRANDT: I mean, again, I'm sure some people in here do know the breadth and the bigness, whatever the word is, but that's just such an impressive number. And I'll get back to that. John, you cover this area. Are you understanding now where this is going, like how big this really is? And again, we're still in . . . at least my generation, we're still in the understanding phase. But, obviously, we're going to hear way past that from a younger generation.

JOHN OURAND: Yeah, that's the deal is that, it is the understanding phase. So I approach it—I'm a media reporter, so I approach it from the media standpoint. And you launched in 2002? In 2002, this wasn't on anybody's radar screen anywhere. You certainly didn't have the broadband connectivity to do anything online, and networks just had no interest . . . I mean, who would cover people playing video games? Which is probably still a question—not probably, it's still a question that gets asked.

MIKE SEPSO: "Who would watch?" I think that's the big question. Who would watch other people playing video games? So, we actually did the first TV deal with esports in 2006. We did an NBC Sports deal and aired a series on USA Network, but again it was the core audience that watched it, and I think that's one of the issues for the mainstream world, is discoverability of esports content is very difficult. That's kind of the industry's biggest challenge, because it's mostly an over-the-top platform where you have to go seek it out. You have to know where it is, you have to go looking for it. You can't just sort of flip through the channels and come across, for instance, Major League Soccer or the World Cup like many sports fans in the US did who were not soccer fans before.

JOHN OURAND: So that core audience, in TV terms, is tiny. You can get a multiple more watching *Hogan's Heroes* reruns for the twentieth time or the two hundredth time or whatever, but what's happening in the whole media industry now is unique in that there are cord-cutters; people are ditching their cable subscriptions. And

basically millennials and Gen Zs are cord nevers; they're not even watching television. What's underlying media, what's underlying television, is advertising that wants to get on there, but advertisers want to reach people that aren't going to television, and so they are looking and seeing, where are they going? And your demos, they are . . . they're preposterous. They're demos that every single person wants. So you have ESPN, they got—what do they have—*Heroes of the Dorm*.

MIKE SEPSO: Yep.

JOHN OURAND: They put that on and my Twitter feed, on the Friday night that they had *Heroes of the Dorm*, was going crazy.

HARRIS PESKIN: Trending topic.

JOHN OURAND: Yeah, and it had probably 50,000 viewers. I mean, for ESPN, it was so small. And these TV networks have no clue what to do with this content that attracts the viewers that they want, but they don't know how to get to them, and that's the fascinating part of this business.

ANDREW BRANDT: Darren, how are people responding to this disruption in the industry? Where's it going, where's the next?

DARREN HEITNER: Well, it's really interesting because Ted Leonsis's name was dropped earlier, and he's one of the investors in a team now. And what he said when I interviewed him maybe a year ago was that at first, he wanted a seat at the table. That was job number one. Second was be polite. And third: learn about the industry itself, which is interesting because typically you would conduct the diligence first. I think, right now, esports is so sexy that it's get in, no matter how. And the easy way in is through investing in a team, because that's all that most people know. So we've seen a lot of owners of NBA franchises, we've seen people, actually NBA players like Jonas Jerebko, Jeremy Lin, former players Shaquille O'Neal, Rick Fox, a wide demographic get involved and invest in this particular space without really understanding what the return on investment is. There's been some discussion about, this is an amazing demographic to target. And for the longest time, one of the biggest challenges was, how do we get the big brands in? Amazingly and at a very fast pace, big brands like Coca-Cola, Pepsi, Gillette, GIECO, they have bought in.

ANDREW BRANDT: Serena.

DARREN HEITNER: Serena. And not only for a year; they've actually extended their initial agreements. And so, we talked about one particular deal I think in 2006 with NBC Sports. More recently, we saw the development of an actual league televised on Turner in

addition to Twitch, which was also mentioned. Where are we going next? It will rely a large part on good representation of the teams and the players, but you'll see it expand beyond Twitch in my mind. We'll see it not be where we have to go out to a Twitch, but you're already going to Facebook, you're already going to Twitter, you're already going to YouTube. And I expect those platforms will be much more aggressive in trying to pull out the next generation of competitors and make sure that they don't sign exclusive deals with Twitch. Because what Twitch has done, which was very, very smart, was sign those types of deals that are exclusive in nature. And, for those of you who don't know, Twitch was purchased by Amazon a few years ago, I think it was for \$970 million. Quite a bargain.

ANDREW BRANDT: Harris, we did a seminar—I'm sorry, symposium—a year ago, on this stage, same day, and we talked about fantasy sports. And we talked about the regulation that was coming, and they were moving from a litigation phase to more of a legislation phase. So now we have esports. What is happening regulation-wise, laws, etcetera? How are we going to manage this?

HARRIS PESKIN: It depends on what kind of regulation you want to talk about. I mean, as it relates to leagues that some of these teams might be participating in, there's—and I think Darren just mentioned it—they want a seat at the table, with respect to Ted. But I think that a lot of these teams are finding, as they are investing in these games, that they actually don't have a seat at the table. They don't have the ability to govern themselves and, Mike just said that, it's the game developers' intellectual property. That couldn't be more true, and that is really what separates esports from traditional sports. Nobody owns the football when we're talking about the National Football League, but at the same time you have a collective bargaining agreement that will be signed between the NFL and the NFLPA. With respect to esports, there's actually several parties at the table: you have the players, you have the teams, you have the game developer, and then in some instances you have a league owner or someone who runs the league, whether it's MLG or ESL or whoever is really doing it. At the end of the day, it makes it a whole lot more complicated for some of the parties involved to get what they want, whether that's in the form of a share in the pot of broadcasting rights . . . we recently saw that Riot signed a \$300 million deal with BAM. And a lot the teams and a lot of the players will eventually want to . . . they want a percentage of that, and they are finding it increasingly difficult to nudge their way in and prove that they deserve a right of some of that broadcasting, which is re-

ally what separates us from traditional sports. If you look at traditional sports, a lot of these teams are going to be making roughly 70% or so of their revenues off of broadcasting rights. But when you look at esports, actually, that number is closer to zero. We can talk about the market cap for Activision, but with respect to the teams that are involved, and having represented a team—I was Associate General Counsel and Chief of Operations with H2k. And we recently . . . in 2016, we were at MSG in these world championships for *League of Legends* before I went out on my own. It's a completely different world. It's not like the game developers who are—

JOHN OURAND: But, Harris, is that going to change as it develops, as it matures?

HARRIS PESKIN: I'm not entirely sure that it will. I think that Mike would tell you that it probably won't in favor of the endemic teams. I think that game developers . . . it's their baby, they made these games, and they might not want to involve teams in that revenue stream. And at the end of the day, they don't have to, because they own the game and they get to set the rules, and they determine who plays. So, I'm not entirely sure that it will change.

As it relates to the fantasy question that you asked, it's actually an interesting question, because we could talk about skins gambling for three hours, but we don't have that time. I think that there are all kinds of issues right now with respect to . . . in *Counter-Strike*, specifically, there's these things—to explain it, it's basically a virtual license to make your avatar dress in a specific way, I guess that's the best way to explain it, the aesthetic portion of it. Or maybe, you know, you're making a gun look different. And I suppose these things have inherent value insofar as that they are tradeable items that are valued on a third-party market. You're actually able to gamble these things for real-life money, and they're convertible, almost like they are poker chips. There have been a couple of cases that have been filed. I think there was a class action earlier in 2016 that was filed. I think it was in Maryland with respect to that . . . I think it was *Game of War* or something like that. Yeah, and it was basically arguing that certain aspects of these chips or these accounts were real-life valued and basically there's a gambling portion and it needs to be subject to the Wire Act. The real question is, I mean, when you talk about gambling—the real question is, when is gambling as a whole in sports law going to be resolved? Because it's not just esports, it's sports law in general: it's PASPA, APA, the whole thing. It's not any clearer in esports, that's for certain.

DARREN HEITNER: I think regulation will start with gambling, and in fact, we've already seen it in the state of Washington, where the Attorney General told a company, Valve Corporation, which developed *Counter-Strike: Global Offensive—CS:GO*—that this skin betting needed to stop. And so—

HARRIS PESKIN: —Well, I suppose that it hasn't entirely stopped, in the way that it—

DARREN HEITNER: Right. But there were attempts, at least, made by Valve Corporation, and they were working with third parties. So what was created was this system where these skins were being bought, sold, and traded. And so this underground market, which actually became very overt—

HARRIS PESKIN: It's a \$7 billion industry—

DARREN HEITNER: And I've actually read a research report by a respected gaming company, which gave an estimate that in 2015, gambling in esports was at a \$250 million level, projected to rise to \$23 billion by 2020. And so the state of Washington took this seriously. The Attorney General sends a letter: "cease and desist," in many ways very similar to what we saw with the daily fantasy sports industry within the past couple of years.

ANDREW BRANDT: Tracking the same way.

DARREN HEITNER: So what happens after that? A few teenagers file a lawsuit against Valve Corporation trying to get back the monies that they lost under the theory that they were engaging in illegal gambling. And, just recently—this could have provided very strong precedent for the industry as a whole—this past week, the judge that was overseeing this federal case decided to kick it to arbitration based on an arbitration clause. So we're not sure what the development will be there. But this is a largely unanswered area of esports, which, again, the potential—\$23 billion being wagered on these games. Meanwhile you have state laws in place, which albeit are being amended state by state, and I think we now have ten states that have allowed daily fantasy sports. There's no carve-out for esports. No one's discussing it yet. So, it's a matter of time, I think, before this is going to be taken more seriously.

HARRIS PESKIN: It's actually incredibly interesting with respect to what's gone on with daily fantasy and how it relates to esports. As you mentioned, there really is no way to even predict where this thing is going to go. The industry as a whole has grown from nothing to huge amounts right now. The skins that are basically being traded right here—you have to keep in mind that these are mostly, some of them are thirteen, fourteen-year-old kids that are playing

with these skins online, and their parents have absolutely no idea that these things that they're able to accumulate in these games actually have value. Skins can be traded for as much as \$4,000, and these kids possess on their online account \$4,000 worth of skins. And then they're going to go gamble it away. For parents that have kids that play these games, they are completely unaware of these issues.

As it relates to the arbitration clause that you—

ANDREW BRANDT: I'm just going to interrupt. I'm going to let Mike—you know, we don't want to play morality police here, but I want Mike to respond to sort of the kids issue, the guns issue, and all of that has obviously been criticism.

MIKE SEPSO: Sure. Yeah, I was going to say that after twenty-something years as an entrepreneur, I've become a public company executive, so I'm used to being surrounded by lawyers arguing—

[*Laughter*]

—but not quite like this, not usually on stage. Let me just say that the *Counter-Strike* issue, the skins gambling thing that the guys were talking about is specifically a single game published by Valve Corporation, it's certainly not an Activision Blizzard game. I just want to say that.

ANDREW BRANDT: OK. Well-said.

JOHN OURAND: You're a public company?

MIKE SEPSO: A public company. Valve is a private company, so they can handle it themselves. We're really talking about a single game. I think the two things are different. I think that there's a lot of speculation as to size of the potential kind of sportsbook gambling on officiated and regulated esports leagues, which I think will mirror sportsbook gambling in traditional sports. I don't think it's that much different. I don't even think it requires new regulation. It's the same kind of thing. If the GCB in Nevada decides that they want to sanction it and they feel like the leagues like the NFL and the NBA are sufficiently regulated, they'll do that. I think the existing laws are suitable to handle that stuff.

The in-game betting and those kinds of things are really only capable when the publisher creates the opportunity for a third-party marketplace to develop around in-game items. So I think it is incumbent on publishers to kind of be careful of that, given the Valve case. But that is a small, sort of dark corner of the esports space, and I think these things tend with new hot-button items to

get talked about a lot. I don't think that's really an important part of what's going on in esports.

In terms of the regulatory environment generally, the video game industry has done an excellent job for thirty-plus years of being self-regulated and working directly with state, local, and federal governments around the world to be able to maintain a level of sophistication. It's a very big industry; it's bigger than the movie industry. I can tell you from working inside Activision Blizzard, there are a lot of lawyers focused on public policy and making sure we're operating the right way. As it relates to specifically, you mentioned the violence in games and things like that, there's a rating system. So games like *Call of Duty* that do include real-life violence, you have to be seventeen or older to purchase the game. That's an industry adoption; it's not a law by any stretch—

ANDREW BRANDT: Are there ways to enforce that?

MIKE SEPSO: Yeah, I mean, it's the ESA, which is the industry group, it's a mix of publishers and retailers who have gotten together and enforced that very well for a long time. This is not new to this world. So I think as it relates . . . interestingly, just to bring it back to television distribution, one of the interesting things about esports to me, and before getting involved fifteen years ago in esports I worked in the initial world of video streaming on the Internet when residential broadband was less than 10%. One of the things that drew me to esports was, this consumer is . . . it's more important if you work in media or sports or anything if you don't study how this consumer behaves, you're not just missing out on esports, you're missing out on a model for how future consumers across the board will behave when it comes to media and advertising and a whole host of different things. This is really, kind of a tip-of-the-spear consumer model.

The way that the typical esports consumer behaves today, from consuming media to the way that they associate with brands, the model of advertising and brand development that major brands need to understand with this consumer base, it's going to be the model for nearly all consumers in the future, because gaming is not something that just a small segment of the population does, it's widely penetrated throughout the population. The typical esports consumer has a higher level of education, higher level of income, more sophisticated in when it comes to technology, and that points to the pack leader in terms of how things are happening, being disrupted. And really, I can tell you as a rights owner in the esports space for many years, our distribution deals were largely based on

where the consumer was going, not based on going after a TV deal to make money. We mostly kept to OTT; we actually wound up building our own live-streaming platform rather than having to work with cable networks or otherwise because the consumer just wasn't on TV. To John's point, our consumer base is almost entirely millennial, it's almost all below thirty-five, and almost none of them have cable. So doing a deal with ESPN or Fox Sports or Turner or anybody means we're effectively broadcasting to our fans' parents, and our fans aren't going to see it.

JOHN OURAND: That's what's so fascinating about it.

ANDREW BRANDT: That is fascinating.

JOHN OURAND: That's what the brands are sort of struggling with. You had, I think, Fox sold out the Apollo Theater in New York. What was the game they had? *Madden*?

ANDREW BRANDT: Madison Square Garden with *League of Legends*.

JOHN OURAND: Exactly. So they're seeing these young crowds, but they're not translating to television. You had Turner set up the *ELEAGUE* with WME-IMG, and Turner is—they have TNT, TBS, TruTV—they're a big media television company, and this *ELEAGUE* is digital first; it's all coming off of Twitch. They're looking at the media industry completely differently than any media company beforehand in terms of big content.

MIKE SEPSO: Here's a, just a twist on that. So I'm the media guy inside of the biggest video game publisher in the world and we have, just in our computer and console games—console meaning PlayStation and Xbox—we have over 100 million monthly users in our games. What we're doing now with the MLG.tv platform, the streaming platform that we bought, is integrating it into those games. Meaning, our carriage will be somewhere north of 100 million people without doing outside an outside distribution deal. And those are people that, every month, are coming and using our games. Last year, people spent as much time engaged with our games as they did globally with Netflix. So we already have hundreds of millions of people engaged with our platforms. We can put linear media broadcasting into those platforms, so when you boot up the game you can watch a live match.

ANDREW BRANDT: Is that through your proprietary, or is that deals with Google, YouTube?

MIKE SEPSO: It's all proprietary. Part of the reason that Activision Blizzard bought my company is that we built our own over-the-top broadcast platform. So now the capabilities that . . . we've rela-

tively quickly integrated it into *Call of Duty*, which is around twenty to twenty-five million monthly users. If you play the latest *Call of Duty* game on your PlayStation 4, you can turn on MLG.tv and watch the top competitors play each other, just like you would watch a basketball game on TBS.

JOHN OURAND: And, to tag team with Mike, we've been talking about, in the TV industry, for probably two decades, maybe three decades of, "Eventually Google's going to bid for NFL rights." Well, just this week we saw Amazon bid for NFL rights. We're really at the point now where it's not five years away, it's happening; it's happening now. So what we're seeing with esports, and what we've sort of seen with esports is what these bigger leagues are . . . they're all migrating to that path.

MIKE SEPSO: And I think that's an issue. One of the reasons that I feel that esports has taken off so quickly and become this kind of giant, global audience is because the traditional sports deals are locked into traditional television for many, many more years, meaning they can't—

JOHN OURAND: —Middle of next decade. Exactly.

MIKE SEPSO: Right. So you can't watch an NFL game on Sunday or Twitch or MLG.tv or any of these over-the-top platforms, or Hulu, or Netflix, or anything like that, meaning if you're a thirty-two-year-old and you don't have cable, you're not watching the NFL. We have plenty of content available for you for free in platforms that you do have. So we've been able to kind of as an industry leverage those structural deals that are keeping that kind of high quality, premium, traditional sports content away from young consumers.

HARRIS PESKIN: It also represents a complete departure away from the traditional broadcasting model. You're no longer just paying for a cable subscription which is going to include ESPN. Nowadays, you can just go on Twitch and watch *League of Legends* for free every Thursday, Friday, Saturday, Sunday, for the EU and NA LCS. But I imagine that's somewhere that the NFL, NHL, they're probably going to be headed in that direction soon as cable subscriptions continue to decline.

ANDREW BRANDT: Darren, how are you in this space, and where do you see opportunities for growth?

DARREN HEITNER: I remember, it was probably a couple of years ago when I had that eye-opening moment and said, "Wow. It's time to pay attention to esports." I was interviewing former NBA Commissioner David Stern and I had found out that he was an

investor in a \$5 million round for a company called AlphaDraft. You heard fantasy referenced in the video and a little bit during this panel. AlphaDraft was trying to take advantage of the concept of joining esports and fantasy, the concept of fantasy sports, together where you could make a number one overall draft pick on your favorite player or your favorite gamer. And so here was part of this investment team that also included William Morris Endeavor and Carmelo Anthony's venture fund. That company then sold to FanDuel and then DraftKings got involved as well. So this was sort of the tipping point for me where I started paying attention to the industry. What I've been able to do, then, is focus my law firm, which already has a focus on sports and entertainment, to not only cover fantasy sports, we've been working with a lot of companies, but also now focus on esports as well. So we've worked with various teams, various gamers, streamers, which sometimes aren't the same thing as the gamers themselves, and also doing some diligence for companies that are looking to invest in the space. And then, separately, also some consulting work for an NBA team that I won't disclose and some others that are also looking to get in but are figuring out how. Again, it's an issue of return on investment at this point. There's so much speculation in this industry and not any . . . there's nothing to convince them that they're actually going to get the return that they're expecting.

HARRIS PESKIN: So much uncertainty, right?

DARREN HEITNER: So much uncertainty. So we're trying to get in and help them with that. There's been discussion about the brands that are getting involved, and one of the biggest challenges . . . you have these large brands that are coming in, and that was probably the biggest challenge. There have been some studies that say 80% of the revenue in esports comes from sponsorship and advertising. One of the biggest challenges is, this industry has grown so fast, and many of the teams and players don't have strong contracts in place among themselves but also with the brands that they are contracting with. And when you get into duties and obligations and deliverables, what happens if a gamer doesn't drink a sip of Mountain Dew while he's playing? Because a big challenge is forcing the gamers to do something that they don't want to do. And so what's developed, at least what I've seen, is we're not only putting a priority on the competitions themselves but also practice sessions. And during those practice sessions, it's a bigger opportunity for the gamers to introduce different products and services. So that's one development that we've seen. But it's incredibly challenging, and

while we haven't seen a lot of litigation in the space thus far, I think it's only a matter of time.

HARRIS PESKIN: The issue is, with respect to what you just said about Mountain Dew, at the end of the day the game developer will allow you to have that sip of Mountain Dew on the stage or they won't allow you to have that sip of Mountain Dew on the stage. If it conflicts with one of their sponsors, they're not going to allow it, either. Again, it just speaks to the proprietary nature of the game developer in this instance.

MIKE SEPSO: That's not any different than in the NFL or any traditional sport. I think it's exactly—and again, I—

HARRIS PESKIN: Well, the fact that the teams are contracting with the players in this instance, and they might have their own sponsorship obligations that don't relate to the league owner, which is a completely separate entity that has . . . not allowing the teams to have any say at that table. It's a bit different.

MIKE SEPSO: But you can't use an iPad on the side of an NFL field, right? Because it's—

HARRIS PESKIN: Sure, but if the team owners got together and wanted to, they could change that.

MIKE SEPSO: They could, and Jerry Jones can buy it out, and so can the Yankees, and they can buy rights out of leagues. But my point is, I think we don't really . . . one of the mantras I've had for over a decade in the esports space is, "It's a big enough deal to turn video games into a sport. We don't have to recreate sports." There's a tendency, I think, in this world, because it is new and exciting and dynamic and it breaks a lot of models, especially the broadcast model, and we have this underlying IP ownership issue that's different than football and basketball and baseball or any stick-and-ball sport. But we don't have to recreate everything. We don't have to recreate how sportsbooks work. We don't have to recreate labor laws. There's so much stuff that we don't have to recreate. And what we did in developing the *Overwatch* league was really study fifty years of development of sports league management, from all over Europe and North America and even Asia, kind of how things like the IPL, the cricket league in India, was developed. Things like . . . what was the start?

When we started MLG fifteen years ago, the first thing I did was research the France family's build out of NASCAR. We really need to borrow from traditional sports. And that's why I think this kind of symposium is interesting. We work with Proskauer and Covington. We work with the people that are working with the NBA

and the NFL on the legal side, because that's what we want to do. We want to take the infrastructure that already works; we don't have to reinvent that. What we have to do is convince the rest of the world that it is really, really fun to watch five kids play *Overwatch* against five other kids, and that that's a sport, and it's exciting. We need to tell those stories. We need to bring those things to the forefront. I think what we need from the legal community, especially the sports legal community, is just sort of help in building out that infrastructure and, to the guys' point, to making things like talent contracts more standardized, making things like sponsorship and endorsement deals more standardized. It's been the Wild West.

Most of the people that run endemic teams, the teams that Ted and Peter have invested in, too, and things like that, they are young kids who are fans and who are gamers themselves who have been entrepreneurs and started up interesting companies, and I think they have provided a very valuable service. And some of them will make it to the next level; some of them will team up with NBA and NFL team ownership and they will move on. But some of them are also the problem. They're unsophisticated, and it's sort of kids contracting with kids and then trying to do a deal with Pepsi. It's hard to do. And, again, a lot of people don't know this, but I did the first non-endemic deals for sponsorship in 2006 with Dr. Pepper Snapple Group and Boost and Toyota. And so, these brands have been around the space for a while, but they are sort of waiting for infrastructure, stability, scalability, ROI, metrics, the things that they have an interest in.

JOHN OURAND: One of the problems I think that the brands are finding, though, is that those young fans that you have, they're not like the traditional baseball fan who is used to hearing that the seventh-inning stretch—

MIKE SEPSO: They're not sixty-two, is what you mean.

JOHN OURAND: Yeah, they don't trust corporate messages, and so anything that becomes too corporate, they reject and then they'll just move onto the next thing.

MIKE SEPSO: But, again, I think that's not a new thing. It happened in the sixties with rock and roll—

JOHN OURAND: But it hasn't happened with sports. I mean, the seventh-inning stretch has been sponsored by Joe's Hardware for as long as it's been on radio.

DARREN HEITNER: Well, one thing I just want to expound upon that Mike mentioned, which is this theory that you don't need to

reinvent the wheel; we can be similar to other professional leagues in sport. But one thing that resonates with me, and it doesn't resonate with me in the way that he says it, Roger Goodell is always concerned about the integrity of the game and talks about that being the precursor to why he's against sports betting on a widespread scale. The differences and the nuances in esports need to be pointed out, which is, again it's been mentioned, the age of the vast majority of players, the fact that there are no real guaranteed salaries. And even in the tournaments, while the prize money is certainly going up year after year, it's not up to the level where it's substantial for the wide demographic. And so you have a real issue of match-fixing, which we haven't really spoken about. We talked about skin betting for a little bit. But match-fixing, which was even called a week ago—again, in a different game, *CS:GO*—but there is the potential—

MIKE SEPSO: Same game. Same game, just not ours.

DARREN HEITNER: No, a different game than yours. That's what I meant.

MIKE SEPSO: Yeah, not our game.

DARREN HEITNER: [*Laughs*] I've got your back.

MIKE SEPSO: Same game that had the other problem.

DARREN HEITNER: But it is a serious issue, and it can spread to any title, truthfully. As long as there are wagers being made on the games themselves, there is the potential for a younger demographic not receiving guaranteed salaries and not necessarily having the real potential for a large prize money to take money and forfeit a game, essentially.

MIKE SEPSO: So I would just say, I think, again, it's sort of following . . . the sport, organically, has followed two models. There's the tournament model and then there's the league model, right? So there's golf and tennis. There are no guaranteed salaries in golf and tennis; the top ten players make most of the money. It's all prize money and endorsement deals. That's very similar to what's happening in a lot of games because they grew up organically. In our world, as we've taken Activision Blizzard titles and tried to make those leagues more sophisticated, the players to get guaranteed salaries. We do regulate how the team owners work and treat the players. And we're creating much more infrastructure around that, which requires more capital, investment, more sophisticated ownership.

HARRIS PESKIN: That's becoming a more standardized thing as well. Most game developers have actually been pretty good about it.

Some of them give stipends to teams and they basically say, “Hey, go distribute to these players in the form of a minimum compensation and then you could obviously just raise that at your own discretion.” Also, on top of that, one thing I’m sure we’re going to touch about is the employment relationship that some of these teams have with some of their players. There obviously is a minimum compensation you have to pay to your employees. These players . . . one of the biggest problems of this industry in general was, as you had pointed out, the endemic teams were mostly run by a bunch of kids that were fans, some of them were professional players. They said, “Hey, let’s put together a team.” “OK, great.” What they didn’t realize they were doing is they were putting together an employment relationship with some of these players, and a lot of the time they didn’t want to pay taxes on these employees that they have to pay taxes on, and they didn’t want to be subject to the same employment rules. So what they would end up doing is they would classify them as independent contractors. That way, they could basically get around all these rules. And a lot of teams—I won’t go into names of some of the teams I’ve worked with—they’ve actually come under the siege of some of the governing bodies that are basically saying, “Hey, these guys are not independent contractors and you owe us back taxes for the past three years because you haven’t been paying these taxes.” This is a willful misclassification, so that’s certainly some of these issues that you’ll see. As it relates to other issues in employment law, there’s certainly a minimum wage they have to pay, there’s overtime laws, you know, this is a massive . . . just like any other employment relationship.

ANDREW BRANDT: Mike, putting on my team management hat . . . I don’t even know this, do you scout? I mean, are they out there looking for the next superstars?

MIKE SEPSO: Yeah. Absolutely.

JOHN OURAND: From basement to basement.

MIKE SEPSO: [*Laughs*] Yeah.

HARRIS PESKIN: Analytics is a big thing in esports these days.

MIKE SEPSO: I think that’s a good point. So, one of the things we did early on with MLG was create an online tournament system that was not directly tied into any game, but it became kind of . . . there’s about ten million registered users on the system now, but it’s a great scouting platform. If you caught, in the spot that we showed about *Overwatch* League, it’s really focused on the aspirational value. If you think about the cool thing about esports is . . . I grew up playing basketball and I wanted to be Michael Jordan and I

was shooting at a ten-foot rim but it was in my driveway, not in an arena. If you play *Overwatch* at home, you are playing on exactly the same playing field as the pros play on the big screen when we're broadcasting it to tens of millions of people and they're making millions of dollars, and all that kind of stuff. It's exactly the same playing field. Everybody's on it, all the time. And whether you're in your basement or Madison Square Garden, it's the same playing field. That part is very interesting.

The other part is the playing field is software. So we can literally know every single data point of every single player who has ever played the game all the time. It's too much data to actually deal with, but what you can do for the pro players is sort of look at performance metrics and things. We can get very deeply into the *Moneyball* analytics world with esports, and each game is going to have its own kind of interesting data points to look at. So, absolutely . . . you know, I think one of the great places for these endemic team owners and managers to move to as the field gets more sophisticated and people like Ten Leonsis and Peter Guber and other NBA and NFL owners come into the space is that they need GMs. You know, Phil Jackson can't run an *Overwatch* team. I don't think he can run the Knicks, either.

[*Laughter*]

But that talent pool is pretty limited, and I think that those guys are going to be very valuable as these teams become more valuable and as winning and finding and scouting the right players becomes more valuable. It's a very unique . . . you know, imagine if there were a handful of great baseball scouts in the world, how valuable would those guys be to Major League Baseball owners? So I think we're going to have that new, interesting generation of things happening, too.

HARRIS PESKIN: I think the advantages, with respect to that . . . the analytics are all, as you said, available through some sort of accessible API, more often than not, depending on what game you're playing. The industry as a whole seems to embrace that a little bit more than traditional sports might otherwise do. Maybe that's, I mean, I don't want to say why. I would think that it's because if it's a younger generation, maybe, and they're more interested in the numbers than traditional sports fans might otherwise be, but certainly when we were . . . when I've worked with some teams in the past, I can tell you firsthand that they employ analytics people, they employ multiple coaches, sports psychologists; the whole nine yards. So they really go all out on all this. And we certainly do have

GM scouts that are looking at every single kind of player that you could possibly imagine every second of the day.

ANDREW BRANDT: The one thing, maybe John and Darren can address, that's so different about the sports that we know or traditional sports is—you mentioned this, Mike—the international angle. It's just amazing to me how universal this is. I read a long story in *ESPN Magazine* about teams in Korea and teams in China and how they have their base camps and everything else. Speak to the global nature of this. I mean, I think we have no idea how big this is.

JOHN OURAND: In fact, the United States is woefully far behind in terms of esports.

MIKE SEPSO: That's right. Absolutely.

JOHN OURAND: You take a look at the NFL, and they've grown as far as they can grow, so now they're looking at London and now they're looking at Mexico and they want to go international. The NBA, the same way; Major League Baseball, the same way. Well, again, almost like those are TV first, digital second, and esports is digital first, TV second, or maybe even TV third, who knows—this is international first. The *ELEAGUE*, the WME-IMG Turner league, most of the teams were international that came over. In fact, I think, they swept—

MIKE SEPSO: Yeah. That's a game-by-game thing but I would say, generally speaking across esports, Korea is to esports what Brazil is to soccer. The sport got big there first. Most of the games that are played are on computers, so console games like *Call of Duty* are a little bit different, they tend to be North American-focused. But yeah, that game—again, we're talking about *Counter Strike*, the game with all the problems, that we don't make—

[*Laughter*]

DARREN HEITNER: A lot of bashing *Counter Strike*.

MIKE SEPSO: That was the game that was featured in the first *ELEAGUE* season, and those teams are largely European. That game is very big in Europe, there are a couple of South American teams as well, I think. That's one of the issues. It's not dissimilar to Major League Soccer for a lot of these games where, whether independent companies or the publishers themselves are trying to create leagues, you're trying to make it big in the US or North America, generally speaking, because that's where the rich media markets are and the ad dollars. But you're taking teams of Korean kids and European kids who don't speak English and trying to tell American kids stories about them, and it's hard to build that

storyline and hard to do that. Not dissimilar to MLS, right? For the first generation of MLS teams, there were no big European stars, no big South American stars playing here because they could play in EPL and places where they made a lot more money.

DARREN HEITNER: From a legal perspective, it's particularly interesting because you're dealing with some serious immigration issues. And so, typically, you're dealing with a P-1 visa and it's for recognizable athletes. I think that there is certainly a disconnect with the State Department . . . if we can't wrap our heads around what esports is, how can the State Department wrap its heads around it? And to make matters worse, we're in a situation currently where there's uncertainty as to what's going to happen with our immigration laws and whether or not individuals can come in based on where they've been in the recent past and where they come from originally. So there really is a lot of uncertainty, more so now than ever before in esports, and that's saying a lot because there's been uncertainty since the very beginning. These P-1 visas are sometimes difficult to come by, and even on an expedited basis, you're sometimes waiting three weeks in order to obtain one. Oftentimes in esports, decisions need to be made at the snap of fingers.

HARRIS PESKIN: My former team, H2k, was obviously based out of Europe. And I can tell you, just having been based out of Europe, the social security tax that you're going to pay there is triple the amount that you're paying in the United States, which makes it hard to compete in terms of the money that those European teams are going to be able to have. With some of the United States-based teams, also . . . we even ran into an issue where our Greek player was conscripted into the Greek military. So, I mean, these are real issues that take place on an international level that you might not otherwise have in the United States of America.

MIKE SEPSO: I do think the immigration issues are kind of currently, from a regulatory point of view, one of the more challenging ones to esports. I've signed probably thirty-something letters to the State Department and DHS advocating for P and O visas for players. We actually got the first O visa for a broadcaster. He was a British guy who is a full-time employee of ours now. We've been working on this for quite a long time. Now with a completely different administration and a completely different point of view on immigration in place, I think that could become significantly more challenging. And one of the things about the international, the global audience and the global reach of esports that's been so great

is the talent: not just the players, the talent, the coaches, the managers, the broadcasters. We've been pushing them all over the world in broadcasting from everywhere to everywhere since I started in this business, and it's been pretty free and easy. It's a little bit challenging but I think it's sort of standard operating procedure for us now to apply for visas for players that come and play. Like I said, we got an O visa—

JOHN OURAND: Mike, you said you signed thirty letters? How many of those went through? How many of those were successful?

MIKE SEPSO: Probably 90%. Only a few times did they not happen. And largely it was a timing thing; it just wasn't going to happen in time for the tournament or the match, whatever it was. But we've seen great success with that. I think the other thing is esports is—again, it's a digital sport, it's digital broadcasting, there is a lot of technology involved, so the H-1B visas are an issue for us, too. We all know, watching the news, there's not enough great engineers in this country, and generally speaking we bring people, really smart students, from around the world, and we bring them to places like Villanova and we turn them into computer scientists and then we make them leave. And that's a challenge. At the end of the day, media businesses now are technology businesses, and esports in particular is a very tech-driven media business: not just game development but broadcast development, ad technology, all the things that we use to make this work. It's important that we keep immigration a focus and push for it to be more open.

ANDREW BRANDT: Like all the panels, this could go forever. Thanks to these guys. Great discussion of esports.

Panel 4

INSIDE THE BOARD ROOM: MANAGING MEDIA IN A MILLENNIAL WORLD

MODERATORS: Andrew Brandt and Jeffrey Moorad

PANELISTS: David Bruce, Eric Johnson, Erika Nardini,
and Jon Wertheim

Moderated by Andrew Brandt and Jeff Moorad, Panel 4 featured executives from various areas within the sports industry, from a league to sports media outlets. The panelists discussed how the type of sport and the type of medium—whether print, television, cable, phone, streaming, websites, or social media platforms—dictates how to best interact with consumers and fans.

ANDREW BRANDT: I want to introduce our last panel, which is kind of our culminating panel of *Sports, Media and Millennials*. We've heard from the media personalities in the second panels; now we'll hear from their bosses. And we'll hear how the executives, how the C-suite looks at these issues, which I think is fascinating.

To my far left, Erika Nardini, Barstool Sports CEO. When I said we had the CEO of Barstool, the reaction I got from our younger audience, wow. Superstar, rock star right here. Welcome.

Eric Johnson from ESPN. Good friend of Jeff and myself. I work with him at ESPN; Head of Sales. Overall guru, someone who has been very supportive of our program. Welcome, Eric.

Jon Wertheim, who I work with as well at *Sports Illustrated*. Executive Editor, writer, does it all for *Sports Illustrated* and obviously an author, a published author. His books are my favorite.

And David Bruce, from Major League Soccer. He's in charge of their branding, their marketing. You'll enjoy for the first time, we have a different accent on the panel.

DAVID BRUCE: That's correct.

ANDREW BRANDT: So that will be interesting. So welcome our panel, please, with a round of applause. It's great to have them all here.

[*Applause*]

JEFF MOORAD: So I'm going to start off with a bit of a bridge question, as I promised here. The last panel focused on esports. You know, what's esports? How does it relate to all of us, our lives? Is it only for young people? How has it affected each of your businesses? Are you looking at esports? Is it something that touches your business? I'd be interested to hear each of your perspectives. Erika, fire away.

ERIKA NARDINI: So we're experimenting a lot with coverage of esports as well as esports platforms. So I'll give you an example. Last night we had two bloggers playing each other on Twitch and the loser had to get a tattoo, which he also did live on Twitch, which I'm not sure is exactly esports.

[*Laughter*]

But esports is really disruptive. At Barstool, we like disruptive content and cover it in a disruptive way. And I think everything is at war for attention and this is a sport that is capturing attention of a very elusive demo.

JEFF MOORAD: Eric?

ERIC JOHNSON: Yes, we spend a lot of time thinking about es-ports. And I think in listening to the panel before, we're not quite there yet, but it's undeniable that it's coming. The audience, the way people are watching, consuming, feels very fandom-oriented, extremely fandom-oriented. And I think as a result of that, we currently have dedicated like news and resource and reporters that are covering it. We've looked at different leagues, we do *Heroes of the Dorm*; we do some television. It's not a TV play, a linear TV play in my mind, long-term. But it is something that advertisers are spending time thinking about it, learning about it, spending a little bit of money in it, but not quite ready to dive in fully.

JEFF MOORAD: Yeah, we're all learning.

ERIC JOHNSON: We're all learning. And our company has a relationship with BAMtech, BAMtech has a great relationship with Riot, spend a lot of time with the *League of Legends* guys. I think that that's something that's going to be a global phenomenon. I think it doesn't matter about borders. I think this will be the first kind of global sport that will start from inception as a global sport.

JEFF MOORAD: Interesting. Jon?

JON WERTHEIM: Yeah, I think that's really well-put. On a smaller scale, and without the television component to think about, I would say guarded optimism. There are some things that certainly militated favor of coverage; the numbers don't lie. The age, the fact that it's so global. I think there are other challenges. One of them, honestly, is personnel. We . . . right now, we've done the "what is a sport" story and we've covered it periodically, and it plays well socially. But as of right now we just don't have someone who would cover this the way Peter King would cover the NFL. That's been a bit of a challenge. But I've been to a million meeting meetings where it's been roped together with drone racing. I don't know if—

ERIC JOHNSON: We have drone racing as well. We consider them separate.

JON WERTHEIM: I think we differentiate this. One thing that's been instructive to us, and I don't know if for you as well, but about ten years ago I said, "Hey, there's a sports, it's mixed martial arts. It's this group, the UFC, it's become the dominant league." People said, "Oh, this thing . . . it's the XFL part two. Is this real, or this fixed? Do people really die?" And it was quickly dismissed. I think UFC has been something that's really instructive, and someone dismissed it. Who would think there would be an audience for watch-

ing kids play *League of Legends*? And very quickly we've seen that that in fact is very much the case.

JEFF MOORAD: Got it. David?

DAVID BRUCE: Yeah, we look at it, it's an incredibly fascinating thing that's going on at the moment. I don't think anyone has truly figured it out. We look at it as a channel. I mean, we're very, very lucky because we're a soccer league and we have one of the most popular games, *FIFA*, being played all over the world by kids of all ages in every corner of the planet. So we're really buoyed by the opportunity. We see it as a way to talk to our fans through the game. And I'm a brand guy. At the core, there is no place for me that you can be as intimate with our brands as in the *FIFA* video game. The lifelike quality of these games is quite insane, the way that they model players and then model stadiums. You can go in as a casual MLS fan, you can understand the jerseys, you can understand the sponsors, you can understand the players, the formations, the team stadium, the chants that the fans actually have. So as a touchpoint into our world, it's incredibly, incredibly exciting.

And when you think about the fan base in esports, the fan base that we have in soccer: it's very, very young, it kind of mimics very closely what we have. So for us it's finding the right way of activating esports, activating *FIFA*, so that we can bring people into the league in kind of very, very different ways. So I'll highlight this story that actually went live yesterday at NYCFC. One of our teams in New York was the first MLS team to sign an esports player to their roster. So he will train, they will build content around him, they will tell stories, and he will represent the club in a range of different tournaments around the world. So, it's a really, really fascinating space, and we see it as a huge opportunity to get more people to the threshold. So, it's great.

ANDREW BRANDT: I'll go down the other way here, we'll start with Jon. David mentioned the word, and that's the word we all look at, "brand," these days. So, *SI* is the brand, the legacy brand. We all grew up waiting for that to come to our mailbox. It maintains that credibility, that sort of high credible brand. But now we see everyone looking, where's the next? And you've gone into whether it's extreme sports, or whether it's extra mustard, or all these little side areas of *Sports Illustrated*. Is it to look for the next? Is it to see what's the next space beyond the legacy brand of *Sports Illustrated*?

JON WERTHEIM: Yeah, I mean I think that's kind of a classic business school conundrum for any brand. How do you retain your

identity and your authenticity and then also find new opportunity? And it's an ongoing challenge. I think at some level you need to stay true to your core competencies. I think Barstool does a terrific job at what they do, and I think there's real built-in advantage to having a brand that's a lot more recent. I always describe it as the bar mitzvah singer that suddenly starts doing hip hop. I mean, at some level if *Sports Illustrated* said, "You know, enough with the Stanley Cup. We're going to do esports," I think it wouldn't come across as authentic. At the same time, we don't want to just do what we've always been doing. I think that at some level sports, but at another level this space has evolved and will continue to really evolve. It's a constant challenge to balance how do you stay with your core principles, your storytelling, how do you not dilute the brand but at the same time not stay where you are?

ANDREW BRANDT: Same thought . . . Eric?

ERIC JOHNSON: Yeah, I think, look where our brand's been for decades and the amount of innovation that goes on at ESPN. You're constantly still fighting the legacy possibility of being thought of as a cable network, when internally at the company, that could be no further from the truth that we think that way. So I think, for us we create other types of innovation but tend to, for our standpoint, stick to ESPN as kind of the core brand itself. And thinking about that here in the US versus internationally, we've had some great opportunities down in Latin America to be able to create a more insurgent brand of what ESPN's thought about and put product in there that makes it feel different than what the US version is. I think over time you'll see us continuing to try to expand what fandom looks like, right? Ultimately we want to be experts for proficient at live connection with fandom, whatever fandom is. And I think you'll see our brand kind of expand as a result of that.

ANDREW BRANDT: And even the brand on ESPN, you just notice the changes, the more embraced debate formats that are responding to what consumers want, the consumer landscape.

ERIC JOHNSON: Yeah, think about the most important sub-brand we have, which is *SportsCenter*. And what *SportsCenter* is had to be redefined because of how people consume highlights. And we've gone very personality-oriented, as you guys have noticed. Scott Van Pelt at 11p, or 12 . . . late at night. Michael and Jemele at 6. And the personalities are to help expand what you come into, like listen to what people are thinking. I want to hear what Michael and Jemele have to say about this issue, versus I need to see the highlight of what that was.

ANDREW BRANDT: Erika. In your first answer, in the first seven words, I counted, you used “disruption” twice. [*Laughs*] So, you’re all about disruption, is that fair?

ERIKA NARDINI: We are. I think we are the next, to the question. I think Barstool is an exceptionally formidable brand, and mostly because the subject that we cover, we don’t treat it as sacred. And I think it’s hard when you have a very established brand, when you’re dealing with the leagues. You have major . . . I mean the size of time and ESPN compared to a Barstool, the pressures and the commitments and the contracts that you have versus that we do not have, put you in a really different spot in terms of you cover things, where you cover things, why you cover things. I’m very bullish about Barstool. And I’m bullish about Barstool because “stoolies,” our audience, is very much a part of our brand. And when you talk about fans, we are a fan brand. We cover every single topic we cover as fans of that topic. And there’s no difference between us, how our guys feel about something and how stoolies, or our audience feels about something. We talk to them all day long on Twitter. We are amorphous in that way. I believe that all future brands will be socially distributed, experiences will be brands that travel through social. And I would argue there’s no company better at that than us.

ANDREW BRANDT: Is it your goal to have relationships with leagues, or to completely stay away from that?

ERIKA NARDINI: No, sure. We’re very open. I joined Barstool nine months ago. I was probably the second person there that wasn’t a blogger. We had fifteen people. We now have almost seventy people. We are a very young company. It is a brand that is very established, but we are a very young company. And part of growing is working with established players. When I got to Barstool, Barstool had never met with Twitter, they had never met with Facebook, they didn’t meet with reporters, they didn’t meet with people at ESPN or others. And this week we broke two pieces of news and were credited for that on ESPN, so that in and of itself is radical for Barstool. So yes, we’ll start to work with all different types of players. You’ll never see us cover something in an “xs and os” capacity. I don’t think you will ever see us be the “straight guy” on something. But you will see us work with a lot of different people.

JEFF MOORAD: So I think that answer kinds of leads me to, at least the question which we’re focused on today. As it says on the screen: “evolving landscape of consumer demand.” So as we look

forward and I kind of look at each of these brands as you were talking, primary delivery podcast, cable, print. Understand you're all diversified now, you're all much more than that. Live entertainment with MLS. It's like, how do you think about . . . again, Erika touched on it a bit in terms of the podcast philosophy, how do each of you think about how you're going to deliver your content going forward to the millennials in particular? And I know the term "millennials" gets beat up and probably overused, but how do fans of the future, how do they get their fix on sports? Eric?

ERIC JOHNSON: Me?

JEFF MOORAD: Sure.

ERIC JOHNSON: Sure. You have to think about publishing content under your brand wherever it is that they want to consume, right? They want to be in control, and curate in their own way, in a way that, to put it frankly, my generation would not have wanted. And personalization is key as well. So for us and for our company's management team, it's been about making sure that ESPN exists in and across every single platform, so that ESPN was the platform in and of itself. So that's Snapchat, that's Roku, that's Apple TV, that's YouTube, wherever it is that fans want to consume sport, we're publishing ESPN content there. And, like with Snapchat, publishing it in a way that fits the environment as opposed to the way it would fit the environment on ESPN, right? So if you check out the discover stories, they are very different in terms of how they are published, by design. And I think for us it's figuring out how to do that, how to adapt to their consumption model, because their consumption model is less time spent, more frequency over the course of a day. They're just spending less time on an individual basis, but they're spending more number of times that they are coming to consume within the day. And so how do we think about that as a way to, one, publish content, and two, create revenue opportunities from that.

JON WERTHEIM: Yeah, you're stealing my answer. I think that's exactly right. You go where the audience is, but I think for too long a lot of media brands were more concerned about the where than the how. And I think how you're presenting the content is every bit as important as the where. The data helps figure that out. I mean, the other thing . . . something that I find invigorating—I mean, it's a frustration at some level, but I think it's really invigorating, is every now and then there are curveballs. I'm sure you guys have the same thing. In a lot of cases, attention spans are getting shorter, in some cases they're not. There are some stories where

these millennials that we all think can barely sit through a twenty-two second video are spending seven minutes diving into a story.

JEFF MOORAD: Listening to Erika's podcast.

[*Laughter*]

JON WERTHEIM: Yeah, exactly.

JEFF MOORAD: What's the average length of your podcast?

ERIKA NARDINI: I mean, if you listen to a Pat McAfee podcast, it will be half a day.

[*Laughter*]

JON WERTHEIM: How long is Pat McAfee's podcast?

ERIKA NARDINI: Pat McAfee can go on forever, so it's like . . . his first podcast was two hours and forty-seven minutes. We're like, "Hey, Pat, we could get this down to like, an hour."

ERIC JOHNSON: [*Laughs*] Dial it down.

ERIKA NARDINI: But it's true, though, if you have an engaging brand, and you have an affinity between the personality on that brand and its audience. We created a series called *Stool Scenes*, which is basically a reality show of Barstool Sports.

JEFF MOORAD: Goes along with our first panelist, right? Peter King, defined "turd."

ERIKA NARDINI: [*Laughs*] Exactly.

JEFF MOORAD: Sorry.

ERIKA NARDINI: Exactly, there's a lot of turds in there. So we drop it on Friday nights when we finish it, it could be at 10:30pm, it could be at two in the morning. A kid, Nate, who calls himself Young Pageviews, publishes it. It's on average forty-seven minutes long. We have a 75% completion rate. Last weekend we had 220 million minutes viewed. And that is long-form content from Barstool Sports which is published at a time when no one knows it's coming out. And if you listen to the rules, it's the worst possible time to publish something. So I think when you have an audience and you have a personality that someone feels a connection to, anything is possible.

ERIC JOHNSON: Ultimately, brand is still a navigator—

ERIKA NARDINI: 100%.

ERIC JOHNSON: —in this world, regardless of how complicated the consumption world has become. Brand is always the navigator.

ERIKA NARDINI: M-hm.

JEFF MOORAD: David?

DAVID BRUCE: Yeah, so I think in terms of what the guys have said, totally, totally great. We go where the fans are. We're con-

stantly evaluating new channels and new ways to reach these consumers. A lot of that, in terms of what we do, is really customizing, building bespoke content, promo messages for these particular audiences. We know millennials can drop off, we know we have to serve them the right type of stuff. The way that we like to look at it we're always kind of constantly in a state of beta. So the world we live in is constantly changing, it's constantly evolving. The information that we have at our fingertips is always there in real time, and we're learning stuff constantly. So for us it's a case of how can we tweak, how can we adapt, how can we put something in front of someone that we know is going to land in a much more impactful way?

So a really good example of that is in December around MLS co-op, we were promoting the final which was Toronto and Seattle. And we decided to push the message, and most of our media buy is around social channels: Facebook, YouTube, Instagram, Snapchat. We just kind of started to buy on Snapchat as well as put content through Snapchat. What we did is we created a unique piece of creative for all those channels, and we optimized in real time. So with the help of an agency, we put these out into the wild and we were constantly evaluating what was happening. So we were able to see where the drop-off rates were. So if we were seeing quick drop-off rates on a fifteen-second or twenty-second promo message for the league, for example, we would pull it back in house, we would look at the moment the consumer dropped off. We would change the clip, so maybe we'd put a goal in there or a great fan image or something else, and we'd put it back out. So we would constantly optimize the message so that we were able to achieve the success we wanted to get out of that. That was a really interesting test for us because a lot of this is talking about attention span, and I think with the tools we have around us, we're able to measure that in a really smart way.

And I think every brand that is successful in the modern world has to react, has to adapt. It has to stand for something ultimately, as Eric said. It's the most important thing, but when you filter that into how you activate and how you execute, you have to be mindful of how the consumer is reacting to your particular offer. And don't feel like you can't change. And that was a really interesting lesson for us, and it resulted in the number one viewed game in MLS history. And a lot of that was to do with the optimization of the message.

ERIC JOHNSON: Can I ask a question?

JEFF MOORAD: Of course!

ERIC JOHNSON: Can you talk about the MLS brand, the evolution of where it is on the journey because of what it was and how it's become, and it's become very in vogue. We talked a little backstage, and I think it's very interesting.

DAVID BRUCE: Yeah, absolutely. So the MLS, for all you guys in the room, twenty-two years in, we were, about eleven-twelve years ago we were only ten teams. We're now twenty-two, soon to be twenty-three next year with LA FC. We have soccer-specific stadiums all across the country, downtown, but at the core our target audience is millennials. I think every brand out there today is wanting to excite and get millennials on board. The difference that we look at it around our brand is these consumers are not just consuming our sport, they are our brand. They are our experience. So when we think about the MLS brand, it's not just the product on the field. Because if we compete just with the product on the field and we position our brand just to talk about what's going on in the white lines, we're not necessarily going to win because there are great soccer leagues all over the world, and they're all here in America, they're all playing in America, they all have a lot of games in America, you know, content tailored to the region. What they don't have is this soccer culture that sits around it, which involves these amazing stadiums, these amazing fan groups, this noise, this energy, this thing that's going on in the stadium that actually is our brand. So when we think about what makes MLS different in this marketplace which is, by the way, as you know, incredibly competitive, we have horizontal and vertical competition. We have horizontal competition from all of the other sports leagues, more traditional sports leagues. We have vertical competition from all of the soccer leagues, as I mentioned. So we have to be really, really smart about understanding what our consumer wants and what's going on in the competitive set. And I think we've been able to position our brand around the overall experience and create an invitation in for a millennial consumer, which I mentioned is really our core. Millennials want brands that listen to them. Millennials don't want the old-school kind of relationship where it's kind of teacher-student: I'll message some stuff down to you, that model. If you like I'll message some stuff down. Some of that will resonate with you, depending on the type of person you are, and you'll go out and demonstrate behaviors based on what you just heard. We wanted to flip that model and just sit down with people and go, "What do you want? This is yours as much as it is ours. Come and

join the movement. Take part. Shape it.” If you go to an MLS game, it’s two halves of forty-five minutes. There’s no corporate message telling you how loud to chant. The fans create the atmosphere. The fans create the energy. It’s very authentic, it’s very from the ground up, it’s very much driven by millennials. They are singing the songs for ninety minutes; no one’s prompting them at all. They are erecting ginormous tifos and banners. Now tifos are giant banners with a message on them, it could be anything. Check out tifos and MLS, there’s a ton of websites that celebrate them. They’re the most amazing expression of fandom and creativity that I think is out there. It’s because we are giving the millennial, or the fan in MLS, an opportunity to feel like this is their league to shape, to grow, to create around. And I think that’s a very, very different offer. And we have to be consistent with that because of just how competitive the world is. And if we go after that in the right way and we’re able to activate that locally, and our local clubs can build their own rituals around their club I think we’ll be incredibly successful. So the brand is the most important thing for us. It’s a living, breathing thing, and we have to be smart about how we manage it. But that’s how we kind of position ourselves in the world, I feel like.

JON WERTHEIM: Just to piggy-back on that, I think that’s a great point. And I think this is a point that is sometimes so obvious and yet it doesn’t get explicitly made, which is the experience of being a fan, a fan’s relationship with sports and teams and athletes has radically changed in the last few years. And we talk about disruption in media and we talk about sort of these day-to-day issues, and teams going to Las Vegas and stadium issues, but I think a core issue that sometimes gets overlooked is that a fan’s expectation, a fan’s not just level of engagement but mode of engagement, time of engagement, the way . . . you made the teacher/student analogy, but I think it even goes further than that. I think the way fans are consuming sports, not just on their phones versus on their televisions, but just emotionally as a philosophical . . . I think that’s really undergone radical changes in the last few years, and I think feeds into this whole discussion but I think sometimes gets overlooked.

DAVID BRUCE: Totally. It’s a . . . totally agree with that. Now if you think about . . . there’s a couple of great examples in our league where we do invite fans in and give them a different type of relationship because we can’t be building brands just around winning, because you can only have one winner a year. It has to be about something much deeper. And we think, by bringing fans

under the hood, letting them feel like it is their movement, their movement to grow, we think we can create a different type of offer, which is, we think, the right type of offer for modern and progressive sports leagues. So, you have to look at someone like Seattle Sounders. The fans vote on the general manager. They vote on who they want the general manager to be. That's the ultimate fan involvement in a professional sports club or franchise. And it will go all the way down to what type of food you want to see in the stadium, what type of jersey you want the team to wear. So the fan is invested in a totally different way, and I think it kind of gets to the point that you just raised.

ANDREW BRANDT: I think Jon made a great point earlier that when we talk about millennials, and I think people don't like hearing talk about millennials who are millennials, because it's like, "Ew, they have cooties" or whatever they have. But, they will engage. So we talk about short attention spans and it's all on the phone; they will engage. They will engage in podcasts, they will engage in long-form reading, they'll engage in embraced debate. You know, they'll sit and watch and, "This is interesting." So what I think we're talking about here is we have to create curated content that you look at and you go, "Wow. I can engage in that." And it's not a question of, "I only have thirty seconds." If you make it good, they'll stay. So I think sometimes we overrate this kind of, "They'll only read a blog. They'll only watch thirty seconds. They'll only read something that's quick and pictures." I think we underestimate that.

ERIC JOHNSON: Yeah, I think for millennials, you're not going to get a millennial today that's probably going to watch a three-hour Major League Baseball game in one sitting, but they might consume three hours worth of Major League Baseball across lots of platforms. It's just going to look different. It doesn't mean that the interest isn't there, the engagement isn't there, it just means it's going to look very different and it's going to be across all of our brands, quite frankly, in terms of how they're consuming that.

JON WERTHEIM: Which is great, right?

ERIC JOHNSON: Yeah, and we talked when we all went backstage, that's an example of consuming Major League Baseball content of the day.

ERIKA NARDINI: I think that the big this is . . . at Barstool, we think about what's funny. What we care about is that it's funny, and that people like it. And we have twenty-two guys who make collectively 150 pieces every day, just trying to be funny. They fight with

each other for airspace. We could do a better job curating it, we can use math to be more distributed. But at the end of the day, it's about affinity. There's an affinity, there's also . . . the other big thing that people miss it that . . . one of our biggest advantages is we're from the Internet. So we understand—it's not millennial, it's Internet behavior. So having a conversation at the same time as you're watching a piece of content is, for us, a no-brainer. It has to happen. We had kids—you know, opening day was Monday—we had kids in school, we got tweets, probably 200 tweets on Monday, kids watching a game on an iPad on Twitter or on their phones in class. And that's a unique second screen experience, but we see it—there's conversation around every blog we publish, there's conversation around every episode of a podcast someone downloads. And I also think there's a second screen experience happening with all major sporting events, right? You're watching the game and then you're having a conversation about it. And so, for me, when you think about reaching elusive demographics, all I care about is the phone. I don't think about any other piece of distribution if it's not on the phone. I'm obsessed with the phone. And the reason is because the conversation and the content, it's the only place where they happen simultaneously. And for us that's where, I think, we'll be very aggressive. You'll see us chip away at things we've never had.

ERIC JOHNSON: For us, it's the non-linear. Linear matters, incredibly so. But we developed something called ESPN on Scene this year. We realized that for every football event we go to, college or *Monday Night Football*, we have like, you know, 400 staffers who are there: cameramen, people who are PAs, coordinating producers, reporters, staff of all kinds. And we realized that we have all these people there and we're not giving them access to published content. So we created some software that we call Shortstop that allows, and enabled an app so that now all 400 of them have put their iPhones or Samsung devices can now take clips from the side and create content that we can then curate and push out to every social channel within twelve seconds from that. And that's the way of thinking for us that's going holistically outside of what you would think of as ESPN, and being obsessed with the phone in that way. And from that, we've seen—and that was when Russell and Kevin Durant walked by each other at the NBA All-Star Game, that was an example of that was a coordinating producer who just happened to have a phone, who happened to be standing there at the time, and took that.

ERIKA NARDINI: I think the other big thing that we haven't talked about, though, is monetization. And I think that people . . . I think that it's very hard for the ESPNs and the *SI*s and NBCs and CBSs, major networks of the world that are ad supported. So I don't think there's enough conversation around the business model, because the business model is what chokes change. When you look at how many seasons *American Idol* was on, *American Idol* has gone on forever, and the reason is it commands so many ad dollars, it delivers enough eyeballs that it perpetuates itself because the network doesn't have a replacement show. And so to me the thing that also has to change with content is how you make it commercial. So for Barstool, our merch business is my single biggest focus, from a monetization standpoint. It's not ads. It's, how do I get people to love the Barstool brand? Like, someone's here with a flag. I love that. How do I get people to want to wear the Barstool brand, show the Barstool brand? And that enables me, one, to be very free in what we talk about and, two, it enables us to have a business model that can exist on a phone when you're not commanding the CPM rates and you're not driving the reach or GRP numbers. So I also think that's a big piece that's not spoken, but is a massive part of change.

ERIC JOHNSON: I enjoy our mobile revenues quite well.

ERIKA NARDINI: [*Laughs*] I bet you do.

JON WERTHEIM: I saw the, even on the list of the program, and I said, "These are four people that are in the same space and that are all sports fans, all sort of forward-thinking. At the same time, they are four very different business models." I'm sort of with you, I would not be so cavalier about our advertisers, but I see your point as well. And think we all in the grand continuum very closely bunched, but I think all four of us are probably coming at this from very different perspectives.

DAVID BRUCE: And Erika and I were talking about it before we came on stage as well, but soccer is a very unique game because it's two halves of forty-five minutes and there's no ad breaks. The other sports have all of these moments where you can cut over to partner messaging. So we have to be really smart about how we grow our audiences around the different platforms we create, the different moments in our season, as well as the content series that we've build that allows us to tell the stories because they are the things we want to ultimately sell to partners. But it's not as easy to monetize, or it's a different model of monetization, I guess, than a lot of the North American sports have.

ANDREW BRANDT: But I think the big sports are taking a lesson from MLS and from soccer where . . . Roger Goodell's talking this week about we've got to bring down the game time and bring down the ad time from, now he's trying to get below three hours. I think in ten years, he's trying to get below two hours, two and-a-half hours just because, and this is where I'll go the other way on millennials, we're busy. We're busy, right? We don't have time to watch all of these ads before you get back to game action. So I think that's going to be a disruption down the road.

JON WERTHEIM: I think Erika raised a good—one of you raised a good point, too, that you may not sit for a three-hour game. I know, personally, I'm just as big of a sports fan as I used to be, but actual game consumption has probably never been lower. If those games shrink, it doesn't mean you're diminishing the engagement of the fans, just taking it to a different place.

ANDREW BRANDT: And one thing, audience engagement, about the power of sports. How many out here, show of hands, will binge watch a program, a series?

Everyone. How many will binge watch past sporting events?

There's always a couple stragglers. But it's the power of live sports. I mean, we talk about millennials not even having TVs. The reason they have TVs is for sports. It's *the* live TV you have to watch.

ERIC JOHNSON: It's really interesting. So 96% of our content is consumed live. Everything that ESPN has is perishable because there's always something next. So the dramatic difference of that versus entertainment media consumption in the view environment is radically different. And that's helped with the concept of how advertising fits into live sports. It's just different. So the rest of the marketplace is going to a time-shifted advertising model, and ESPN has been very focused on just live. We're only live; that's all we are. But if you look at what we're measuring from a live-streaming standpoint, so no longer a set up box, now this is over-the-top, this is a mobile phone, this is Chromecast, this is any of those devices, we're now seeing in eighteen to thirty-four year olds a 9% lift in live-streaming alone. And on top of that, we're also measuring out of home, and out of home everybody thinks is bars and restaurants. Actually 34% of out of home consumption is actually in someone else's home because that's kind of what's happening. Sports is the gathering place, and in some instances if people don't have cable in their home, they're going to someone else's home to watch big events. So we're seeing this, and we're seeing from that anywhere between 6% to, in college basketball it's 18% lifts of people who are

watching, consuming sports out of the home: gyms, bars, restaurants, other people's homes, hotels, etcetera. So we're seeing a lot of different types of consumption than we've seen in the past.

JEFF MOORAD: We talked a little about the average age of sports fans. I saw some numbers recently that suggested that the average of an NBA fan today is thirty-seven years old, average age of a NFL fan is in the mid-forties, the average age of a MLB fan is fifty-seven years old. And by the way, when I mentioned those numbers to David Bruce, he said, "And the average age of an MLS fan is twenty-nine." Correct?

DAVID BRUCE: That's correct.

JEFF MOORAD: I understand that maybe you will have a slightly different point of view on this, but what does that say about where you're going to push? In other words, is it a sports-specific audience that you care about? I mean, Eric, you're the ones writing big checks for rights—

ERIC JOHNSON: Oh, not me. [*Laughs*]

JEFF MOORAD: You're raising the money to write big checks for rights. [*Laughs*]

ERIC JOHNSON: Yeah, more that way. [*Laughs*]

JEFF MOORAD: Where do you push as a business model going forward? And how do you take those aging demographics and bake them into a sports model? Erika, I understand that at some level, you're a media company. It doesn't really matter. Jon, you might have the same perspective. But I'm just curious to know how do those numbers—you know, those are striking numbers to me, and I assume maybe to some in the audience as well. How does it relate to each of your businesses? Jon?

JON WERTHEIM: To me, it's probably reactive. That's probably sort of, "Hey, Major League Baseball has to figure that out." And meanwhile armed with that data, that's going to impact baseball coverage vis-à-vis NBA coverage. I'm not sure it's the media's job to address those so much as react to it.

JEFF MOORAD: Got it. I think that's right. It's a business model issue.

ERIC JOHNSON: Yeah, I think, first of all, David said that kids playing *FIFA*, which made me feel really good because I'm forty-eight and I play a lot of *FIFA*. So that makes me feel very young, so I'm going to start with aging myself down at that moment. Secondly, what we're noticing is that even for the Major League Baseball fan, every device has a different median age, and the spectrum

is about twenty to twenty-five years. So it's a little bit less about the league sometimes and it's a little bit more about the platform and the ability to deliver through the platform the same interest in consumption that exists. It's just consumed differently.

JEFF MOORAD: Erika?

ERIKA NARDINI: We have a very large age span for Barstool, guys fourteen to forty-nine. So we serve a lot of audiences. One, because we cover what's topical. Two is because we are a tribe in our own right and have a language and a narrative. I agree with Eric entirely, I think it's more a function of the consumption by medium.

ERIC JOHNSON: Or by angle, sometimes, right?

ERIKA NARDINI: Yeah. I would agree. From my standpoint, we want to grow that sweet demographic that I think everyone else here wants to grow as well. But what we're really interested in, and again to my earlier point, is just engagement. For me, it's a fifty-year-old . . . we have a daily newsletter, and we like to joke that we invented the newsletter. And Kmarko is the blogger that does it. And moms love the newsletter. We have a lot of moms, moms of guys your age reading the newsletter. And I'm like, I'm happy to have the moms reading the newsletter. So for us it's more about just finding people who have affinity to our voice and continuing to nurture and grow that, and understanding that like a sport—and this is selfish from a Barstool standpoint—but the followers of Barstool on Instagram versus our followers on Facebook versus the people that come to the blog versus people that listen to the various pods are different audiences and we program to them very differently. And we don't share the inside Barstool stuff on Instagram. Half the people on our Instagram just think we're funny on Instagram, they don't know the whole story beyond that. So I think about it more as a function of audience and platform.

JEFF MOORAD: And David, you've got the inside lane on the demographics. So is your challenge the same as the others, or is yours getting fans into the stadiums around the country as opposed to worrying about how you're going to deliver the content more globally or outside the stadium?

DAVID BRUCE: Yeah, I think we're sitting in a really good position as it relates to just overall. The average age of our fan is clearly younger than the other leagues, and we do a really good job of getting people in our stadiums. But we're only twenty-two years old as well, so we have to be mindful of that as these fans get older, how we fill in the pipeline underneath. There's clearly a lot of upward

movement around the game of soccer. It's the highest-participated sport across the country. So you would look at the pipeline you would think, OK, there's a lot coming up. But our stadiums are kind of capped at a number. For those guys in the audience, by the way, we're the sixth most-watched global league in the stadiums. Our newest team, Atlanta, sold out both their first two games, 55,000. And what's really interesting about our league is the cross-over with some of the other sports. So Atlanta and Seattle, who both share facilities with the NFL team, the cross-over with season ticket holders is between 3 and 5%. So it's a totally different audience. We have to continue to serve our brand in relevant ways to that audience to keep them coming back for more.

The challenge for us probably isn't the stadium, it's the scale that we need on TV. So that's the nut that we're trying to crack, and those numbers are creeping up. But that's where we need to get to. And it's interesting to think about when you have a millennial base, they're cable-cutters. I don't have cable in the house. I'm a cable cutter. So if you think about that, and you think about how Nielsen—Nielsen is the company that measures ratings—how are we going to get around that? There has to be a way to scoring total engagement and total viewership around live TV, so I don't know if you guys read a few weeks ago we started a Facebook Live stream through Univision. All of our Univision and UniMas games, which are broadcast in Spanish, will be broadcast in English in Facebook Live. And it's being broadcast in a totally different way than the traditional linear broadcast: different type of announcers, more conversational, more young. They're feeding off the comments in real time, so they will bring in the live comments that people are inputting into Facebook, and they'll feed that into the commentary around the live experience. So we're testing out at the moment, and it's three weeks in and it's really fascinating. That's the challenge as it kind of relates to our business.

ANDREW BRANDT: Well, time flies, once again. We turn into a pumpkin at 1; I think we're past that. So Erika, Eric, Jon, David, thanks so much. Thanks to this panel.