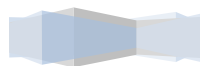




**A conversation with Alicia Rankin,
Head of Research and Fan Insights, NFL
with Pat LaPointe, Managing Partner, MarketingNPV**

Pat: Not all NFL fans are alike. Can you give me some idea of how that different segmentation challenge takes shape for you and some of the things you do to address it?

Alicia: Sure. At the NFL we have 178 million fans and when you are trying to think of whether it's new business areas to go into or how to market different ideas, or even all the work that we do for our sponsors, in some cases, in terms of the game on the field, you're trying to appeal to all 178 million. But, when you really start breaking it down, the question is, what are we trying to create that is appealing to everybody and if it's not, let's understand the people that it is appealing to. Then, to take it even further, is this really the best group that we should be going after? That has always been the question around here from a very broad standpoint. Do you go after the avid NFL fan, the person who is very passionate about the NFL, is there every weekend, probably watches multiple games, is checking their information online and they represent about half our fan base. Or, do you go after the more casual fan who might be watching a game because someone else in the house happens to be an avid fan. There's a pushback on either side. First, can you really go after an avid? Do you really think it's possible that they spend one more minute with you? That they can spend one more dollar with you? They are probably already tapped out, right? And then for the casual, do you really want to go after them? They aren't even your most passionate people. So, at some point this ongoing discussion and debate goes on and it came down to a point of which group is actually more valuable? Which group actually makes more sense from



a financial basis to go after? And keep in mind that there are sub-groups within that. It's clear from a financial standpoint that avids add more revenue to the NFL. But there are different types of avids – you could be an avid because you're playing fantasy, or because you are passionate about your team and you'll buy merchandise every year. So, there are lots of different definitions of avid. So again, it's putting a dollar figure on all the different types of NFL fans out there and how they express their fandom, if you will, to say that: "Yup, this group makes the most. They may be small in number, but yet they make up 'X' percent of the revenue that we could generate." So, it was putting a little more rigor behind a lot of the decisions that go on here at the League.

Pat: So, that must be quite a challenge, A) defining the segments quantitatively and then B) trying to address them, given that you don't really have transaction patterns with these customers, do you?

Alicia: Well, we do in some cases. We do as it relates to merchandise, certainly. We have NFLShop which is our transactional database. Where it is definitely more tricky is for TV viewing. The best that we have to use as a proxy is, in our case, the rights' fees that the broadcast networks such as CBS and NBC pay us to have the rights to air our games. When someone is sitting down to watch, it's not like the ticker is running on how many dollars they are consuming of the rights' fee. You have to split up the pie based on how long someone is watching. Presumably the person who watches two games a week is worth more than the person who only watches one game. You would assume that if you had to allocate the rights' fees, which is what we did in the model, you'd allocate twice as much to that first person than the second person for example. The most difficult part of this was actually the sponsorship dollars. Because again, we're getting paid fees from our sponsors to have access to our NFL marks, the question is one of how do you assign exposure? So, if you are Samsung, you're advertising your Samsung HDTV during our broadcast. Presumably, there is value there that they are reaching an audience who, hopefully, when they are in the market for an HDTV, they are familiar with the Samsung name, the fact that

they are associated with their favorite sport (the NFL) and hence they will at least look into buying a Samsung TV. And then hopefully, ultimately, go actually buy one. So, it is certainly a more indirect relationship in that case, as well. Some things we are more sure of than others, which made it difficult because the majority of companies that have come and gone through this exercise, pretty much it's been much more transactionally-based, as you mentioned.

