



CRAZY LIKE A FOX

The UFC's recent television deal with FOX makes it the latest sports organization to be shown on broadcast television, but what does the deal mean for the UFC, the fighters, and the fans?

BY TR FOLEY

UFC president Dana White courted FOX for nine months, and in August the work paid off as the UFC signed the largest new sports broadcasting deal of 2011, agreeing to terms with the media giant for an estimated seven-year, \$100 million-a-year deal.

In return for the estimated \$700 million, FOX will receive 350 hours of original content to be played across their channels (yes, that's original content, not just WEC Wreckage from 2005). The first live fight will be held on November 12, and two seasons of *The Ultimate Fighter* will air each year on The FX Channel, in addition to 32 live fights. The deal also includes content on FOXSports.com and FOX Deportes, the Spanish-speaking affiliate that White has recently prioritized.

However, with more exposure and a potential increase in revenue for the UFC and FOX, there are unresolved questions about how the UFC product will change under the pressure of network executives on the hook to produce shows to newer and larger audiences.

Scott Rosen, sports business professor at the Wharton School of the University of Pennsylvania says he expects some backlash against the production of the first fight. "Will die-hard fans be upset with the subtle changes being made to their content? Yeah, but my sense is that they'll adjust quickly," he says.

Those hardcore fans have been the organization's beating heart for 15 years, buying pay-per-views, following White on Twitter, and creating secondary revenues by consuming the brand's t-shirts, magazines, and action figures. However, with an emerging need to appeal to a wider audience, those supporters are likely going to have their more extreme or finite desires marginalized in order to create a more palatable viewing experience and subsequently a more powerful sports organization.

FOX and the UFC announced their first fight for broadcast television—an expected brawl between current UFC Heavyweight Champion Cain Velasquez and top challenger Junior dos Santos on Nov.

12. FOX launched the promotion by setting expectations as high as possible, promising to deliver fans a "Super Bowl-style red carpet and tailgate party with every star in Hollywood and every dignitary that we need to get out there to launch this thing." The UFC hopes it lives up to a fraction of the epic Forrest Griffin vs. Stephan Bonnar clash at the TUF 1 Finale. The fight is the first chance for fans to judge FOX's impact on the product they love.

"Anytime you have a growth, you have to make a few changes," says Rosen. "For example, you have to fit it into TV-time—you are a servant to the master that is network television because they are paying you and paying you well."

Despite early posturing, the UFC has now made concessions to FOX that many fans might find integral to the aesthetic of the pre-fight production. White's magnificent ability to conjure up interest in his fights and fighters is second to none, but the future of the organization is intertwined with the intention of network executives—which is a potentially uncomfortable spot for any executive more familiar with standoffs than compromise.



FOX has a track record of success handling controversial content. They're the network that aired *Married with Children* and *The Simpsons*, and they're also the number one sports network in America. That same company is now being tasked with delivering the most controversial sport in the world (remember, CBS basically failed with *Strikeforce*). FOX is a juggernaut that's gained popularity by promoting the topics and trends of the fringe and turning them into mainstream and profitable shows. Where the others have failed, FOX thinks it can win because MMA brings them their most desired demographic. Network interest in sports is always based on the potential advertising revenue created by acquiring the coveted 18–34-year-old viewership.

"These younger guys have a lot of buying power," says Rosen.



Fox and the UFC's Dana White recently announced their first fight for broadcast television—UFC Heavyweight Champion Cain Velasquez vs Junior dos Santos on Nov. 12.

“They have disposable income and are building lifetime loyalties. Normally, they are very fractured, which is why sports are such a good fit—if you’re an advertiser that wants to reach 18-34 year-old men, sports is your best bet.”

FOX knows how to create sports content for the age group, with successful enterprises with the MLB, NASCAR, and the NFL. They’ve mastered the formula. What could be better than the UFC and FOX delivering a controversial sport to a mass audience for big profit?

FOX sports coverage has always shaded toward the lighter side. For their NFL coverage, FOX created a goofball collective of on-air talent that included the hyper Terry Bradshaw, boastful Jimmy Johnson, and impressionist Frank Caliendo. Compare their coverage with NBC’s broadcast team featuring Bob Costas and Chris Collinsworth and laced-up presentation for their Sunday Night Football and you can see the various approaches to covering sports. The UFC might benefit from a station that makes them more of what they already are, but that type of saturation could also backfire.

White has discussed the idea of reformatting TUF to feature a live fight at the end of each episode, probably a response to the hassle of keeping the fight’s outcome a secret, but it’s unclear if

that means he’s going to make the show less-reality and more-martial arts. Dramatic series tend to be less concerned with creating transparency as much as they are ratings and advertising. The great news: the 2012 seasons of *The Ultimate Fighter* will appear in more than 100 million homes.

The danger for the UFC is that FOX could exert its considerable influence and unintentionally denigrate the carefully sculpted promotional image White has pruned for the company over the last decade. Will ESPN increase their sparse coverage of the promotion’s fights if they also include more vulgarity on their dramatic programs? The Worldwide Leader in Sports is a fickle beast and if recent tête-à-tête between White and ESPN higher-ups is any insight, the courting isn’t going swimmingly. Striking the balance between a new, massive audience and secondary or tertiary media interest is dependant on White’s ability to harness his machine gun wit and candor with executives at ESPN and FOX.

“This deal isn’t a sure hit yet, I think there is a lot left to see,” Rosen says. “But for the network, it’s a good strategic bet with a potential upside that’s tremendous. Same for the UFC.”

While there is plenty of discussion and early consensuses about the financial benefit the deal will generate for Zuffa and FOX, the monetary situation of fighters is notably less certain. The increased viewership expected with the move to FOX should

mean that the brands sponsoring fighters would pay their fighters more cash for the increased exposure, however, Zuffa might just raise the sponsorship tax and absorb those profits.

The UFC seems positioned to provide fans with more content across easier to access channels (no more scrambling to find *Versus* on the cable box in your hotel room), but the unparalleled growth of the UFC is reaching its first significant partnership and baggage: network executives. If the UFC is to continue their flirtation with the upper stratosphere of the sports world, they’ll need to weigh the bottom line of their partnership against the best interest of the fans that launched them to relevance. Considering White’s impressive track record in keeping fans in touch (Twitter, Fan Expos, and Facebook fights) the future is bright for the organization.

“The seven-year deal won’t make it to term,” says Rosen. He thinks the renegotiation period will come in the fifth or sixth season when the bugs have been worked out, ratings have been recorded, and the significant money generated by the deal is actualized and put together with future growth models. “You don’t start out comparing yourself to the NFL, you compare yourself to comparable organizations,” says Rosen. “This isn’t an NFL deal yet, but it beats the numbers put up by the MLS. The next deal...that could very well be enormous.”