

THE MARKET

The Australian Football League competes in a much broader market than simply sport. Its obvious competitors are Rugby League, soccer and basketball. In reality the AFL exists in the extremely diverse and dynamic entertainment industry, in which Australians spend approximately \$5 billion every year.

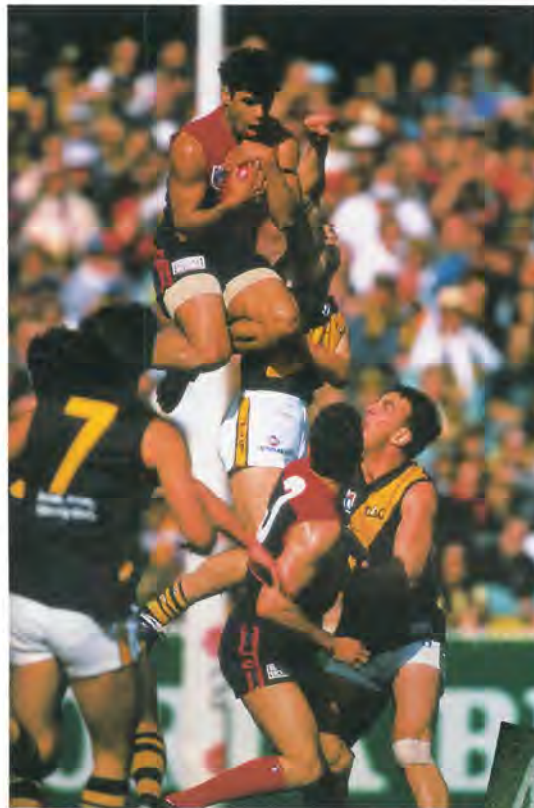
The market in which the AFL directly operates is equally diverse, composed of revenue generated by match attendance, media rights, corporate sponsorship, membership and sales of licensed products. The combined effect values the AFL's market contribution at \$276 million per year.

While the AFL enjoys a growing national following, its heartland is in the southern states where "Aussie Rules" has been part of the culture for over a century. Given the dominance of Rugby League in NSW and Queensland, the two largely populated northern states are still considered growth markets.

ACHIEVEMENTS

The AFL breaks attendance records each and every year. The 1998 season saw 6,119,164 go through the turnstiles, representing a 30% increase over the preceding five years, more than double the figure for the AFL's nearest competitor. Club membership has also exploded in the corresponding period, rising from 217,474 in 1994 to 422,815 in 1998 - an increase of more than 94%.

AFL football continues to maintain its position



as Australia's most valuable television sports property with cumulative national audiences each week of up to 5 million people. Each year, the AFL Grand Final is televised live and is the most watched sports program in Australia as well as being viewed in 40 countries around the world.

AFL licensed product also maintains its position as Australia's number one licensed sports brand with retail sales of more than \$100 million in 1998.

Participation in grass roots Australian football continues to

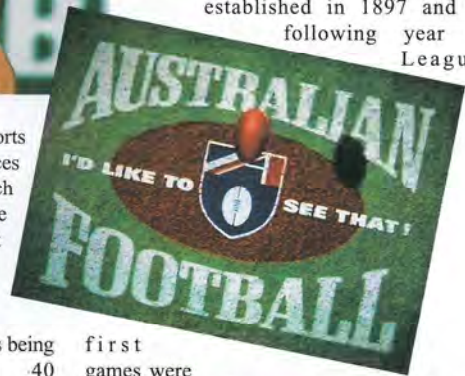
grow. The AFL has invested over \$8 million this decade in direct grants for the development of junior football.

HISTORY

In 1857, a young man named Tom Wills returned to Australia after going to school in England where he was football captain of Rugby School and a brilliant cricketer. In 1858, Wills was appointed the Secretary of the Melbourne Cricket Club, and he published his now famous letter suggesting that cricketers should keep fit in the winter by playing football.

Given the oval shape of cricket grounds, a different style of football game was required to that normally played on rectangular fields. Hence, this new game was devised by Wills, his cousin H.C.A. Harrison, W.J. Hammersley and J.B. Thompson. The Melbourne Football Club was formed on August 7, 1858, the year of the code's first recorded game between Scotch College and Melbourne Grammar School.

Australian football quickly blossomed. The Victorian Football League was established in 1897 and the following year the League's



first games were played among the foundation clubs; Carlton, Collingwood, Essendon, Fitzroy, Geelong, Melbourne, St Kilda and South Melbourne. In 1925 North Melbourne, Hawthorn and Footscray entered the competition.

The national spread started with the relocation of South Melbourne to Sydney in 1982. The competition grew to 14 in 1987 with the birth of West Coast Eagles in Perth and a new team in Brisbane. To reflect the growing national stature of the game, the VFL changed its name to the Australian Football League (AFL) in 1990. The following year the Adelaide Football Club joined





the competition, and the number of clubs grew to 16 in 1995 with the admission of Fremantle. The AFL celebrated its centenary year in 1996 and in the following year Port Adelaide joined the League, and foundation club Fitzroy merged with Brisbane.

THE PRODUCT

As an acronym for the Australian Football League, AFL is ostensibly a corporate entity. However, it is more popularly viewed as a pseudonym for the game of Australian football or, as it is sometimes referred to colloquially, "Aussie Rules".

The game itself is a unique hybrid of Irish Gaelic Football, English Rugby and, as some historians suggest, a mutation of an aboriginal sporting pastime. But to the millions who follow it with parochial passion, it's simply "footy".

Today, the competition can boast of being the oldest codified football game in the world. From its early suburban origins in Melbourne, it has grown into a national league with 16 teams from the five mainland states.

But more than that, the "product" is increasingly complex in the way it is consumed - be it in the form of spectators attending games or supporters watching on television, buying AFL licensed product or taking up club memberships. Today, as indicated by the sheer number of television programs dedicated to AFL, football is more than a game. It's a way of life.

RECENT DEVELOPMENTS

The last decade has seen more development of AFL football than the preceding ninety years of the competition. And while the game enjoys a fiercely loyal following, change is still accepted as an inevitable fact of life.

Recent developments at the AFL are broad and varied. With the AFL's desire to provide world class facilities for patrons, ground amenities continue to be a priority. The Docklands Stadium in Melbourne comes on stream in 2000 and the following year sees the Olympic Stadium in Homebush being used as part of the AFL season.

From 1999, the Kangaroos will play a limited number of games in Sydney as their second home and the recently appointed TaskForce will commence development of strategies for the growth of AFL football in NSW and ACT.



More and more night games are being scheduled to fit in with supporters' entertainment preferences, as well as more televised games being broadcast on the Seven Network. Even the national draft is now a television property, evidence that people love to watch anything to do with AFL football.

International coverage is still a priority with a record 65 countries now televising highlights of the game. As well, the AFL has recently undertaken a reciprocal series of composite rules games with Ireland's Gaelic Athletic Association.

PROMOTION

Since its national expansion in 1987, concerted efforts have been made to improve the image of AFL football. Recognising the competitive emergence of many local and global sports, the AFL's challenge has been to develop its national market potential. Therefore, penetrating the Rugby League dominated states of New South Wales and Queensland has become a key objective.

The highly acclaimed "I'd like to see that" ad campaign was launched in 1994 and was dedicated to building the AFL's image as a "brand" in its own right. The key objective has been to position AFL

football as "the best game in the world". In doing so, the strategy has been designed to give the game a broader perspective by using famous people from overseas to endorse its various attributes. This international dimension has provided an enormously credible and objective respect for the game by not presenting a purely parochial view. The initial series of commercials featured international sports stars such as Carl Lewis, Evander Holyfield and John McEnroe, incredulously challenging "I'd like to see that" in response to the skill and spectacle that is AFL football. Later commercials featured entertainment celebrities such as George Burns, Heather Locklear and Ray Charles.

Evolving every year since 1994, the campaign has become one of the most popular in contemporary Australian advertising and has received widespread industry recognition. Yet the most enduring aspect of the campaign is that the galvanising theme "I'd like to see that" has become part of the people's every day vernacular.

BRAND VALUES

It is sometimes difficult to reconcile the two elements of the AFL - the corporate body responsible for administering the competition and the game itself. Therefore, in defining the AFL's brand values, the one statement that AFL football is "the people's game" represents both aspects.

Like a reflection of the country in which the game was born, AFL football is big, sprawling and egalitarian. It is fast moving, incredibly skilful, athletic and passionately tribal in its following.

While it is undeniably Australia's most popular sport, to the millions of loyal supporters, it is also the greatest game on earth.

THINGS YOU DIDN'T KNOW ABOUT THE AFL

- In 1897 the newly established Victorian Football League, the AFL's predecessor, implemented the world's first finals system for a team sport where a series of play-off matches was played by the top four clubs at the conclusion of the season.
- Australian football reached a low ebb in 1916. Only four of the ten established League clubs were able to compete due to the fact that so many players had enlisted in the military forces at the height of World War I.
- Almost 450,000 people play Australian football regularly throughout the nation. On a pro-rata basis, more spectators attend matches at the elite AFL level than any other team sport in the world. In 1998 the average match attendance was 36,172 for the 185 official games (excluding the Final Series).
- The largest match attendance in Australian football occurred at the 1970 Grand Final, when 121,696 fans squeezed into the MCG to watch Carlton defeat Collingwood by 10 points in a thrilling encounter.