

## NHL drops revenue projections, still expects increase

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FROM THE NHL  
ALL-STAR GAME  
MONTREAL

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The NHL updated its revenue projections for the 2008-09 season, dropping its expectations for growth from 2 percent in late November to 1 to 1.5 percent in its latest projection. The league now expects to generate \$2.63 billion to \$2.64 billion in hockey-related revenue for the 2008-09 season.

NHL Deputy Commissioner **Bill Daly** said that the decrease was minor and not a cause for concern. He added that nine of the league's clubs are projecting revenue growth this season, five are projecting revenue flat with last season and 16 are projecting some loss.

"As long as [the overall projection is] still positive, things are moving in the right direction," Daly said.

Unlike the NFL and NBA, the NHL does not plan to make any layoffs this season.

"We anticipate and are trying hard to maintain the growth position we're in, and we're going to try to maintain it into next season," NHL Commissioner **Gary Bettman** said in his media address. "As I said, the economy is unpredictable, but that's where a strong, stable management, I think, is important."

Bettman added that playoff ticket sales will be the first indication of how the economic downturn will affect the league. Clubs are expected to go to market with playoff tickets this month.

The league has tried to be as conservative as possible in its playoff projections. It has projected playoff ticket sales to be flat with last season, Daly said.



Commissioner Gary Bettman delivers his annual state-of-the-league address.

■ **Vegas bound:** As part of an effort to create another marquee event for its corporate and broadcast partners, the NHL plans to relocate the NHL Awards Show from downtown Toronto to the Las Vegas strip this June, league officials said.

The idea for changing the location is driven by the league's desire to create an event that will cater to corporate partners with additional hospitality and extend the league's calendar beyond the Stanley Cup Finals. Being able to do both will be especially important next year because the league's All-Star Game will be supplanted by the Winter Olympics in Vancouver.

The NHL awards ceremony recognizes the league's most valuable player, top defenseman, top goalie and other honorees. It has traditionally been held in Toronto.

In addition to the awards ceremony, former NHL players **Luc Robitaille** and **Pat LaFontaine** will put together a celebrity all-star game. The NHL's board of governors also may hold meetings around the event, and the NHLPA is expected to hold its annual summer meeting around the show.

■ **NHL.com traffic:** The NHL's redesigned Web site and redeveloped out-of-market broadband offering Game Center Live have experienced significant increases in traffic and subscriptions over the first half of the season.

NHL.com has averaged 9 million unique visitors a month since its redesign at the start of the season.

That represents a 10.5 percent increase over the same period in October to December 2007. Unique visitors in the month of December alone hit 9.1 million, up from 7.9 million in 2007, according to Omniture data cited by the NHL.

"We're telling big dynamic stories, we're breaking news and we're increasing original programming," said **Perry Cooper**, senior vice president of NHL Direct and database marketing. "It's everything you need to change behavior and drive loyalty to a site."

The league also experienced a 250 percent increase in subscribers and revenue for its out-of-market digital package Game Center Live, which offers broadcasts of every NHL game online. The property was already a seven-figure revenue generator for the league, so the growth represents a significant addition to the league's bottom line.

Cooper said that the increase in online subscribers to Game Center Live hadn't hurt the league's out-of-market TV package Center Ice. He added that the league will continue to expand the customer base of Game Center Live next season.

"We see this business as something that's sustainable," Cooper said. "We don't see a lot of price sensitivity here."

The next step in the league's digital evolution is a facelift for the home pages of all 30 of its clubs. The club sites will be redesigned to look more like the league's current home page. The league hasn't determined which club will be changed first, but it plans to make the first conversion in the next four to six weeks.

■ **Canadiens centennial:** The Montreal Canadiens have used the club's centennial year to become the league's top team in per caps, posting per cap numbers that double most other NHL teams.

Team merchandise is up 15 percent to 20 percent over last season, said **Ray Lalonde**, Canadiens vice president of sales and marketing. The increases are primarily a result of the centennial product the club has brought to market, including a DVD collection of memorable games, a special set of 200 Upper Deck anniversary cards and three throwback jerseys.

To commemorate its 100-year history, the club built Centennial Plaza. The monumental park outside the Bell Centre is similar to Atlanta's Centennial Olympic Park. It features statues of legendary Canadiens players, plaques honoring the club's Stanley Cup championships and 20,000 commemorative bricks the club sold for \$150 apiece to fans who wanted their names etched in the plaza.

The club will receive additional brand exposure later this year when the Canadian mint introduces 10 million \$1 coins recognizing the Canadiens' anniversary. A postage stamp is also in the works.

The Centennial celebration will culminate in December when the club releases a fictional feature film across Canada. The two-hour motion picture, "Pour Toujours, Les Canadiens," weaves the history of the club together with the story of a family of Canadiens fans with a terminally ill son.

■ **Licensee goes north:** Sister brands **Twins '47 Headwear** and **Banner '47 Apparel**, NHL licensees that make Franchise hats and retro-looking apparel, respectively, made their first push into Canada last week. The family-owned, Boston company placed more than \$100,000 of product in stores in Canada ahead of the All-Star Game as part of a trial run in the marketplace.

"We realized there was an opportunity and niche in the business that nobody was doing," **Twins Enterprise** CEO **Steven D'Angelo** said. "High-quality lifestyle product, we saw a void and went right through it."

The company signed a deal with the NHL four months ago giving it worldwide licensing rights. It opened an office in Toronto six months ago and is building a retail base. It has agreements with several



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**The league is relocating its Awards Show to Las Vegas to create another appealing event.**

distributors, including **La Capsule Sportive**, a sports store with 29 locations in Quebec; the Calgary Flames; and **KDI**, a hat distributor in the marketplace.

“The long-term vision is to replicate our operations here in the United States in Canada,” D’Angelo said. “In all markets, west, east and central [Canada], there’s a customer for the high-market stuff, and the early indication is that it’s going to do well.”



**Banner '47 has made a push into Canada with its NHL apparel.**