

The changing face of sports: How digital collectibles are unifying fans around the world

The sports world has taken a hit over the past 12 months, but avid fans show no signs of abating. Steve Madincea is cofounder and managing partner at Fantastec SWAP, an app bringing fans together over a mutual love of digital sports collectibles.

So, what is Fantastec SWAP?

Fantastec SWAP has enabled fans to collect, curate and swap sports digital collectibles since our launch in 2019. We work with our partner clubs like Real Madrid, Borussia Dortmund and Arsenal to utilise their rights free assets – like video and photos – to create desirable digital collectibles. Often, these include digital collectibles co-created with their players.

Working with the clubs is great because there is almost always an initial education piece where we must help them understand what they have and what we can do with it. Some clubs also confuse our blockchain technology with crypto. Once we help them understand that blockchain works without crypto but crypto cannot work without blockchain, they get the distinction of the unique sector we have created.

Fantastec has a semi-automated in-house system that ingests the rights free assets, shapes them into digital assets, pre-tests them with consumers, and assigns them to scarcity and rarity levels before we put them on our robust blockchain platform for fans around the globe.

Fans download the SWAP app at any app store and immediately receive randomly selected packets of digital collectibles. They then begin to build collections ranging from last night's match to last season's FA Cup. For a premium, you can also buy the entire collection. We recognise that not only do different fans like different players, but they also prefer different matches for reasons not always obvious.

Our approach totally democratises the prior system where fans living thousands of miles away from any stadium are treated equally as fans living nearby stadiums. Not only are we offering the latest highlights, training videos and behind the scenes access, but we also have a unique digital autograph process.

Many printed sports star autographs circulating are not genuine, but we have fixed that pain point.

On our system, not only does the player sign their autograph right on your phone, but it is time-stamped and authenticated by our blockchain base.

If you want to SWAP your autograph from player A with someone in Toronto or Tokyo for the digital signature of player B, you can do that with confidence and assuredness on our platform. No one else in the world is offering this contactless autograph approach, which is even more valued during the pandemic era by fans and players alike.

What was the catalyst for launching Fantastec SWAP?

My cofounder Simon Woollard and I have worked in the global sports marketing industry for several years, supporting international brands and sporting bodies. Through this work, we became aware of a growing gap in the marketplace.

Clubs and Federations were, as would be expected, focused on success with their sport on the field so had little use for creating tech to better connect with fans. On the other side, tech companies were finding it difficult to get involved in the sports industry given the highly complex nature of rights differences

between leagues, teams and regions.

Simon and I reviewed tons of data, which clearly showed fans were looking for something more than what the social platforms could offer. They desperately wanted more interaction and engagement and well beyond just sharing and likes. We also recognised 99% of mobile-first sports fans will never attend a live sporting event. These contemporary fans need to be an integral part of any team's fan engagement strategy.

For SWAP, we developed several prototypes and tested our proof of concept with fans throughout the UK and abroad. This gave us very positive feedback, so we accelerated our development plans. We wanted to take advantage of a 100-day test window four top football clubs offered in Q2 of 2019. Global fans flocked to our app, surpassing even our most ambitious estimates. Every month, we climbed the most downloaded UK sports app rankings, ultimately passing SkyBet (3rd) and Manchester United (2nd) to take the top spot!

As exciting as that achievement was, we also knew from the worldwide fan data we acquired on an hourly basis that there was plenty of work to be done before we did our first full season launch for 2019/20.

How has the business evolved since its launch?

Like all startups, we initially started via bootstrapping, then angel investors, then convertible debt, and finally equity investors. Given we are so public now – with well over 1M digital collectibles in circulation, and the pandemic has given rise to even more business opportunities – we are assembling like-minded investors for our next thesis. This will probably be around scaling and capitalising on what we have built, adding more revenue features and a deep dive into certain regions that are proving to be quite lucrative.

All businesses change as they move from a startup to a scaleup, and we are no different. For Simon and I, this is not our first venture so despite the added complexities of Covid, we feel confident navigating the choppy waters. Evolving the business during this period has been equal parts scary, challenging and exciting.

Given my previous enterprises had offices and clients throughout the world, I am quite adept at working and leading remotely, and so is Simon. Changing part of our culture from being remote-friendly to remote-first was not that big of a leap, especially as we were already working in agile smaller teams.

How can sports clubs recover from the loss of live fan attendance during the pandemic?

History tells us any participant in any industry that does not quickly adapt to

massive disruption will not be around in a few years' time. Those teams looking to 'wait out' the pandemic for things to return to yesteryear are not being realistic and will likely disappear.

Fans are gone from the stadiums, TV channels and the social media platforms.

Once you get that hard hitting fact into your brain, you will start to think of survival and new ways to move forward. For teams, their match day revenue pillar is crushed and will not be rebuilt for a long time. Lucrative TV agreements are in jeopardy, so you can consider that pillar under attack and falling. There are less sponsors with less money in the commercial pillar. Maybe you are blessed with a long-term high value sponsorship agreement, but I will bet those will either be renegotiated or disappear altogether. The three big revenue pillars for all teams are under massive change.

Unfortunately, it also means teams are cutting back on commercial personnel. It is under this backdrop you must create your future fan engagement strategies that have to include platforms like SWAP, where you can offer fans something they find highly desirable and the teams can monetise these same fans.

It will be 'business as unusual' for teams for the foreseeable future. Therefore, at the heart of anything they do must be different ways to engage digitally with current and future fans.

What new technologies can be used to cater to the needs of the modern sports fan?

Mobile-first fans want more personalised interactions with their team and favourite players.

There are numerous early-stage products in the marketplace already covering everything from watch together platforms, live statistics overlays, unique visual angles, plus a few innovative and immersive technologies. Many are discovering like we did; blockchain gives teams big advantages they do not have with third party platforms. There are also a plethora of tech and tech-enabled products coming to help with the in-stadia experience when it returns.

Fantastec started in the European 5G incubator, so we know quite well the

game changer 5G will be to the sports industry and likely many of our products over the next 10 years.

The key will be not to do technology for technology's sake, but tech for the fans. Every decision we make at Fantastec is first and foremost for the fans. If there is a tie between the teams and the fans, we follow the best route for the fans. If there is a tie between our own business and the fans, we still follow what is best for the fans.

The fans made the worldwide sports industry what it is, and they have the power to save it from this pandemic.

What are your aspirations for Fantastec SWAP in 2021?

Retention is our focus, as we know that is what will help all the teams the most. We already have industry-leading retention for sports apps and our plan is to continually drive this higher.

Some of the ways we will improve retention include creating highly desired and the most aesthetically pleasing collections within the industry, adding multiple new design features our fans tell us they want. Of course, we will continue to add new teams throughout the year.

We want to take our position within women's football and do more for this sector. Women's football has been neglected commercially for far too long.

I constantly tell the team we should be enormously proud of being the only digital collectibles created for the women's game, but then I ask what else can we do to help women's football specifically and women's sports overall.

The data we have from over 185 countries says fans want more gamification aspects to stay connected to their favourite teams and players. In reaction to this, we will add elements like leaderboards and quests to the just-launched rewards system. Imagine you are in Shanghai or San Francisco and you can win unique prizes directly from your team simply by adding to your cherished collections.

Lastly, and perhaps most importantly, we are in the midst of testing a completely new approach that allows our fans to benefit directly from the massive increase in interest in collecting sports cards. It seems a new record is set for the sale price of an old-school paper card every week. We are looking at ways our fans can have the same escalation with our digital collectibles.

Steve Madincea is cofounder and managing partner at Fantastec SWAP.

Article by KIRSTIE PICKERING