

Economics of IPL

How a Two-Month Tournament Became One of the World's Most Valuable Sports Businesses?

A League That Outgrew Its Format

Can a sporting event that lasts barely eight weeks rival leagues built over decades? The Indian Premier League (IPL) answers that question decisively.

In under 20 years, the IPL has grown into a sporting ecosystem valued at approximately **USD 18 billion (FY25)** placing it among the popular commercial leagues globally. What makes this remarkable is not just its scale, but its efficiency: a two-month tournament anchoring value comparable to India's entire sports industry, currently estimated at **~USD 19 billion** and projected to more than double by 2030

Source: KPMG

Launched in 2008, the IPL was not merely a cricketing innovation, but a business model tailored to India's consumption patterns. By combining a fast-paced T20 format with city-based franchises and entertainment-driven storytelling, it transformed cricket into a year-round commercial platform. Today, the IPL monetizes attention across media, sponsorships, digital ecosystems, and live experiences—functioning less like a tournament and more like a multi-asset business.

From Entertainment Property to Economic Contributor

The IPL's rise is not confined to valuations; it is increasingly visible in macroeconomic terms.

- In 2015, the league contributed around **₹1,150 crore (~USD 140 million)** to India's GDP
- By 2020, estimates placed its broader economic impact at nearly **USD 6.7 billion**
- Even conservative assessments suggest an annual contribution of around **₹11.5 billion (~USD 182 million)** in 2021
- By 2023, the IPL ecosystem itself was valued at **USD 10.7 billion**, growing 28% year-on-year
- Taken together, the IPL contributes anywhere between **USD 182 million and USD 6.7 billion annually** to the Indian economy placing it in the league of major global sporting ecosystems.

Few sporting properties demonstrate such a wide economic footprint across sectors.

Source: JM Financial; KPMG; PvtCourt, StartUpTalky, ET Edge Insights, IOSR Journal Of Economics and Finance (IOSR-JEF)

Media Rights: The Flywheel of Growth

At the heart of IPL's commercial success lies its media rights engine.

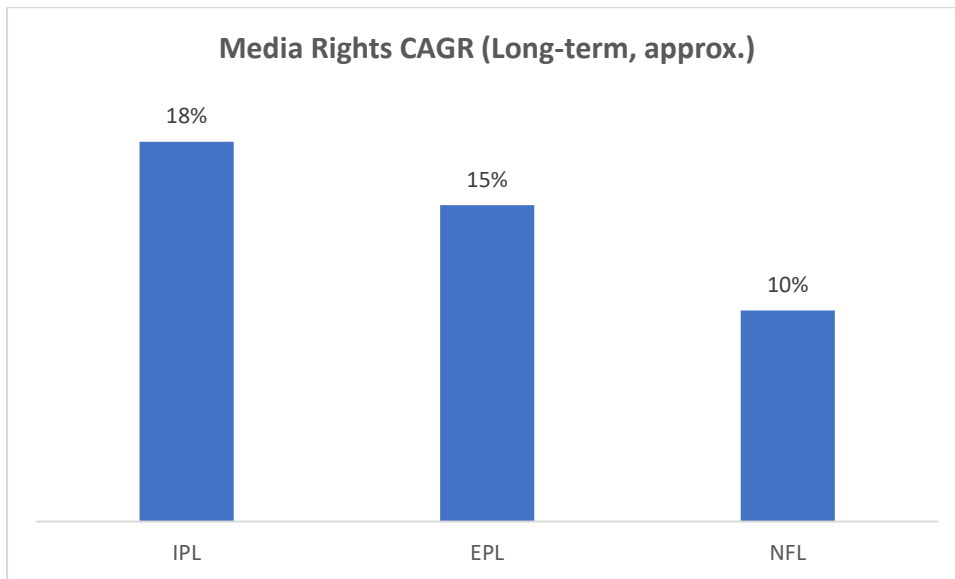
What began as a **\$918 million deal in 2008** scaled to **\$2.55 billion for 2018–2022**, before surging to **\$6.2 billion for the 2023–2027 cycle**. This implies an approximate **18% CAGR**, outpacing established leagues such as the **English Premier League (EPL)** (~15%) and the **National Football League (NFL)** (~10%)

Source: BCCI Reports, Forbes India, JM Financial; KPMG

Yet, the real story lies in how this value is being unlocked. The IPL now reaches **~1 billion viewers across TV and digital platforms**, with **600–650 million unique viewers** in recent seasons. Digital consumption has accelerated sharply, with **1.37 billion views recorded during the opening weekend**

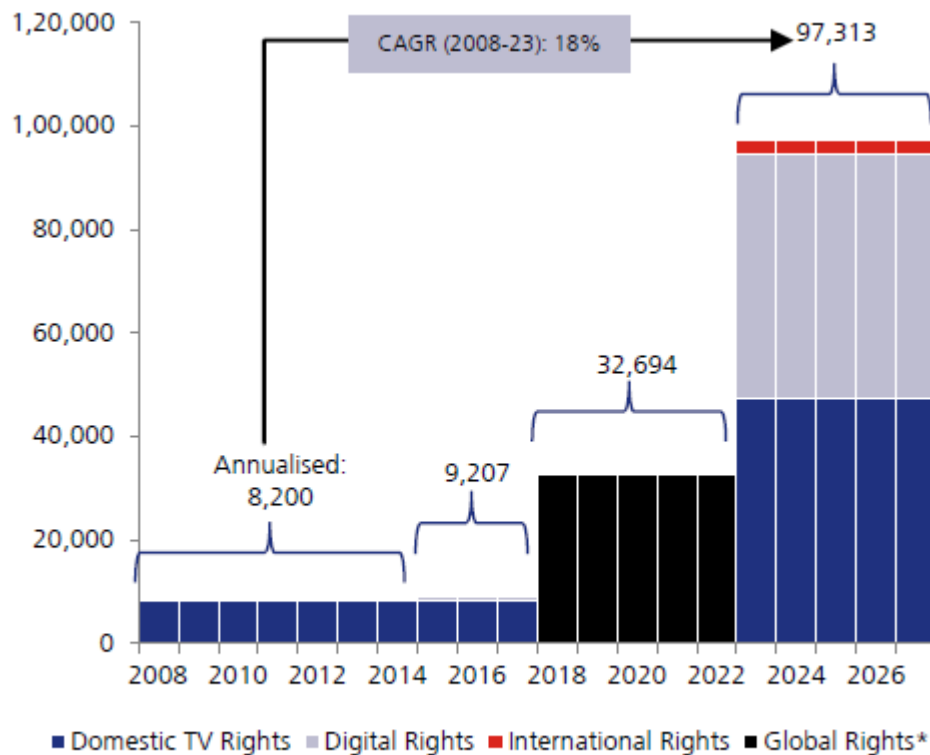
of IPL 2025 alone. This scale is translating into monetization, with advertising revenues projected at ~USD 600 million in 2025, a nearly 50% year-on-year increase

Source: LiveMint; JM Financial; KPMG



Source: JM Financial

IPL's annual media rights value (INR mn)



Note: * includes both domestic and international TV + Digital rights; Source: Industry, JM Financial

The consolidation of broadcast and streaming under the JioHotStar platform marks another structural shift—blurring the lines between television and digital. In effect, the IPL is no longer just a broadcaster’s asset; it is a **technology-led media ecosystem** built on mobile-first consumption, regional content, and data-driven engagement.

Franchises: Sport Meets Structured Finance

Behind the spectacle lies a tightly engineered financial model.

Unlike most global leagues, the IPL operates as a **closed system**—with no relegation risk and guaranteed annual participation. More importantly, over **70% of franchise revenues are derived from centrally shared media rights and sponsorship pools**, with only limited dependence on on-field performance.

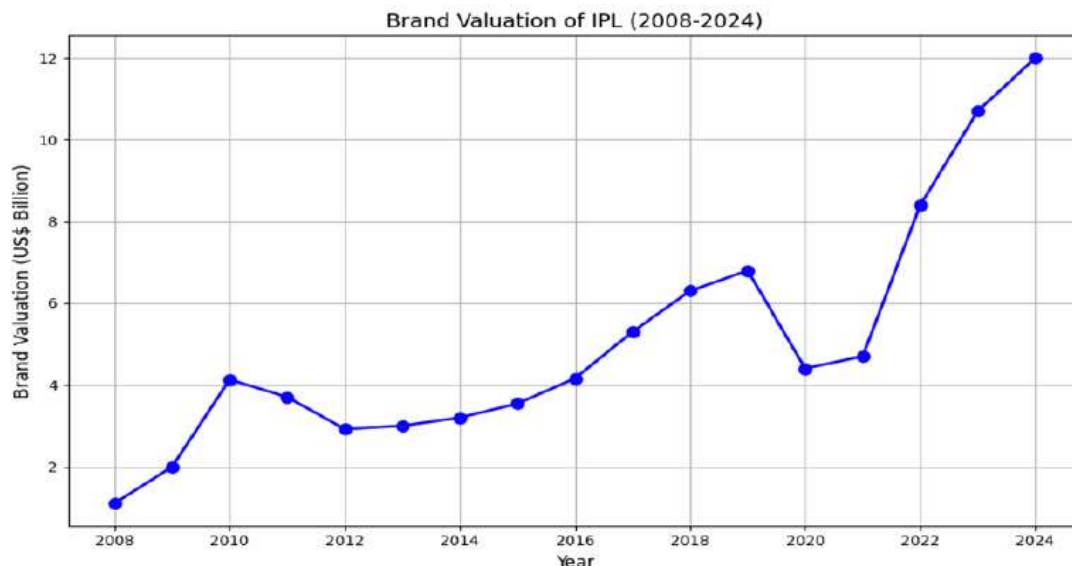
The result is a rare construction in sports: **predictable, annuity-like cash flows**. This reduces earnings volatility and elevates franchises from sporting entities to institutional-grade assets (Source: D&P Advisory; JM Financial). In financial terms, IPL teams increasingly resemble infrastructure assets more than traditional sports clubs.

Source: D&P Advisory; JM Finance

A Story of Resilience

The IPL’s valuation journey underscores both its growth potential and its resilience.

From **\$1.1 billion in 2008**, the league rapidly scaled to **\$4.13 billion by 2010**, before governance challenges triggered a decline to **\$3.7 billion in 2011**. Growth resumed steadily, with valuations reaching **\$6.8 billion by 2019**. The pandemic-induced disruption led to a **22% decline to \$4.4 billion in 2020**, but the recovery was swift—**\$8.4 billion in 2022**, crossing **\$10 billion in 2023**, and reaching **~\$12 billion in 2024**



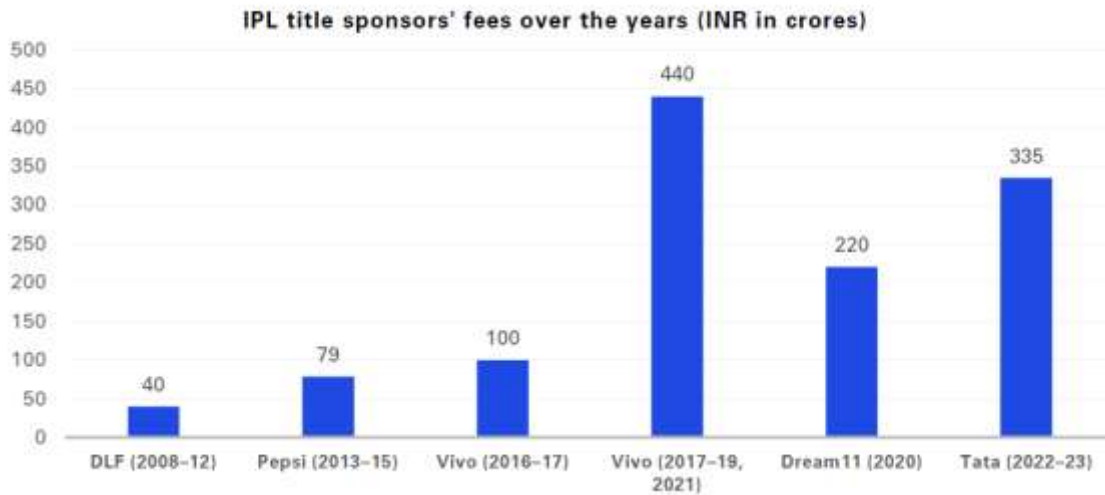
Source: IOSR Journal of Economics and Finance (IOSR-JEF)

Beyond Broadcast: A Diversified Revenue Model

While media rights remain the anchor, the IPL’s revenue model is increasingly diversified.

Advertising revenues have expanded from **₹350 crore in 2008** to an estimated **₹6,000–7,000 crore by 2025**. Title sponsorship has seen a similar jump—from **₹40 crore (DLF era)** to **₹500 crore (Tata, from 2024)**. Franchise-level sponsorships now contribute around **₹1,300 crore**, with leading teams earning **₹100–150 crore** each

Source: KPMG; JM Financial



Source: KPMG

Crucially, the league has built structural cost discipline through its **auction-based player system**, which enforces salary caps and transparent price discovery. This prevents wage inflation—a persistent issue in global sports—and ensures that player costs remain aligned with revenues.

The IPL Multiplier: Impact Across the Economy

The IPL's real significance lies in its spillover effects.

In tourism and hospitality, it generates approximately **45,000 room nights annually**, with hotel occupancy in host cities often exceeding **90%** during the season. IPL 2019 alone drove nearly **4 lakh tourist arrivals** and **\$68 million in hospitality revenue**, while IPL 2024 is estimated to have generated around **\$450 million**. Travel demand has surged by **60–70% during peak months**

Source: Business Standard; MARC Insights; Our Business Ladder

In advertising, the IPL has become a premium platform, with ad rates scaling sharply in line with viewership. Globally, it ranks among the top leagues in sponsorship revenue, reflecting its strong brand equity

Source: Cronin & Cronin, 2025

The employment impact is equally significant. The Economic Survey estimates over **20,000 seasonal jobs annually**, while an IIM Bangalore study suggests over **4 million jobs were created in 2019**, spanning media, logistics, hospitality, and operations

Source: MarketingStuff.in, 2024

The table below is from the article **“How IPL Contributes to India’s GDP Growth: A Deep Dive into the Economic Impact”**

Sector	IPL-related Jobs Created
Sports Management and Operations	32,000
Media and Broadcasting	25,000
Hospitality and Tourism	45,000
Logistics and Event Management	18,000
Ancillary Services	35,000

Source: MarketingStuff.in,

The consumption boost is visible at multiple levels. The sports merchandise market, valued at **\$1 billion in 2023**, derives around **40% from IPL-related demand**. E-commerce sales rise by **~25%**, while food delivery platforms report **40–50% spikes during matches**, with each game generating roughly **\$100,000 in stadium F&B revenue**

Source: Deloitte; Our Business Ladder

At the same time, the IPL is deeply embedded in India’s digital economy. With over **500 million viewers in 2024**, it is a major driver of growth in fantasy sports, digital advertising, and content ecosystems—sectors that are increasingly central to India’s GDP outlook

Source: Reuters; ET Bureau

Matchday Economics: The City Effect

Even though matchday revenues account for less than 10% of franchise income, their local economic impact is significant.

Match days trigger a **30–70% surge in travel demand**, push hotel occupancy to **90–100%**, and drive **20–30% increases in room rates**. This translates into higher spending across airlines, transport, restaurants, and retail, while also generating temporary employment across sectors

Source: ET Travel World; Fortune India; Business Standard

Over time, the IPL has turned host cities into recurring economic hubs, supporting infrastructure development and strengthening India’s sports tourism ecosystem.

A Blueprint for Global Sports

The IPL’s influence now extends well beyond India. Its franchise-based, media-first model has inspired leagues such as the Big Bash League, Caribbean Premier League, and Major League Cricket. With growing international audiences and diaspora engagement, it is increasingly seen as a **replicable blueprint for modern sports leagues**

Source: JM Financial; KPMG

Archit Varshney, Senior Manager – Equity Research, Kotak Mahindra AMC says *“The IPL has shown how a two-month tournament can become a year-round sports platform, monetizing attention across broadcast, streaming, sponsorships and live experiences, not just match outcomes. With ~\$18.5bn in business valuation and a \$6.2bn media-rights cycle underpinning its economics, the model now resembles a high-quality media franchise more than a seasonal event amplified by digital*

scale that delivered 1.37bn views in an opening weekend of IPL 2025 and \$600mn in 2025 TV+ digital advertising.”

Source: Reuters, BCCI, Business Standard, ET estimates

Conclusion: More Than a League

The IPL’s success lies in its ability to combine three critical elements—**financial discipline, scalable monetization, and deep fan engagement**—within a single framework.

It is no longer just a cricket tournament. It is a **multi-sector economic engine**, a **media powerhouse**, and a **case study in modern sports economics**.

In an era defined by fragmented attention and digital disruption, the IPL stands out as a rare asset that continues to scale—efficiently, consistently, and globally. And if the past decade is any indication, its may be one of most valuable innings may still lie ahead.

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