



Blockchain: Utilization in Sports and at My Football Space

Interview with Alexander Petri- CIO My Football Space GmbH



Everyone speaks about the new technology “blockchain”. Would you please explain to me how it works?

First of all blockchain isn't a new technology, rather a concept that helps to save, file and especially chain data together. Through this concatenation of blocks followed by verification of third parties it is made possible to assign data and processes distinctively.

Through verifying and always integrating all information from a "previous" block into the new block, data becomes unfalsifiable. Anyone can recalculate the accuracy of the data.

This makes the blockchain irreversible at the same time, which means that, on the one hand, the data is audit-proof, but on the other hand, you have to pay close attention to which data you store in order to remain DSGVO-compliant (General Data Protection Regulation).

That's quite theoretical. Where is the technology already being used in practice?

The areas of application are quite extensive:

- Everyone probably has heard of its use as a currency (e.g. Bitcoin)
- Additionally, in the industry where production, tenders or design element and quality criteria are often put on the blockchain
- There are also already test runs of "public voting/elections/polls" using blockchain: this facilitates evaluations or can be even calculated by machine through independent third parties without the possibility of falsification and with the security that each person can only cast one vote. This would have been a great relief in the US elections, for example
- In the case of very valuable goods: it's an easy way to make the leap from the digital to the analog world. In this case blockchain can be compared, to a "checkbook of a car" for example. The authenticity is confirmed – any damage, repair or other intervention that increases or decreases the value is recorded in a forgery-proof manner.

Now you're a shareholder at My Football Space, and I'm sure you have a few examples of blockchain applications in sports. Which ones in particular come to your mind?

Yes, blockchain is also gaining ground in the sports business. Successful use cases are already emerging. The areas of application and products are diverse and there are actually no limits to the imagination.

Obvious fields, especially against the background of the unforgeability and verification of data:

- Ticket service
- Trade and Purchase of very exclusive Collectibles: In this case NBA Top Shot is of course on everyone's lips, selling NFT-based NBA video highlights and making millions with them. Impressively a single video of Lebron James has managed to generate a sum of 387.600\$ through one trade.

How do you use the blockchain technology at My Football Space?

We use blockchain technology as the basis for our app and its individual modules. In addition to our very concrete and easy-to-understand products, such as our digital collectibles, holistic areas of application can also be implemented or designed more securely.

The entire topic of "digital membership", which My Football Space is pursuing, is an exemplary application area. In the technical implementation NFTs (non-fungible tokens) are used in this case because they guarantee uniqueness. Each individual token then represents exactly one membership, which then belongs to exactly one person.

"Digital membership" thus initially creates a technological basis for giving fans or members of a club an unforgeable and traceable identity. This allows fans to use various products and services without individual fans or members being able to buy themselves more votes in a vote, for example, by paying more money. The idea of democracy and equality is the foundation for us here.

Therefore, the FAN.BADGE, as we call it, is the key that opens the door to various blockchain-based functions of the app. Specifically, fans and/or members then can gain access to the following modules

FAN.VOICE

Our product FAN.VOICE is differentiated into three different areas:

1.Voting for e.V. members:

There is also an option at My Football Space to digitally transform e.V. memberships and put them on the blockchain. This is especially interesting for general meetings, because members can cast their vote without attending the meeting in person. Of course, the whole thing is audit-proof and DSGVO-compliant at the same time.

2.Realtime Polling

Live Second screen stadium feeling with the FAN.ECHO. The FAN.ECHO captures all the emotions of a game and presents them in a mood curve. All the highs and lows can be experienced together and shared with friends. A modern fan experience where fans can come together and feel connected as if they are standing in the stands.

3.Voting

Whether over a set period of time or even during a Bundesliga match, the club can ask its fans and members questions and obtain a genuine idea of their mood. In

this case, each fan has only one vote as well, polls on important topics are therefore tamper-proof and authentic. Neither a purchase of several tokens leads to more voting rights nor computers can manipulate the vote.

FAN.COLLECTIBLES

Another NFT-based product are our FAN.COLLECTIBLES. Here, original items from clubs, associations and athletes become 3D-animated, digital collectibles for fans. This could be, for example, a shoe a player wore to score the decisive goal for promotion, a ball that enabled the penalty kick of the season or a piece of the pitch that has written club history.

The respective rights holder determines the collectible, the number and the price. Fans can purchase, collect or trade these new and digital merchandise objects. The unique 3D visualization makes the NFT-based collectibles extremely authentic. The additional possibility that one can also have the purchased FAN.COLLECTIBLE sent home as a 3D printout to put it on one's desk even makes our blockchain solution "touchable" and therefore unique in this form. We are thus bridging the gap between the digital and analog worlds and appealing to different generations.

This is, of course, the supreme discipline of NFT-based products. Easier to implement, analogous to NBA Top Shot, are obviously exclusive video recordings, e.g. the coach's speech from the dressing room, or any kind of 1D or 2D collectibles such as trading cards.

How can blockchain influence the future of sports business? What are possible risks and reservations?

Basically, you have to define where you see real value that can be added by implementing a blockchain solution, because blockchain is a kind of add-on that does not really replace anything else. The choice of blockchain e.g. Ethereum, Stellar etc. is also crucial for the use case. Cost, speed, complexity and of course the corresponding environmental footprint depend on it. As sustainability is in the foundations of most brand cores the clubs represent, this topic should definitely not be neglected when choosing the chain.

Besides NFT-based products, related smart contracting and new revenue streams, blockchain technology also offers other opportunities to clubs.

Especially due to Corona and "assembly bans", clubs are forced to take action regarding digital general meetings, as they are forced to hold them with regard to association law. Here, blockchain helps by its undisputed advantages of ensuring public traceability of data and actions, through auditability and decentralization, therefore being able to conduct much-needed voting in virtual (or hybrid) space. In this way, they give every member a valuable and unfalsifiable voice regardless of meeting prohibitions, place of residence, or even the time to attend meetings.

But especially in the "fan area" there are of course still doubts that are understandable but in the most cases not justified. However, the term "blockchain" alone and the link with "cryptocurrency" is rather negatively afflicted in the overall social context.

Here there will be a lot of work convincing fans necessary. Thereby the focus should be on simplicity and simple handling. In the best case, this is done with a user-friendly app that hides all technical processes in the background and focuses on the experience.

Using the example of "digital membership," this means: as a fan, you need nothing more than a smartphone and a corresponding app to become a "member" of any club of your choice. The technology behind this is irrelevant from the fan's point of view, but it enables the use of individual blockchain-based and thus forgery-proof applications such as FAN.VOICE and the purchase of FAN.COLLECTIBLES.