

SPORTS ENTERTAINMENT

■ TREND & INSIGHT REPORT • AUG 2023



TREND & INSIGHT REPORT

This Designsensory Intelligence report is part of our commitment to covering current trends and hidden insights for a variety of market segments. Our research analysis provides guidance and recommendations on how businesses and agency clients can take advantage of these opportunities and prepare for upcoming challenges.

This series will cover seven verticals, which we will refresh quarterly:

1. Travel & Tourism
2. Inclusion, Diversity, Equity, Accessibility (IDEA)
3. General Marketing
4. Sports & Entertainment
5. E-commerce
6. Economic & Community Development
7. Higher Education

Utilizing the research and analysis from these verticals will enhance your business and clients by understanding the current environment and being able to make stronger connections with consumers and audiences.

OVERVIEW

It's essential to recognize the evolving landscape and capitalize on the new opportunities in sports marketing. There's an enriched audience of sports fans with high-income and education levels. This demographic offers a ripe market for upscale products and services, presenting an opportunity for refined targeting and premium positioning. In today's ever-evolving digital realm, embracing platforms such as streaming, short-form content, and mobile ticketing is not just an option but a necessity. These platforms are becoming the primary channels for fan engagement, and to remain competitive, one must effectively harness their capabilities. Furthermore, the increasing availability of first-party data has opened doors for unparalleled personalization in marketing campaigns. By leveraging this data, you can craft messages and experiences that resonate deeply, providing fans with a sense of connection and exclusivity. Athletes, in this new paradigm, are not merely players on the field but potent influencers and content creators off it. Engaging with them for partnerships can significantly amplify your brand's reach and authenticity.

E-sports is another frontier that cannot be ignored. Its meteoric rise offers access to a younger, affluent, and tech-forward demographic, making it a promising avenue for both brand engagement and ROI. Singular sporting events, meanwhile, provide unique moments to capture and engage even the sporadic sports enthusiasts, creating brand experiences that leave a lasting impression. In an age where authenticity and values matter, it's crucial to align your brand with meaningful societal causes. Taking a stand not only enhances brand loyalty but also positions you as a socially responsible entity in the industry. In conclusion, this is an era of immense opportunities for sports marketers. The key lies in understanding these shifts, adapting with agility, and executing with precision.

OVERVIEW

For sports marketers, the current landscape is rich with opportunities. A growing segment of sports fans boasts both high education levels and substantial incomes, marking them as ideal targets for premium product offerings. In our digital age, it's vital to harness the power of platforms such as streaming services, short-form content channels, and innovative mobile ticketing solutions. These are the new arenas of fan engagement.

First-party data is another game-changer. It paves the way for highly personalized marketing campaigns that genuinely resonate, bridging the gap between brand and fan. Furthermore, we must reimagine the role of athletes. Beyond their prowess on the field, they are now influential content creators and brand ambassadors off it. Collaborating with them can significantly elevate campaign authenticity and reach.

E-sports presents an exciting frontier. Its surging popularity connects brands to a younger, tech-forward demographic, guaranteeing strong engagement and potential ROI. Additionally, unique sporting events provide occasions to captivate not only die-hard fans but also the occasional enthusiasts, crafting brand touch points that linger.

In essence, sports marketers are presented with a dynamic, multifaceted market. Success hinges on understanding these shifts, adapting strategies, and executing with precision and purpose.



CONSUMER DEMOGRAPHICS & PSYCHOGRAPHICS



CONSUMER POV

More than half of sports event goers have a high annual household income and 59% of sports fans have a bachelor's degree or higher.

In terms of consumer lifestyle, success and career advancement are relatively important to sports event goers.

27% are innovators or early adopters of new products.

23% of sports fans claimed that advertisements from celebrities or influencers caused them to buy products.

Sports event goers interact with companies more often on social media and remember seeing ads in the movies/ cinema and on search engines more often than the average online population.

48% of sports event goers tend to book services online.



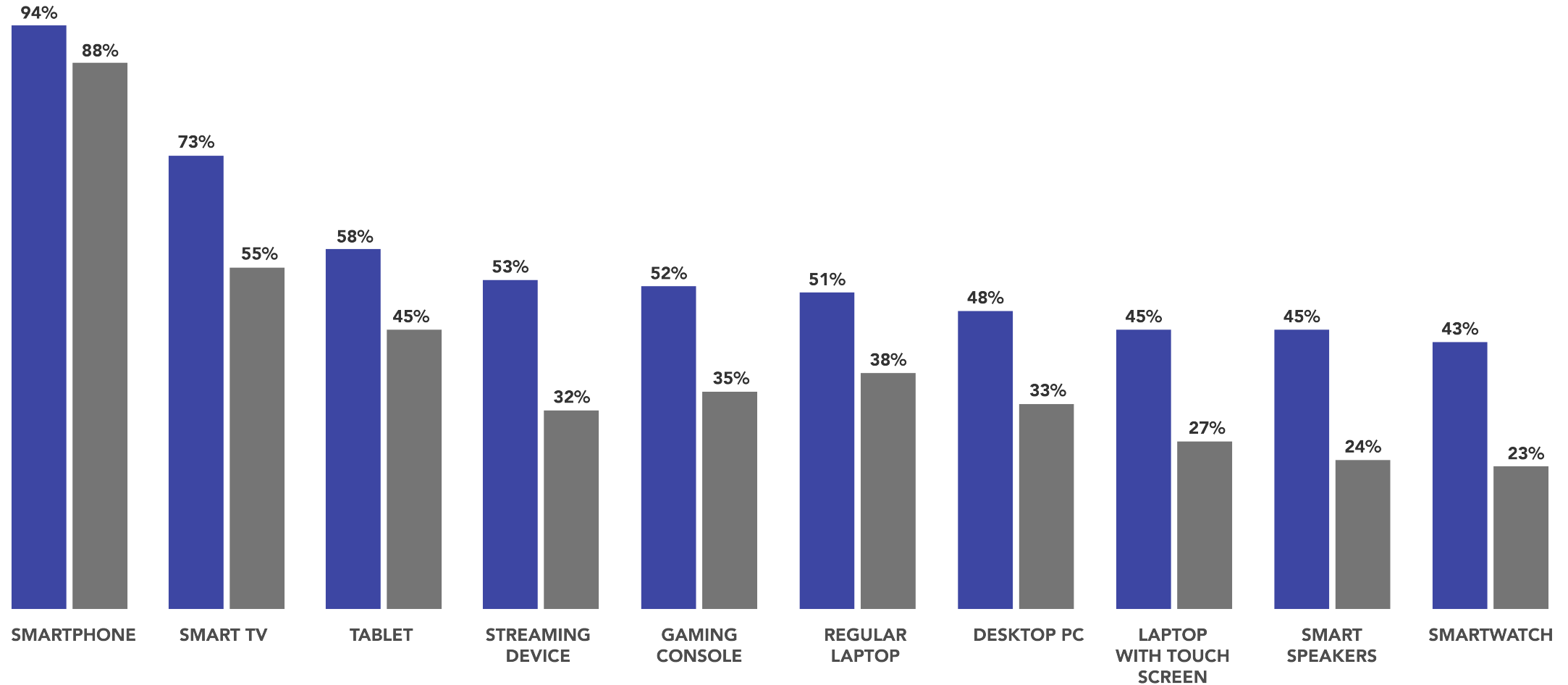
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MARKETING TOUCHPOINTS



THIRD SPACE THEORY

Devices consumers in the U.S. use regularly to access the internet.



THIRD SPACE THEORY

Fans attending sports events are using streaming devices increasingly to access the internet more than the typical online user. The percentage of global sports fans who livestream sports has seen a significant growth, now at 40.7%. This trend has contributed to a shift in how sports are viewed, with 47% of viewers simultaneously engaging with other live content, a 5% increase from the previous year, according to Nielsen.

The study confirms that Over-the-Top (OTT) streaming has become a popular platform, complementing rather than replacing traditional broadcasting. About 41% of sports fans globally watch at least some sports events via OTT, with nearly half (47%) also watching television simultaneously. This shows that streaming has expanded consumption opportunities, not merely replaced them. Multi-screen viewing has increased by 5% globally in the past year, and even more significantly among the Gen Z audience.

Nielsen's report also found that 39% of global fans watch non-live content related to live sports events. Recognizing this, Premier League clubs have been consistently updating their Twitter feeds with a variety of non-matchday content.

Moreover, the "third space" theory – the concept of shared, remote digital spaces – has greatly influenced the sports industry. This transformation is especially noticeable on match days, where live blogs, online chats, instant reaction podcasts, and live broadcasts are increasingly popular, creating a more immersive and social fan experience.

CHANNELS & CONTENT

In 2023, an influential shift is projected where athletes and fans will be integral in crafting and distributing content for sports organizations. This innovative approach expands and values the contributions of all stakeholders, surpassing the boundaries of traditional distribution routes. As fans yearn for more customized and narrative-driven content, athletes are set to become central figures in content creation. This evolving landscape cultivates a symbiotic relationship, where athletes and brands profit from a more engaged fanbase.

Meanwhile, the financial potential of platforms like TikTok is set to make a considerable mark, as businesses work towards monetizing sizable audiences. Short-form content is slated to dominate, pushing brands to convert casual interest into tangible sales. TikTok is likely to streamline its platform, making it more conducive to conversions from brand awareness to sales. The rise of young athletes as influencers is projected to generate significant sales for non-luxury brands.



CHANNELS & CONTENT

The adoption of mobile-friendly and versatile ticketing solutions, such as WhatsApp, is expected to simplify purchases and facilitate seamless customer conversions. The increasing reliance on smartphones offers marketers a direct channel for delivering relevant content and updates to fans. The deployment of advanced digital tech, like mobile apps, could lead to more creative content, ensuring sustained fan engagement.

Platforms that encourage direct conversation, like WhatsApp, can further enhance the personal touch by sharing unique content such as voice messages from athletes. This emphasizes the continuous need to focus on the customer journey, ensuring that sports clubs are equipped with compelling tools and content to keep fans engaged throughout. These shifts, collectively, are poised to substantially transform the dynamics of fan engagement and content monetization in sports.



FAN ENGAGEMENT

Fan engagement is evolving beyond simple interaction; it now hinges on curating immersive narratives and experiences to bolster fan loyalty. The importance of understanding different fan demographics is escalating, as brands strive to unearth what matters most to their fans, offering opportunities for involvement beyond the confines of the match. The use of social media as a search tool is gaining traction, particularly amongst younger demographics, necessitating creative approaches from brands to enhance immediate interaction and broader exploration.

Marketers are progressively providing year-round fan experiences, utilizing digital marketing strategies to captivate fans with engaging content, including personalized voice messages from top athletes, carefully curated replays, updates on drafts, and real-time athlete statistics. The possession of primary data is paramount for fan engagement. Stadium operators and rights holders are exploring ways to expand their influence, boost their profits, and foster customer loyalty by connecting with global fan communities.



FAN ENGAGEMENT

In 2023, sports organizations are prioritizing the collection of first-party data to better comprehend fan behaviors and tailor personalized messages. As digital advertising and technology landscapes evolve, it's imperative for teams and leagues to gather data straight from fans. By creating a more accessible data set that categorizes audiences based on their fan engagement level, content that resonates and cultivates positive emotions can be created. Targeted digital marketing strategies can deliver fascinating information to specific demographics, such as prospective recruits.

Artificial Intelligence (AI) has the potential to enrich the live sports experience by personalizing real-life moments and digitally sharing them with a wider global fan base. This is particularly appealing to younger audiences who have a preference for short, consumable content. However, AI cannot replicate the immersion and thrill of experiencing sports events firsthand.

The emergence of singular sporting events presents opportunities to engage sporadic sports fans who may not have allegiance to any specific team or club. These yearly events serve as marketing platforms to cater to these sports aficionados and offer them novel experiences. Marketers are intent on establishing and nurturing relationships with fans to ensure their anticipation leading up to the event and their eagerness to return for subsequent ones.





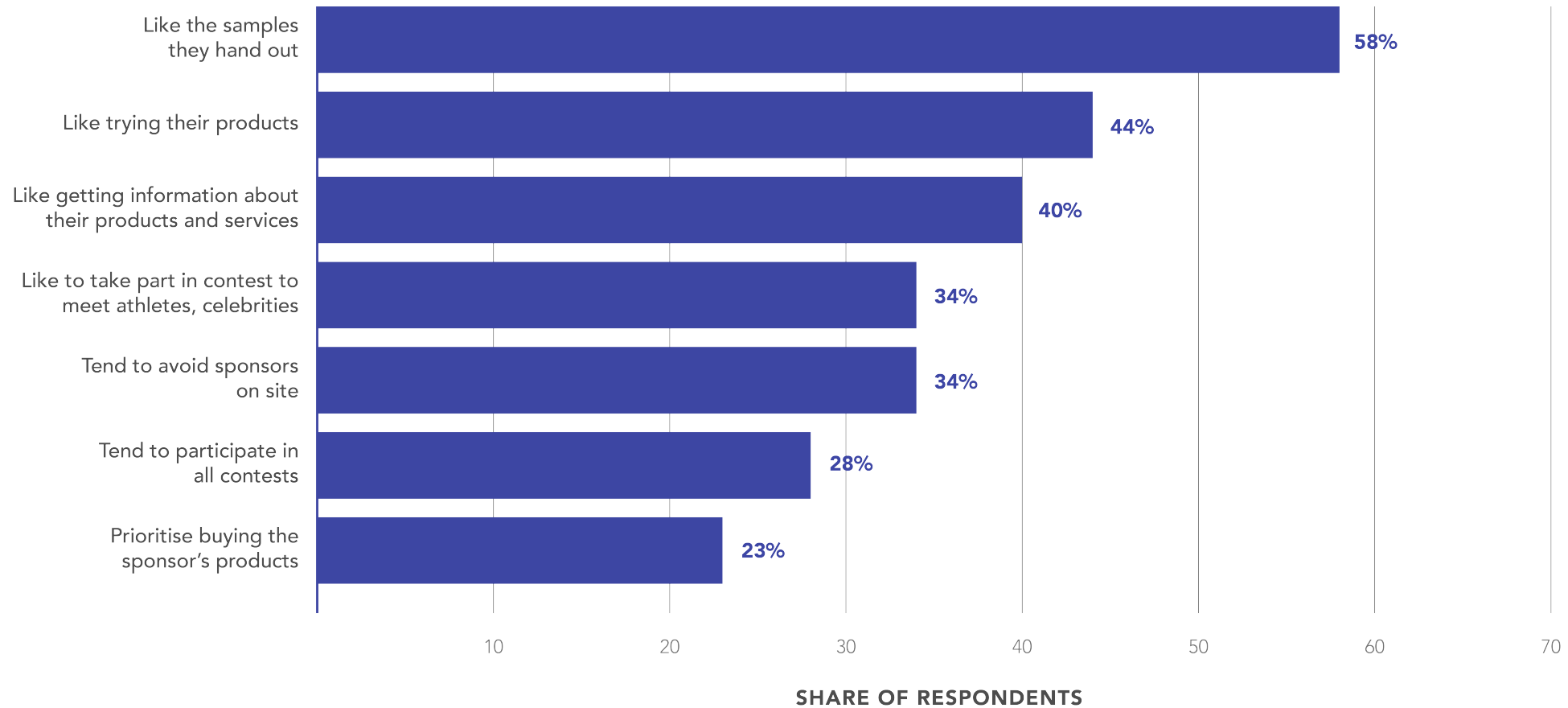
SPONSORSHIPS



SPONSORSHIPS

“Most common ways to engage with sponsors at sporting events among respondents in the U.S. as of February 2022”

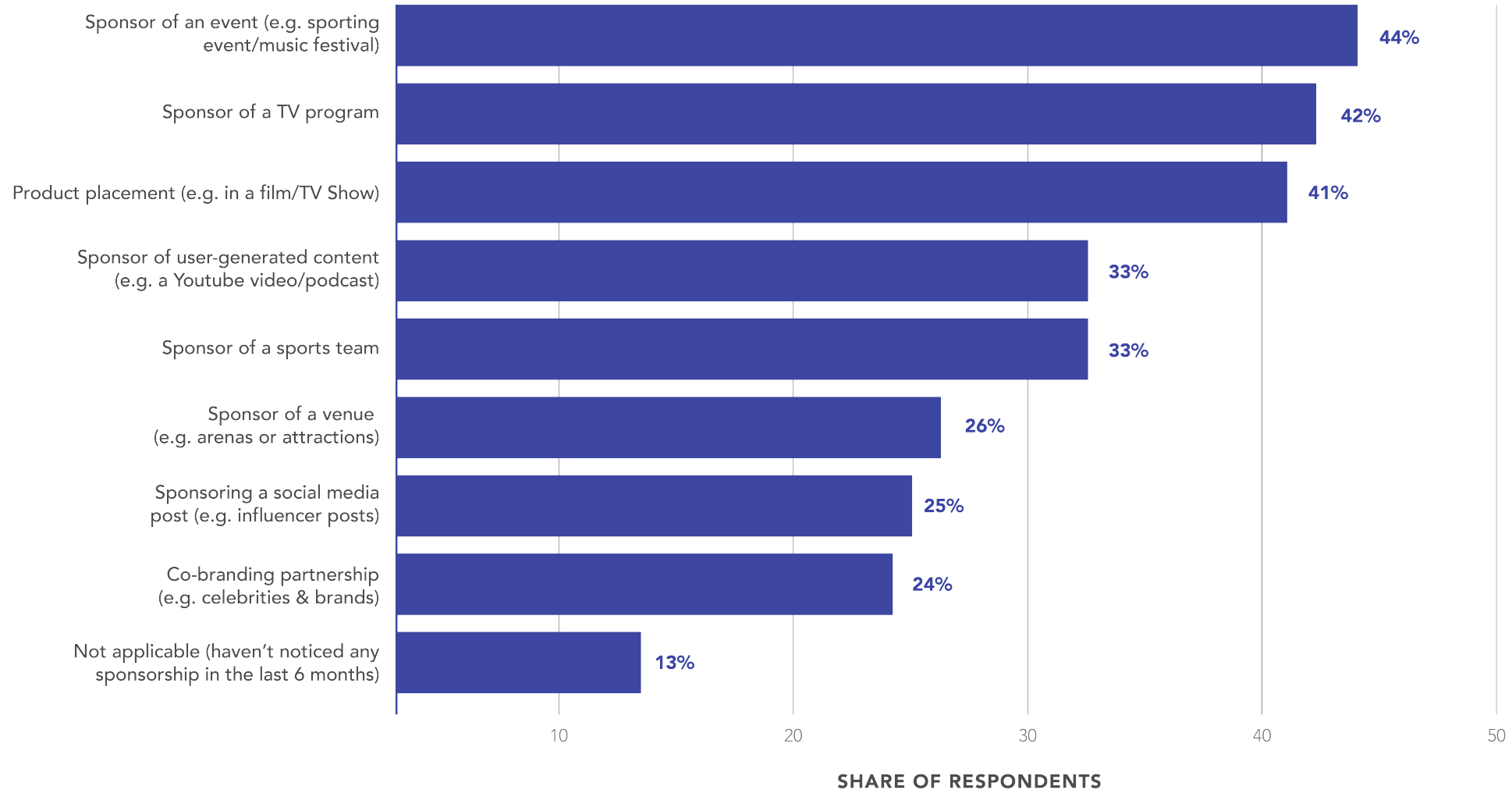
-Statista



SPONSORSHIPS

“Leading types of sponsorships noticed in the previous six months by consumers who follow athletics in the United States as of April 2022”

-Statista



SPONSORSHIPS

The landscape of sports sponsorship in 2023 is anticipated to be shaped by the emergence of Name, Image, and Likeness (NIL) rights and fresh voices within the industry. There will be a shift in athlete sponsorships towards less commercialization, focusing more on social media promotions and on-field/on-court engagement. Female athletes will advance further in the NIL domain, yet additional efforts are needed to amplify their platform. Ethical sponsorships will surge, with sponsors becoming more outspoken on wider societal matters and backing causes significant to their clientele and workforce. Corporate sponsorship departments will escalate investments in digital arenas, encompassing advertisements within video games and the increasingly accessible realm of Connected TV (CTV).

Statistics from February 2022 reveal consumer attitudes towards sports sponsorship in the United States. About 63% of respondents reported that they hadn't chosen to do business with or purchase a product from a company solely because it sponsored a sport or sports organization they favor, while 21% confirmed they had; 17% hadn't but had considered it.

Regarding the frequency of buying from companies that sponsor a sport or sports organization respondents like, 41% stated they "rarely" or "never" did so. A close 39% indicated that they did so "sometimes", and 20% claimed they did so "often". These figures underline the complex relationship between sports sponsorships and consumer purchasing behaviors.



COLLECTIBLES



COLLECTIBLES

The market for sports collectibles is expected to see exponential growth in the coming years.

According to Market Decipher, NFT sports collectibles are projected to witness a 38% increase in value from 2022 to 2032.

The Sports Trading Cards market is also expected to grow at a CAGR of 13% during the same period.



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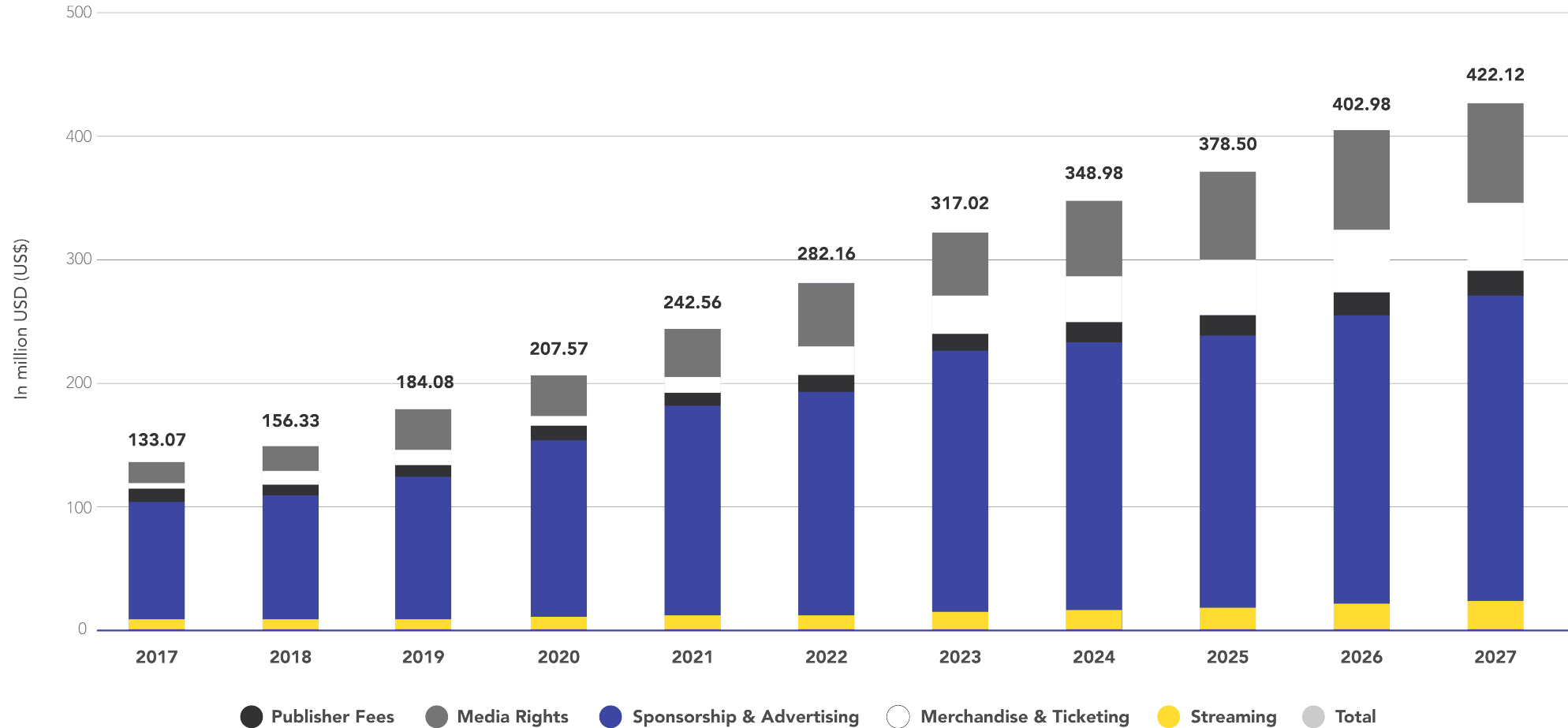
E-SPORTS



E-SPORTS

U.S. eSports projected growth - April 2023 (Statista)

REVENUE BY SEGMENT

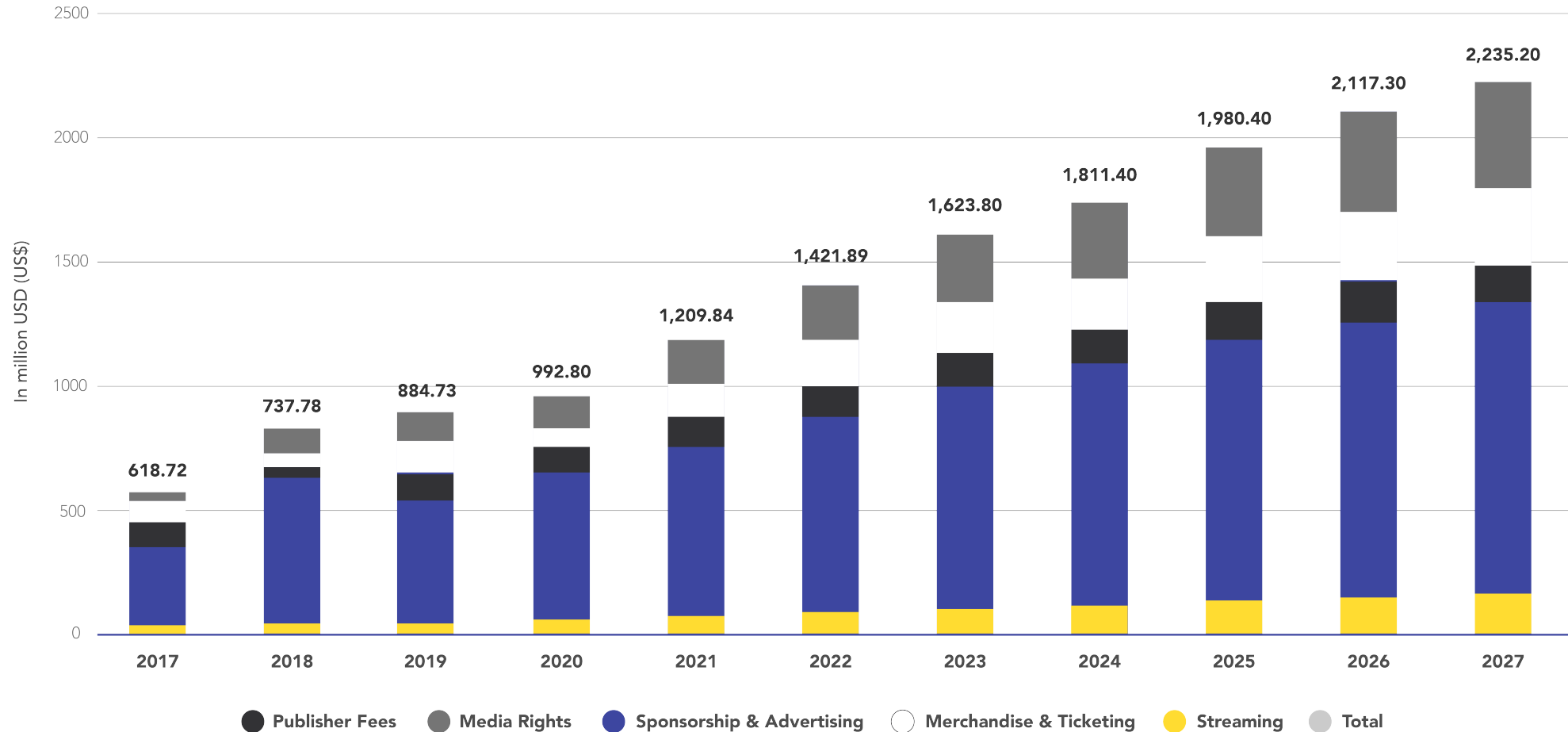


Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

E-SPORTS

Global eSports projected growth - April 2023 (Statista)

REVENUE BY SEGMENT



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

E-SPORTS

Nielsen Group's data reveals a surge in e-sports sponsorship deals, rising from 1,785 in 2020 to over 2,250 in 2021. Concurrently, the female e-sports audience has expanded by 19%, signifying the ongoing growth and relevance of e-sports within the sports sector.

Statista's demographic data shows that e-sports and gaming fans are relatively young, predominantly male, and mostly reside in urban areas. A significant proportion hold bachelor's degrees or higher. These fans are often driven by career success and are likely to purchase products endorsed by celebrities or influencers. They tend to be early adopters of new products and interact more frequently with companies on social media compared to average online users.

In 2023, e-sports is projected to expand further, with games like Counter-Strike: Global Offensive, League of Legends, and Fortnite being favored by both viewers and active players. Marketers can leverage esports to engage with younger generations such as Millennials, Gen Z, and Gen Alpha.



E-SPORTS

The increased number of sponsorship deals illustrates the commercial potential and growth trajectory of e-sports. It also underscores the confidence sponsors place in this digital sports platform to reach and engage with a diverse audience. The rising female e-sports fan base underscores the gender diversification in this traditionally male-dominated sector, indicating room for further growth and inclusive marketing strategies.

The demographic and behavioral data of e-sports fans suggest they are an affluent, educated, and city-dwelling group. They are aspirational and responsive to influencer marketing, presenting marketers with opportunities to reach this demographic through strategic partnerships with popular figures in gaming and e-sports.

E-sports' expected growth in 2023 reaffirms its growing importance in the global sports industry. With popular games appealing to a youthful audience, marketers have a valuable opportunity to engage and build relationships with these younger demographics that can shape their brand perceptions for years to come.





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