



# 2023 Global Sports Survey

## Chapter 1: Changing Media Consumption

OCTOBER | 2023





# Welcome to Altman Solon's 2023 Global Sports Survey

## Setting the Stage

The sports media industry is experiencing unprecedented changes. Decision-makers are confronted with increasingly complex choices while fans' habits continue to evolve rapidly, in line with the industry's shifting and fragmented structure. In this newly introduced format, we aim to encourage genuine dialogue among all market participants – fans, rights owners, media distributors, investors, and partners – affected by those market conditions. At a time when the cultural impact of sport is stronger than ever while being on the brink of disruption, we believe it is crucial for the sector to establish a collective viewpoint and push the boundaries of thinking about its near and distant future.

In this context, we are delighted to present the findings of Altman Solon's 2023 Global Sports Survey.

This report is the 1st of 5 publications and focuses on:

1	2	3	4	5
Changing media consumption	Key perspectives: Rights owners	Key perspectives: Media co.	Key perspectives: Investors	Key innovations
October 2023	November 2023	December 2023	January 2024	February 2024

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## The Firm

Altman Solon is the largest and leading worldwide strategy firm exclusively focused on telecommunications, media, and technology (TMT).

Over 600 consultants across 13 offices worldwide and a trusted advisor to C-level executives from blue-chip companies operating in 100+ countries.

We have completed demanding assignments for a wide range of high-profile sports businesses and their investors, developing a holistic view of the value chain and its key trends, and our focus on TMT can help sports accelerate its transformation.

Learn more at [www.altmansolon.com](https://www.altmansolon.com)

## The Survey

Online survey of 150+ senior sports executives globally, including rights owners, media distributors, and investors, and ~2,500 consumers interested in sports in 8 countries: US, UK, Germany, France, Italy, Spain, Mexico, China; the survey was fielded in Aug.-Sept 2023 by our research partners IRIS and GWI.



## Changing media consumption

# Despite its enduring appeal, sports media faces multiple risks due to misalignments in its commercial and access models

## Executive summary

### Market Indicators

#### Rise of the Highlight-Reel Fan

- Media consumption among younger generations increasingly online (mobile, social, streaming); fewer watching linear TV and live games
- More fans watch sports highlights over live games on both linear TV (87% to 78%) and online (72% to 53%)
- More than half (56%) of global sports industry executives expect a gradual continued transition towards a more fluid and athlete-driven fandom

#### Engaging Tomorrow's Fan

- Average TV hours watched per week expected to drop 16% by 2040
- Fans of all ages are multitasking on other digital media while watching sports (57% browse the internet, 50% use social media, 43% use messaging)
- >70% of global sports industry says expanding content library beyond live, augmenting the live media experience, and personalizing content are key priorities to make the sports product more engaging for fans

#### Consolidation to Unlock Accessibility

- ~60% of fans have issues accessing/discovering games for one or more of their most essential leagues
- 56% of fans say they would watch more hours of sports if more sports were available on their platforms
- Executives are prioritizing content syndication via aggregators (71%) and improving content promotion strategies (64%) to boost engagement

## Our Take

Sports media has reached peak fragmentation, strongly impacting fans' content access and consumption habits

Rights owners are struggling to achieve full-reach distribution, while media companies are facing profitability issues

Current industry structure may become unsustainable for all market participants

The sector is experimenting with various optimization mechanisms to tackle disaggregation, including new access models

Yet those are surface-level solutions only; deeper structural changes are underway

By 2030, reconsolidation may occur via audience aggregation or content democratization





## Changing media consumption

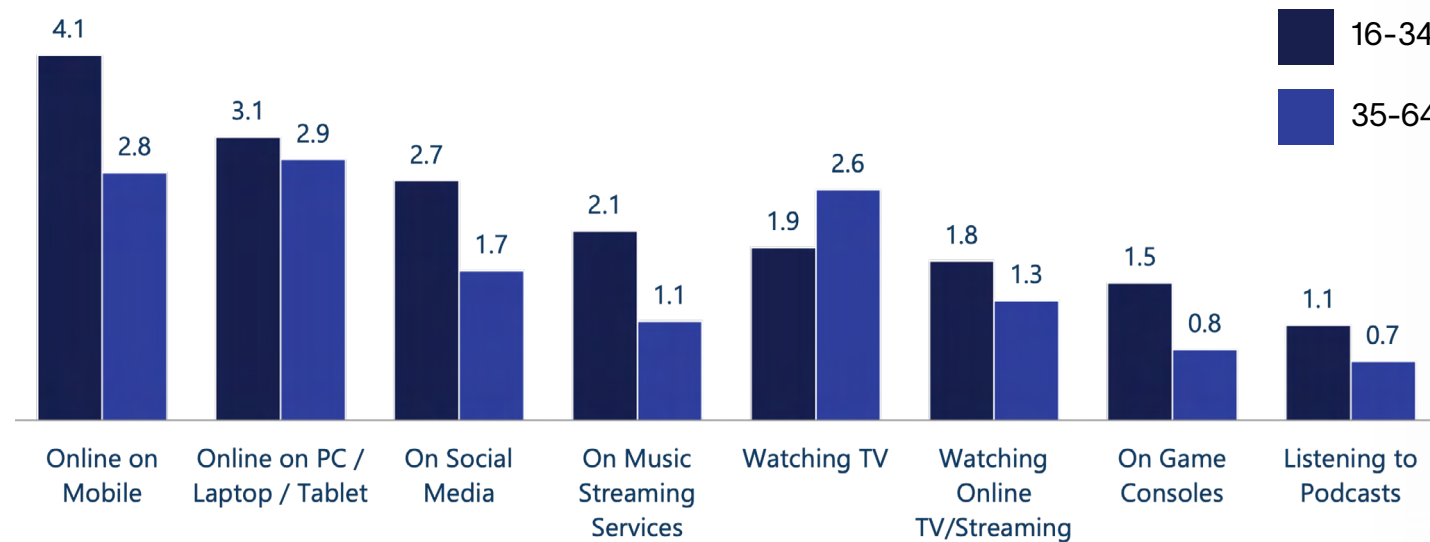
Media consumption among younger generations increasingly online (mobile, social, streaming); fewer watching live TV

### Overall media consumption

by Age Group

On an average day, how long do you spend doing the following activities?

Average hours spent daily on the following activities among those interested in watching sports



Source: CAWI Consumer Survey N=2500, Powered by IRIS

### Key insights:

- Entertainment and media preferences for younger audiences are more diversified compared to older cohorts.
- This contributes to fewer average hours of linear TV watched by younger generations (1.9 hours for ages 16-34 vs 2.6 hours for ages 35-64).
- Younger cohorts average 1.5x more hours online compared to older generations, underscoring the imperative for sports media to provide multi-platform content experiences.





## Changing media consumption

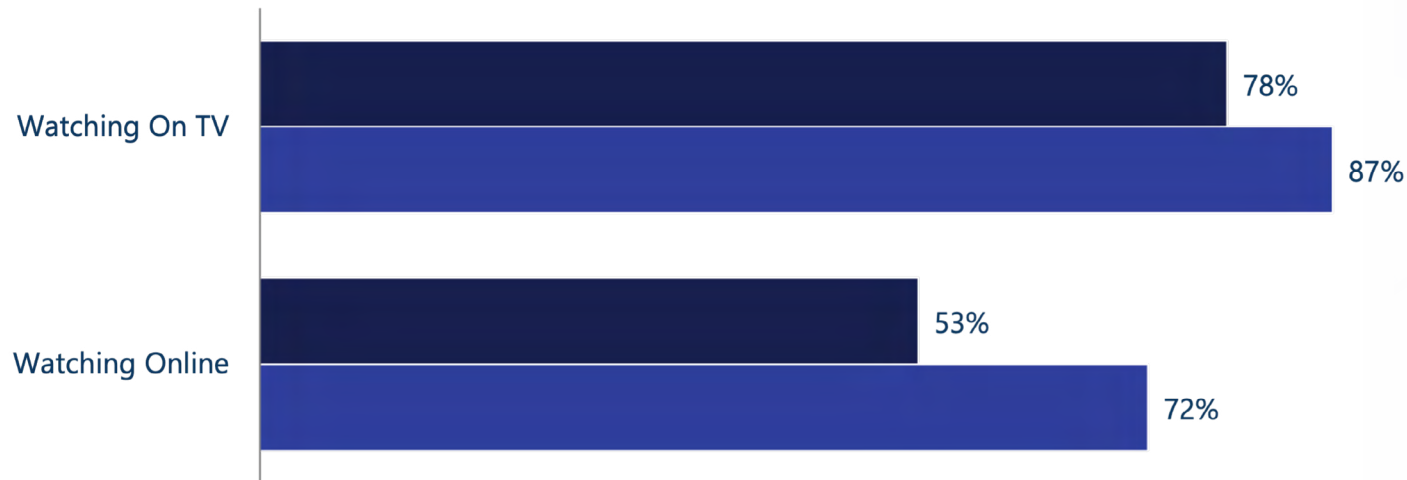
Fans prefer digital and shorter-form formats; a key risk as most sector's value is generated by a single format: live

### Sports media consumption

by Format

#### How do you watch sports events?

% of respondents who watch at least weekly among those interested in watching sports



Source: CAWI Consumer Survey N=2500, Powered by IRIS

#### Key insights:

- While Pay TV will not fully erode in the mid-term, the rise of on-demand consumption habits among younger cohorts necessitates evolution of content distribution formats to meet preferences of younger fans.
- To counter the trend away from live game consumption, broadcasters and rights owners are experimenting with ways to monetize highlights and short-form content. Even if successful, it will be difficult to recreate value of traditional live sports viewer.
- Multi-platform formats can help sports content reach a global audience, as fans from different parts of the world can follow teams and athletes without the limitations of traditional broadcasting territories.





## Changing media consumption

# Sports fandom's shift to more transient models is a long-term sectoral risk, hinting at commoditization

## Evolving Sports Fandom

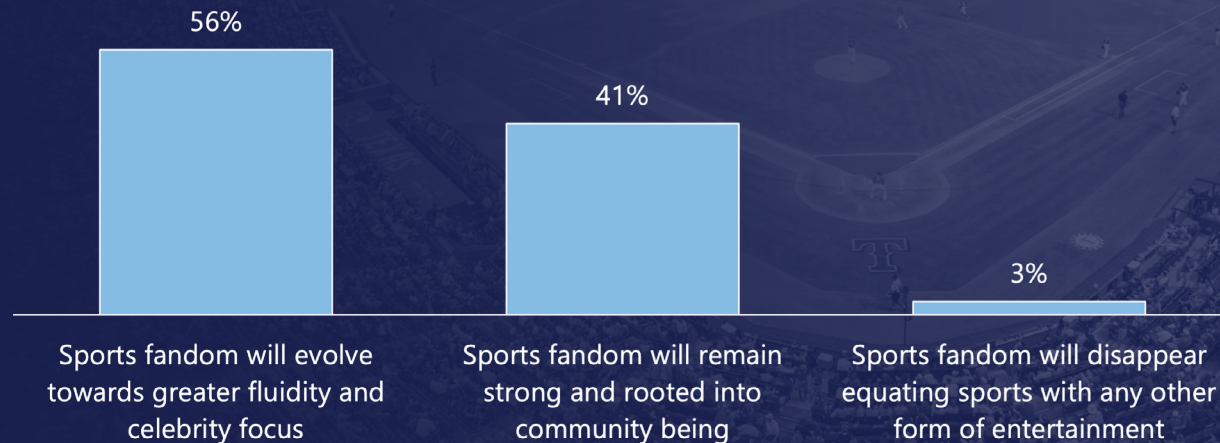
### Key insights:

Executives are divided between resilience of community-based sports (41%) and a gradual transition towards a more fluid and athlete-driven fandom (56%).

While changing format preferences can be tackled by realigning its commercial model, younger fans shifting towards more fluid and transient patterns is a more profound, long-term risk for the sector.

As commercial initiatives are growing, it seems vital to continue to nurture a strong identity bond between a property and its fan base, to prevent sports being reduced to the level of any other entertainment franchise (i.e., commoditization).

How do you think sports fandom will evolve, especially considering younger generations' habits?



“The sports industry must adopt a growth mindset to continually attract new audience segments, adapt to the evolving creation-consumption models, and hyper-customize products and solutions for consumers-customers.”

**Sanjog Gupta,**  
Head of Sport, Disney Star

“Consumer habits are evolving faster than ever, and sports media needs to work very hard to get to the forefront of those changes and attract younger and broader audiences.”

**Alan Gilpin,**  
CEO, World Rugby

Source: CAWI Consumer Survey N=2500, Powered by IRIS





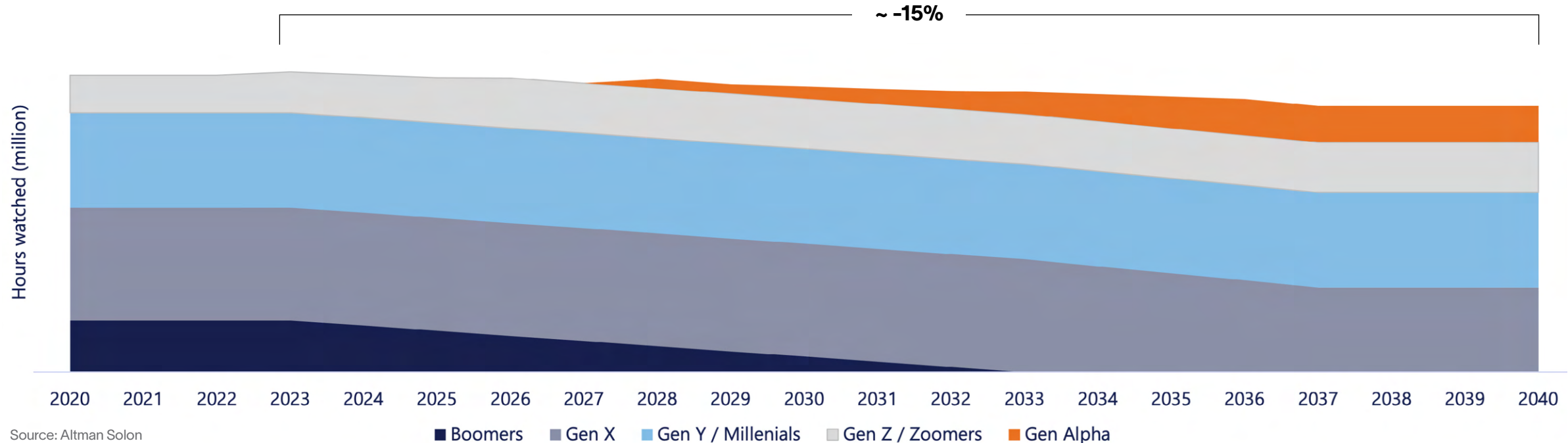
## Changing media consumption

Prerogative to rethink long-term engagement strategies is increasing, given that young fans are likely to hold current habits

### Key insights:

- Average hours watched per week are expected to drop ~15% by 2040 as Gen Z and Gen Alpha move into adulthood.
- As they age, fans tend to have similar viewing behaviors as they do when they are young; 65% of Baby Boomers still watch linear TV weekly as of 2022, remaining their most preferred method of content consumption.
- As older generations have, it is likely Gen Z and Gen Alpha will hold their viewing behaviors into adulthood.

### Long-term TV Consumption Forecast (Illustrative)



Source: Altman Solon



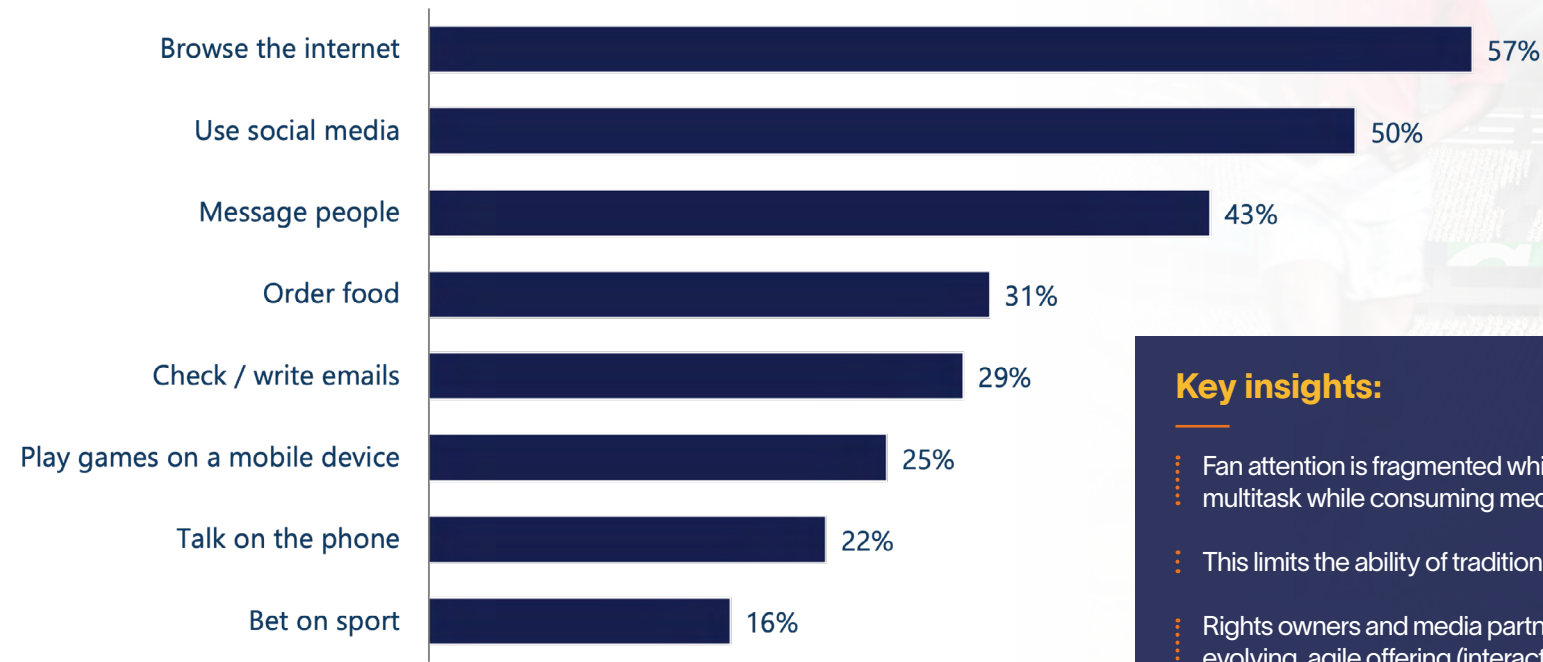
## Changing media consumption

Going forward, we expect to continue seeing fans multitask on other digital media while watching sports

### Fan Behavior during Games

**While watching sports, do you do any of the following?**

% of respondents selecting the following behaviors among those interested in watching sports



Source: CAWI Consumer Survey N=2500, Powered by IRIS

### Key insights:

- Fan attention is fragmented while watching sports, resulting in shorter attention spans and a tendency to multitask while consuming media.
- This limits the ability of traditional live sports programs to engage younger viewers for extended periods.
- Rights owners and media partners need to put technology and new partnerships at the center of an evolving, agile offering (interactive feed, micro-betting, gaming/esports integrations, social engagement).

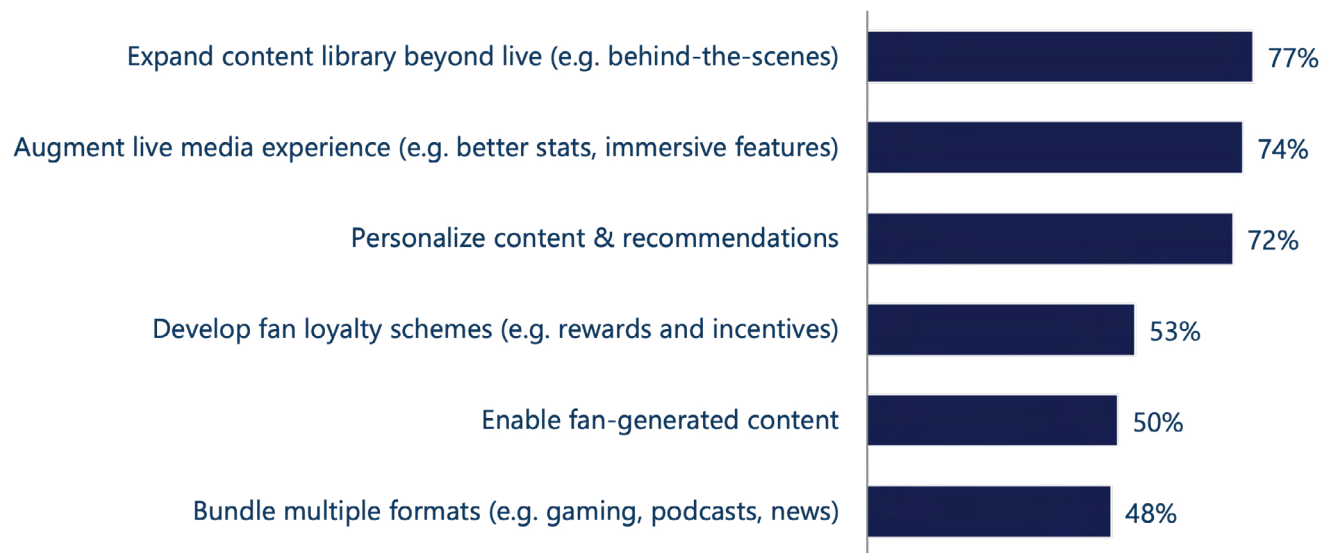


## Changing media consumption

# Expanding/personalizing content and augmenting live media experiences are key to capturing and holding fans' attention

## Priorities to Make the Sports Product More Engaging

Where should the sports industry set priorities to make the sports product more engaging during & beyond live sports?



Source: CAWI Executive Survey N=150



“Tell great stories about athletes and their sport. Also, embrace bundling, as single sport offers destroy value and are ultimately not valued by most consumers.”

**EVP,  
European Sports Broadcaster**

“Rights owners need to partner with suppliers of innovative business models and technical enhancements while not forgetting the core elements, strengths and traditions of their own sports formats.”

**Bruno Marty,  
SVP, Infront Sports & Media**

### Key insights:

Executives believe new content strategies are paramount to building engagement, including expanding available content beyond live games (77%) and delivering personalized content (72%).

Reflecting various initiatives taken in this direction (e.g., LaLiga and PlayAnywhere), augmenting the sports product in-stream is seen as key priority for the sector (74%).

Leveraging new technologies such as Web3, could open new opportunities to build cross-stakeholder initiatives that tie rights owners, broadcasters, and sponsors together.



## Changing media consumption

# Fans report difficulty accessing games, compounding issues with engagement and limiting ability to convert fans into live viewers

## Fan Discovery and Access Challenges

Which of the following pain points do you experience while trying to discover and watch live broadcasts of your favorite sports?

% respondents selecting answer for any league/property they consider essential



### Key insights:

While older cohorts (35+) are more likely to report having no issues (43% vs. 30% for younger fans), the cost of watching games and knowing which channel to tune into are the top accessibility issues across all age groups, with an average of 59% fans reporting accessibility issues.

56%

of fans say they would spend more or significantly more hours watching sports if more sports were available on their main sports content platform, underscoring the impact accessibility has on viewership

Source: CAWI Consumer Survey N=2500, Powered by IRIS





## Changing media consumption

Democratizing sport content across major audience hubs will be a key priority, but likely requires industry restructuring

## Priorities to Make Live Sports More Accessible

Where should the sports industry set priorities to make live sports more accessible to fans?



Source: CAWI Executive Survey N=150

“Sports media companies must innovate presentation, build engaging promotional campaigns, and maximize reach through distribution partnerships and more comprehensive live & packaged content.”

Founder,  
Sports Media Company

“Rights owners need to better exploit underleveraged digital assets and improved distribution on new streaming platforms and direct to consumer OTT to make sports more accessible for fans.”

Managing Director,  
Sports Media Agency

### Key insights:

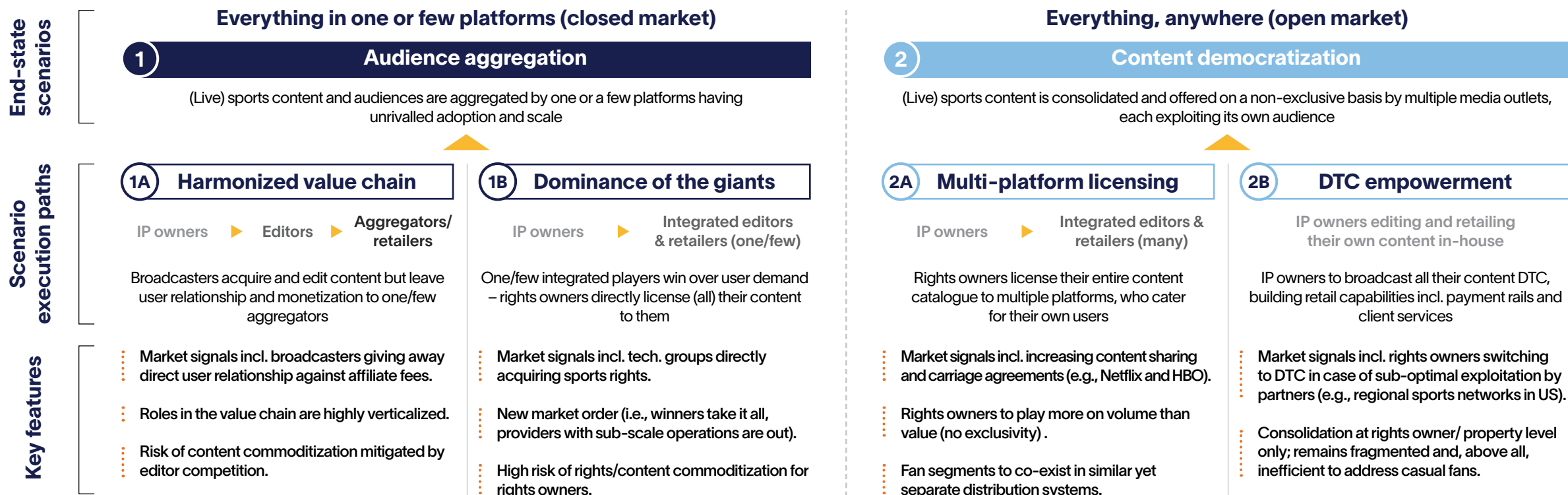
- Executives believe that a key strategy to better attract fans to live sports is to improve the presence and discoverability of sports content within existing audience hubs.
- Main approaches to achieve this include enabling content syndication through aggregators (a top priority for 65% of respondents) and improving content promotion strategies (64%).
- It is worth noting the resurgence of free-to-air and FAST channels; the challenges faced by pay TV broadcasters have lowered the opportunity costs for free offerings, putting a greater emphasis on reach in the classic money vs. exposure trade-off.



## Changing media consumption

# Landscape reconsolidation can take various scenarios, depending on the structure of the value chain

## Scenarios for Reconsolidation in Content Access (Illustrative)



Source: Altman Solon 2023 Global Sports Survey



## Changing media consumption

# What will the future hold? We believe the sector will reconsolidate, either through high-scale aggregators, or by making content widely available

### Our take

The sports media landscape is on the verge of reaching peak fragmentation. Media disaggregation has created significant obstacles in discovering and affording sports content (60% of fans find it difficult to access live matches), as it is typically divided across multiple subscription platforms. This has several consequences:

For rights owners, content discoverability, particularly for live events, is hindered, making it increasingly difficult to organically reach all audience segments and sustain engagement.

Media companies are facing profitability issues due to lower Average Revenue per User (ARPU) and growing Customer Acquisition Costs (CAC).

The sector is presently in an optimization phase, exploring various approaches such as ad-supported and pay-per-view offerings, authenticated streaming, and universal where to watch guides to improve discoverability and reduce access costs for fans. In fact, most sports executives think that facilitating aggregation (65%),

real-time promotion such as push marketing (64%), and flexible pricing models (58%) should be a top priority for the industry. Yet these efforts only address surface-level challenges; sports media is poised for a significant reconsolidation in content access by 2030, driven by structural changes.

We believe that this can happen through one of the following scenarios :

#### 1. Audience aggregation:

Rise to power of aggregators that control demand and consolidate supply, bringing the market together around one/ few end user touchpoints

#### 2. Content democratization:

Enabled by reduced exclusivity and rights sharing, each player in the market would offer a consolidated library of sports content and sustain its own audience – this scenario can also include rights owners switching fully to direct-to-consumer, retailing their entire content catalogue by themselves

“Content aggregation/subscriber models will develop to lower the cost and simplify access to sports to deal with the current unsustainable cost/complexity of accessing multiple sports by sports fans globally.”

CEO,  
Broadcast Services Provider

“Rights owners need to work ever-harder with media partners to invest in growth in both core markets and emerging markets. The opportunities can only be exploited by working closer together.”

CEO,  
Global Sports League

“Expand monetization beyond pure advertising and/or subscription models. Create a diversified ecosystem to widen the audience base and foster new and complementary business models.”

COO,  
Global Sports Media Group

Source: Altman Solon 2023 Global Sports Survey



# 2023 Global Sports Survey

## Chapter 2: Rights Owners Perspectives

NOVEMBER | 2023





## Key perspectives: Rights owners

# Despite the appeal of watching live sports, global rights owners face multiple risks to the value of their media rights

## Executive summary

### Market indicators

#### Shifting Market Dynamics

- Over 80% of global sports executives believe that rights owners do not understand and act on the evolving needs of their media partners
- Domestic media right deals for four out of five major European football leagues plateaued in the early 2020s

#### Capturing Value From Fandom

- Fans of tier 1 sports leagues (European football, US major leagues) are willing to pay ~\$20-25 per month to pay for access to live games
- 58% of surveyed rights owners prefer to improve and innovate core products over optimizing media and commercial models

#### Stimulating Future Competition

- 65% of global sports executives think rights owners should lengthen media cycles vs shorten them
- 60% of executives think rights owners should embrace variable & performance based upside models vs guaranteed and upfront rights licensing
- Executives are split on whether rights owners should prioritize DTC via internal offerings (47%) or rights licensing/supporting existing partners (53%)
- Executives are also split on whether rights owners should foster development of pure streamers/tech groups (54%) vs empower traditional broadcasters and their transition to streaming (46%)

## Our Take

Sports organizations face potential devaluation of media rights, historically a primary income source, as they approach retail value

Simultaneously, shifts in the media landscape (reduced content spending, increased collaboration) are depressing media rights' wholesale value

New commercialization models may be necessary to meet buyer needs

Sports organizations need to enhance their understanding of existing & new media partners in order to stimulate competition

Partnership structures will shift as rights owners evolve content packaging to expand potential buyers and layer in new value-added services aligned to buyer priorities

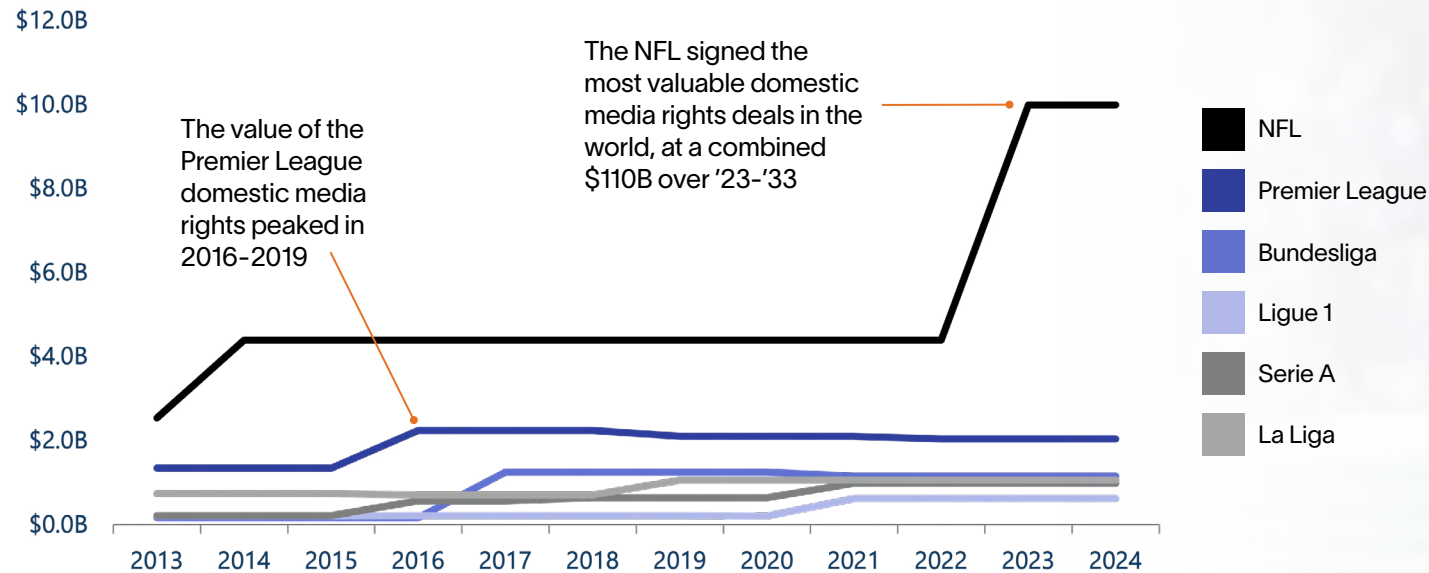


## Key perspectives: Rights owners

While rights deals have continued to climb for major US sports, European football deals have plateaued in recent years

### Domestic media rights deals over time

In \$Bn; 2013-2024; Annualized to the straight-line average of the deals over the term



Source: Altman Solon

### Key insights:

- Four out of the five major European football leagues have had relatively flat levels of domestic media rights revenue since 2017
- Meanwhile, US leagues such as the NFL have seen dramatically rising values of their domestic TV rights
  - NFL rights owners have generally sought longer-term (8-11 year) domestic deals*
- European football rights owners have focused on shorter-term (3-5 year) domestic deals with mainly traditional broadcast networks
  - The values of these deals are plateauing due to cord-cutting, competition from other sports, and domestic market saturation*



## Key perspectives: Rights owners

In parallel, the market value for sports media rights is approaching its retail value, which is typically lower

## Key trends in media rights valuation

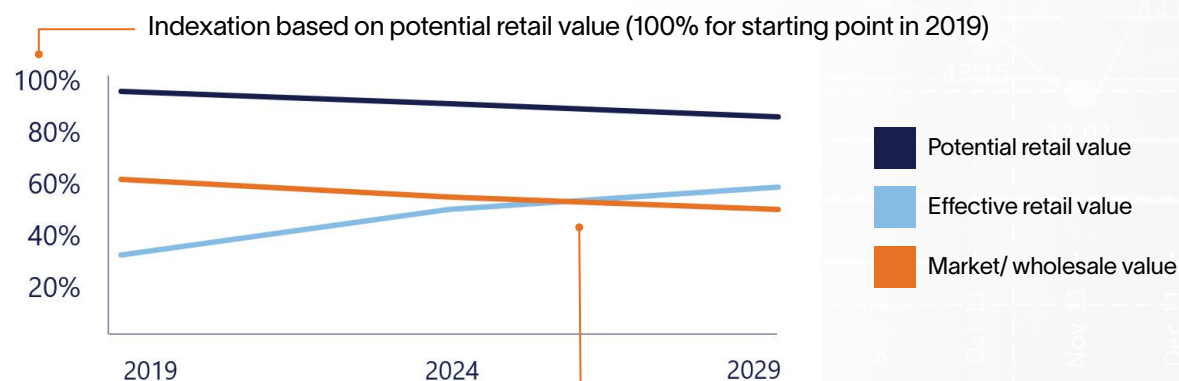
Based on select volume and value drivers, the value of sports media rights can be estimated according to different typologies, including:

## Typology of media rights value

Potential Retail Value	Consider full penetration among fans and assume all of them are willing to pay at market price (by household)
Effective Retail Value	Refinancing value generated by media companies given share users and spend attributable to specific rights
Market / Wholesale Value	Market value based on actual transactions and licensing fees paid by all rights-holding broadcasters in given market

Example of media rights values development for a major sports league in its domestic market: Europe; exemplary data

## Trends &amp; development over time



Effective retail value increased mainly due to price hikes – it is however expected to decrease in following years

## Key insights:

- Historically, market value of sports media rights has typically been higher than effective retail value
- This is due to media companies willing to pay more for the rights than they can refinance directly ('strategic premium')
- Looking ahead, we can expect market value to generally approach effective retail value, driven by media companies' reduced ability to cross-subsidize content through 'forced bundling', and lowering competitive intensity in given markets

Source: Altman Solon



## Key perspectives: Rights owners

# A misalignment between rights owners and media partners has the potential to limit the growth of future rights deals

## Media partners' needs

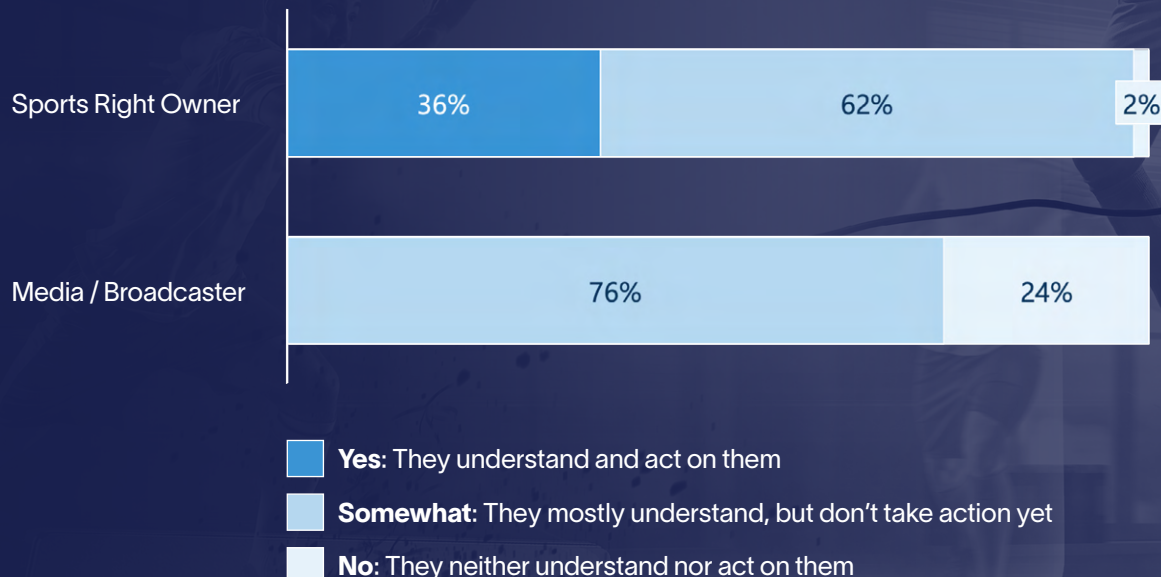
### Key insights:

Most industry leaders recognize that rights owners today are not acting on the evolving needs of their media partners

Interestingly, in recent years the industry has placed a strong emphasis on gaining a better understanding of fans and building direct relationships with them, by experimenting with new service verticals such as OTT, gaming, NFTs, etc.

Yet sports organizations' direct revenues remain predominantly B2B, underlining the need to better listen to the buyer market, as the space is more heterogeneous than ever (i.e., technology groups, digital publishers, betting operators)

In general, do you think rights owners understand and act on the needs of their media partners?



“Rights owners need to work ever-harder with media partners to invest in growth in both core markets and emerging markets. The opportunities can only be exploited by working closer together.”

**Alan Gilpin,**  
CEO, World Rugby

“Rights owners need to continue to evolve the live product and entertainment value not directly related to the sport itself.”

**Owen Leed,**  
Commercial Director, Badminton World Federation

Source: CAWI Executive Survey N=150





## Key perspectives: Rights owners

Amidst shifting market dynamics, the retail value base for top sports leagues remains high among sports fans

### Fan interest, by property

% of respondents somewhat or very interested in the following leagues and competitions, among those interested in watching sports

US	Mexico	UK	Germany	France	Italy	Spain	China
National Football League/NFL: 85%	Liga MX: 86%	FIFA Men's World Cup: 88%	Bundesliga: 91%	FIFA Men's World Cup: 84%	Serie A: 92%	La Liga: 91%	Summer Olympics: 88%
Major League Baseball/MLB: 72%	FIFA Men's World Cup: 86%	English Premier League: 87%	FIFA Men's World Cup: 87%	Summer Olympics: 84%	UEFA Champions League: 83%	UEFA Champions League: 85%	FIFA Men's World Cup: 82%
Summer Olympics: 66%	UEFA Champions League: 80%	UEFA Champions League: 74%	UEFA Champions League: 78%	UEFA Champions League: 77%	FIFA Men's World Cup: 80%	FIFA Men's World Cup: 84%	National Basketball Association/NBA: 80%
Winter Olympics: 63%	Summer Olympics: 78%	Summer Olympics: 71%	UEFA Europa League: 70%	Ligue 1: 75%	Summer Olympics: 77%	UEFA Europa League: 75%	Winter Olympics: 78%
National Basketball Association/NBA: 50%	UEFA Europa League: 74%	UEFA Europa League: 62%	Summer Olympics: 68%	Rugby World Cup: 74%	UEFA Europa League: 76%	Summer Olympics: 72%	English Premier League: 77%
National Hockey League/NHL: 50%	Formula 1: 71%	FIFA Women's World Cup: 60%	Winter Olympics: 68%	Winter Olympics: 70%	Formula 1: 69%	Formula 1: 68%	UEFA Champions League: 72%

Football / Soccer

Basketball

American Football

Baseball

Hockey

Racing

Rugby

Olympics

### Key insights:

- Top sports leagues have wide reach and appeal with fans interested in their teams and athletes, creating large and engaged communities of fans domestically and globally
- Excitement and authenticity of sports attracts audiences to live events and creates market demand and a retail base for sports media rights
- Rights owners and media partners need to continue capturing fan interest by putting fan preferences at the center of an evolving distribution and financial model

Source: CAWI Consumer Survey N=2500, Powered by IRIS



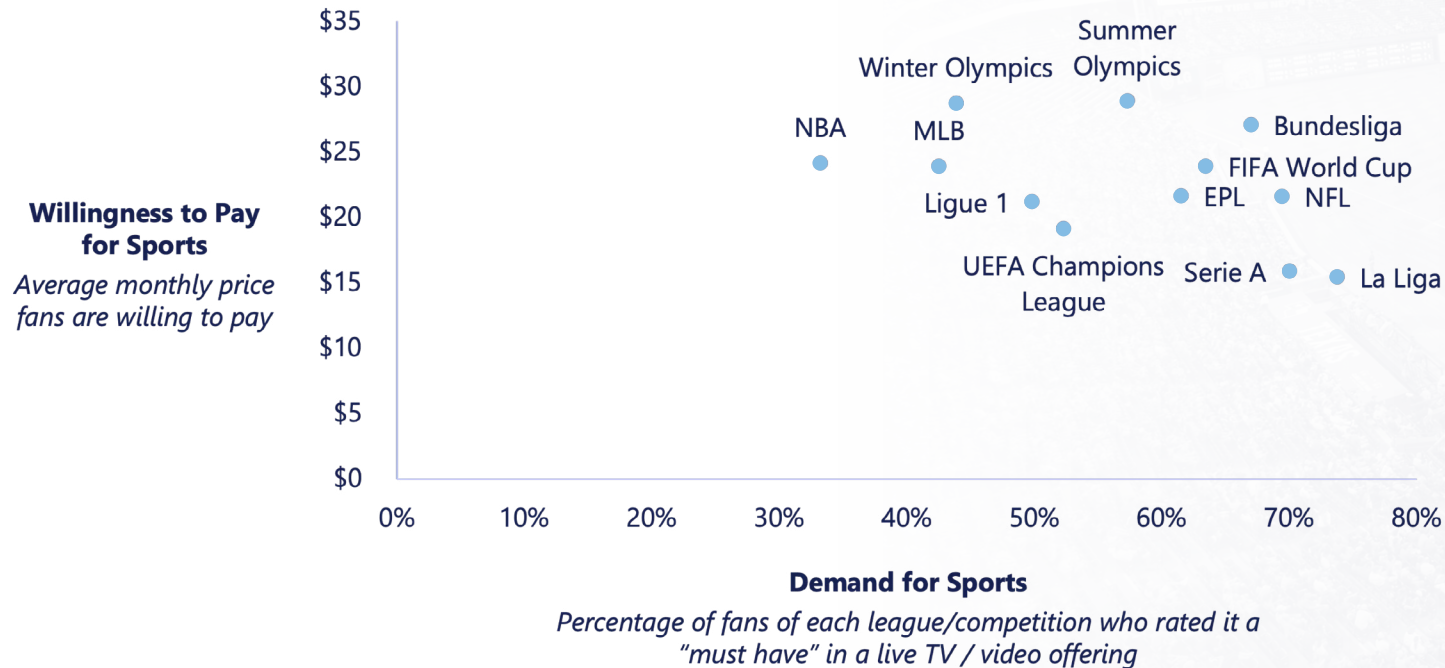
## Key perspectives: Rights owners

# Fans of tier 1 sports exhibit high willingness to pay for content outside of TV bundles, indicating sports continuing value

### Fan willingness to pay, by property

Average maximum monthly price (\$), among those who consider each league essential

Assume your favorite league was available exclusively through a dedicated online streaming service that broadcasts only that competition or sport; what would be the maximum amount you would be willing to pay in dollars for each per month (for the length of the season/event)?



### Key insights:

- Fans value availability and access to sports and are willing to pay hundreds of dollars each year to have access to watch their favorite leagues and events
- Top domestic leagues – the NFL and five major European football leagues – appeal to fans in their domestic markets highlighting the value of their content
- Rights owners and media partners need to continue capturing fan interest by putting fan preferences at the center of an evolving distribution and financial model

Source: CAWI Consumer Survey N=2500, Powered by IRIS

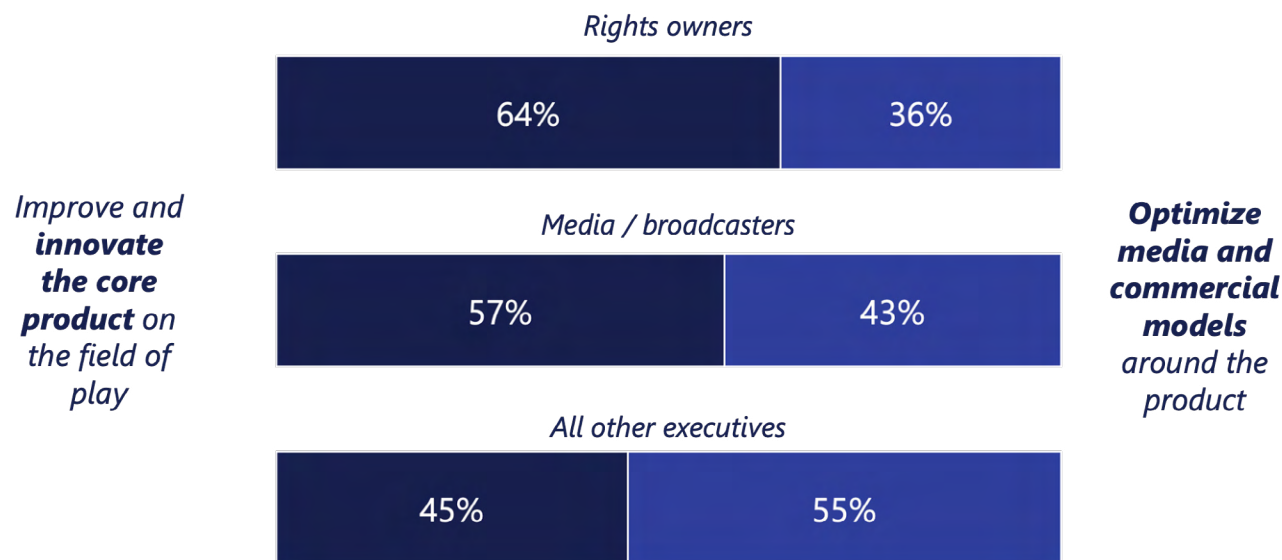


## Key perspectives: Rights owners

Rights owners, focused on product innovation, must also work to meet partner needs by optimizing commercial models

### Strategic trade-offs

Facing the following hypothetical trade-offs, generally, what do you think rights owners should prioritize in the next 5-7 years?



Source: CAWI Executive Survey N=150



“Make their product attractive in domestic and international markets. Adapt the format of the game towards new consumption habits and re-establish competition. Innovators like the Kings League show how thinking differently finds resonance.”

**SVP of Strategy,  
Global Sports Streaming Platform**

“We need to continue to innovate our products to attract a new, younger generation of fans while keeping the existing fan base satisfied.”

**President,  
International Sports Federation**

### Key insights:

- Executives are divided on the strategic priority to be given to innovating the core product or improving the business model around it – suggesting the importance of both
- Product-wise, initiatives such as *The Hundred*, *TGL Golf League*, or the *Laver Cup* seem to signal a shift away from traditionalism, ushering a new era of innovation in sports, similar to that of the 90s
- Sports with relatively lower fan interest and media usage may be best positioned to take aggressive innovation steps to win audience share, having a higher risk tolerance

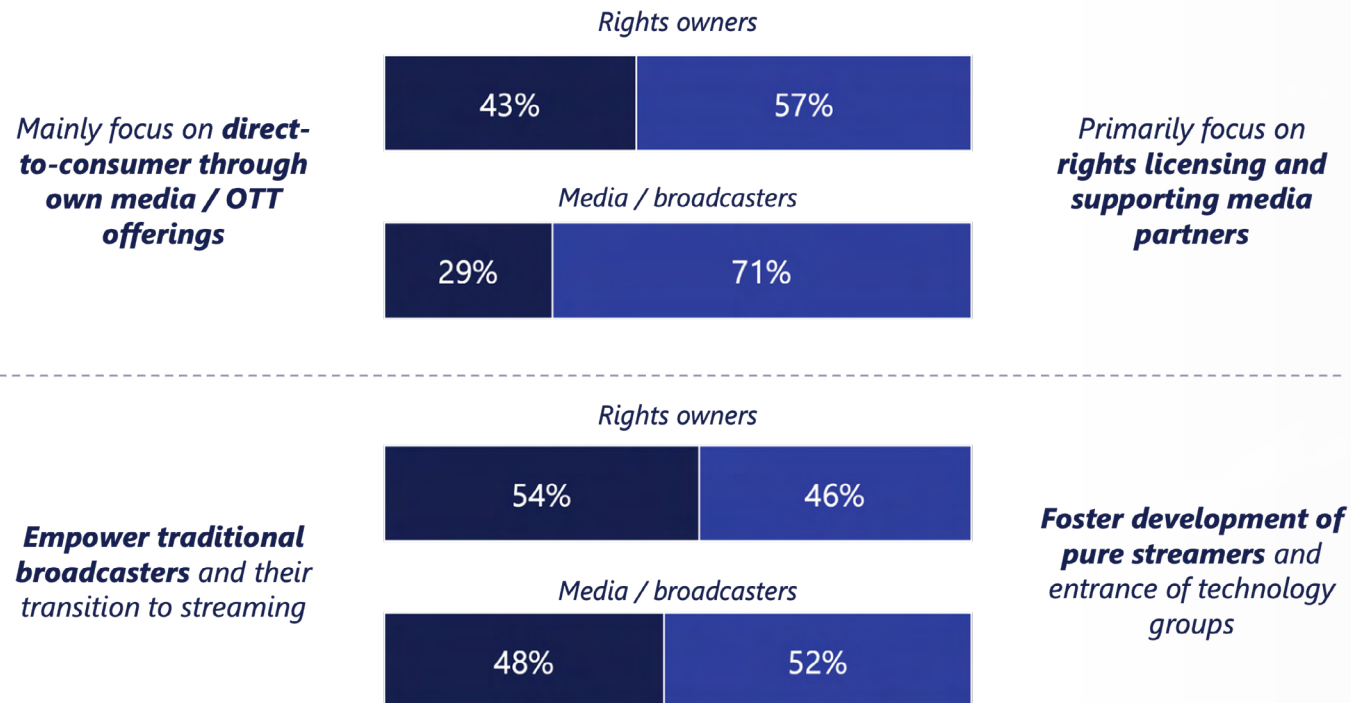


## Key perspectives: Rights owners

# As streaming and DTC models proliferate, rights owners are split on the future of their media partner landscape

## Strategic trade-offs

Facing the following hypothetical trade-offs, generally, what do you think rights owners should prioritize in the next 5-7 years?



Source: CAWI Executive Survey N=150

“Rights owners need to get smarter, bring smart money in, and develop your own pathways to the fans. Don’t rely on third parties to do it all for you. Leverage existing ecosystems (agencies, broadcasters, etc.) as long as you can but prepare to go alone.”

Managing Partner,  
Sports Investment Fund

## Key insights:

- Industry leaders are not taking a clear stance on the DTC vs B2B debate, indicating rights owners today may need to feed both channels
- To do so, executives’ mixed views seem to suggest that rights owners should address new entrants while also safeguarding incumbent partners, for whom the value of sports may be higher to that of technology groups seeking portfolio acquisition
- What is more, keeping a diversified set of buyers seems to maintain competitive intensity while preventing a *Spotify* scenario, where one or few platforms exert such a control over demand that they can commoditize supply



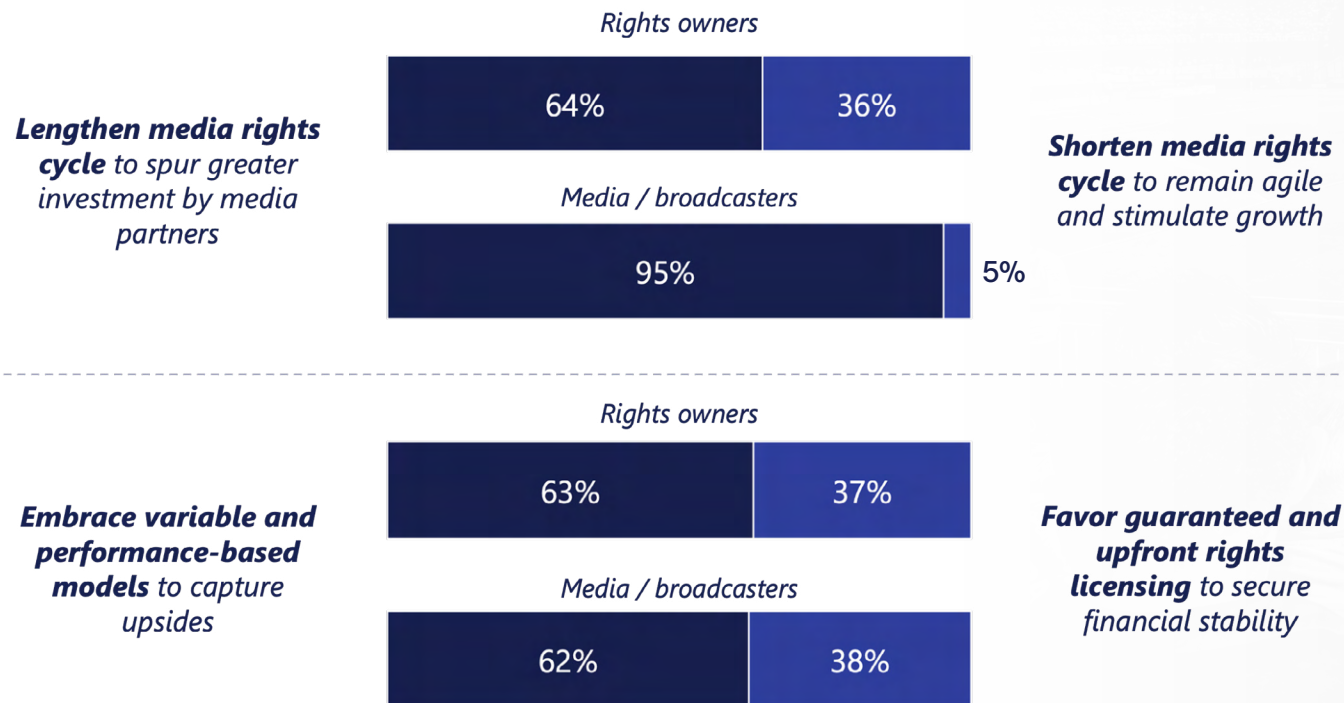


## Key perspectives: Rights owners

# Executives foresee commercial models shifting towards longer-term strategic partnerships, risk-sharing models, and global markets

## Strategic trade-offs

Facing the following hypothetical trade-offs, generally, what do you think rights owners should prioritize in the next 5-7 years?



“Longer term commitments from rights owners to media partners will enable investments and allow for media partners to participate in upsides which they don’t today.”

Managing Director,  
European Broadcaster

## Key insights:

- Executives believe rights owners want to create the most upside for their media rights by shifting towards a newer deal model
- Rights owners such as those from the MLS are signing longer, international, and more performance-based deals

*The MLS signed a deal for \$2.5B over 10 years in 2022 with Apple TV, along with upside potential if a certain # of subscriptions is surpassed*

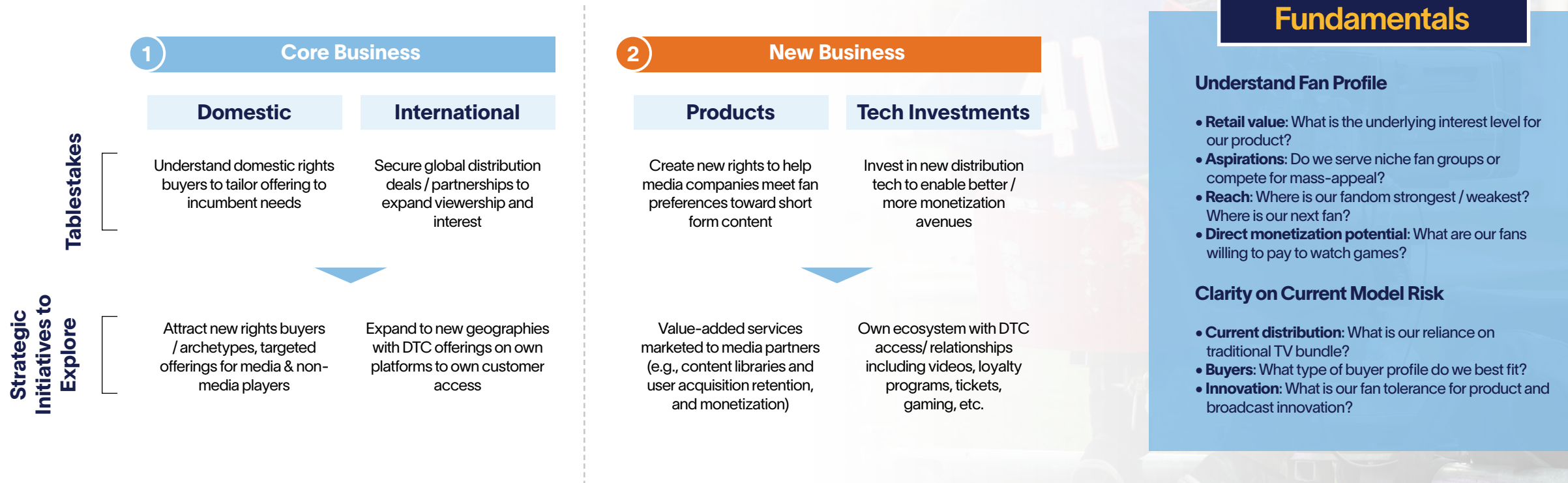
Source: CAWI Executive Survey N=150



## Key perspectives: Rights owners

To encourage competition, rights owners should take an “all-of-the-above” approach to potential opportunities

## Opportunities framework



Source: Altman Solon



## Key perspectives: Rights owners

# What will the future hold? We believe rights owners can mitigate market risks by expanding addressable market and increasing buyers' refinancing ability

“Rights owners must listen to their audience and adapt their product and the packaging of it. If the product is correct people will spend time on it.”

**Gustavo Arellano,**  
Head of Commercial, FIBA

## Our take

Sports organizations may be threatened as media rights – for most their major source of income – face potential devaluation, getting closer to their retail value.

Media companies' economic challenges are lowering content spend and increasing collaboration (e.g., sublicensing and rights sharing agreements), leading to decreased competition in the content marketplace. This has a significant effect on media rights' auctions, particularly in Europe, which is characterized by its oligopolistic media landscape.

In today's changing landscape, it is key that sports organizations upgrade their understanding of media partners (only 18% of sports executives believe that rights owners act on their needs), and take firm initiatives to mitigate key market risks.

This includes stimulating competition between incumbent partners and new entrants (1), and strengthening their ability to refinance rights (2):

1. **Expand addressable market** by packaging and allocating content in a way that appeals to a wider set of buyers, considering both market signals and internal factors such as exclusivity terms and cycle length; model different scenarios and steer towards the one that would capture maximum value from the underlying market structure

2. **Closely align supply with demand**, offering a modular catalogue of value-added services capable of meeting needs of traditional media companies (e.g., user retention and monetization), streamers (e.g., user acquisition) as well as those of technology groups and aggregators (e.g., plug-and-play, ready-to-use content)

“Single-mindedly focus on fans, obsessively build strong products/propositions and seamlessly collaborate with stakeholders including licensees for maximisation of value (commercial and non-commercial).”

**Sanjog Gupta,**  
Head of Sport, Disney Star

“Rights owners need to think and act like entertainment franchise owners. Creating more assets and inventory with relevant products and services to attract, entertain and retain new, adjacent and younger audiences.”

**CEO,**  
Sports Media Company

Source: Altman Solon



# 2023 Global Sports Survey

## Chapter 3: Media Company Perspectives

DECEMBER | 2023





## Key perspectives: Media companies

Streaming transition has strongly impacted media companies' economics; sports rights remain a unique asset to tackle this

### Executive summary

#### Market Indicators

##### Value of Sports Rights

- **Fans spend over one-third of their TV and video budget on sports**, indicative of sports' distinctive ability to capture attention and spend
- **70% of fans claim they would switch TV providers to retain access** to one or more of their essential sports
- **Packaging and competitive intensity are instrumental in driving media rights value**, including airtime value and subscription value

##### Meeting (Casual) Fan Expectations

- **Over 35% of respondents interested in watching sports do not consume sports weekly** and are more casual / fluid sports fans
- **>70% of respondents working at media companies / broadcasters surveyed believe the industry should prioritize diversifying content libraries, augmenting live experiences, and providing personalized recommendations**

##### Need to Innovate Commercial Models

- Only **16% of global sports executives believe traditional broadcasters will be better positioned** to exploit live rights by 2030, compared to **>60% for tech aggregators and OTT streaming services**
- **65% of global sports executives believe a subscription-based monetization model** where sports are bundled with other services/content **will most contribute to refinancing sports rights in the future**

### Our Take

**The transition to streaming is challenging sports media** as non-fans are more empowered to de-bundle sports content

**Yet sports rights remain valuable for acquiring users and audience peaks**, drawing interest from technology groups

**Media firms need to rethink product and monetization models** to match the success of legacy media's sports content

Applying **traditional monetization strategies to streaming is unlikely to match revenues of legacy media**, which enjoyed unrivalled penetration and stickiness

Broadcasters will need **clearly prioritized** rights buying strategy to **optimize portfolio, diversified distribution models** to reduce user acquisition and discoverability costs, and **new monetization approaches**



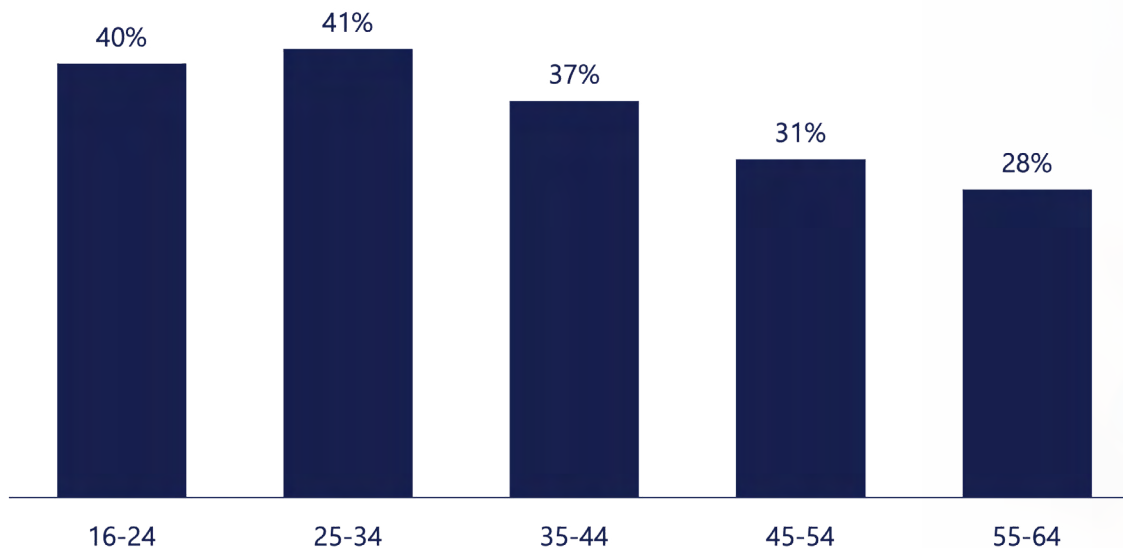
## Key perspectives: Media companies

Given high level of fan interest and spending, sports content remains a unique audience driver for media companies

### Share of budget spent on sports

What share of your TV and video budget do you spend on sports?

Average % of total content budget, among respondents interested in watching sports



### Key insights:

- Across all age groups, sports comprise a key part of respondents' media budget, indicative of sports' distinctive ability to capture media users' attention and share of wallet
- Sports rights ensure the consistent delivery of high-value programming, achieving user acquisition and peak audience engagement in a repeatable and foreseeable manner
- As a result, prominent technology companies are increasingly committed to directly obtaining live sports content, in particular to differentiate their video services in a highly competitive and fragmented landscape

Source: CAWI Consumer Survey N=2500, Powered by IRIS



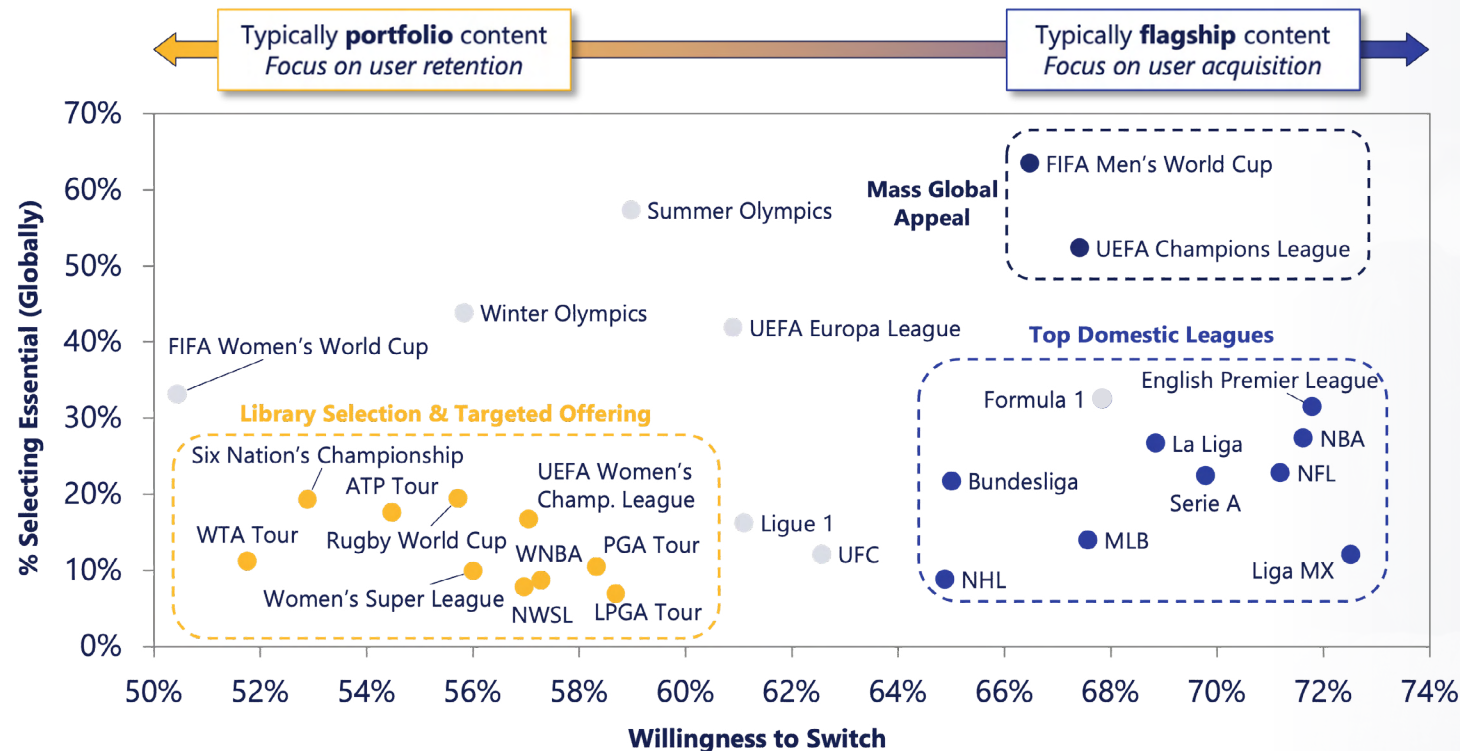


## Key perspectives: Media companies

Top sports properties garnering mass-appeal to drive user acquisition, while longer tail primarily focuses on user retention

### Fan willingness to switch providers for sports

If any of the following live sports/leagues/events were no longer available on your TV provider, how likely are you to switch your TV/video provider to gain access to them?  
% selecting league, among global fans who consider league essential



### Key insights:

- ~70% of fans are **willing to switch TV providers** to **retain access** to one or more of **their essential sports**
- Mass-appeal global events** (World Cup, UEFA Champions League) and **top tier domestic sports leagues** (EPL, NBA, NFL, La Liga, Serie A) are able to command **high interest** and drive **switching behavior**
- Those **flagship** properties are typically used as **user acquisition engines** for media companies
- Events and competitions **less likely** to drive switching behavior typically serve as **library content** and **retention drivers**, or to create **specialized offerings**

Source: CAWI Consumer Survey N=2500, Powered by IRIS



## Key perspectives: Media companies

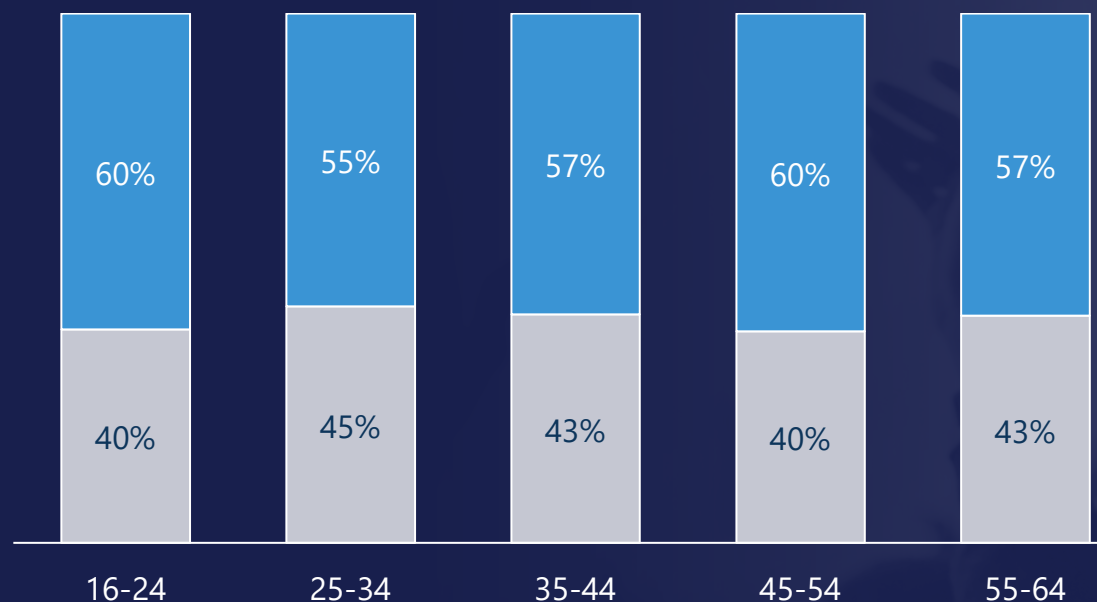
# Beyond *avid fans*, opportunity for media companies to increase engagement & monetization of *casual fans* as a larger segment

## Frequency of watching sports

How frequently do you watch sports matches / activities on TV or online?

Among respondents interested in watching sports

■ Watch multiple times per week – avid viewers  
■ Watch weekly or less – casual viewers



### Key insights:

Across all age cohorts tested, over **55-60%** of people who claim to be generally **interested in watching sports** consume sports **weekly or less**

Specifically targeting and **engaging this group of casual fans** is a **key opportunity for media companies** to extend the monetizable fan base

This is all the more relevant considering the **unbundling** of content offerings in the streaming era, which makes **access to non-core audiences more difficult**

“Media companies must adopt a growth mindset to... adapt to evolving creation-consumption models and hyper-customize products/solutions for consumers-customers.”

**Sanjog Gupta,**  
Head of Sport, Disney Star

Source: CAWI Consumer Survey N=2500, Powered by IRIS

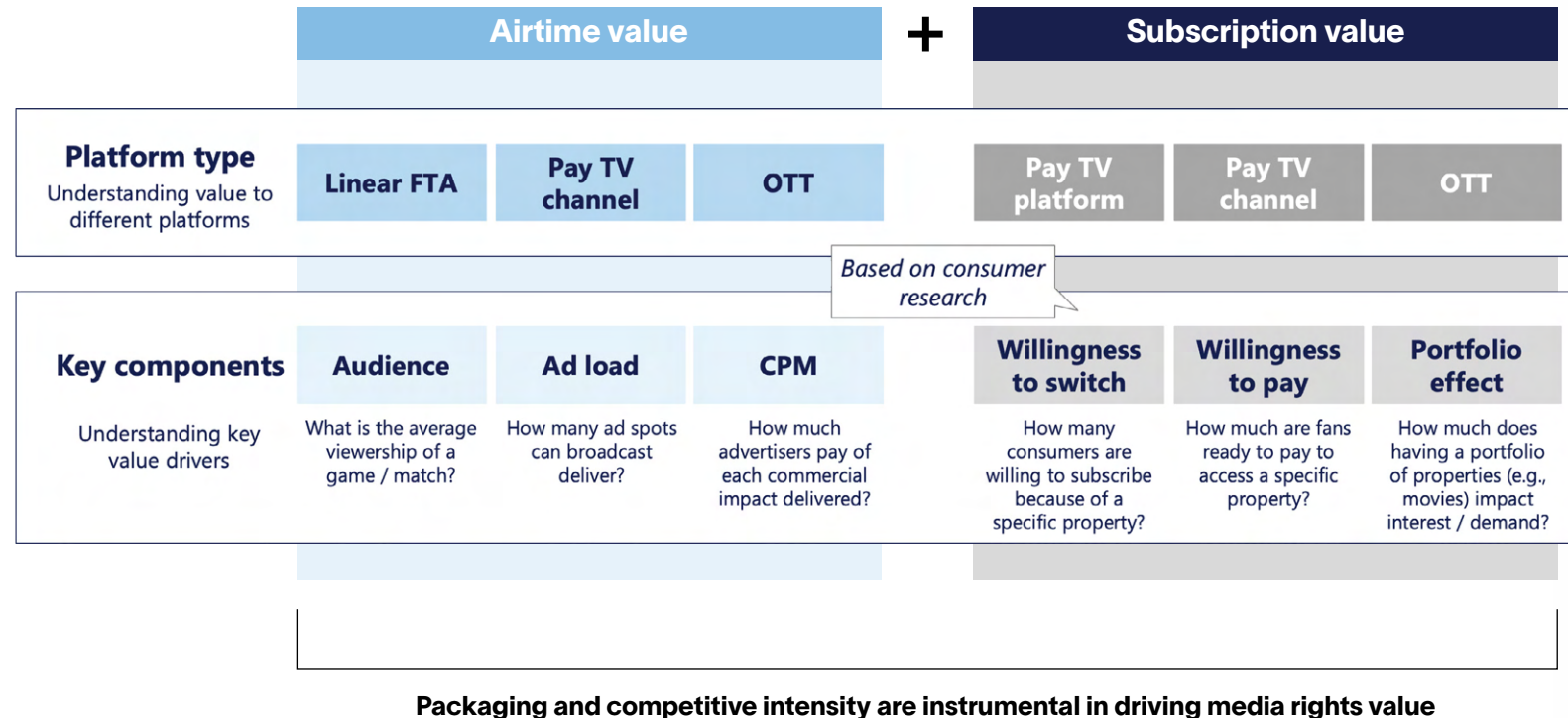




## Key perspectives: Media companies

Media rights value can be determined by assessing each key component driving advertising and subscription revenues

### Media rights value components



### Key insights:

- Our (bottom-up) methodology to **valuing media rights** is based on a specific assessment of **each value driver**
- User data** to be used to determine fans' willingness to switch, subscribe and pay under **different exploitation scenarios**
- For subscription value, **inertia** plays a critical role, whereby consumer research would typically **overstate the willingness to switch** of potential subscribers
- Bottom-up results **to be validated top-down** based on valuation benchmarks, KPIs and historical trends of comparable assets

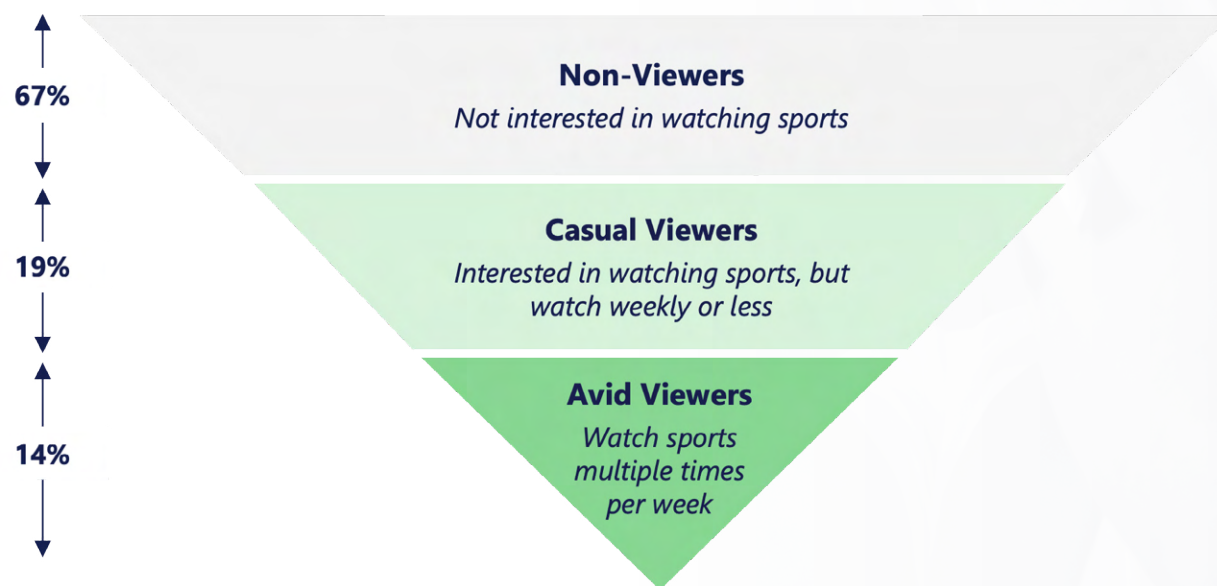
Source: Altman Solon



## Key perspectives: Media companies

To achieve this, media companies must develop a funnel view to understand and act on challenges throughout the fan journey

### Fandom by funnel stage



#### Monetization Strategy

Cross-subsidization & bundling; advertising

Pay-per-view (especially for top events); advertising

Monthly / yearly subscriptions, advertising

#### Preferred Engagement

Limited; news about major sporting events relevant to society

Short-form highlights, live games (top events)

Live games, long-form highlights, behind the scenes, archive

#### Motivation to Consume Sport

Social activity, especially around major events

Entertainment & celebrity-athletes

Community belonging & identity

To capture more casual viewers and fans, broadcasters must be able to **tap into sports' broader cultural and social appeal** and offer a diversified range of **access / monetization models** (e.g., pay-per-view), as well as **content formats**

Source: CAWI Consumer Survey N=2500, Powered by IRIS



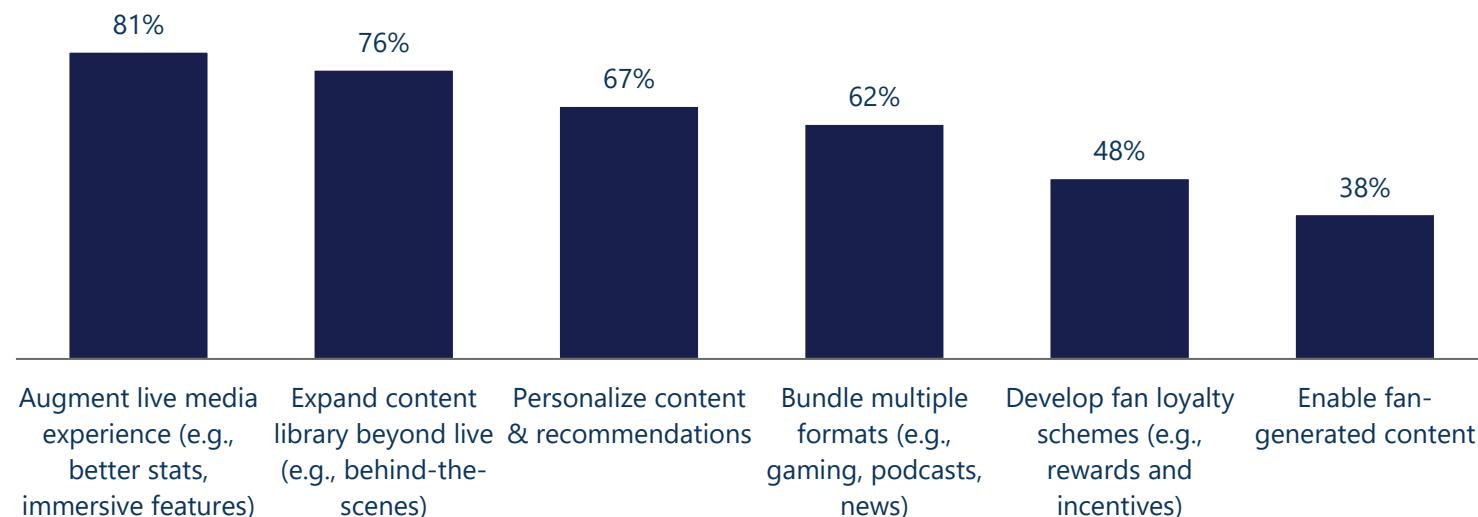
## Key perspectives: Media companies

To engage more fans, media companies should personalize and diversify content libraries as well as augment viewing experiences

### Priorities to make the sports product more engaging

Where should the sports industry set priorities to make the sports product more engaging during & beyond live sports?

Media Company / Broadcasters only



Source: CAWI Executive Survey N=150



“Engage end users and understand what they want and when they want it: not all consumers want the whole menu - some just want live sport, others highlights, others behind the scenes documentaries.”

Senior Executive,  
Sports Federation/Governing Body

### Key insights:

Targeted content acquisition and technology integration are key for broadcasters to complement live games with innovative formats and viewing experiences

Capturing fan data and building fan profiles can not only enable personalization, but also loyalty schemes as user activation and retention engines

The latter may represent a potential future area of partnership with right owners

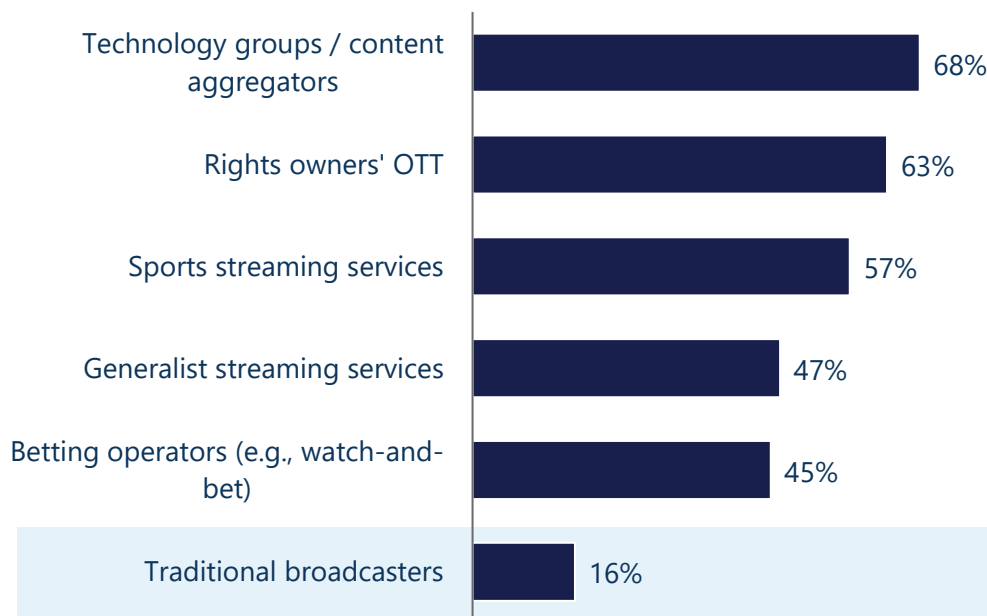


## Key perspectives: Media companies

# Broadcasters are under pressure from technology aggregators & streaming services, which could be well placed to exploit live sports

## Platforms best placed to exploit live sports

By 2030, which platforms will be better placed than they are today to exploit the potential of live sports media rights?



Source: CAWI Executive Survey N=150

“If the tech giants increase the trend of investing in content, that could shift the dynamics significantly. They bring not just financial resources but also technological capabilities like advanced analytics, AI, and a global distribution network... that traditional media companies may find challenging to match.”

Chair,  
International Sports Federation

## Key insights:

- Executives perceive **major technology groups** as **best positioned** to exploit sports rights given their **structural advantages**, including product leadership as well as large-scale service and user aggregation
- While successful cases are yet to materialize, and despite a **clear risk** of operating at **sub-scale** compared with global aggregators and major broadcasters, executives believe **rights owners** are **well suited** to **disintermediate broadcasters** with **DTC offerings**



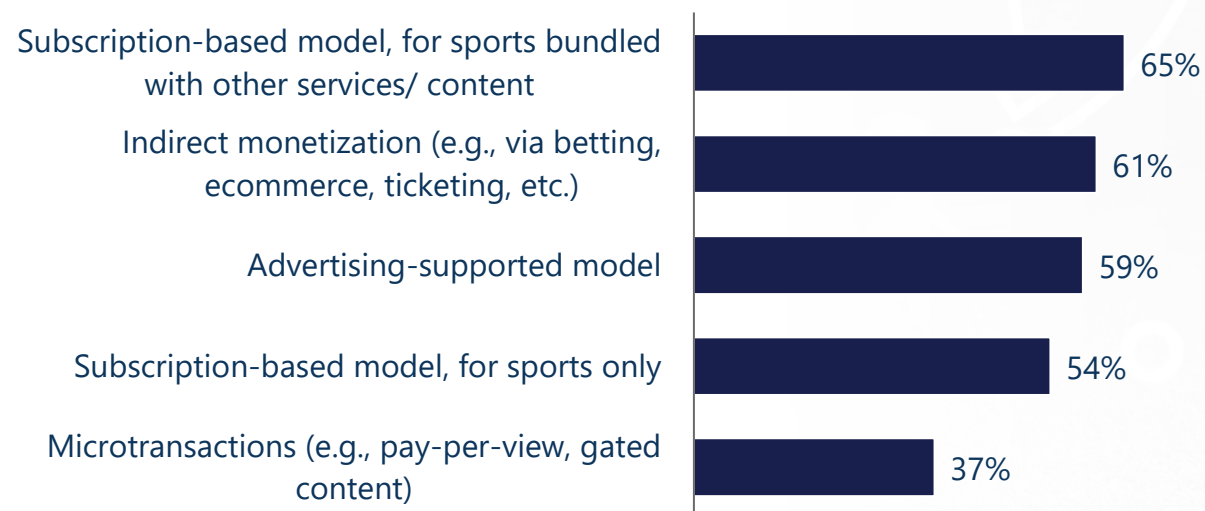


## Key perspectives: Media companies

To refinance future media rights, priorities include subscription-based bundles mixing up various services, indirect monetization, and ads

### Monetization strategy to finance sports rights

Which of the following monetization strategies will contribute the most to refinance sports rights in the next 5-7 years?



Source: CAWI Executive Survey N=150

“Media companies should break away from the limitations of pay TV monetization and embrace the trial of multiple sources of income.”

Peter Hutton,  
Sports Media Executive

“The is managing the transition from traditional TV models to digital and streaming channels, in a way that makes financial sense for all the stakeholders and retains the high interest of large clusters of audiences.”

Alberto Ramon,  
COO of JS3 Sports

### Key insights:

- Consistent with engagement priorities, executives are betting that **subscription-based** offerings mixing a variety of **sports and other content** will **best monetize users**, who continue to shift away from legacy linear TV
- This may herald an **era of re-bundling**, with the emergence of **packaged streaming offerings**, potentially including **other services** as well (e.g., music, gym subscriptions)
- Broadcasters are exploring **ad supported models** as a gateway to **discriminate prices** and **better address more casual audiences**

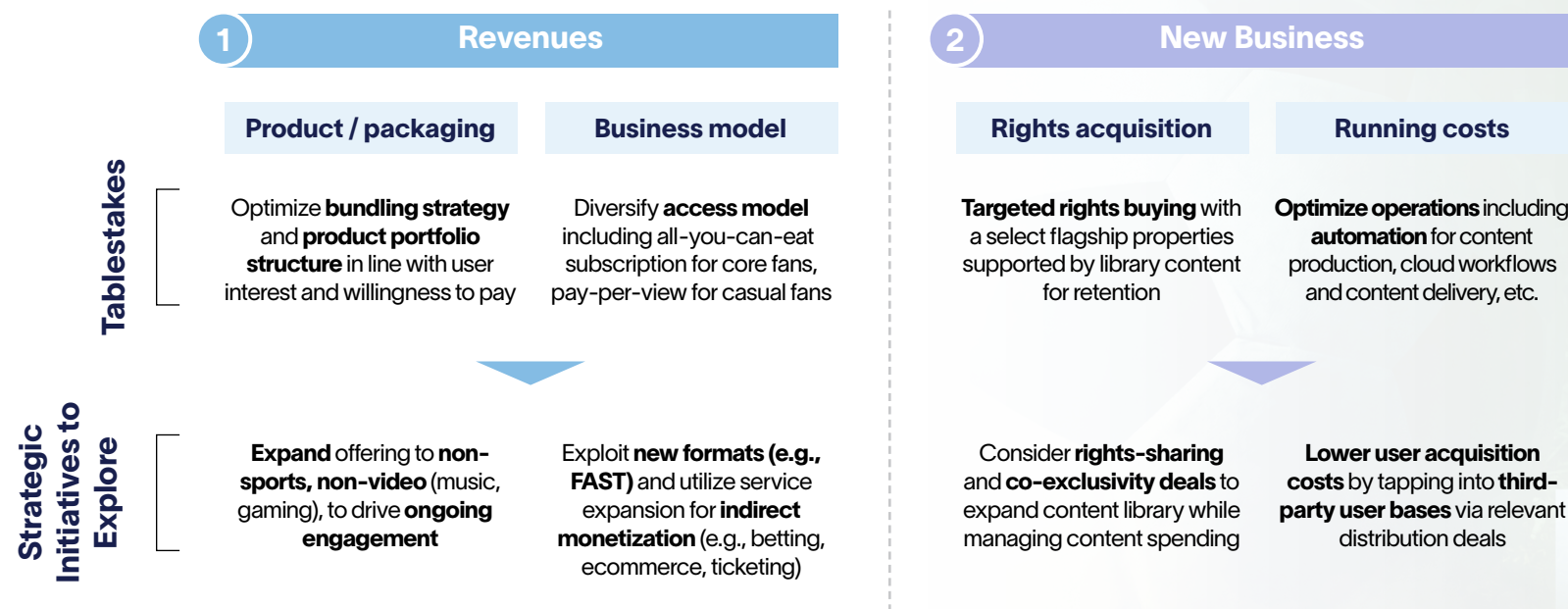


## Key perspectives: Media companies

More of the same does not work with streaming; broadcasters are to rethink strategy holistically, both cost and revenue side

## Opportunities framework

### Strategic Fundamentals



## Key strategic questions

### Revenue Drivers

- **Monetization:** How do we introduce AVOD & TVOD/PPV without cannibalizing SVOD? How do we translate adjacent services into revenues?
- **Bundling:** How do we optimize product structure and packaging considering user demands and segmentation?

### Cost Drivers

- **Target portfolio:** What is our ideal set of rights given users' willingness to switch, portfolio effect, and market availability?
- **Distribution:** How to optimize our distribution network to maximize reach while lowering discoverability and user acquisition costs?
- **Efficiency:** What (new) tech use cases (e.g., content automation) should be prioritized?



## Key perspectives: Media companies

# What will the future hold? We believe media companies need to adopt radically new models to thrive in the streaming era

## Our take

Despite the recurring pressure to acquire, re-finance, and reacquire them, **premium sports rights remain valuable to media companies**. They guarantee high-value programming that delivers user acquisition and audience peaks on a repeatable and predictable basis (this is why technology groups have gotten serious about acquiring live sports). The question remains as to **how media companies can exploit sports within a streaming ecosystem at a similar level to legacy media**, as rights costs per subscriber are increasing.

Media companies are adopting a **hybrid strategy**, combining **defensive** initiatives to retain resilient audience segments in legacy offerings, and **offensive** ones to migrate cord-cutters, where sports plays a driving role in acquisition.

This difficult exercise is compounded by the fact that **each environment commands a different model**. We believe that applying traditional monetization strategies to streaming is unlikely to **match revenue level of legacy media**, which enjoyed unrivalled penetration and stickiness.

Source: Altman Solon

Navigating these challenging market conditions require **clearer, stronger design principles** across the value chain:

1. **Content acquisition**: optimize portfolio of rights, each of which should constitute a **strategic driver for the overall offering**, informing the acquisition strategy in terms of investment level and exclusivity (e.g., exclusive for acquisition, non-exclusive for retention)
2. **Content distribution**: while production and distribution costs are decreasing, **focus on tackling growing discoverability costs**, positioning itself as a content wholesaler, or as a retailer, balancing guaranteed fees versus user data rights and direct billing access
3. **Content monetization**: complement traditional/ new monetization strategies to upsell core fans with **initiatives to reach and convert casual fans** (e.g., pay-per-view offerings)

“We are still watching sports content in the same boring way we have done the past 30 years. We need to enhance the experience and micro transaction models to fit every type of fan, from the casual to the hard core.”

SVP,  
Media Company

“Expand monetization beyond pure ad and/or subscription models. Create a diversified ecosystem to wide the audience base and foster new and complementary business models.”

COO,  
Media Company

“Extend the media product offering and give fans the option to create their own game experience around live and fully extend the non-live/always on content consumption, keeping fans on their network/platform.”

CEO,  
Digital Media Company

# 2023 Global Sports Survey

## Chapter 4: Investor Perspectives

JANUARY | 2024





## Key perspectives: Investors

# Investments in sports continue to grow and diversify, with an increasing focus on synergy integration and portfolio optimization

## Executive summary

### Market Indicators

#### Moving into the Market

- Over the last 18 months, a number of **sports-dedicated investment funds** have emerged, formalizing the **establishment of sport as an asset class**
- These are launched and backed by a **widening range of stakeholders**, including major PE firms, sovereign funds, sports organizations, and athletes
- **61% of executives believe private investment in sport will accelerate** over the next 5-7 years

#### Attractive Properties

- Sports presents an **appealing risk-return profile** for investors, with regulated monopoly dynamics **limiting downsides**, and **significant upsides** through new monetization opportunities and growing valuations
- While major investors target **top-tier rights** owners with stable revenue streams, others are betting on **emerging properties** with **growing or untapped fan bases**

#### Adjacent Opportunities

- 39% of executives see **institutional private equity** becoming the **dominant investor class in sports** by 2030, followed by **sovereign wealth funds** (35%)
- With **return-focused funds** leading sports investing, a growing focus on **combining** traditional sports assets with **adjacent, synergistic capabilities** can be expected in the future

## Our Take

The rise in **dedicated investment funds** signals an **ever-greater capital deployment** within sports and media, among an **increasingly diverse range of stakeholders**

This confidence stems from sports' **unique risk profile**, offering both **limited downsides** and **significant upsides**

This is especially true for **major sports IPs**, whose **valuations continue to rise**, benefiting from a **scarcity effect**

However, we also anticipate a **diversification of investment targets**, reaching **emerging leagues** as well as **operational enablers** in a burgeoning sports technology landscape

We therefore expect sports investors to put a growing focus on the **strategic integration of synergistic capabilities** and the **optimization** of their investment portfolio



## Key perspectives: Investors

Investment activity in sports is fueled by multiple stakeholders: PE firms, sovereign funds, legacy sports organizations, and athletes

### Recent investment activity

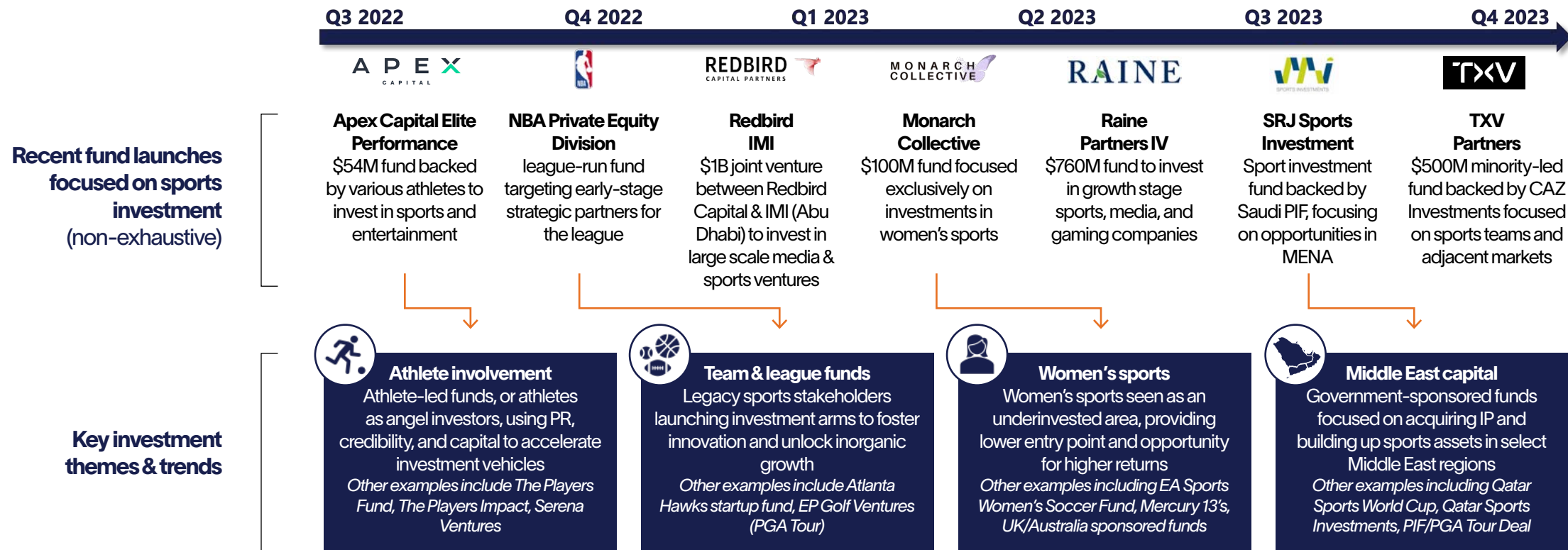
Private equity firms		Consortium led by <b>Clearlake</b> buys <b>Chelsea F.C.</b> for <b>£2.5 billion</b> plus a promise to invest £1.75b (2022) <b>CVC Capital Partners</b> invests <b>\$150 million</b> in <b>Women's Tennis Association</b> for a <b>20% stake</b> (2023)
Investment funds (traditional)		<b>Elliott Management</b> sells Italy's <b>AC Milan</b> football club to <b>RedBird Capital</b> for <b>€1.2 billion</b> (2022) <b>Kosmos Investment Management</b> acquires rights to the <b>Davis Cup</b> tennis tournament for <b>\$3 billion</b> (2018)
Investment funds (sports-focused)		<b>Arctos Sports Partners</b> acquires <b>12.5% stake</b> in <b>Paris Saint-Germain</b> in deal valuing team at <b>\$4.3 billion</b> (2023) <b>Dynasty Equity</b> buys minority stake in <b>Liverpool F.C.</b> for <b>\$100-200 million</b> (2023)
Sovereign funds		<b>Public Investment Fund of Saudi Arabia</b> takeover of <b>Newcastle United</b> for <b>\$400 million</b> (2021) <b>Public Investment Fund of Saudi Arabia</b> reportedly agrees to invest <b>&gt;\$1 billion</b> in new venture with <b>PGA Tour</b> (2023)
Sports holding companies		<b>Kroenke Sports</b> acquires remaining one-third share of <b>Arsenal F.C.</b> for <b>\$800 million</b> (2018) <b>49ers Enterprise</b> acquires controlling stake in <b>Leeds United F.C.</b> at <b>\$214 million valuation</b> (2023)
Sports media agencies		<b>DDMC Fortis</b> acquires <b>Asian Football Confederation</b> media rights for <b>\$2 billion</b> (2018) <b>Endeavor/UFC</b> announce merger with <b>WWE</b> , valuing the combined companies over <b>\$21 billion</b> (2023)
Athletes & celebrities		Rory McIlroy, Anthony Joshua, Patrick Mahomes, Travis Kelce, and others purchase minority stakes in <b>Alpine F1</b> (2023) <b>Tom Brady</b> purchases minority stake in <b>Birmingham City F.C.</b> (2023)
Other investors & groups		Group led by <b>Josh Harris</b> purchases <b>Washington Commanders</b> football team for over <b>\$6 billion</b> (2023) Group led by <b>Mat Ishbia</b> purchases <b>Phoenix Suns</b> basketball team for <b>\$4 billion</b> (2023)



## Key perspectives: Investors

Over the past 18 months, several dedicated investment funds have emerged, formalizing the establishment of sports as an asset class

## Recently announced investment vehicles



Source: Altman Solon

## Key perspectives: Investors

# Sports investments from Middle Eastern nations continue to grow via multiple pathways to build global exposure and influence

## Sports investment pathways in Middle East



### Acquire Stakes in International Clubs and Leagues

- Investments from Middle East sovereign wealth funds have been **primarily focused on European football franchises** (Manchester City, Paris-Saint Germain, Newcastle United F.C.)
- Other notable investments include **international leagues, sports networks, brands/sponsors**, and esports organizations



### Host Top International Events

- Middle East sports ministries are increasingly **partnering with international leagues to host major competitions** (e.g., Saudi Arabia Grand Prix, UFC Fight Island)
- Motorsports** (F1), **combat sports** (UFC/Boxing), and **golf** (LIV/DP World Tour) are currently the most prevalent sports hosted in the Middle East



### Invest in Growing Domestic Leagues

- Clubs owned by the **Public Investment Fund** (Saudi Arabia's sovereign wealth fund) are **aggressively spending on foreign player contracts and transfer fees** to attract household names to the Saudi Pro League
- Through consolidation of major club ownership under PIF, Saudi Arabia looks to avoid China's pitfalls in establishing a premier football league

Sources: Club Websites, CNBC, Front Office Sports, Al Jazeera, Las Vegas Review, The Sportster

September 2008

**Manchester City F.C.** is taken over by Mansour bin Zayed Al Nahyan, the owner of Abu Dhabi United Group



June 2011

Qatar Sports Investments acquires a 70% stake in **Paris Saint-Germain F.C.**, eventually gaining full ownership in March 2012



December 2010

Qatar is awarded the rights to host the **2022 FIFA World Cup**, becoming the **first Middle Eastern country** to do so



August 2015

City Football Group (subsidiary of Abu Dhabi United Group) gains full ownership of **Melbourne City F.C.**



March 2018

Saudi Arabia signs a 10-year partnership with the **WWE** to hold two major events per year



October 2021

Saudi Arabian Public Investment Fund acquires an 80% stake in **Newcastle United F.C.**



April 2019

The UAE signs a 5-year partnership with the **UFC** to host one major event per year



June 2023

**PGA TOUR**, **DP World Tour**, and **PIF** announce new for-profit entity to unify global professional golf



July 2023

Qatar Sports Investments announces deal to acquire 5% of **Monumental Sports and Entertainment**, the **first direct overseas investment** in a US sports franchise





## Key perspectives: Investors

# Investors are having a tangible impact in advancing sports products and commercial models, with some adopting a portfolio approach

## Investor ownership case studies

## Initiatives

<b>Situation</b>	In 2016, <b>Liberty Media Group</b> purchased <b>Formula 1</b> from long-time owner Bernie Ecclestone for \$4.4B	After acquisition of <b>Manchester City</b> by <b>Abu Dhabi United</b> , launch of <b>City Football Group</b> in 2013 following a <b>portfolio approach</b>
<b>New Geos</b>	Rights deal with <b>ESPN</b> for US distribution; <i>Drive to Survive</i> (2018) to <b>broaden fan reach</b> ; added <b>Miami GP</b> (2022) & <b>Vegas GP</b> (2023)	<b>Multi-Club Ownership</b> (MCO) model with teams in US, Australia, Japan, Italy, Uruguay, Spain, China, India, France, Belgium, & Brazil
<b>Media/Engagement</b>	Partnered with <b>Netflix</b> on docu-series <i>Drive to Survive</i> , providing <b>behind-the-scene</b> access and <b>building up athlete profiles</b> ; strong social media presence & relaxing restrictions on content sharing	Partnered with <b>Amazon</b> to produce docu-series <i>All or Nothing: Manchester City</i> in 2017; launched <b>Cityzens</b> , a global membership system providing fans with exclusive content, offers/rewards
<b>Technology</b>	<b>AWS partnership</b> to unlock <b>tech capabilities</b> , including driver data collection/analysis and advanced AR overlays during broadcasts	Active in <b>esports</b> since 2017 (competitive teams for FIFA and Fortnite); recent <b>global partnership</b> with <b>Cisco</b>
<b>Product &amp; Innovation</b>	Introduced <b>cost caps</b> to improve league parity; added <b>sprint races</b> to add additional racing to GP weekends	Information/strategy coordination across network allowing group to <b>develop</b> and <b>feed talent</b> to main clubs (Manchester City)
<b>Commercial</b>	Launched <b>F1 TV</b> as a direct-to-consumer offering	Leveraged scale to win large <b>global sponsors</b> (Etihad and Nissan)
<b>Impact</b>	<ul style="list-style-type: none"> <li>F1 revenues have <b>increased</b> from \$1.8B in 2017 to \$2.6B in 2022 (8% CAGR)</li> <li>YouTube channel subscribers increased 25x from '17-'22</li> </ul>	<ul style="list-style-type: none"> <li>City football group portfolio grown to 13 teams since inception to become largest global MCO (multi-club owner)</li> <li>Manchester City team revenues have <b>increased</b> from €416M in 2014 to €731M in 2022 (7% CAGR), as team won 7 EPL titles since 2011 and first ever <b>UEFA Champions League title</b> in '23</li> </ul>

## Key insights:

Driven by the need to find return in the mid-term, **investors** moving into the sports ecosystem **have been quick to implement** and experiment with **new initiatives** targeted at **expanding reach**, **building engagement**, and **optimizing fan monetization strategies**

Source: Altman Solon



## Key perspectives: Investors

This trend is here to stay; sports executives believe that private investment in sports will accelerate further in next 5-7 years

### Pace of sports investment

How do you expect private equity investments in sports to evolve in the next 5-7 years?



### Key insights:

Investors are convinced that their presence in the sports ecosystem will continue to build, with **80% of investors believing that private investments will accelerate**

This is in line with:

*The launch of several sports-dedicated funds in recent months, implying that significant capital is waiting to be deployed*

*Sports as an increasingly diversified asset class, from the launch of new commercial and competition ventures to the investment in top-tier franchises, or sports technology assets (e.g., AI)*

“Investors are creating a more sustainable sports ecosystem by bringing a longer-term outlook (i.e., minimum 10 years) to ownership.”

**Timo Lumme,**  
Senior Advisor IOC TMS

“Investors in sport will be pushing for industry professionalization and consolidated, sustainable structures with proper governance.”

**Gustavo Arellano,**  
Head of Commercial Development FIBA

Source: CAWI Executive Survey N=150

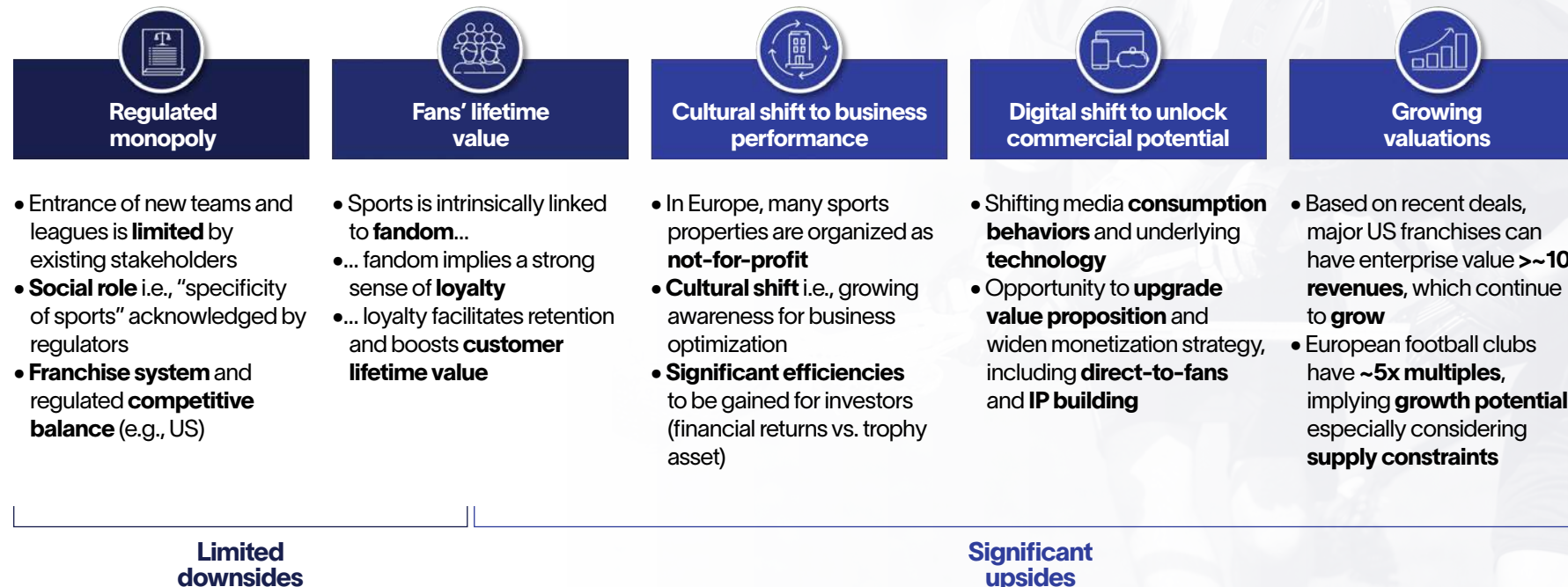




## Key perspectives: Investors

As an asset class, limited downsides and potential for significant upsides gives sports an attractive risk-return profile for investors

### Investment profile



Source: CAWI Consumer Survey N=2500, Powered by IRIS



## Key perspectives: Investors

Investors are attracted to entrenched properties with consistent commercial and media revenues, and with large, fervent fan bases

### Stable revenue generation

English Premier League and NFL revenue from domestic broadcasting rights  
Billions of Dollars, 2013-2024



Source: Altman Solon

“Investors can find new ways... [to] create an ecosystem that has a good floor of guaranteed revenues for clubs, but works with upside sharing so incentives between clubs, rights owners, and broadcasters are better aligned.”

SVP Strategy & Business Development  
Media Co

### Key insights:

- Professional sports is a **stable form of content** reaching **loyal live audiences** that are also **attractive to advertisers**
- Investors see room to grow:** globally, 40% of fans who would be willing to pay for a sports subscription currently do not do so
- Simultaneously, overall valuations are being driven up as new, wealthy investor classes enter the **supply-constrained market for teams and leagues**





## Key perspectives: Investors

Given development potential of global media rights, leagues with international appeal are good targets for growth-oriented investors

### League popularity (domestic and international)

	Domestic		International <sup>3</sup>	
	Fan Interest <sup>1</sup>	Essential <sup>2</sup>	Fan Interest	Essential
National Football League (USA)	85%	69%	35%	23%
Serie A (Italy)	92%	70%	45%	22%
La Liga (Spain)	91%	74%	50%	27%
Bundesliga (Germany)	91%	67%	42%	22%
English Premier League (UK)	87%	62%	57%	32%
Ligue 1 (France)	75%	50%	35%	16%
UEFA Champions League (Int'l)	-	-	71%	52%
Formula 1 (Int'l)	-	-	52%	33%

### Key insights:

European soccer leagues command strong consumer interest in domestic markets and international markets <sup>1st & 10</sup>

Interest is highest across all markets for **UEFA Champions League** and **Formula 1**

**NFL** commands less international interest than **European soccer**, but interest in the NFL is growing in Europe

#### Notes:

<sup>1</sup> Respondents in each country that are "somewhat" or "very interested" in each league/competition;

<sup>2</sup> Respondents in each country that rated each league/competition 75 or higher on a scale from "0 = Not Essential" to "100 = Essential" when selecting a live TV / video service;

<sup>3</sup> Includes respondents in US, UK, Germany, Italy, Spain, France, Mexico, ChinaSource: CAWI Consumer Survey N=2500, Powered by IRIS

Source: CAWI Consumer Survey N=2500, Powered by IRIS



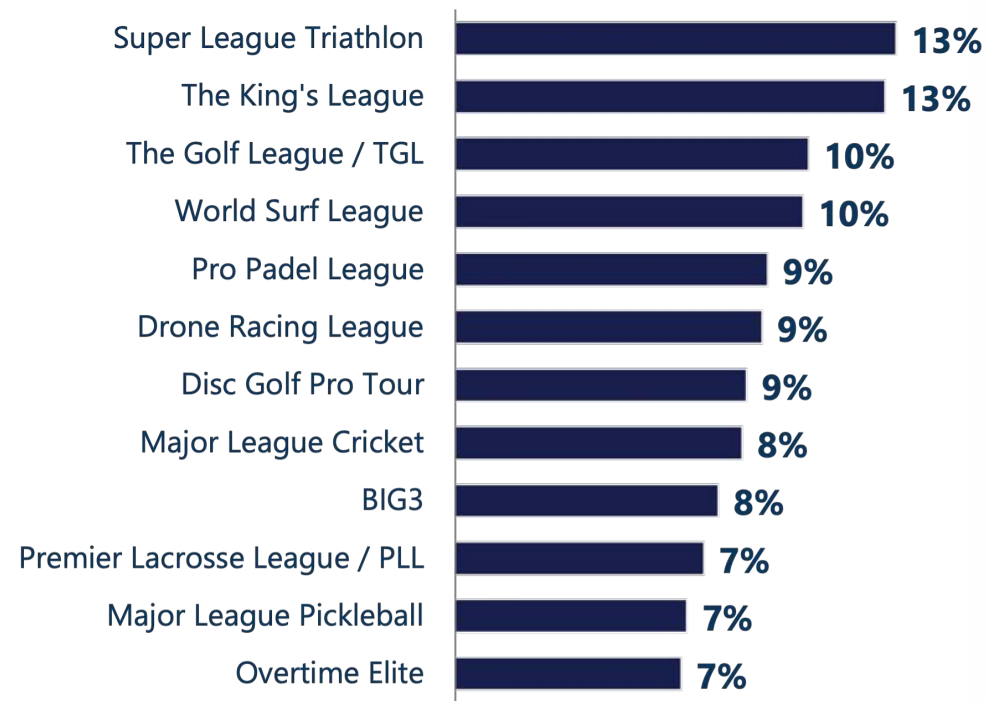
## Key perspectives: Investors

Additionally, some investors are taking long-shot bets on properties with growing or untapped fan bases

### Awareness and interest in emerging properties

Please indicate your interest in the following leagues and competitions

% of respondents somewhat or very interested, among those interested in watching sports, all countries



### Key insights:

Investments in **emerging leagues** are typically **smaller in size** with the hope of a large long-term payout (similar to venture capital)

Smaller investment sizes **opens the investor pool** to additional sources (athletes, celebrities, smaller firms, family offices)

In recent years, emerging sports leagues have seen **significant investor activity**:

**Drone Racing League:** \$50M series C including Exor Venture & Third Waves Digital (2020)

**Premier Lacrosse League:** \$54M Series D round led by TCG (2022)

**Athletes Unlimited:** \$30M across multiple investors (2022)

Source: CAWI Consumer Survey N=2500, Powered by IRIS

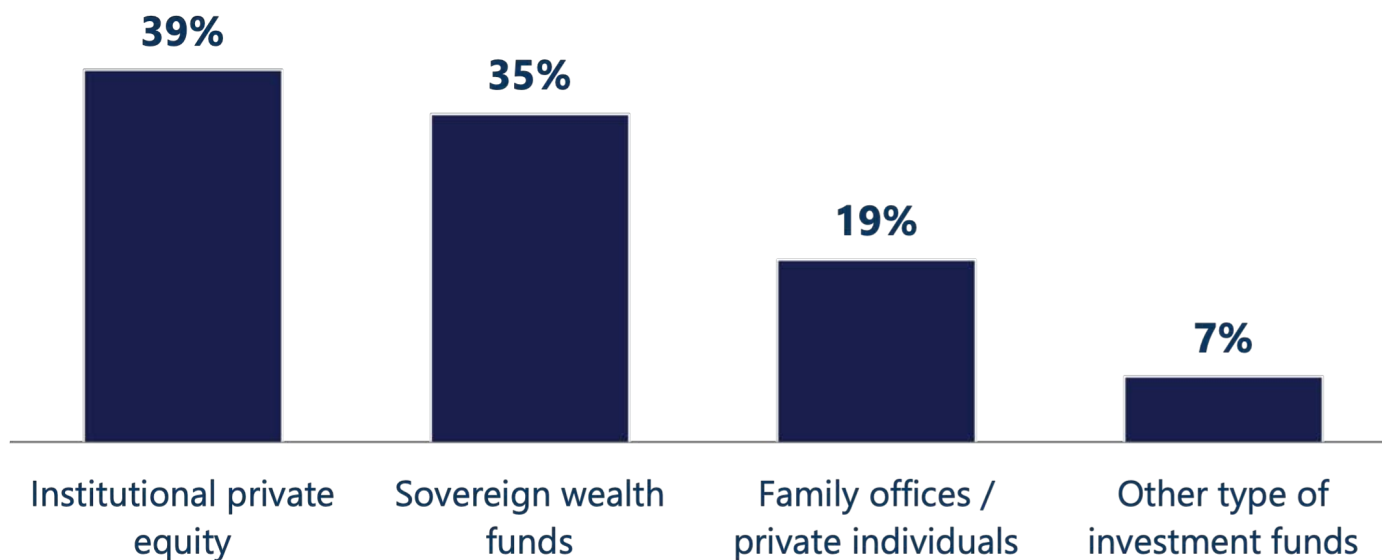


## Key perspectives: Investors

As return-focused funds dominate sports investing, synergetic assets will be targeted to complement and optimize existing investments

### Dominant investor class of the future

By 2030, which type of private investor do you expect to hold the most dominant position in sports properties?



Source: CAWI Executive Survey N=150



“Investors can contribute to a more sustainable sports ecosystem with a focus on optimizing new, underleveraged digital opportunities for rights owners.”

**Claude Ruibal,**  
Managing Director, Ubiquity Sports

### Key insights:

PE firms and sovereign wealth funds are seen as well placed to dominate sports investing over the next few years

It is likely that major sports investors will develop a portfolio approach, seeking to integrate synergetic capabilities including retail, consumer media, and enabling technologies such as AI and data analytics to achieve operational efficiencies and accelerate commercial growth

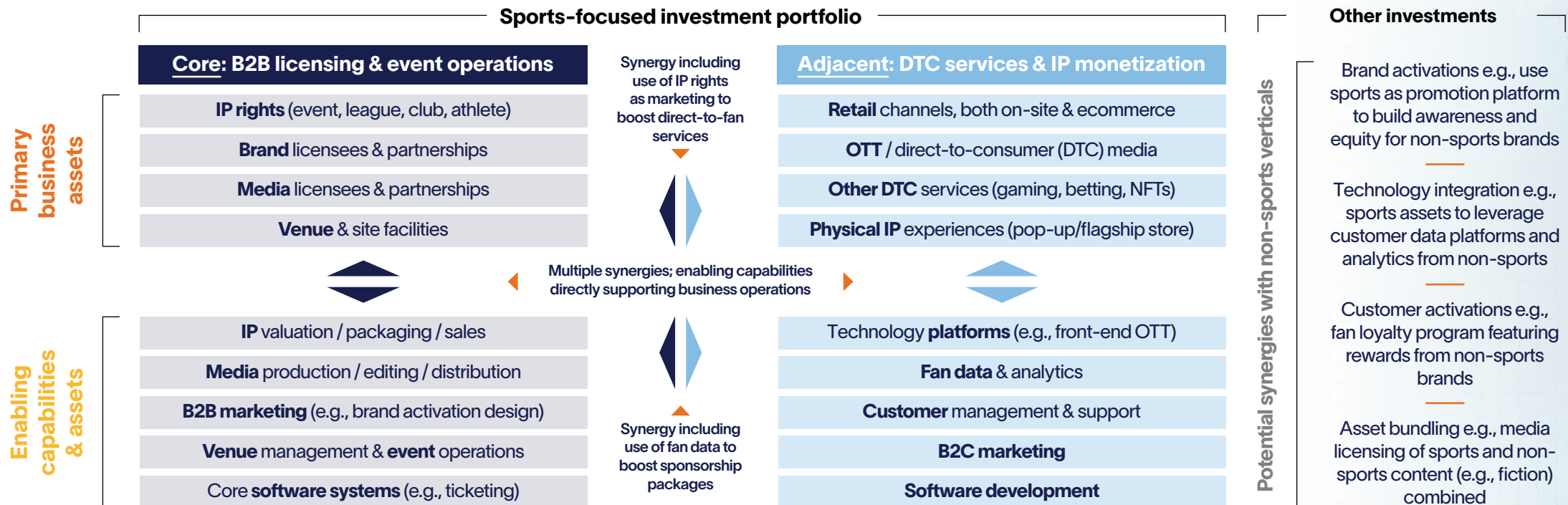


## Key perspectives: Investors

To boost returns, sports-related investors can build a virtuous ecosystem of synergistic assets & capabilities across their portfolio

## Opportunity framework

Investors should **select assets** based on **gaps** and **synergy potential**, including **vertical integration** of both **business** assets and **enabling** capabilities:



Source: Altman Solon

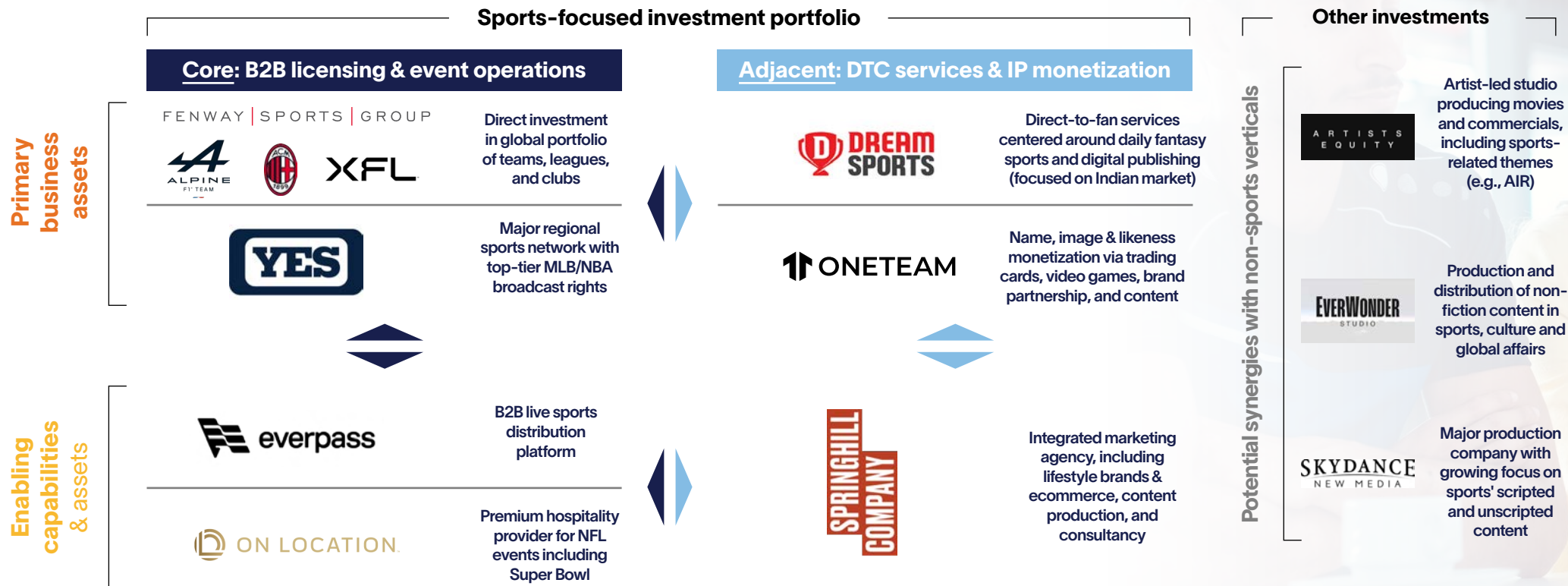




## Key perspectives: Investors

To boost returns, sports-related investors can build a virtuous ecosystem of synergistic assets & capabilities across their portfolio

### Case study: REDBIRD CAPITAL PARTNERS



Source: Altman Solon

## Key perspectives: Investors

# What will the future hold? We believe sports investors must expand across a diverse set yet coherent asset types for maximum returns and synergies

“The ecosystem will benefit from longer term outlooks from investors and professionalized, expertise-oriented approaches to management of key assets and operations.”

**Sanjog Gupta,**  
Head of Sports Disney Star

## Our take

In recent years, the world of sports has emerged as an **increasingly appealing asset class** for investors. It attracts a **wide range of investment and investor types**, ranging from **influential private equity firms** and **sovereign funds** to traditional **sports organizations**, as well as a growing number of **athletes**.

The surge in **sports-dedicated funds** over the last 18 months suggests an even greater deployment of capital. In fact, **industry experts anticipate a continued rise in private investment** over the next 5-7 years (~65% think it will accelerate).

This confidence is grounded in the **sector's unique risk profile**, combining **limited downsides** – sports as regulated monopoly with an enduring fandom – and **significant upsides** from new monetization opportunities and growing valuation multiples.

Investors gravitate towards two key categories: **top-tier properties** with steady revenue flows from broadcasting rights and passionate fan bases, and **emerging properties** with untapped potential and burgeoning audiences.

Beyond conventional revenue models, investors are **actively seeking new monetization opportunities to maximize returns**. This involves a **shift from traditional team ownership** towards a more expansive **portfolio approach**, targeting **synergistic capabilities** as pathways for growth.

**Strategic portfolio management** plays a pivotal role in guiding this journey, with a focus on optimizing strengths, minimizing risks, and **identifying high-impact areas for expansion** within the ever-converging sports, media, and technology ecosystem.

“Investors, should focus on partnering with media companies who focus exclusively on enhancing fan experiences that make them more enjoyable, immersive, and unforgettable. It is important to partner with management teams that understand the difference between what is a feature and what is a business.”

**Wim Ponnet,**  
CEO Ponninvest

“Investors see an opportunity to bring smart money to the rights holders and work with them to develop a better product, better experience, more diversity, more flexibility for fans to engage with the product and build the sports of the future.”

**Marcus Luer,**  
Managing Partner SMRF Capital

Source: Altman Solon



# 2023 Global Sports Survey

## Chapter 5: Innovation in sport

FEBRUARY | 2024



## Innovation in sport

As innovation cycles speed up, sports and media companies must prioritize high-impact use cases throughout the value chain for efficient transformation

### Executive summary

#### Market indicators

##### Streamlining production

- **79%** of sports executives believe **automated content creation and management** will have a **moderate to high impact on sports media** by 2030, highlighting the **increasing role of AI** in improving creation, editing, metadata, and planning workflows
- **61%** anticipate **impactful changes** from **remote production**, especially in **lowering costs and footprint** around live event operations

##### Enhancing distribution

- A large majority of sports leaders also expect **content localization** and **virtual advertising technologies** to have an impact (74%), reflecting the maturity of **transformative use cases** such as **Virtual Board Replacement**
- On the infrastructure side, **cloud-based workflows** are seen as a **key enabler** for the above innovations (64% anticipate an impact)

##### Innovating consumption

- Fans show **limited adoption** (~5%) for emerging **consumer technologies**, including **VR hardware** and **Web3 assets** (e.g., NFTs, fan tokens)
- This reflects **executives' moderate enthusiasm** towards the latter, with only half forecasting some impact from **content augmentation**, including AR/VR, advanced stat overlays, and gamification
- Expectations are **even lower** for **blockchain and tokenization**

## Our Take

Sports media **innovation cycles** continue to **accelerate**, affecting the **entire value chain**

**Enabling technologies**, like content localization and automation, are **set to bring fundamental changes**, driving cost efficiencies and creating new products through **mass regionalization**

Despite **lower adoption** for **user-facing tech** (e.g., content augmentation, Web3), we foresee a **transformational impact** in the longer term

This is especially true for **Web3 and blockchain**, having the potential to create large-scale fan loyalty ecosystems with seamless earning and reward systems across platforms

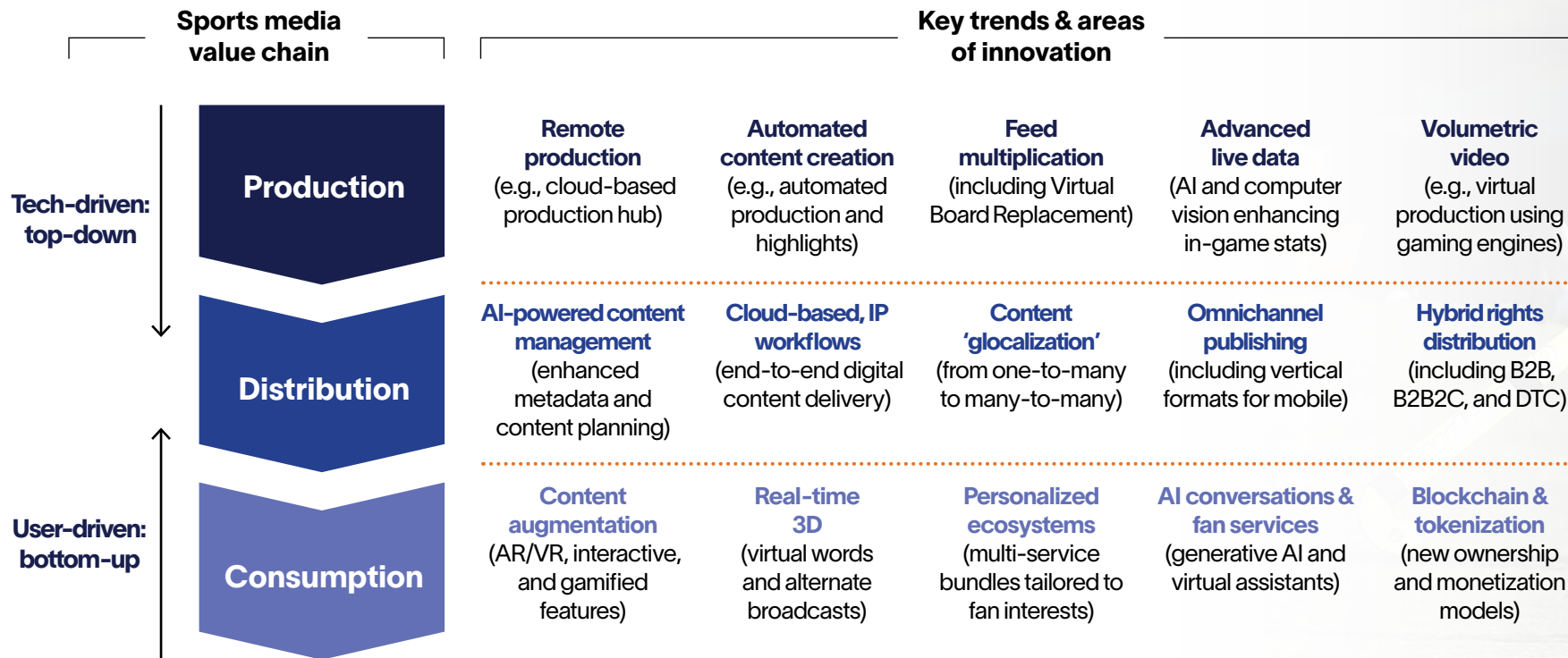
Looking ahead, a **clearly prioritized roadmap** is crucial to distinguish between **nice-to-have, business-critical**, and **high-promise** use cases, as well as to best leverage **interdependencies** between the different technology layers



## Innovation in sport

Broader sports media value chain is subject to multiple forces of change, driven by new technologies and changing consumer habits that reinforce each other

## Key trends for the future of sports media



Source: Altman Solon

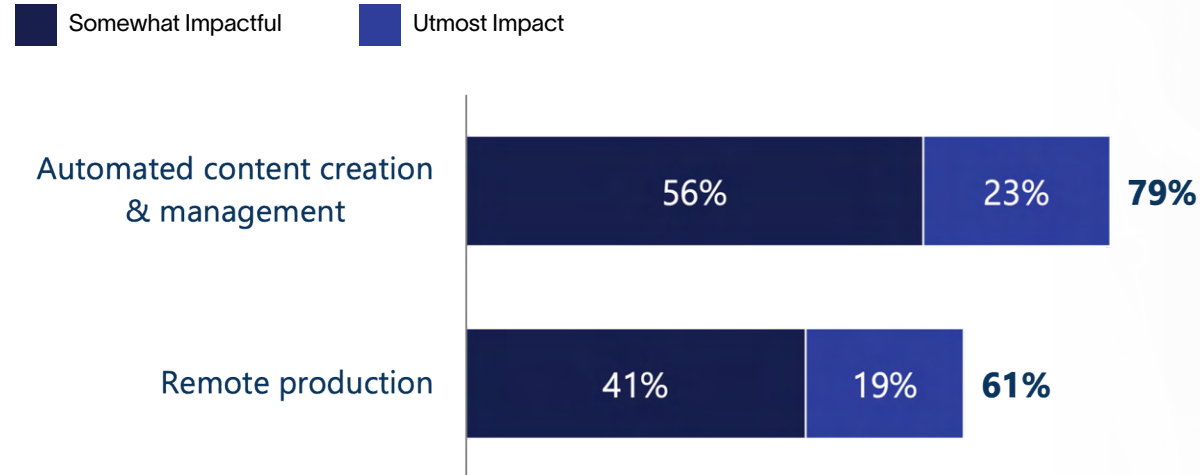


## Innovation in sport

Sports leaders expect innovations in content production to have a considerable impact on operational efficiency in the medium term

### Production technologies

By 2030, what level of impact do you think each of the following innovations will have on sports media?



Source: CAWI Executive Survey N=150

“Transformational changes in sports media will be driven by AI that will deliver automatic content production (from filming to production and targeted distribution).”

CEO,  
Sports Technology Company

“Cheaper production and augmented reality will drive major changes in the sports media landscape.”

CEO,  
Sports Marketing Agency

### Key insights:

- Sports executives anticipate **automation** technology to have **considerable impact** on sports media (utmost impact for 23%)
- AI-powered applications can be expected to **improve efficiency** for day-to-day production and content teams, with key tasks including (live) video editing, data feed integration, feed multiplication, and content organization / asset management
- Automation also **decreases upfront production costs**, enabling lower-tier leagues to **increase media coverage** and **facilitating market entry** for emerging properties
- Major efficiency gains can also be achieved through **remote production**, which considerably reduces need for on-site resources





## Innovation in sport

Automated content can facilitate the creation of new media services such as near real-time highlights, unlocking rights value *at scale*

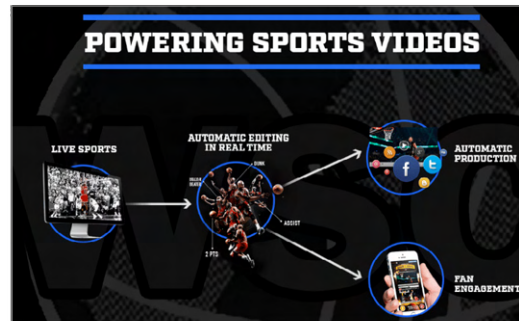
### Automated content creation

#### Case Study: NBA x WSC Sports Technologies



##### Situation

- WSC creates and delivers **customized in-game and postgame video highlights**, leveraging **AVGEN** (Automatic Video Generator) technology and **machine learning** to automatically generate customized highlights in near real-time; highlights can also be generated using pre-defined queries
- **Three layers of analysis** are applied: visual analysis (player movements), audio analysis (crowd reaction, tone of the commentator), and scraping of live data and stats



Automated highlights enable rights owners to deliver highlights **quickly, at scale, and at lower costs**, providing partners with **personalized content and narratives**

#### Key insights:

- Automated content creation and management is expected to bring **unprecedented scale** in sports media
- The impact can be felt not only on the **cost side**, with **increased efficiency**, but also on the **revenue side**, with the **creation of differentiated products and rights packages** from a single sports event (e.g., feed multiplication, localized highlight packages), which can **attract new types of media partners** (e.g., publishers, digital platforms)
- Concrete content automation **use cases** can include:
  - **Automated highlight generation** using computer vision algorithms
  - **Automated commentary**, enhanced content and news generation
  - Broadcast optimization via schedule optimization, and **audience prediction**
  - **Personalized content recommendations** and response-based advertising

Source: Altman Solon



## Innovation in sport

# Remote workflows to strongly impact live production costs and footprints; virtual production to enhance broadcast coverage

## Remote & virtual production

### Case Study: FOX Sports x Unreal Engine



In 2022, **FOX NFL Sunday** started using Unreal Engine's LED VP in their production facilities, which:

- **Eliminates need** for on-location footage
- Offers **photoreal lighting effects** on set without the constraints of green screens or pre-rendered graphics
- Enables to create **volumetric scenes** by layering **augmented reality (AR)** elements using Unreal Engine's LED walls



FOX Sports' **successful** use of Unreal Engine's **virtual production** for NFL Sunday has prompted consideration for **extending this technology to other sports** (e.g., basketball)

“If you wanted to shoot a promo for a team and with 10 different looks of each player, you could shoot each player on 10 different backgrounds in real time. You can get content from one day for an entire season.”

Head of Production,  
Global Production Studio

### Key insights:

**Remote production** involves an **off-site infrastructure** for capturing and editing live events, **reducing needs** for local equipment and staffing resources by **centralizing media operations** in a remote or virtualized hub

Production workflows including feed ingestion, switching, contribution, and graphic insertion can be **managed remotely**, enables centralized control and cost reduction

**Virtual production** is a technology that combines **real-time computer-generated imagery (CGI)** and **virtual environments** with live-action filming

It incorporates various technology enablers such as **in-camera VFX**, **virtual scouting**, and **motion capture**

Source: Altman Solon



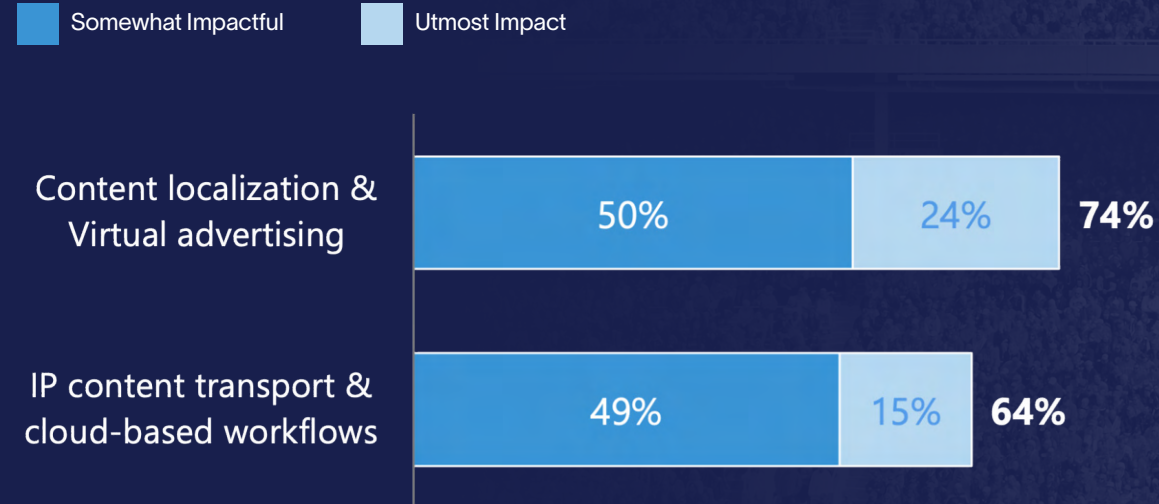


## Innovation in sport

Nearly a quarter of industry leaders believe that content localization will have a major impact on the future of sports media

### Distribution technologies

By 2030, what level of impact do you think each of the following innovations will have on sports media?



Source: CAWI Executive Survey N=150

### Key insights:

Almost a **quarter of sports executives** anticipate that content localization will play a **substantial role** in shaping the future of sports media

This reflects the **high expectations** surrounding **Virtual Board Replacement**, which is reaching **technology maturity** yet **with low adoption**

IP content transport and cloud-based workflows to impact **flexibility & scalability** in distribution operations (pay less), as well as provides a **new base for content monetization** (do more)

“IP-based production, cloud storage of/access to content, and advertising technology will drive transformational changes in sports media.”

**Managing Director,  
Broadcaster**

“Significant changes are taking place in the production process for sports, including a shift to cloud-based live production in addition to the centralized architecture which has become commonplace.”

**CTO,  
Media Advocacy Group**



## Innovation in sport

By tailoring the same event to the specifics of each market, content localization can unlock exponential value for the sports industry

### Content localization

#### Example: Virtual Board Replacement (VBR)



Source: Altman Solon



“Personalized live feeds in combination with no latency virtual advertising has the potential to significantly change the sponsorship and media rights landscape we see today.”

Head of Marketing,  
Sports Federation

#### Key insights:

Winning over international markets represents a **key priority** for sports rights owners, including major leagues with stagnating domestic growth

Tailoring content experiences to specific cultural, linguistic, and regional preferences is **vital** to **broaden fan base** and **enhance partnership opportunities**, either by addressing new commercial partners (acquisition), or by enabling existing ones to run **more targeted campaigns** (retention)

Concrete content regionalization **use cases** can include:

Real-time language customization for commentary and graphics (live)

Localized highlights featuring local heroes (non-live)

Virtual Board Replacement (VBR) including in-game advertising feeds personalized to broadcast country, partner, or end users



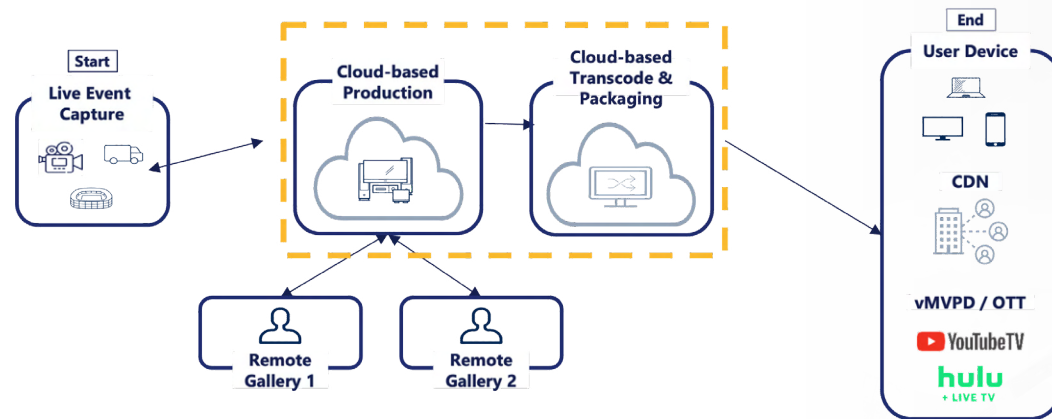


## Innovation in sport

IP-based workflows are set to streamline content transport from venue to end users, reducing the need for physical infrastructure

### Cloud-based workflows

#### Cloud- & IP-based workflows (live event)



“The cloud will provide contribution, production and distribution efficiency, and flexibility needed to meet the evolving fan expectations.”

Executive,  
Technology Company

#### Key insights:

Cloud technology supporting IP-based workflows has the capacity to **transform** the sports media value chain, starting at the **infrastructure layer**

Key **efficiencies** can include:

**Reduced hardware equipment** and infrastructure's total cost of ownership

**Reduced operating costs** including content preparation and network costs

**Facilitated integration** with content takers increasingly focused on streaming

#### Select players offering cloud solutions for IP-based workflows



Source: Altman Solon



## Innovation in sport

# Adoption of cloud-based workflows will in turn accelerate the rise of virtual advertising, paving the way for an integrated ecosystem

## Integration across cloud and virtual advertising technology



**Content localization**, in its existing capacity, is used within the **linear TV model** (mostly on a regional basis)

A new satellite feed is created for **individual continents**, increasing **distribution complexity** and **cost** whilst offering **limited flexibility**

The implementation of the technology and respective use cases are **nascent today**



Moving Virtual Board Replacement to the cloud will be a **paradigm shift** in the distribution of content, unlocking the ability to offer **personalized** (and interactive) **content** at an **individual level**

Will result in **higher monetization potential**, in parallel with a more efficient system **lowering costs**

Programmatic advertising to enable:

- **Precision** targeting
- Higher **efficiency** and **bottom-of-the-funnel** reach
- Access across **multiple platforms** / devices

Linear TV model (*today*)

Cloud-based model (*future*)

Source: Altman Solon



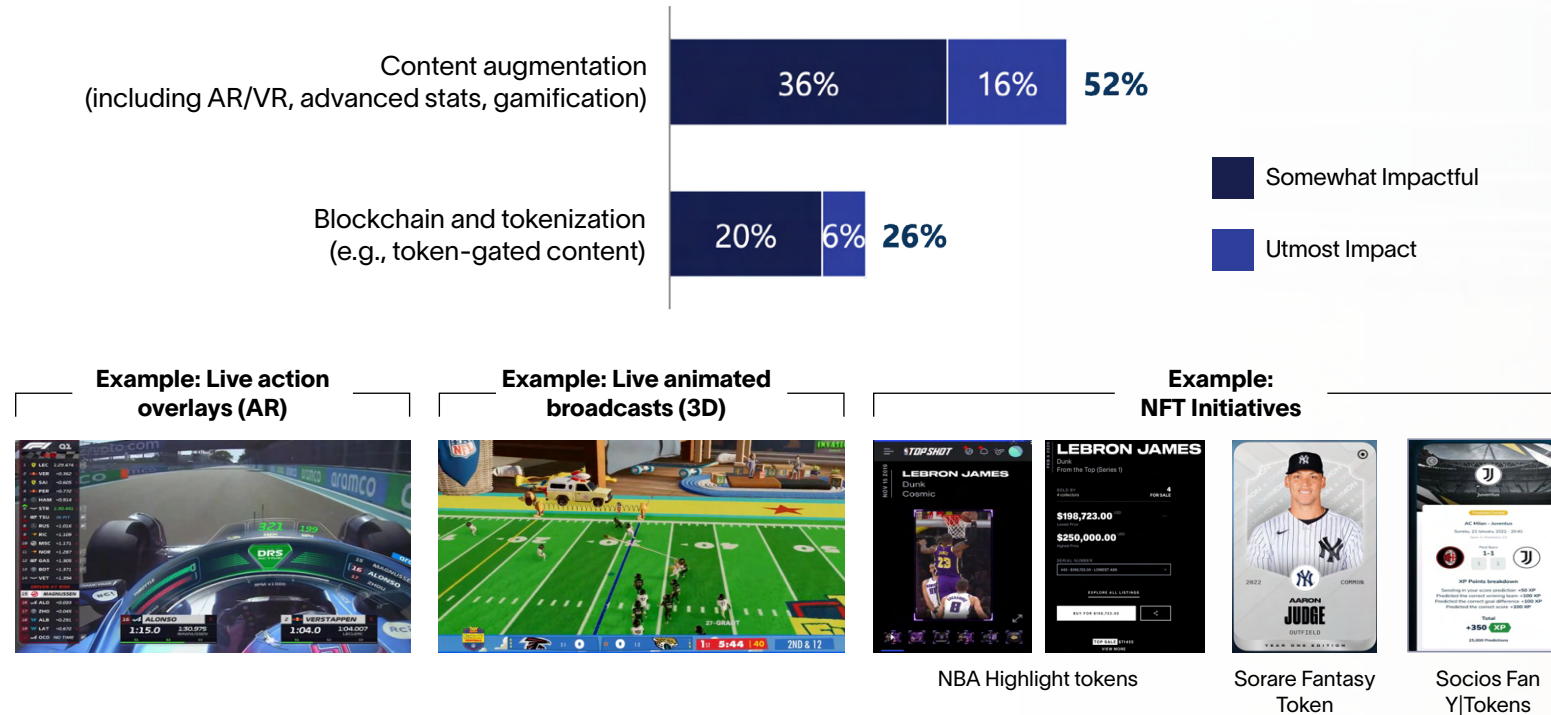


## Innovation in sport

User-facing tech to bring increased immersion and interactivity to (live) sports; half of sports executive believe it will make an impact

## Consumer technology

By 2030, what level of impact do you think each of the following innovations will have on sports media?



### Key insights:

~50% of sports leaders believe that **content augmentation** will have a **moderate to strong impact** on the industry, suggesting a comparatively **lower level of enthusiasm** than for enabling technology

This can be explained by the fact that many **use cases** have **not been widely adopted** (see following page), or are **not yet feasible on a large scale**

Yet **continued innovation** around live VR, AR, 3D animated telecasts, and in-stream social and gamified experiences herald a **rich future** for sports media

Despite its potential, sports executives expect the impact of **blockchain** to be **less significant**, with ~75% of respondents indicating little to no impact

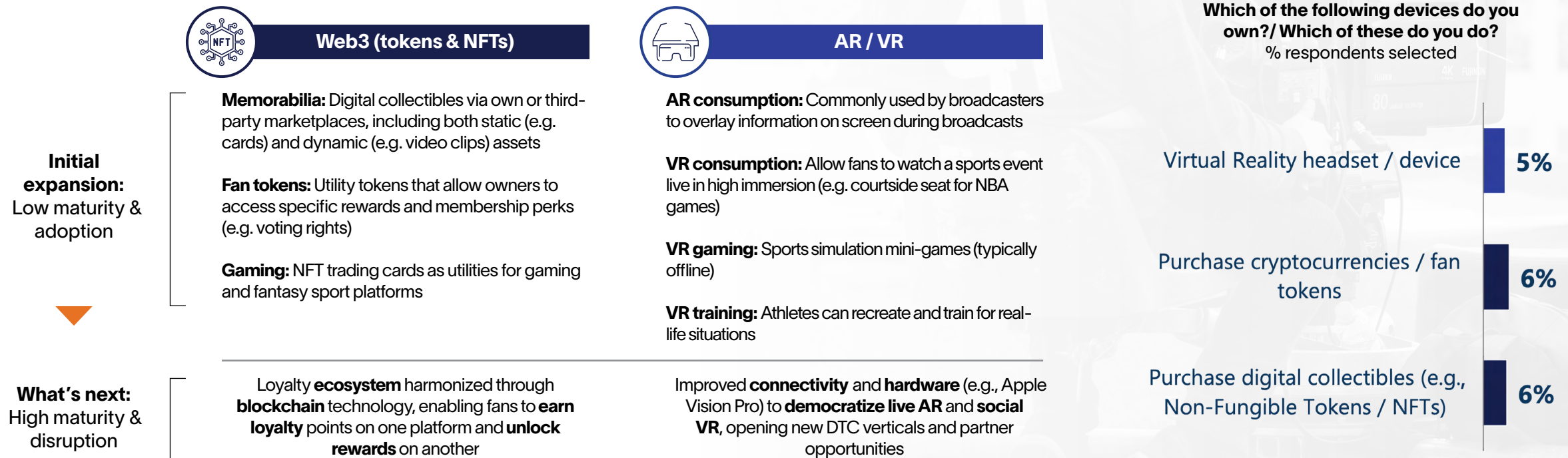
Source: CAWI Executive Survey N=150



## Innovation in sport

In line with executive views, fans indicate low adoption for new tech, yet transformational use cases may emerge in the future

### Consumer technology



Source: CAWI Executive Survey N=150

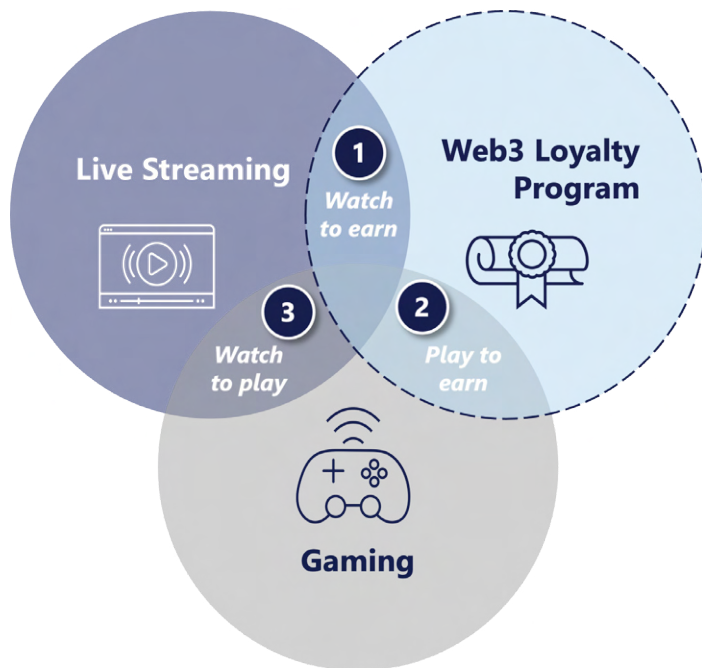




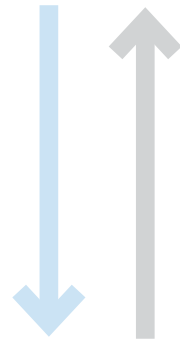
## Innovation in sport

Web3 loyalty could connect live streaming with fantasy gaming, creating a virtuous ecosystem for rights owners, fans, and partners

### Web3 fan ecosystem



Leveraging centralized blockchain technology, fans to access Web3 loyalty program as a token-gated community using a unique NFT key, entering a virtuous universe of connected experiences:



- 1 Earn loyalty points by watching live sports, creating an incentivization scheme based on tangible utilities
- 2 Acquire loyalty points by playing games (fantasy and management, simulation), leading to more usage
- 3 Greater investment in the gaming product in turn creates greater engagement with the media product

Fan to use loyalty points against various rewards provided by both core platforms (e.g., discounted streaming subscriptions, boosters for fantasy) and non-core platforms (e.g., special offers by sponsors)

Source: Altman Solon

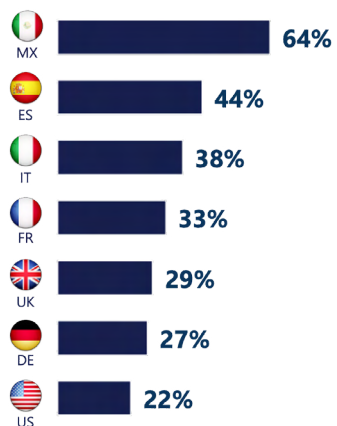
## Innovation in sport

Blockchain-based or not, unique digital ID can foster value exchange between fans sharing data and leagues enhancing their services

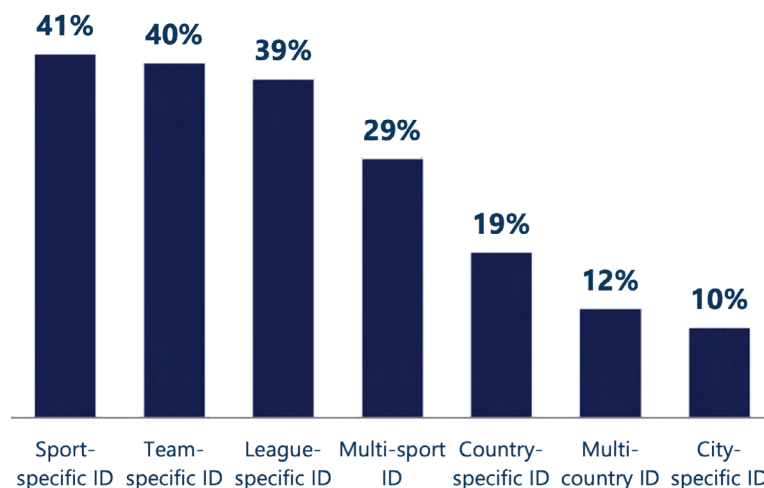
### Digital fan ID

Imagine you had a **unique fan profile and ID that identified you as sports fan** and was a digital record of your sports interests and experiences. Your fan profile and ID could be used across sports websites, apps, venues and shared with sports leagues/teams and media partners to **earn rewards and unlock personalized content and experiences specific to your fandom**. Your profile and ID would be private and only shared with your consent.

How interested would you be in a unique digital fan profile and ID?  
% selected somewhat or very interested



Please pick the option(s) you are interested in  
% Selected



Source: CAWI Consumer Survey N=2500, Powered by IRIS



### Key insights:

Digital fan ID concept could **change the way fans engage with sports**, serving as a secure, digital record of one's sports interests and experiences, enabling **seamless integration** across sports platforms, venues, and media partners

Leagues are experimenting with this concept; **NBA ID** empowers fans to earn rewards and access exclusive content and experiences tailored to their unique fandom

This model can prove successful if it establishes a **genuine value exchange** between a sports entity and its fans, with the latter receiving **tangible benefits** in return for sharing their data



## Innovation in sport

# What will the future hold? We believe innovation cycles to accelerate and converge further, requiring a clearly prioritized roadmap

## Our take

**Innovation cycles** continue to accelerate within sports media, fuelled by both **new technologies** and **evolving consumption patterns**. **Disruption spans the entire value chain**, from production to consumption.

A **large majority of sports executives** expect **impactful changes** from **enabling technologies** (74% for content localization, 79% for content automation). These not only drive **cost efficiencies**, with remote production and AI to drastically streamline content workflows, but also **unlock revenue streams**. Rights owners can **create new products** by **customizing** their assets **at scale**, including localized highlight packages and live feeds with fully-tailored advertising inventory.

Reflecting **limited fan adoption** to date (5% for VR, 6% for fan tokens and NFTs), sports leaders express **moderate enthusiasm** for consumer technologies. Anticipated

improvements in **connectivity** and **enhanced fan utilities** are expected to propel their maturity, eventually leading to a transformative impact.

**Web3**, in particular, holds promise for harmonizing **large-scale loyalty ecosystems**, allowing fans to earn and redeem rewards seamlessly across platforms.

In this context, having a **clear innovation roadmap** is imperative for sports and media companies. Distinguishing between **nice-to-have** and **differentiating use cases**, and **identifying interdependencies** between different innovation areas, such as cloud infrastructure enabling automation, automation powering regionalization, etc., is crucial for navigating the evolving landscape successfully.

“Automated technology and intelligence will affect all areas from production to officiating at many levels of sport.”

CEO,  
Sports Marketing Agency

“Cheaper production and augmented reality will drive major changes in the sports media landscape.”

CEO,  
Sports Marketing Agency

“Content aggregation / subscriber models will develop to lower the cost and simplify access to sports, to deal with the current unsustainable cost/complexity of accessing multiple sports by sports fans globally.”

CEO,  
Technology Company

Source: Altman Solon

Altman Solon is the largest and leading worldwide strategy firm fully focused on telecommunications, media, and technology

#### Our services in the sports industry:

- Strategy
- Target operating model
- Organizational design
- Go-to-market
- Financial planning
- Transaction support
- Feasibility assessments

#### Specific strategy services in sports media:

- Rights packaging and auctioning
- Media rights servicing
- DTC, OTT and Web3
- Content features and pricing
- Fan behavior research
- Remote/ virtual production





At Altman Solon,  
we have built an  
impressive team of  
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working at the  
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## Our Research Partners

The consumer research included in this publication was collected by our partners IRIS and GWI as part of an online survey fielded between August and September 2023



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