NIELSEN SPORTS

HOW CLUBS AND LEAGUES CAN WIN GEN Y & Z

GEN Y & Z WANT TO WATCH WHAT THEY WANT WHENEVER THEY WANT

vs. Baby Boomers (~1945 - 1965)...

2x
Pay a provider for online programming

2.5x
Plan to cut the cord

1.3x
Agree...
Watching time-shifted programming better accommodates my schedule

~2x
Agree...
Watching video programming on my mobile device is convenient

COMMERCIAL COMPETITION IS INTENSIFYING

Fan Attention Time

Fan Spending

Media Rights Spending

Sponsorship Spending

Esports and Gaming
- Explosion in options globally

Peak Content
- 400hrs uploaded to YouTube every minute
- 80m Instagram posts per day
- Netflix launched 1,000 new original titles in 2018

Etc...

Developing Market Property Boom
Raft of new properties in India, China, Thailand, Japan and others.

Old Sports, New Formats
- UEFA Nations League
- MotoE World Cup
- GolfSixes

Etc...

Major International Events
550 in 2018

Women's Sport
- W Series
- Women's UEFA Euro, Champions League
- Women's AFL
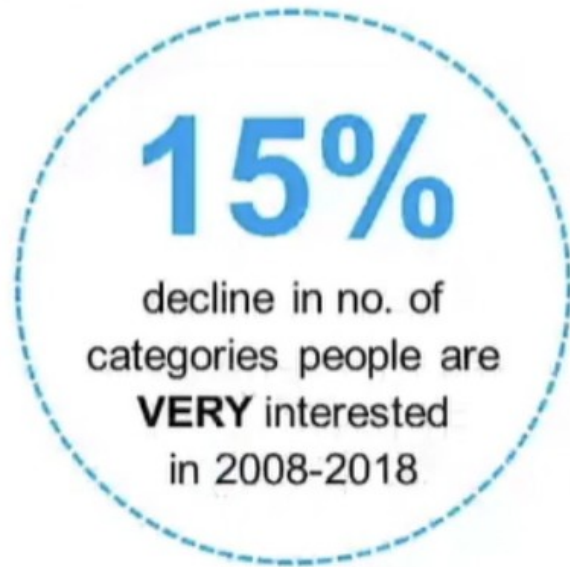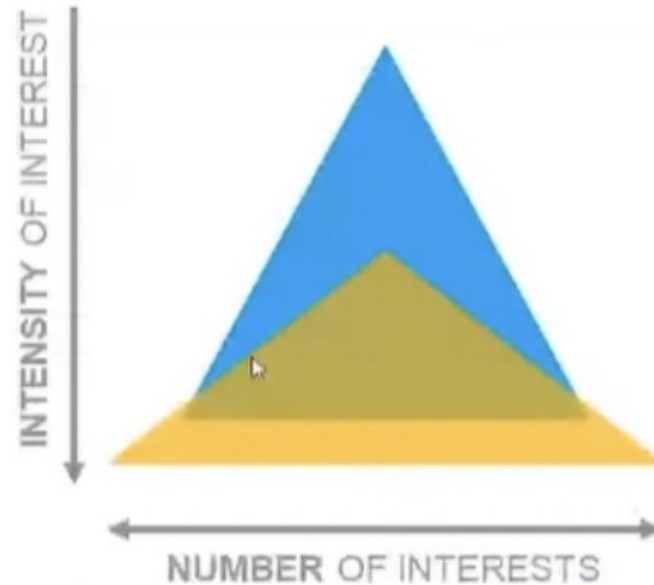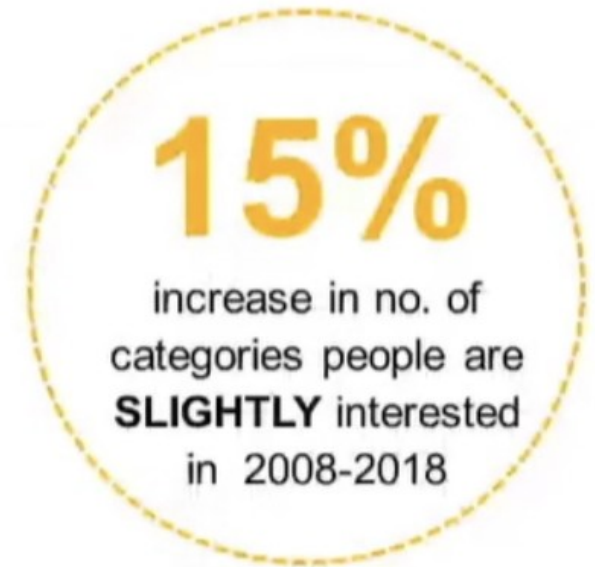
WHAT DOES THIS MEAN FOR KEY PLAYER IN SPORT BUSINESS?
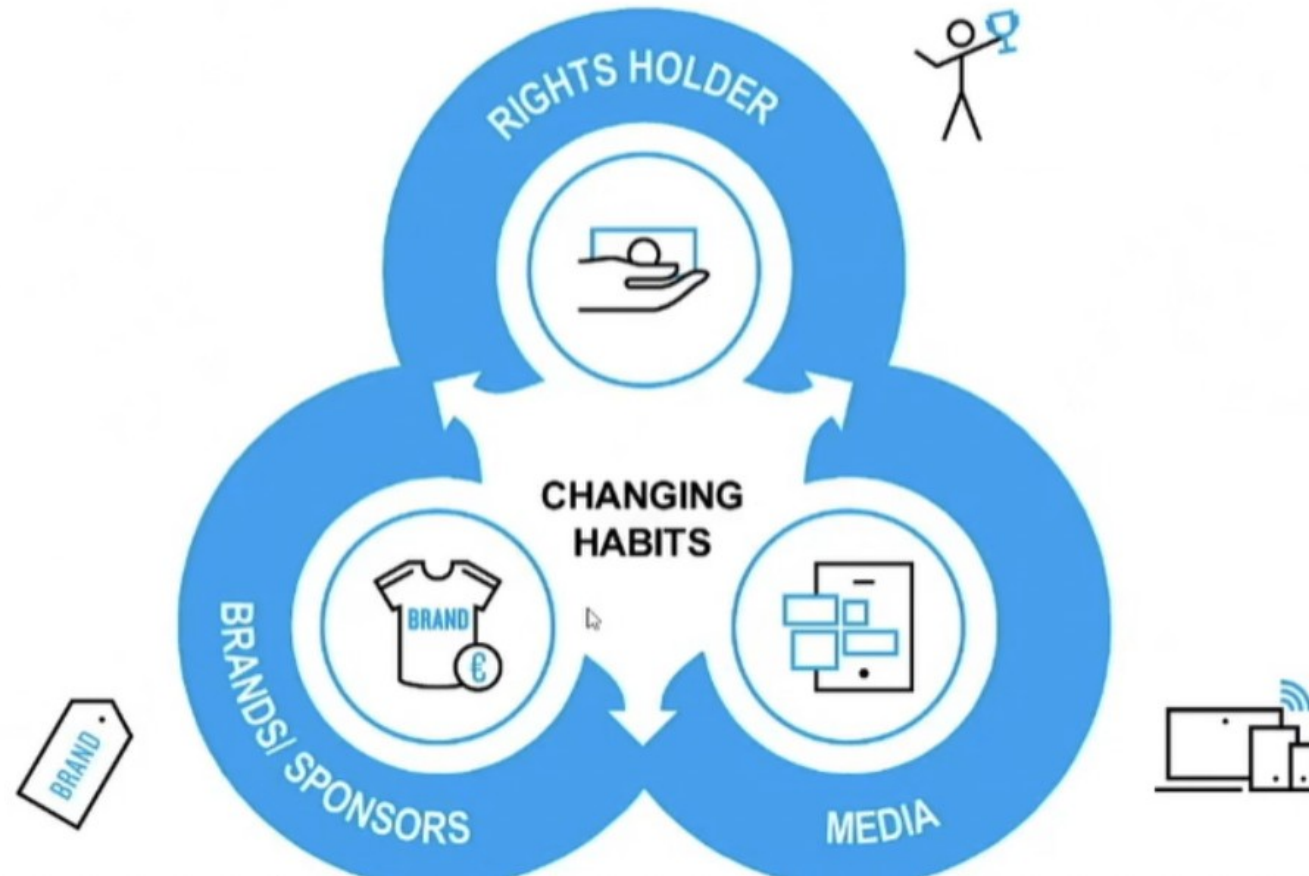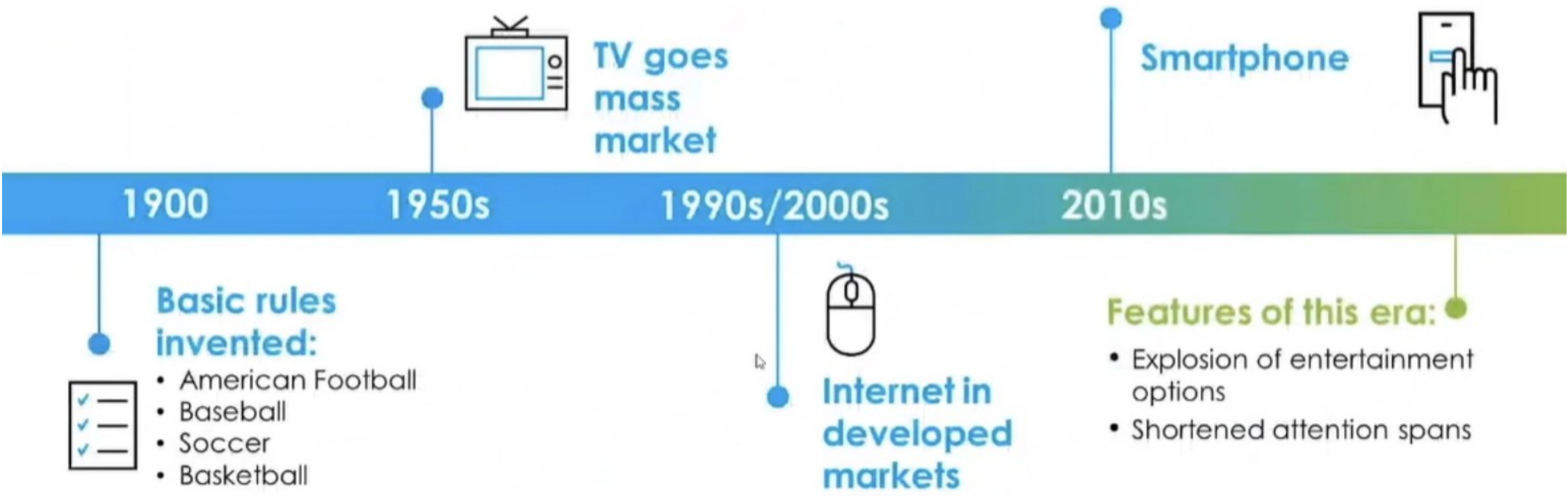
BIG3 HAS PLAYED TWO SUCCESSFUL SEASONS

- Started 2017
- Founders J. Kwatinetz & Ice Cube
- 8 teams
- 14,000 avg attendance
- 1st team to reach 50 points wins
- 14 seconds shot clock
- 2-, 3-, and 4-point shots possible
- Ex NBA stars as players and coaches
- Nancy Lieberman 1st female coach to win a men's pro sports league
- TV coverage on CBS and Fox Sports
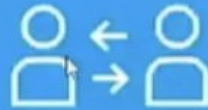
AIRBNB AND THE IOC

- Airbnb: TOP Partner of IOC, 2020-28 worth est. $500m

- Key deal features:

- $28m of accommodation for athletes

- Promotion of sustainable travel

- Support IOC with refugee support

Worldwide Olympic Partner

CHANGING HABITS MAY PROMPT REPACKAGING OF MEDIA

NBA-Turner OTT offer lets fans buy live game streams starting in:

2nd QUARTER $4.99

3rd QUARTER $2.99

4th QUARTER $1.99
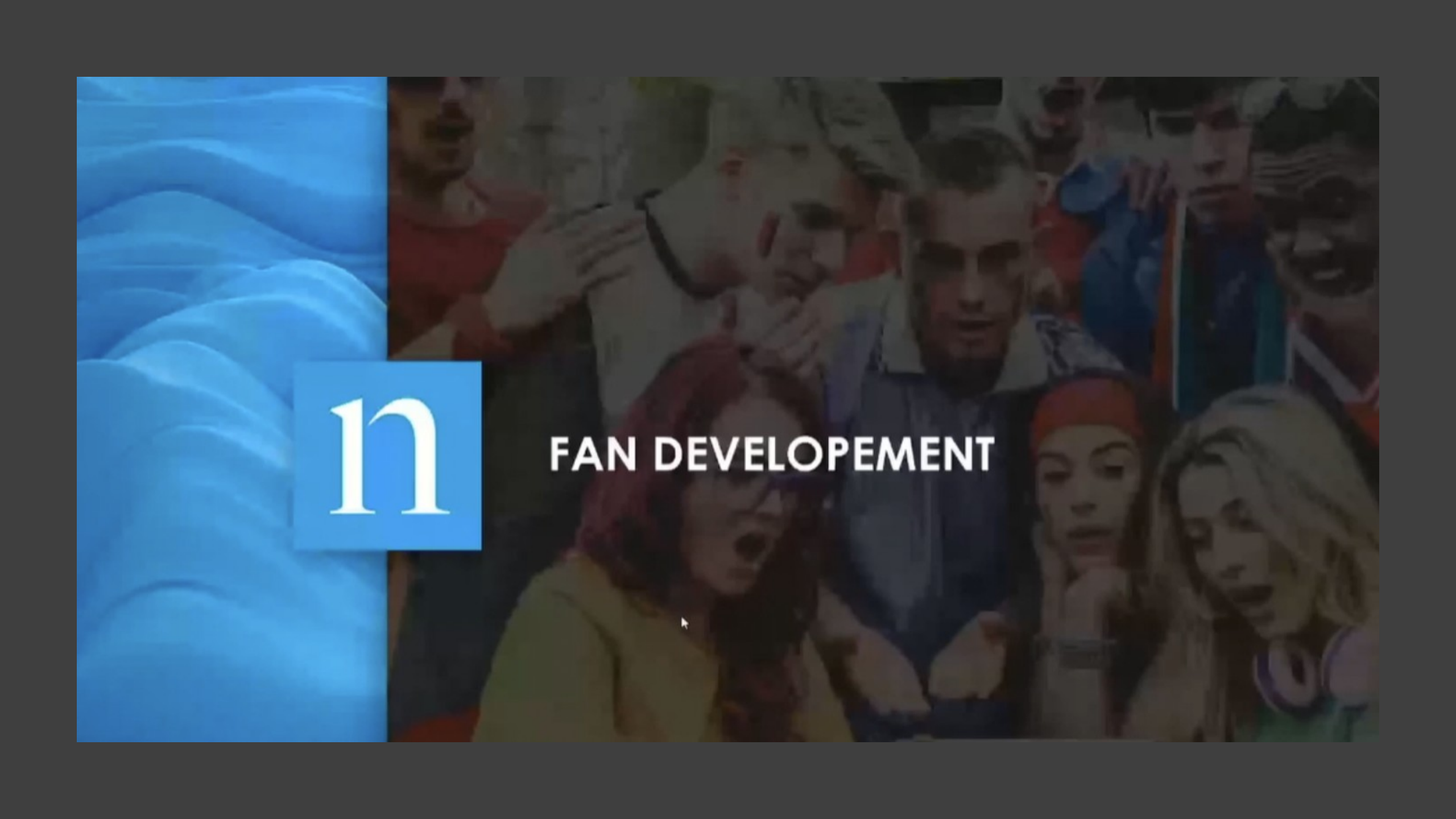
" The decision is a product of both 'supposition and sentiment data' drawn from fan behavior, with **younger audiences showing less commitment** to monthly and even 'per-game' packages. "

Turner, quoted by SportsPro Media, December 2018

NIELSEN SPORTS PROPOSES TO IDENTIFY DEVELOPMENT POTENTIALS IN FAN MANAGEMENT AND SUPPORT THEIR UNLOCKING

Challenges and solutions

QUESTIONS

- What fan potential do you have?
- Into what target groups can those potential fans be divided?
- What characterizes these target groups (e.g. their attitudes, interests, leisure time behavior and demographic features)?
- What potential does each target group have?
- How can target groups be prioritized?
- What strategies and measures can be used to work on target groups, to win them over, develop and retain them?
- What are the structural and systemic prerequisites and how do they need to be further developed for successful fan management?

APPROACH

Nielsen Sports offers a 4-step **strategy**:

1. STATUS QUO ASSESSMENT

2. QUALITATIVE FAN EXPLORATION

3. QUANTITATIVE FAN EXPLORATION

4. CONCEPT OF FAN DEVELOPMENT

CALCULATION OF POTENTIAL & ITS GEOGRAPHIC DISTRIBUTION

Illustrative project results (1/6)

Illustrative data

5M
live in catchment area

4M
are aware of the club

2M
are at least
somewhat interested

1M
are (strongly)
interested
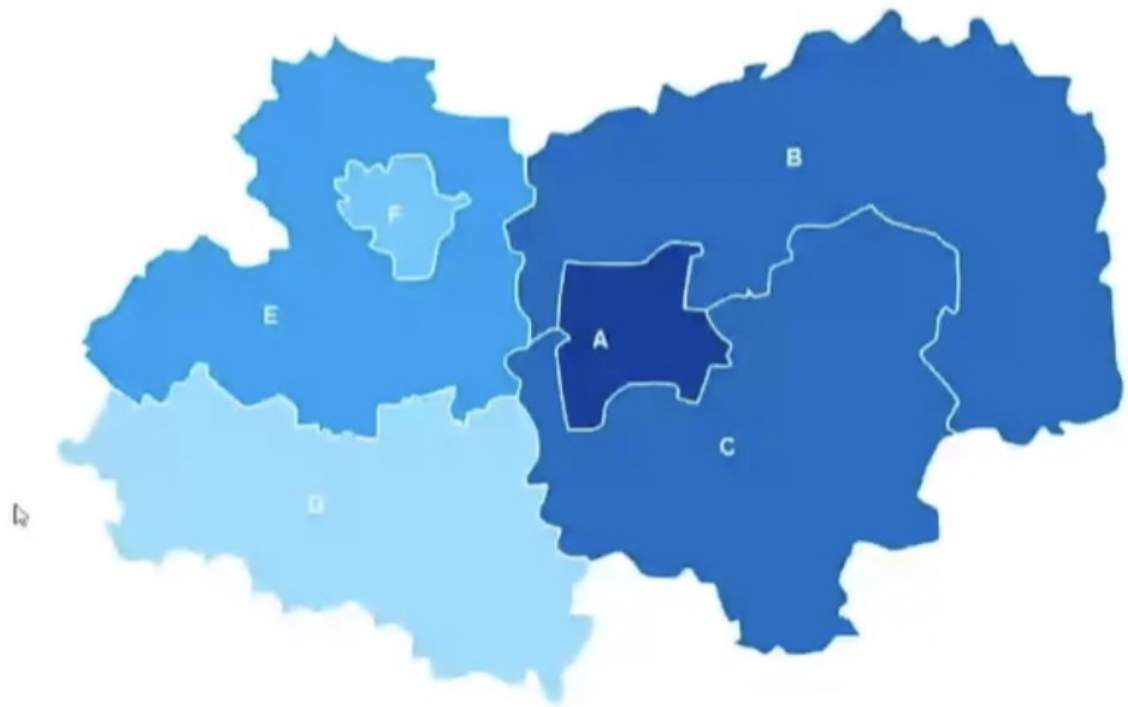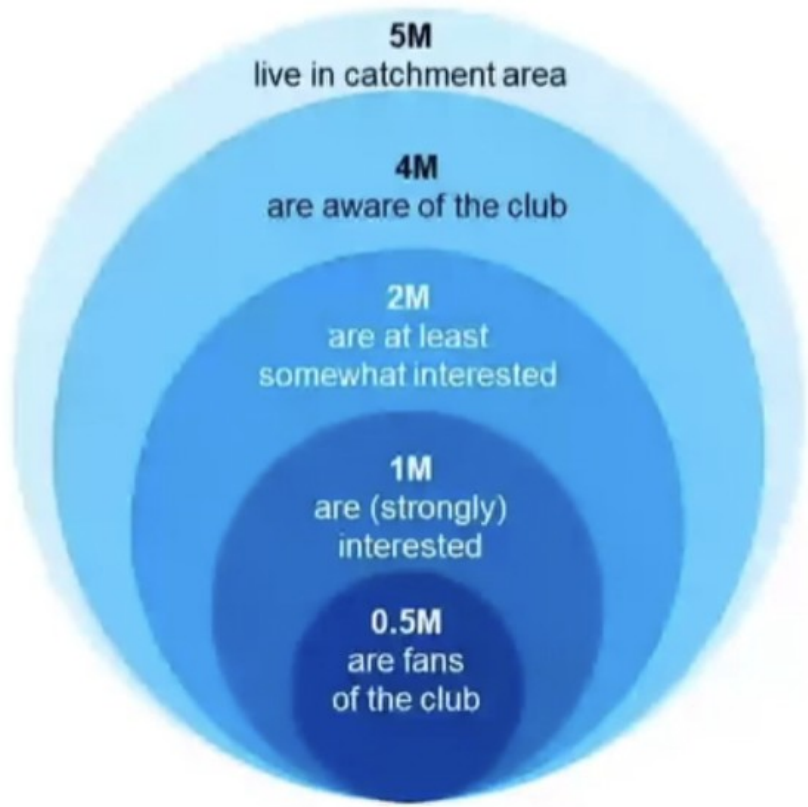
0.5M
are fans
of the club

≤20%   21-30%   31-40%   41-50%   >50%

CHARACTERIZATION AND SEGMENTATION OF TARGET GROUPS

Illustrative project results (2/6)

5M
live in catchment area

4M
are aware of the club

2M
are at least
somewhat interested

1M
are (strongly)
interested

0.5M
are fans
of the club

CLUSTER ASSESSMENT

COMMUNITY-ORIENTED FANS

Very keen on sports (actively & passively), high interest in social topics, sense of community, many singles

HARDCORE FANS

Very strongly interested in football and the club, very strong emotional ties, high consumers

HIGHLIGHT FANS

High level of interest in football but also in other leisure activities, follows only absolute top matches of the club, low emotional attachment, youngest segment

FAMILY-ORIENTED FANS

Highly interested in football, highest proportion of children under 18 years old in the household (39%) spend their

15%   35%   20%   30%

PRIORITIZATION OF TARGET GROUP SEGMENTS ACCORDING TO CLUB INTEREST AND EXPENDITURE
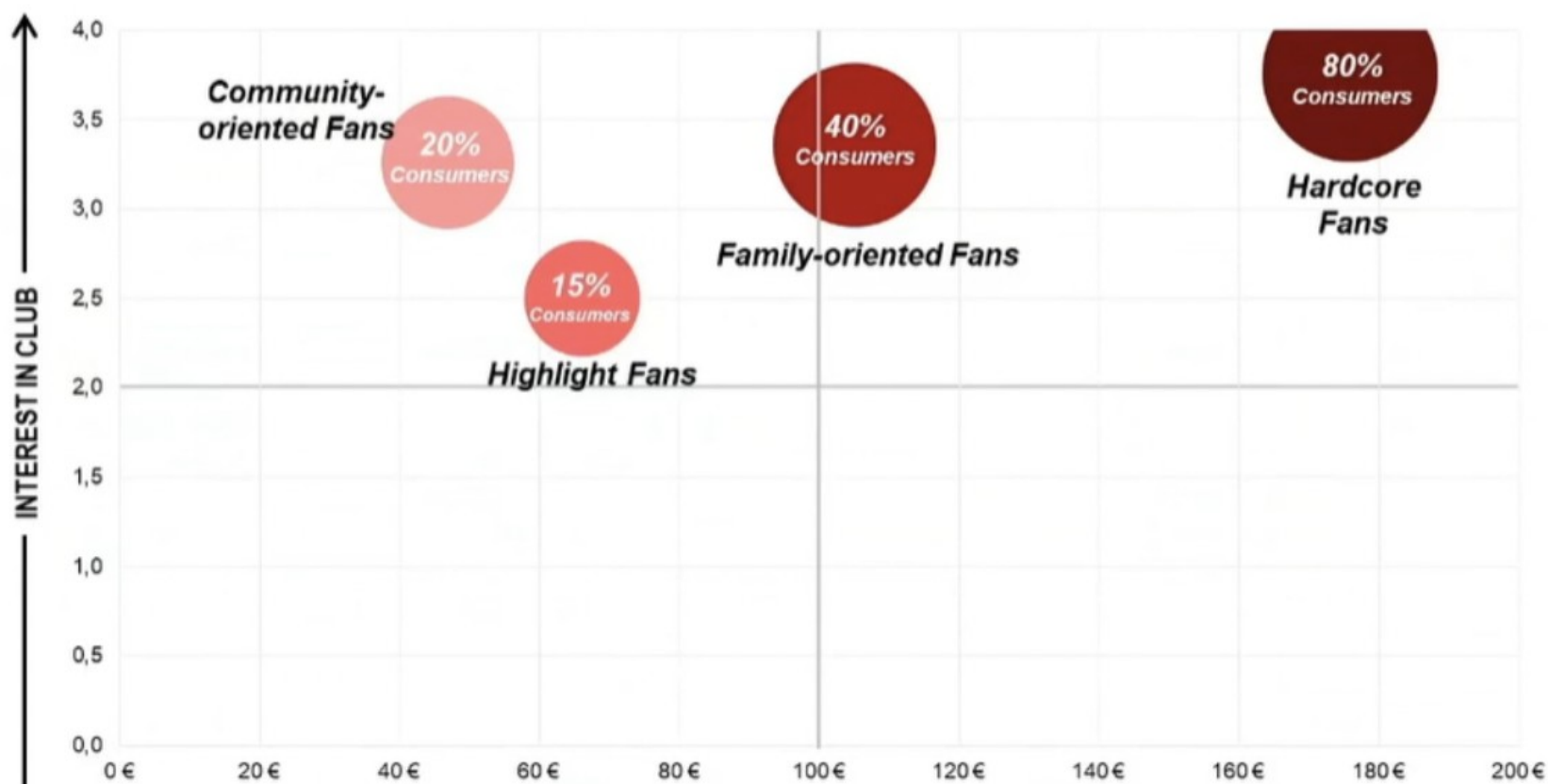
Illustrative project results (3/6)

FAMILY-ORIENTED FANS
- Large group with highest economic potential of attracting new consumers

HIGHLIGHT FANS
- Smallest segment with (very) high potential of attracting new consumers

HARDCORE FANS
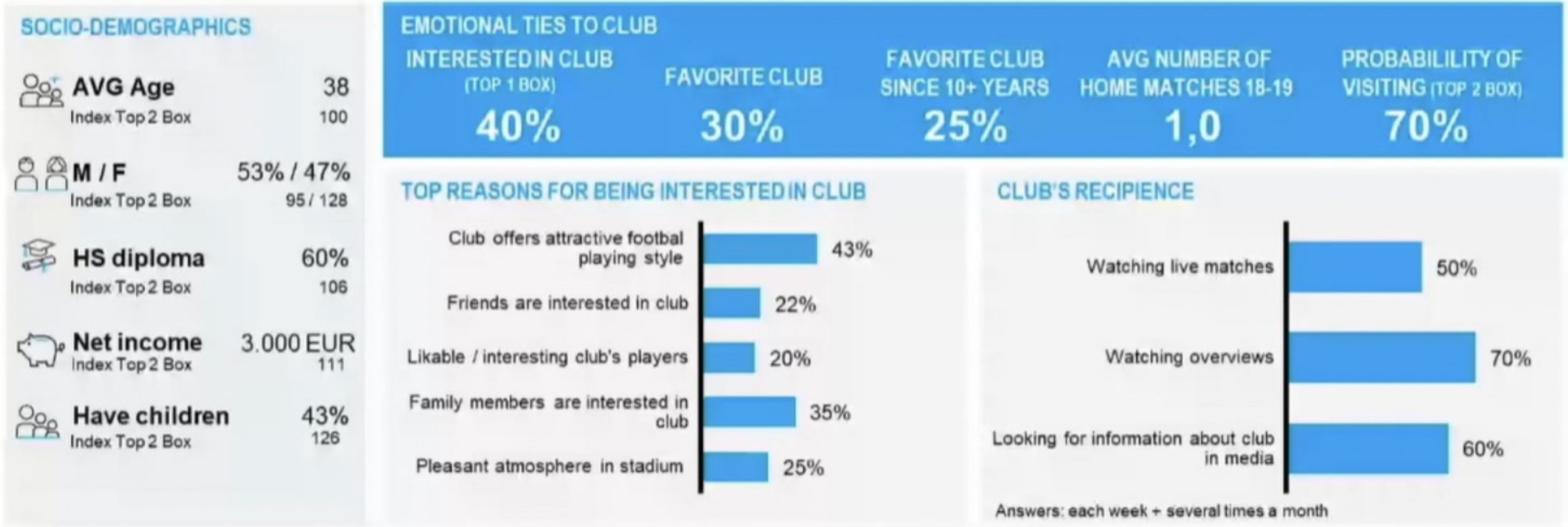- High number of consumers in this segment, growth potential lies primarily in consumer development

COMMUNITY-ORIENTED FANS
- Small segment with low consumer share

DERIVATION OF STRATEGIES AND ACTIVITIES TO ATTRACT AND RETAIN TARGET GROUP SEGMENTS 3/3

Illustrative project results (6/6)

AREA	GOALS	PRIORITY
EMOTIONAL TIES		
Interest	• Family-oriented people love to spend their free time with their children, but their favorite club isn't yet big part of their life. High level of interest in leisure time indicates opportunities of establishing new points of contact in the future (e.g. series, doing sports, fashion, music).	●
Identification	• Until now, the club has hardly managed that family-oriented people identify themselves with the club. It is very advisable that the club stronger emphasizes such values as "entertaining matches", "pleasant atmosphere" and "social responsibility" in its brand communication.	●
CONSUMING BEHAVIOR		
Ticketing	• Very high level of interest in attending sporting events, but averagely visited only 1.0 home matches during the season 2018-19, 45% of the segment is inactive, clear potential for increasing the number of consumers and the number of match visits.	◕
Catering	• Average spending per home match is higher than in any other fan segment, therefore no special attention - but easy ordering and child-friendly menu are relevant	◔
Merchandising	• Winning new merchandising customers (55% have not bought any merchandise items in the last 2	◑

COOPERATION WITH NIELSEN SPORTS
BRINGS CLEAR BENEFITS FOR YOUR FAN MANAGEMENT

Your benefits

GAIN A COMPREHENSIVE UNDERSTANDING OF FAN POTENTIAL AND FAN STRUCTURE

REVEAL MOTIVES IN DEVELOPING AN EMOTIONAL RELATIONSHIP

OBTAINING STRATEGIES TO REACH THE MOST IMPORTANT TARGET GROUPS

ENSURE EFFICIENT USE OF RESOURCES