SPORTS FANDOM CULTURE
GLOBAL VIEWING HABITS AND CONSUMPTION
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AN EXTRACT FROM THE REPORT
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Sports fandom is more popular than ever, as sports increase their international reach through TV and streaming. Opportunities for leveraging sales of food, drinks, tourism, sportswear and merchandise now need to take into consideration changing consumption habits as viewers shift to multi screen sports watching and engage more with social media.
INTRODUCTION

International TV rights and streaming have helped to stimulate interest in sports across the globe, and the spiralling value of TV rights and sponsorship deals means that sports revenues are consistently increasing. By all measures, football ranks as the world’s most popular sport and also generates the most income. Sources disagree on the other top sports, but NFL, basketball, cricket and other athletics are all significant. Attendances at live games remain high, with major sports events usually selling out. Domestic leagues are also faring well in many sports, particularly European football, with England and Germany garnering large audiences.

At the same time, sports watching is becoming more diverse, with consumers not only watching on TV but also on small screens—desktops, laptops, tablets and smartphones. Some leagues are tapping into this, with NFL about to sell streaming rights separately to TV rights. Multi screen watching is also on the rise, with viewers watching two games simultaneously or following social media or commentary on a game while watching it. Sports events can boost tourism, sales of food and beverages, and sportswear: even at global level, a spike was seen in most of these markets in 2012, the year of the London Olympics and UEFA Cup in Poland / Ukraine. It can also be leveraged for indirectly related markets through clever marketing. Future sports events will be predicated on digital channels, with more consumers watching via smartphone and engaged via social media: targeting sports fans from 2016 will require a connected approach.
SPORTS FANDOM ON THE INCREASE

The sports market shows continued growth

AT Kearney estimate the global market for sports revenue to stand at US$76.1 billion in 2013, and is forecast to expand by a CAGR of 5% to 2017. This includes tickets, media rights and sponsorships. The company estimates that when sporting goods, apparel, equipment and health and fitness spending are added in, the total approaches US$700 billion. This growth is led by the dynamic increase in the value of TV rights, particularly for football and NFL.

Total Sports Events Revenue, 2005–2017

Source: AT Kearney. Winning in the Business of Sports
In Europe, the vast majority of this revenue is earned from football. Europe is also the largest market for sports events revenues, accounting for 48% of the global market. In the US, which comes second with 38%, the majority of revenue is made up of US sports—NFL, MLB, NBA, NHL, NASCAR and college sports. In Asia, football leads, followed by US sports (largely baseball) and Formula 1. Football is also dominant in Latin America.

**US: Sports watching switches from live to multi-screen**

In the US, while live sport remains popular among younger consumers, older consumers prefer to watch indoors. Sport is a major driving genre for TV watching. Many watch on multiple screens, following several sporting events, or following one event in different formats. The rise of watching sport on tablets and smartphones has led to the NFL selling rights for streaming separately to their TV rights deal, rather than including this in the TV deals with CBS and NBC.
The second screen: The future of sports events

More consumers are interacting with sports via their tablets or smartphones, either through watching streaming events or engaging with social media, blogs and other digital channels. This is even impacting live sporting events, with stadiums introducing internet enabled options such as in-seat food and beverage ordering to maximise stadium sales, typically in VIP sections.

Social media is playing a massive role in sports events, with brands and athletes all raising their profiles through Facebook, Twitter and Instagram. The role of influencers is a powerful one: high sales of the Nadal endorsed Mr Mille watch were 78% led by social media buzz. Ad agency Rubicom is working with brands who aren’t official sponsors to create a presence at the 2016 Rio Olympics on the second screen. Its Rubicom project shared findings from a survey of more than 1,000 sports fans supporting the view that this will be the first “anytime, anywhere” Olympics.
MARKET IMPACT OF SPORTING EVENTS

Takeaway shines among winners, not hosts

There is no strong correlation between takeaway foodservice sales and host nations, but some correlation can be seen between takeaway sales and winning nations. Argentina’s runner up position in the 2014 World Cup appears to have triggered an upsurge in takeaway sales, even though it failed to do the same for beer. Germany also celebrated their win in the same tournament with a small growth in takeaways.

In the Olympics, China’s takeaway sales increased strongly but this was beaten in the following year, indicating that this growth was probably simply a long term trend rather than directly linked to sporting success. The US, however, did show a spike for 2012, and also for 2014, where they reached the knockout stage of the World Cup in Brazil, where the time difference favoured increased viewership of the tournament.

Sports events significantly boost tourist spend and numbers

Inbound tourism receipts show a very strong correlation with major sporting events, with sports tourism a huge growth area. Tourists to Brazil rocketed for the World Cup in 2014, while Poland also saw an influx of visitors. The UK, however, bucked this trend, with inbound tourism flat in 2012. This was not due to a lacklustre Olympics—there were an estimated 590,000 completed visits to the UK by overseas consumers in July / August to attend a ticketed event. However, the total number of visits to the UK in Augusts 2012 was 5% lower than in the same month in 2011, with other tourists choosing to stay away. In 2012, the UK did however see a boom in domestic tourism expenditure, particularly on leisure activities.
Sharing economy starts to shine

The sharing economy is taking a formal part in supporting the Rio Olympics, with Airbnb signing an agreement in March 2016 to become the official provider of alternative lodging during the event. Airbnb, which picked up the overspill from Rio’s hotels in the 2014 World Cup, is also expected to play a starring role in the Olympics. Brazil’s double hosting of the FIFA World Cup in 2014 and the Summer Olympics in 2016 has created two clear spikes in inbound tourism.

![Inbound Tourism to Brazil, 2010–2020](image)

380,000 tourists are expected to land in Rio de Janeiro during the Olympics, bringing a boost to tourism and related spending. Apps related to hospitality, transport, eating out and entertainment are also expected to be popular. While major sporting events bring huge demand for tourism, they also place intense pressure on resources, and Brazil is struggling to develop sufficient infrastructure in a crashing economy while also battling against the Zika virus. Negative publicity regarding these issues is expected to depress potential tourism, with some ticket holders opting to stay at home.
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