

In January, we attended ACG New York's 6th Annual Women of Leadership Summit. Here are five of our top takeaways from the panel discussion on the 'Business of Sports.'

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5 THINGS YOU MISSED –

1 Stable revenue streams by linear broadcasters with pricing driven by streaming: The primary source of revenue in the sports business is media rights. In 2018, media rights worth \$20bn were sold in the United States, divided among disruptors and traditional linear broadcasters. Despite a large number of streaming platforms like Amazon trying to compete with traditional broadcasters, everyone in the panel believes that linear broadcasters will continue to serve a large consumer base. They also think that streaming would most likely be driving the price and serve as an additional revenue stream in the foreseeable future.

2 Content providers looking to enhance/customize their offerings: The panel discussed how there currently exists a generation gap between the audience and how content providers need to realize the importance of each individual segment. The way in which the younger generation consumes content is significantly different: online e-sport streaming platforms, such as Twitch, allow users to comment and connect with other people during the game. All content providers are constantly striving to make the entire viewing experience more interactive and personalized for their consumers, in order to better engage with them.

3 Changing trends in sponsorships and advertising: The second largest source of revenue for teams and leagues is from the sponsorships they attract. Most important to note is that companies do not hesitate in spending millions on sponsoring teams or venues and do not necessarily insist on signage or outdoor advertisements. However, they are increasingly looking for deep integration with the product they are aligning with—primarily to engage with the end-consumers, corporations, and other partners in the community. Also, the way consumer data is being utilized is key, as it helps the advertiser target the audience better, adding to the value of the sponsorship. It is also essential to align the interests of the sponsor, the team, and the player for a more meaningful marketing initiative.

4 Growth of e-sports: E-sports present a huge opportunity for everyone involved in the ecosystem, including players, streaming platforms, game developers, and sponsors. For leagues like the NBA, whose fan base majority is located outside of the USA and Canada, e-sports helps bring the game closer to the fans, thus breaking the geographical barrier. E-sports have also provided young adults, globally, an alternative career option, given the magnitude of money and stakeholders involved. Lastly, the panel touched upon the importance of updating the facilities for changing technologies, as it is essential to bring the same kind of experience for every user.

5 Sports betting presenting a sizeable commercial opportunity in the future: Last year, the Supreme Court reversed a law that banned sports betting in most states. However, matters are still highly uncertain as lobby groups fight aggressively to legalize sports betting. The panel highlighted that it is important to look out for an 'information-based digital media outlet' for sports betting—a real-time data provider on sports, that not only presents teams and leagues to milk new revenue streams, but also engages and interacts with fans on a much higher level.

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