

WARC | Media

Sports media

in the era of fragmentation



Global Ad Trends

In this report

Sport's new media landscape poses dilemmas for brand advertisers.

Sport remains unrivalled as a means of achieving mass reach, and is one of the last providers of true 'water cooler moments'. However, those enduring qualities are under threat as consumption fragments. Live rights are splintering across broadcaster, streaming and mobile apps.

Meanwhile, as younger fans are drawn to behind-the-scenes stories on social and streaming platforms, rights holders face a challenge in sustaining the economics of sport in the decades ahead.

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Takeaways



2024 marks the return of the Olympics, and may herald \$2bn in incremental US advertising spend.

01 Major live sport moments still deliver mass audience reach

Over 115 million viewers tuned in across Fox properties to watch Kansas City Chiefs defeat the Philadelphia Eagles in Super Bowl LVII last year – making it the most-watched US telecast of all time.

02 TV firms are spending ever-greater sums for sports rights

Global spending on sports media rights is forecast to reach \$60.9bn in 2024, up 18.9% on pre-pandemic levels, with traditional broadcasters digging deeper to retain access to prime sports assets.

03 2024 will be a major year for live sport, as the Olympics returns

Broadcasters and streamers will be buoyed by the return of blue-chip sports competitions this year, including the Paris 2024 Summer Games, UEFA Euro 2024, and the T20 Cricket World Cup.

04 However, sport will not reverse declines in linear TV ad spend

In the UK, spend with linear TV is forecast to remain in decline throughout the summer of 2024. A similar picture emerges in Germany, which will host Euro 2024, although France bucks the trend (+4.9%).

Takeaways

05 Fragmentation of sports rights threatens mass reach moment

NFL coverage spans broadcast and cable TV (NBC, ESPN) as well as OTT (Peacock, Amazon Prime, YouTube TV) and mobile app (NFL+). It is becoming costlier and more complex for fans to follow all live games.

06 Social media is taking centre stage as a sports channel

93% of 18-24s engage with sport on social media at least weekly. However, Gen Z fandom is more 'fluid'. Younger cohorts are often more interested in athletes' stories, rather than teams or competitions.

07 Streamers are tapping into a passion for sports stories

Amazon and Netflix are beginning to acquire live sports rights. However, they are also capitalising on a desire for behind-the-scenes storytelling, with documentary series such as Netflix's *F1: Drive to Survive*.

08 Advertising remains a key part of the Super Bowl experience

Nearly three-quarters (73.0%) of those planning to watch Super Bowl LVIII on the 11th of February intend to watch the commercials. Last year's broadcast earned Fox an estimated \$650m in gross ad revenue.



Chapter 1

Sports media in the era of fragmentation



Sport's new media landscape



At a time when marketers are increasingly reliant on sport for reach, the sector faces fragmentation. Live sports rights are splintering between broadcast, OTT and mobile app, while social platforms are rising in importance for fans.

1. Sports content is increasingly vital to TV consumption

However, broadcasters are having to spend more to retain live rights

“I’m very optimistic on advertising [around the Paris 2024 Olympics] – we see very positive signs in the US and in France as host country.”



Jérôme Parmentier
VP, Media Rights and
Content Partnerships, IOC

As linear TV audiences decline, live sport stands almost alone as a means of delivering mass concurrent viewing.

Last year, 115.1 million viewers tuned in across Fox properties to watch Kansas City Chiefs defeat the Philadelphia Eagles in Super Bowl LVII – making it the most-watched US telecast of all time, according to Nielsen. In fact, the NFL supplied 93 of the 100 most-watched broadcasts on US television in 2023.

Broadcasters and streamers will be buoyed by the return of blue-

chip sports competitions this year, including the Paris Olympics, UEFA Euro 2024, and the T20 Cricket World Cup.

In the case of the Olympics, it marks the first competition in a convenient time zone for US viewers and advertisers since 2016. “We couldn’t be more excited ahead of Paris after two Games [Tokyo 2020 and Beijing 2022] in a very challenging environment,” says Jérôme Parmentier, Vice President, Media Rights and Content Partnerships at the International Olympic Committee (IOC).

However, the growing importance of sport to linear TV audiences comes at a cost for broadcasters. Global spending on sports media rights is forecast to reach \$60.9bn in 2024, according to SportsBusiness, up 18.9% on pre-pandemic levels.

Broadcasters are having to dig deeper to retain live rights. The latest English Premier League rights auction in the UK raised \$8.4bn over a four-year period, up 4% on the previous term, with Comcast’s Sky Sports and Warner Bros. Discovery’s TNT Sports footing the bill.

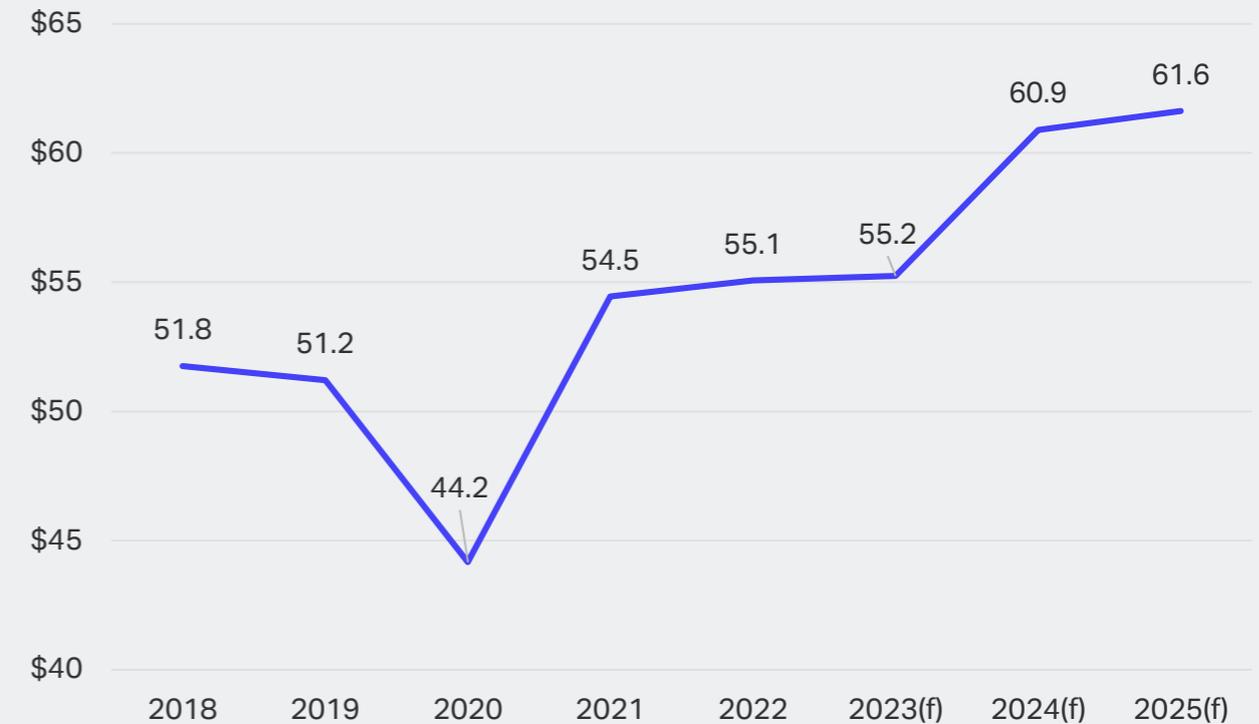


TV companies, of course, hope to recoup some of this lavish investment through ad revenue. In the US, brands are expected to spend an additional \$2bn around the Paris Olympics, according to Daniel Knapp, IAB Europe’s Chief Economist, while Euro 2024 will drive €250m in incremental spend across the European continent.

Yet WARC Media data suggests the boost will not be enough to offset the linear TV market’s broader issues. In the UK, spend with linear TV is forecast to remain in decline (-1.6% year on year) throughout the summer. A similar picture emerges in Germany, which will host Euro 2024, although France bucks the trend (+4.9%).

Global, Total spend on sports media rights

USD, billions



Note: Periods denoted with (f) are forecast numbers.

Source: SportsBusiness

Kate Scott-Dawkins, President of GroupM's Business Intelligence unit, expects “less of an impact” from sports than in previous cycles, with any incremental revenue gained by broadcasters coming from rival TV companies, rather than other parts of the media mix.

Nonetheless, sport remains central to many brands' marketing strategies. “Sports is the one constant within media plans. Live sports is getting the eyeballs and sports content is getting the engagement”, argued Adrian Sutherland, Vice President at Publicis Sports.

Streaming platforms such as Netflix and Amazon Prime are tapping into this passion for sport, but in many

cases do so without the rights to show live coverage. Instead, they place a greater emphasis on documentary storytelling and behind-the-scenes access, says Charlotte Oaten, Insight Senior Manager at OMD EMEA.

Sports of all kinds are attempting to replicate the transformative success of Netflix's *F1: Drive to Survive*, which has helped to deliver record-breaking viewing numbers for live Formula 1 races, and resulted in a 10% increase in the number of fans in the all-important US market. “For platforms like Netflix, [behind-the-scenes documentaries] provide sports-adjacent content that draws in subscribers interested in entertainment and culture more broadly”, says Oaten.



In 2022, the IOC partnered with Netflix on *The Redeem Team*, a film about the 2008 US Olympic men's basketball team. Talks are ongoing with streamers about “telling the Olympic story”, but Parmentier insists content should help to drive live viewing with local broadcast partners.

“When I have a conversation with Netflix, I want for that conversation to be two-fold: it's to engage that casual audience who is consuming *The Last Dance* and *Tour de France: Unchained*, but I also want to benefit from Netflix's firepower, in this case in the lead up to Paris”, he adds.

As the world is becoming more polarised, we're instinctively looking, as a society, for commonalities. So brands are delving more and more into the rich tapestry of emotions and experiences that sport can evoke.

Silvia-Cristiana Marinescu, Strategy Executive Director, OMD EMEA



2. However, sports consumption is fragmenting across platforms

With live sports rights increasingly splintered across TV and OTT platforms, there is a danger mass viewing moments such as the Super Bowl will become scarcer.

NFL coverage, for instance, spans cable TV, OTT and mobile apps, with live games streamed on platforms including Amazon Prime, YouTube TV and the NFL+ app.

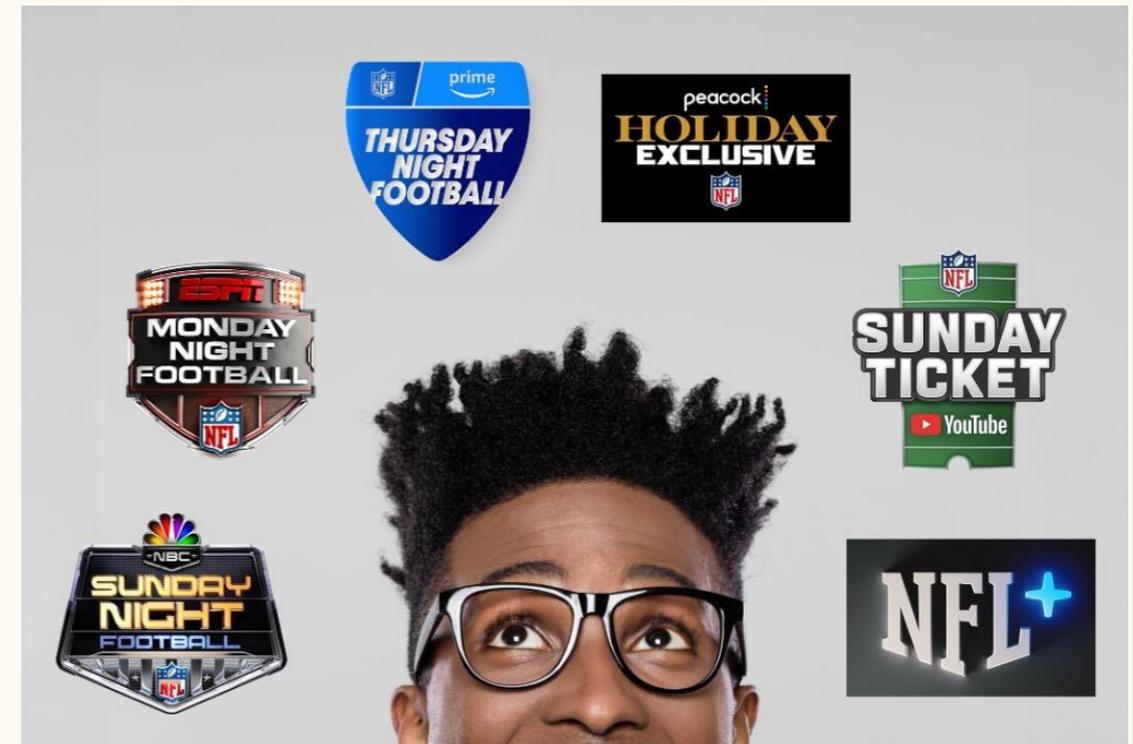
The trend is increasingly global. Men's international cricket in Australia now streams on Amazon Prime, while women's football fans in the UK must subscribe to DAZN to view UEFA Women's Champions League fixtures. Apple TV+ streams

Major League Baseball in 60 countries worldwide. Even Netflix is dabbling with sport-like content in the form of WWE wrestling.

Early evidence suggests OTT platforms can deliver big audiences: a recent NFL Wild Card game drew an average 23 million viewers to Peacock, making it the most-streamed live event in US history. Yet this fragmentation poses questions for brands and media owners, as well as the fans having to hand over more in subscription fees. "In some sports, local fans may need at least three separate subscriptions to watch a full season of games", says Publicis Sports' Sutherland.

A complex (and costly) situation for NFL fans

Half a dozen broadcasters, apps and platforms show live NFL games in the US





“It is imperative platforms keep a strong content plan in place to keep consumers engaged. The live event is one thing, but how do you justify a subscription over time, if I’m pulled in via a live football game?”

Marketers, meanwhile, must work harder to meet their reach goals across media owners. Tracking the effectiveness of campaigns across multiple platforms can be complex.

“Messaging could also present a challenge, in the sense that it is clearer than ever that a one-size-fits-all approach will not be as

effective”, says Silvia-Cristiana Marinescu, Strategy Executive Director at OMD EMEA.

Sutherland agrees that fragmentation of rights makes media planning more difficult: “Your integrations aren’t as robust because the investment thresholds to unlock aren’t being met due to budgets being dispersed in so many property directions. You ultimately need to sacrifice a big programme with one network or streamer.”

Nevertheless, the “blurring lines” between channels and platforms like video, audio and social

Average viewers of Peacock’s NFL Wild Card game on 14 January

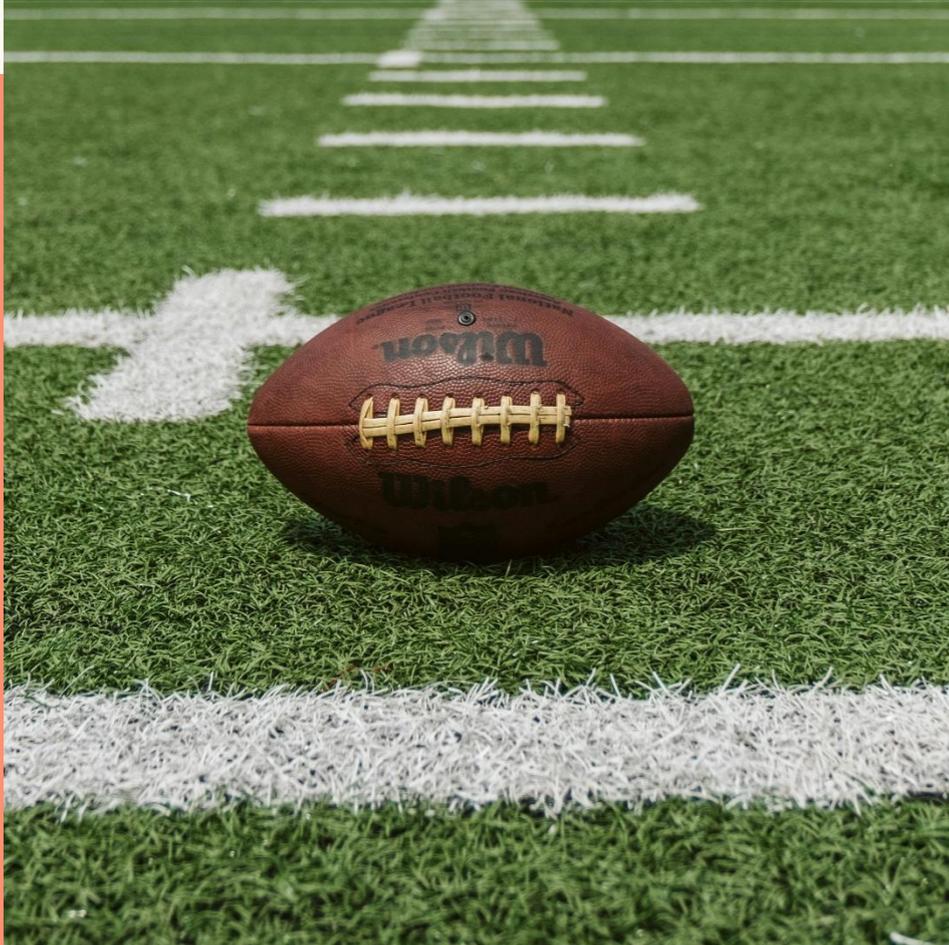
23m

Netflix investment in WWE live streaming rights

\$5bn

NFL+ app annual Premium Plan subscription cost

\$79.99



create an “unprecedented opportunity” for immersive, interactive advertising and personalisation, Marinescu adds.

There are also potential benefits for rights holders. In the case of the IOC, the rise of OTT may help the organisation to engage the long tail of lighter sports viewers during this summer’s Games in Paris.

“Our distribution strategy has been and remains guided by one principle, which is to reach the widest possible audience”, says the IOC’s Parmentier. “What matters to us is that fans can watch the Games for free on a platform.”

Broadcast partners are contractually obliged by the IOC to stream all 10,000 hours of live competition, no matter how niche the sport. In most cases, this will be achieved via broadcasters’ own OTT platforms like NBCUniversal Peacock in the US or Warner Bros. Discovery’s Max in Europe. So-called “warehousing” – where content rights are acquired but not exploited – is prohibited.

“This is a huge advantage for an organisation like ours because we need to capitalise on the content from those 17 days as much as possible”, says Parmentier.

A highly noticeable trend we're seeing with Gen Z is that their interest goes beyond the field of play. Their devotion to the athlete story is much deeper than the league and team.



Adrian Sutherland, Vice President, Publicis Sports

3. Social media takes centre stage as a sports channel

Rights owners attempt to convert casual fans into longer-term viewers

It's no secret that – despite consuming less live sports – Gen Zs love to engage in sports-related activities on social media and digital platforms.

An Ampere study showed that 93% of 18-24s engage with sports on social media at least weekly. For sports fans of all ages, apart from engaging with fellow communities, social media is also often used for highlights, commentary, and opinions, to name a few.

Social media offers sports consumers a gateway not bounded by popular interests, broadcasting

fees, or time zones. A new kind of fandom arises, as social media takes centre-stage as an indispensable sports media channel.

GWJ data shows that the fastest-growing type of social content is sports highlights among US consumers, and 45% of e-sports enthusiasts watch short-form to keep up-to-date on current trends.

A minute-long short-form highlights package attracts both hardcore sports fans and casual viewing users. Pre- and post-match discussion keeps users engaged on social platforms.

“The live experience is going to appeal to a certain amount of people who will be paying for that experience. Rights owners are using social media as a marketing tool to build audiences and build a way of anticipation.”

Kahlen Macaulay,

Senior Manager of International Sports Partnership, Snap Inc.



Conversations around sport blend with other topics – particularly fashion, music, and entertainment – according to Kahlen Macaulay, Senior Manager of International Sports Partnerships at Snap. Sports consumption patterns are also broadening. Instead of following one match or team, Gen Z users follow athletes and creators who publish around sports.

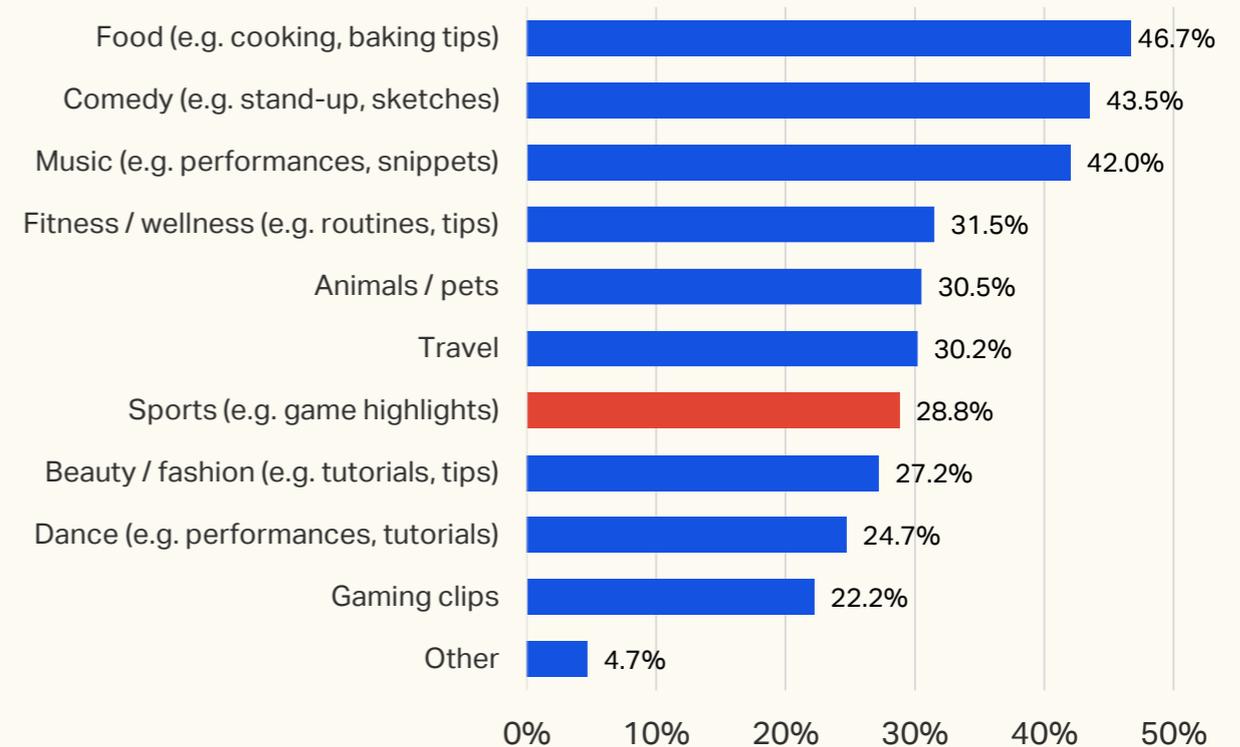
Macaulay insists that consuming sports content on a platform like Snapchat does not replace the “live broadcast” experience. Rather, social apps become the focus for “everything else around it”. Fans can easily catch up with the top 10 dunks of the week from the NBA, or enjoy an AR experience with the US women’s soccer team.

Social and video apps are vital for discovery and entertainment, especially for sports wishing to raise their profile. Sanjit Sarkar, Strategic Partner Manager – Sport at TikTok UK, argues that content “across a range” of new and niche sports now thrives on the platform. Sarkar cites the example of racquet sport padel: there have been over four billion views of the hashtag #padel on TikTok.

Gen Zs exhibit more “fluid” fandom behaviour, but rights owners are aiming to convert casual fans. For example, while the IOC will tailor its content on social media for a “shorter experience, a bit more edgy, more dynamic”, its focus is on turning short-term engagement into long-form viewing.

Global, Short-form video viewing

% of all internet users



Note: Questions asked, “Which of the following categories of short-form content videos have you watched in the last month?”

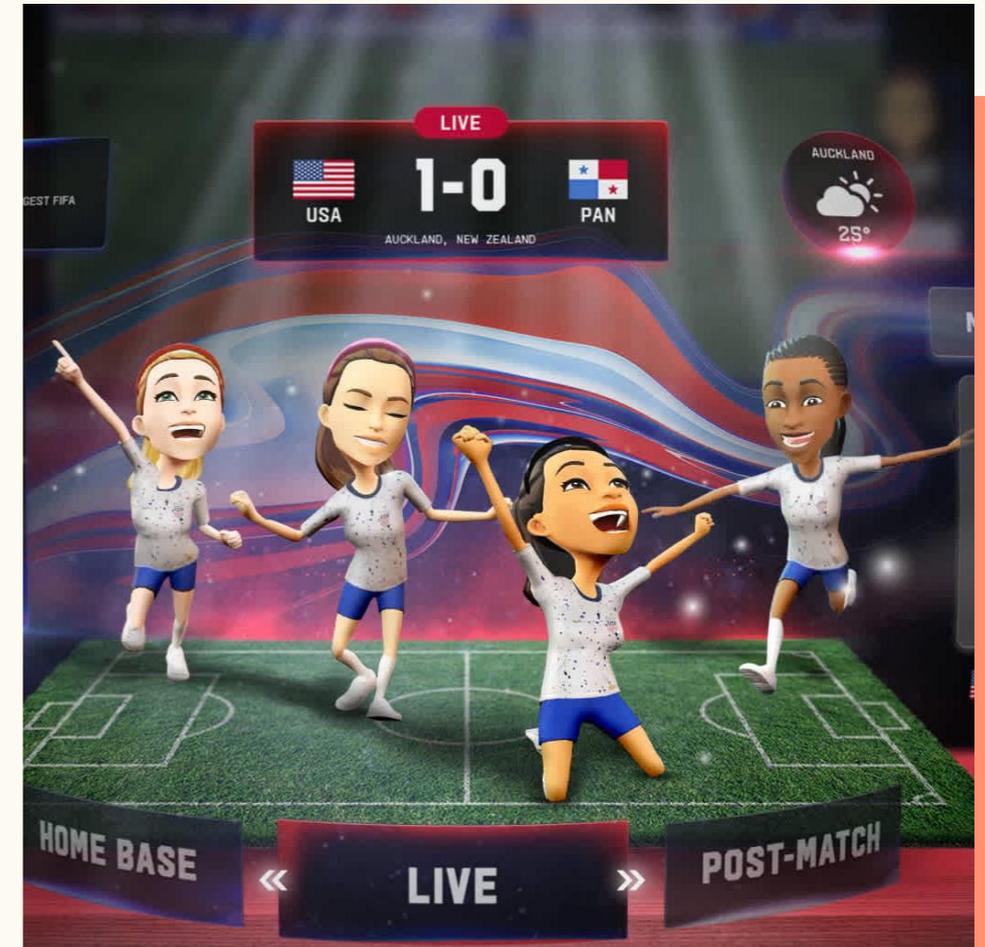
Source: [GWI](#)

Well aware that a young audience may not be able to afford a subscription, Sky Sports is making a “long-term investment” by partnering with Snapchat to show highlights of every game. Broadcasters can use social platforms to build audiences and anticipation, says Macaulay. Some sports brands are also engaging fans directly through “polls, live chats and even betting integration”, says OMD’s Oaten.

Authenticity is key for both platforms and advertisers. Sports fans are by no means one-dimensional, and brands can gain their attention by “finding social-first properties that get them into

the conversation”, according to Publicis Sports’ Sutherland. Sarkar adds that two-way dialogue engages existing fans and “entirely new audiences outside their typical supporter base.” For instance, fans and casual viewers alike could engage with the [2023 FIFA Women’s World Cup AR tools and stickers](#).

Moreover, as AI advances, it may become possible for brands to deploy more personalised ad content at scale. Digital signals can help advertisers cultivate more real-time, interactive content and experiences to drive increased viewership, dwell time and engagement, and sustainable fandom.



Chapter 2

Sports media: In numbers

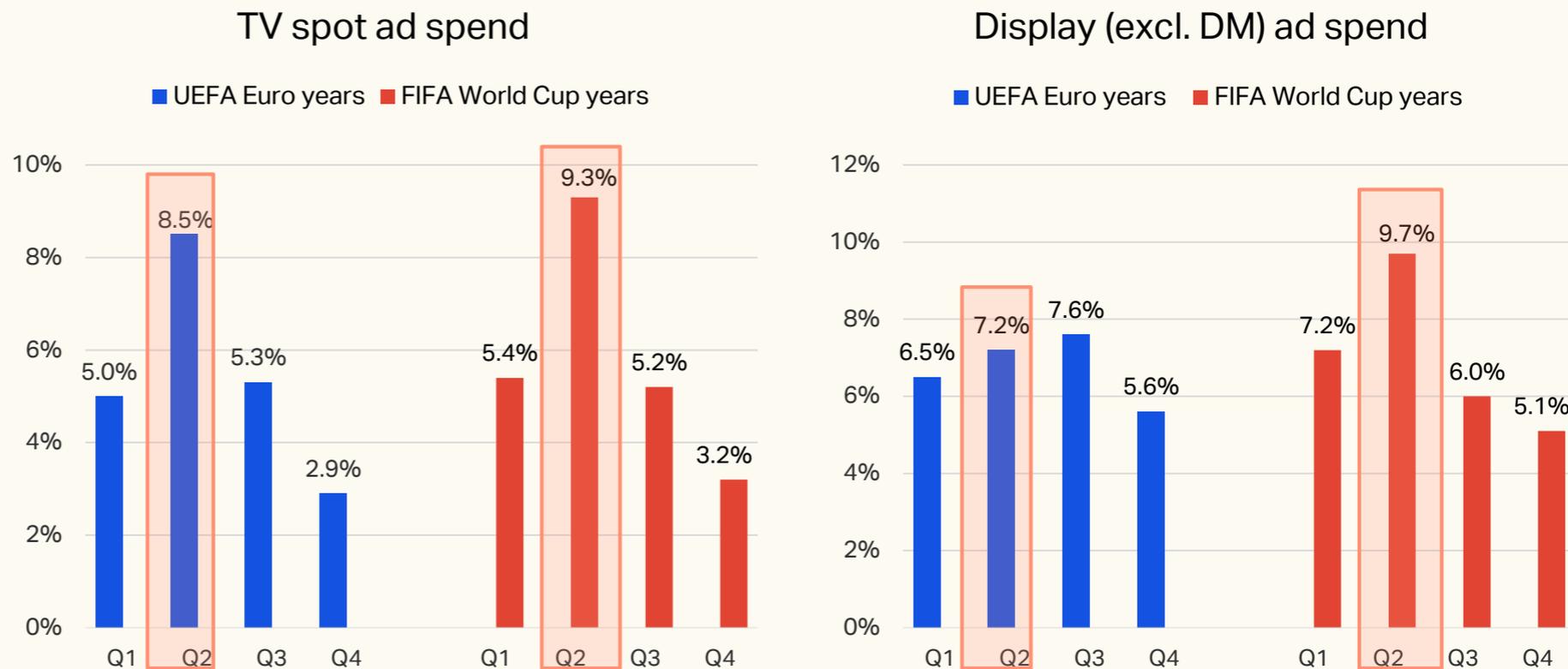


UK ad spend has been boosted by sports events

Over the last 40 years, ad investment in the UK has been boosted by men’s FIFA World Cup and UEFA Euro tournaments. Linear TV has especially benefited from the build-up to football events in May and June – with Britain’s teams mostly absent by the time tournaments reached their final stages in early July. On average, TV ad spend in World Cup years between 1986 and 2022 was nearly four percentage points higher in Q2 than other quarters throughout the year, demonstrating a historic willingness of brands to advertise around the competitions.

UK, Historic ad spend during men’s football tournaments

%, ad spend year-on-year growth, average quarter comparison



Note: Data for 2024 are WARC forecasts. Ad spend for UEFA Men’s Euro from 1984-2024. Ad spend data for FIFA Men’s World Cup from 1986-2022. When calculating the average growth for each quarter across the years, year 2021 is excluded due to the anomaly caused by the pandemic.

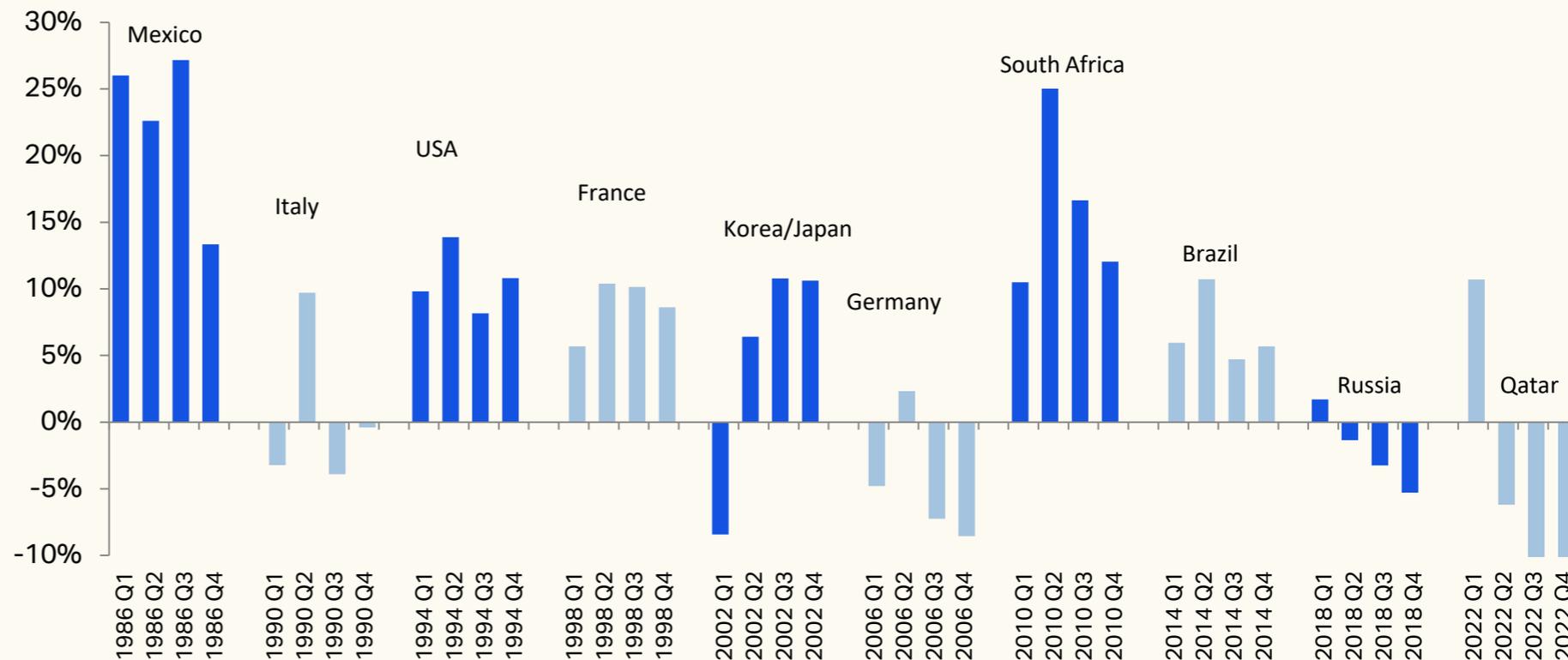
Source: WARC Media, AA/WARC Expenditure Report

World Cup-effect has diminished over time

However, an analysis of WARC Media data going back to the mid-1980s suggests that the boost to TV ad spend in the UK during World Cup years is diminishing.

Where previously the World Cup could bring about growth in a year otherwise characterised by year-on-year spending declines – in 1990 and 2006, for instance – more recent tournaments have not seen an equivalent boost. For instance, TV spot spend in Q4 2022 during the World Cup in Qatar was down 14.5% year on year, as the cost-of-living crisis impacted advertiser confidence.

UK, TV spot quarterly ad spend during men’s FIFA World Cup years %, year-on-year change



Note: Ad spend data for FIFA Men’s World Cup years start from 1986 to 2022. Countries indicate where the World Cup took place. The 2022 World Cup in Qatar took place in Q4, rather than Q2.

Source: WARC Media, AA/WARC Expenditure Report

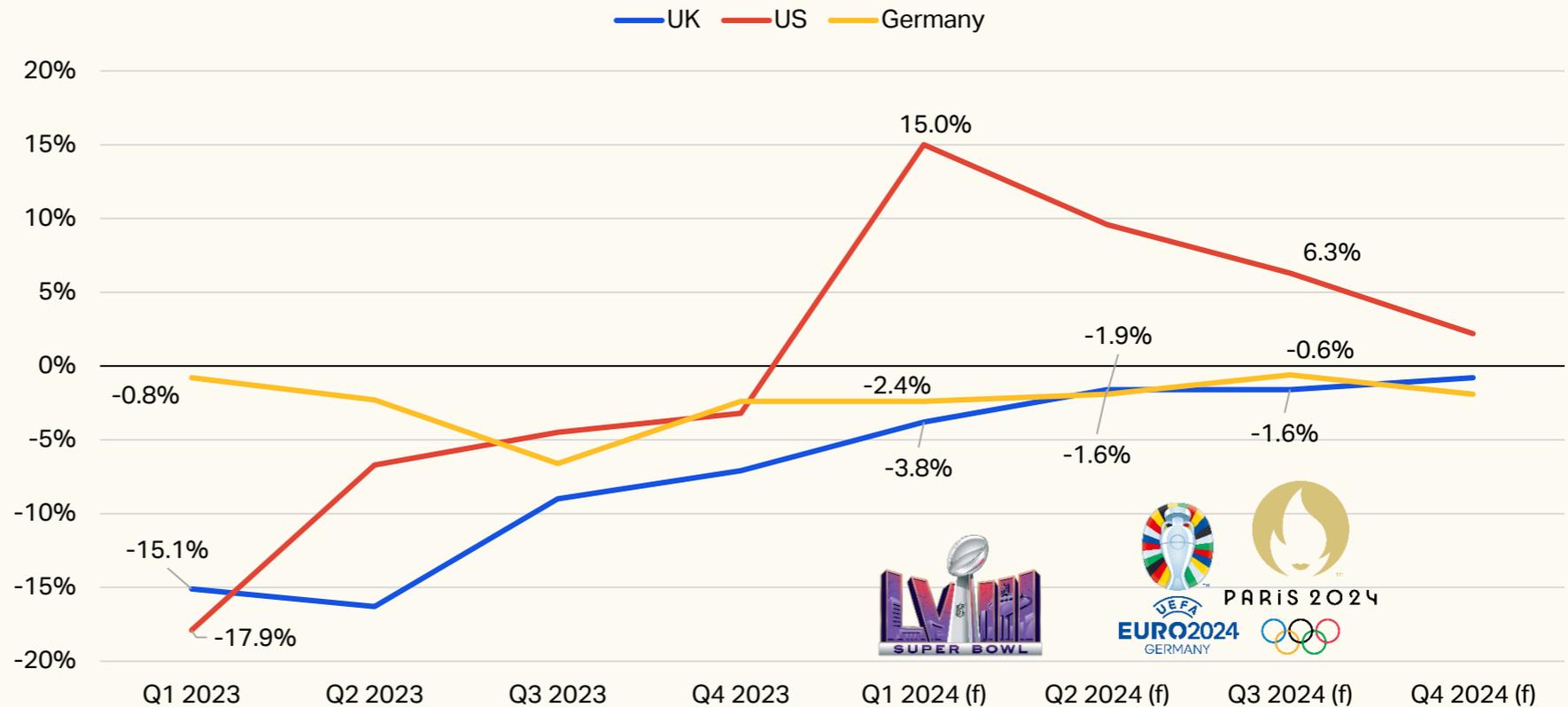
Sport will fail to revive declining linear TV spend

2024's bumper schedule of major sporting events appears unlikely to reverse ongoing declines in linear TV spend. While Olympics host France is forecast to see a 4.9% boost to linear TV, WARC Media forecasts a drop in spend on linear TV in the UK and Germany.

That said, in both markets, investment with all TV formats – including video-on-demand (VOD) platforms – is forecast to grow in 2024. A recovery in US linear TV spend will owe more to favourable year-on-year comparisons and the upcoming US Presidential election than to sport.

Linear TV, Advertising spend quarterly growth

%, year-on-year percent change, local currencies, current prices



Note: 2024 data are WARC forecasts. UK linear TV data includes TV spots and sponsorship.

Source: WARC Media, AA/WARC Expenditure Report

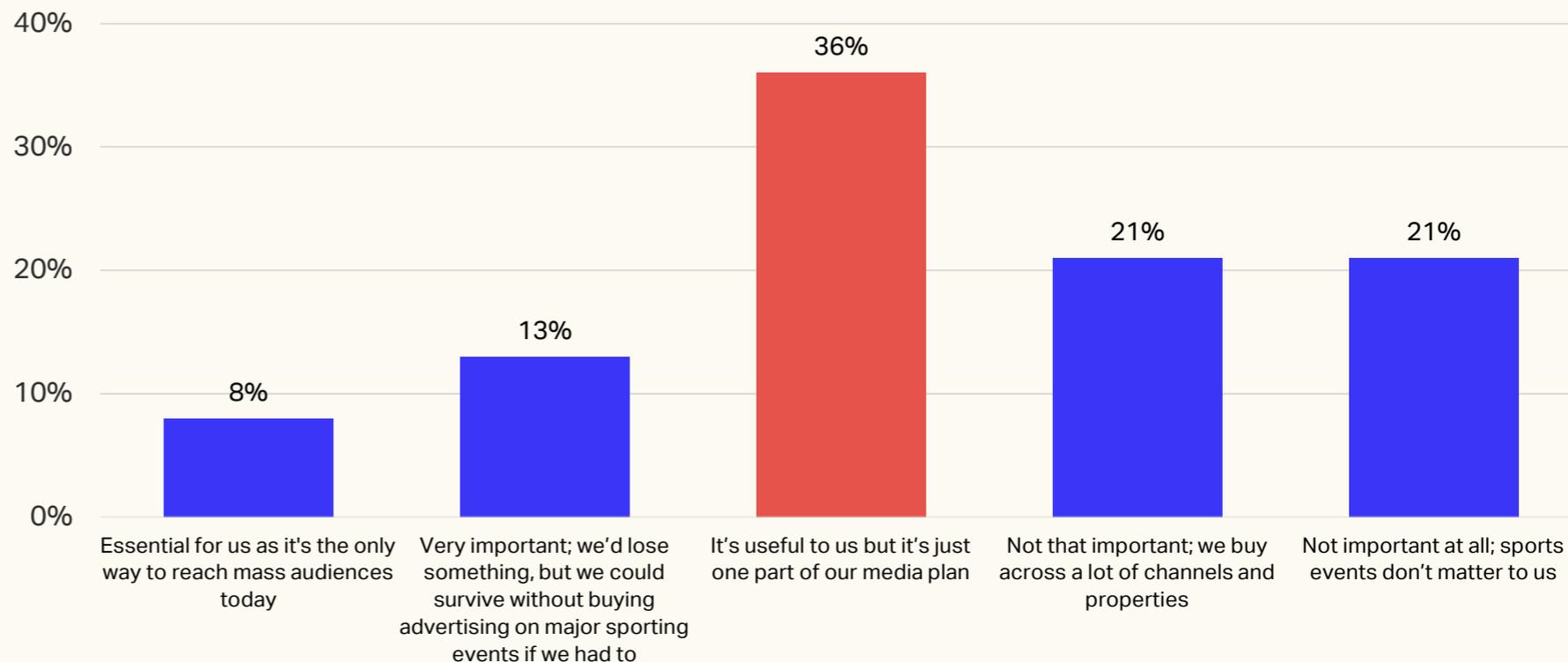
Not all brands are bothered about live sport

Respondents to WARC's latest Marketer's Toolkit survey appeared lukewarm on the role of sport in their advertising plans.

While a fifth (21%) indicated sport is central to their plans, a larger chunk (36%) said it represents just "one part" of broader media plans. And brand-side marketers are twice as likely as agency peers (29% vs. 15%) to say sport is "not important at all". It hints at an evolution in media strategy, with mass reach a diminishing priority versus platforms specialising in performance marketing.

Global, Marketers' investment intention in sports

%, respondents



Note: Question asked, "Which of the following statements best sums up your thinking about buying advertising/sponsorship for top tier (highly popular) sports events?"

Source: WARC Marketer's Toolkit 2024

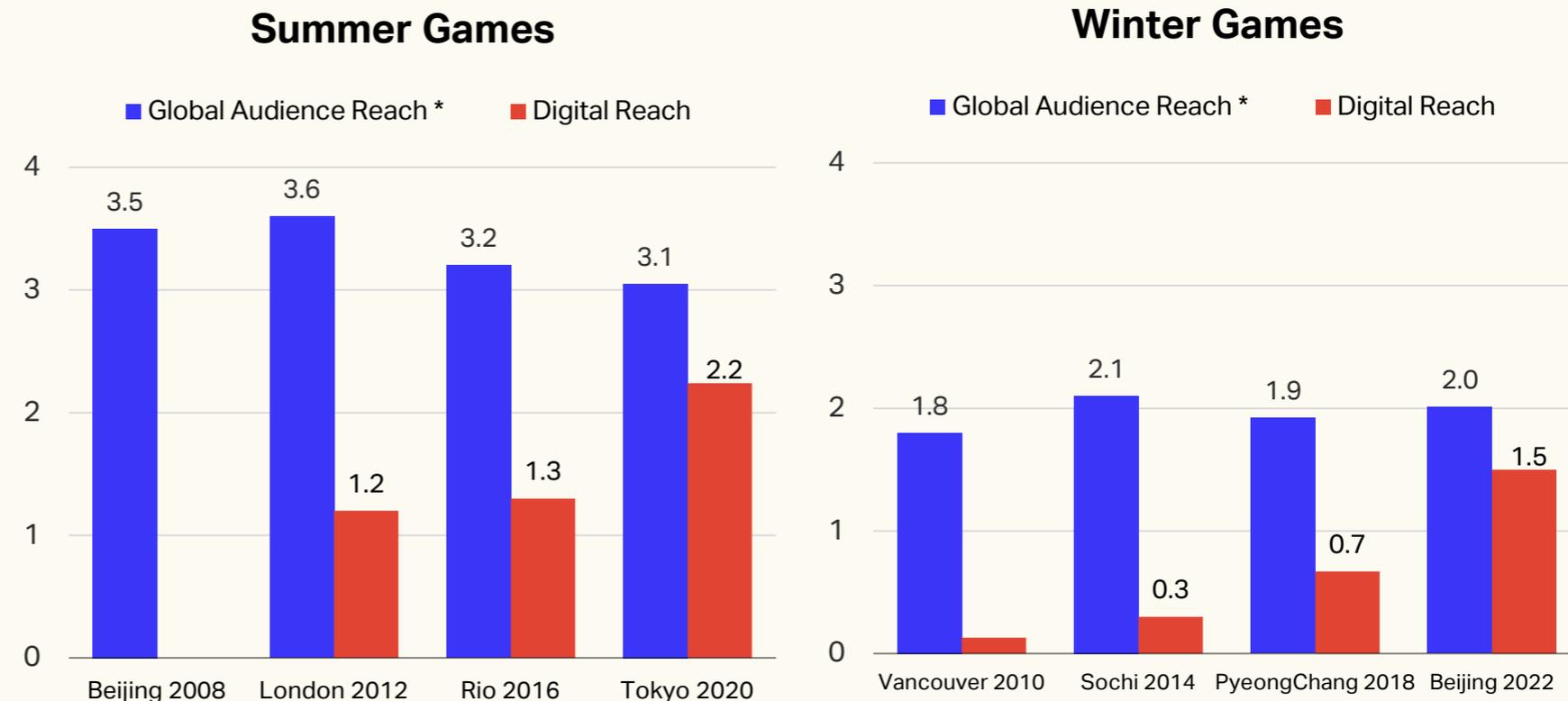
Olympics digital reach grows, but total viewing dips

All eyes will be on Paris to see if this summer’s Olympics can buck a downward trend in global reach. While digital audiences of Olympics content have steadily increased over the last decade, total reach of summer Games has declined every four years since peaking at 3.6 billion at London 2012.

The location is likely to help; Europe-based competitions offer live viewing opportunities for fans in both the Americas and Asia. Furthermore, it marks a first Games since PyeongChang 2018 not to face disruption from the pandemic.

Global, Olympic Games broadcast viewership

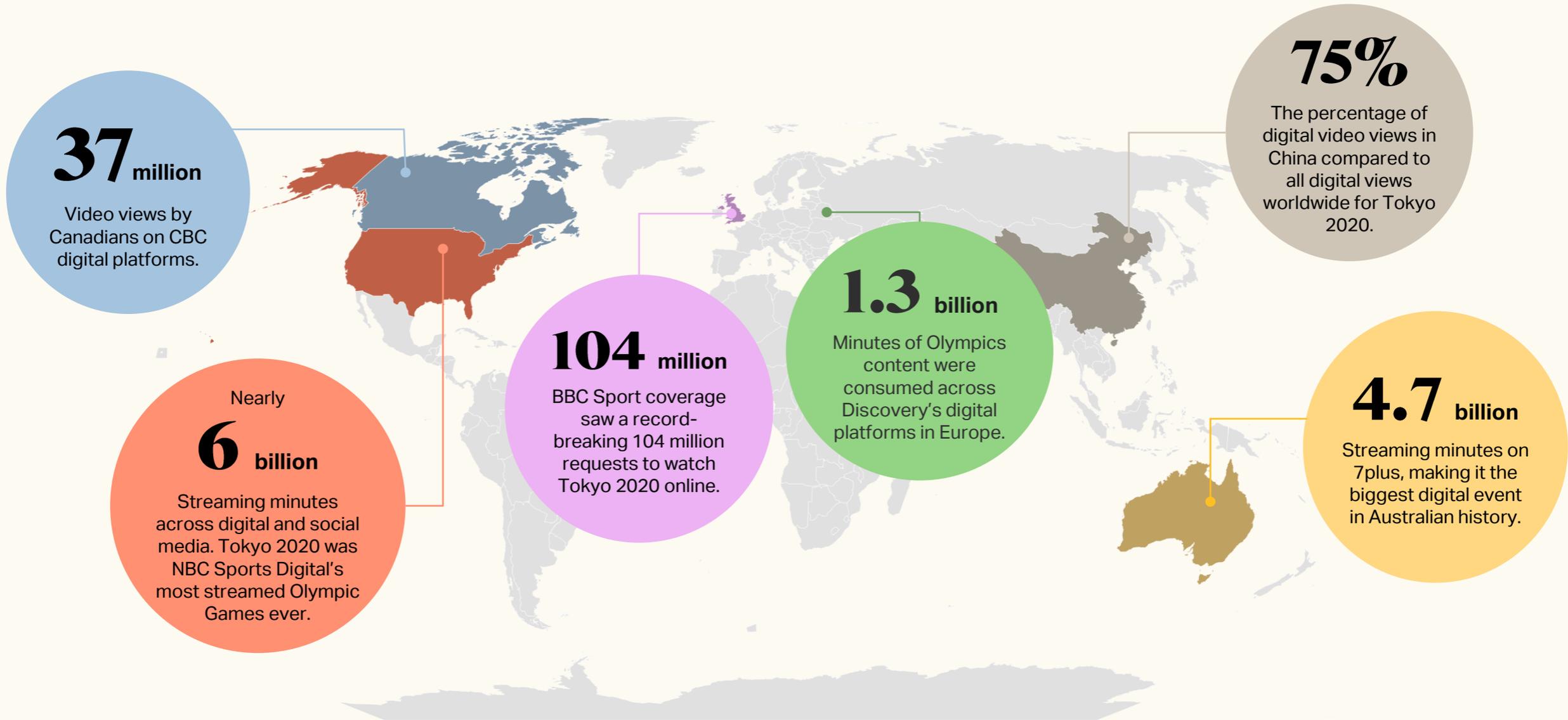
Billions



Note: Global Audience Reach from PyeongChang 2018 onward is non-duplicated across TV & Digital. Before that, the figure is TV Reach only.

Source: IOC

Global, Tokyo Olympic Games 2020 digital viewership



Source: IOC

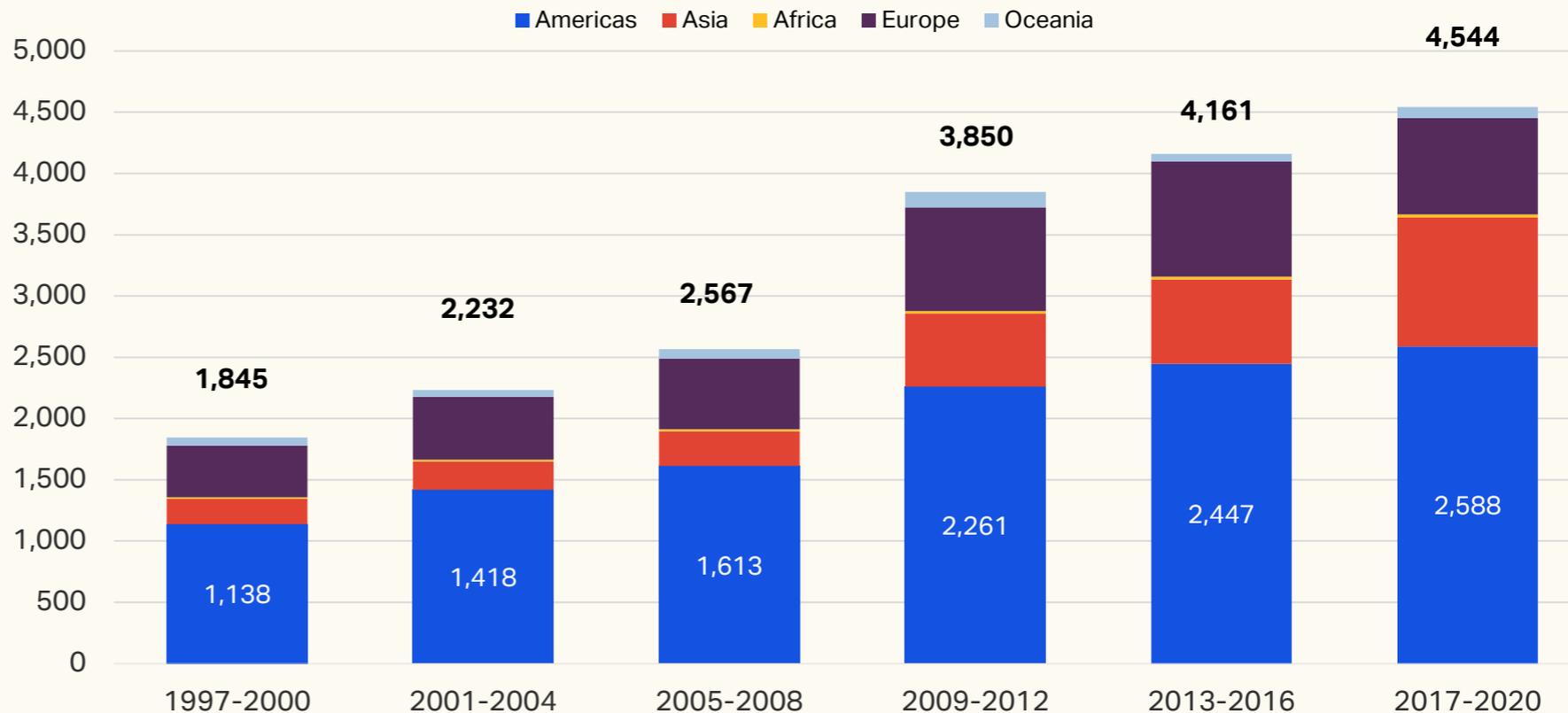
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Asia boosts Olympic TV rights spending

Three back-to-back Games in PyeongChang, Tokyo and Beijing prompted a 53.1% upswing in rights fees from Asian broadcasters, helping to compensate for a 16.6% decline in revenue from European TV companies in the most recently-completed quadrennium. The trend is likely to shift over the coming years, with consecutive Games in Europe (Paris 2024 and Milano-Cortina 2026), ahead of a return to the US for LA 2028. NBCUniversal has made a bet on continued interest in the Olympics, with a **\$7.65bn broadcast rights deal** lasting from 2021 to 2032.

Global, Olympics broadcast rights fees

USD, millions



Note: Figures include both Olympic Games and Youth Olympic Games. Figures in black bold are the global sum of regional rights fees.

Source: IOC

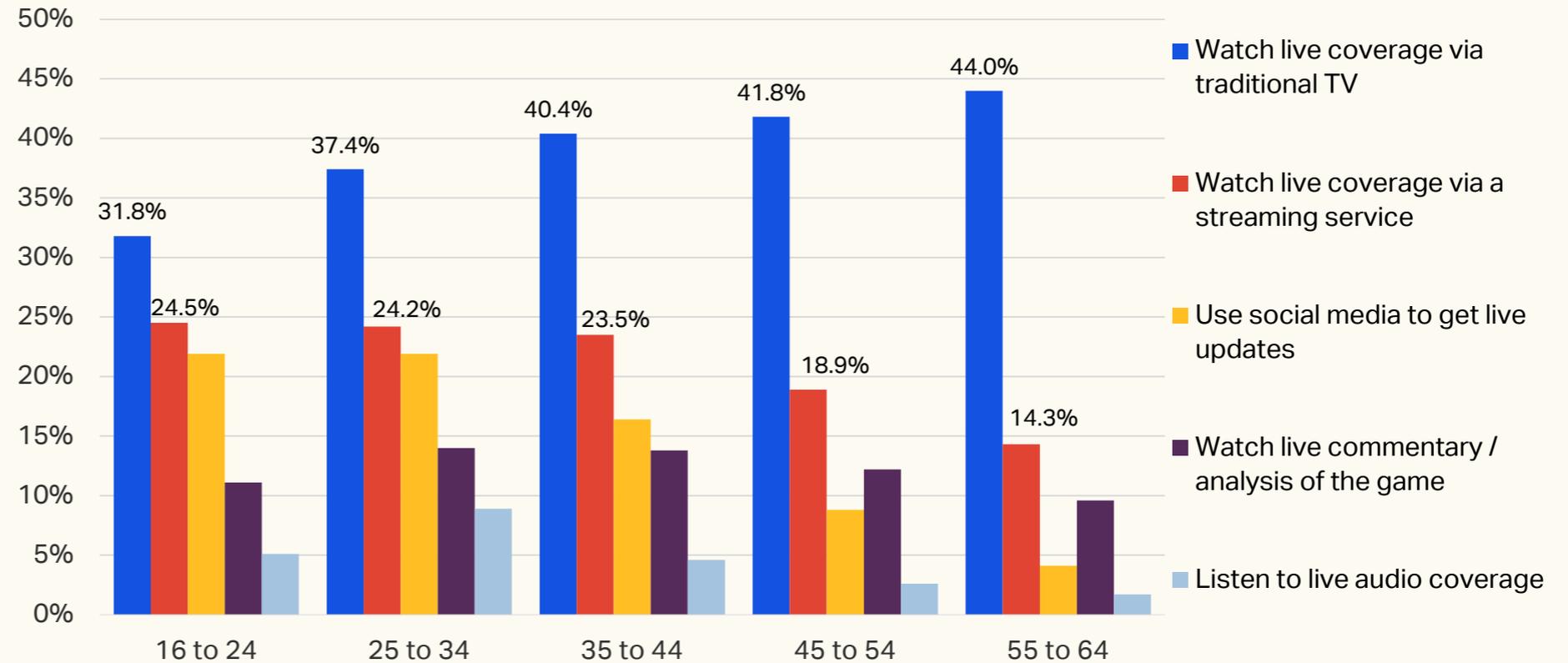
Live sports viewing begins to migrate to OTT

The 115.1 million live audience for last year’s Super Bowl proves that major sports moments still hold cultural power. However, the nature of that viewing is shifting.

Less than a third (31.8%) of 16-24s intend to watch this year’s NFL showpiece via the TV broadcast on CBS or Nickelodeon, according to GWI. A quarter (24.5%) plan to stream via OTT platform Paramount+. This trend is less age-dependent than one might expect: nearly one-in-five (18.9%) 45-54s will watch live coverage via a streaming service, compared to 14.3% of over-55s.

United States, 2024 Super Bowl consumption intention

%, US internet users by age group



Note: Question asked, "How do you plan on following the upcoming NFL Super Bowl, if at all?"

Source: [GWI](#)

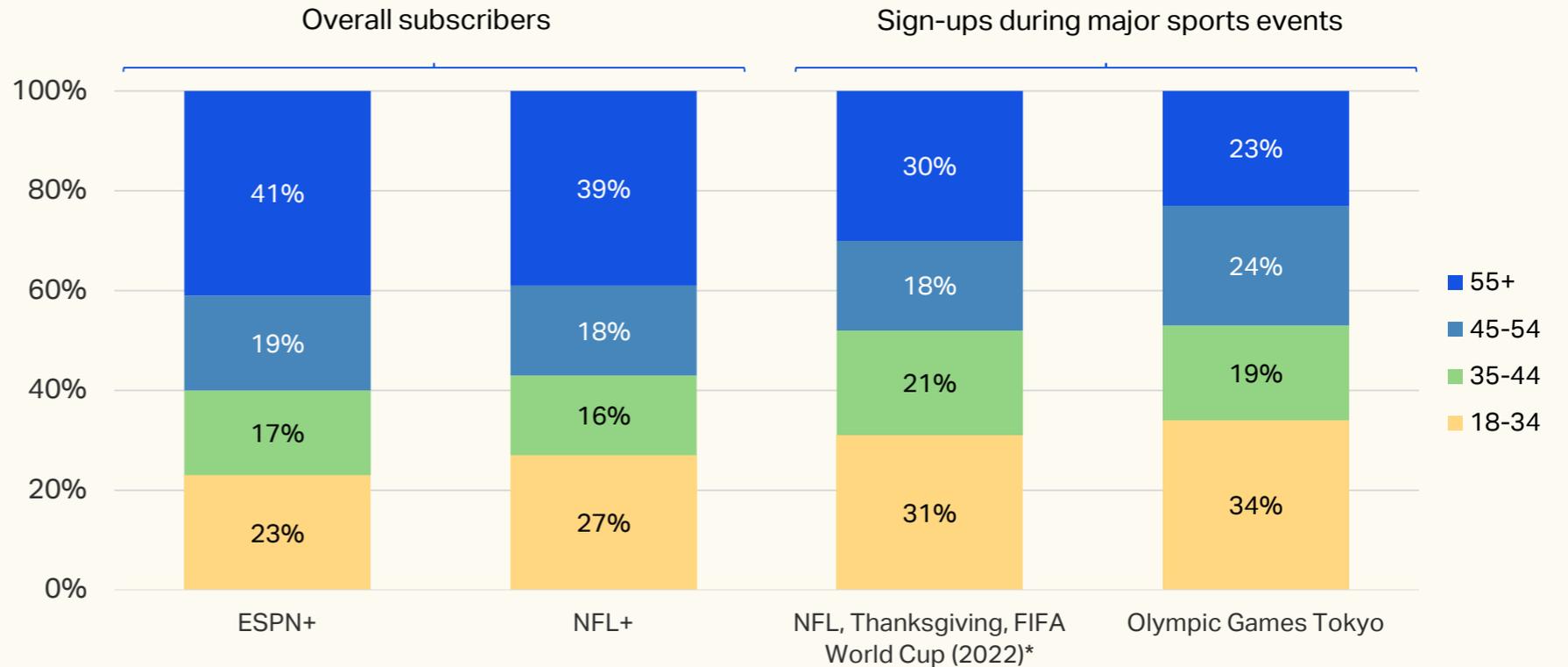
Younger fans sign up to OTT for major moments

Younger audiences are migrating to OTT for major sports moments. This presents an opportunity for platforms like Peacock ahead of the 2024 Paris Olympics.

Antenna data indicates that one in three sign-ups to NBA League Pass during last season came from consumers aged 18–34, and that half of sign-ups were users below 45 years of age – +6pts higher than the US national average. Antenna also found more than half of sign-ups to Peacock during key moments such as the FIFA World Cup and the Tokyo Olympic Games came from users aged under 45.

United States, OTT subscriber acquisition

%, by demographic group



Note: Sign-ups during major sports events refers to Peacock. Excludes free tiers, MVPD + Telco distribution, and select bundles. US universe refers to adults with internet access. Subscribers refers to those who subscribed to ESPN+ and NFL+ as of September 2023. Opening period refers to release day + 2 following days. * indicates an active price promotion during the opening period of sports moments.

Source: Antenna

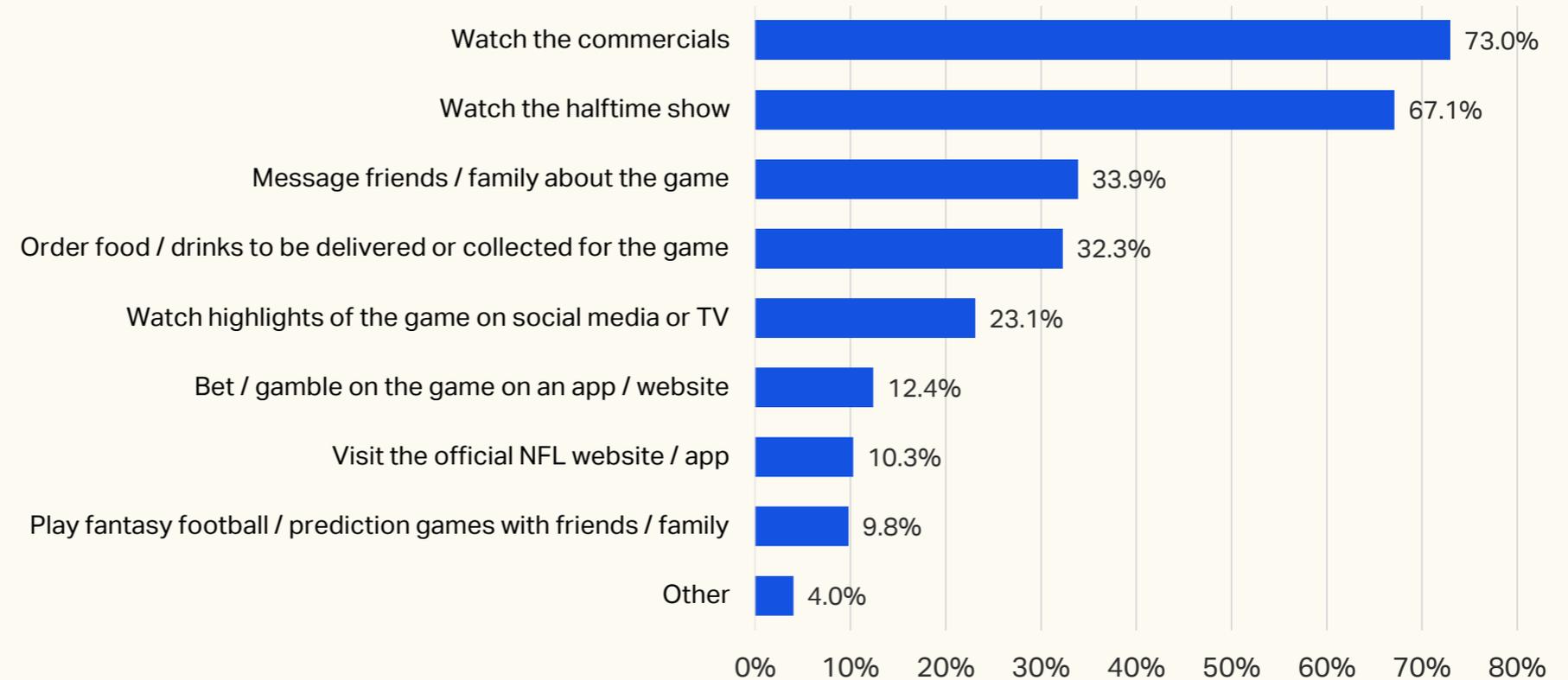
Ads an integral part of Super Bowl viewing

Nearly three-quarters (73.0%) of those planning to watch Super Bowl LVIII on 11 February intend to watch the commercials, a GWI survey has found. Last year's broadcast earned Fox an estimated \$650m in gross ad revenue, with brands shelling out up to \$7m for a 30-second spot.

However, turning that opportunity into an effective investment often depends on whether their Super Bowl ad goes viral. An ad that cost \$7m to air and wins 69 million views on YouTube, costs less than 10 cents per quality view.

United States, Activities while watching the Super Bowl 2024

%, US internet users who follow the 2024 Super Bowl



Note: Question asked, "Which of the following do you plan on doing while watching the Super Bowl?" Respondents from previous questions who planned to follow the 2024 Super Bowl.

Source: [GWI](#)

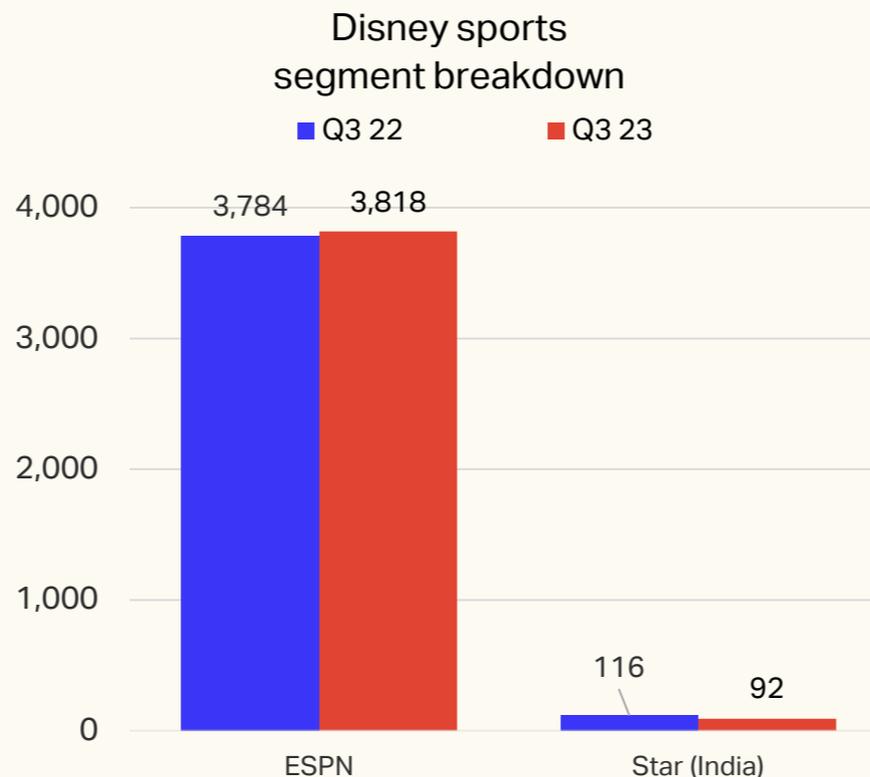
Disney considers exit from sports media market

Disney has long been one of the big beasts of the sports media market. In 2022, ESPN, Disney’s sports TV brand, earned \$10.1bn in affiliate cable fees and \$4.4bn in ad revenue. However, that revenue appears under threat from cord-cutting. The pivot to OTT is proving tricky: ESPN+, with 25 million subscribers, recently experienced its first paying user decline.

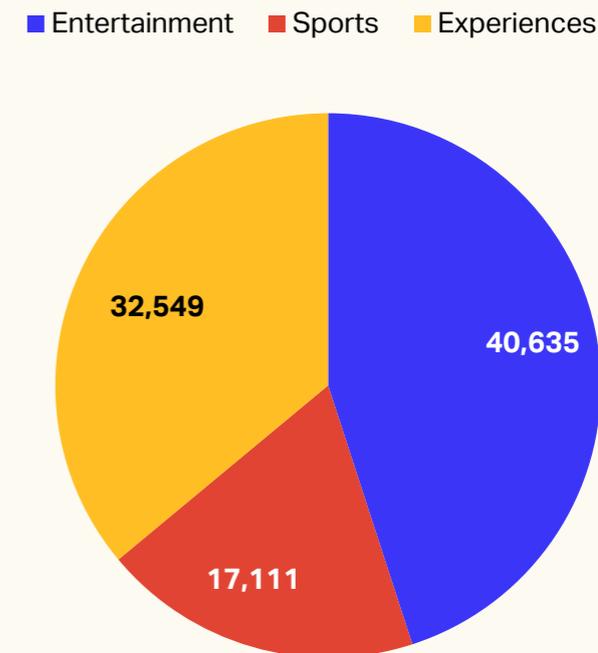
The very fact it broke out those figures has been interpreted that Disney is keen on a \$24bn sale of ESPN, with Apple touted as a possible buyer.

Disney, Sports revenue

USD, millions



Disney major segment revenue, 2023



Note: In the chart "Disney sports segment breakdown", ESPN includes both domestic and international revenue. Disney’s fiscal year ends in end of September.

Source: Disney company earnings report

More from WARC

More from WARC Media

- The Big Picture: Sponsorship
- The Big Picture: Linear TV
- Gen Z watches less live sport but engages more with sports content
- Nearly all Gen Zs use social media to consume sport-related content
- Global sports media rights revenue to reach \$60bn by 2024

More from WARC Strategy

- What we know about marketing at major sporting events
- Research: How brands can score with effective sport sponsorship
- How brands can support women's sports for the long term
- How brands can tap into social media fandoms around sporting events
- How major sporting occasions can be experiential gold mines

Case studies

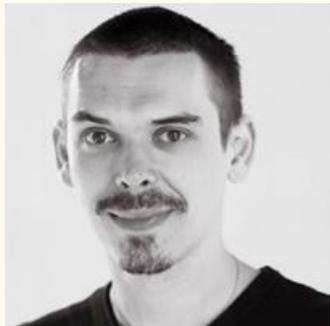
- Sport England – This Girl Can: Make your comeback
- DP World: Second life container
- Project Chaiwala: Milaap – Two worlds divided by one sport, brought together by one blend
- Decathlon: The Breakaway – The first eCycling team for prisoners



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