

The new sports challenge

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COVID-19 has ripped up the sporting calendar and nothing will ever be the same again. Misha Sher explains how brands can still win with sports.

It's safe to say that the sports industry has been living through unprecedented times in the past few months. Never before has global sport come to a complete halt (with a few minor exceptions like Belarus). Billions have been deprived of a much-loved emotional outlet and daily passion point.

2020 was set to be a huge year for sport crowned by the Tokyo Olympics and the first cross-continent UEFA European Championships. Instead, Stadia have remained silent and fans have had to stay at home.

The shutdown has cost the top five European football leagues alone €4.1 billion and the volume of new sports sponsorship deals signed during lockdown has fallen 40%.

But no one has forgotten the role that live sport plays in people's lives. Indeed, the past few months have reinforced the importance of sport and its power to make brands part of people's lives.

Even in the absence of live sport there were also record levels of engagement with the Premier League and NBA social content. The Premier League's 2020 social engagement is up 146% despite a reduction in post volume. US leagues show similar trends, the NBA is drawing 119% more engagements across 13% fewer social posts.

And now that sport is starting to return, leagues like Bundesliga are seeing record numbers of domestic and international viewers. The shutdown has reinforced the role of sport as a truly unique shared experience.

The COVID-19 shut down has also powered up four key trends that were already slowly impacting the familiar sporting schedule:

1) Gaming

Gaming has further embedded itself as part of the mainstream with consumption further accelerated during the lockdown. More time is now spent watching gaming videos and streams on YouTube and Twitch than watching HBO, Netflix, ESPN and Hulu combined.

A recent report by Captify found consumers looking for their sports fix elsewhere in the wake of live sports cancellations. Consumer interest for sports games saw a 1054% search uplift since 1 January 2020 with the top indexing audience being sports fans.

And while many sports have lost out on sponsorship, those within eSports have bucked the trend with a 53% increase year-on-year. Louis Vuitton, BMW and Mercedes are among those making major investments.

Gaming also provides access and engagement to the hard-to-reach millennials and Gen Z. The key for brands is to understand their role in gaming because while the community is accepting of sponsors, it can be unforgiving of the uninformed.

2) Remote fans

What the lockdown has demonstrated is the importance of technology to bridging the physical gap between the teams and the fans. The lockdown forced brands and partners to innovate when it came to connecting with people.

In the short term, sports are returning behind closed doors so any brand involved in sports marketing needs to think of ways in which it can enhance the experience for the remote fan. Executions should focus on ways in which the fans can get involved in the action, making them feel connected and rewarding them for their time.

We've seen many new formats and technologies being deployed during quarantine and this pattern of innovation is only going to continue as we emerge into the new-normal.

3) Sponsorships re-imagined

While some of the highest-profile properties may still attract large, multi-year partnerships, the rest of the industry is going to shift to shorter, performance-based agreements. We are about to enter a buyer's market where brands will have a much bigger say in the type of deals that they want to sign.

Brands will push rights holders not just to reinvent the way they structure partnerships, focusing much more on digital inventory, but also to share in the risk. This will put the onus on rights holders to consistently deliver value or risk losing investment.

Now is the time for brands to rethink the role that sponsorship plays within their business and apply a robust rationale to any existing or future investment.

4) The future belongs to talent

The lockdown has reinforced just how powerful athletes have become. Technology and social media have removed all the barriers that used to exist between fans and their idols, and talent are making the most of this.

Across all sports, we're seeing talent elevated to such an extent that these athletes can now transcend their teams and their sport. Many athletes are effectively becoming media companies with millions of loyal followers.

One only needs to look at the level of engagement that the likes of Steph Curry and Serena Williams have been getting to understand just how powerful athletes have become. Brands should be looking at ways in which they can capitalize on this trend.

As we consider the new-normal for the world of sport, there are many opportunities for brands. People's appetite for sport has not diminished but their behaviours and expectations have certainly evolved.

Brands that can adapt and innovate will find much more than marginal gains.

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