GOODFORM

INSIGHTS

OUR VISION

is to **empower the business of sport**, **drive growth** and **deliver world-class experiences**.

ALWAYS.

We do this by **harnessing data** to **inform strategy**, **drive commercial returns** and **create insightful connections** with sports fans and participants.

Welcome to **Goodform Insights**

With the global sports market purportedly worth in the region of £380billion and projected to continue to grow, the opportunities for sports organisations are greater than ever. So too, however, are the challenges. In a globalised world, potential audiences have never been so large – but the market has never been so crowded, either.

Coupled with advances in technology, the fragmentation of the broadcast market and changing behaviours across generations of fans (to name but a few of the challenges), it's not a time for rights holders and governing bodies to rest on their laurels. With funding – both public and private – increasingly hard to come by for many organisations, solid commercial bases and financial sustainability have never been so important.

Whilst the sporting landscape, both in the UK and internationally, is certainly shifting, Goodform's focus is not. Born out of a passion for sport in 2002, we continue to pride ourselves on bringing the highest standards and most rigorous methods to the sports marketing industry – always with data and insight at the heart of strategy. We work as an extension of our clients' teams to help Understand, Engage and Grow audiences – and ultimately revenue.

With a commitment to developing and sharing best practice in order to benefit the industry as a whole, we're delighted to share just some of the insights from the work we've carried out in 2019 and showcase some of the innovation that is driving the sports industry forward.

We'd like to thank not only the contributors to this publication but all our clients, and we look forward to continuing to work together to the benefit of this much-loved industry in 2020.

Alison Dalrymple,
OWNER

Contents


CHECKING
GOAL
VAR

01

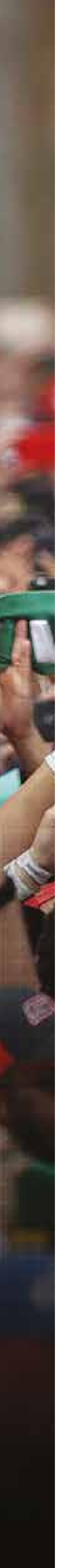
MOVING THE NEEDLE

How Fan Insight is Driving Change at Formula 1

Over the past two years, Formula 1 has undergone a huge transformation – from minimal understanding of and engagement with its audience to leading the way in fan insight and market research practices. From F1 Fan Voice, an online fan community boasting over 100,000 members, to the use of neuroscience technology, F1's research and analytics team are showing sport how it should be done.

Our Strategy Director, Alexandra Kyrke-Smith, sat down with Matt Roberts, F1's Director of Research and Analytics, to understand more about how his award-winning team have transformed F1's business – and to hear what's next.

Looking at the global picture, not just the UK or Italian fans, really changed our perception of the demographics of F1 fans from the outset



Q When you first joined F1 in 2017, there was no research within the business at all. Where did you start?

When we first came into the business, we had nothing – only about two insight reports with TV viewing numbers and that was it, so we had to work out what the brand objectives were, and then find ways to measure them. We immediately commissioned a brand study to understand the current triggers for fandom amongst avid, casual and lapsed fans, and then we tried to understand what the barriers are for those lapsed and casual fans – what would make them more avid, and watch more F1?

We found that they didn't know enough about the drivers, they felt the brand was too focused on avid fans and too focused on business rather than on the actual sport and the track.

So that became the framework for the business's brand objectives. And then we needed to track how well the brand was doing, so we set up a brand tracking study.

There was so much stuff happening around the business like new digital products, marketing campaigns, new sponsorship team, a new OTT service – so suddenly there were lots of requirements for us to do more ad-hoc research, which is how F1 Fan Voice came about. We wanted some way to be able to do quick turnaround projects to deliver to all of these teams. We also launched the spectator experience research programmes; we helped build the first CRM database (we didn't have one before).

In short, it's been a busy few years!

Q Were there any particular insights early on that came as a big surprise, or that fundamentally changed thought processes within the business?

I think we initially thought that F1 fans were white men in their 50s - that kind of demographic. But we quickly found out in places like China and the US, the fanbase was much younger and more female than we'd thought.

This helped break the myth that it was just older men who were interested in F1 and cars.

We realised that if in China and the US we can break the youth market, we can do it anywhere. We use China and the US to help inform what we do in other markets, but they are also two markets with huge potential in terms of population size, so they're very much key markets for us. Looking at the global picture, not just the UK or Italian fans, really changed our perception of the demographics of F1 fans from the outset.

Q F1 Fan Voice now consists of over 100,000 members, which must make it one of the biggest research communities globally. How has the 'always-on' approach to research that F1 Fan Voice provides impacted on the business?

It's renowned across the business and everyone knows about it. I've worked at previous companies where we've built communities and it's been very much something for the research team and no one else has a clue about what it is and what it does. When Sean [Bratches] and Chase [Carey] go out and speak, I've heard them mention F1 Fan Voice, and it makes us quite happy and proud! In terms of the impact, because everyone knows about it, we do lots of work for different teams. For example, last month the sustainability strategy came out and we followed that up with a survey on sustainability.

We'll go to relevant teams and let them know that we can measure the impact of what they've done with fans and get feedback almost immediately.

This opens their eyes and they buy into that, collaborating with us on surveys to make sure we're asking the right questions.

That approach has helped us build good relationships with marketing, digital, promotions, sponsorship...we're constantly offering the service to them and they're using it, not only in their day jobs but also offering it to their clients: sponsors, partners, teams.

We're using it across the whole F1 community not just internally.

Q Getting that level of buy-in across the business is crucial to successfully implementing research findings. What do you do to ensure this is the case?

In a business like this, everyone's out and about travelling – they're really busy. We constantly have to hammer home what we do, because not everyone will be as research literate as the research team themselves.

We run monthly research sessions, where people can drop in and hear about the latest developments in our team. We also do fortnightly newsletters to the business, where we send out what's new in research. If there's an F1 Fan Voice survey that has something particularly relevant to the wider business, we'll use this as a hero piece for that particular fortnight. And we're constantly speaking to the individual teams, seeing if we can present in their team meetings if there's something that we think is relevant for them. It's a constant PR exercise for us - knocking on the doors of different teams to say we're here to help you; use all of our tools - not just F1 Fan Voice but everything else we have at our disposal too.

Q And how does the work you do inform external stakeholders too?

As with the internal stakeholders, we have relationships with all the teams, with most of the promoters, most of the sponsors.

A couple of times a year, we have drop-in or catch up sessions with each of these external clients and we always talk about latest developments and new findings.

There's always a slide on F1 Fan Voice, to let them know that they can use it – we're always open to ideas. We've had France, Japan, Silverstone takes us up on that offer and they've run projects via F1 Fan Voice. Abu Dhabi are keen after the 2019 race, too. Teams like Williams and Toro Rosso have asked for questions too. We always get a really good response and people say they'll definitely use it. Sometimes we have to remind them, but it's definitely getting more and more uptake!

Q One of the things that's been so impressive in F1's approach to research is the level of transparency with the fans, and the commitment to giving something back to fans as much as possible. Was this always part of the plan?

I'm not sure there was a plan! Joking aside, experience in previous roles of building communities and seeing how cost effective and powerful they can be was really helpful.

F1 Fan Voice was a perfect fit - it was one of the brand objectives to put fans first, so setting up a community where we give them the chance to feedback felt like a natural thing to do to.

I don't think anyone - us or Goodform - anticipated quite how much of a response the forums or blogs would get - how much fans really wanted to feedback! They hadn't been listened to before - you could tell they unleashed themselves initially and were telling us everything they wanted us to know. It's calmed down a little bit now, but you can still see they want to talk about the sport, and they want somewhere where people might listen to them.

Making sure we let fans know what they've told us, and what we're doing with that information – via monthly round ups or my blog on the site – is a crucial part of ensuring that they know we're listening.

Q F1 is somewhat unusual in that the rules and format of the sport are not set in stone – in fact, they are constantly evolving. How has your department's work influenced some of the recent changes that have been made to the sport, and what can other sports learn from this approach?

We've been asked to do quite a few surveys on the rules and regulations, and on aspects such as grid penalties. About a year ago we did a project on new innovations like bonus points etc, and one of those was implemented - the bonus point for the fastest lap.

We're constantly being asked to look at what fans think about different tracks and that feeds into the motorsport team, who are not just looking into rules and regulations but also trying to really understand what makes a great race and what makes a bad race for fans. In the future, the quality of the race itself will be a key component to choosing a circuit - not just choosing somewhere because of the money.

It's vital to choose the right race tracks, ones that promote great racing – and fans inform that strategy by letting us know what they consider great racing to be.

I think we're doing more than any other sports in terms of surveys on fans and asking them what they think, and as a result the recent regulations seemed to have passed by without much criticism.

Whereas in other sports, fans may feel like they weren't consulted on big changes. Fans don't always know what they want - with T20 cricket for example, if you'd listened only to the more vocal groups of fans you wouldn't have had T20 and it's actually worked really well.

But I think VAR in football is a perfect example. It's something that fans wanted, but it hasn't been implemented in the right way. If fans had been asked how they thought it should have been implemented, they probably thought it would be something like rugby, where it's very transparent and you can hear the referees talking about why a try has been disallowed. But you can see every week on Twitter that people are complaining about it. Sports like that could definitely learn to consult fans a lot more about new innovations that are going to affect the sport at a serious level.

> Making sure we let fans know what they've told us, and what we're doing with that information, is a crucial part of ensuring that they know we're listening

Q One area that's been a big focus for F1 in recent times is your OTT product, F1 TV. What role has research played in shaping this product and making it a commercial success?

We've done multiple pieces of work, every race. We run a satisfaction tracker of F1 TV, how it's working and how it's not working. And we're using that feedback to improve the product for the following race. If you look at the metrics, you can see that satisfaction has gone up, customer retention has been high and using F1 Fan Voice has certainly helped iron out the difficulties every OTT product seems to have when it launches. We've recruited fans to do usability testing, and we've done surveys to understand what people think of the different features, how it can be improved and what they want to see in the future.

F1 TV and F1 Fan Voice have dove-tailed well: they launched around the same time so we're using them in tandem to improve the product.

In fact, last month F1 TV and F1 Fan Voice were jointly nominated for Best Fan Engagement at the Sports Pro OTT Awards!

Q Measuring ROI in research has always been tricky. How has your department been able to demonstrate this?

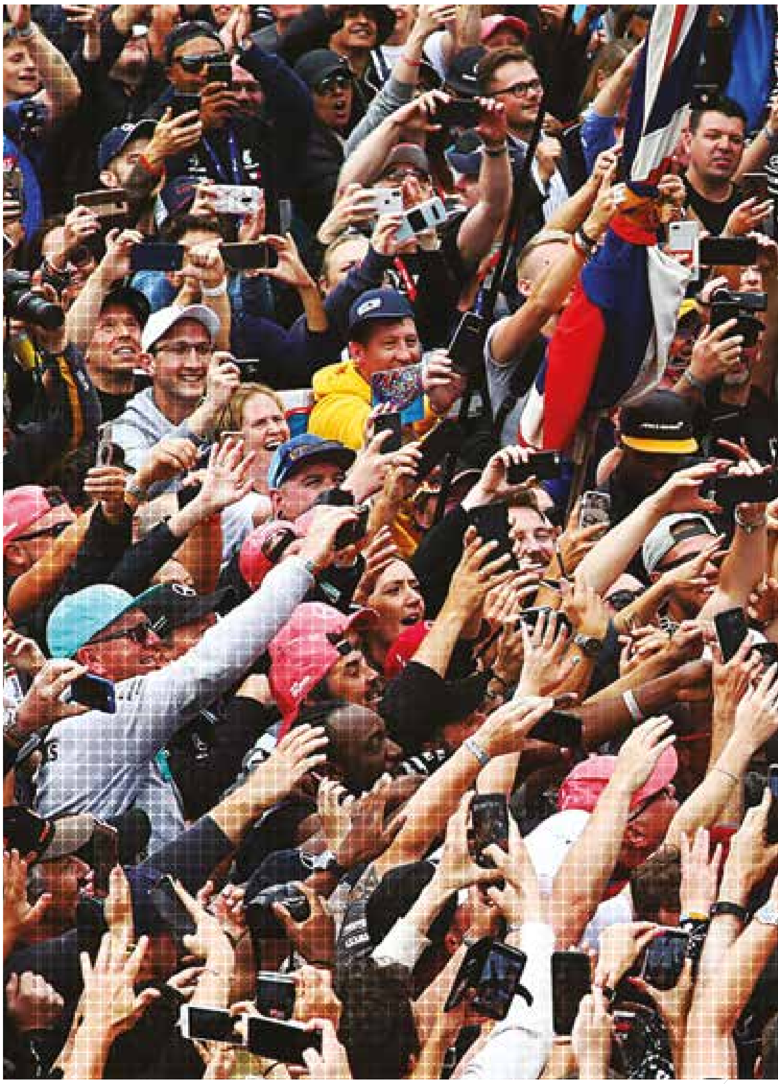
We've managed to increase our budget every year, which is a sign that the business feels like it's getting ROI from the work that were doing!

Research is always a cost line in a budget, so in terms of proving returns, it's making sure that research is part of the key pillars where we make revenue.

Sponsorship is one where we're constantly using data and research to help prove the effectiveness of the F1 brand for potential partners and existing partners. And for promoters, we do a lot of work to show them what isn't working at races and how they can improve value for money scores, for example. If those value for money scores go up, then people are more likely to come back next year - so that will mean we will make more money as a business.

Then you've got broadcasters as well. We're doing stuff like skin response testing during the Sky Sports broadcast, to show when people are engaged and when they're not and feeding that back to the broadcaster. If they're then getting good ratings and healthy subscriber numbers because research has helped to improve the TV product, then again that has a knock-on effect on revenue because the broadcaster will renew with us.

It's hard because research is never going to directly drive revenue, so it's about looking at the business as a whole and understanding that it forms an important part of the bigger picture when looking at how to increase revenues.

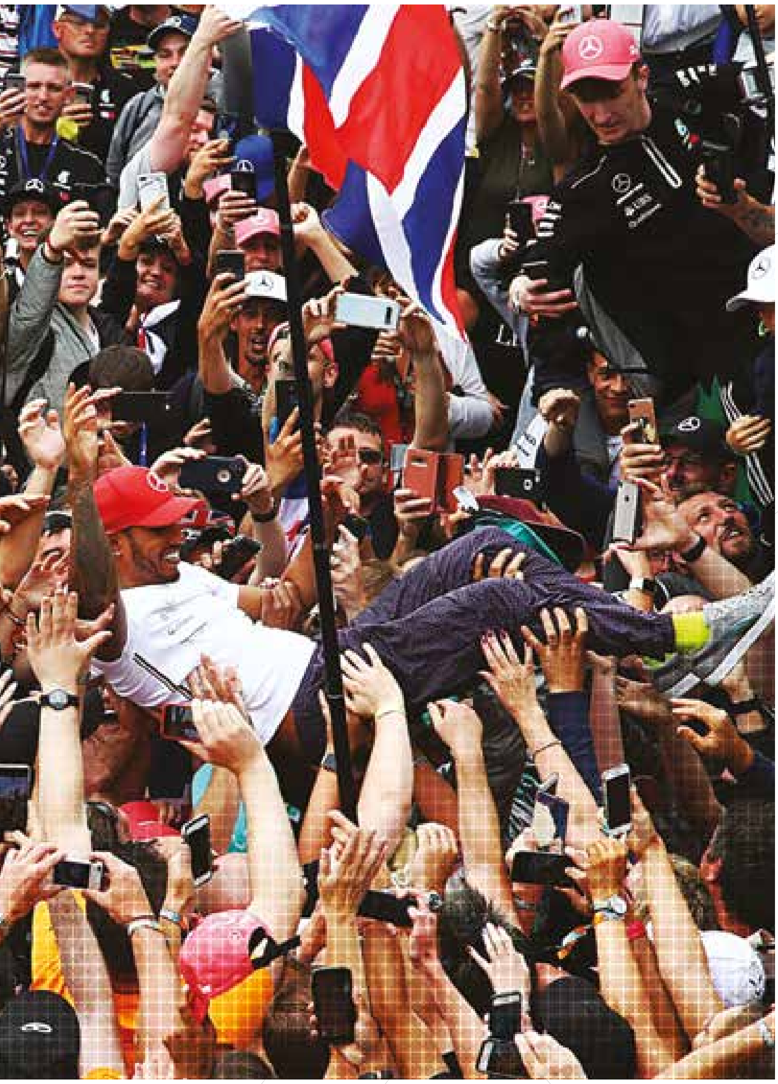


Q You've now got an established core research programme covering a host of different areas, where previously there was nothing. So, what's next for the insight department at F1?

We're covered off on quantitative survey side: we've got F1 Fan Voice, we've got our tracker, we've got various other tools at our disposal.

Analytics is playing a more key role – we've built up a lot of data from the last three years, whether that be from the CRM database or legacy research data.

We're in a position where we can actually start answering some business questions through analysing this data, like which markets shall we renew our TV deals, and how much is our TV product worth in Bulgaria, as an example. We can use TV viewing data that we've got, understanding what they're



paying at the moment and what value they've got for their contract, and what they should be paying in the future. We're using data a lot more to help those decisions - both TV viewing data and research data.

Q More and more technologies are being introduced that can be used to deliver innovative fan insights. Is this something that you're embracing at F1?

We're always looking for new things! We're always open to innovative research tools. We've ventured into skin response testing, we've done some neuroscience work – and we did more at Abu Dhabi this year – getting insight into the brain's responses to certain elements of an F1 race. Eye tracking too is something we're doing more of – there are lots of innovative solutions out there.

Q Going forward, what do you see as the biggest challenges to effectively using fan insight in sport, and what are the potential solutions?

> The sports industry is miles behind other sectors in terms of its investment levels and understanding the value of what research and data can do

I would say that in the UK perhaps 95% of rightsholders underinvest in this area. As far as I know, we're one of the most heavily resourced in the business, with 6 of us in the team. There are big sports organisations making lots of money - they've only got one or two people and when you speak to those guys, they've got no budget.

F1 was like that a few years ago but we've obviously changed, and you can change and there's a lot you can do to add value in a very short space of time.

Organisations need to consider the full picture, too. A research community works perfectly for the likes of rules and regulations, website and app testing, spectator experience testing, merchandise purchasing, F1 TV. For relatively little investment, it gives you a great in-depth understanding of the avid fan. But by itself, it's not enough – as well as getting more out of avid fans, there's always an objective to get casual fans to become avid fans – so you need to do other stuff to understand those peripheral fans or lapsed fans.

Addressing underinvestment in this area and appreciating the value that insight can deliver across multiple departments in an organisation will ensure that fan insight can play a much bigger role across the industry.


SPORTS FAN PANEL
By GOODFORM

10,000

SPORTS FANS

representing over

50 SPORTS

providing insights on

60 TOPICS

that are

SHAPING DECISIONS

WITHIN SPORT

02

SPORTS FAN PANEL

Sports fans have been spoilt in 2019 – but our appetite remains insatiable

As sporting years go, it doesn't get much better than 2019.

We've witnessed arguably the most exciting Cricket match of all time as an unforgettable Cricket World Cup drew to an even more unforgettable close to see England crowned Champions. And if this wasn't enough tension for cricket fans to cope with for one summer, we've witnessed Ben Stokes (and esteemed sidekick Jack Leach) reach cult hero status with what will surely go down as one of the greatest Ashes innings of all time.

We've witnessed a semi-final run for the Vitality Roses at a home Netball World Cup, and seen the Lionesses achieve the same feat at the FIFA Women's World Cup in France.

We've witnessed the longest Wimbledon men's final of all time (if you could drag your eyes from the Cricket, that is) between two of the sport's greatest ever players, and we've been reminded that the Fed-Nadal-Djoko triumvirate still reigns supreme at a combined age of 103.

We've witnessed, for the first time in history, all four finalists contesting Europe's biggest footballing competitions (Europa League and Champions League) from one nation – England.

We've witnessed the emergence of two new golden girls in Dina Asher-Smith and Katarina Johnson-Thompson as they triumphed at the World Athletics Championships in Doha.

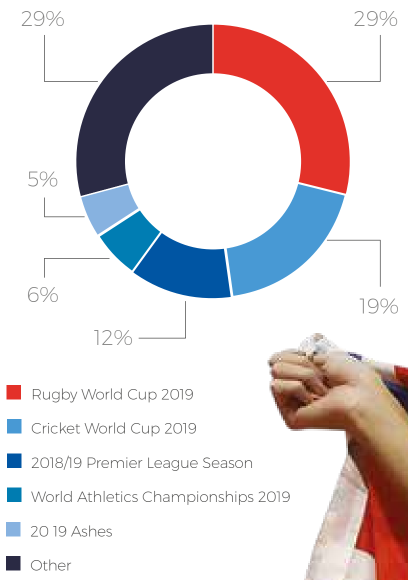
We've witnessed a certain Lewis Hamilton cement his name on the list of F1's greatest ever by holding off challenges from the young pretenders of the sport to win a phenomenal 6th world title.

We've witnessed Japan stage a Rugby World Cup like no other, with their own team winning round fans from all over the world, Wales making a remarkable run to the semi-finals and England steamrollering the All Blacks only to succumb to South Africa in the Final.

With so much to choose from, what were the fan favourites?

Looking back on a year that offered so much, picking favourites is a borderline impossible question for the multi-sport fan. But we didn't shy away from asking it, and when we asked our Sports Fan Panel to pick their favourite events, the Rugby and Cricket World Cups proved popular – but as ever, the Premier League isn't too far behind:

Favourite sporting event of 2019



And whilst rugby may have pipped cricket when choosing a favourite event, when it comes to favourite moments, cricket – and a certain individual in particular - stole the limelight:

1

England win the Cricket World Cup in a super over

2

England beat New Zealand to make the Rugby World Cup Final

3

Ben Stokes keeps the Ashes alive with one of the greatest test innings of all time

4

Katarina Johnson-Thompson wins Heptathlon Gold at the World Championships

5

Dina Asher-Smith wins 200m Gold at the World Championships

These moments matter

As individuals and moments captured our imaginations, the impact of a year that featured four major world cups looks set to last.

Following their respective World Cups, 47% of sports fans surveyed stated that they are now more interested in Rugby and 45% in Cricket, with 41% more interested in Women's Football too. And whilst the Netball World Cup is a smaller event, we still see 18% stating an increased interest in netball as a result of following the tournament.

We can see this in wider evidence around the impact of national team success and hosting major events: in October 2019, England Netball reported that 160,000 women who followed the Netball World Cup were inspired by the event to start playing netball, or to play more often.[1]

Similarly, 61% of cricket clubs in England reported an increase in member numbers in 2019 vs 2018 as a result of the Cricket World Cup.[2]

The longer term impact of both events – as well as of the more recent Rugby World Cup – remains to be seen, but the early evidence suggests that the tension, the heartbreak, the elation of following major events that we all experienced in 2019 will continue to deliver impact well beyond the end of the events themselves.

[1] https://www.uksport.gov.uk/news/2019/10/02/netball-world-cup

[2] https://www.ecb.co.uk/england/men/news/1454185/men-s-cricket-world-cup-drives-record-breaking-engagement

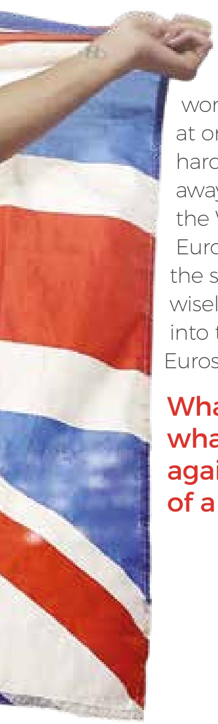
So where do we go from here?

The party's far from over: 2020 looks to be another bumper year. When we asked our panellists to pick the three events they are most looking forward to, unsurprisingly the Olympics dominated. But the crowd was split across other events:

Event	%
The Olympics	58%
Euro 2020	37%
The Premier League	27%
T20 World Cup	27%
Premiership Rugby	26%
Wimbledon	12%
Champions League	12%
The Ryder Cup	11%

% picking each event in their top 3 for 2020.

This range of interests highlights the extent to which rights holders are competing for fans' time and attention not just with other leisure activities but from within sport itself – as the triple-screen-inducing Sunday featuring the Cricket World Cup Final the Wimbledon Final and the British Grand Prix in 2019 demonstrated. (If you were wondering, watching three things at once doesn't work, no matter how hard you try.) Incidentally, we may get away with only two screens in 2020 – the Wimbledon Final and the Euro 2020 Final are scheduled for the same day, but the Grand Prix wisely falls a week later – slotting neatly into the 10-day window between the Euros and the Olympics.



Whatever your sport, and whatever your loyalties, once again we're in for a hell of a year.

Looking further ahead, the action's not leaving our doorstep any time soon

It all started with London 2012, when Britain showed its pedigree when it comes to hosting major sporting events. Year after year since, across multiple sports and cities, fans have been filling stadiums and turning out in droves to embrace the opportunity to witness the world's best competing on British soil.

Looking beyond the Euros next year, England will play host to the Women's Euros in 2021 across 8 different cities. And later that year, the Rugby League World Cup comes back to England – set to be the biggest ever as, for the first time, the Men's, Women's and Wheelchair competitions will all be staged in a single event.

Earlier in 2019, excitement was already building, with 15% of our Sports Fan Panel stating that they planned to attend the event in person, and half intending to watch on TV.

And if we dare look yet further ahead, 2022 sees Birmingham host the Commonwealth Games, following in the footsteps of Manchester in 2002 and Glasgow in 2014 in hosting the Games. The manner in which the British public embrace "the people's games" has always been truly remarkable and the early signs from our panel are that 2022 will be no different:

85%
plan to watch on TV

49%
plan to attend the games as a spectator

13%
intend to volunteer

Whilst hosting major events will always come with healthy debate around public spending and event legacy, amongst the sports fans surveyed it's clear that a huge amount of positivity towards hosting major events in the UK remains:

89% agree it's prestigious and promotes the UK internationally

86% agree it helps boost local economy

78% agree it encourages people to be more interested in sport

71% agree it makes them feel proud

71% agree it supports and brings together local communities

63% agree it encourages people to be more active

And whilst we love seeing our national teams do well when we host events, it's not all about success on the pitch, with a higher proportion of people considering it **important that facilities are available for community use** afterwards and that hosting an event **helps boost local economies** than that our national teams are successful in events on British soil.

With the 'INSPIRATIONALL' legacy programme already a focus for the Rugby League World Cup 2021 and a three-fold return predicted on every £1 invested in the 2022 Commonwealth Games , it's looking like British sports fans will have more than just on-the-field success to cheer about for many years to come.

03

SPORTS FAN PANEL

The growth of US Sports in the UK

The 53rd annual Super Bowl was the most watched sporting event in the US in 2019, but early statistics indicate that viewing figures were the lowest in 11 years. As one of the most commercialised sports on the planet, a declining viewership would make the international reach of American Football even more important to the NFL.

The NFL, MLB and NBA, have evidently placed importance on globetrotting, with the NFL International Series, MLB London Series and NBA Global Games all occurring outside of the US. But, have these ventures been successful in the UK, and what has their impact been?

Crossing the pond

There has certainly been a globalisation of US Sport, with the 'big three', NFL, NBA and MLB, broadcast regularly in the UK and available to watch in over 180 other countries. While this underlines the accessibility of American sport, understanding the demand for it in the UK, a country with its own rich sporting history, requires deeper insight.

94% of our Panellists were aware of the NFL being hosted in the UK, with 43% hoping to attend London fixtures in the future.

The appetite for the American football sporting spectacle in the UK, which has clearly been realised by Spurs' Chairman Daniel Levy, with the club having entered a 10-year deal with the NFL to accommodate a minimum of two games per year.

Fan demand

The Tottenham Hotspur Stadium has experienced two sell-out NFL crowds in 2019, mirroring a successful 12-years at Wembley stadium so far. MLB has found similar success after touching down in the UK in 2019, having sold out the London Stadium six months in advance. Clearly there is a growing audience for live US sports events in London, but what does this mean for the rest of the UK?

UK-wide fixtures are still to be tested and many US sports are yet to venture over. However, just under half of our Panellists believe that a better geographical spread would facilitate growing attendances, while a similar number voiced a desire to witness the National Hockey League grace our rinks. This indicates a potential for the growth of US sport to continue, and therefore an opportunity for sport federations to reap the rewards of a UK fan base.

A mutually beneficial relationship?

The consensus is yes.
Following on from the 2012 Olympic Games, this could be another opportunity to showcase our capital city to a captive international audience. Furthermore, while participation in many sports has dipped following 2012 despite the Olympic legacy promises, both American Football and Baseball show hopeful signs for participation.

62%
agree
that holding **UK fixtures** gives sport increased recognition and a similar number think that hosting is **positive for London**

The number of American Football teams in the BUAFL has almost doubled since 2007, and Softball60 is pinned to be a more accessible edition of baseball, hoping to co-exist with cricket. British Baseball also aspire for the London Series to lead to the growth of participation, facilitated by a three-day festival of American atmosphere surrounding the event.

The desire to experience the unique atmosphere was the strongest driver to attend US sport events for our Panellists, while 63% of respondents determined that UK fixtures were an allure for a different fanbase.

What does the future hold?

With the unique atmosphere of American sport at the core of the attraction for the UK fanbase, questions can be raised about the sustainability of more regular US sport events throughout the year. Could the novelty wear off? Many of our Panellists don't think so.

42% of respondents believed that the NFL franchise would be a success in the UK, with hefty ticket prices, rather than waning interest, perceived to be the biggest barrier to the growth of US sport in the UK.

Another potential barrier to the growth of American sport in the UK, may be the lure of other nations. After seven successive sell-out years in the UK, the NBA Global Games switched to Paris in 2020, despite original plans for London. With a limited number of fixtures available to an international audience and a proven fan-base, perhaps the UK no longer reflects the most effective catalyst for "global growth" for Adam Silver, the NBA commissioner. However, for American sport, sell-out crowds, a call for different types of US sports across the UK, and easily accessible broadcasting, are promising signs for the future.

While for many, they may never pull on heart strings in the same way as sports closer to home, their presence is certainly growing, and they are attracting a new type of fan. We'll be keeping a close eye on their progress.

UK views on US Sports

SPORTS FAN PANEL

2,032 Respondents

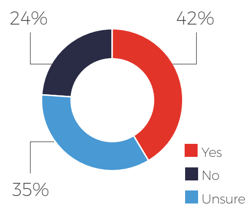
63% agree that holding fixtures in the UK attracts a different fanbase

62% agree that holding fixtures in the UK gives the sport increased recognition

56% agree that holding fixtures in the UK is good for London

54% agree that holding fixtures in the UK enhances their experience as a fan

Could an **NFL franchise** be a **success in the UK**



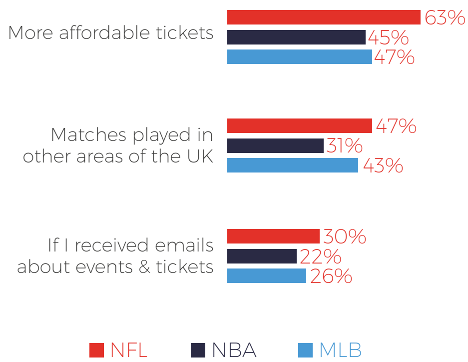
Awareness of **US Sports** being **played in the UK**

NFL	MLB	NBA
94%	49%	54%

Likelihood **to attend fixtures in London** in the next few years

NFL	MLB	NBA
43%	23%	21%

What would **encourage attendance**



48% would be interested in seeing **NHL played in London**

48% would be interested **in seeing MLS**

04

SPORTS FAN PANEL

The future of membership

The way that people are consuming content, products and services in their everyday lives is changing. UK consumers spend £2bn on subscription services per year, including media (TV shows, movies, music), food and drink, health & fitness, grooming – the list goes on – encompassing most sectors.

Consumers now experience greater choice and flexibility than ever before, from the option to tailor the service to best meet their needs from the outset, to the ability to freeze the service at certain times. Many sectors have adapted their product and service around the consumers themselves. Can the same be said about the Sports industry, especially NGBs, when it comes to membership?

Membership has been an integral part of National Governing Bodies (NGBs) in the UK since their formation. The opportunities memberships present to engage key audience groups and drive commercial revenue, in the context of the challenges around government funding, means they are as important as ever.

A 2019 Sports Fan Panel project looked at some of the fundamentals of memberships for Sports NGBs, including motivations of being a member, importance of benefits, satisfaction with current benefits, and what would make members feel more valued. The research was conducted with a wide range of the sporting audience, including current members, lapsed members, and those that have never been a member of an NGB.

Why do people become members?

What's the driving force behind why people become members of a National Governing Body?

The development of that sport is a key factor, with 63% stating that they are a member in order to support the sport, and 44% stating it's to contribute towards the grassroots development of the sport.

Participation is also a key factor, with 52% stating that they became a member to take part in competitions, whilst 40% state that access to insurance is the main reason. Indeed, insurance was stated as the most important membership benefit by 75% of people.

Are members satisfied?

69% of members are satisfied with their membership, with 98% stating that they are likely to renew when it expires. This differential may be due to the requirement for people to be members in order to compete in competitions, but NGBs should be wary of allowing this trend to continue. People are increasingly time poor and having to make decisions about what they prioritise. Continued dissatisfaction with any product or service is likely to result in a negative outcome for the provider of that service.

Flexibility a key factor

Over half of NGB members surveyed said that they would like flexibility in choosing aspects of their membership. The more flexibility that can be built into all aspects of the membership (from selecting the duration, to choosing the benefits they value the most) the greater the chance of attracting a wider audience and re-engaging lapsed members.

Aligning the benefits to the needs of the different audience groups and what they value the most should be a fundamental part of any membership scheme.

Once someone becomes a member, their redemption of membership benefits is a key indicator as to the level of perceived value of the membership and should be constantly monitored by the NGB.

Why do members lapse?

28% of previous members said they lapsed as they were no longer involved in the sport in the same capacity.

Understanding the different life stages of their members, and their wider audience should be a key focus for all NGBs.

This will likely differ from one NGB to the next due to the nature of the sport, but the principle of understanding how the relationship changes over time remains consistent across all.

The key is for NGBs to remain relevant and deliver value at each of the different life stages.

When members do lapse, how they are engaged thereafter will play a key role in the probability of them renewing or continuing their relationship with the NGB in another form. 92% of lapsed members said that they did not receive communication from the NGB to understand why they did not renew their membership. This represents a missed opportunity to gain valuable insights into why a member decides to end their relationship with the NGB.

Attracting new members

What can NGBs do to attract new members to their organisation? For some, it's an issue of awareness, with 38% of people who have never been a member stating that they were not aware of a membership scheme for the sports that they have an interest in.

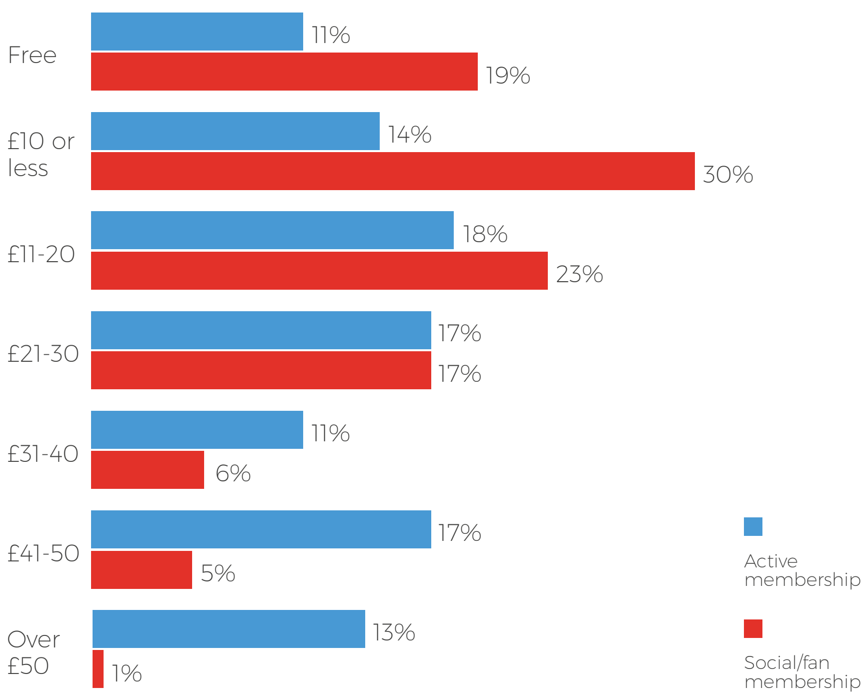
28% said that their reason for not becoming a member was that they don't find the membership beneficial to them. This again highlights the need for NGBs to understand their wider audience and tailor their product and services around them.

Indeed, 46% of non-members said that member benefits and services that are relevant to them would be the biggest factor in encouraging them to become members.

When looking at what are perceived as the most important factors, 73% want access to event tickets for major events which suggests that they represent the fan/social member.

66% say that the cost of the membership is important. Generally, the annual cost of a membership for an NGB is not high and should not be a barrier or perceived as such, but it will be if the benefits are not aligned to what the different audience groups value.

Desired Membership prices



£2bn

UK consumers spend on subscription services per year

63%

are a member in order to support the sport

75%

Consider insurance the most important membership benefit

38%

are not aware of a membership scheme for the sports that they have an interest in

92%

of lapsed members said that they did not receive communication from the NGB to understand why they did not renew their membership

05

SPORTS FAN PANEL

A Step too VAR?

Designed to "correct clear errors in match-changing decisions", VAR was introduced to the Premier League in the 2019/20 season.

With the technology already in place across other leagues such as the Bundesliga and Serie A, and having been piloted in major domestic and international competitions such as the 2018 FA Cup, Carabao Cup and FIFA World Cup in Russia, the Premier League stage was set for the 2019-20 season.


ECKING
GOAL
VAR

Pre-season perceptions

Despite VAR teething troubles being reported across the European Leagues, FIFA's international endorsement of the technology following its application in the 2018 World Cup was wholly positive. It was disseminated that it brought refereeing accuracy to a near-perfect 99.35%, sending a very clear message: VAR = improvement and progression.

What could go wrong?

To fully understand the impact of the technology, we asked fans for their views before, and two months after, its Premier League inauguration.

50%

of fans predicted VAR would **have a positive impact** on the Premier League

The way the speed of the game has evolved and with the amount at stake each week, clubs had been in favour of VAR being introduced to the Premier League - with all managers welcoming it. Over half of our panel were optimistic about VAR's Premier League debut, believing it could help solve incorrect goal and penalty decisions. However, fears were expressed by fans about the length of time taken to review, and whether this would impact the game negatively.

Over half of fans enjoy the controversy and debate that refereeing mistakes produce.

Fans have admitted to embracing refereeing errors and accepting them as part of the game. With overturned decisions and extended stoppages in play, VAR is coming under criticism each week with fans, managers and pundits becoming increasingly frustrated with the technology.

Expectation vs reality

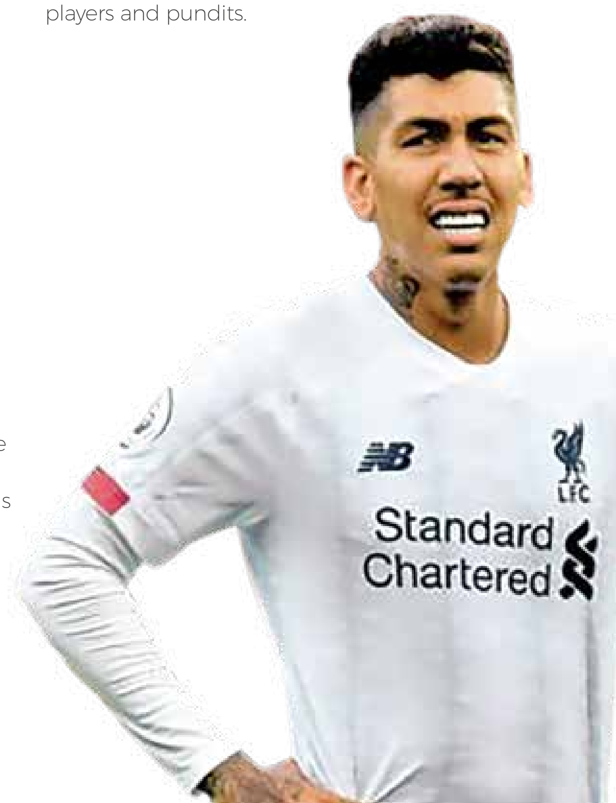
Nearly half of fans who have watched a game on TV, or at a stadium where VAR has been used, say it had a negative impact on their experience.

From analysing fan panel data at two time points, there has clearly been a negative shift in perceptions of VAR. For many, expectations have not become reality. Many fans feel that the correct decisions are still not being made, with the final say still being down to interpretation. In fact, over a third of fans don't think that VAR is the best solution to improve the standard of refereeing, believing that a higher standard of training is a better solution and that human error is part of the game.

Success is in the detail?

Roberto Firmino's armpit and Neto's toe – both have been ruled offside by VAR. Decisions such as these have stirred calls that the technology is overly analytical, and not in the spirit of the game. Thrown into this mix is also the enforcement of the new handball rule, whereby accidental use of the arm or hand is only deemed illegal if committed by an attacker, and is detectable by VAR.

But if these are the rules, what's wrong with VAR being used? Our fan panel have zoomed-in on the specific reasons that VAR is not sitting well with many fans, players and pundits.



Speed vs decision-making

61%

of stadium goers, and **63%** of **TV viewers believe that VAR** decisions are **taking too long** to be made

The biggest concern for fans prior to the opening game of the season was the length of time it takes to conduct a review, with most agreeing that decisions should take no longer than 2 minutes at a time. The Professional Games Match Officials League have encouraged referees to refrain from using the pitch side monitor to ensure this is adhered to. This means that the pitch-side monitor was only used for the first time by Michael Oliver, in his sending off of Milivojevic during an FA Cup match on the 5th January 2020, and has only been used once in the Premier League.

Yet, despite hoping to protect the flow of the game, fans are also crying out for referees to use the pitch side monitors. The technology has worked well in other football competitions such as the UEFA Champions League, where the referee has been able to have a second look at incidents before making the final decision. Evidently the VAR process needs to be re-evaluated to satisfy fans, but how can this be done?

The matchday experience

74%

of fans at the stadium believe that they **weren't given enough information about what was being checked**

Currently, VAR replays are not being shown on the big screens inside the ground until after a decision is reached, leaving fans in the dark. Perhaps there is a greater need to understand the decision-making process.

Rugby Union have sought to rectify this through live TMO replays and offering fan radio's that broadcast referee communications. In fact, adopting successful technologies and best practices from other sports could be VAR's own game-changer.

Not VAR enough?

Technology in Cricket

- **1992** - Third Umpire
- **1998** - Ball Spin RPM
- **2001** - Hawkeye
- **2008** - Decision review system
- **2010** - Spidercam
- **2014** - Umpire Cam

VS

Technology in Football

- **2014** - Hawkeye Goal-line Technology
- **2017** - VAR introduced to the Bundesligi and Serie A
- **2018** - VAR introduced to the La Liga
- **2019** - VAR introduced to the Premier League

Played with 11 players, steeped in tradition and two of the most popular British sports, cricket and football have some things in common. However, long-term technological influence is not one of them. Since 1992, Cricket has utilised a third umpire for reviewing decisions, and has refined processes over 28 years, such as the Decision Review System. This provides teams with the power to contest officials a limited number of times, giving greater ownership over the decision-making process and allowing the game to flow better.

Football vs other sports technologies

FOOTBALL **31%** POSITIVE

RUGBY UNION **89%** POSITIVE

RUGBY LEAGUE **88%** POSITIVE

CRICKET **93%** POSITIVE

TENNIS **93%** POSITIVE

The standard of officiating has also been improved by the introduction of technologies such as the Snick-o-meter, Hawkeye and Hotspot, helping viewers to understand the decision-making process and improving officiating accuracy. So it appears that other sports are doing it better, but have been allowed the opportunity to develop and refine in line with the ever-evolving technologies.

Our half-time review

Moving into the second half of the season, there is a growing disdain among fans for the current VAR system. Our panel have underlined clear reasons for this, with the time taken to reach a decision, the way in which this is achieved and the clarity of information provided to live fans being contributing factors. There is an outcry from some for change, but this will take time. In comparison to other sports relying on technology, VAR is in its infancy.

This is an issue, as more so than in any other sporting league, managers, players and teams are expected to perform immediately upon arrival to the Premier League. The same goes for VAR; and with the clock ticking, VAR has not made the positive impact that was expected by many supporters.

VAR in the **Premier League**

In the STADIUM

42%
who have attended a game where VAR has been used say it had a **negative impact**

74%
said they **weren't given enough information** about what was being checked

61%
thought the **decision took too long** to be made

On TV VIEWERS

45%
who have **watched a game on TV** where VAR has been used say it had a **negative impact**

40%
thought they **weren't given enough information** about what was being checked

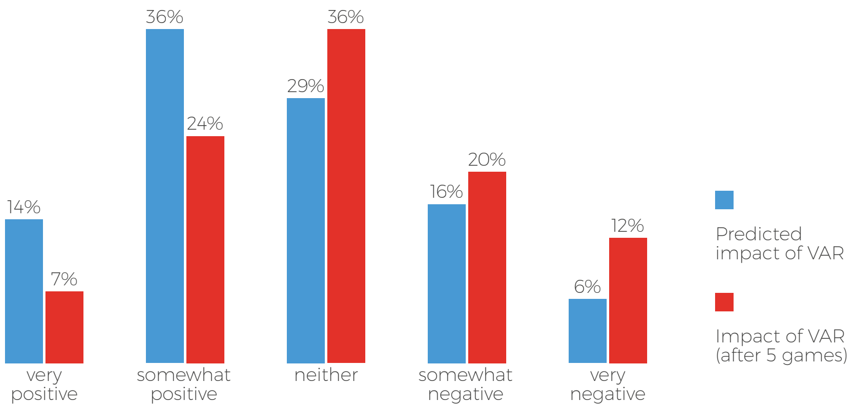
63%
thought the **decision took too long** to be made

What do UK football fans think?

SPORTS FAN PANEL

OVERALL VIEW

The impact of **VAR has not been as positive** as fans had hoped at the start of the season



CONTEXT

96%

have **disagreed** with a big decision a referee has made during a match

BUT...

54%

enjoy the controversy and debate that refereeing mistakes produce

THE IMPACT

47%

think VAR will **ease fan frustrations** with wrong decisions

BUT...

44%

think it will make fans **reluctant to immediately celebrate goals**

39%

ONLY 39%
believe it will **eliminate player protests** about referee decisions

CONCERNS

85%
length of time it takes to make a decision

78%
the flow of the game

54%
the correct decision still not being made

3 IN 4 fans think that a VAR review should take **NO LONGER THAN 2 MINUTES** to ensure the game doesn't stop for too long

USAGE

42%
of fans are **most satisfied** with VAR **making the correct decision** so far

51%
are **least satisfied** with the **speed it takes to make a decision**

75%
think that **VAR should be used to review violent conduct** such as elbows and stamps

71%
think that **VAR should be used to review diving**

59%
say **VAR has reviewed goals well**

37%
say **VAR has reviewed penalty decisions well**

GOALS AND PENALTY DECISIONS are the two **most important** scenarios for VAR usage

06

EUROPEAN TOUR

GAME CHANGER?

The European Tour is going places. A new brand identity, website and app all launched in October 2019, representing an important part of an exciting new chapter in the history and modern evolution of the European Tour.


GOLFSIXES
CASCAIS
CASCAIS
The Charm of the Atlantic Coast
#GolfSixesCascais
visit Portugal
Cascais
Sixes Terrace
GOLFSIXES

THE NEW SUPPORTING STRAPLINE OF 'DRIVING GOLF FURTHER' IS A BOLD STATEMENT, BUT ONE THAT WE HAVE SEEN CLEAR AND OBVIOUS STEPS TOWARDS. THE PAST FOUR YEARS HAVE SEEN SIGNIFICANT GROWTH AS THE EUROPEAN TOUR HAS LED THE TRANSFORMATION OF GLOBAL GOLF THROUGH THEIR CREATIVE CONTENT, COMMITMENT TO INNOVATION AND INCLUSIVITY AND A DESIRE TO BREAK NEW GROUND.

Commitment to innovation

In 2019, across all Tours, there were 432 tournaments globally which counted towards the Official World Golf Ranking. Of these, 422 were stroke play events and just 10 were classified as 'other formats', including the Belgian Knockout and the ISPS Handa World Super 6 Perth, which featured on the European Tour's Race to Dubai.

While the biggest golfing events, such as The Ryder Cup, the Major Championships and Rolex Series, continue to get bigger, the battle for regular events to cut through can be more complex and challenging, particularly when you factor in other sports and forms of entertainment which vie for the consumer's attention.

> **THE PROLIFICACY OF CONSUMER CHOICE IS WHY INNOVATION IS ESSENTIAL. FAIL TO INNOVATE AND YOU SIMPLY RISK BEING LEFT BEHIND OR CROWDED OUT**
>
> Keith Pelley, European Tour CEO

Events such as GolfSixes strive to appeal to a different audience

Launched in 2017, GolfSixes is a shorter format of the game which sees teams of two compete over six holes, meaning each match is completed in approximately just one hour. The event has included innovations such as music, a shot clock and mixed teams, with men and women competing together and against each other. It has proved popular among fans, helping to attract younger audiences, with attendees at the 2018 GolfSixes 20% younger compared to a normal Tour event. Furthermore, the format has been adopted at grass roots level across Europe through the support of the Golf Foundation, The R&A and various governing bodies, with junior leagues becoming increasingly popular. In 2019 there were 55 GolfSixes Leagues: 38 in England, two pilot leagues in Wales and 15 in Scotland.

GolfSixes Leagues featured in more than 250 golf clubs, benefiting more than 3,000 boys and girls and their families

This effectively doubles the scope of the first successful year of the project in 2018, and more than 25% of players were girls. GolfSixes also featured as part of the Ryder Cup and Solheim Cup weeks.

The interest and desire for mixed gender events was one of the interesting insights from Goodform's Sports Fan Panel research about the Ryder Cup in 2018. 43% of respondents said they would like to see a separate golf competition with both men and women competing, with 22% stating they'd liked to see a mixed Ryder Cup.

June 2020 will see the inaugural Scandinavian Mixed, hosted by Sweden's most successful male and female golfers, Major Champions Henrik Stenson and Annika Sörenstam, with men and women going head-to-head for the first time on the same course competing for one prize fund and one trophy.

The event will take place for the next three years and with a prize fund of €1,500,000 for the entire field, the tournament will offer Official World Ranking points for both Tours, plus Race to Dubai and Ryder Cup points for European Tour members, and Order of Merit points for the Ladies European Tour.

Definitely a Game Changer

"I'm extremely excited to host the Scandinavian Mixed alongside Annika, one of the best golfers the world has seen, and to have men and women competing alongside one another showcases what is great about our game," said Stenson, an 11-time European Tour winner.

> **THE EUROPEAN TOUR HAS BEEN LEADING THE WAY IN TERMS OF INNOVATIVE FORMATS AND I BELIEVE THIS IS CERTAINLY ONE THAT CAN BE PART OF THE WAY GOLF IS PLAYED IN THE FUTURE.**
>
> Henrik Stenson, 11-time European Tour winner

"Making our game accessible to everyone is something I am extremely passionate about having worked with Fanny Sunesson for a number of years hosting the Stenson Sunesson Junior Challenge, as well as promoting Paragolf in Sweden through the Henrik Stenson Foundation, so I am delighted to have this new event for both male and female professional golfers in Sweden."

In addition to mixed events, the Tour's focus on inclusivity has also included its Golfers with the Disability programme, which in 2019 included two tournaments played at Rolex Series events, the EDGA (European Disabled Golfers Association) Scottish Open and EDGA Dubai Finale, and is set to be extended in 2020

The European Tour's Official Partners, some of the world's leading business brands (Rolex, BMW, Callaway, DP World, Dubai Duty Free, Emirates, Hilton and Workday), are also benefitting from the tour's commitment to innovation.

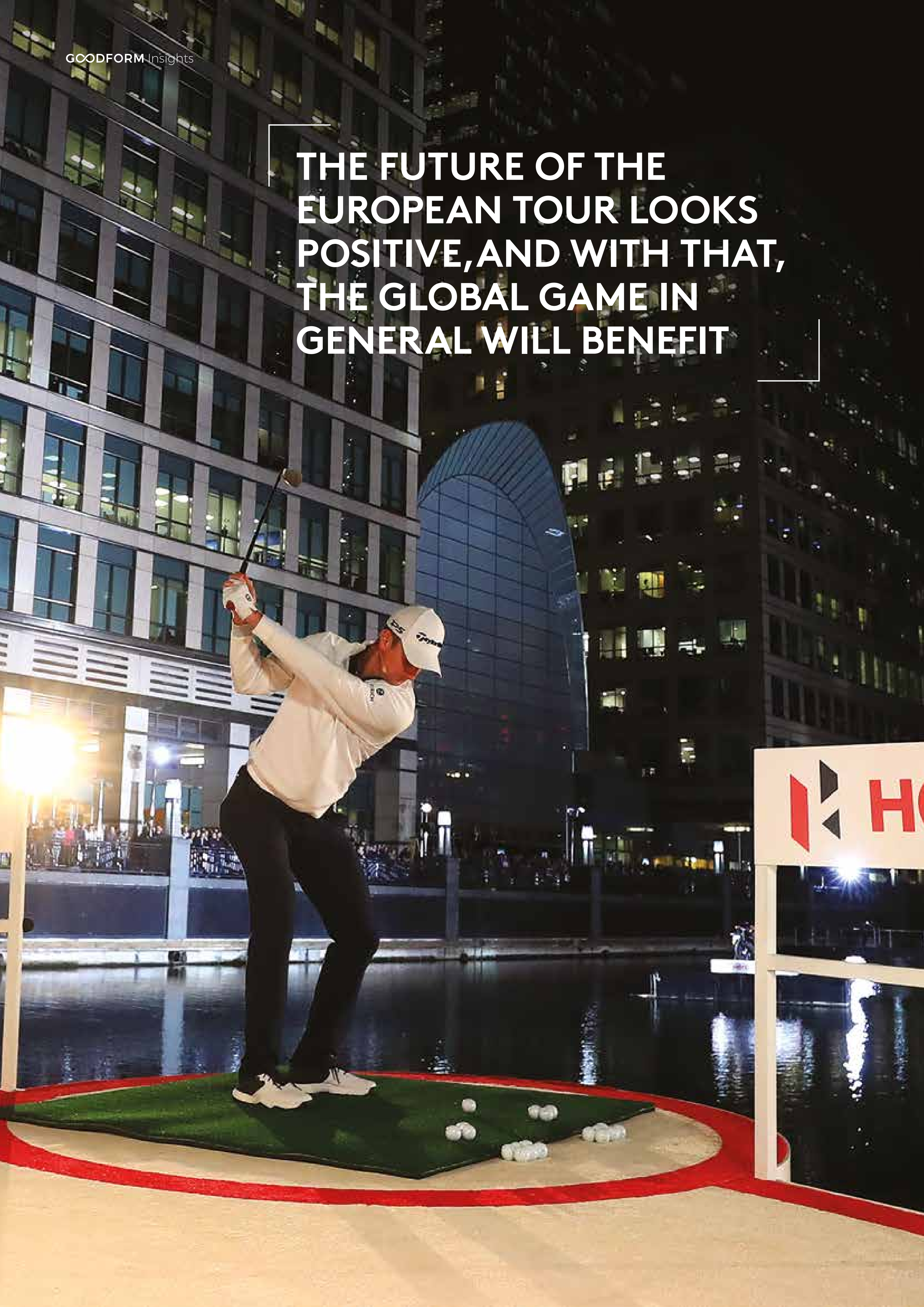
Take the 14th hole at Himmerland Golf and Spa Resort as an example. What could easily have been a routine, 262-yard par four was transformed thanks to the introduction of the Heineken Lounge, where players walked from the 13th green through the hospitality area to the 14th tee box which was incorporated into the structure.

The result was some clever brand exposure for Heineken, a terrific atmosphere for the fans and the creation of some memorable content from many players, most notably Jamie Donaldson and Matthew Southgate.

Similarly, Hero have helped the Tour take golf into cities through the Hero Challenge, the tour's innovative fast-paced shootout which has been played at iconic locations around the world including Edinburgh Castle, Canary Wharf and Dubai's Atlantis, The Palm.

The series, which was launched in 2016, will be expanded in 2020 to include five annual events and is streamed live on social media.

THE FUTURE OF THE EUROPEAN TOUR LOOKS POSITIVE, AND WITH THAT, THE GLOBAL GAME IN GENERAL WILL BENEFIT



Engaging new audiences

As a business, The European Tour's focus has shifted in recent years from B2B to B2C through extending their ecosystem beyond traditional revenue sources and the existing model of simply staging golf tournaments. With less than 3% of overall revenue coming from B2C historically, by improving their communication and interaction with the consumer on a more consistent basis, the European Tour expects to grow this figure significantly. The newly refreshed website and app provide the perfect platform to showcase the incredible content that has become so synonymous with the European Tour over the last few years, as they have developed a unique tone of voice in this space.

As part of the launch of its refreshed brand in October 2019, the European Tour reprised one of its most popular pieces of content in recent times, The Content Committee. It showcased the personalities of some of the Tour's leading players and proved popular with fans through the self-deprecating humour that has become the European Tour's tone of voice on social media, whilst demonstrating that a strong corporate message can be communicated differently to a social media audience compared to a B2B audience. The players are central to everything that the Tour does and are the key ingredient in their recipe for success. "It is their Tour and they, along with our partners, will help us drive golf further," said Keith Pelley, European Tour CEO.

Improvements to the Tour's CRM system and the deal to take full control of European Tour Productions (ETP), which was formerly a joint venture with IMG, have also changed the landscape of how things are done and allowed the European Tour to improve their communication through their world feed broadcast. Pelley describes it as: reach, engage, capture, convert and retain. "You reach the consumer through the broadcast world feed, through original content on our social media channels; you engage them through the website and the European Tour app, and you then try to capture more information through our European Tour database. You then convert them into ambassadors for the tour by giving them tickets and hospitality and merchandising, and then you try to retain with incredible service, loyalty and proper communication."

The inaugural European eTour Championship – the first esports contest, took place in May 2019, enabling the European Tour to tap into the 15million plus people globally who play World Golf Tour (WGT) on their mobile devices.

Building on the success of this, in December the Tour announced that golf's first esports series, the European eTour, will take place in 2020 in partnership with Dreamhack and Topgolf Entertainment Group. It will feature six esports contests held at European Tour events around the world, including a final at the Tours own season-ending DP World Tour Championship, Dubai in November.

The impact on the global game

The European Tour broadcasts live coverage of its tournaments to more than 490 million homes in more than 150 countries every week, generating in excess of 2,200 global broadcast hours for each event.

The impact of this on getting more people interested and playing golf globally should not be underestimated. The European Tour creates golfing heroes almost every single week of the year.

The links between playing sport, particularly at a young age, and becoming a fan of the sport are widely acknowledged, so the success that the European Tour has in the professional game will undoubtedly have an impact on the game as a whole.

The challenges facing Golf in terms of participation are well documented. The barriers that prevent people from taking up the sport or playing regularly, and see people giving up the sport are difficult to remove. There is no one solution.

KPMG's 'Golf Participation Report for Europe 2018', focusing on registered golfers only and not casual golfers, showed that 39% of the European countries experienced a growth in participation rates, 37% showed stability, and in 24% of the countries surveyed participation declined. The top 10 golf markets have an average participation rate of 2.3% of total population.

The future of the European Tour looks positive, and with that, the global game in general will benefit.

This will likely gain more momentum as the positive outcomes of innovative new formats such as GolfSixes, mixed gender events like the Scandinavian Mixed, and the European eTour Championship engage new audiences that will grow the game globally. This innovation is coupled with a continued commitment to also recognise and reflect the past. 72-hole stroke play, such as the eight Rolex Series tournaments, will always remain the core of the game, but the game is undeniably changing.

The Ryder Cup effect

The Ryder Cup is an event that brings the best elements of the global game together for an unforgettable week. The 2018 Ryder Cup held at Le Golf National was widely considered the most successful Ryder Cup of modern times.

Team Europe's win in Paris saw streaming figures surge past records set during the previous two editions of the biennial golf tournament. Stats show that 11.1 million minutes of coverage were streamed during the final round on Sunday as Europe's top 12 golfers secured a 17 ½ - 10 ½ victory over their American counterparts at the French capital's Le Golf National.

That figure was up 58% on the 2016 event at Hazeltine National Golf Club in Minneapolis and represented a whopping 697% increase on when the tournament was last held in Europe at Gleneagles in 2014.

Goodform's Sports Fan Panel research saw 56% of respondents stating that they have been encouraged to watch golf more often, whilst 32% have been encouraged to play more often, as a result of winning the 2018 Ryder Cup.

The golf federations of France, hosts in 2018, and Italy, hosts in 2022, noted within the KPMG report the positive impact of hosting the Ryder Cup.

The Ryder Cup 2018

111.1 MILLION
minutes of coverage were streamed

58%
up on 2016
Hazeltine National Golf Club in Minneapolis

697%
increase on when the tournament was last held in Europe at Gleneagles in 2014.

SPORTS FAN PANEL

56%
respondents stating that they have been encouraged to watch golf more often

32%
encouraged to play more often, as a result of winning the 2018 Ryder Cup

22 BILLION
GLOBAL IMPRESSIONS
ACROSS SOCIAL MEDIA

matched by the wider commercial impact the event had outside the ropes.

"The significant increase from the 2014 economic activity in Scotland also underlines the continued growth of The Ryder Cup's global appeal as one of the world's biggest sporting events."

> **FROM THE BEGINNING WE ALWAYS KEPT IN MIND THAT WE WANTED TO SHOW THAT OUR COUNTRY, FRANCE, COULD BENEFIT FROM WELCOMING THE RYDER CUP. IT HAS DRAMATICALLY IMPROVED THE AUDIENCE OF GOLF IN FRANCE AND SERVED THE DEVELOPMENT OF THE GAME.**
>
> Pascal Grizot, France Ryder Cup 2018 Committee President

More than 270,000 people attended from more than 90 countries, generating 220,000 commercial bed nights in the Paris region, which included 8% of visitors who extended their stay beyond Ryder Cup week.

The global reach of the 2018 Ryder Cup was also shown by a significant increase in social media engagement, with more than 22 billion global impressions across the week, whilst linear broadcast viewing figures were also up compared to the 2014 contest at Gleneagles.

Economic activity in France as a result of the country hosting the 2018 Ryder Cup is estimated to amount to €235.7 million.

The figure takes into account spending by all spectators and event attendees, plus all the organisational spending: (including by the French Golf Federation and French authorities on course and infrastructure upgrades, and the development of 100 municipal golf facilities inspired by the bid to host the event,) as well as other indirect or induced spending.

It represents a significant increase on the £106million of economic activity in Scotland as a result of Gleneagles hosting the 2014 Ryder Cup.

Guy Kinnings, European Ryder Cup Director, said: **"The 2018 Ryder Cup was undoubtedly the biggest and most successful to be staged in Europe, with the considerable achievements of Thomas Bjørn's team at Le Golf National**

The legacy of Ryder Cup 2018 is likely to become more apparent over the next decade with a multitude of new municipal courses inspired by the event continuing to grow the golf market in France; whilst Le Golf National will host the Olympic Golf tournament during the 2024 Paris Games and continue to enthuse French people.

Game changing content, event formats, sponsor activations, Esports, and mega events mean the European Tour truly is 'Driving Golf Further'.

07

By **Joe Kyle,**
Marketing Director, Goodform

The future of fans

It's widely acknowledged that broadcast is the biggest driver in global sports revenue. Most sports organisations are focused on overseas fans and global growth – but what impact is this having, or going to have, on event attendance? Is there enough focus on improving the live experience?

Is event attendance still important?

According to the Deloitte Annual Review of Football Finances 2019, when looking at the revenue of the big five European league clubs (England, Germany, Spain, Italy, France), matchday revenue accounts for between only 11.3% and 17% of overall revenue whilst broadcast makes up as much as 59%.

Across Premier League clubs, who benefit from the most lucrative broadcast contracts in world club football, matchday revenue has decreased in overall value from 17.1% in the 15/16 season to just 13.7% in the 19/20 season. During the same time period, broadcast has grown in overall value from 53% to 57.8%.

Premier League

broadcast value has grown from **53%** to

57.8%

19/20 season

England has the highest level of stadium utilisation at 96%, although the figures will be based on tickets sold as opposed to actual attendances. Some clubs have suffered in recent years with season ticket holders not attending many home matches, despite having already paid for the privilege.

Worryingly Italy, with a magnificent domestic football history and culture, only has 59% stadium utilisation. This has resulted in matchday revenue only contributing 11.6% of overall revenue whilst broadcast represents a massive 58.4%.

For the modern day football fan, it would appear there is a dilemma; there are now more matches broadcast than ever before, more ways in which to watch, and the production value is improving all the time; whereas the live matchday experience would appear to not be improving, and is getting increasingly expensive.

In any other industry that represents a simple choice for the consumer, but sport is fundamentally different. Or is it?

It's a similar story when looking across the Atlantic. In 2015, more than 50% of the NFL's revenue came from TV deals, a year when the league made about $12 billion. Streaming deals are expected to continue to grow rapidly over the coming decades, further bolstering the broadcast revenues for the NFL and its teams. In stark contrast, it's estimated that the average NFL team's profit margin on ticket sales is only 8% (Investopedia.com, September 2019).

Likewise, the NBA has seen huge growth in broadcast revenues. In the 2016/17 season, TNT and ESPN increased their contracts to an estimated $24 billion in total, whilst local TV contracts can gross between $120 to $150 million annually. Whilst merchandise sales account for well over a billion dollars annually for the NBA, ticketing is not one of the primary sources of revenue with an average of between 15,000 to 20,000 fans attending each home game.

What lessons can sport learn from other industries?

Businesses that rely on a positive "live" experience for financial sustainability and growth are the ones that give it the attention it deserves. Retail, like sport, has both a live and a digital element (or offline and online) in terms of how it interacts with its customers.

Despite online sales growing at a faster rate than offline, and reaching $517 billion in the US in 2018, they still only represent 14.3% of total retail sales.

Retailers simply cannot afford to ignore their offline environment and the experience that they deliver to their customers. That physical experience; the layout, the signage, the smells, the music, the staff, are all intrinsically important in engaging and retaining customers.

There are lessons that can be learnt from the story of two UK retailing giants.

John Lewis and House of Fraser, established in 1864 and 1849 respectively, were renowned for their quality and always perceived as leading the way in their field.

In the last ten years, John Lewis sales revenue has grown from £2.3 billion to £3.8 billion, and they were ranked as number 1 in the 2019 You Gov Brand Index. Contrast that with House of Fraser, who in May 2018 entered into a Company voluntary Arrangement, with 31 stores closing a month later.

So, what's behind such contrasting fortunes for two of the UK's longest established retailers?

In simple terms, John Lewis has continued to evolve with the times to meet the needs of both its loyal, traditional customers, as well as creating an environment and retail experience that also appeals to younger, new customers.

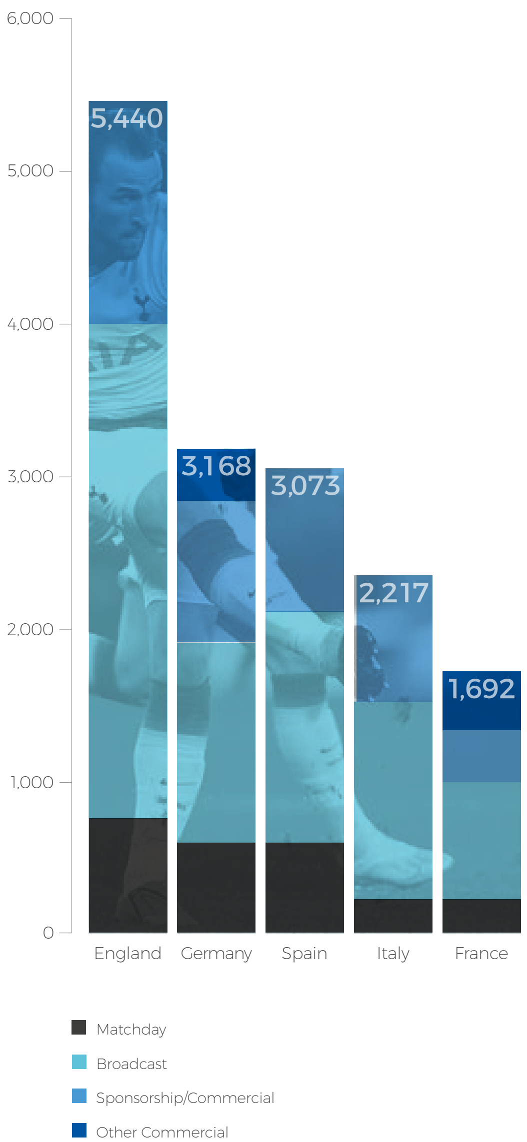
As well as evolving it's in-store experience, John Lewis delivers an equally "best in class" digital experience through its website and mobile app, ensuring that it's as relevant as ever to its new breed of customer.

Is sport paying the same attention?

Competing for time.

More than ever, sport is competing for people's time. With the average American subscribing to over 3 different video streaming platforms (Forbes, 2019), people have more choice and less free time. How they consume content has changed.

'Big five' European league clubs' revenues - 2017/18 (€m)



Deloitte Annual Review of Football Finances 2019

The choice of content and how it's delivered ensures instant gratification. This is fundamentally different to the unpredictability of live sport.

As well as watching a thrilling sporting event that ends in glory, you could equally spend a few hours watching without anything of note happening.

Sport has always had the challenge of not being in control of what happens on the field of play. Therefore, what happens off it in terms of live stadium experience is, and has always been, vitally important.

Are we delivering a memorable experience? Has the stadium experience evolved and improved?

Why do people attend live sports events? Despite the improved broadcast production, it will never be able to replicate the immersive experience and atmosphere that comes with live sports events. However, we are not fully in control of what happens on the field of play, or in fact how electric the atmosphere is. What we can control is the experience we deliver outside of the main event. All of the other elements that would deliver a positive experience, even if what's happened on the pitch (replace with court, field, as appropriate) hasn't.

People want to be entertained in ways outside of the main event itself, and in a streamlined way that they have become accustomed to in other leisure activities.

For best practice, we find ourselves again looking across the Atlantic.

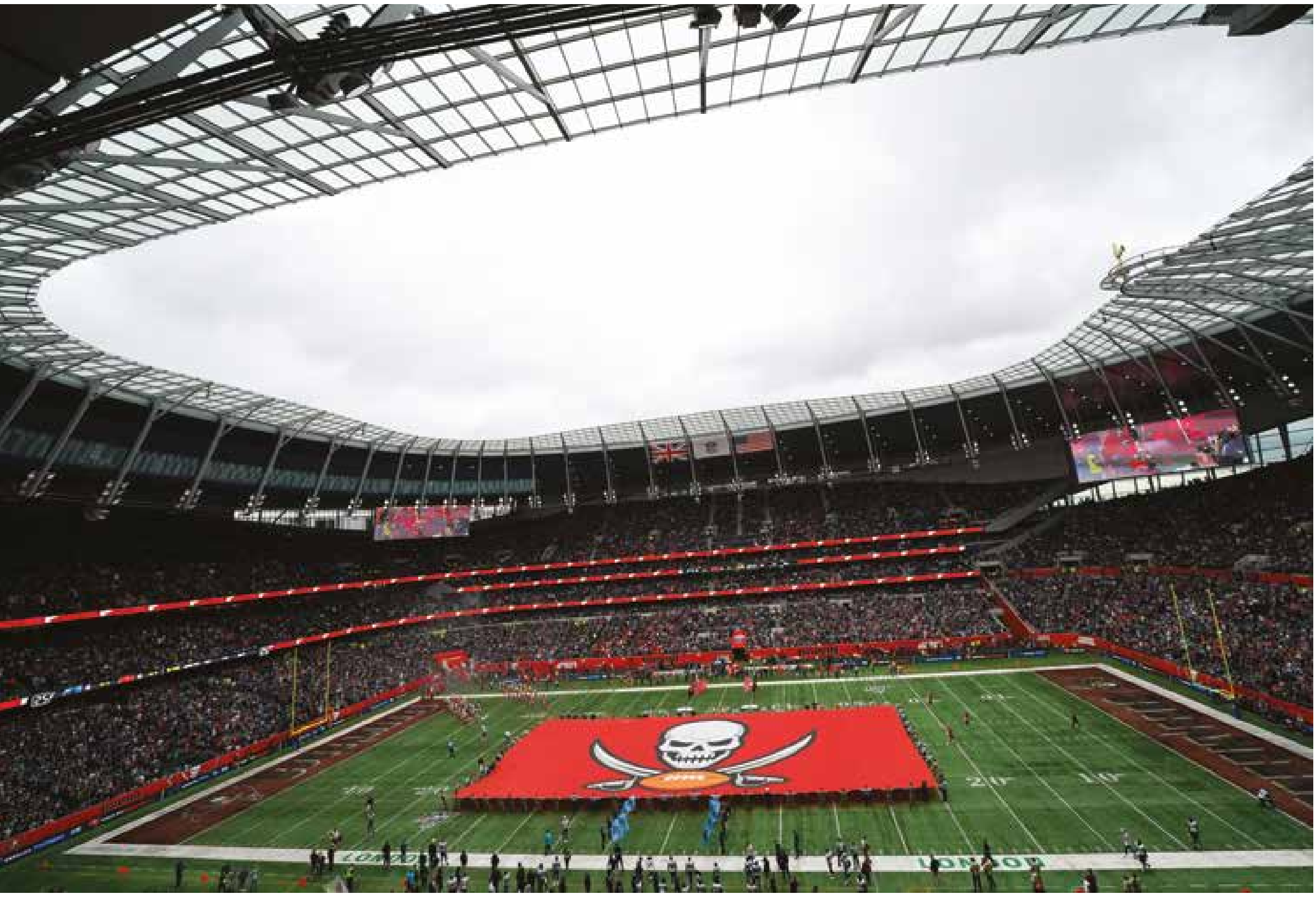
The Mercedes-Benz Stadium, home to the Atlanta Falcons in the NFL and Atlanta United FC in the MLS, is currently the pinnacle in sporting venues. Boasting the largest video board in professional sports, the stadium delivers an immersive experience that the broadcast experience could never recreate. "Fan First" pricing on food and beverage, and a wireless and cellular network coverage throughout the venue represents a major upgrade on two of the modern-day issues in most sports venues around the globe. The venue has partnered with Wave to offer customised navigation services to fans on game days, whilst magnetometers have increased the gate capacity by 40%, allowing fans to access and exit the stadium as efficiently and safely as possible.

In Europe, Tottenham Hotspur's new stadium is the flagship venue that everyone is talking about, which has seen the Premier League Club secure a ten-year deal with the NFL. The stadium has all the facilities and style that you'd find in the nearby Westfield Shopping Centre. With 60 food and beverage outlets that have been inspired by London's vibrant Street food market scene, a high street pub style experience, and its own Microbrewery and Taproom mean fans get a world class experience no matter what happens on the pitch.

A partnership with Hewlett Packard Enterprise delivers free high-density Wi-Fi and beacon technology for fans, as well as the stadium having mobile coverage from all 4 major UK network providers.

A lack of mobile phone coverage is a bugbear for fans that attend events at the majority of sporting venues in the UK.

Not being able to engage in the digital space with other fans before, during, and at half-time cannot be underplayed particularly when looking at the challenges in attracting new, younger fans to the stadium.



Encouraging a new generation of fans to attend live events.

Historically, your first live sporting event was seen as a rite of passage growing up. You remember small details; the smells, the noise, how much closer you are to the action than it looks on TV. This first live experience was often what made you instantly hooked on the sport, and the team you'd been to watch in action.

So, what are the long-term implications for sport if the new generations don't experience live sport in their youth?

Cinemas are a good reference point. For decades, going to the cinema was a staple pastime, driven by the fact that it was the only way for people to watch the latest film release. The growth and development of home entertainment, firstly bigger TVs and DVDs, and now the emergence of streaming platforms like Netflix and Amazon Prime, means the film industry faces a key challenge in creating a new generation of cinema goers.

The cinema chains themselves have reacted. VIP areas before and after, sofa style seating, and food and drink served to your seat during the film have all helped to create a new cinema experience. This in part, has contributed to a big increase in the number of people over 55 going to the cinema, up by one third in the UK.

However, Film data researcher Stephen Follows believes the industry's long-term future is uncertain because young people are not getting into the habit of visiting the cinema.

"It's not very convenient for them, especially when compared with other options like streaming when you can watch movies as many times as you want, it remembers your place if you pause it and you can watch on multiple devices," Mr Follows said.

"The idea of going to the cinema seems antiquated to them and it is possibly a generational shift."

Netflix content spending is expected to hit $15 billion in 2019, with more and more films going direct to the platform.

With the traditional median age of going to the cinema being 24 years old, if cinemas continue to lose relevance to the younger generations then the industry faces a serious long-term challenge.

Does the same apply to the sports industry?

Do we have a fundamental issue in terms of people attending live sporting events in the future?

It's clear that broadcast will continue to be the dominant revenue stream for major sports properties. More and more live events shown across more and more platforms and devices gives fans more content than ever before, but also more alternatives to attending live.

The pressures from domestic and overseas broadcast partners will likely continue to see the day and time of sporting events tailored around TV audiences. This is often to the detriment of current core fans that regularly attend live events.

Amazon Prime became the latest Premier League broadcaster in December 2019 as they streamed matches for the first time in the UK. Kick-off times were changed, resulting in fans at the Crystal Palace match with Bournemouth unveiling a banner reading: "Kick-offs sold to the highest bidder, Amazon profits, fans suffer."

The Football Supporters' Association (FSA) have vowed to continue lobbying authorities after complaining the arrival of another broadcaster has inconvenienced fans and left them out of pocket.

Kevin Miles, chief executive of the Football Supporters' Association, said:

> **The number of televised games in football is now at an all-time high – this leads to more kick-off times being moved, more inconvenience for match-going fans and greater costs.**

"We warned Ofcom about the dangers of forcing more broadcasters into English football, but supporters' concerns were set aside. Ultimately, supporters are the ones losing out – but we'll continue to lobby the football authorities and broadcasters for a better deal."

This follows on from the Royal Spanish Football Federation (RFEF) earlier in 2019 ruling that La Liga games cannot be played on Fridays and Mondays without its approval.

> **Spanish football fans do not want games on these days, especially on Mondays, it is very difficult for fans to enjoy games**
>
> the RFEF said

Brand new venues like Tottenham Hotspurs' and the Mercedes-Benz Stadium will help to reinvent the live sporting experience, but those are outliers compared to the majority.

My own personal experience as a Season Ticket Holder of a London Premier League Club is not particularly positive. The poor and expensive selection of food and drink, long queues for the toilets and refreshments (so much so that I don't even bother at half-time anymore) sees me take an "in and out" approach to a match day. And this is within the context that the stadium is only 13 years old.

We should ask ourselves; Do we care enough about the live experience?

If the money keeps rolling in from the broadcasters, who cares if there are some empty seats?

Ultimately, across all sports, the product is weakened by empty seats and low crowds. Imagine an El Classico match with a half empty stadium. It fundamentally is a different product. A weakened product means an eventual decline in broadcast revenue, so a balance has to be struck that doesn't damage live attendance. We need to utilise the amazing content and technology to drive more engagement and interest in the sport, and growth in live attendance.

At the same time, the live event experience needs to improve to both retain current fans, and engage, excite, and satisfy a new generation of fans. We need to innovate and move the experience along, just as other industries have adapted to a changing environment and customer needs and expectations.

If we don't address some of the issues that we know exist, only time will tell on the long-term effects on live attendance among a new generation that has more things to occupy and entertain them than ever before.

08

iSPORTCONNECT insights Powered by GOODFORM

The Inside Track

10 things we've learnt from sports industry professionals in 2019

Has the sport industry ever been evolving so fast? Technology developments, globalised fan bases, the fragmentation of TV rights and an ever-changing digital landscape present those working within the industry with as many challenges as they do opportunities.

Against this backdrop, 2019 saw Goodform and iSportconnect launch iSportconnect Insights, a new global research panel for sports business professionals, exploring key trends within the sports industry.

Designed specifically to shape industry discussion and to understand the views of those working at the heart of the sports industry, iSportconnect insights gives sports business professionals the opportunity to have their say on the most topical and thought-provoking issues of the moment – with all insights shared back directly with those who take part.

2019's research has covered a range of topics from data and analytics to sports betting legislation, and here, we bring you the highlights...

1. The youth market remains the holy grail

When asked about the biggest challenges facing the industry in 2019, **a staggering 51% of industry professionals selected attracting and engaging younger audiences** as one of the top three challenges. That this was followed by financial sustainability and attracting sponsorship, both receiving votes from 31%, highlights the extent to which aging fanbases and the mystery that is Gen-Z are causing concern and head scratching at the highest echelons of sport.

2. The future is electric

We asked our industry experts to tell us which sports they considered to be growing, stagnating or declining. From a list of 30 sports, **Formula E came out on top, with 81% of our industry professionals considering it to be a growing sport**. And it seems they weren't wrong: in September 2019 Formula E announced that they had turned a profit for the first time in their five-year history.

3. Rugby's looking pretty healthy as well

Back in March, **47% of sports business professionals surveyed told us that they thought the 2019 Rugby World Cup was the biggest event of the year**, with 19% picking the Women's Football World Cup and 16% the Cricket World Cup. We were spoilt for choice in 2019 with three events of this scale, but Japan certainly did not fail to deliver – with a record 99% of all tickets sold, over 1 million fans visiting official Fanzones and an estimated worldwide broadcast audience of 400 million, it's certainly an event to remember. Incidentally – on our list of growing sports, rugby charted 6th, with 45% perceiving it to be growing.

4. Technology report: 'could do better'

Tech has well and truly landed in the sports industry, with more and more products entering the market at increasingly affordable prices, it is more accessible than ever. But those working on the inside are prepared to admit that there's room for improvement – **only 31% currently believe that technology is being used effectively to enhance fan experiences**.

5. Content is still King...

When it comes to driving fan engagement, **71% believe that the creation of customised content is key** to taking things to the next level. But with 50% citing the resource and cost of creating content as one of the biggest digital challenges, it seems that sports organisations have their work cut out in order to maximise these opportunities and meet fans' ever-increasing expectations.

6. ...and data is almost certainly Queen

Big data is here and it's here to stay – and our experts cite customer behaviour & strategic marketing and fan engagement as its two most important uses in the sports industry. But to make the most of it, first you've got to collect it, which isn't always as easy as it sounds: **45% told us that collecting data from fans was one of the biggest digital challenges currently faced.**

7. One size definitely does not fit all

If the desire for customised content didn't tell us this already, sponsors are telling us it too. Just behind content creation, **our research cited increased targeting or segmentation as the second most influential aspect of sponsor activation**. So what data we collect, as well as how much, is increasingly important in being able to make sure that the right person sees the right content at the right time – the days of the blanket approach are well and truly over.

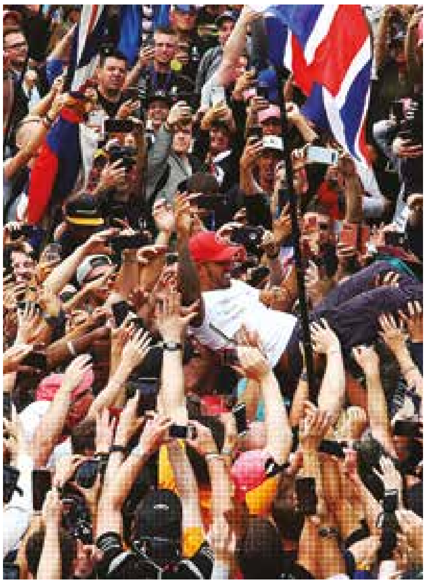
8. When it comes to media rights, there's no crystal ball

Our industry professionals struggled to agree on what the biggest influences are on the future of media rights. Declining linear TV audiences and diminishing interest of the young (those youth again!) were highlighted as two factors which could potentially diminish the value of media rights, but on the other hand, **growing audiences in emerging markets and increased global internet penetration may potentially drive values up**. As the market continues to fragment and industry-favourite acronyms OTT and D2C seem to be here to stay, this will be one to watch closely in 2020.

9. The jury's out on betting, too

2019 heralded two important legislation changes around gambling on sport – the US Supreme Court's decision to allow states to legalise sports betting, and the UK's whistle to whistle ban on broadcast of adverts for betting companies. And it seems we can't quite make up our mind if these are good things or not – 35% think that the US Supreme Court decision will benefit the global sports industry, but 38% think it will only benefit the gambling companies. And as for the UK's change, **40% don't think it will do anything to reduce problem gambling on sport, and 57% are concerned about the impact on sponsorship revenue**.

10. We weren't right about everything



When it comes to the action itself, though, it seems are industry experts' predictions may not be quite so... expert. Back in March, 66% correctly predicted that Lewis Hamilton wold win the Formula 1 World Championship, but only 5% correctly predicted that Tiger Woods would win The Masters, and just 2% thought that Spurs would make the Champions League Final. But we won't hold this against our panellists - **sport's unpredictability remains one of its biggest draws, and we wouldn't have it any other way.**

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To join the iSportconnect Insights panel and take part in future surveys, please visit **www.goodformgroup.co.uk/isportconnectinsights**

09

CASE STUDY:

Researching Major Event Volunteers to drive transition to Grassroots Opportunities

Between March and August 2019, Goodform carried out a large-scale research project in conjunction with Sport England, focused on major event volunteers. Here, we share an outline of the project rationale and objectives, methodology, some of the results, and discuss the impact that the project has had to date.

Context

Starting with the 2012 Olympics, the UK has a fantastic track record of hosting major international sporting events. One of the defining features of these events has always been the volunteers – from the Gamesmakers in 2012 through to the Cricketeers in 2019.

We knew that there is a strong appetite to volunteer at major events, which are often heavily oversubscribed, and offer a fantastic opportunity to showcase sports volunteering with the potential to engage new audiences. Furthermore, insight from major event hosts indicates that volunteers are usually very satisfied with their experience, and express enthusiasm to do more volunteering once the event is over.

However, there have been few studies to understand whether this initial enthusiasm translates into action, and if not, why not.

Project Objectives

The overall objective of the project was as follows:

To explore the appetite and feasibility for major sport event volunteers (and unsuccessful event applicants) to successfully transition from the event to community-level opportunities

With the key output being:

A report & best practice recommendations on how to maximise volunteer retention/ pathways into community sport

Methodology

With the desire to involve multiple stakeholders (National Governing Bodies and event organisers) in the project and with a wide remit covering volunteers at all major events since 2012, the approach used was mixed methodology and multiphase, formed around three key stages:

1. Immersion and data analysis

Designed to ensure the subsequent phases of the project built on existing knowledge to deliver maximum insight, the first step was to carry out a review of all existing research and analysis produced by relevant organisations into volunteering at major sporting events in the UK. This was supplemented by analysis of available primary data (provided by organising committees and NGBs), in order to understand volunteer demographics across different events, and any identifiable differences between successful and unsuccessful potential volunteers at a macro level.

2. Quantitative research

An online survey was then carried out amongst previous event volunteers, unsuccessful event volunteer applicants, and a sub-set of wider sports fans (the latter sourced from Goodform's Sports Fan Panel). This phase was designed to gain the attitudinal insight required to supplement demographic data from the first phase, and specifically to understand volunteering behaviours following the experience of a major event. The survey focused on understanding the drivers and barriers to subsequent volunteer and exploring approaches via which some of the barriers could be overcome.

A total of 3470 responses were received, of whom 1757 had previously volunteered at a major event.

3. Qualitative research

The third stage of the project took a qualitative approach, with 11 focus groups carried out across three locations with major event volunteers. Focus groups allowed for in-depth exploration of themes which have emerged from the online survey, and provided an opportunity to explore, understand and assess reactions in a greater depth, test concepts, and stimulate creative thinking via techniques such as co-creation exercises within the group.

Throughout the project, there was a focus on providing a **360⁰ approach**. Stakeholder workshops were run between each phase in order to present key findings to date to Sport England team members and NGB and organising body staff and utilise their knowledge to develop hypotheses and working theories to test in subsequent research stages. This collaborative approach throughout culminated in 10 one-to-one telephone interviews with key personnel from event hosts, which played a key role in ensuring that all recommendations from the project were realistic and feasible.

Results

Some key findings and learnings from the project were as follows:

- Socio-economic profiling of the major event volunteers surveyed highlighted that lower socio-economic groups are under-represented, despite the majority of major event volunteers being located in areas which have more socio-economic and ethnic diversity. **This suggests that across sports more could be done to ensure volunteers at major events are more representative of the local community.**

Average number of events voluteered at

2.03

51%

voluteered at more than 1 major event (including London 2012)

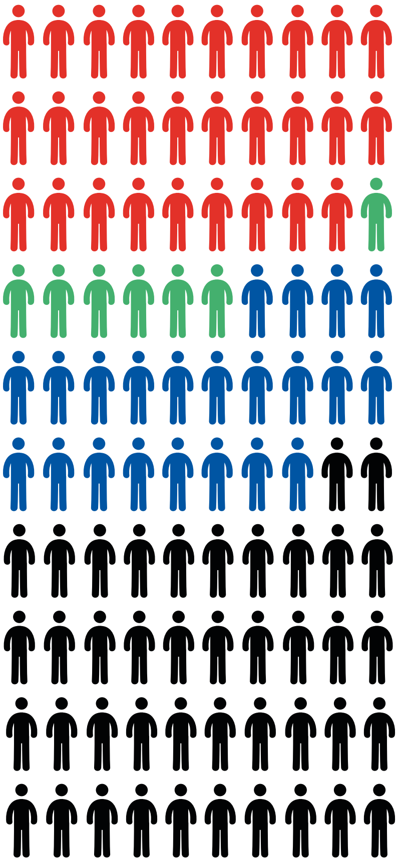
10%

have volunteered at more than 1 major event EXCLUDING London 2012)

- **A high proportion (51%) of volunteers have volunteered at more than one major event** – and this propensity to return to major events is influenced by very positive experiences when involved with a major event.
- There is some evidence that major events are already acting as a pathway into grassroots volunteering, with 7% of people who volunteered at a major event reporting to have gone on to volunteer within a community setting.

As things stand, for every 100 volunteers at a major event:

- **29** will be existing grassroots volunteers
- **7** will go on to become grassroots volunteers
- **22** will consider volunteering in grassroots sports but not go on to do so
- **42** do no consider volunteering in grassroots sports



- The insight identified the barriers amongst those who considered volunteering at community level but did not go on to do, and suggested ways in which these could be overcome to drive increased transition.
- There is a **general lack of awareness from major event volunteers about local volunteering opportunities** – with 41% stating that they don't know anything about the available opportunities. Plugging this awareness gap, as well as clear information provision on available roles and time commitments involved, would drive higher levels of consideration
- Many of the barriers identified can be overcome through **improved communication, challenging perceptions and presenting opportunities in a more appealing way.**
- We see **overlapping motivations for volunteering at major events and within community settings** – tapping into these may encourage transition

The opportunity to convert more major event volunteers into volunteering at grassroots sport is clear, and can be capitalised on with a more strategic approach and some specific changes in communications.

> I was never once asked in that process, did I want to volunteer at any local clubs?
>
> Focus Group participant

GOODFORM recommendations

1	Ensure event volunteering strategy and recruitment process have **ongoing opportinities** in mind
2	**Raise awareness** of the volunteer shortage and where opportunities can be found
3	**Understand preferences** and signpost appropriately
4	**Create time-specific, finite opportunities** for local volunteering
5	**Clearly defining** voluteer roles or expectations is key
6	Facilitate **direct contact** where possible
7	**Improve recruitment transparency** and follow up with unsuccessful volunteers

What **next?**

Jennie Arthur,
Senior Volunteering Manager,
Sport England

"**We are really encouraged to see that major events are currently acting as a stepping-stone** for some volunteers to get into grassroots sport, with nearly 10% going on to give their time at a local level following volunteering at a major event. However, the evidence from the research suggests that **with increased awareness** of local opportunities, and a tailoring of these opportunities to the needs of those who may be interested, there is a cohort of major event volunteers who could be **encouraged to get involved** in grassroots volunteering, if the **right support** was in place.

As a result of Goodform's research, we have identified funding and developed a guide to help NGBs, event hosts and other organisations make it easier and more attractive for volunteers to continue their volunteering experience in sport at a community level. With the **right planning and preparation**, there is a real **opportunity to harness the enthusiasm** of major event volunteers, whilst also providing much needed support to grassroots organisations, 70% of whom report they need more volunteers."

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