

PwC's Global Sports Survey (7th edition)

Bouncing back

pwc.com.au/sports-survey-seventh-edition



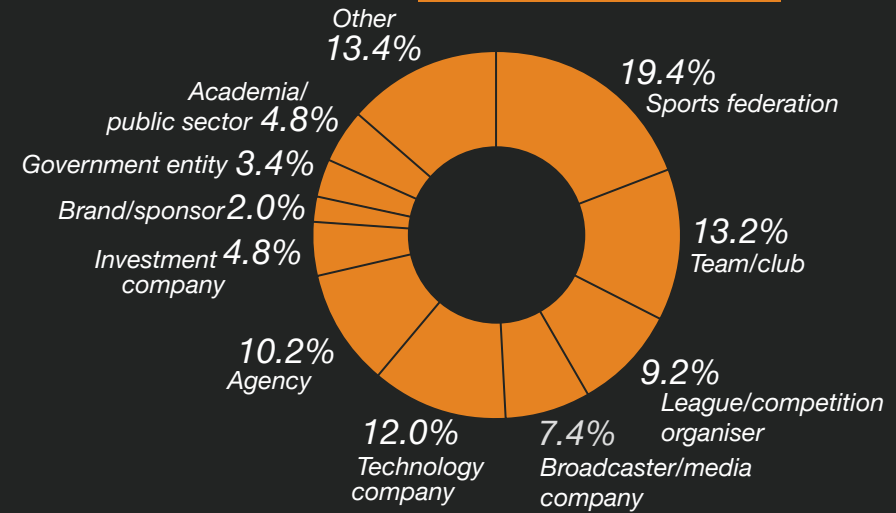
This survey was conducted by PwC's Global Sports Network between September and November 2022 using an online questionnaire distributed to sports industry leaders around the world. In total we received 507 responses from across 43 countries.

At the time of responding, each respondent held a senior position within their respective organisation.

The analysis in this report is primarily based on the collective opinion of the respondents, interviews with industry experts and the specific insights of PwC's team (based on our executive-level experiences and project delivery).

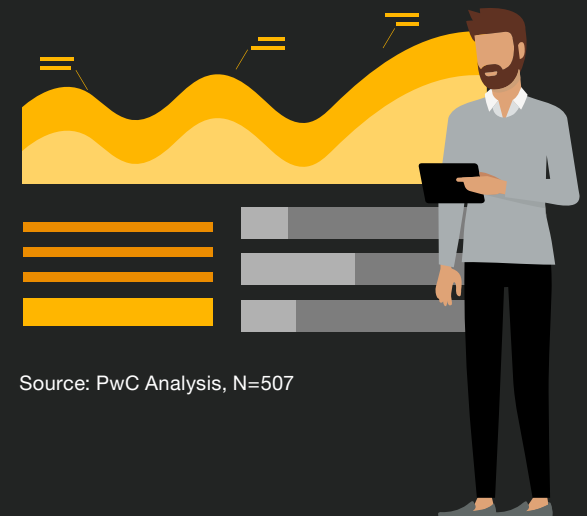
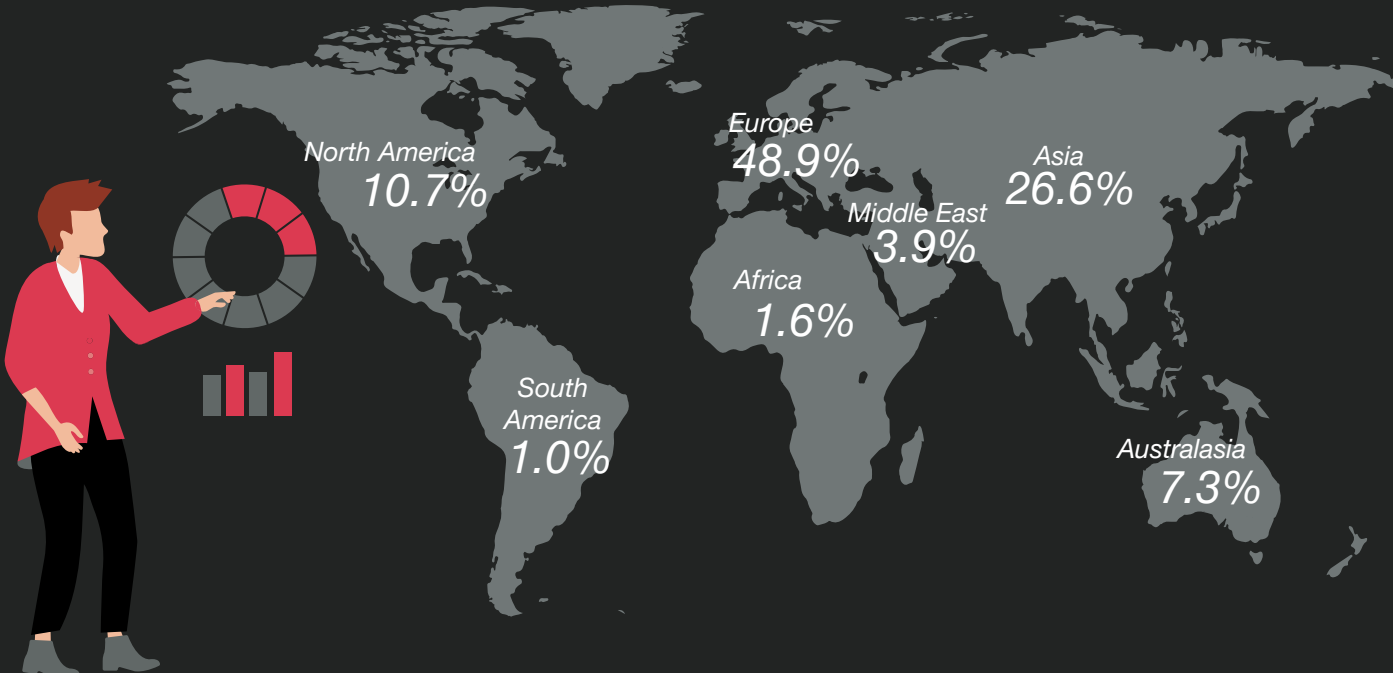
Respondent profile

by type of organisation



Respondent profile

by geographical sports market they know best



Contents



08 *The state of the sports industry*

15 *Sports investment*

21 *Women's sport*

27 *Commercial and media landscape*

32 *Sustainability in sports*

39 *Web3 in sports*

46 *Smart stadia*

Foreword

It is my pleasure to introduce the seventh edition of PwC's Global Sports Survey. This year we received over 500 responses from senior sports executives from across 43 countries.

In this year's report, we summarise feedback on growth expectations and key market forces, and deep dive into six topics we believe will shape the future of the sports industry. Each section provokes a discussion on how the world of sports is likely to evolve and adapt in the coming years.

Overall, global respondents are confident and optimistic, and believe that the industry is recovering well from the paralysing impact of the COVID-19 pandemic. For Australia in particular, this improvement in market growth outlook is larger than for any other region with a jump from 0.5% for the past 3-5 years, to 6.9% growth in the next 3-5 years. This is to be expected given the decade ahead of major sporting events coming to our shores, from this year's FIFA Women's World Cup, to the 2026 Commonwealth Games in Victoria, Men's and Women's Rugby World Cups, T20 World Cup and of course, the 2032 Olympics and Paralympics in Brisbane.

The report also identifies the key initiatives contributing to the growth of women's sport, highlighting the important role the media must continue to play in developing the stories behind the athletes and their journey to the world's biggest stages. The increase in broadcast coverage of major women's events has been shown as the main contributor to the growth of women's sports.

We have seen record crowds seen at the Women's Rugby World Cup in New Zealand. These records are likely to be broken again following the move of the Matildas opening FIFA Women's World Cup game to the 83,500 seater Stadium Australia, due to the level of demand to see our national team take on the world's best.

In addition, respondents recognised the increasing interest from big tech in sport and the impact this might have on future media rights values. For the first time, industry leaders have pointed to the challenges of realising returns on the continued investment in data-led growth strategies.

Our results also highlight the growing prominence of sustainability on sport's strategic agendas; a growing, albeit cautious focus on Web3; and the continued, smart stadia-led developments focused on enhanced fan experience and diversified revenue streams.

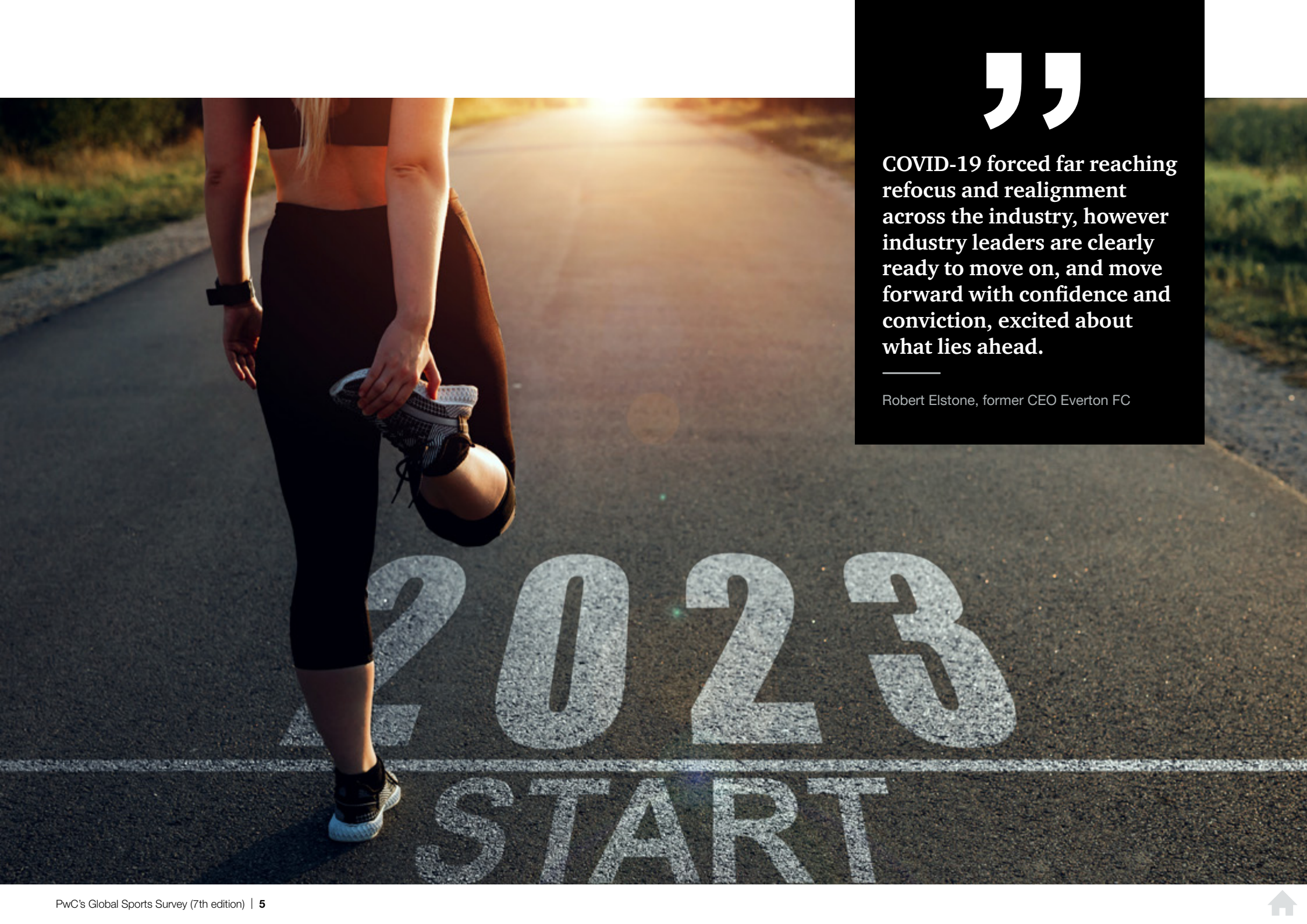
I would like to extend my sincere thanks to all respondents who took the time to share their views on the current state and future direction of the sports industry. I hope you enjoy reading this report and find the insights thought provoking.

Yours sincerely,



Mike Irving
Major Event Delivery and Assurance





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COVID-19 forced far reaching refocus and realignment across the industry, however industry leaders are clearly ready to move on, and move forward with confidence and conviction, excited about what lies ahead.

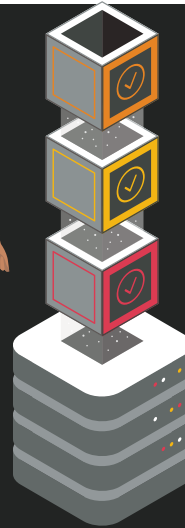
Robert Elstone, former CEO Everton FC



View from the top



~76% of respondents feel that large, non-traditional tech players are best-positioned to win the battle for **future sports media and broadcasting rights**



~74% of organisations surveyed **do not have a Web3 strategy**

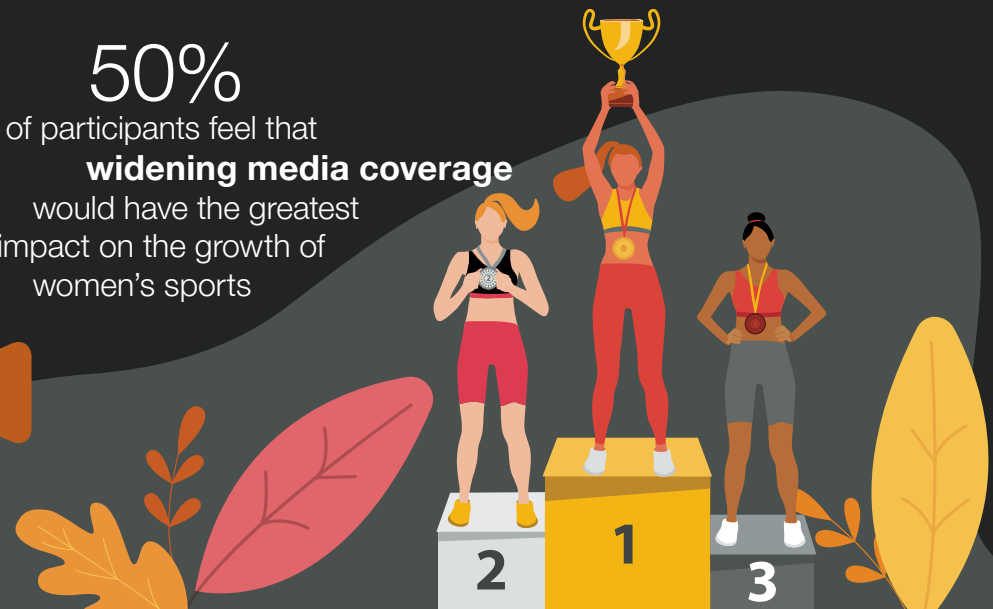
Over 40% of respondents feel that **Web3** and blockchain technology will provide a significant opportunity for sports organisations in **collectibles (trading cards, videos and sporting items)**



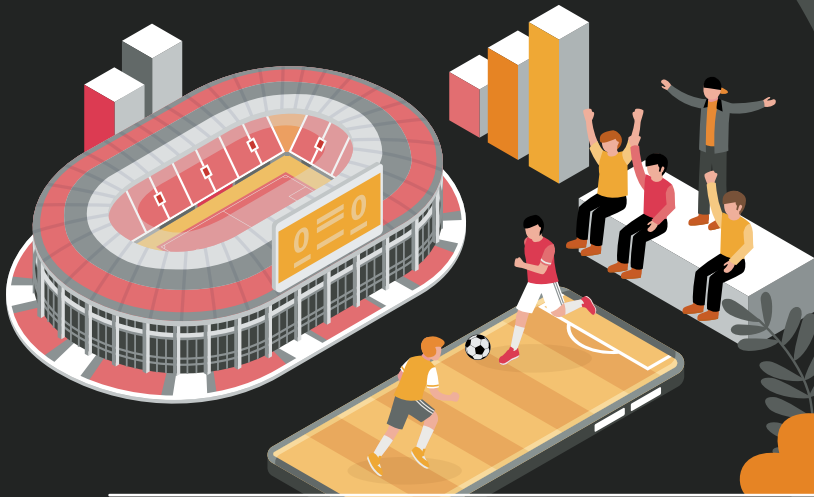
Over 75% of experts expect **women's sports revenues to grow** by more than 15% in the next 3 to 5 years



50% of participants feel that **widening media coverage** would have the greatest impact on the growth of women's sports



~65% of respondents believe that the scale of the **investment in hardware and software** is the greatest barrier to harnessing the smart stadia opportunity



48% of executives feel that changing organisational culture is the most significant challenge when **implementing a comprehensive ESG strategy**

Among the organisations surveyed, **environmental sustainability** was the least advanced component of ESG



<60% of the respondents claimed to be **successfully monetising data** collected from fans

More than 83% of executives believe that **institutional investment will continue to grow** in the next 3 to 5 years





The state of the sports industry

Since 2016, PwC's Global Sports Survey has been monitoring the pulse of the sports industry by analysing leaders' perceptions of challenges, opportunities and market growth.

This year, we continue to analyse the market forces expected to transform the sports sector over the next three to five years and identify how those perceptions have changed in the last 12 months.

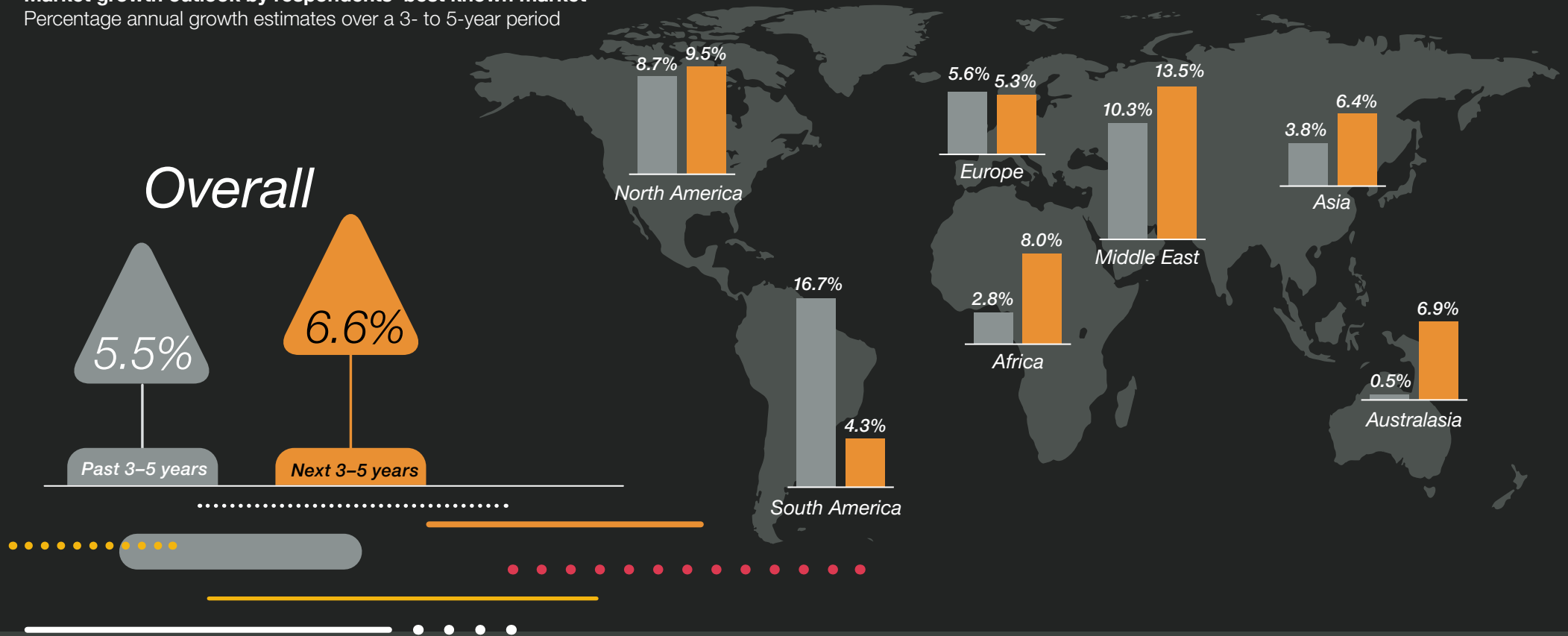
Possibly because of the exit from the paralysing impact of COVID-19, the overarching conclusion from the survey data is highly positive, and the industry is characterised by a spirit of optimism. This is a sentiment shared across all territories, but North America and the Middle East markets in particular are confident of significant growth. Our survey data suggests that all sources of revenue are expected to grow, with new business areas identified and forecast to grow rapidly. Specifically, respondents tell us that the women's sports market is going to be a critical part of future growth in sports.

Further detail is presented in the subsequent chapters.



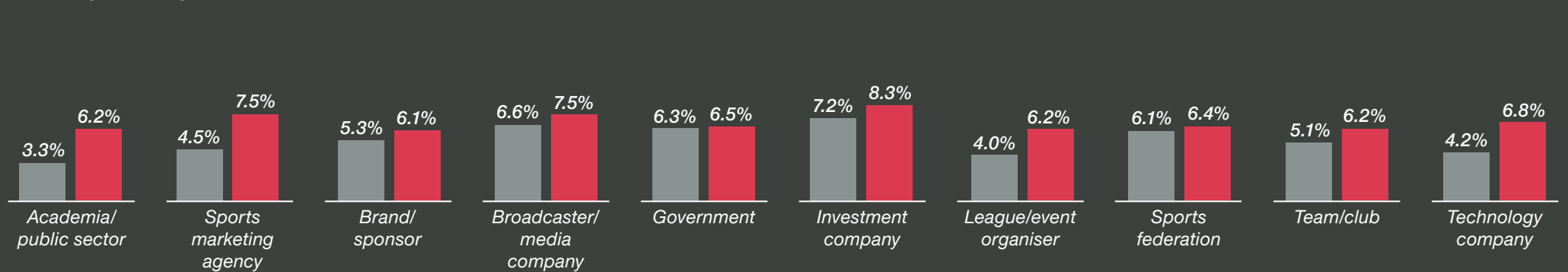
Market growth outlook by respondents' best known market

Percentage annual growth estimates over a 3- to 5-year period



Market growth outlook by stakeholder

Percentage annual growth estimates over a 3- to 5-year period



Recovery and optimism

Industry examples

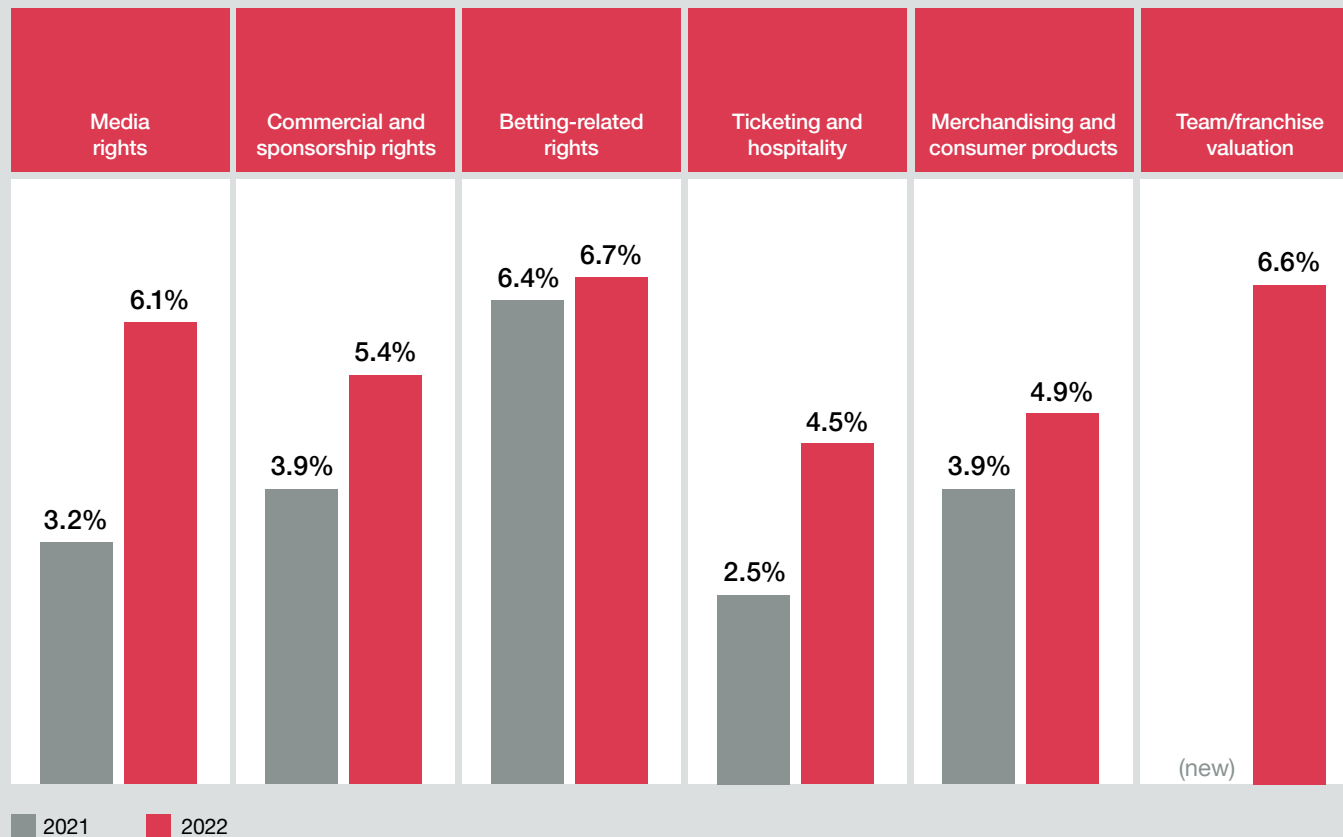
Asia Winter Games in Saudi Arabia 2029

Sports Media in transformation



Expected annual growth rate by revenue stream

Percentage annual growth estimates over a 3- to 5-year period



Source: PwC Analysis, N = 507

- h As the sports industry continues to recover, survey respondents reported positive future growth expectations. Compared with last year, the perceived **market growth outlook has improved from 5% to 6.5%**, indicating an increasing spirit of optimism within the industry.
- h Whilst the European market has the most conservative outlook for the next 3 to 5 years, executives in North America and the Middle East anticipate significant growth fuelled by the media rights market in the US and the significant investment appetite for major sports projects in the Middle East.
- h All regions except Asia and Australasia look back on the past 3 to 5 years more positively than in our last survey. This suggests **the industry has navigated the COVID-19 crisis better than expected**. However, extended restrictions on live events in certain Asian and Australasian countries continue to frustrate growth opportunities.
- h Without exception, all stakeholders within the sports industry reported **higher growth expectations in the upcoming years** compared with the past 3 to 5 years. This optimism was particularly evident amongst respondents from media companies, sports agencies and investment companies.



Insight 2

Media rights and sports betting driving growth

- h As the media market continues to evolve, **premium sports rights remain must-have content around the world.** This is reflected in the growth estimates for the upcoming years, which are almost double those in the last survey. We believe this optimism is fuelled by strong viewership, increased competition for rights and differentiated rights monetisation models (e.g. Apple, Amazon and Google).
- h The outlook across all revenue streams is more positive than last year, suggesting that the sports industry is recovering well from the COVID-19 pandemic. This is particularly evident in the significantly **increased growth forecast in ticketing and hospitality**, where restriction-related uncertainty significantly impacted the last two years.
- h Underpinned by continued and substantial investment in new technology and engagement with new, younger audiences, the **sports betting industry is expected to deliver impressive growth (6.7%).** However, this comes with ever-increasing public scrutiny, and future growth may well depend on the industry's ability to effectively promote responsible behaviour and avoid negative impacts on society.

Industry examples

Sports gambling off the charts

Sports media rights could surpass \$60bn globally by 2024



Insight 3

Rise in sports team values expected to continue

- h New to this year's survey, we analysed **expected growth in sports club and franchise valuations.** Respondents predict a 6.6% growth rate over the next 3 to 5 years. This positivity is underlined by the increase in sports M&A activity seen all over the world and recent values achieved.
- h The relative scarcity of premium assets which combined with increasing demand from new investors, such as Private Equity firms and multi-club franchise owners, is a key driver of increased team valuations. In the last 12 months, teams in the NBA, NFL, Premier League and Serie A have all sold for record sums.
- h As the media rights market remains strong and new business models emerge (e.g. multi-club), we fully expect **the number of parties interested in club or franchise ownership to increase**, which in turn is likely to drive up team valuations further.

Industry examples

What's behind the exploding prices of sports franchise

Sports assets could be a new form of gold



Insight 4

Women's sport at the forefront of growth



Rankings of key market forces

1	Transforming media landscape
2	Growth of women's sport
3	Changing fan preferences and behaviours
4	Increasing importance of environmental, social and governance (ESG)
5	Growing voice and influence of fans
6	Growing role of institutional investors
7	Increasing utilisation of technology (blockchain, AR, etc.)
8	Emergence of smart stadia



Industry examples

A bright future for women's rugby

WSL TV audiences continue to grow



- h Once again, the transformation of the media landscape tops the key market forces table. Significantly, however, we believe the underlying reasons for this pre-eminence have been reversed. Last year's top spot was founded on uncertainty about what that transformation might mean for the sports industry. Whereas **this year's ranking, reflects the market's optimistic view** that the changing media landscape presents opportunities to grow.
- h For the first time, we asked respondents to consider "growth of women's sport", and immediately it secured second spot in the table. While the past few years have shown a glimpse of the potential in this market, it is now clear that women's sport has finally emerged as a major force in the sector, with high expectations of imminent and considerable growth.
- h Interestingly, the **growth potential of NFTs, digital currencies and the metaverse**, extensively reported in sports media, was perceived more cautiously by sports leaders. There are likely to be many reasons for this "wait and see" approach, but it will be interesting to see how this hyped but arguably overdue refresh of the sports product portfolio develops and how sports leaders' expectations evolve in the future.

Source: PwC Analysis, N = 507



Insight 5

Macroeconomic challenges and geopolitical instability threaten recovery



Rankings of key market threats

1	Increased cost of living/inflation
2	Potential economic slowdown
3	Geopolitical instability
4	Tightening regulatory frameworks

Source: PwC Analysis, N = 507



Industry examples

Impact of inflation on sport

Ukraine war ends sport neutrality myth

- h Inflation and the cost-of-living crisis occupy the highest position, with the fear that fewer people will be able to afford tickets, subscriptions, betting and merchandise. The **reduction in sports fans' purchasing power** could act as a brake in the positive post-COVID recovery.
- h Both the **war in Ukraine** and the increasing geopolitical instability are fuelling fears of restrictions and sanctions that could further affect the sports industry negatively.
- h Sport has become increasingly politicised, and this provides a further challenge to all stakeholders who are attempting to navigate difficult situations.



In a nutshell

To summarise, the survey data suggests that the sports industry is feeling more optimistic than in the last few years and that the recovery from the COVID-19 pandemic is positive. The survey respondents reported new key market forces which will shape the upcoming years, notably the rise of women's sports, ESG and growing institutional investment. However, a number of important factors have been identified as potentially significant headwinds that could threaten the recovery from the COVID-19 pandemic.



Sports investment

We asked industry leaders about the outlook and priorities for institutional investors within sport. We were interested in whether the growing appetite for investing in sport will continue and what opportunities may (or may not) exist for sports organisations. We also explored the key elements of value creation yet to be unlocked within the industry, as well as the downside risks that come with changing ownership structures. Overall, the insights gathered suggest that institutional investment will continue to increase, buoyed by the assumed growth of media rights revenues and the resilience of consumer demand for sports content. The survey results also show fears of an inflection point between investors and the sports organisations they acquire. Whilst institutional investment holds the key to unlocking value for many sports properties, it can also lead to tension and misalignment amongst shareholder groups, organisations and fans.



Insight 6

Increased activity levels from institutional investors



Industry examples

Red Bird Capital completes acquisition of AC Milan

Silver Lake announces minority investment in the A-League

How will institutional investment impact the sports sector?

Percentage of respondents

Institutional investment has had a largely positive impact on the sector in the last 3-5 years

Institutional investment has had no significant impact on the sector in the last 3-5 years



N = 402

Investment in sports is driven by investors seeking above-average returns

Investment in sport is driven by sentiment and passion rather than by return-on-investment



N = 455

Institutional investment in sport will continue to grow in the next 3-5 years

Institutional investment has reached a ceiling and will decline in the next 3-5 years



N = 461

Institutional investors will continue to focus their investments on premium properties

Institutional investors will shift their focus to non-premium properties and assets in the broader sports ecosystem



N = 457

Institutional investors and sports organisations have aligned objectives

Institutional investors and sports organisations do not have aligned objectives



N = 442

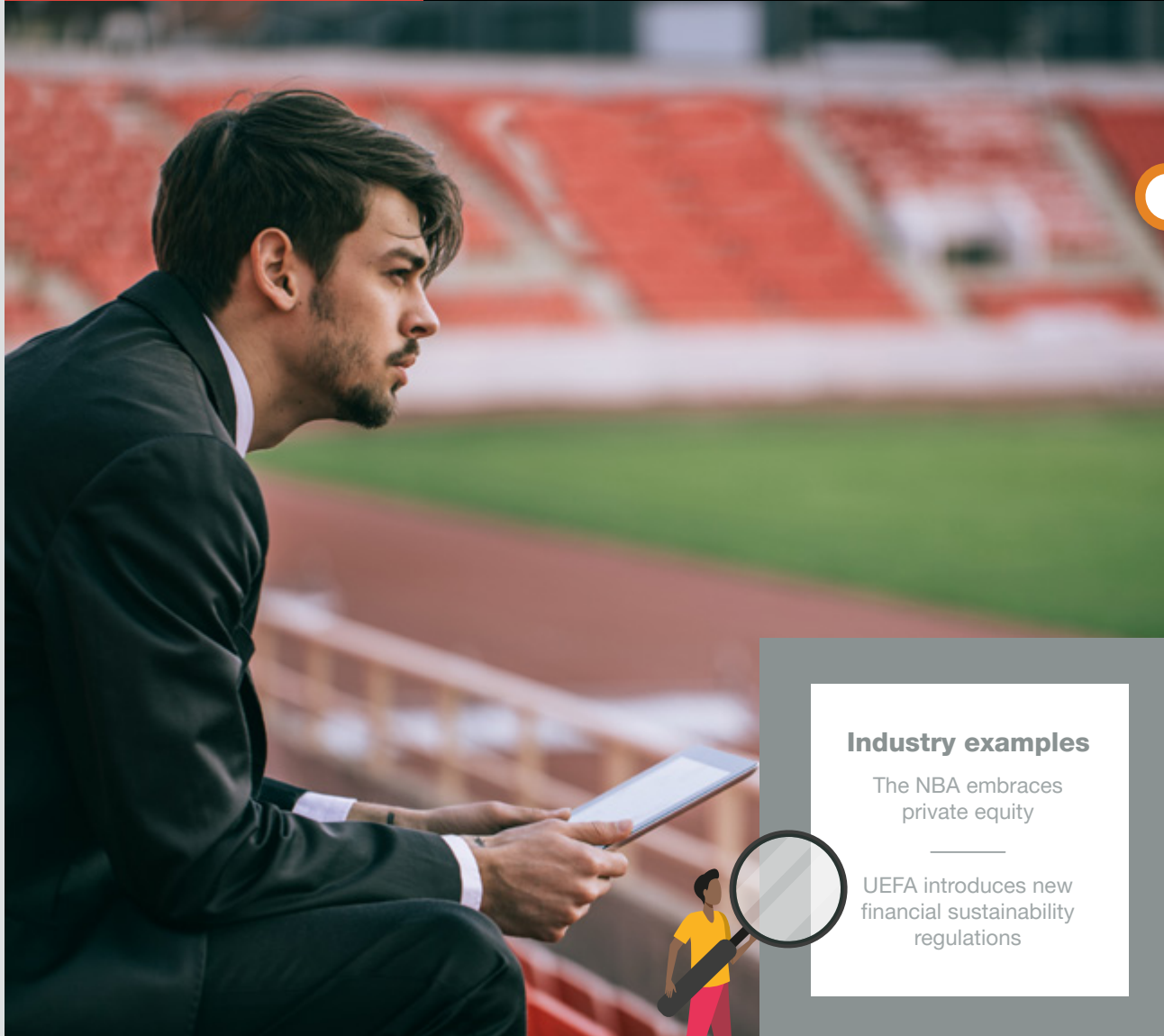
Source: PwC Analysis

- h The appetite of institutions to invest in the sports sector shows no sign of decreasing based on this year's survey responses. Over 83% of respondents expect **institutional investment in the sports sector to increase** in the next 3 to 5 years.
- h This sentiment is supported by the number of high-profile deals closed, particularly across European football leagues, including Red Bird Capital's acquisition of AC Milan and CVC Capital Partners' partnership with Spain's La Liga. Added to this are the numerous transactions completed across the major leagues in the USA (e.g. the Denver Broncos, Phoenix Suns acquisition and Arctos Partners' investments).
- h But what is driving current activity and levels of growth expectations? More than ever, **sports organisations are looking for additional resources** to remain competitive both on and off the pitch, whilst investors have been buoyed by the underlying resilience of consumer demand, as demonstrated through the pandemic. However, fundamental investment questions remain (e.g. return on investment, number of properties available and how to achieve stakeholder alignment) and it is unclear for how long this window will stay open.



Insight 7

A flight to quality



Industry examples

The NBA embraces private equity

UEFA introduces new financial sustainability regulations



- h This year's survey responses highlighted the way institutions are choosing to prioritise premium rights, teams and organisations in their investment choices. 67% of respondents expect this to continue given the **ongoing attractiveness of media rights revenues**, the view that further value can be unlocked, and growing team valuations.
- h The changing regulatory landscape in sports is also reducing barriers to entry for potential investors. In recent years, a number of US leagues (the NBA and MLS) have **relaxed ownership rules to allow minority institutional investment** for the first time. Similarly, in Europe, football investors may look favourably on UEFA's new regulations to help clubs become more sustainable.
- h Sports organisations may therefore face a **dilemma as they balance the level of control** they are willing to give up in return for institutional investment. This challenge is evident in the results of this year's survey, with 74% of respondents highlighting the view that investors and sports organisations do not always have aligned objectives.



New investment as a catalyst for change

How can institutional investors unlock more value within the sports sector?

Percentage of respondents, top 3 choices

Seize new streaming distribution, betting and/or digital opportunities	38.4%
Create alignment across stakeholders	35.6%
Drive professionalisation/transform ways of working	35.6%
Accelerate investment in women's sports	34.8%
Improve sales of media/commercial partnerships	29.0%
Invest in optimising and personalising the fan experience	28.2%
Launch new competitions/tournaments	23.9%
Invest in and expand promotion of adjacent sectors (e.g. eSports, media, retail)	23.7%



Source: PwC Analysis, N = 489

Industry examples

Arctos Capital Partners bet big on sport

Barcelona FC seal further investment from Sixth State Street



- Recent leadership failures and the impacts of the COVID-19 pandemic have placed the governance and decision-making structures of sports organisations in the spotlight. **Institutional investors could be the catalyst for change** in sport but must be able to align sports investment to their increasingly important ESG agendas.
- Perhaps unsurprisingly, our respondents see institutional investment as a potential driver of transformation as sports organisations evolve to **capitalise on new market opportunities** and implement more advanced ways of working, which it is assumed in turn will create value for all stakeholders.
- In addition, the emergence of new business models (e.g. Direct-to-Consumer) highlights investor consensus that further value can be unlocked through organisational synergies and efficiencies (e.g. CVC Capital Partners' investments across the rugby ecosystem).



Insight 9

Women's sport is on the rise and investment could accelerate growth



- h 2022 has been a **breakout year for women's sports**. Unsurprisingly, nearly 35% of executives view women's sports as an interesting investment opportunity with potential to unlock further value within the sports sector. The key question now is how women's sport sustains the widespread professionalism it needs to drive it to the next level.
- h Many women's sports are **still at the early stage of professionalisation**, which is attractive to investors who welcome greater flexibility to shape commercial structures and competition formats. This flexibility is combined with increasing popularity, particularly amongst 18 to 24-year olds in terms of participation and viewership. For example, Sky Sports reported that the WSL's average pay-TV audience is up 170% on last year.
- h Sponsors are increasingly interested in the opportunities women's sport offers, with a number of **improved commercial partnerships formed this year** (e.g. Nike's ever-growing relationship with the WNBA). But institutional investment is yet to follow this trend, perhaps adopting a wait-and-see approach to long-term consumer demand and commercial opportunity.

Industry examples

WSL strikes TV rights deal with BBC & Sky Sports

WTA considering CVC investment





An executive point of view

with **Luis Vicente**
Chairman of APEX Capital

Luis is a vastly experienced sports executive with a 30-year track record of driving innovation, transformation, commercial growth and brand engagement in sport. He is known as an Industry thought leader and as lead evangelist in business transformation in sport. Previous roles include CEO of Eleven Sports, board member of Aser Ventures and Chief Digital Transformation & Innovation Officer of FIFA.

Institutional investment is here to stay

Sport is the biggest community in the world and represents an unrivaled opportunity for institutional investors. In recent years we have witnessed a sea change in perception within the industry, particularly outside of the US, with sports properties warming to the benefits and value of institutional investment. Similarly for investors, the appetite for sports properties continues to grow. Investors understand that sport represents more than a financial opportunity, it represents a chance to buy into a culture, a brand and new demographics. These factors also have secondary benefits in terms of business synergies and access to new markets. From an industry perspective, I also feel it's healthy to have new groups influencing the rules of the day, not just the sporting regulators.

Sport has an inherent level of inefficiency. Competition is so fierce on the pitch that properties are not encouraged to work together to grow their sport and the industry. Investors can therefore help bridge the gap between sports proper-

ties and remove some of the unnecessary competition we see at the business level. It's important that sports properties and investors shift towards long-term thinking and strategies that are underpinned by strong business principles and performance monitoring. For too long the industry has focused on near term timetables, often dictated by the latest media rights cycle or competition dynamics.

Successful projects of the future will combine institutional investors with fans and athletes. Athletes in particular hold a unique advantage within the sports investment arena. Not only do they inherently have the mindset and tools to succeed in business, but they also are better placed to win in a digital world. Athletes today are digital natives who understand the value of direct community engagement through technology. The shift of athletes to business leaders and owners is ultimately a game changer for sports.



Women's sport

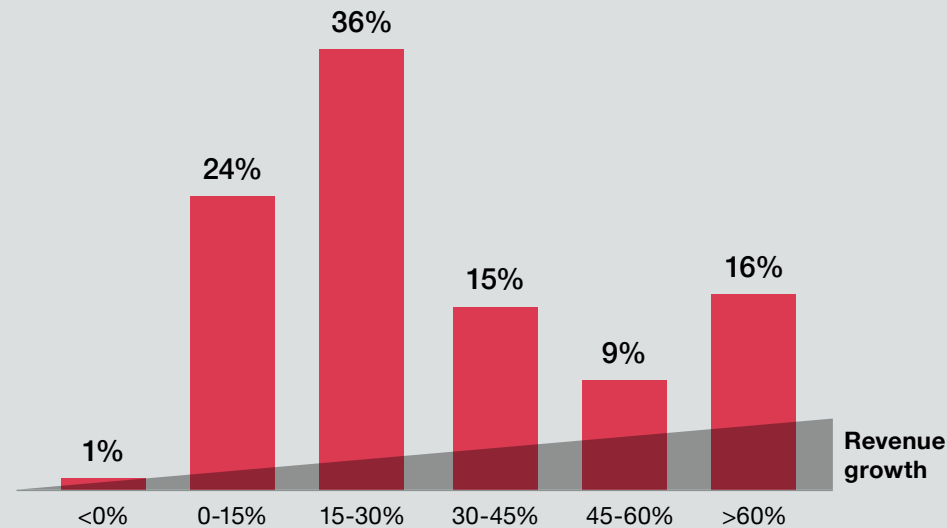
In the last few years, we have witnessed the rise of women's sports across the world and the staging of exciting major events (e.g. UEFA's Women's Euro 2022 and the Women's Rugby World Cup). Furthermore, this year's survey data indicates that executives see women's sports as a key growth opportunity. In this section, we discuss the most impactful initiatives contributing to the growth of women's sports and ask how this growth can be accelerated. We propose that significantly increased media coverage can set a powerful flywheel in motion and that getting stakeholders to move simultaneously rather than sequentially is critical to advance women's sports. Finally, we highlight the unique benefits that women's sports can offer to partners through unique storytelling opportunities and original partnership approaches.



Insight 10

From intermittent gusts to gale force wind in the sails of women's sports

Expected revenue growth of women's sports in the next 3-5 years
Percentage of respondents



Source: PwC Analysis, N = 463

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Awareness, participation, fandom and therefore commercial relevance are all now in growth. The virtuous circle is well and truly in motion and the upward trajectory is rightly unstoppable.

Jon Wyatt, FIH Sport Director

Industry examples

Women's sport popularity surges

Why women's sport is the story of 2022

- h Women's sports, and women in sport, have found the wind in their sails in recent years as more stakeholders are recognising the significant untapped growth potential. Over 70% of respondents forecast **double-digit growth over the next 3 to 5 years**.
- h While recognition of potential is an important first step, there is still a long way to go. Women's sport historically was – and arguably still is – underfunded across all levels of play and lags behind in media exposure. In addition, **women are still under-represented in senior leadership positions** across sport.
- h The key challenge for the industry now is to capitalise on the current momentum to **create real and lasting change** to ensure women's sport develops into an economically sustainable sector.



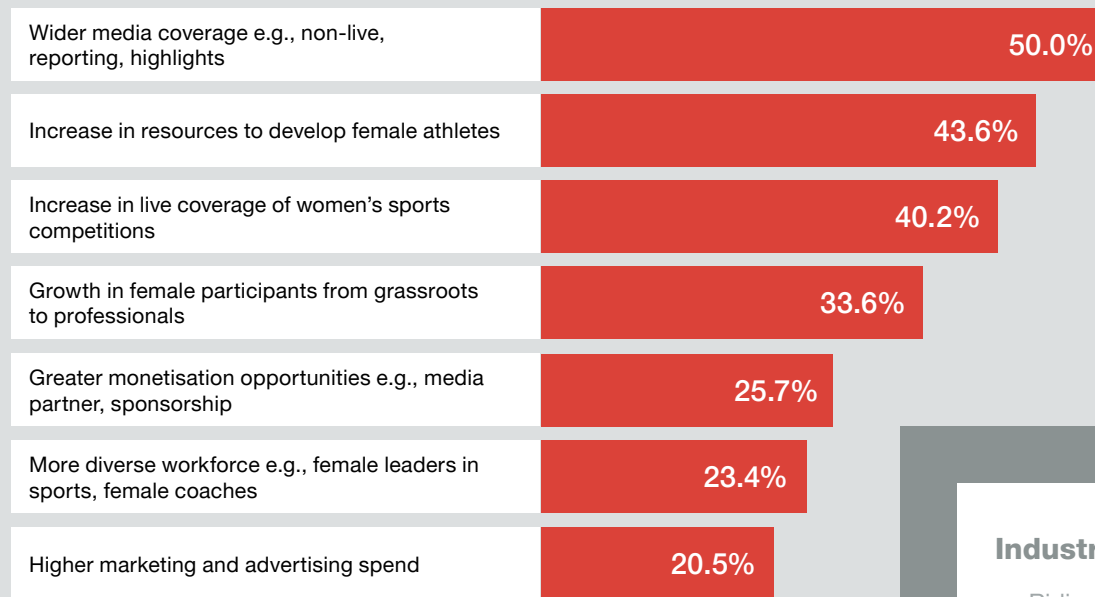
Insight 11

Setting the flywheel in motion through increased visibility, on and off the field of play



Most impactful initiatives contributing to the growth of women's sports

Percentage of respondents, top 3 choices



Source: PwC Analysis, N = 482

Industry examples

Riding the wave of sports leadership

Women's rugby – just getting started

Record breaking WSL attendances



- h While recent years have seen the professionalisation of women's sports, accompanied by increases in viewership, sponsorship and commercial interest, the majority of respondents indicate that **greater media coverage is required**.
- h Increased media coverage in turn should attract more commercial partners, which will stimulate investment in resources and talent development. The result should be **a more compelling proposition for fans and greater monetisation opportunities**. In other words, increasing the visibility of women's sports on high-reach networks can set a powerful flywheel in motion.
- h This flywheel seems to be starting for women's football, rugby and cricket, especially with the success of the Women's Rugby World Cup in New Zealand and the recent record-breaking sale of Women's Premier League (WPL) franchises in India.

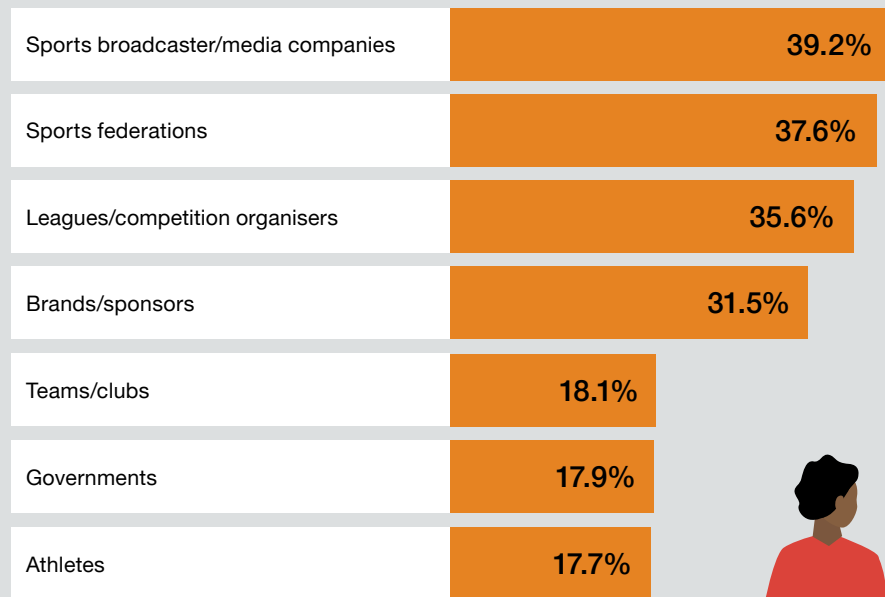


Insight 12

Getting stakeholders to move simultaneously rather than sequentially is critical

Ranking of stakeholder(s) top 3 choices most responsible for driving growth in women's sports

Percentage of mentions, top 3 choices



Source: PwC Analysis, N = 492



Industry examples

Change required to grow women's sport in a meaningful way

Women's sports leagues in Japan



- h To advance women's sports, it is vital to **grow the number of voices championing the sector** and to get stakeholders to move simultaneously to amplify the message.
- h Survey respondents confirm that while broadcasting and media companies play an important role in generating exposure via live coverage, highlights and team/player profiles, **longer-term commitments from brands and sponsors are required** to drive further investment by leagues, federations and teams.
- h Athletes themselves are vital to driving growth and the emergence of more international role models is essential. This will impact all levels of sport, from widening the talent pool (from grassroots to professional) to shifting perceptions and driving commercial interest. In addition, **female athletes are critical to driving industry-wide change** such as equalising wages, prize money and resources for female athletes.



Insight 13

Valuing women's sport in its own right

What are the key opportunities that women's sports can offer to partners?

Percentage of respondents, top 3 choices

Access to female audience	42.1%
Positive brand associations	42.1%
New storytelling opportunities	31.2%
Athletes as advocates for social change	21.3%
Higher revenue growth	19.8%
Improved diversity of sponsorship portfolio	16.6%

Source: PwC Analysis, N = 494

Industry examples

Lionesses change the playing field for women's sport

Angel City FC: ownership, reimagined

- h As women's sport continues to grow, it is critical that it **forges a unique path** and doesn't simply become the "female" version of the men's game, as this would represent a missed opportunity to create lasting value.
- h **Crafting an identity of its own**, leveraging unique features such as positive brand associations (e.g. more progressive, cleaner and family-oriented) and access to a hard-to-reach female audience will allow women's sport to capitalise on further commercial growth opportunities.
- h In many women's sports there is a **blank canvas opportunity to be innovative** and explore new competition formats, storytelling opportunities and different business models. An excellent example is the first majority female-owned NWSL club, Angel City FC.





An executive point of view

with **Lenah Ueltzen-Gabell**
Group Managing Director at Wasserman

Lenah Ueltzen-Gabell has a deep heritage in and passion for sport. An award-winning equestrian in her younger days, Lenah joined Wasserman in 2008, established its International marketing hub in 2010 and now oversees global service excellence and corporate growth from Wasserman's London office.

The upward trajectory of women's sport

Over the last 12 months globally, we've seen women's sport move to the next level of its growth trajectory, underpinned by increased investment, a number of successful major events (UEFA Women's Euro 2022, Women's Rugby World Cup etc.) with significantly increased viewership and engagement and the collective effort of stakeholders across the sporting ecosystem.

Not to overlook as well some very notable supporting legislation out of the US (a leader in this space) where the government passed an equal pay bill in December 2022 requiring for men and women representing the US in international competition to be paid equally.

That said, it's hard to quantify exactly where the maturity of women's sports lies today as it's truly fragmented by region and sport, but the outlook is undoubtedly positive with growing momentum and consumer attention. What we don't want to be doing is falling into

the trap of measuring this growth against men's sports. That will be of no benefit to anyone. Women's sport deserves to be measured by its own yardstick.

In my opinion, we need to ride the wave and it's time to double-down on investment into women's sport. Investment is the key driver for improving the accessibility of women's sports. Larger audiences and participation will deliver increased fandom and ultimately commercial benefit to sports properties through media rights valuations, merchandising and ticketing.

This framework for success is cyclical and requires investors to think long term with a focus on the evolving needs of fans (of all sports, male and female) in today's world. At the end of the day, engaged fans will be responsible for the sustainable growth of women's sports. Every effort should be to first understand the current audience and then to engage/maximise audience reach/engagement (free-to-air

TV, infrastructure investment, ticketing initiatives etc.) as the primary fuel for change.

So, to that end, the million-pound question... "Where are these new audiences coming from?" The truth is that we haven't seen enough research to date on these new potential fans. Consider football and the Women's Euros for example, the assumption was that only women were watching women's football, but the reality was a much more balanced audience.

For there to be real, sustainable growth in women's sport, we need to know who we're talking to and how we reach them. According to a survey done in 2021 prior to the Women's Euros, 88% of those surveyed said they'd watch more women's sport if it was accessible to them.

In closing, what's keeping us all up at night is how to keep up the momentum. For me, it's

the realisation that it's a collective responsibility across the current stakeholders to ensure we maintain and build on the momentum. We must keep the accessibility of sports front and centre, but a cultural shift in both behaviour and investment is required if women's sport is to deliver sustainable growth and engaged audiences.

The good news is that the stigma of women's sport is falling away rapidly, but we need to be diligent and focused on long-term investment, developing positive role models and education to continue our journey forward. Also, it must not be forgotten in our quest for equality how much has been accomplished in a relatively short time from Title IX in the US in 1972 to London 2012 being the first Olympics where each country had male and female representation. And now there's the Equal Pay Act to name a few of the highlights for inspiration as we press on in this journey.



Commercial and media landscape

In recent years, we have seen the commercial and media landscape in sport change as new players and technologies have emerged. We have also observed increasing demand for fan data and the digital inventory of sports organisations. While in the sports media space big tech companies have become more active, OTT platforms have grown, and Direct-to-Consumer models have become more common. This year's survey focused on understanding how sports media rights distribution will evolve further and how the expectations of brands that partner with sports organisations will also adapt. Our respondents identified the growing influence of big tech and OTT platforms as well as the importance access to fan data, increased digital inventory and co-creation opportunities. These views are explored further within our analysis as we look to better understand the future commercial and media landscape in sport.



Insight 14

Data is the new currency for brand partnerships

How are the expectations of brands that partner with sports organisations changing?

Percentage of respondents, top three choices

Greater access to (fan) data	20.4%
Desire to co-create content	16.3%
Increased demand for digital inventory	15.4%
Aligned purpose/values	13.3%
Flexible partnership model (e.g. can change inventory year-on-year)	9.5%
ESG strategy/commitments	7.4%

Source: PwC Analysis, N = 444

”

Digital inventory empowers right-holders with a new revenue stream while providing brands an efficient access to new media.

Pedro Mestriner,
Co-Founder and CEO at Horizm

Industry examples

The ground-breaking partnership of Barcelona and Spotify

Why TikTok is big news for the Six Nations

- h This year's survey has further highlighted the value of fan data. **Brands increasingly want to understand who fans truly are**, what connects them and what drives their behaviours.
- h Alongside valuable and insightful data, brands also want to co-create content. Brands and athletes **recognise the importance of authenticity in the digital world**. Access to digital inventories and taking a lead role in crafting the story of the content, help brands to ensure the message is authentic and impactful.
- h In a world where brands want to influence the creative process, it is unsurprising that respondents also identify the **emphasis on cultural alignment through purpose and values**. As we explore within the following section, 'sustainability in sport', brands and sports organisations are facing increased athlete activism, fan expectations and broader pressures to behave as good corporate citizens.



Insight 15

Evolution not revolution for media rights distribution

How will sports' media rights distribution evolve in the next 3-5 years?

Percentage of respondents

Shorter media rights cycle (<3 years) will be preferred, to remain agile and capture growth

49.1%

Longer rights cycle (>3 years) will generate the most value, as media companies will grow their financial commitment

50.9%

N = 444

Content owners will continue to be offered licensing agreements that guarantee upfront funding

25.6%

Content owners will increasingly have to take entrepreneurial risks and try new distribution models (e.g. revenue sharing, OTT)

74.4%

N = 434

Exclusivity across territory and platforms will continue to maximise media rights revenues

45.8%

Reduced exclusivity and increased number of rights buyers per territory will lead to higher aggregate value

54.2%

N = 430

Competitive bidding processes will remain the model of choice for media rights sales

56.6%

Due to decrease in competition, content owners will seek to sign direct, private agreements with media companies

43.4%

N = 426

Only premium properties will grow media rights revenues, widening the gap with non-premium content

72.1%

Non-premium properties will grow media rights revenues, closing the gap with premium content

27.9%

N = 434

Source: PwC Analysis

Industry examples

Amazon signs Champions League football streaming deal in UK

The future of sports rights: cutting the cord?



- h Nearly 75% of executives identified that content owners will have to be **more creative in their media rights distribution models if they are to succeed** in the next 3-5 years. This is driven by the splintering of media rights as content distributors recognise the growth of streaming and digital versus traditional models.
- h Respondents noted that premium properties were best placed to benefit from the long-term evolution of media rights. Perhaps unsurprisingly, **executives value the strength of premium property audiences** and resources above the flexibility and reduced stakeholder pressure typically enjoyed by non-premium properties.
- h Finally, this year's survey indicates that distributors will likely **need to take additional entrepreneurial risk in light of toughening market conditions**. This may include reduced exclusivity arrangements, changes in deal length and increased flexibility from both broadcasters and rights holders within their agreements.

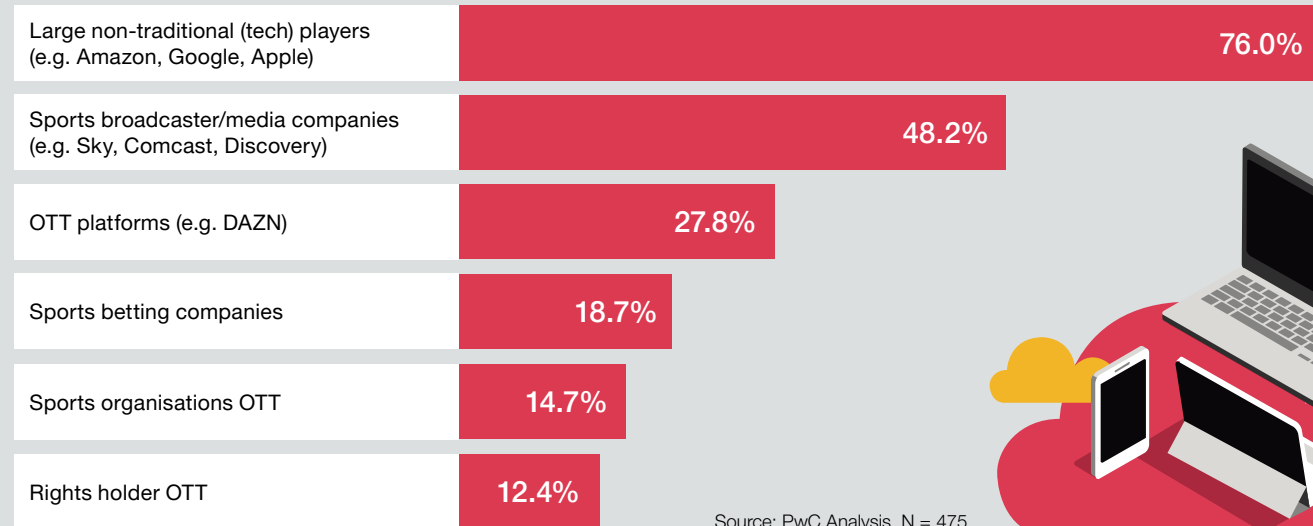


Insight 16

Big tech companies are becoming increasingly active

Which parties do you believe are best positioned to win the intensifying battle for sports media and broadcasting rights in the next 3-5 years?

Percentage of respondents, top two choices



Source: PwC Analysis, N = 475

Industry examples

Apple in landmark MLS deal

Big Tech making moves in sports media rights

- h 2022 marked some **major sports rights moves** from tech giants Apple and Google. Apple made its first significant entry into the US sports media market with its 10-year partnership with the MLS and YouTube agreed a 7-year deal to stream NFL's "Sunday Ticket" package.
- h Big tech companies tend to have vast financial resources and cash reserves. The size of big tech firms' balance sheets means they can explore more experimental, opportunistic and unique sports rights acquisition approaches.
- h The increasingly active **tech companies are likely to further disrupt the current monetisation model** of traditional broadcasters. It is unclear how traditional broadcasters will evolve their models and what moves rights holders will make to unlock further value from this market dynamic. Are we about to see a fundamental shift in how sports media rights are monetised?





An executive point of view

with **Peter Hutton**
Sports Investor

Peter is a board director for a range of sports entities, including the rugby league, professional triathlon organisation, eleven sports and sporttotal. He was previously the CEO of Eurosport, Ten Sports and Fox Sports Asia as well as 5 years running sports partnerships for Meta.

The changing tide of sports media rights

The landscape for sports media has never been simple or straightforward, but this year we have seen the emergence of some key trends. Firstly, linear TV broadcasting appears to have reached a tipping point. Falling subscriber numbers is not a new story for linear broadcasters, however previously they have been able to weather these challenges through increased subscription fees and by reducing central costs. Whilst linear TV continues to be a very healthy business, we are seeing the limits of these mitigations, with falls in revenues for some providers. What's next is unclear, but for purely linear TV broadcasters there is increased uncertainty ahead.

For leagues and sports organisations, a period of adaptation is also underway as rights holders navigate changing market dynamics and the growing presence of big tech within the sports media landscape. But what can sports properties do to maximise the opportunities within the market? Primarily, properties need to better understand the business models of their buyers,

for example, the business models, demographics and customers of Amazon and Apple are different. Those sports properties that grasp this and are flexible in their distribution models, are best placed to capitalise in the coming years. Above all, it's important for leagues to understand the value of athletes and influencers as distribution channels to maximise their potential audience.

Finally, for sports properties, data is king when it comes to increasing the value of media rights. Sports properties need to raise the bar if they are to match the level of data sophistication required by buyers. Furthermore, organisations should invest in analytics and data talent that helps to tell the story and contextualises the value of their product. Those properties with an instinct for data and the underlying resources will thrive in this market. Ultimately, sport has a unique appeal as a content form, but it needs to tell its story in a way that the new buyers will understand.



Sustainability in sports

Building on a better understanding of sustainability issues such as climate change and the growing expectations of key stakeholders, sports organisations have made progress in developing strategies and moving towards more balanced Environment, Social and Governance (ESG) delivery. This year's survey reveals that over half of respondents believe they are advanced in their approaches to ESG. However, there remains significant room for improvement once short-term initiatives are implemented (e.g. environmental sustainability or diversity and inclusion). In this section, we look at how advanced sports organisations are on their ESG journey, with a better understanding of their priorities. We also examine the biggest challenges for sports organisations in successfully implementing a comprehensive ESG strategy. Finally, we ask what measures will have the biggest impact to ensure major sporting events become more sustainable.



An aerial photograph of a soccer field, outlined in white, situated within a dense forest. The trees are in various stages of autumn, with some showing bright yellow and orange foliage, while others remain green. The field is a vibrant green, and the white lines clearly mark the center circle, the halfway line, and the goal areas.

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**Embedding
sustainability within
the organisation
with visible executive
support was critical
to our success.**

David Grady, CFO at Birmingham 2022
Commonwealth Games OC

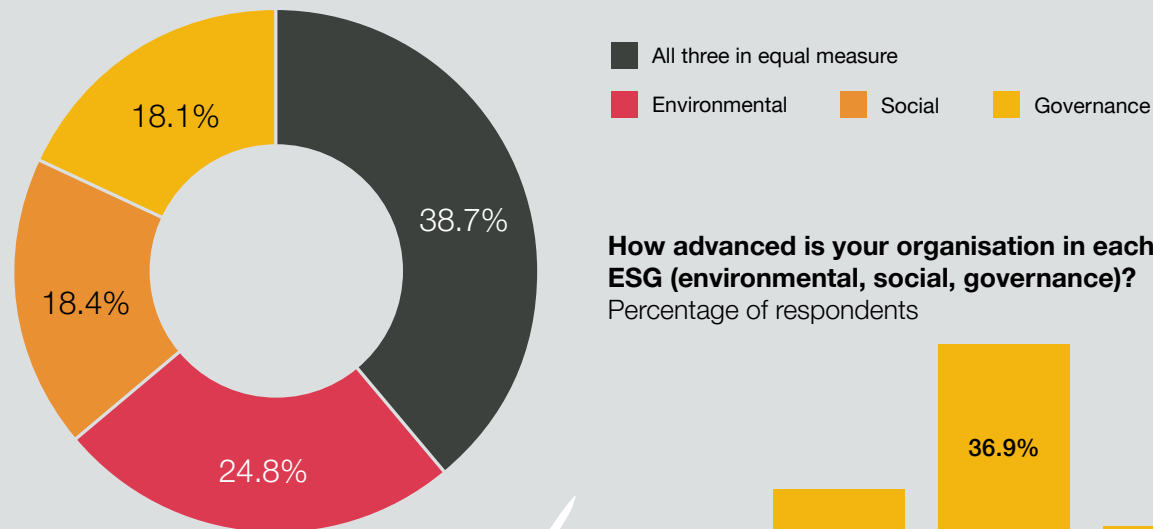


Insight 17

ESG continues its rise as a major strategic priority

Which aspect of ESG (environmental, social, governance) is your organisation prioritising in the next 1-3 years?

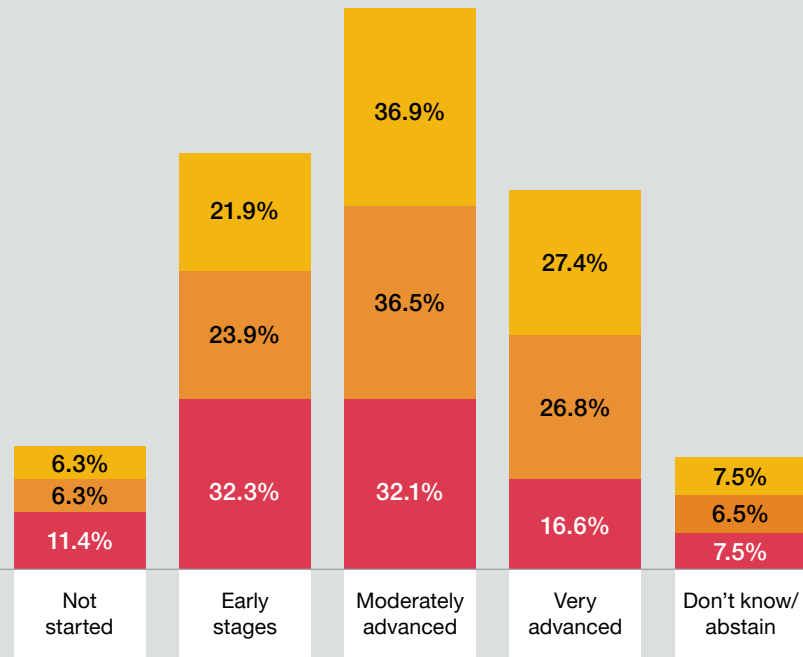
Percentage of respondents



■ All three in equal measure
■ Environmental ■ Social ■ Governance

How advanced is your organisation in each of the areas of ESG (environmental, social, governance)?

Percentage of respondents



Source: PwC Analysis, N = 452

Industry examples

IOC Olympic agenda 2020+5

Bundesliga adopts sustainability criteria for the first time

- h We believe sports organisations, like any other sector, are under steadily growing pressure to **shift their business strategies from shareholder capitalism to stakeholder capitalism**. Financial performance alone, no matter how essential, is not enough when it comes to the growing expectations of key stakeholders such as fans, community interest groups and investors.
- h Environmental sustainability (E) is widely acknowledged as an area requiring major improvement. Organisations are faced with investment and operational decisions related to **complex issues such as energy use in venues, waste management and travel**. Effective management of these issues must be fully reflected in any new developments and “reversed back” into the operational management and processes of existing facilities.



Insight 18

A balanced approach to E, S and G prioritisation



Industry examples

Southampton FC
halo effect

Putting sustainability
at the heart of B2022



- h With growing understanding of the interconnectedness and complexity of E, S and G topics, it is imperative that sports organisations move away from “ad-hoc” initiatives.
- h Historically, priorities were weighted heavily towards the S and sport has delivered a significant positive impact on local communities. Most recently **there has been more emphasis on the G** and sport is improving across areas such as governance, transparency and better financial controls.
- h We believe sport organisations will move towards a more balanced ESG approach, however, the key question remains **how organisations can achieve this balancing act whilst managing limited resources** and operational demands. Integrating impactful climate action with other efforts at the heart of operations is essential for a balanced ESG programme.



Insight 19

Organisational culture is the biggest challenge to sustainability transformation

What are the biggest challenges for sports organisations in successfully implementing a comprehensive ESG strategy?

Percentage of respondents, top three choices



Source: PwC Analysis, N = 457

Industry examples

Empowered Chief Sustainability Officers

Football's first Chief Sustainability Officer



- h Although there is a better understanding of the scale of transformation required, **organisational culture often remains the main barrier to change**. This is important when considering the significant implications of ESG that impact strategic, commercial and operational business as usual.
- h With increased appreciation of the growing expectations among younger generations and fans, **ESG has become a major imperative** for change. There are practical risks that need to be managed by organisations that could be concerned about first mover disadvantage.
- h As companies increasingly adapt to the demands of driving this major transformation with **appointments of Chief Sustainability Officers at C-Suite level**, sports organisations may also consider this emerging leadership role to ensure board-level representation and integration with corporate strategy.

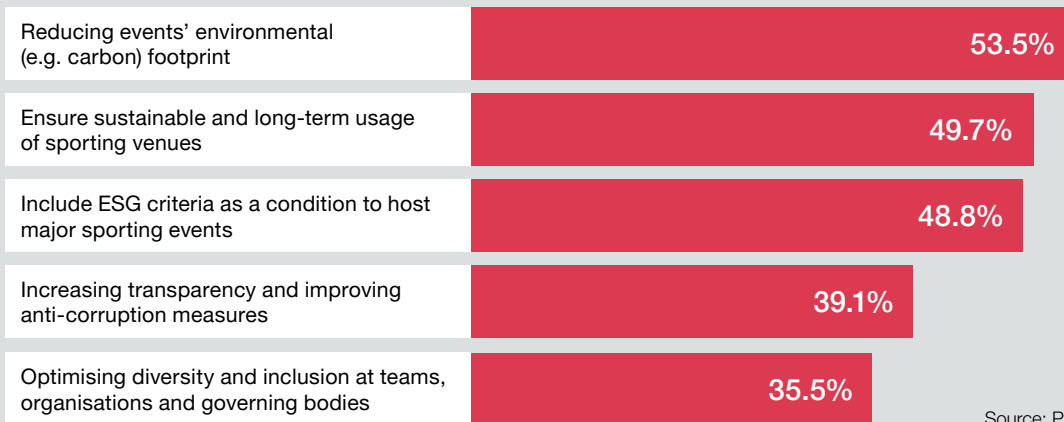


Insight 20

Major sporting events must reduce their environmental footprint

Which measures do you believe will have the biggest impact on making major sporting events more sustainable?

Percentage of respondents, top 3 choices



Source: PwC Analysis, N = 465

Industry examples

The importance of human rights for major sporting events

UEFA launches sustainable infrastructure guidelines



- h While environmental considerations for new venues and master plans can be better incorporated at major sporting events, it's a more **challenging matter for any ageing infrastructure**. There are no silver bullets. It is therefore critical to share lessons learned with future events as part of any major events' learning legacy.
- h Today, the top priority is on the hard legacy of major sporting events across the globe, which is often focused on **better use of venues and infrastructure after the event**, including multi-use and refurbishments. However, the "human-centric" soft legacy (e.g. the social impact efforts at Paris 2024 described below) also needs to be factored in.
- h With increased athlete activism, fan expectations, media scrutiny and purposeful sponsorship, major event organisers need to manage a much wider list of legacy opportunities and risks proactively as a force for good.



Paris 2024: How to set a new benchmark for sustainability in mega sporting events

From the bidding phase, Paris 2024 positioned legacy and sustainability at the heart of its project. The OCOG purpose states that “playing sport leads to healthier, more fulfilling lives; sport has the power to change everything, improving education, health, social inclusion and community spirit”.

Paris 2024 wants to become a pioneer by bringing ESG engagement and actions to the next level. The goal is to show the world that an ambitious and spectacular summer Olympic and Paralympic Games can be combined with economic, social and environmental responsibility.

To achieve this, a legacy and sustainability strategy has been built around six main pillars. Each one of these pillars has been designed to deliver an edition of the Games that can be held up as an inspiring example and leave an enduring legacy. Above all, they have been broken down into tangible initiatives. There are two types of initiatives: initiatives launched and initiatives accelerated because of the Games.

Environmental impact

The Paris 2024 Environmental Excellence strategy follows the UN’s 2030 Agenda and addresses four major environmental considerations identified to deliver leading examples of climate, biodiversity, circular economy and environmental resilience.

These four considerations are translated into operational commitments such as the supply of renewable electricity during the Games, sustainable catering, a zero-waste target for the event, a fleet of clean vehicles to transport the Olympic and Paralympic athletes, and the integration of circular economy principles into permanent and temporary constructions.

Social impact

Paris 2024’s legacy management is designed to ensure that the Games benefit everyone in France and leave a lasting impact on society, as well as strengthen the position of physical activity and sports for people in France. To this end, a wide range of innovative projects have been implemented to promote sport and its values among the entire population.

“Paris 2024 wants to become a pioneer by bringing ESG engagement and actions to the next level. The goal is to show the world that ambitious and spectacular summer Olympic and Paralympic Games can be combined with economic, social and environmental responsibility.”

All of these projects are supported by a pioneering tool: the Paris 2024 endowment fund.

The fund has been launched to put Paris 2024’s legacy and sustainability plan into operation. Additionally, the fund aims to support projects led by the sports movement, public-sector organisations and non-profits that spur social innovation through sport. It has four main focus areas: sport to improve health (get moving); sport to improve education and civic engagement; sport to promote inclusion, equality and solidarity; and sport to protect the environment. The intention is to continue to use this tool and its methodology beyond 2024.

Collective governance

For this strategy to be successful and last beyond 2024, Paris 2024 has adopted a collective approach, attracting contributions from the Games’ many stakeholders (members of the sports movement, NGOs, the economic fabric, public institutions and local authorities). Involving each of these key actors on a daily basis is a way to tackle a significant challenge: how to encompass the variety of priorities and commitments relating to legacy and sustainability and combine them into a coherent whole that guarantees a strong impact.

Paris 2024 also provides a new organisational model for a summer Olympic and Paralympic games. It has created the Terre de Jeux 2024 label to involve and unite local and regional authorities and stakeholders in the sports movement and to build a Games’ sporting legacy at the community level. The local and regional authorities awarded this label must also commit to taking action towards the sustainability and legacy goals that Paris 2024 has identified.





Web3

in sports

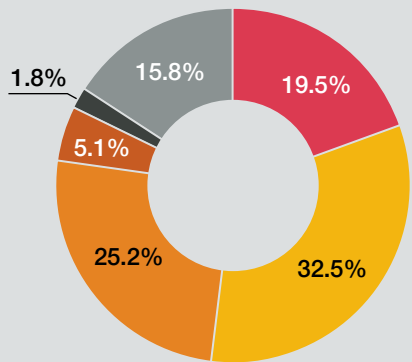
Web3 is the evolution of Web2 and another building block in a sports organisation's digital ecosystem. Based on blockchain technology, Web3 offers new and emerging opportunities to create digital assets that can be owned, used and traded (e.g. ticketing, memberships, collectibles, loyalty points and digital game items). In this section we look at how advanced Web3 concepts are within sports organisations, including the degree to which organisations are building the technology into their long-term strategic thinking and execution capabilities. Our analysis reveals that although blockchain-based business models are being tentatively explored and implemented, many organisations are adopting a wait-and-see approach. In this context respondents' viewpoints are underpinned by concerns regarding the business case for digital assets (underpinned by sports fan demand) and the required technical expertise and infrastructure.



Insight 21

It's still early to join the Web3 party

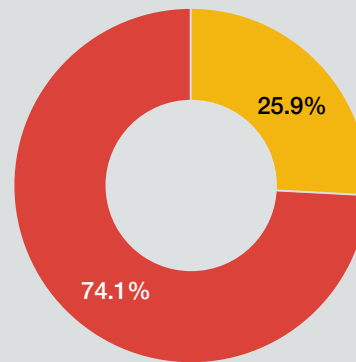
To what extent do you agree with the following statement: "Web3 will play an important role in the future of my business"?



■ Strongly agree ■ Agree ■ Neutral
■ Disagree ■ Strongly disagree ■ Don't know/abstain

Source: PwC Analysis, N = 507

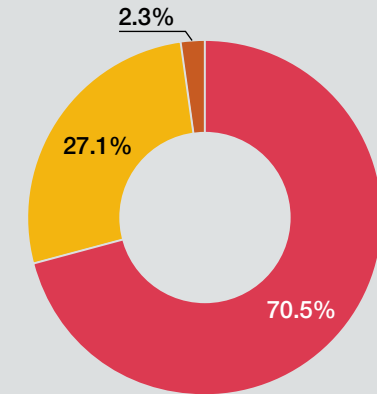
Does your organisation have a Web3 strategy?



■ Yes ■ No

Source: PwC Analysis, N = 507

How confident are you in your organisation's ability to execute on its Web3 strategy?



■ Confident ■ Somewhat confident ■ Not very confident

Source: PwC Analysis, N = 129

Industry examples

AO launches into metaverse

Record result for the awarding of licence rights for stickers and trading cards including NFTs

- h Almost 75% of respondents reported that **their organisation doesn't have a Web3 strategy**. On the other hand, respondents who said their organisation had a Web3 strategy were mostly confident that it would be executed successfully.
- h There are many licensing deals in the sports market financed by investors and one-off projects which to some extent point in the right direction. However, rights holders have so far not taken significant risks with Web3-based projects. Sport remains cautious and **is likely to follow the lead of other industries** once use cases emerge and are proven.
- h As soon as rights holders recognise **sustainable potential for a specific Web3 use case**, they will dedicate more of their own resources and commit more firmly to Web3. But this may come at a higher price, since at that point markets will be more mature, risk lower and competition higher.



Insight 22

Partnering with trusted business brands is key to Web3 success

Industry examples

FIFA licences multiple Web3, NFT games for World Cup

NBA's Miami Heat launches Web3 strategy in partnership with Chaiaand trading cards including NFTs

- h The commercial potential of **Web3 is still yet to be understood**, and new solutions are constantly emerging. To further complicate this space, core terms such as Web3, blockchain, NFT, metaverse, crypto, DAO and community building are not understood uniformly.
- h Security, identity, regulation and trust matters, interoperability issues and sustainable Web3 business cases are important for mass adoption and fully utilising blockchain technology. Currently, there is **too much focus on the technological aspects** (e.g. using terms such as NFT, smart contract, wallet, etc.) and too little on utility and product.
- h Sports have a significant reach and are a great stage for new Web3 use cases and are thus helping drive mass adoption. At the same time, sports should consider **Web3 as an opportunity to get in touch with younger tech-savvy generations**. Since Web3 will likely affect the existing culture of any sport, the implementation of solutions and onboarding new communities and new platforms should include proper preparation and communication with existing stakeholders, especially the fans.



Insight 23

Web3 applications have yet to find their groove

Where do you believe Web3 and blockchain technology will provide the greatest opportunity for sports organisations?

Percentage of respondents, top three choices



Source: PwC Analysis, N = 414

Industry examples

Adidas versus Nike:
metaverse experiences
for a Gen Z audience

Meet Sorare: The
Web3 future of
fantasy sports

- h Currently, the **most popular area of application in sports is collectibles** (a well-known mechanism). In addition, respondents favoured “Virtual experiences” and “Access to communities and/or money-can’t-buy experiences” as significant Web3 opportunities.
- h Respondents also indicated that **esports and gaming have a huge potential** in terms of in-game items and interoperability between different platforms and games.
- h In our opinion, new modes of membership, participation and ownership (e.g. DAOs) represent an interesting area of development worthy of exploration.

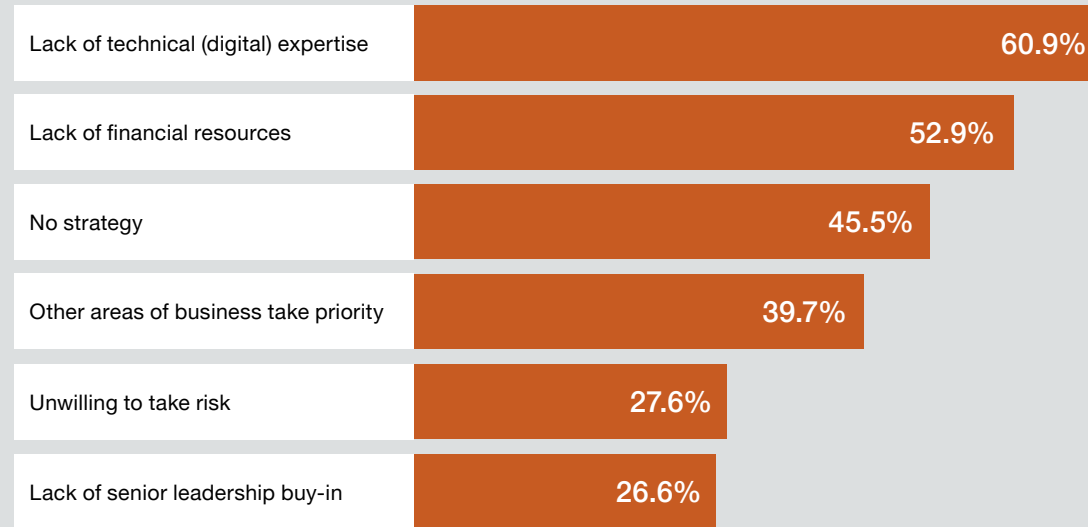


Insight 24

Web3 requires long-term C-level commitment and resources

What are the biggest barriers to effectively implementing a digital ecosystem?

Percentage of respondents, top two choices



Source: PwC Analysis, N = 312

Industry examples

FC Barcelona
museum and Spotify
Camp Nou Tour

WAGMI United and
adidas team up to
explore the future
of sport

- h Entering (new) markets and launching (new) products on (new) platforms requires investment. Web3 is no different from any other innovative tech. **Right holders often lack in-house specialists** to drive innovation beyond their core business areas.
- h Currently the Web3 environment is quite turbulent, and sometimes it's **hard to differentiate between sustainable solutions and scams**. Also, there are many negative news headlines from the "crypto world" affecting the whole ecosystem. It is therefore unsurprising that respondents reported limited willingness to take risks.
- h At its core, the digitalisation strategy of sports organisations is about creating value for stakeholders (e.g. enriching the fan journey and improving the fan experience). At the moment, most sports organisations and their stakeholders **don't have the experience to create value from Web3-based solutions**.





An executive point of view

with **Dirk Lueth**

Co-Founder & Co-CEO at Upland

Dirk is a serial entrepreneur and an early adopter of blockchain and related technologies based in Silicon Valley. In addition to being the Co-Founder and Co-CEO of Uplandme, Inc., which has partnerships with FC Porto, FIFA and Argentine Football Association (AFA), Dirk co-founded and is chairman of the Open Metaverse Alliance for Web3 (OMA3). Dirk mentored over 30 startups through his work at international startup accelerators in Silicon Valley and is a frequent speaker/panelist focusing on topics about the metaverse, blockchain, and platform economics.

Waking up to Web3

Sports organisations are waking up to the possibilities and growth of Web3 technology. Web3 is all about community and sport is all about the fans. This proximity produces very similar behaviours and represents for sports businesses the opportunity to recruit new fans and to engage in new and exciting ways.

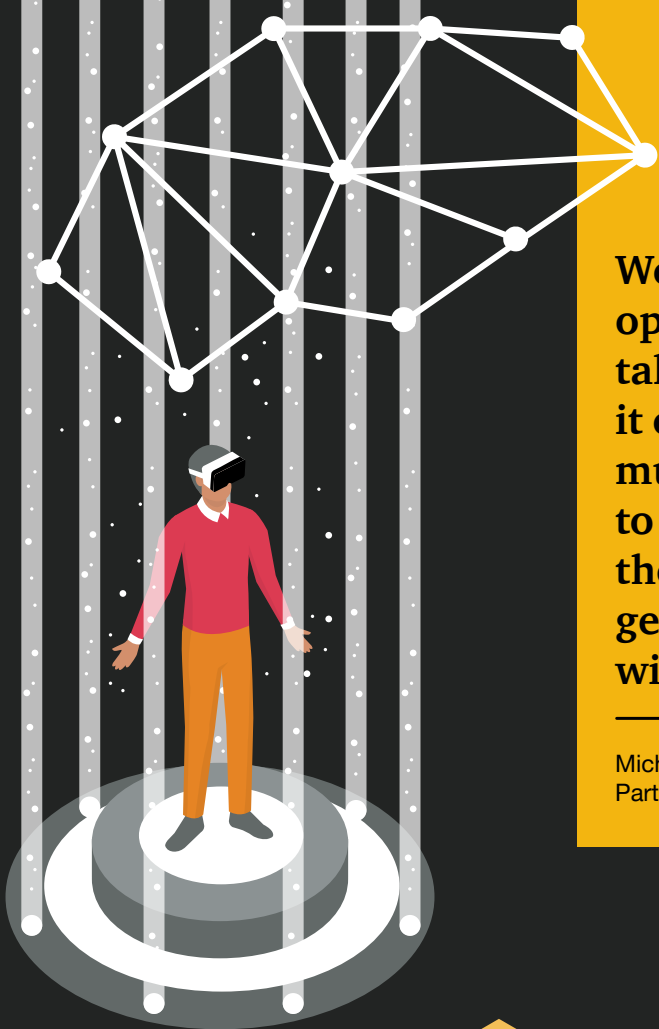
Web3 is a new and relatively immature industry. As such, we are yet to really see a sports organisation harness the power of the technology or its communities of users. However, we are starting to see a number of organisations testing the waters and recognising the importance of developing robust and innovative strategies to deliver value in a Web3 enabled world.

When we look at individual regions, we see that adoption is driven by sports that are popular within that market. However, comparing the different regions, it appears that Europe is the most critical of the technology and therefore the

most behind. Consumers in South and North America, as well as Asia appear more curious and willing to experiment with new technology, while there is greater attention on the underlying risks and challenges within Europe.

There is also recognition that Web3 still has a way to go in meeting user needs. Particularly, the first-time user experience must get better if sports fans are to sit up and take notice of the capabilities of Web3. Fans are typically not crypto aficionados and therefore do not possess knowledge of how to manage digital wallets or private keys. More needs to be done to educate the everyday sports fan and to create seamless Web3 products and services.

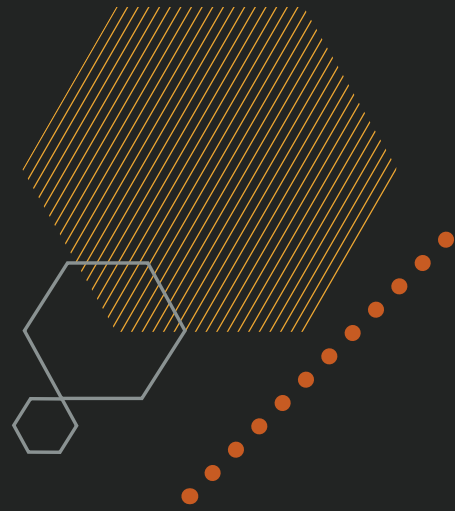
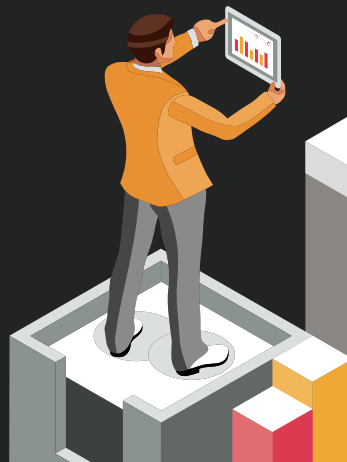




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Web3 offers sports a new opportunity, it's worth taking a risk and testing it out, but organisations must move carefully to ensure they retain the bulk of the value generated – in partnership with their fans.

Michael Broughton, Partner, Sports Investment Partners LLP



Smart stadia

Investment in smart venue technology is a growing consideration for sports organisations. “Smart stadia” refers to technology that enhances the event experience for both fans and organisers, including everything from large-screen visual displays to digital ticketing, personalised F&B offerings and “digital twins” of physical spaces. But as you would expect, this technology comes at a cost. This section of the survey delves into the cost-benefit analyses being undertaken by sports organisations as we assess the choices available and the business case for smart stadia. Survey respondents clearly identify the benefits of the technology: increased fan engagement, enhanced data collection, operational efficiency and commercial opportunity. However, for many these benefits do not stack up against the obvious costs and risks associated with such a significant investment.



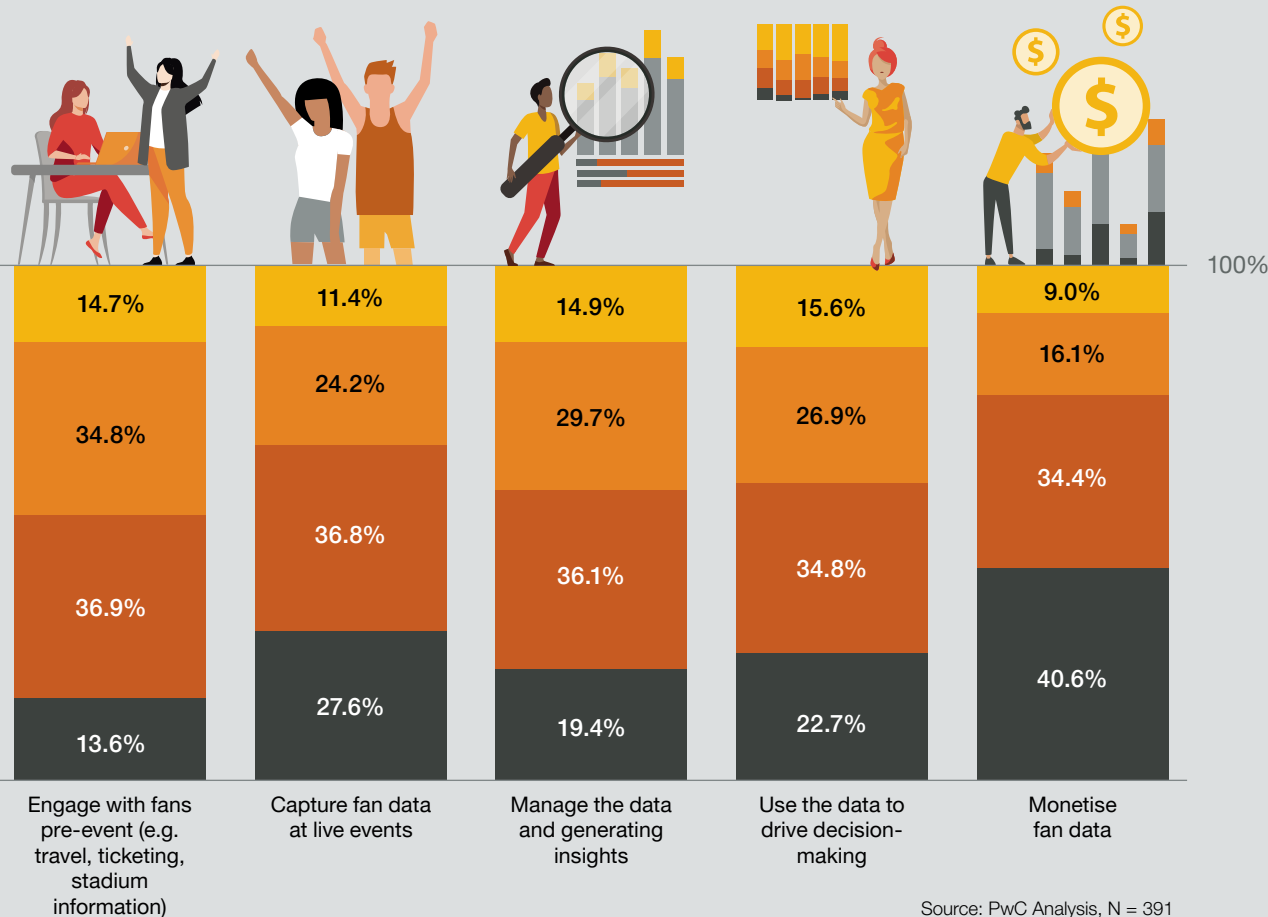
Insight 25

Getting an ROI from data is a challenge

How successful is your sports organisation at using data to:

Percentage of respondents

Not successful
 Moderately successful
 Successful
 Very successful



Source: PwC Analysis, N = 391

Industry examples

Sportradar's approach to monetising fan data

A cashless Super Bowl: why the NFL is pivoting to digital payments

- h Sports organisations and media companies have often wrestled with how to convert fan engagement into fan monetisation. Interestingly, this year's survey reveals that **less than 50% of respondents felt their efforts in fan data collection and analysis were generating a positive return on investment.**
- h But why is this? More than ever before, organisations are able to harness unprecedented amounts of information through digital ticketing, D2C offerings and technological advancements. However, survey respondents have indicated that the capture and analysis of fan data is not the main challenge, but rather what you do with it.
- h Sports properties must therefore be **laser focused on the data that matters**, creating synergies across data sources and the revenue streams that best utilise their digital inventories, capabilities and infrastructure. The most successful in this space will be those that can capture these elements in their commercial strategies and future investment choices.



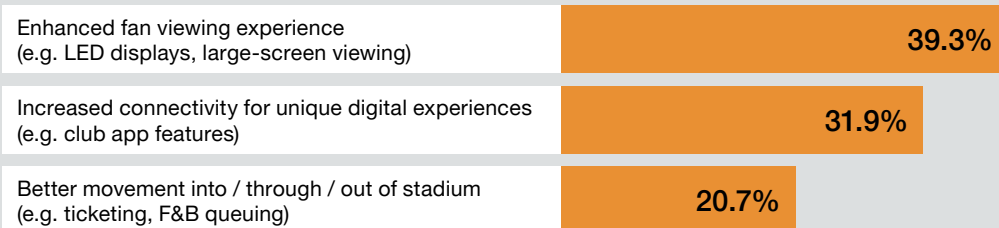
Insight 26

With smart stadia, the value is in the data

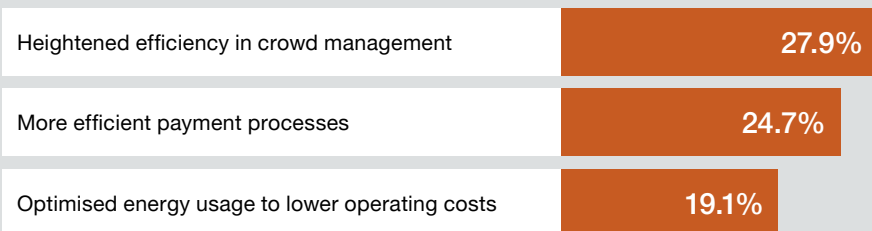
What are the most important benefits of introducing smart venue technology into sports stadia?

Percentage of respondents, top three choices

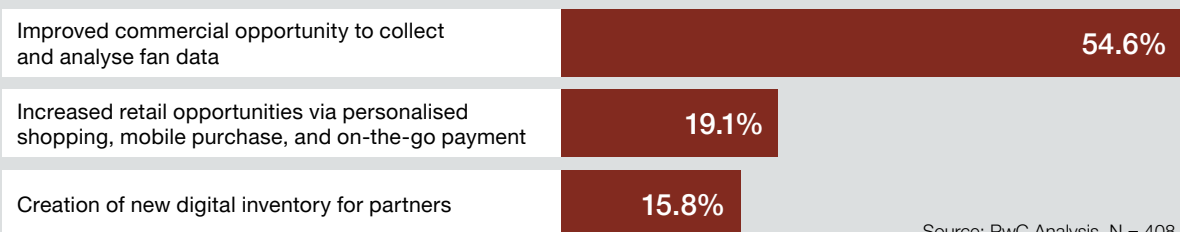
Fan experience



Operational efficiency



Commercial benefits



Source: PwC Analysis, N = 408

Industry examples

Smart stadia: a place for value creation

The technology powering Allegiant Stadium



- h Survey results show that roughly half of respondents cited the **ability to capture customer data as the greatest benefit of smart stadia technology**. But as previously mentioned, capturing fan data is only half the story. The next step, delivering customer insights and ultimately generating incremental revenue, this is where many sports organisations are currently challenged.
- h This sentiment is reflected in the opportunities that rated lowest, with in-seat services, in-event upselling and new digital inventory at the bottom of the list of stated benefits of smart stadia. Clearly there is a **disconnect between the inherent value of data for sports organisations and the current return on investment**.
- h The next most popular set of responses related to the fan experience, with opportunities like **LED displays, connectivity and improved ingress/egress** pathways scoring well amongst executive respondents. Consumer demands are evolving, with arenas such as Tottenham Hotspur Stadium (London) and Allegiant Stadium (Las Vegas), raising the bar for others to follow.

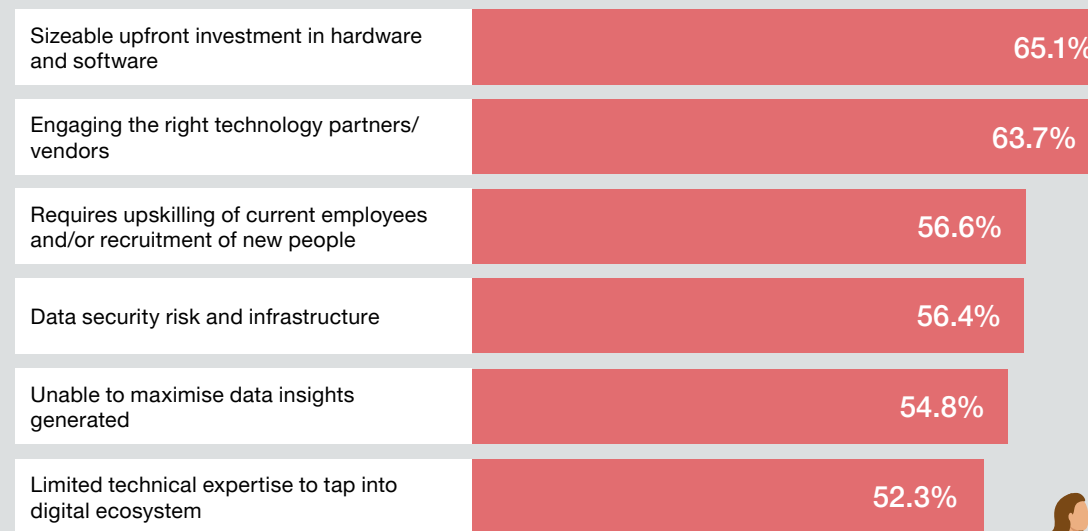


Insight 27

Upfront investment is the biggest impediment to smart stadia adoption

How significant are the following challenges for organisations to successfully implement or leverage the smart stadia opportunity?

Percentage of respondents, top three choices



Source: PwC Analysis, N = 421

Industry examples

The most expensive World Cup stadia ever

The case for a new sports stadium



- h For many sports organisations, the **current costs and risks associated with smart stadia do not match up to the expected returns**. 65% of executives identified the sizeable upfront investment in hardware and software as a significant impediment to implementing smart stadia solutions.
- h These concerns are only likely to increase in the coming years, given the economic headwinds and inflationary pressures facing sports organisations. Many also cite **difficulties in vendor selection and upskilling talent** as key challenges.
- h The survey data suggests that the benefits of increased fan data and engagement may be **constrained by bandwidth and digital expertise challenges**. To realise the full potential of smart stadia solutions, sports organisations need to invest in new capabilities.



List of figures

Market growth outlook by respondents' best known market	9
Market growth outlook by stakeholder	9
Expected annual growth rate by revenue stream	10
Ranking of key market forces	12
Ranking of key market threats	13
How will institutional investment impact the sports sector?	16
How can institutional investors unlock more value within the sports sector?	18
Expected revenue growth of women's sports in the next 3 to 5 years	22
Most impactful initiatives contributing to the growth of women's sports	23
Ranking of stakeholder(s) most responsible for driving growth in women's sports	24
What are the key opportunities that women's sports can offer to partners?	25
How are the expectations of brands that partner with sports organisations changing?	28
How will sports' media rights distribution evolve in the next 3-5 years?	29
Which parties do you believe are best positioned to win the intensifying battle for sports media & broadcasting rights in the next 3-5 years?	30
Which aspect of ESG (environmental, social, governance) is your organisation prioritising in the next 1-3 years?	34
How advanced is your organisation in each of the areas of ESG (environmental, social, governance)?	34
What are the biggest challenges for sports organisations in successfully implementing a comprehensive ESG strategy?	36
Which measures do you believe will have the biggest impact on making major sporting events more sustainable?	37
To what extent do you agree with the following statement: "Web3 will play an important role in the future of my business"	40
Does your organisation have a Web3 strategy?	40
How confident are you in your organisation's ability to execute on its Web3 strategy?	40
Where do you believe Web3 and blockchain technology will provide the greatest opportunity for sports organisations?	42
What are the biggest barriers to effectively implementing a digital ecosystem?	43
How successful is your sports organisation at using data?	47
What are the most important benefits of introducing smart venue technology into sports stadia?	48
How significant are the following challenges for organisations to successfully implement or leverage the smart stadia opportunity?	49



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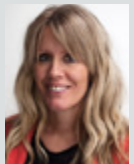
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The background is a light gray color, overlaid with a variety of abstract geometric shapes and lines. These include solid lines in white, orange, red, and yellow. There are also dotted lines in white, red, and yellow. Large, rounded rectangular shapes in dark gray, red, and orange are scattered across the page. The overall aesthetic is modern and dynamic.

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