

February 2024

The American Trends Shaping the Business of Sport in Australia



Ministry
Of Sport

YouGov[®] Sport

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Introduction

In recent years, the landscape of sports business in Australia has been influenced by trends emanating from the United States. As a global powerhouse in sports, the United States not only sets the bar for athletic excellence but also drives innovation and evolution within the industry. These trends have left an indelible mark on how sports are managed, consumed, and monetised in Australia. Understanding and adapting to these trends has become imperative for Australian Sports Organisations, businesses, and stakeholders seeking to thrive in an increasingly interconnected and competitive marketplace.

The following whitepaper developed by YouGov Sport highlights key trends including the infiltration of streaming providers into the sports broadcast market, the introduction of paid sports subscriptions to exclusive content from leagues and clubs, adaptations in rules and formats to keep in-step with evolving fan preferences, and the increasing importance of international marketing rights for sports teams, which are reshaping the landscape of sports business in Australia.

SECTION 1

Live Sport Streaming



As the cost of sports media rights continues to climb, the proliferation of over-the-top broadcasting has brought fresh players into the bidding market. American companies such as Amazon Studios, Paramount+ and Apple TV+ have led this charge in line with increasing appetite for streaming content among sports followers.

As noted in the YouGov Sport Whitepaper published in 2023 (*The Global Sports Media Landscape*), ‘watching live on video streaming services’ was the second top way that U.S. engaged sports fans consume the sports they regularly follow.

Top three ways Engaged Sports Fans consume the sports they regularly follow - By Country

Country	1 st	2 nd	3 rd
Global	Watch live on TV 51%	Social Media 33%	Reading print or online 25%
Australia	Watch live on TV 54%	Social Media 32%	Watch non-live video online 26%
US	Watch live on TV 61%	Watch live on video streaming services 30%	Social Media 26%

Q: Which, if any, of the following ways do you engage with the sports you regularly follow? (I.e. in the last 30 days)

Emergence of Live Sport Streaming





In the NFL's most recent broadcast deal totalling \$110 billion, Prime Video became the first streaming service to exclusively carry a package of NFL games as the exclusive broadcaster of Thursday Night Football. Apple TV+ is now broadcasting Friday Night Baseball and Major League Soccer matches live with only a select few on Fox/FS1. Netflix have started to dip their toe into live streaming, with new concepts like the Netflix Cup (Golf and Formula 1) and the Netflix Slam (Tennis), – both of which have leveraged the success of the platforms docuseries' Drive to Survive, Full Swing and Break Point.

In the first section of this whitepaper, we investigate the changes in viewership and Brand Health that have followed Prime Video's Thursday Night Football takeover.

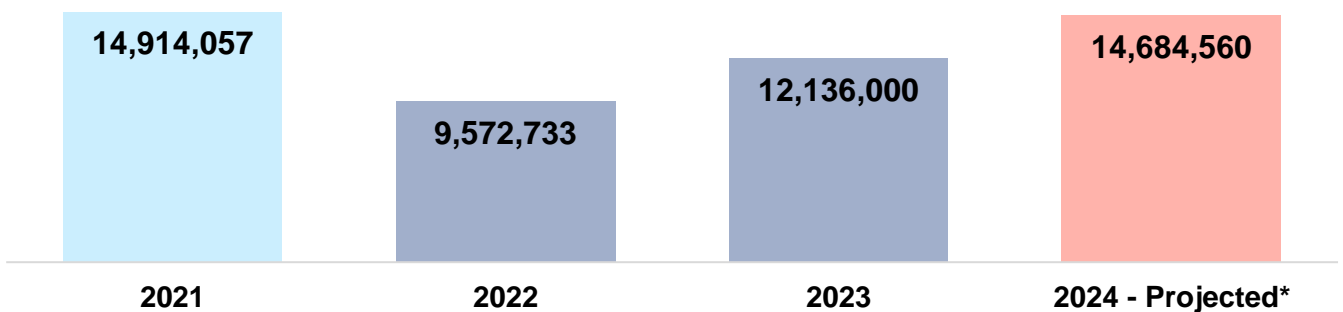
Previously, all Thursday Night Football (TNF) matches were shown on cable TV via the NFL Network channel. The majority of matches were simulcast on Fox Sports, with select fixtures were exclusive to the NFL Network and Fox taking exclusive rights to games on Thanksgiving. Streaming service Prime Video has had non-exclusive rights to Thursday Night Football since 2017, taking the exclusive rights for the 2022 season.

Thursday Night Football Audiences

Prime Video was able to outperform the NFL Network in its first season as exclusive broadcaster, delivering an average live viewership of 9.6m compared to the NFL Network's 4.3m in 2021. The NFL Network attracted an average live viewership of 7.7m for the four matches exclusively broadcast on the channel and 2.9m for matches simulcast on NFLN and Fox Sports. The simulcast matches in 2021 achieved an average live viewership of 14.9m.

Prime Video saw a 21% increase in average live viewership in 2023 to 12.1m viewers per match. If audiences continue to grow at this rate, then the streaming provider would be close to matching the 2021 simulcast average in 2024. Audience size and the number of streaming platforms bidding on the rights to broadcast live sport are expected to continue growing into the future.

Average Live Audiences for NFL Thursday Night Football



Excludes additional matches broadcast on Thanksgiving or Christmas Day – Week 12 and 16 in 2021 and Week 12 in 2023.



YouGov Sport data has shown that while watching live sports on TV remains the most common way for engaged sports fans to consume sports they follow regularly, this is decreasing in younger age groups. For younger fans, *watching live content on video steaming services* and *live streamed video content online* are continuing to increase.

Q: Which, if any, of the following ways do you engage with the sports you regularly follow? (i.e. in the last 30 days)

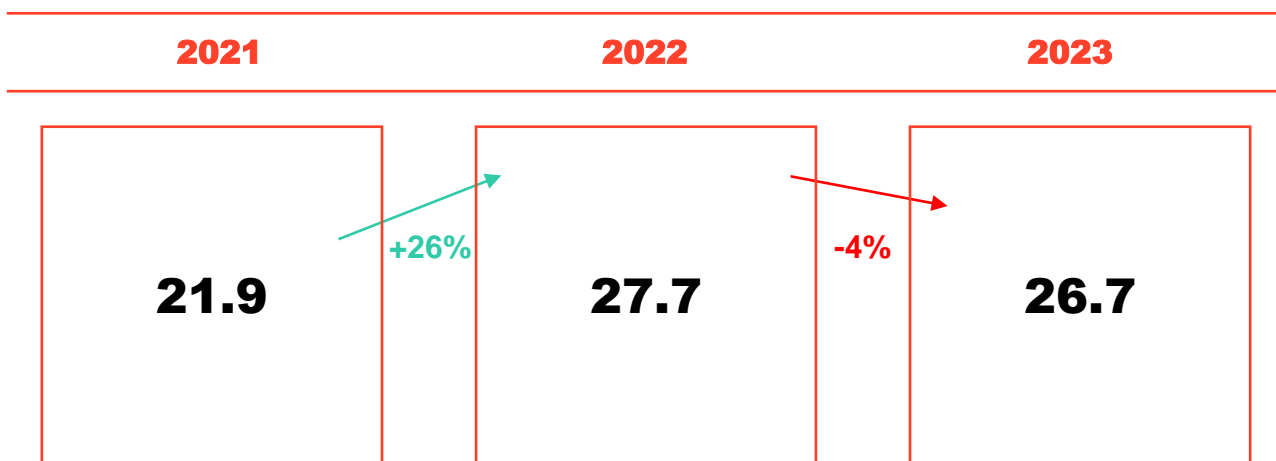
	Global total	18-24	25-34	35-44	45-54	55+	Male	Female
Watch live sports on a TV channel	51%	31%	36%	44%	56%	75%	52%	49%
Social media	33%	41%	43%	38%	33%	19%	32%	35%
Watch non-live video content online	25%	32%	31%	28%	24%	16%	28%	21%
Watch live streamed video content online	24%	31%	30%	27%	25%	13%	26%	20%
Watch live content on video streaming services	22%	22%	25%	24%	23%	17%	24%	19%
Watch non-live sports on a TV channel	20%	19%	20%	21%	22%	20%	23%	18%
Watch non-live content on video streaming services	10%	14%	16%	11%	10%	4%	11%	7%
Listen to sports podcasts	10%	12%	13%	13%	9%	4%	11%	7%

Amazon Prime Brand Health



While TNF viewership across Amazon Prime appears on track to outgrow audiences generated by previous broadcasters, Amazon Prime has also seen an uptick in Brand Health amongst NFL fans in 2022, the year when it became the exclusive broadcaster of TNF.

YouGov's Brand Health metric is tracked through BrandIndex and is an average score of the 6 Brand Health metrics: Value, Quality, Impression, Reputation, Satisfaction and Recommend. This suggests that NFL fans were very happy with the coverage that Prime Video provided for TNF in its first year and retained these improved perceptions of the brand into 2023. A win-win for the NFL and Amazon Prime.





SECTION 2

Exclusive Content Subscriptions

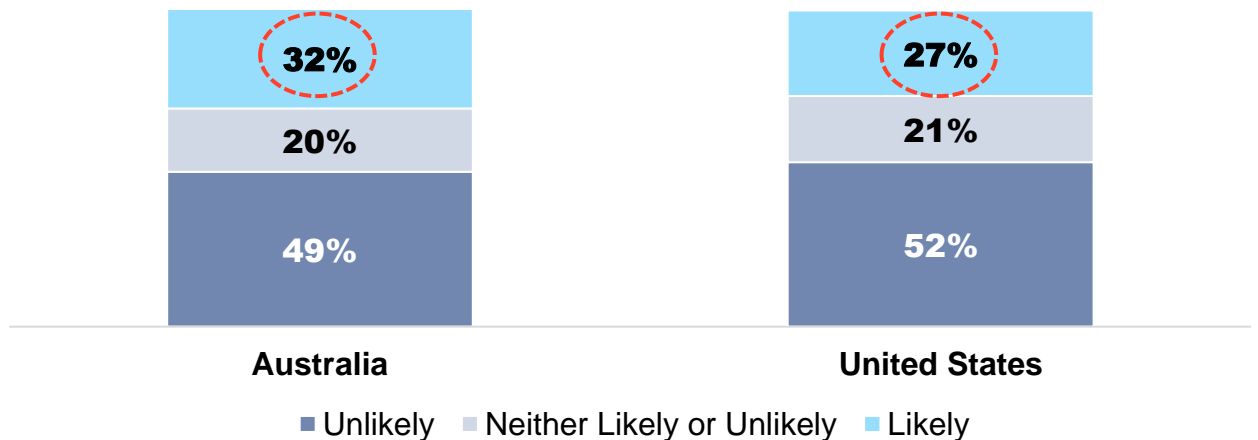


Australian vs US Sports Fans

In the United States, paid sports subscriptions for exclusive content, such as NBA League Pass and NFL Game Pass, have transformed the fan experience. With an increase in demand, these subscriptions offer unique access to live games, highlights and behind-the-scenes footage. While standard streaming subscriptions are prevalent in Australia, there is potential to expand paid exclusive sports content further. This shift aligns with evolving fan expectations, digital innovation, and the pursuit of new revenue streams for sports leagues and teams.

Australian sports fans are significantly more likely to subscribe to a monthly paid subscription offered by their favourite sports league or club when compared to American sports fans (**32% vs. 27%**). This highlights an opportunity for Australian sports leagues and teams to capitalise on the interest in paid subscriptions to exclusive content, presenting an avenue to generate revenue and offer fans a personalised and enhanced experience. This also provides further opportunity for brands to market through these channels.

If your favourite sports league or club were to offer a monthly paid subscription to exclusive content including access to special highlights, behind the scenes footage and player interactions, how likely would you be to subscribe?

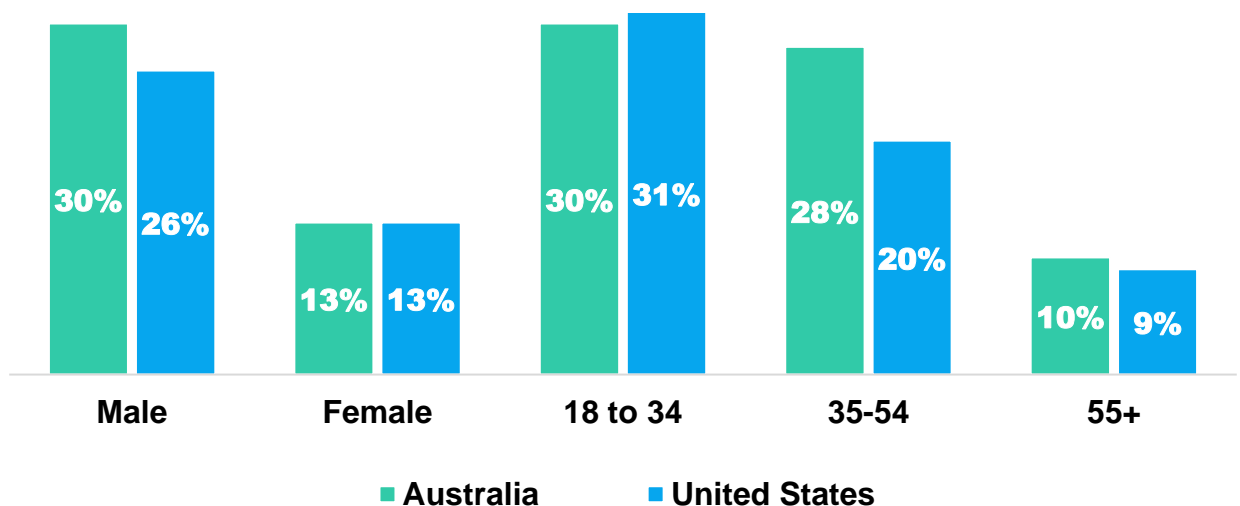


Australian vs US Sports Fans – Demographic Split

Among the Australian population, males are significantly more inclined to subscribe to a paid sports subscription for exclusive content from their favourite sports club or league compared to females, while younger Australians are more likely to subscribe than the older population. Similar trends are observed in the US population.

However, among Australians aged 35-54, the likelihood of subscribing is significantly higher compared to Americans in the same age bracket (**28% vs. 20%**). Furthermore, the male cohort shows a strong difference between Australia and the US, with Australian males more likely to take out a subscription (**30% vs. 26%**).

Demographic Split of Those Likely to Subscribe to Exclusive Sports Content (Australians vs. Americans)





Trends within YouGov's data emphasise that sports leagues with broader local appeal and more widely-accessible free content, like AFL (**38%**) and NRL (**42%**), are less likely to see interest in paid subscriptions for exclusive content.

Conversely, sports primarily broadcast on subscription platforms are more likely to attract interest in exclusive content, likely because their respective fanbases are more accustomed to paying for game access.

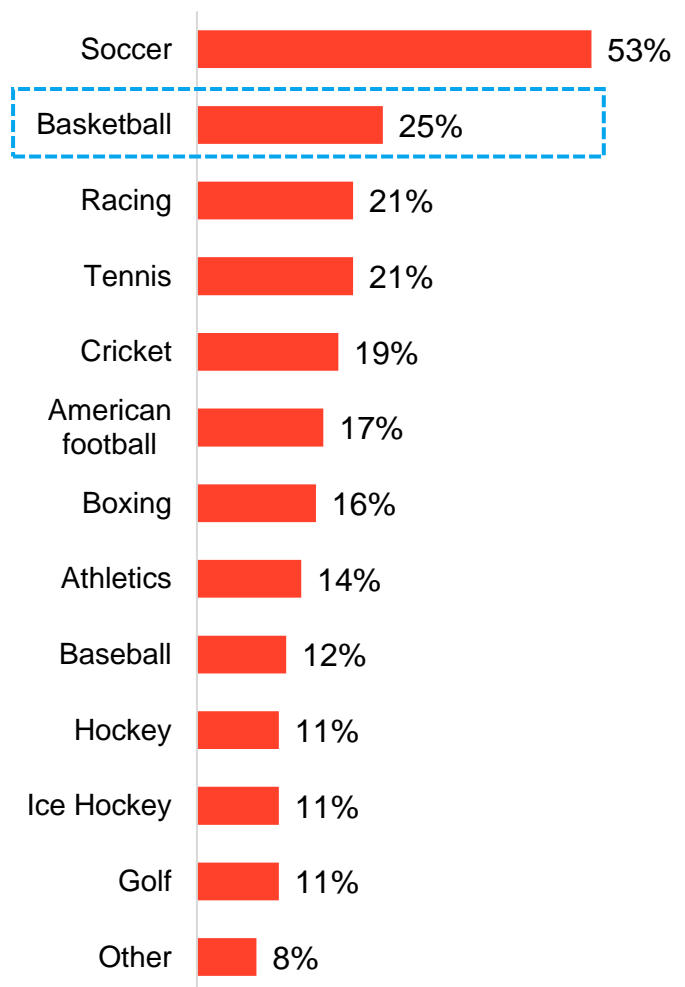
This is evident among the NBL fanbase (**60%**), which emerges as the most inclined to subscribe to a paid sports service among all major male sports leagues in Australia.

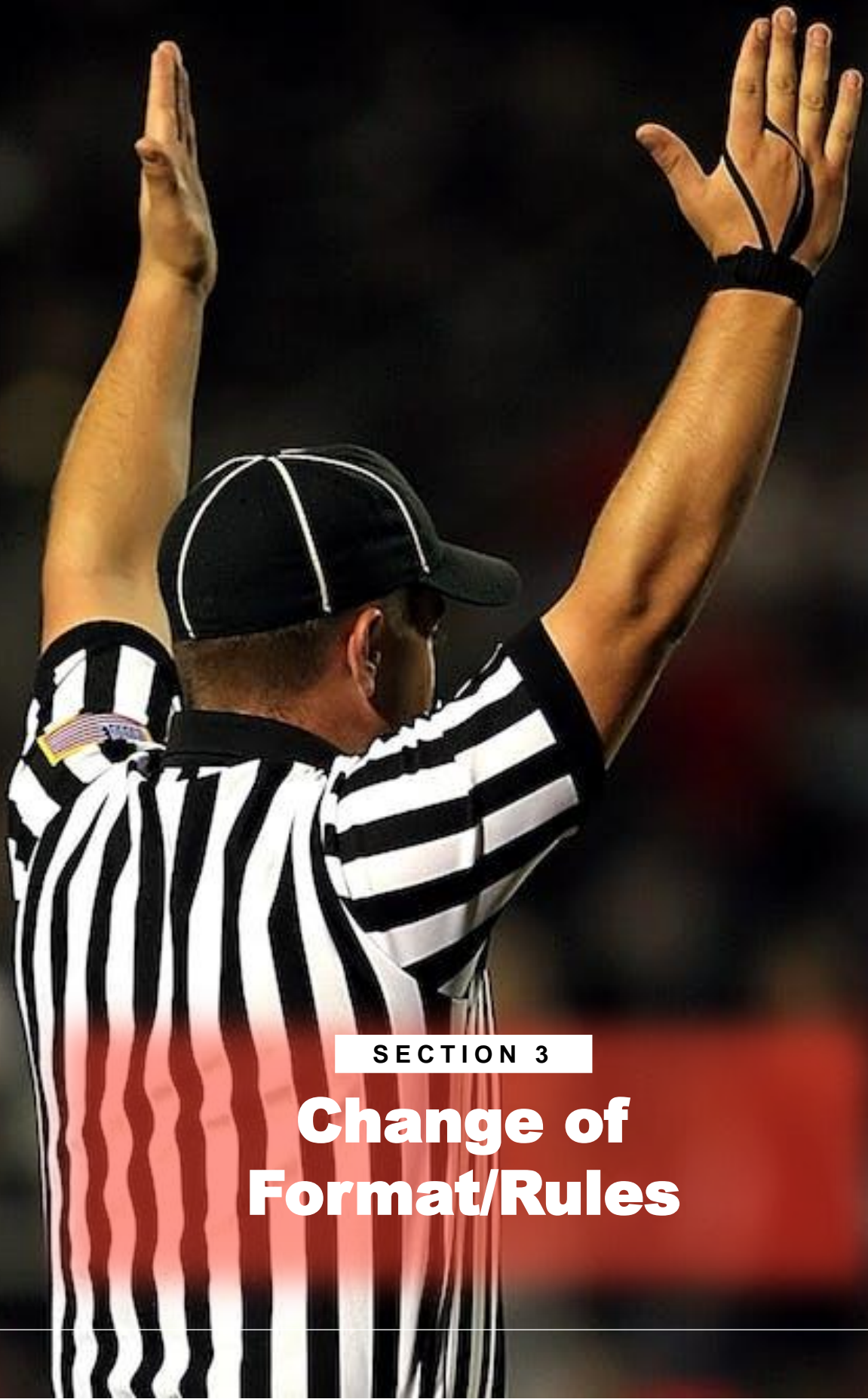


This aligns with findings from YouGov’s Global Sports Datasets which identify basketball as the second most popular sport globally for accessing exclusive content through subscriptions, with subscription offerings in the NBA including; the NBA League Pass and NBA ID. These subscriptions offer 24/7 access to NBA TV, customisable statistics, condensed games, voting for special player awards, exclusive player and team content, early access to new merchandise, specialised seating section access, and opportunities to win free seats to games.

Globally, soccer holds the top position for subscription access to exclusive content, a trend that is reflected in the popularity of A-League Men fans, who rank second in Australia for likelihood to subscribe to monthly paid exclusive content.

For which of the following sports do you have a subscription to access exclusive content? – Globally






SECTION 3

**Change of
Format/Rules**

Impact on MLB Gameplay

Sports leagues worldwide continuously revise their formats and rules for various reasons. In the United States, the NFL has prioritised player safety by prohibiting helmet-to-helmet contact and the 'crackback' block, while also introducing concepts like the defenceless receiver. Additionally, MLB underwent rule changes for the 2023 season to enhance the game's flow and increase the frequency of exciting plays like hits and stolen bases, all while maintaining a delicate balance between safety and preserving the essence of the sport.

MLB Commissioner Rob Manfred pointed to an attempt to return the game to where it had once been, highlighting that the game had been changing under the old rules, and intervention was needed to reinvigorate the game:



“...fact of the matter is the game evolved naturally, and it's changed dramatically. And it got to the point where it was important to intervene and make sure that we are putting the best product on the field.”

- Rob Manfred, MLB Commissioner

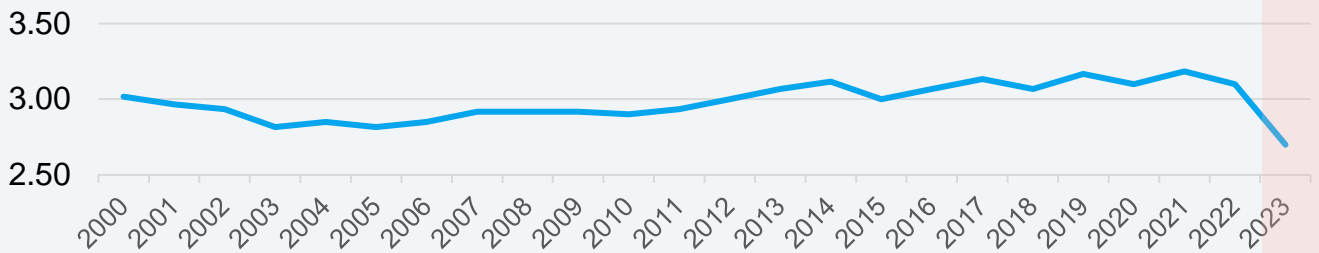
Impact on MLB Gameplay

To achieve these objectives, the MLB created several new rules, including

1

Pitch clock: A 30-second clock between batters and a 15-second clock between pitches with bases empty (20 seconds with a runner on base). This resulted in faster pace of play, reducing average game length by almost half an hour, returning to mid-1980s averages.

Average Game Length (H:M)

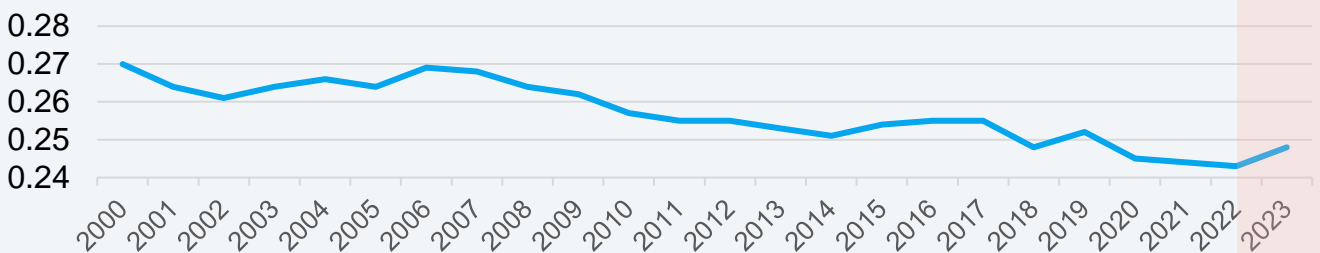


2

Defensive Shift regulation: Mandating two infielders on either side of second base within the infield, curbing the common practice of stacking infielders based on batter-handedness.

This rule aimed to counteract the 'homerun or bust' trend that had developed over decades, intending to increase the occurrence of singles and necessitate more athletic plays from infielders. As a result, batting averages saw a league-wide increase, especially among left-handed hitters, injecting more excitement and action into every inning, regardless of scoring.

Batting Average

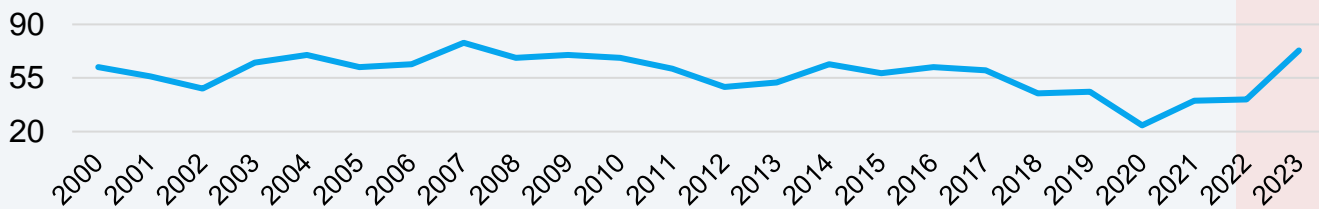




3

Increased base size + Limited pick-off attempts: Bases expanded from 15 to 18 square inches, particularly affecting stolen base attempts between first and second, and second and third. If a pitcher attempts to pick-off a runner three times without success, the runner is awarded a base. Impact: Enhanced lead-offs for runners on first, decreased repeated pickoff attempts, leading to a resurgence in stolen bases, with 2023 recording the highest league total since 1987. 2023 steals leader had the most individual since 2007 and an 84% success rate.

MLB Leader in SB



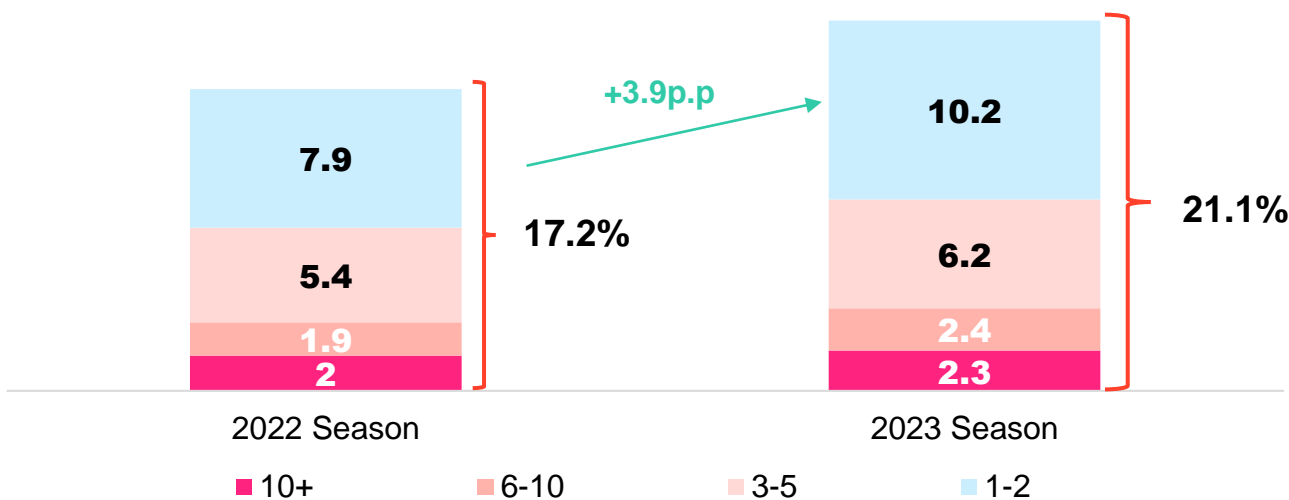
Impact on NFL Gameplay



The impact of these rule changes tells a clear story of a league striving to enhance the excitement of their game, with the goal of attracting increased viewership, attendance and associated commercial gains. The effect on live attendance is evident as indicated by a notable increase in attendance frequencies.

This trend is further reflected in viewership frequency numbers, particularly among dedicated viewers who watch; some regular season games, playoffs, and most games, seeing an uplift from the 2022 to the 2023 season. Encouragingly, the proportion of fans completely disengaging from viewing games has decreased, dropping from 9% to 7.8% since the implementation of the rule changes.

Live Game Attendance MLB Fans

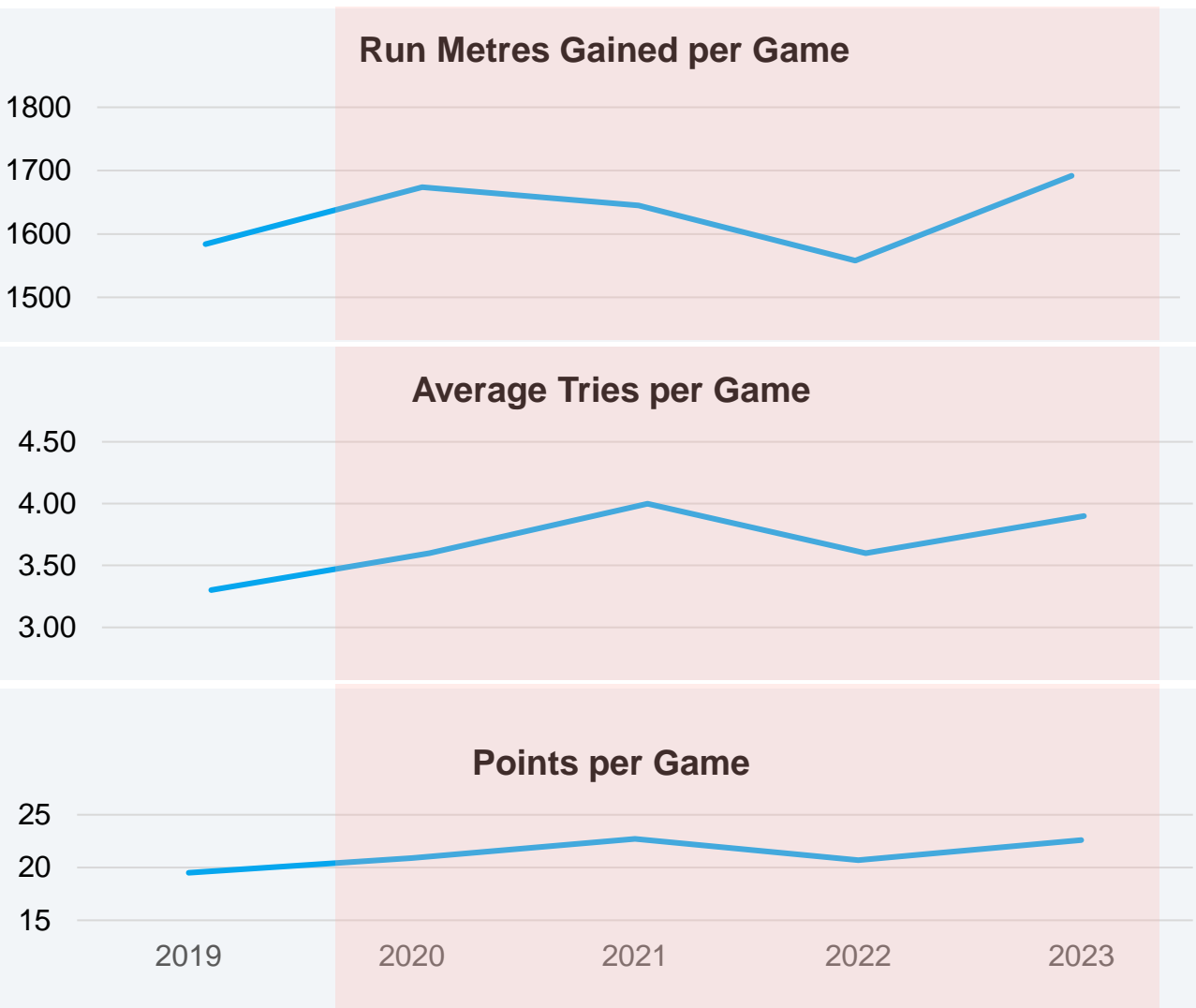


Impact on NRL Gameplay

Rule changes implemented in the Australian sports landscape are also proving impactful. In the 2020 season, the NRL introduced the 'six again' rule to enhance game flow and elevate the viewing experience. Unlike Baseball, Rugby League features a continuous clock, but it faced similar issues with frequent dead ball moments.

The NRL noticed defensive players prolonging rucks to reset their line and catch their breath, prompting the implementation of the 'six again' rule. This rule allows referees to reset tackles without stopping play for a ruck infringement, leading to observable improvements in game statistics such as Run Metres Gained per Game, Average Tries per Game, and Points per Game, all of which have trended upwards since the six again rule was implemented.

Rules Change: Six Again





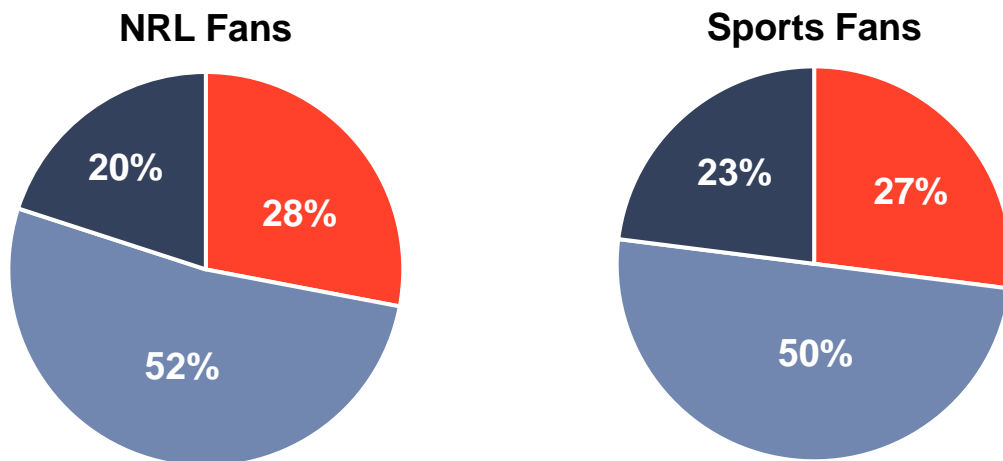
The 'six again' rule has had minor adjustments since it was introduced, such as adjusting which areas of the field qualify for enforcement of the new rule in 2022. This has created some level of fluctuation on a year-on-year basis in these statistics, however there is still a clear trend towards an increase in these key statistics.

These statistics illustrate an increased emphasis on open, attacking play, with a greater number of points being scored resulting in a more dynamic and exciting game.

Attitudes to Rule Changes



While changes can risk disengaging existing fans, over half of NRL fans expressed openness to format or rule changes aimed at enhancing gameplay quality and excitement, indicating widespread support for league improvements.



- Against format or rule changes and prefer how it always has been
- Open to format or rule changes which may improve quality/excitement of gameplay
- I don't mind if the format or rules change

More generally, **1 in 2** sports fans are supportive of rule changes that are designed to improve the quality and excitement of gameplay, while **23%** are indifferent. This represents an opportunity for Australian Sports, as it shows there is an appetite for continuous reform and adjustments of rules, provided they elevate the game's overall appeal.



SECTION 4

**International Partnership
Expansion**



Fans in Australia

Introduced in early 2022, the International Home Marketing Areas initiative provides NFL clubs with access to global markets for the purpose of marketing, fan engagement and commercialisation. This initiative aims to enable clubs to build their global brands while driving the international expansion of the NFL fanbase. Australia has been identified as a key emerging market with opportunity for the NFL.

As part of this initiative, the LA Rams and Philadelphia Eagles have received approval to engage in marketing efforts in Australia. With 290k and 291k fans in Australia respectively, this move not only enhances potential to host an NFL game but is also a step towards expanding the league's presence in the Australian market (and for Australian leagues and teams, builds in a new layer of competition for fan attention).

213,000

Australians support the Los Angeles Rams.
86,000 are avid fans.

196,000

Australians support the Philadelphia Eagles.
79,000 are avid fans.

Demographics – NFL Fans

Looking at the demographic breakdown of NFL fans in Australia compared to those in the United States reveals distinct differences, highlighting the potential for NFL teams to explore marketing opportunities in other countries. Targeting the Australian market allows NFL teams, including the Rams, to reach a broader audience within the 35-44 age group and full-time employees compared to their counterparts in the United States. This demographic represents individuals often with established career paths and higher disposable income, providing NFL teams with the opportunity to reach a group that may have stronger purchasing power. Their increased purchasing power enables greater engagement in premium experiences and merchandise acquisitions, offering the potential to build brand loyalty and foster a resilient and consistent consumer base, therefore developing long-term support for the NFL in Australia.

Additionally, there is a notable potential to appeal to more families with children under 18, presenting an extended opportunity to establish the NFL as a family-oriented sport. By tailoring marketing strategies to appeal to families, NFL teams can create a multi-generational fanbase. Introducing the sport to younger audiences offers the prospect of instilling a lifelong affinity, as children often adopt the interests of their parents.

FAN NUMBERS		
	Avid Fans	Core Fans
AU	1.0m	2.9m
USA	56.3m	108.1m

		AU	USA
GENDER	Male	69%	57%
	Female	31%	43%
AGE GROUP	18 - 24	9%	12%
	25 - 34	23%	18%
	35 - 44	31%	17%
	45 - 54	16%	17%
	55+	21%	36%
EMPLOYMENT	Full-Time	61%	39%
	Part-Time	17%	13%
	Retired	10%	18%
CHILDREN UNDER 18	Yes	54%	37%
	No	43%	59%
	Prefer not to say	3%	4%

NFL Fans In-Market Sectors

NFL fans in Australia significantly over-index compared to the general population across various in-market categories, indicating a compelling prospect for global marketing expansion. Notably, NFL fans in Australia are more than twice as likely to purchase a car in the next 12 months and order food delivery in the next 30 days compared to the general population. This presents a prime opportunity for brands in these sectors to partner with NFL teams, like the Rams, and capitalise on the heightened interest of this audience. Collaborative efforts can leverage the consumer behaviour of NFL fans, developing mutually beneficial relationships and enhancing brand presence in these specific sectors.

In-Market Sectors Among NFL Fans in Australia (Top 10)

	NFL Fans	Nat Rep
Personal Care (Next 6 months)	81%	68%
Packaged Foods (Next 30 days)	80%	66%
QSR (Next 30 days)	75%	52%
Alcohol (Next 30 days)	70%	49%
Paid Accommodation (Next 6 months)	70%	50%
Telecom/Internet/Pay TV (Next 12 months)	69%	50%
Book Flight (Next 12 months)	68%	48%
Electrical Goods (Next 12 months)	64%	38%
Food Delivery (Next 30 days)	59%	28%
Buy New Car (Next 12 months)	44%	19%

Green/Red indicates significant difference between groups at 95% CI

February 2024

Thank You

YouGov is an international research, data and analytics group. We have been building an ever-growing source of consumer data for over **20** years, creating the richest and most complete understanding of your customers' complex lives. We call it living data. Understand what **24 million+** registered panel members in over 55 markets are thinking, on over a million - and growing - data points. Re-Contact and dig deeper to explore, plan, activate and track marketing activity with certainty, at speed, every time.

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