



## **Pandemic impacts on professional sports**

*Football clubs' digital transformation, the only way out!*



## PANDEMIC IMPACTS

According to *Sports Value*, world professional sports fell **12%** in 2020, almost **US\$ 21 billion**, by the pandemic impacts.

By our calculations, professional sports revenues that moved **US\$ 171 billion** in 2019 fell to **US\$ 150 billion in 2020**.

Teams around the world lost matchday revenues, saw cuts in TV rights and many were forced to reconsider their sponsorship deals, in a "new normal" of the sports world.

Clubs in Europe have experienced losses of more than **€ 2 billion** in 2020 and by 2021 the scenario will be even worse.

# PANDEMIC IMPACTS

Football clubs that best survived the pandemic, were those that joined four major efforts concentrated and simultaneously during the crisis.

*The 4 major management efforts in the COVID-19 era:*

***Good management, player sales, creative marketing and innovation have made a difference!***



Reduction of annual costs and expenses by 10%.



+

Players' transfers



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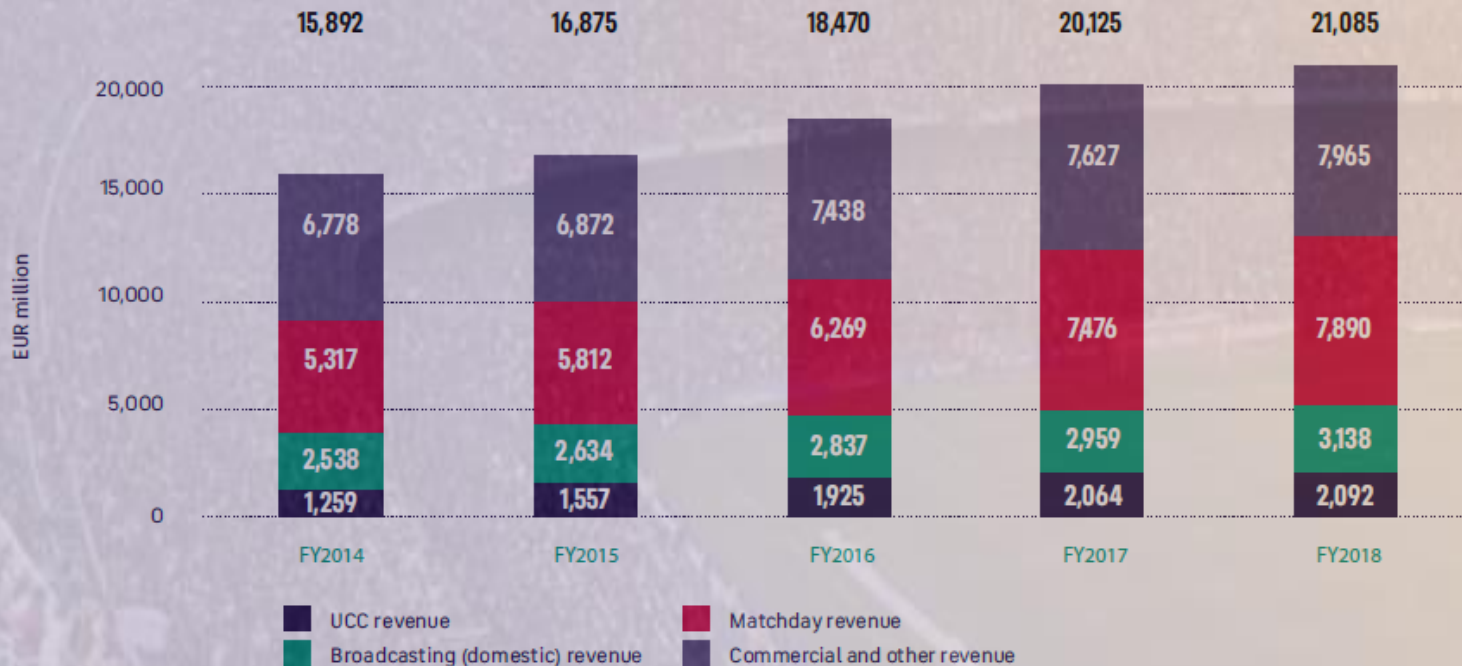
Creative sports marketing



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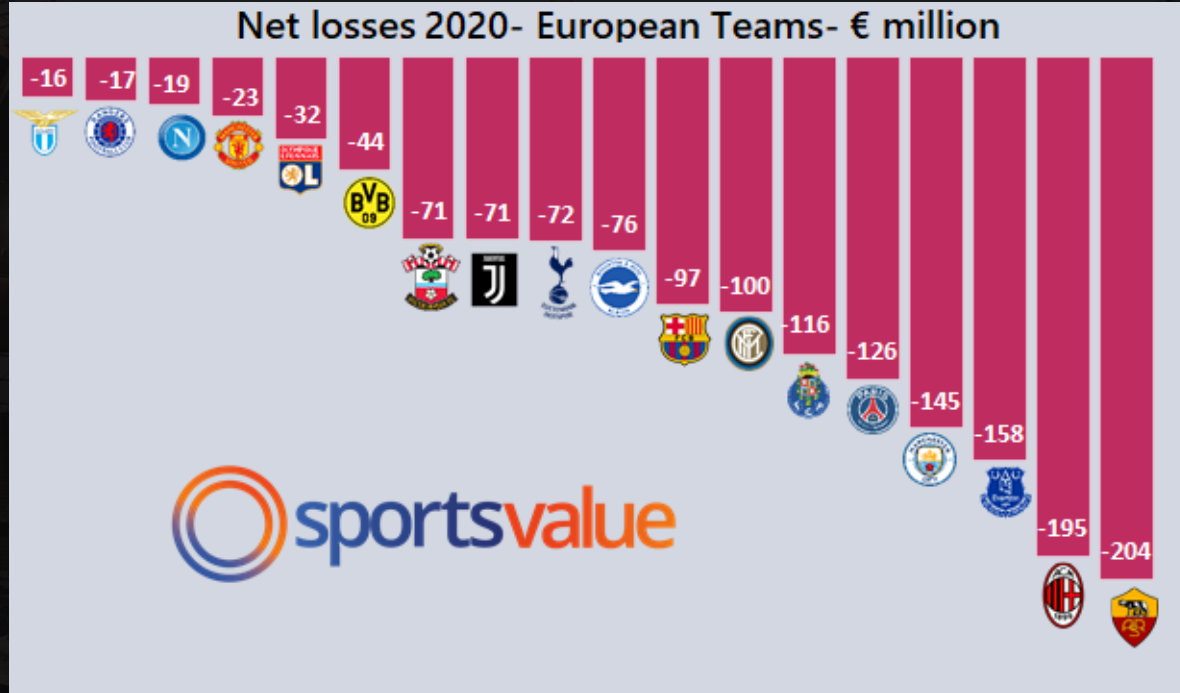
Innovation and technological disruption.

**FIGURE 6. EVOLUTION OF REVENUE LEVELS BY INCOME CATEGORY ACROSS ALL TOP 55 DIVISIONS**

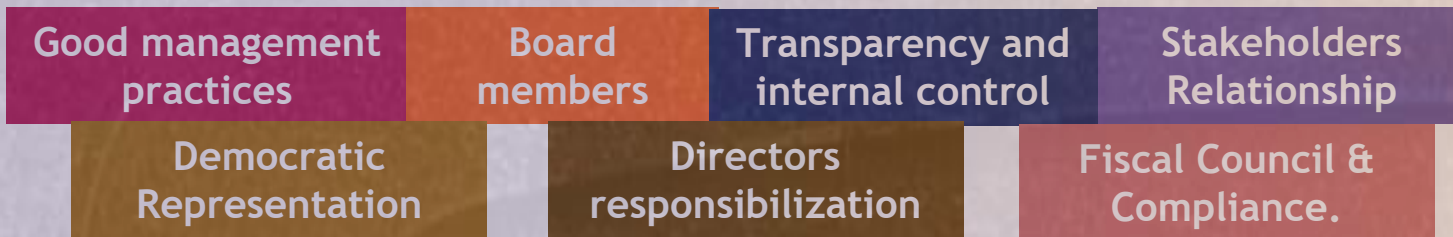


Source: KPMG Football Benchmark

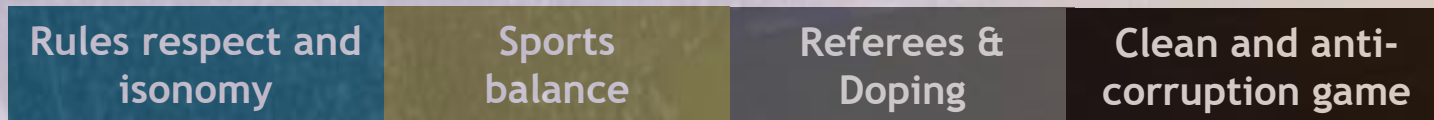
# EUROPEAN CLUBS WITH HEAVY LOSSES IN 2020



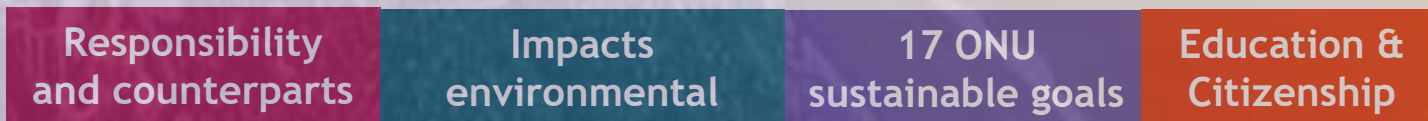
## Management and Governance



## Game integrity



## Social and Environmental



***Digital  
transformation, the  
only way out!***

# DIGITAL TRANSFORMATION

## Digital, data and exclusive content

Pandemic should have accelerated the digital transformation of clubs.  
Clubs need technological innovations and new marketing concepts.

## Fan engagement

Teams have millions of passionate, engaged and connected fans.  
The potential for monetization is in the billions of dollars annually.  
Marketing and digital departments that work this connection, being sponsors or clubs  
will grow a lot in revenue digital deliveries and purpose.

## Data Driven Sponsorships

Brands want data, innovation, creativity, purpose and content marketing.  
Visibility alone no longer makes sense to sponsors.

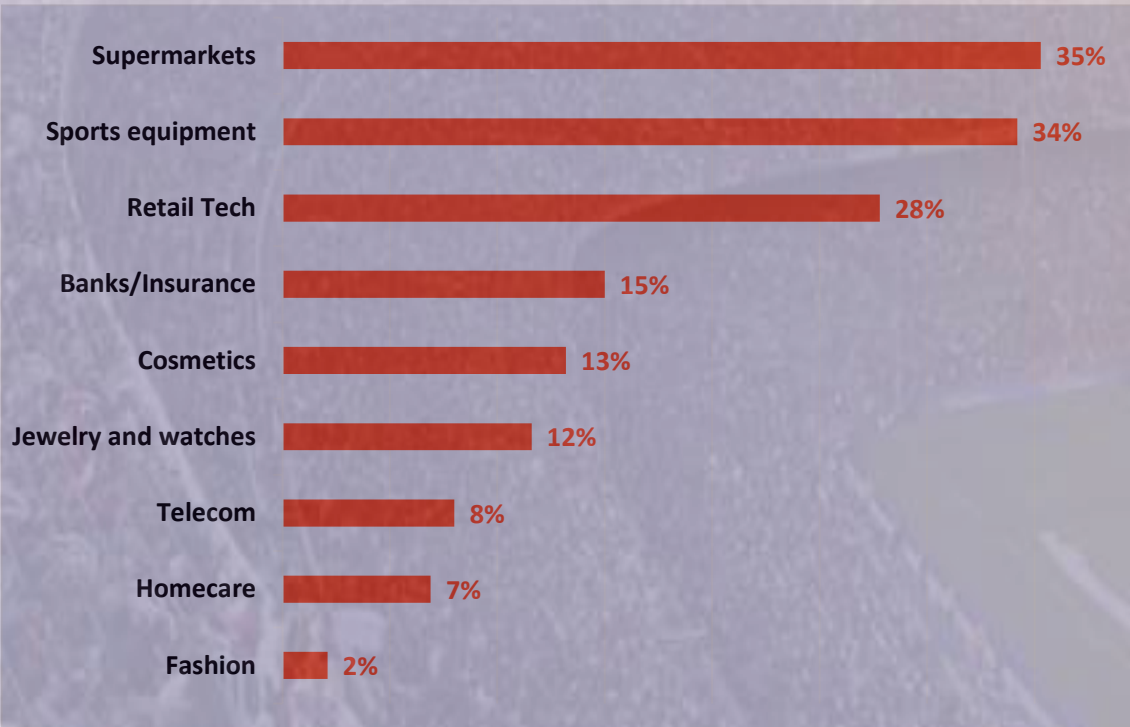
## Monetization of own content

Highlights, docs, behind the scenes, historical images, e-Sports, mobile, fantasy.



## Marketing & Promotional

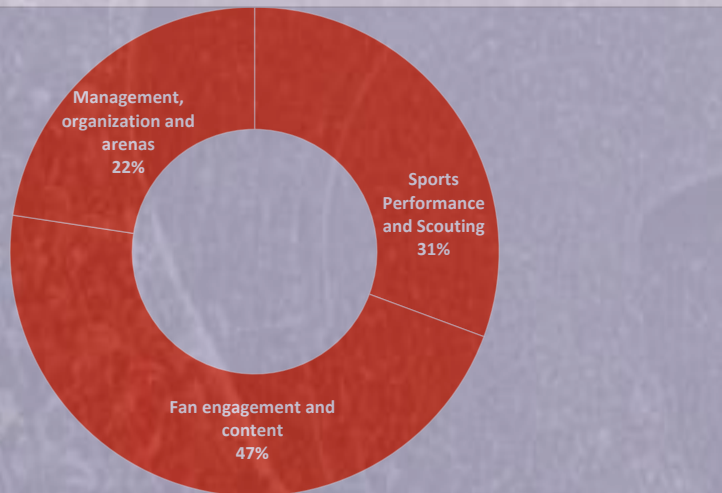
World-Most Popular E-commerce Items World- Pandemic 2020



Home gains new dimension for people, including in sport.



## Sportstech in the world



Fonte: Sportechx

Sports startups have already received investment of more than US\$ 19 billion worldwide. Football only US\$ 656 million.

### Innovators in Football



## Changes in fan habits- Each generation consumes football in its own way

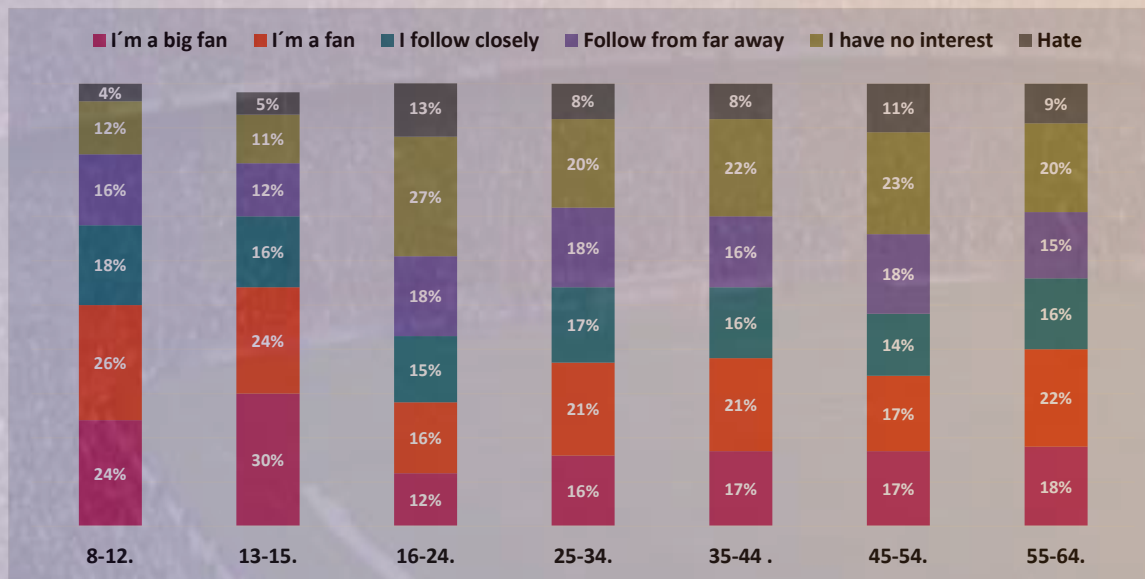
European Club Association (ECA) survey in Europe, brought frightening data on football consumption among the youngest.

According to the study published in 2020, **40% of 16- to 24-years-old** in the world do not like or have an interest in football.

In addition to the monotony and lack of patience with the games, other factors also weighed.

Lack of identification with the values of football, were also highlighted by young people.

Research on generations and football-2020



Source: ECA

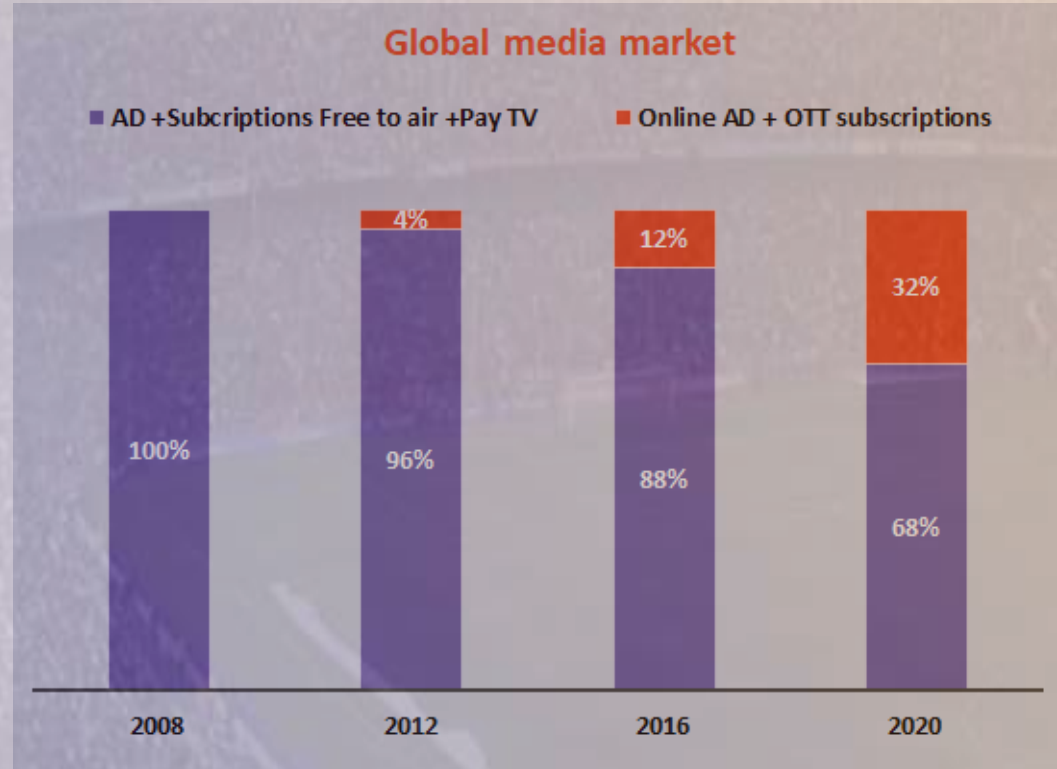
**40% of 16-24 years old do not like football, compared to 16% of 8-15, 28% of 25-34, 30% of 35-44 and 34% of 45-54.**

Sports Value participated in debates in April 2021, at the largest U.S. streaming event, the **Stream TV Show Summit**.

Online advertising and subscriptions of streaming services, which represented 4% of the total global media market in 2012, today already represent 32%.

Global rights market is being impacted by the entry of new players, acquiring digital content transmission.

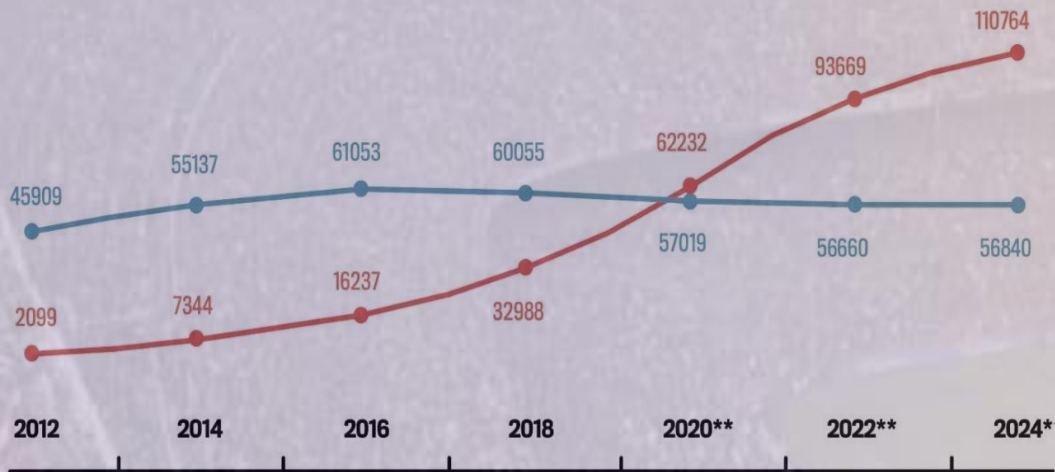
## Global Media Market



Source: Ampere

*For the first time streaming subscribers surpassed Pay TV in Latin America*

Pay TV Subscribers X Streaming - Latin America- In 000



\*Over-the-top (OTT) services are streaming media offered directly to viewers via the Internet, bypassing cable, broadcast, and satellite television.

\*\*Projections

— Streaming (OTT\*)  
— Pay TV



Latin America has 62 million streaming subscribers.

Source: Limelight Networks

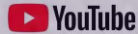
# STREAMING REVOLUTION

## New players with lots of resources

### Giants in consolidation



### Digital giants buying rights



### Streaming giants buying rights



### New giants



### Why sports?

- *Live streaming is unique;*
- *Highlights & behind de scenes;*
- *More time connected;*
- *Fan engagement;*
- *Sales with value added and emotion.*
- *Sense of belonging.*



### Streaming challenges

- Keep the audience for the entire match.
- Create advertising revenues.
- Work in a complementary way with the TV.
- Turn the platform into a marketplace and data analytics.

# WHAT SPONSORS WANT?

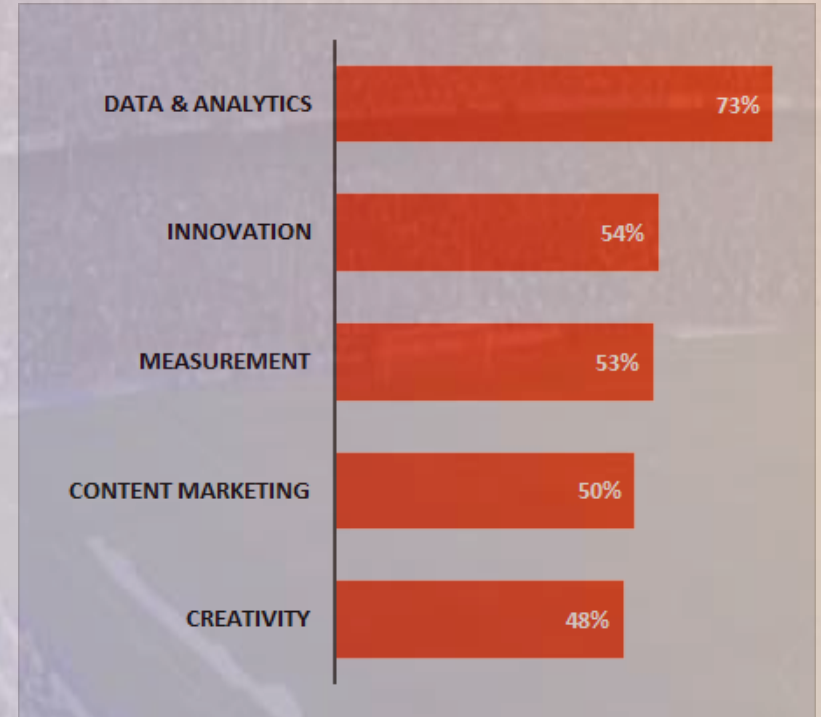
Stadiums, concerts, sporting and cultural events without public for some time.

Huge lack of entertainment experiences.

High value of online sports content. Especially better moments and backstage.

According to IEG data, 63% of U.S. sponsors are rethinking their investments. Another 31% expect reduction of the amounts paid or more time without paying. 20% will decrease investments and only 15% will do nothing with their funds.

## Priority post-pandemic factors for sponsors in Europe



Source: European Sponsorship Association-ESA

# WHAT SPONSORS WANT?

**Current marketing best practices require deep understanding from sports marketing executives, on how to exploit this changing market.**

**65% of the sponsors interviewed by the European Sponsorship Association will be able to look for professional qualification for sports marketing teams.**





Sports Value and Zeeng Data Driven established a strategic partnership to analyze digital assets worldwide.

Sponsors, teams, leagues, federations, rights holders, all of them can use our digital valuations, data analytics and trends reports to stablish upcoming strategies.

[Sports Value published primary insights about Brazillian football digital assets here \(on page 95\).](#)

**Our digital assets valuation considers:**

- Social Assets- Total followers
- Total interactions- Number of interactions
- Interactions relative, efficiency in each post
- Zeeng Score- Web analytics, news and social network.



**Thank you!**



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