7 DIGITAL TRENDS IN SPORT

JANUARY 2021

Seven League

FOREWORD

Nobody reading this needs to be told yet again that 2020 was a year like no other – or why it was. The sports industry, like every other sector, spent the first couple of months of the year forecasting for a decade which will now be reshaped by the virus that was about to hit all of us in one way or another.

Here at Seven League and the Mailman Group, we recognised immediately that COVID-19 and everything it caused, including major pauses in live sports and severe lockdowns for the public including sports consumers, would be an accelerant for digital transformation.

Many major sports rightsholders used the pause to rethink their approach to digital. Most saw digital as one of their best routes out of the crisis.

Consequently, we saw several years of digital transformation squashed into just a few months. Every conversation that would have been about broadcast was now about streaming. Every conversation that would have been about membership was now about digital membership. And so it continued.

Whilst many sectors turned to digital platforms to reach their audiences, those platforms were also rushing to provide new product features, as the world moved online.

It will be a combination of all these factors which shapes consumer habits on digital in the next 12 months. Here at Seven League we pride ourselves on being able to predict those trends on behalf of our clients, and once per year we back ourselves to make some of those predictions public. This time around, we do so during uniquely uncertain times, but it's still very possible to see the trends that are coming up on us.

We hope you enjoy this overview – please read it, share it, and interact with it. Tell us what we got right and wrong! And most of all, we wish everyone in the global sports industry and in the technology sector a very happy new year, and here's to a brighter 2021.

Lewis Wiltshire
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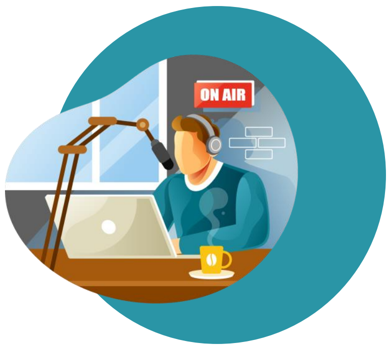
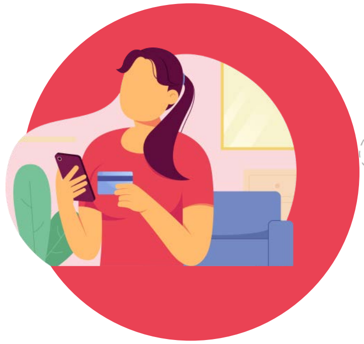




01 WE ALL WATCH TOGETHER

WHAT HAPPENED IN 2020

Where 2019 had seen examples like **Facebook's Watch Parties** and **Eleven's 'Watch Together'** it seemed that in 2020, every other streaming service introduced some element of social watching.

Instagram launched a media sharing feature that allows users to view Instagram posts together with up to six friends over video chat.

Houseparty launched its first experiential event series called 'In The House', which featured more than 40 celebrities dancing, talking, cooking, singing and working out. They encouraged users to join their friends on Houseparty to tune in and watch this live content together.

FloSports, **Sky Sports** and **BT Sport** all tested social viewing features and **Amazon Prime Video** began rolling out a co-viewing experience that allows up to 100 users to watch original content within an exclusive virtual form.

Others like **Scener** provided an interface allowing watch parties across multiple services including **Disney+**, **Netflix** and **HBO Max**.

01

HOW WILL IT AFFECT SPORT IN 2021

Consumers are becoming more used to social experiences built alongside content. New consumer tech features responsive, visual, tactile and audio interfaces that are challenging existing narrative formats. What's less clear is whether sports fans want to group together with others to enjoy a game together.

2021 will be a year where we discover if fans actually want to watch sports videos socially, or if they prefer to keep this behaviour to the second screen.

The three factors that will determine who does well with co-watching are:

- **Does it work?** The actual tech and usability.
- **Is the content worth co-watching?**
- **Social graph:** are my friends using the service?

As everyone develops a watch party equivalent and the technology improves, point 1 will be less of a differentiator. Premium content will retain its primacy but as with messaging services, fans will be drawn to co-watching services that their friends use. The functionality is nothing without the social graph.

02 SPORTS ADOPT SOCIAL COMMERCE

WHAT HAPPENED IN 2020

Social media companies made it easier for businesses to sell physical products. The **Facebook** suite of brands, in particular, now provides an end-to-end ecommerce ecosystem from discovery and inspiration through to purchase, fulfilment and customer service.

Facebook and **Instagram Shops** got new design layouts for featuring single products or groups of products in Shops, real-time previews of collections as they are designed, as well as new insights to measure results in Commerce Manager.

In March, Facebook launched **Instagram Checkout**, a feature that allows users to buy products from brands directly on Instagram without leaving the app. By September, the **Milwaukee Bucks** became the first professional sports team to successfully incorporate the feature onto their Instagram account. Their 2019/2020 NBA MVP Collection saw 22% of transactions occur via Instagram Checkout.

Messaging buttons on Shops made it easier for people to contact businesses through **Messenger**, **WhatsApp** and **Instagram Direct**. WhatsApp now allows businesses to list their catalogues, users to browse items and add them to their carts and send orders through to merchants for purchase. The platform is also offering free storage to merchants to host their business's messages.

TikTok has been experimenting with a variety of shoppable content formats, a 'shop now' button for influencer videos and has struck a deal with **Walmart** that will see the retailer showcase buyable products during a TikTok live stream.

Publishing brands like the **New York Times** (via the NYT Store) have been turning to these tools to diversify and grow revenue. The **Bleacher Report Shop** now accounts for 10% of the brand's revenue and is nearing 25% year-on-year growth. Its merchandise model is based on driving hype around a number of drops, like its **NBA Remix** line, which it releases at key shopping and sports moments during the year.

HOW WILL IT AFFECT SPORT IN 2021

In our recently released 3rd Age of Sport manifesto, we stated that sports organisations will need to diversify their revenues – ecommerce is a central part of this. Sports are no longer just live events businesses, they are retailers, media houses, advertising platforms and community hubs. If 2020 was the year they realised it, 2021 will be the year they begin to act like proper online retailers.

Sports organisations have spent years building huge social media audiences, with some questioning the value of doing so. Now is the time to start generating new ecommerce revenues, alongside servicing sponsors.

Sport will need to understand that access to audiences doesn't come for free and it will need to pay platforms to reach and transact with audiences. Facebook charges a 5% fee per transaction – that's substantially more than the cost of the credit card payment processor on the brand's owned ecommerce website, but the service grants access to an audience that may well never visit that site.

Either way, it will be critical to curate a set of product offerings that fans genuinely want. In 2021, sports organisations will think long and hard about how to improve their product lines beyond new kit releases. A key content pillar will be 'shoppable' content, likely to be topical and in limited runs – certainly desirable products are needed to fill the too-common void between relatively pricey replica shirts and lower value, generic licensed products.

Ecommerce will be part of a wider digital transformation journey. It requires a different set of skills to those within most sports organisations – product ideation, creative campaign planning, timely production and fulfilment, even managing product returns and refunds.

03 BROADCAST RE-VERSIONING

WHAT HAPPENED IN 2020

2020 saw more versions of sport broadcasts: the same game packaged up differently for different audiences.

Most recently the **NFL's Super Wild Card Weekend** game between the **New Orleans Saints** and the **Chicago Bears** was given a completely different treatment by **CBS** and **Nickelodeon**. As well as slime dumps in the end zone, close-ups of players filtered with googly eyes and other graphics and animated re-enactments of plays from previous games the broadcast had a 'kid-friendly' commentary team and was reportedly Nickelodeon's fourth most watched programme in four years.

Amazon Prime Video made four of its **Premier League** fixtures available to **Twitch** streamers to co-stream, meaning as well as the traditional broadcast version of the games, fans could watch through the lens of six well-known streamers. Not only did this have an amplifying effect on viewership, it provided some fans with a differentiated, and arguably more relevant version (to them) of the game.

During the opening round of the **Charles Schwab Challenge** the **PGA Tour** and **Twitter** hosted a multicast featuring nine different video streams across more than 20 Twitter accounts. Each stream carried PGA Tour Live featured groups coverage complemented with live audio and video commentary from athletes, celebrities, and other personalities, who provided their point of view on the return of the Tour.

Elsewhere, broadcasters and rights holders continued to innovate by providing more personalised and differentiated experiences for viewers. Two notable examples were the **NBA's BetStream** broadcasts and trivia overlays and **Fox Sports' MLB app** which allowed fans to control cameras.

HOW WILL IT AFFECT SPORT IN 2021

We at Seven League have long been proponents (and exponents) of localisation: creating differentiated and more relevant versions of content for different audiences based on region, language, time zone and culture.

2021 will see more live matches become differentiated, not just by geography, but also by the manner in which they are presented and distributed. As the ability to broadcast has become democratised, being the 'voice of authority' still carries weight but it means that voice is increasingly competing with a new set of voices. Sport can have both its official presentation but it can also benefit from a more diverse ecosystem of alternative creators.

We will see more watch-along formats that users will turn to as the new second screen in place of the official presenting voice of a sport. We will see versioning of live events as rights holders try to make their products more relevant to key demographics.

04 CLUBS GO D2C

WHAT HAPPENED IN 2020

2020 was the year that sport started talking in earnest about going direct-to-consumer. It was also the year that clubs saw their physical in-person revenues plummet. Both factors sharpened minds in the industry around what can be offered digitally, in terms of a subscription offering, to connect fans with the clubs they love.

Clubs and leagues experimented with virtual season tickets, to varying degrees of success, and it became clear that the value proposition and price points for digital subscriptions needed better definition and they needed to survive beyond the pandemic.

At the same time, we saw publishers and niche-interest creators establish viable subscription businesses on platforms like **YouTube**, **Substack**, **Twitch**, **Patreon** and **OnlyFans**.

Big Jet TV, a specialist YouTube account that releases videos of planes taking off and landing proved a surprise hit in this space. It uses YouTube's native subscription tools to monetise. Its two founders are reported to make close to $20,000 a month from subscriptions, of which they bring home roughly $14,000 after YouTube takes its 30% cut.

High profile journalists left big publications to join Substack. Glenn Greenwald, Matthew Yglesias and Andrew Sullivan, formerly of the **Intercept**, **Vox Media** and **New York Magazine**, respectively, all jumped ship to sell their work directly to subscribers via the service. The edgy publishing brand **Vice** chose to launch an official presence on the adult-centric, OnlyFans.

We also saw an increasing number of creators turn to Twitch, a platform that allows creators to monetise directly from their communities via share of ad revenues, subscription and bits. Twitch itself signed exclusive agreements with a tranche of top flight European football clubs and it will be interesting to see how these clubs are able to create new direct relationships (and revenues) with their communities on the platform.

HOW WILL IT AFFECT SPORT IN 2021

Fuelled by a need to diversify revenues alongside the emergence of a suite of off-the-shelf tools, we will see more sports bodies (particularly clubs) creating subscription-based direct-to-consumer offerings for fans.

In some cases, these will be extensions of existing membership and ticketing schemes with additional layers of benefits and value. In others they will be premium content offerings.

Clubs will seek to carve out new forms of value, distinct from existing ticketing or membership models. They will experiment with different price tiers that appeal more to international fans.

More imaginative and well-resourced clubs will look at offering utilities like health & fitness programmes, training regimes and the opportunity to interact more closely with the club they love.

05 THE RISE OF AUDIO

WHAT HAPPENED IN 2020

Podcasting may have received all the headlines with big deals for **Joe Rogan** and **Bill Simmons** but audio as a category saw significant movement.

2020 saw the launch of **Clubhouse**, an exclusive social network, which remains in beta and invitation-only. Clubhouse is an audio-based network that has a very different feel than text-based ones like Twitter – you hear people's voices and talk to them in real time.

A user described the experience like this: *"You might be in this giant room and people are listening but then you can go off and have a conversation in a corner—start your own room—and talk to someone one-on-one. Each room determines its own speaking privileges, which range from intimate conversations among friends to conference-like gatherings with a few 'speakers' and a large 'audience' listening in."*

Meanwhile, **Twitter** announced the trial launch of a new feature called **'Spaces'** that includes audio-only chat rooms. The test will run on iOS during the beta, offering the opportunity for users to participate in host-moderated audio conversations between two or more people. It's also working to bring standard voice tweets to Android and will make transcriptions for these tweets and other media available in 2021.

Discord, the platform originally designed for gamers to talk to one another while gaming, saw significant growth in new verticals. Voice chatting in Discord isn't like setting up a call, it doesn't involve dialing or sharing a link and password or anything formal. Every channel has a dedicated space for voice chat, and anyone who drops in is immediately connected and talking.

Meanwhile, we saw more publishers offering articles in an audio format: the **Washington Post** announced plans to make audio versions of all of its articles and a few months earlier, the **New York Times** acquired **Audm**, a platform that turns longform journalism into audio content.

Estimates suggest that spoken word's share of audio listening has increased 30% over the last six years and 8% in the last year alone. Voice app usage has also spiked during the pandemic: analysts predict that consumers will interact with voice assistants on 8.4 billion devices by 2024.

HOW WILL IT AFFECT SPORT IN 2021

There has been an explosion of technology that supports live interactive events, group chat and simply 'hanging out' together. It will be this last category in particular where audio plays a significant role in 2021, particularly if the platforms can build moderation tools that address toxicity.

Though audio-based social networking is still a relatively new concept, in its current iteration of private mobile-social 'spaces', it's proving difficult to moderate. Clubhouse, though still in invite-only testing phase, has seen several high-profile incidents of moderation failure, including the harassment of a New York Times journalist and another conversation that delved into anti-Semitism. And it hasn't publicly launched.

Nevertheless, Discord has shown the way in how it facilitates people being together online, connected by audio, and we expect in 2021 to see applications for how fans can enjoy sport together.

With consumers shifting to more audio listening rather than text reading, we also expect sports organisations to adopt text-to-speech as part of their wider efforts in audio.

06 THE GREAT FLATTENING

WHAT HAPPENED IN 2020

For some time, we've seen a gradual blending between the experience on many of the major platforms. Platforms used to be differentiated by their features; now features are adopted from one to another.

Everybody got into video, then live video, then interactive video at a similar pace. Text length for posts was no longer a differentiator for **Twitter** as it upped its character limit. **Facebook's** algorithmically-curated news feed became how most platforms manage discovery and content curation. And of course, the stories format, pioneered by **Snapchat**, became ubiquitous, from **LinkedIn**, to Facebook, to Twitter, which somewhat belatedly launched **'Fleets'**.

Meanwhile, **Instagram** launched **Reels** – and while the company claims there are 'substantial' differences between Reels and **TikTok**, it is undoubtedly Facebook's answer to the runaway success of the **ByteDance**-owned platform.

Snapchat too has been testing TikTok-like features, like letting users add licensed music to videos and has secured licensing agreements with major record labels including **Warner Music** and **Universal Music Publishing Group**. It also launched Snapchat Spotlight, a vertically scrolling, never-ending list of full-screen videos that anyone on the platform can make... sounds familiar.

TikTok, not satisfied to stay in its lane (and despite the success of its 60-second video length limit) launched tests of 3-minute long videos.

Platforms continue to innovate. In 2020, we saw TikTok adding a **'Stitch'** feature which enables users to reuse snippets of other people's video clips in order to create a seamless version of its duet product, that allows users to do responses to and remixes of others' posts. While this functionality still feels quite unique to TikTok, Facebook's recently released **Collab** app appears to be trying to capitalise on a new user behaviour.

Elsewhere, Instagram is working on **'Guides'** as an attempt to give Instagram users a way to post longer-form content that's not just a photo or video. Currently, Guides can include photos, galleries and videos sourced from either the creator's own profile, which is more common, or from other creators.

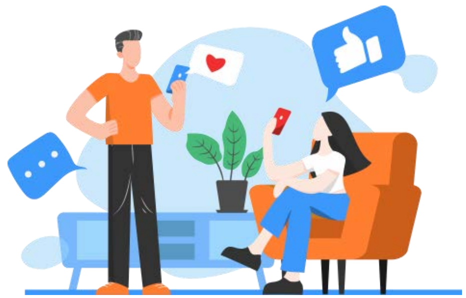
HOW WILL IT AFFECT SPORT IN 2021

Social platforms will continue to borrow from one another's product sets, leading to a 'great flattening', particularly between the established platforms. Of course, feature innovation will not go away, it's just that any successful differentiating feature will be rapidly adopted elsewhere. So it becomes about the network of users, more than product features.

In 2021, we will continue to see the established platforms looking more and more like one another and this will shift why and how sports organisations use them. For the first time we may see sports organisations choosing to leave particular platforms after evaluating the returns they are getting for the investment in each.

We will think less about how the platforms work and more about the social graph:

- **the network of people that use a platform**,
- **how easy it is to reach them on a platform**, and
- **why they go there** (for example, is it to interact with people they know or discover people and things they don't)



07 THE ERA OF THE MODERATOR

WHAT HAPPENED IN 2020

2020 saw a rapid rise in deployment of technologies that support live interactivity, group chat and simply 'hanging out' together. We also saw mass gaming platforms like **Roblox** and **Fortnite** enjoying huge upticks in use. As we've discussed in WE ALL WATCH TOGETHER and THE RISE OF AUDIO, there are a variety of new places where sports fans can be together, live.

With live interactivity now so central to the entertainment experience, whether that's responding to chat on **Twitch** or offering polls and predictions to viewers within your OTT service, moderation has become more central to content teams' expertise.

Being live also means there's very little time to carefully craft messages or even to discuss and plan a response.

Platforms like **Discord** have understood how critical it is to address toxicity to ensure the long-term health of their platforms. 15% of its staff focus on trust and safety – building better tools and rules for moderators to police negative behaviour on the platform.

Twitch encourages its users to clearly state the guidelines that govern their communities and provide tools, such as **AutoMod**, that allow creators to hold risky messages from chat so they can be reviewed by a channel moderator before appearing to other viewers, or establish a reliable baseline for acceptable language.

Lists of blocked terms and phrases have long been in the back pocket of content makers but the more subtle aspects of moderation and community management are becoming highly sought after skills for organisations wishing to take advantage of these new live entertainment environments.

07

HOW WILL IT AFFECT SPORT IN 2021

As the way in which teams and leagues communicate with fans changes from one-way broadcasts of scheduled content to two-way interaction within a live environment, the role of the moderator within a content or social media team will become more important.

Many sports organisations remain sheepish about actively engaging with their fans but they will increasingly be expected to do so.

With that comes the need to protect against bad actors, establish and enforce strict community guidelines and leverage technology that supports this.

These are important skills and will require investment. In the same way as the social media manager was an emerging job role and is now established and recognised, community managers and moderators will come more to the fore within content teams.

They will play a vital role in building value within sports organisations that want to develop their fan relationships.

To make these fan communities a success, skilled moderators will need both to encourage communication and engagement as well as ensuring that all communications and content in the community are appropriate.

They will employ distributed moderation teams, where members of their communities review and vote amongst themselves to determine whether users' content is in line with the rules and regulations. And they will deploy various tools to moderate UGC and apply community guidelines.

Seven League

Seven League is a digital consultancy which specialises in sport. We work with sports' biggest global brands to ensure their sporting excellence is matched by world-class digital performance, helping them grow and engage audiences, increase commercial value and champion tech innovation; futureproofing in an ever-changing digital landscape.

Seven League is part of the Mailman Group with offices in the UK, China, Singapore and the US. Together we help sports organisations build global media businesses.

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CONTRIBUTORS

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