



## THE NEW SOCIAL ORDER

Large proportions of sports fans in China, Russia and Brazil are using social networks such as Facebook and YouTube to watch live action according to the findings of the second annual *Global Sports Media Consumption Report* by PERFORM, KantarSport and TV Sports Markets.

**TV MAY STILL BE KING** but the increasing levels of sports consumption across social media has seen such platforms become a fundamental component of the sports media mix for both broadcasters and rights-holders.

Trends in how sports fans consume their favourite past time have been tracked for the second time in the *Global Sports Media Consumption Report*, published by leading digital sports media company PERFORM, dedicated media and market research specialist KantarSport and industry bible *TV Sports Markets*.

And according to the latest report, which has just been released, between 2011 and 2012 the number of sports fans who use social networks to consume sport has increased sharply: from 13 to 21 per cent in Britain, from 15 to 26 per cent in the US, and from 40 to 47 per cent in China.

The proportion of fans following sport on social networks who say they use social networks to watch live sport has also reached new heights, with high levels in the perhaps surprise markets of China (63 per cent), Russia (46 per cent) and Brazil (43 per cent). In France and Spain almost a third of sports fans who follow sport on social networks say they use them to watch live sport and almost a quarter in Britain, Italy, the US and Australia.

The report also finds that Facebook is way ahead of YouTube as a gateway to sports content.

In Britain, 78 per cent of fans who use social networks to follow sport say that they consume sport on Facebook, compared to 38 per cent for YouTube. The figures are 84 per cent and 35 per cent for Germany, 89 per cent and 65 per cent for the US and 90 per cent versus 64 per cent in Brazil.

In China, where Facebook and YouTube are banned by the government, local social media network Renren - the so-called 'Facebook of China' - attracts 83 per cent of those who follow sport on a social network. On March 31, 2012, Renren had approximately 154 million registered users.

Other findings of the *Global Sports Media Consumption Report 2012* report include:

- Fans in Europe and the US spend, on average, between four and eight hours per week consuming sport. This increases to over 10 hours per week in Brazil and upwards of 11 hours per week in China
- TV continues to be the dominant media for following sport, with almost all fans in each market consuming sport via this method. The uptake of HD TV remains a key way in which fans have changed their media consumption of sport in the past two years
- The adoption of internet-connected TV/ internet-enabled set-top boxes remains low across all markets except in France, China and

Russia. China has recently witnessed significant growth in the proportion of fans using this method to watch sport

• Consuming sport online is the second most popular method fans use to follow sport in all markets except Britain and Germany, where print media remains the second most popular.

#### Sharing Globally

With an estimated 1.2 billion people using social networking websites at least once per month by the end of 2011, the vast reach of social media is an obvious attraction for sports bodies. But scale is just a part of it. As Oliver Slipper, the joint chief executive of PERFORM points out, allying sport to the interactive social dimension of something like Facebook is likely to be hugely important going forward.

"If you can build applications within Facebook with all the relevant sharing functionality it becomes interesting," he says. "If you are a friend of mine on Facebook, you might be able to see what I'm watching and when I'm watching it. That prompts you to watch it when it's relevant content to you.

"Typically, your Facebook friends have similar interests to you. So, potentially, it can become a very interesting way of marketing sports broadcast and editorial services to fans. I think there are big opportunities for people that embrace Facebook. You have to do it well, with the right levels of sharing and content distribution."

In April, PERFORM launched more than 50 sports channels on Facebook through its Livesport.tv live and on-demand sports platform. The attraction for PERFORM was Facebook's "targeted advertising to reach potential subscribers for each sport" and the platform, says PERFORM, enables it to "communicate with niche fans around the world looking for special interest live sports content and use the in-built virality of the platform to target the hundreds of millions of sports fans on Facebook to share our video-on-demand sports content and drive video views globally."

#### TV Still King

The *Global Sports Media Consumption Report 2012* confirms last year's finding that the main home TV screen is still overwhelmingly the dominant method of watching live sport. However, Stephen Nuttall, senior director of sports for YouTube Europe, Middle East and Africa, argues that far from cannibalising traditional media forms, coverage on sites like YouTube is complementary.

"The heaviest users of social media are also the same people that watch the most on TV and so it would appear that the use of social media is stimulating TV viewing," he says. "For example, one of the factors which drove this year's record [National Football League]

### Selected Methods Sports Fans Use to Consume Sport, 2012

Market	TV	Online	Mobile	Social Networking
Great Britain	97 (+3.2%)	58 (+11.5%)	28 (+33.3%)	21 (+61.5%)
Germany	94 (+3.3%)	51 (+8.5%)	15 (+15.4%)	17 (+6.3%)
Spain	97 (+2.1%)	66 (+11.9%)	28 (+40.0%)	25 (+31.6%)
France	94 (+3.3%)	49 (+8.9%)	18 (+20.0%)	16 (+33.3%)
Italy	95 (+2.2%)	59 (+5.4%)	31 (+6.9%)	24 (-11.1%)
United States	97 (+1.0%)	66 (+17.9%)	34 (+61.9%)	26 (+73.3%)
Brazil	95 (-1.0%)	80 (-3.6%)	50 (+4.2%)	43 (+4.9%)
China	96 (+2.1%)	86 (+8.9%)	64 (+20.8%)	47 (+17.5%)

Note: Figures represent the proportion of sports fans claiming to use each method to consume sport. Percentage change from 2011 in brackets. Source: PERFORM/KantarSport/TV Sports Markets

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Super Bowl TV audience in the US was its distribution on social media."

YouTube is increasingly shedding its reputation as a 'pirate' platform, acquired because content uploaded by users breached the copyright of sports bodies. In the last year, it has signed content distribution deals with sport's two biggest rights-holders, FIFA, world football's governing body, and the International Olympic Committee.

Although the commercial terms of both deals have not been made public, they are likely to be structured heavily around a share of advertising revenues, and the increasing size of audiences that are watching sport on the internet means that online advertising rates could now begin to be compared with TV advertising rates.

"The old idea that online ad rates don't compete with TV is just wrong," says Nuttall. "We are often able to price at a premium to TV because we can deliver certainty to the advertiser that the viewer is engaged and we also know much more about them."

YouTube uses the TrueView advertising format, whereby if a viewer skips the ad then the advertiser is not charged but if the ad is not

skipped the advertiser pays a premium because they know they have an engaged viewer.

"As with all of our advertising, being internet delivered, it is incredibly targeted," Nuttall adds. "Those ads are sold at a decent premium on a cost-per-thousand basis to TV."

As well as delivering additional value to rights-holders, though, YouTube has had to clean up its act on the copyright issue. To some extent this was driven by the ongoing US court action by the English Premier League and other rights-holders, however it is also a natural reaction to developments in the market.

"Presently we work with a very wide range of rights-holders, not just in sport, to protect the IP of the content owners," Nuttall says. "We have a system called 'Content ID' which is a comprehensive reference library of videos. Rights-holders frequently upload reference files of their coverage and those go into the reference library. Every minute, 60 hours of content are uploaded to YouTube. Each of these uploads is crosschecked in real time with our library.

"If we see a match [between the uploaded content and the archive] we follow the rights-holder's instructions. They have three options: they can block it; allow it to be uploaded and then track the consumption of the video; or allow the video to be uploaded and have Google sell advertising against it."

For this third option, the money goes to the rights-holder, subject to a revenue share with Google. The National Basketball Association is just one major rights-holder that has opted for the third possibility, Nuttall says.