

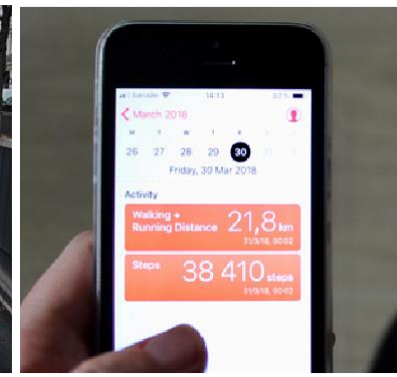
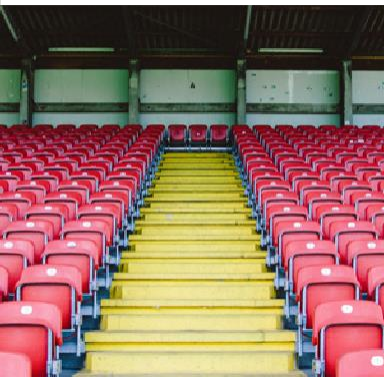
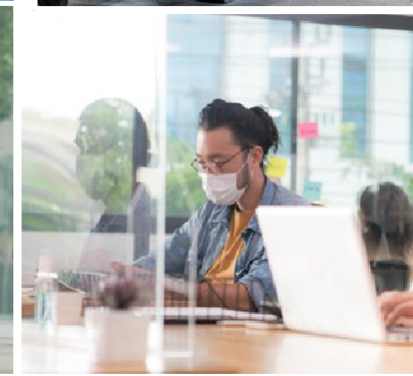
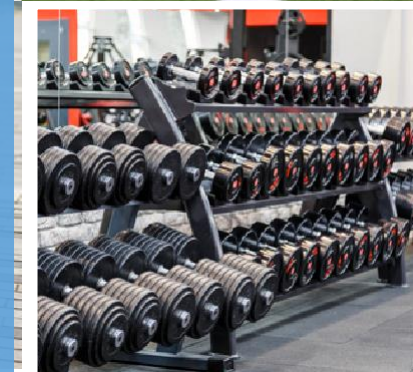


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SPORT CEO SURVEY - APAC

Navigating the changing world of sport and activity in 2021 and beyond

April 2021



Foreword

The inaugural Sport CEO Survey – Asia Pacific highlights the challenges and opportunities in the sports and activity sector and explores the trends that will define 2021 and beyond.

The review captures unique perspectives of c. 40 leaders across sport in the Asia Pacific region, including those from National Federations, Governing Bodies and Corporates.

The sports industry is continuing to navigate through an extraordinary period of change globally, and in Asia Pacific specifically. In addition to previously existing organisational pressures, the global pandemic has disrupted the sports ecosystem, highlighted by the postponement of competitions like the Tokyo 2020 Summer Olympics.

How can sport business leaders plan for a future that, in both the long and short term, may not look anything like it did previously? These considerations and others have forced sports leaders to be bolder and more innovative. This report considers these factors that should be on the mind of every sports industry leader in Asia Pacific.

All statistics are from the Portas Consulting Asia Sport CEO Survey, unless otherwise stated



The APAC sporting industry experienced extraordinary changes in 2020

Unprecedented changes in Asia-Pacific have occurred from professional leagues, major events and mass participation



Loss due to postponement
Postponement of the Tokyo 2020 Olympics¹ cost organisers USD\$2.8Bn



Drop in public facility attendance
Attendance at public sports venues in Singapore fell by 60% compared to previous year, due to closures and capacity restrictions³



Surge in esports viewership
Viewership of mobile esports in China titles grew between 75% and 100% over the previous year²



Loss of event revenue
Cricket Australia lost approximately USD\$200Mn in broadcasting and sponsorship revenue⁴

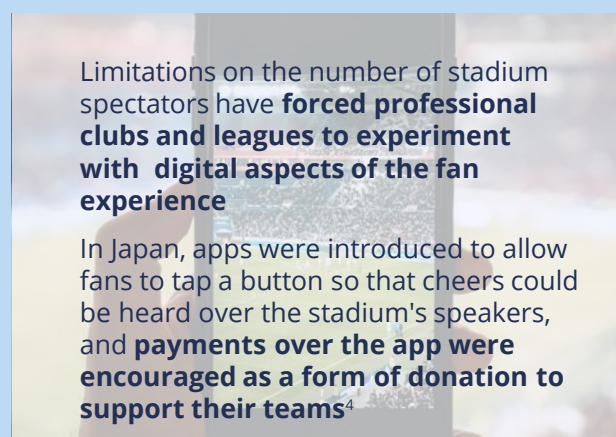
COVID-19 has forced companies to become more innovative in order to adapt to the ever-changing landscape

80%

of CEOs agree COVID-19 has only **accelerated change** in an already shifting sports landscape

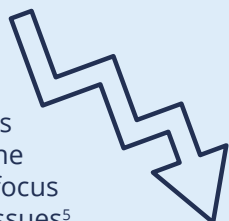
70%

of CEOs agree COVID-19 has **catalysed positive change** in a sector in need of innovation



Potential challenges faced in APAC

Decreased commitment to innovation as organisations work through the pandemic and focus on short-term issues⁵



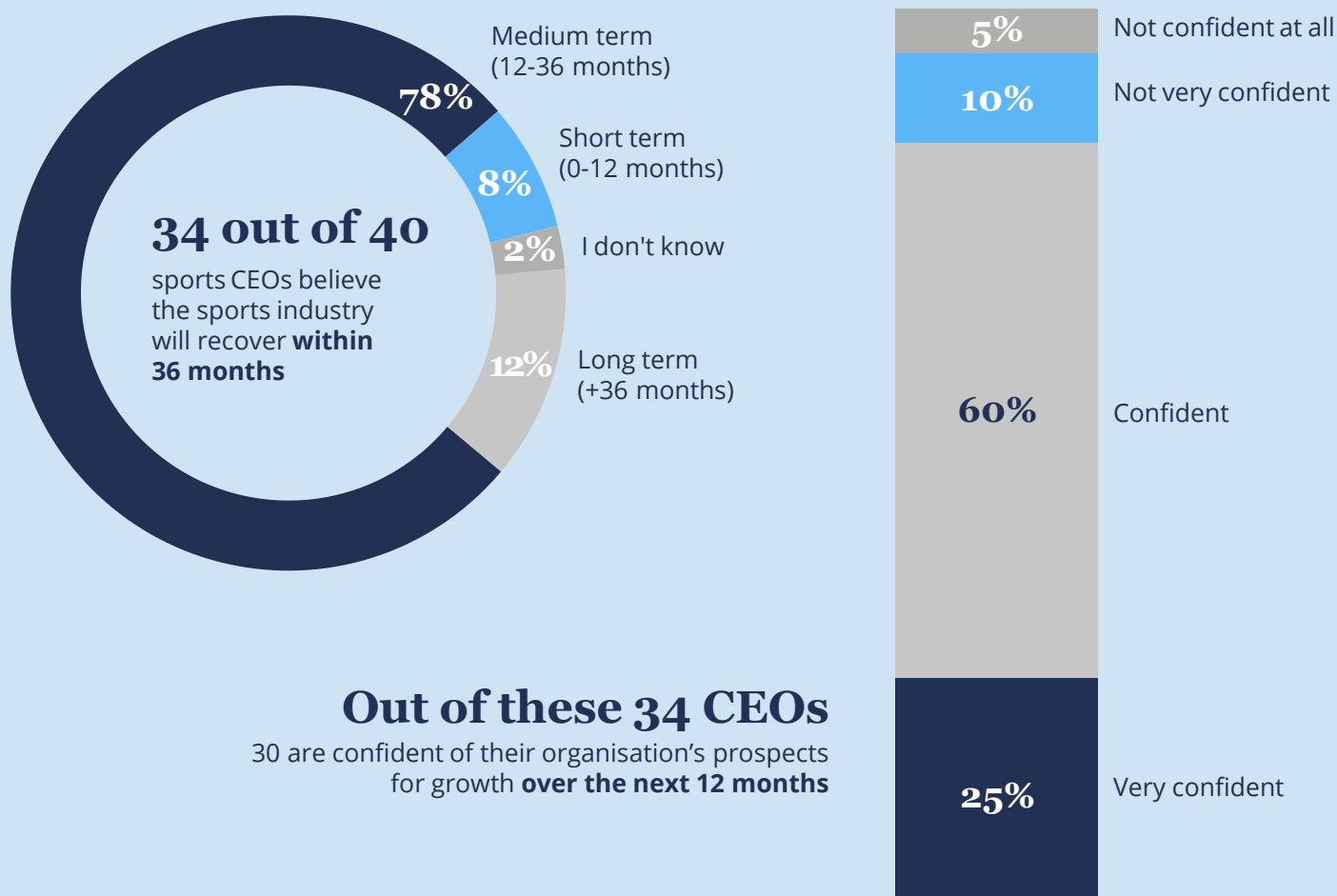
Change in consumer attitudes and behaviours, forcing reevaluation of strategies to best engage with the public⁶



All statistics are from the 2020 Portas Consulting Asia Sport CEO Survey, unless otherwise stated 1. Reuters: Japanese organisers say 2020 Games delay cost them \$2.8Bn 2. Niko Partners, "Gaming in China: Lunar New Year and the Coronavirus Outbreak," 2020 3. ST: Singapore Sport – Big drop in use of public facilities, venues due to COVID019 measures 4. Nikkei Asia: Asia's sports business learns how to take a COVID-19 punch 5. McKinsey: Innovation in a crisis 6. SportBusiness: How can the sports business in Asia respond to a de-globalised world?

CEOs have an optimistic view regarding the rate of recovery of the sports industry

Sport CEOs are optimistic about the recovery of the sports industry in the coming three years



Ensuring a strong return for the sporting industry

Due to the eventual implementation of social distancing measures, a large majority of physical activities were relegated to home-based physical training, forcing sports organisations to reinvent themselves to offer a quality service to their users¹.

Moving forward, the sports industry could consider innovation to future proof their business against further turmoil. Ensuring a steady recovery will revolve around digital and media strategies e.g.



Leveraging social media to stay connected to end users

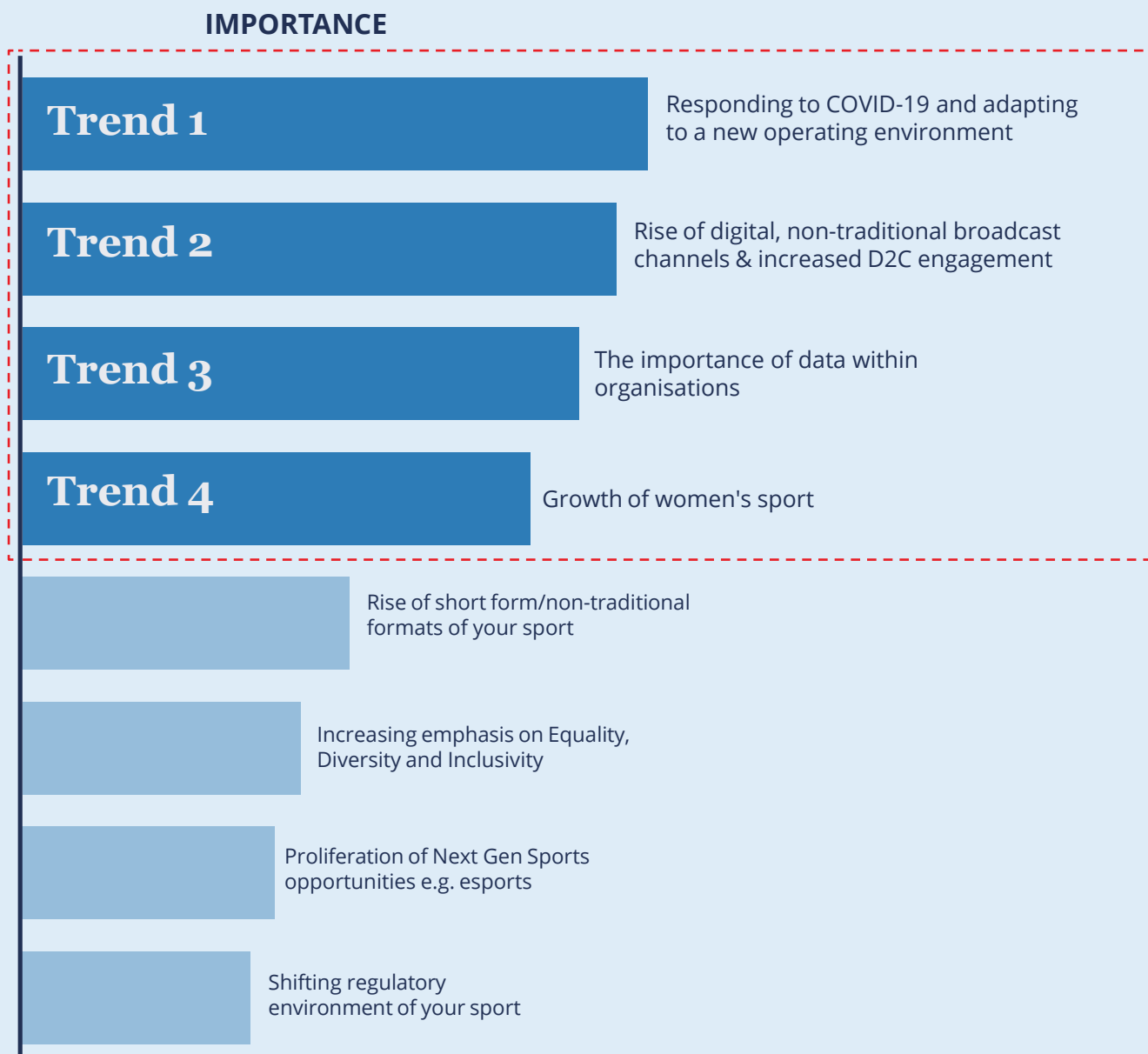


Developing digital ticketing capabilities



Becoming a multichannel media producer

4 industry trends were highlighted by sport CEOs based on their overall importance



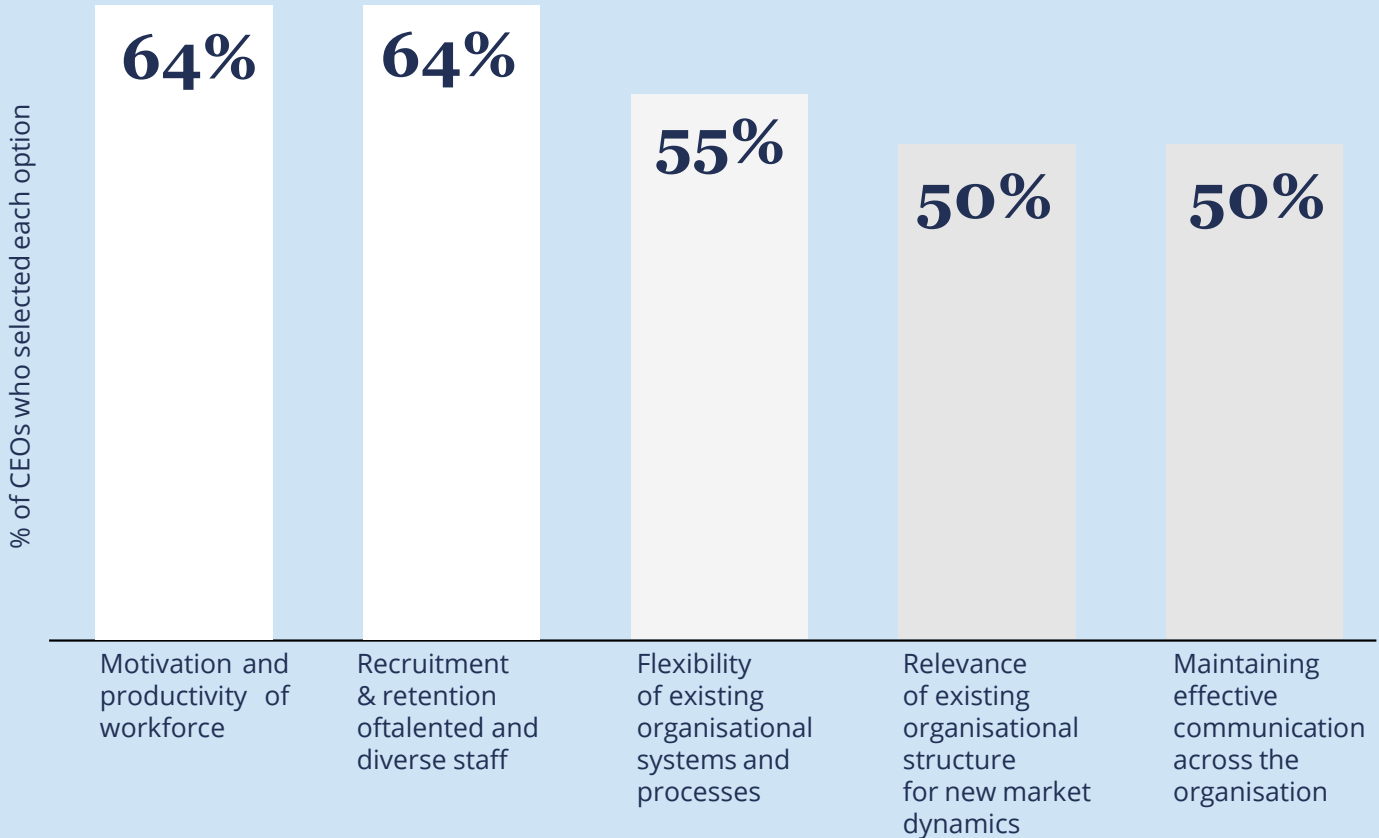
The pandemic has changed the way people consume sports, either as a participant or spectator. In order to tackle underlying challenges and address the emerging trends, sporting leaders will need to answer questions and take action in 4 areas:

<p>Identity</p>	<p>Innovation</p>	<p>Investment</p>	<p>Insights</p>
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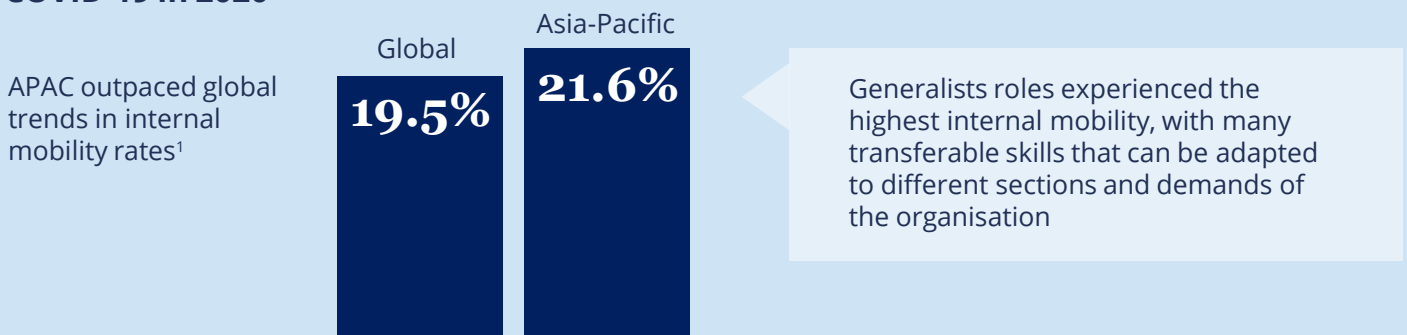
Adapting to a new environment

CEOs are finding it challenging to recruit, retain and continuously motivate staff

What are the main drivers of organisational pressure?



The Asia-Pacific job market experienced an increase in internal mobility, fuelled by COVID-19 in 2020



Actions to consider

Identity

Re-assess the fundamental role and purpose of your organisation post-pandemic; evaluate the flexibility of your existing operating model and tailor it to your new priorities and changing requirements

Innovation

Adapt communications to ensure they are timely and transparent, reach all key stakeholders and facilitate remote working

Investment

Invest in capability building and seek opportunities develop employee engagement as the driver of long-term growth

Insights

Develop / enhance digital infrastructure and capabilities to ensure this critical function underpins effective decision-making

1. LinkedIn: Covid-19 fuels internal hires in Asia-Pacific

Rise of digital, non-traditional broadcast channels & increased D2C engagement

Higher investment will be required to acquire and retain fans, while the commercial growth in social media platforms will disrupt the traditional broadcast model



58%
of CEOs expect **industry spending on fan engagement to increase** in 2021



64%
of CEOs expect the highest commercial growth of broadcast in 2021 to stem from **social media platforms**

Case Studies



Teams within the **Nippon Professional Baseball** league have developed in-app tipping, where users pay money to use cheering functions while they watch games



SK Telecom offered a Multiview broadcasting service for professional baseball team, SK Wyverns to watch the games from up to 12 angles on one screen



ONE Championship repackaged historical content to engage with fans while also launching its 'ONE At Home' to inspire viewers at home to keep fit

Actions to consider

Identity

Determine the appropriate role of D2C approaches (which enable direct fan relationships and data ownership) compared to distributor approaches (which have shared costs / capabilities and access to greater audiences)

Innovation

Enhance content using interactivity, gamification, personalisation or immersion (e.g. recent Nickelodeon broadcast of NFL playoffs)

Investment

Develop social media strategies and OTT capabilities to capitalise on the continuing disruption of traditional broadcast business models

Insights

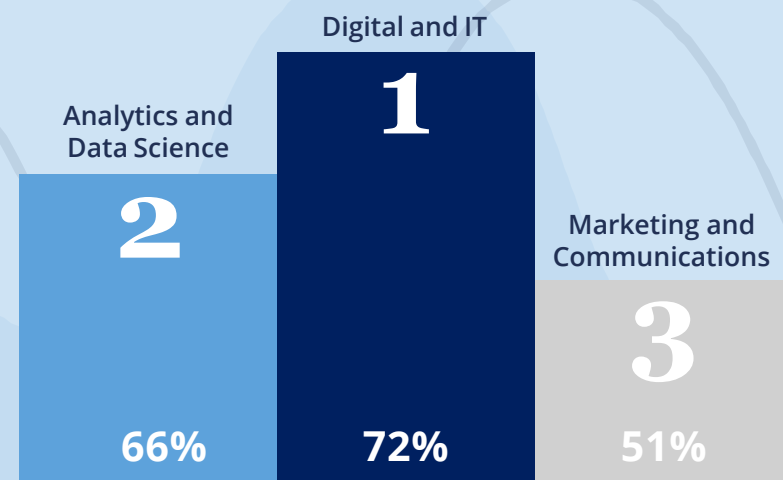
Use data driven insight and foresight to develop tailored content for target audience segments to capture greater market share

The importance of data within organisations

The importance of data is made more apparent than ever, with organisations placing increased value on digital marketing platforms and partnerships

77% of CEOs utilise data to help develop strategic plans and justify decision-making

A majority of sport CEOs expect their spending to increase for digital and IT, and analytics and data science support functions over the next 12 months



Support function with the largest expected increase in investment

The impact of COVID-19 has compelled business leaders to acknowledge that data has become more essential than ever before

Data can enable a more comprehensive understanding of the changing landscape

Organisations capitalising on data analytics will be in a stronger position to address new business challenges, including building and diversifying revenue streams¹

Data can be leveraged to become a fundamental, strategic asset and business priority

Organisations are pivoting to reflect the realisation that data is core to their operations² — i.e. being used to justify business decisions

Actions to consider

Identity

Determine the role of data within your organisation and assess the types of information required for collection

Innovation

Explore ways to transform data to identify more efficient solutions or redefine existing problems into a more meaningful one

Investment

Ensure data being analysed is of the right lineage, efficiently serving the purpose of your organisation

Insights

Leverage on insights gathered from data to help inform decision-making, mitigate risk and enable proactivity

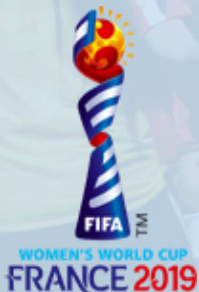
1. Teradata: Enterprise Data More Important Than Ever Since Onset of COVID-19 2. McKinsey: Accelerating analytics to navigate COVID-19 and the next normal

Growth of women's sport

The rate of change in women's sports is one of the most exciting trends in the sports industry

83%

of CEOs indicated the growth of women's sport to be an important trend that is currently affecting the sports landscape



The total global audience of Women's World Cup in 2019 was **1.12Bn**, led by Asia, accounting for more than **37%** of global viewership



China, Australia and New Zealand were among the **top 10** countries with a majority women delegation for the **2016 Olympic Games**

Women's teams can leverage on the popularity of men's sport, while also keeping a distance to effectively build brand recognition¹



Create of a women's team with an existing successful franchise best known for its men's team to catapult its presence



Establish a stand-alone presence when negotiating sponsorships so that they become valued in its own right



Capitalise on their flexibility to build a digital presence and relationships with fans

Actions to consider

Identity

Actively re-assess the positioning of women's sport within your sector and organisation

Innovation

Research participation motivations and barriers at all levels and create new programmes that reflect these

Investment

Seek commercial partnerships with organisations that align with the unique value of women's sport

Insights

Create the insights driven business case for investment into women's sport

1. Deloitte: Women's sports gets down to business

Reflections and considerations for the CEO

The COVID-19 crisis has accelerated what was already shaping up to be one of the sports industry's most transformative moments. On its current course and speed, the sports industry could now be entering an era defined by a combination of intense competition, rapid technology-led change, investor scepticism, and increasing public and government pressure on funding.

However, CEOs in Asia have an optimistic view regarding the rate of recovery of the sports industry. The question of how it continues to create value and provide governments and other stakeholders with social return on investment in the next normal (if there ever is a 'new normal') is therefore fundamental.

The gap in performance between sports organisations will widen. The winners will be those that use this crisis to boldly take action in one or more of: 1) repositioning their business and transform their operating models 2) adapting to the rise of digital, non-traditional broadcast channels & increased D2C engagement 3) recognising the role of data in informing business strategy 4) adapting to the growth of women's sport.



IDENTITY

What is the fundamental purpose of your organisation within sport, and role of your organisation in society?

How will your organisation constantly evolve in response to or in advance of ongoing changes in sport and society?



INNOVATION

How can future trends be anticipated and in which areas will your organisation be a pioneer?

How can your organisation adapt with agility to rapidly adopt new innovations?



INVESTMENT

How will COVID-19 and ongoing uncertainty impact future investment decisions?

What new sources of funding and investment are needed and how can you tap into them without compromising your core purpose?



INSIGHTS

How effectively are insights utilised in decision making and in setting strategic priorities?

How can the structure, processes and capabilities of your organisation facilitate an insight culture and foster foresight generation?

Thank you



Contact us

Portas Consulting is the leading global strategy consultancy dedicated to sport and physical activity, with offices in Europe, Asia Pacific and the Middle East

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