Changing the game
Outlook for the global sports market to 2015

Feargal O’Rourke
Changing the game
Outlook for the global sports market to 2015

Michael Ring T.D.
Minister of State at the Department of Transport, Tourism and Sport
Changing the game
Outlook for the global sports market to 2015

Julie Clark
UK Leader, Sports & Leisure
1. Introduction to publication
2. How big is the global market?
3. What are the geographical differences?
4. What are the key trends behind the growth?
5. What are the main issues the industry will face?
Introduction to Changing the Game
1. Introduction to publication

2. How big is the global market?

3. What are the geographical differences?

4. What are the key trends behind the growth?

5. What are the main issues the industry will face?
How big is the global sports market now?

Market size in 2011.......$119bn

2011 global sports market by sector

- Gate revenues: 33%
- Sponsorship: 30%
- Media rights: 23%
- Merchandising: 15%

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
The global sports market is growing faster than the global economy

Market size in 2015

$145bn
1. Rationale and context for publication

2. How big is the global market?

3. What are the geographical differences?

4. What are the key trends behind the growth?

5. What are the main issues the industry will face?
North America will remain the largest market

North America
41% of global revenues

EMEA
35% of global revenues

Latin America
5% of global revenues

Asia Pacific
19% of global revenues
The economy and mega events continue to drive growth

Growth by region 2011 to 2015 – all sport and on-going events only

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
Understanding the impact of major events

Revenues per year in EMEA ($m)

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
Media rights and sponsorship are forecast to be the key growth sectors

Growth by sector 2011 to 2015 – on-going events only

Source Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
There are major extremes in terms of sources of revenue

% shows proportion of total revenues

**Gate revenues**
- Asia Pacific: 20%
- Latin America: 25%
- North America: 28%
- EMEA: 31%
- Total: 39%

**Media**
- North America: 20%
- Asia Pacific: 21%
- Latin America: 27%
- EMEA: 29%
- Total: 45%

**Sponsorship**
- North America: 20%
- EMEA: 24%
- Latin America: 27%
- Asia Pacific: 38%
- Total: 43%

**Merchandising**
- EMEA: 0%
- Latin America: 5%
- Asia Pacific: 7%
- North America: 10%
- Total: 25%

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
**MENA is growing at a faster rate than BRIC**

Comparing growth rates between BRIC and MENA

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
Following a period of stellar growth in BRIC, the gap is narrowing

- Sports bodies seeking new markets
- Governments/corporates using sport for validation/profile
- Mega events drive short term growth

Growth by BRIC 2011 to 2015

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Grun Associates
MENA still has significant potential for growth

• Whilst still a small region....
• ....it is taking over the mantle as the high growth region

Source: Changing the Game, December 2011, PricewaterhouseCoopers LLP and Wilkofsky Gruen Associates
1. Rationale and context for publication

2. How big is the global market?

3. What are the geographical differences?

4. What are the key trends behind the growth?

5. What are the main issues the industry will face?
Value for money is key for all but the top events – both in terms of pricing and provided added-value entertainment.
Media rights

Ongoing technology innovation and expansion across multiple platforms will maximise engagement
Growing in importance across all markets and will require increasingly sophisticated measurement techniques to monitor success
Key to generating engagement amongst people who live in different markets
1. Rationale and context for publication
2. How big is the global market?
3. What are the geographical differences?
4. What are the key trends behind the growth?
5. What are the main issues the industry will face?
Rapid growth brings its own challenges

- Governance
- Financial sustainability
- Integrity of sport
- Measuring success
Conclusions

• The sector is growing faster than the economy as a whole
• Sponsorship and media rights will be the main engines of growth
• Change is the only constant

www.pwc.com/sportsoutlook
Julie Clark
UK Leader, Sport & Leisure
Tel: + 44 (0) 207 213 4170
Email: julie.d.clark@uk.pwc.com