7 DIGITAL TRENDS IN SPORT

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Seven League

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01
METAVERSIONS
WHAT HAPPENED IN 2021

Metaverse is an anchor term for developments in and around virtual, mixed and augmented reality and virtual worlds. It's a term first coined in 1992, but which saw widespread adoption in 2021.

Facebook rebranded to Meta, with Mark Zuckerberg announcing the company's intention to build an online world where people can game, work and communicate in a virtual environment.

While the company is placing big bets in the space, consumer adoption of its hardware has been mixed. The Oculus Quest has sold circa 10m units in the last 12 months, but the pandemic-induced lockdown didn't see a surge in demand for VR headsets. Meanwhile, state-of-the-art haptic gloves, currently being developed out of Meta's Reality Labs, promise to move VR on by offering 'simulated touch' to users.

Others like Niantic (developers of the pioneering Pokémon GO) announced the release of a platform called Lightship, which promises to power a "real-world metaverse" via AR. Lightship will be available to developers to build their own experiences and allows mobile apps to identify real-world objects, map surfaces and the depth of an environment in real time, or place a virtual object behind a physical one.

Snap announced a new studio called Arcadia that aims to help companies develop experiences that can be used across web platforms and app-based AR environments.

Microsoft presented their vision for the metaverse which combines the mixed-reality capabilities of Mesh, which allows people in different physical locations to join collaborative and shared holographic experiences, with the productivity tools of Microsoft Teams, where people can join virtual meetings, send chats, collaborate on shared documents etc.

With previous years seeing concerts from artists like Marshmello and Travis Scott, in 2021 we continued to see activations within gaming environments. A lot of these were effectively virtual licensing agreements.

Nike teamed up with Roblox to create a virtual world called Nikeland, which includes Nike buildings, fields and arenas for players to compete in various mini-games, ranging from tag and dodgeball to "The Floor Is Lava". In a deal brokered by IMG, 23 different soccer club strips were made available as skins within Fornite, while the NFL opened a virtual store in Roblox.

HOW IT WILL AFFECT SPORT IN 2022

While there are competing visions for what the metaverse is and what it will become (metaversions), many of the foundational elements of the metaverse are already here:

- **AR & VR** already provide a bridge between the physical and digital worlds
- Users already participate online as **avatars**, trading in **virtual goods and skins**, interacting in online worlds and environments
- **Social experiences** already take place in games and workplace collaboration now routinely happens online

It's just a question of how widespread this will become and who the major players will be. In order to create a single metaverse, and not metaversions, companies will seek to solve the interoperability and portability challenge (how can I wear the Real Madrid jersey I bought in Roblox when I'm present in Decentraland?) Past collaboration between tech players does not bode well in this regard.

What's clear is that investment and interest are set to skyrocket in 2022. The coming year (and years) will see companies making extensive technology and experience investments.

In 2022, we should expect to see the release of a VR headset from Apple. The hope is that it will kickstart genuine consumer adoption of this technology, although with a rumoured $3,000 retail price at launch, that's unlikely to happen in 2022.

We will continue to see sports showing up in metaverse environments, to connect with a new generation of consumers, sell virtual goods, offer value to sponsor brands and test new products in the virtual world, to see if they can be linked to 'real world' value.

We expect to see interesting discussions around new classifications of IP (Nike for example, made three new filings to the USPTO in October around 'metaverse' rights). Will these lead to the creation of a new class of media and sponsorship right, and do these get bundled into existing deals or are they sold separately?

We are perhaps a year or two off a sports property creating its own proprietary virtual world, but if metaverse adoption rates are favourable, this would be a logical next step. In summary, 2022 will be a preparatory year for sports in the metaverse, but it will be when first-mover advantages are defined.

02

NEW FORMATS, NEW IP

WHAT HAPPENED IN 2021

In July, a new venture called World 1 League was announced, with backing from Mark Cuban and Jim Swartz. It promised to identify the greatest athletes in the world via social media challenges and live stadium events. While little has materialised since the announcement, it was one in a series of new sports formats launched in 2021 - some highly irreverent, others trimmed and tweaked with a layer of interactivity, all designed to appeal to younger, more transient audiences.

In February we saw the launch of Fan Controlled Football (FCF) where everything from real-time play calls and team rosters, to club logos and even some of the rules were determined by the fans.

More recently, Gerard Pique joined forces with Spanish streaming star Ibai Llanos to stage the inaugural Balloon World Cup in Tarragona, Spain. The idea came from a viral social video and was contested by 32 teams hailing from different countries around the world. The knockout matches were fully officiated by a team of referees and took place on an official 8x8-metre court littered with household debris such as chairs, stools, tables, lamps - plus a small car. Llanos has also developed his own formats in boxing and padel.

Popular Brazilian streamer Alexandre “Gaules” Borba Chiqueta announced a co-streaming deal with NBA Brasil and Budweiser (an official sponsor of NBA in the country) that saw him broadcasting NBA games via Twitch.

Overtime has leveraged its success covering high school athletes to create its own league (Overtime Elite), venue and creator studio, a vertically-integrated commercial model that sits outside the constraints of official governing bodies. Overtime has named a commissioner and head of basketball operations for the league, and plans to hire 80 employees, including 40 to produce content.

HOW IT WILL AFFECT SPORT IN 2022

We are seeing more sports platforms where the legitimacy of the competition is given not by a governing or sanctioning body but by the community itself or a passionate creator.

We will see more ‘made for streaming’ sports events like the Balloon World Cup and these will pose a challenge to existing formats, competing for the same audience attention as traditional sports.

New properties will not be bound by the strictures and norms of broadcast deals and governing body regulation. They will push ‘traditional’ sport to stay fresh and relevant in the way it presents itself.

We will also see more creators purchasing (or being granted usage rights for) media rights. This could take the form of the Gaules/NBA/Budweiser model in Brazil or the creators themselves making selective rights acquisitions.

With much of the sports industry looking to achieve the best deals they can in a competitive media rights landscape, we will see more properties trying to create their own rights from the ground up, starting with a focus on sponsorship, advertising, ecommerce and licensing revenues. If the relationship with the talent can be baked in from the start (not something all traditional sports organisations have) these sports will have an advantage in creating more integrated content formats, rather than replaying tired antagonistic set-piece formats like press conferences.

We will see accelerated demand for more interactive content and experiences. Even if these new formats don’t capture audience attention (and more fail than succeed) they will push sports to create innovative solutions for brand partners. FCF, for example, pitches itself as a “sports technology lab” to potential sponsors with Verizon deploying its 5G technology to support FCF’s delivery of alternate viewing angles.

03

BEYOND NFTS: FURTHER USE CASES FOR THE BLOCKCHAIN

WHAT HAPPENED IN 2021

A Non-Fungible Token (NFT) can be anything digital (art, music, highlights, tickets, etc) that is stored on a digital ledger, known as a blockchain, which certifies the asset as unique and non-interchangeable.

NFTs can be bought and sold on a marketplace platform. OpenSea is the market leader (a bit like eBay), some of which allow transactions using 'normal' money as well as cryptocurrency. Their value is based on what someone else is willing to pay for them.

What makes this form of technology interesting is that resale royalties can be coded into the asset, meaning rights holders can generate income on all future sales, in theory, forever.

NFTs have been around for approx 5 years, but 2021 was the year they exploded onto the sports scene. **The NBA led this explosion with TopShot** which started to gain traction back in March. The Dapper Labs platform allows fans to buy and sell 10-15 second video clips of great plays, mainly plays from the last two seasons. Some sell for under $10, with the most expensive one selling for over $200k, at its peak over 100k were sold each day.

It wasn't only the NBA, **Wimbledon teamed up with Andy Murray** in July and launched a series of NFTs celebrating Murray's famous 2013 victory, buyers could purchase NFTs in the form of digital video clips that were packaged with more traditional assets such as tickets to next year's final and signed memorabilia. Others got in on the act, with NFT drops coming from WWE, Tiger Woods, Sunil Gavaskar and Manchester City - some created new revenue streams, some were successful, some less so.

HOW IT WILL AFFECT SPORT IN 2022

More NFTs will be launched – Dapper is planning significantly sized ranges of UFC and NFL collectible NFTs in 2022. Several articles have reported the PGA Tour will also mint a range of player-based NFTs in the coming months. More consumers will have wallets for storing NFTs (and cryptocurrency) and transactions will become simpler. It's likely prices won't be as high as in early 2021 and that, in terms of price and hype, the market will stabilise.

There will likely be some bumps in the road, especially if operators' sole aim is to make quick financial returns selling NFTs or fan tokens that are linked to highly volatile crypto currencies. There are already some examples of fans being misled, negative press and deals falling apart.

The winners will be those who think longer-term and focus on how to use the blockchain as a transaction ledger and as a record of ownership. Innovation is likely to come. For sport this could be in the areas of membership and ticketing. Smart, or automated, contracts can be built into the blockchain meaning clubs and venues would always get a pre-agreed royalty every time a ticket is re-sold as all transactions would be recorded.

04

ATHLETES' USE OF SOCIAL MEDIA PIVOTS TO PURPOSE

WHAT HAPPENED IN 2021

First, let us go back quickly to 2011, when Wayne Rooney innocently tweeted "Hi rio do you want picking up in the morning pal" to everybody and nobody, without tagging his team-mate Rio Ferdinand. A moment that has gone down in history for early usage of social media by athletes. Declan Rice, who was 12 when Rooney sent that tweet, gave us a similarly memorable moment almost a decade later when he turned up in a Twitter Space in 2021 and sang "Rice, Rice Baby" for reasons few will remember and hardly matter.

The two incidents share in common a sense of athletes having fun and being themselves on social media, but the decade in between was hardly all plain-sailing for athletes on social platforms. In 2021 another former Manchester United player, Gary Neville, was highly critical of modern-day players for publishing posts under their name which are clearly written by social media managers. And yet 2021 was notable for athletes using their platforms for societal good - when Marcus Rashford posts tweets about feeding vulnerable children, does it matter if he's the one typing those? When Simone Biles tweeted in September about mental health, the language felt like she had written it herself, but the main point is, when a message is that powerful, who cares who is doing the posting?

HOW IT WILL AFFECT SPORT IN 2022

The notion of whether an athlete physically types a message or not will prove to be a red herring. But the debate around it will sharpen minds.

There was already a movement from athletes to use their platforms for causes that matter to them - see Rashford, Biles, Naomi Osaka and others. Initiatives like the NFL's 'My Cause My Cleats' will increasingly play out on the social media channels of athletes. The abuse that has followed athletes from platform to platform over the history of social media will lead to many deciding they no longer want to be the ones physically logging in, but the quality of ghost-writing will improve and people will stop caring as much about who is doing the typing. It won't just be causes that the athletes post about - we'll also see players increasingly using their channels to put the record straight when they feel they've been wronged. And yes, occasionally they'll still turn up and have fun by singing a daft song in Twitter Spaces.

If 2011-2021 was a decade where athletes used social media without an obvious purpose, often suffering abuse along the way, then 2021-31 will see their use of social media become all business: using their channels to speak out on what's important to them.

05

ACCELERATED FOCUS ON EMERGING MARKETS

WHAT HAPPENED IN 2021

The Covid pandemic may have stopped some sports putting on games or events in new markets over the past 18 months, but it certainly didn't slow down many leagues, teams and athletes from growing their presence in non-domestic territories.

The success of Drive to Survive on Netflix has helped F1 gain traction in the US, Formula 1's TV audience has jumped since the TV show was released. ESPN said its average viewers per race had risen to about 928,000 in 2021 from about 547,000 in 2018*.

The NFL had continued success with their London games and announced it will be selecting a German city to host league games from 2022. In December the NFL also granted international expansion licenses to 18 teams meaning they can sign commercial deals abroad, the expansion markets including UK, Germany, Australia, Mexico, Spain, Brazil, Canada and China. On the ice, the NHL ramped up it's digital output in northern Europe, for example, geo-posting bespoke Russian content on TikTok, Facebook and VK.

The NBA made moves into Africa. In a joint venture with FIBA, they launched the Basketball Africa League in May, 12 teams took part with Egypt's Zamalek winning the inaugural title. The US league also opened retail stores in London and Milan.

Although many large European football teams already have digital channels in multiple languages - Man City cover 13 languages including Arabic, Thai and Russian - the big leagues have not taken meaningful games into new markets like the big North American sports have done with great success. This doesn't come without complications but as the world becomes a more connected place football does risk the likes of the NFL and NBA catching up in terms of creating significant global fanbases, larger TV audiences and increased revenues from on and off-line merchandise sales.

*New York Times

HOW IT WILL AFFECT SPORT IN 2022

Sport needs to realise it has multiple different audiences in multiple locations across the globe. These audiences may be different ages, use different digital platforms, come from different cultures and have different levels of knowledge. Pushing the same uniform sporting product to all audience groups is unlikely to get the best results. If leagues and teams want to take advantage of the connected world they will need to create localised broadcast feeds, platform-specific content and tell stories to suit the needs of each separate audience group.

In 2022 the NBA have stated they will continue to test personalised streaming that allows fans to select their favourite commentator (different languages, team bias or influencers/talent) as well as alternate camera angles, betting stats overlays and customised virtual advertising overlaid within the arena based on the viewers profile and location.

FIFA counting down to the first World Cup in the Middle East. Their website can now be viewed in Arabic and the Road to 2022 Qatar social channels have over 4 million followers. The NBA will also play its first games on the continent next October.

The second Winter Olympics in a row will be held in Asia, with Beijing hosting the games in February. The IOC has promised a raft of broadcast innovations building on their success in Tokyo including producing coverage of all sports natively in Ultra High Definition (UHD) High Dynamic Range (HDR) with 360-degree replays. As Beijing has a very comprehensive 5G infrastructure the IOC also plans to maximise the use of 5G cameras that are especially useful for outside venues. For audio, the plan is to go beyond 5.1 channel audio and provide fully immersive audio, this can help create an atmosphere if fans are not able to be in the stadiums due to every changing COVID-19 protocols.

Africa is seen by many as the next frontier. Netflix is investing in the region, both in terms of bespoke marketing activity, such as free trails in Kenya, but also in producing locally made programming such as "Queen Sono" and "Jiva!" where it has partnered with production studios in Nigeria. The NFL will also continue to promote and develop the game in the regions via its @NFLAfrica social media channels and Basketball Africa League will start its second season on March 5 in Dakar, Senegal.

06

FACEBOOK IS DEAD, LONG LIVE FACEBOOK

WHAT HAPPENED IN 2021

2021 brought into stark relief the identity crisis that Facebook (the platform, not the company Meta) faces. Leaked internal data published in 2021 suggests that only users aged 25 and above are increasing their use of Facebook and that daily active usage among teenage audiences (18-24) has been in decline since 2013.

Facebook's headline numbers still look impressive with daily and monthly active users continuing to grow and while it has been hit by iOS privacy rules its ad business continues to throw off cash. In truth, much of the user growth is likely to be fuelled by emerging market growth, as more people have access to smartphones and cheaper data. Unfortunately, the world's population is finite and the job of connecting them all has largely been done.

Other platforms like TikTok, Twitch and Snap meanwhile, are surging ahead in terms of new user growth (particularly among younger audiences) and product innovation. Facebook's modus operandi has been for some years to innovate through imitation, relying on its existing network to overpower upstarts. It's a strategy that worked for Instagram when it took the Stories format pioneered by Snapchat and rolled it out to a much bigger user base. Lately, however, the approach has been more ham-fisted with Stories being rolled out in the Facebook app, and this continued in 2021 with Reels, itself a copycat product, being rolled out in Facebook.

2021 saw it launching other features around social audio and fantasy games, as well as making changes to its news feed aimed at increasing transparency and reducing lower quality, problematic and political content. While laudable, that didn't make it clearer what Facebook is for, its key challenge for 2022.

The Facebook app user proposition has swollen to encompass everything and nothing. The news feed serves content produced by professional publishers alongside posts from friends and family and it offers up Groups notifications, marketplace and shopping widgets. Alongside it, Watch has become a home for mid-length viral funnies that are marginally distracting but incoherent. Then there's Groups and Marketplace, which actually do have an identity that's aligned with Facebook's original mission to connect communities.

In an effort to become more of a China-style super-app Meta has treated its biggest network as a sandbox for product iteration, forgetting that over the long-term people need to understand the overall value proposition in order to remain loyal to a product.

The issue is that Facebook's most problematic features, Watch and the news feed, are what generates the big ad revenue that's helping fund its metaverse ambitions and keeping its shareholders happy.

HOW IT WILL AFFECT SPORT IN 2022

We now know that Facebook followers bear almost no relation to who's consuming content and wlth organic follower growth at best flat those enjoying success must now pay to reach audiences, either directly via Facebook's ad tools or indirectly by creating ad-rich inventory which Facebook is incentivised to push further and wider. This has led many social media teams to ask the question 'do we have to do Facebook?'

This is significant, given how central Facebook has been to sports organisations' content strategies for the last eight or so years.

Does that mean Facebook is dead in 2022?
Well, no, Facebook remains a huge global marketing tool but it will require a radical rethink of how to use the platform.

As a paid marketing channel, Facebook can be incredibly cost-effective: CPMs and CPVs are still some of the most competitive for amplification of feed posts.

Facebook remains good for selling discounted merchandise and offers on tickets - in our experience it rarely does anything for new kit at full price or premium hospitality and seating, but paid campaigns perform well for offers and discounts. It also remains important for 'guaranteeing reach' for branded content partnerships, although expect more scrutiny in this regard from brands.

More properties are making direct income from Facebook although in some cases this requires arbitrage; boosting videos to the point where they have enough views or engagement to be algorithmically favoured and the property starts to earn revenue from ad breaks. Making money from ad revenue is also quite dependent on having an audience in the US or other markets where CPMs are more expensive and there is more ad inventory sold.

Sports seeking to build real value on Facebook will do so using Groups. We will see the creation of more closed groups for core fans, niche interest bodies and semi-private communities. Community development will require hard work and dedicated resources.

With suspicions that certain audience segments are using the platform less (younger and more Western audiences), marketers will need to look beyond low CPMs and the incredible targeting capabilities of Facebook's ad tools to whether the audience they want to reach is actually there.

While the sport industry performs this evaluation, those in charge of the Facebook app will be taking a hard look at themselves in the mirror and asking 'what are we? And who are we for?'

07

AUTOMATED CONTENT STILL NEEDS THE HUMAN TOUCH

WHAT HAPPENED IN 2021

Large properties continued to adopt a global outlook. Notably, the NFL's IHMA process saw 18 clubs being granted 'home' market status in China, UK, Mexico, Brazil, Canada, Germany and Australia. Those clubs will make substantial investments in growing their fanbases in these markets.

Digital content has become a critical part of nurturing and engaging international fans and providing the inventory for local partnership deals. This inevitably means bigger content operations and with this the need to balance scale with operational efficiency.

Simultaneously in 2021, Netflix attracted criticism around the quality of subtitling on some of its French, Korean and Hindi shows. With many of its popular hits now emerging from non-English-speaking countries and with its global audience consuming English programming in their own languages Netflix, and others with global ambitions faced a translation problem (Squid Game can be watched with subtitles in 31 languages and via 13 dubbed versions, and of the 111 million people who watched it, the majority used one of these services).

2021 saw unprecedented pressure being placed on language service providers, or LSPs. These companies provide outsourced subtitling, captioning, and dubbing through a global network of translators, voice-over actors, translation editors, and sound mixers.

2021 revealed a global shortage of quality of skilled translators at a time when they're most needed. As a result it saw more and more organisations look at technology-powered solutions.

Equally, in paid digital marketing more and more sports organisations are relying on machine learning offered by platforms to generate 'lookalike audiences' for marketers - that doesn't necessarily work in sport where a Chelsea fan might look quite similar to an Arsenal fan but not take kindly to seeing branded content from a rival club.

HOW IT WILL AFFECT SPORT IN 2022

Sports will increasingly look to automated solutions to deliver global scale. The key will be to use automation not to replace content makers but to improve efficiencies.

Many leagues already use automatic clipping and publishing tools, like those provided by WSC, to deliver AI-generated highlights to regional markets across a variety of platforms in near-real-time.

YouTube has been trialling the ability for creators to upload multiple audio tracks to the same video, with the platform then allowing users to toggle between languages as they wish. If fully rolled out this will make it much more cost-effective to produce one piece of video with multiple audio tracks than it is to commission individual videos by territory or language.

It will be in the field of machine translation where the biggest mistakes will be made and the biggest efficiencies found. MT performs mechanical substitution of words in one language for words in another, but that alone rarely produces a good translation because recognition of whole phrases and their closest counterparts in the target language is needed. Those who succeed will employ a blended approach of AI translation plus human post-editing to create quicker workflows (particularly helpful for text-heavy content, like website copy).

We will continue to see uptake of AI in content capture. Grassroots sport will be more readily available thanks to AI video capture systems (e.g. Spiideo, Pixellot and Playsight) that don't require camera operators and automatically track game action. That said, in a world of streams, this content will struggle to find large audiences.

At the most creative, innovative end of the spectrum we will see sports employ AI to create voice clones of actors, commentators and athletes to create interesting new content formats. AI dubbing services, provided by companies like Deepdub, Respeecher, Sonantic and Resemble AI, will allow dubbed versions of content to be rendered by a computerised voice clone of the original voice. Think about a current game being voiced by your favourite commentator or a legend of the game. The obvious issues around deep-fakes and consent notwithstanding, the potential to create alternative broadcasts, immersive experiences and new fan engagement opportunities will be enormous.

While translation plays a part, the key to successful international market development is localisation. Localisation will never be fully achieved via machines - content itself must be adapted to the market and local producers should be creating stories, scripts and subtitles, whilst doing community management in their own vernacular.

ABOUT US

Seven League is a digital consultancy and agency which specialises in sport. We work with sports' biggest global names 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.

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