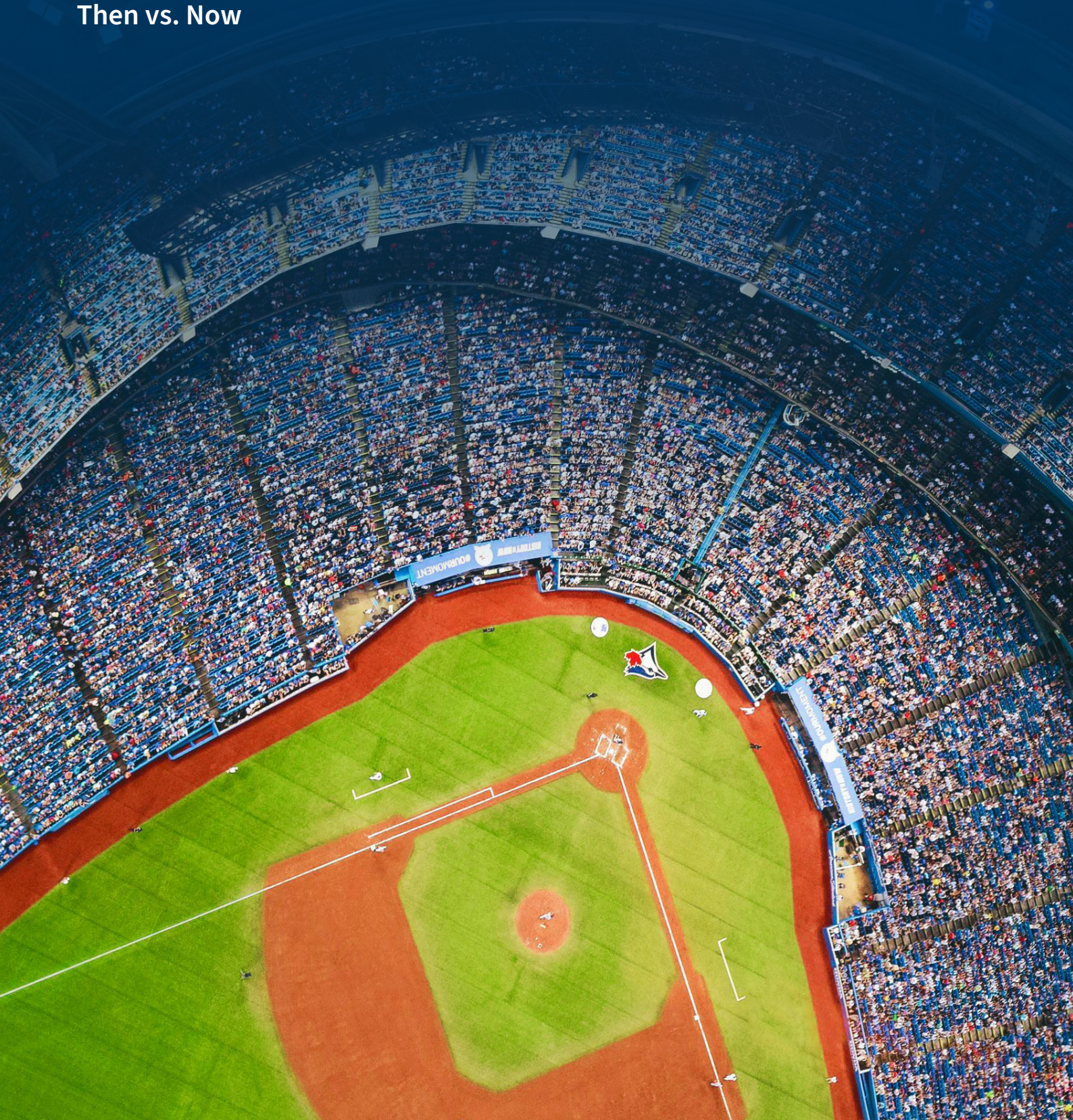


---

# Fan Engagement in Sports

Then vs. Now



# Fan Engagement in Sports

## Then vs. Now

Author:

**Ronak Patel** R&I Research Analyst

Sports viewership, whether behind screens or in stadiums and arenas, has been considered a main form of entertainment for decades. The use of technology over the past 20 years has changed and shaped fan engagement both inside and outside sporting venues. Streaming and viewing on demand, smart stadiums, the use of AR/VR and sports betting are some of the elements that have contributed to this change. This article looks at factors and evolving consumer preferences that have impacted how sports content is consumed and how fans engage with their favorite sports and teams.



## The driving forces of change

From the 1960s until the turn of the century, fan engagement was simply defined as watching your favorite team on cable or broadcast channels, purchasing tickets to watch them at stadiums, or occasionally buying some merchandise or collectibles. Technological advancements have introduced some monumental changes in how sports content is consumed, shifting the paradigm of fan engagement drastically.

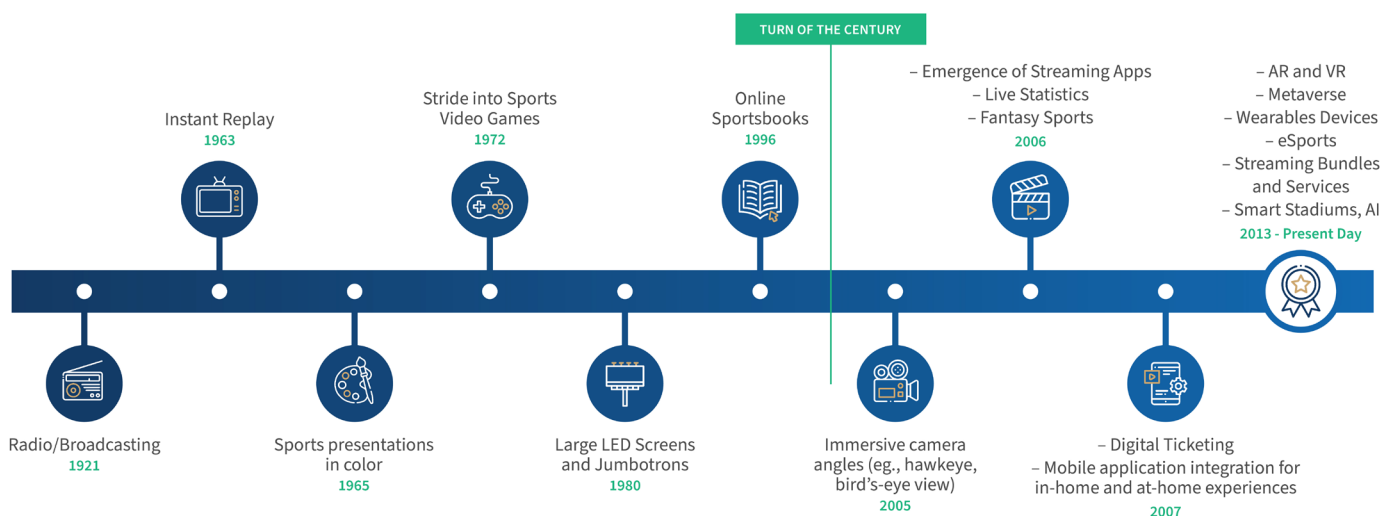
## The streaming and cable rivalry

The launch of streaming services has shaped consumer preferences, which shifted to on-demand viewing, and sports content was no exception. In addition to evolving viewing habits, streaming services' price points have pulled consumers away from the expensive bundle which traditional cable providers and broadcasters seem to still struggle with. Between 1980 and 1989, the

average price of basic cable doubled from \$8 to \$16 per month,<sup>1</sup> and consumers were often required to buy basic packages as a minimum requirement before they could opt for specific pay-TV channels, which would typically cost an additional \$10 per month.<sup>2</sup> Today, providers still push such bundles, and subscribers' bills might include "Regional Sports Fees" (DirecTV, Comcast, Altice, Verizon) or "Sports Surcharge Fees" (Mediacom, Cable One, Suddenlink, Cox) that range from \$6.65 to \$15.09 per month.<sup>3</sup>

While the recent moves from streaming players to acquire sports media rights have allowed fans to watch their favorite leagues and teams in new and accessible ways, the aggregated cost incurred by fans of different sports and leagues having to buy different services is converging towards, if not exceeding, the traditional bundle price point. This is added to a potentially degraded experience resulting from having to manage multiple subscriptions, contributing to the concern of subscription fatigue.

**FIGURE 1: TIMELINE OF KEY INNOVATIONS IN SPORTS FAN ENGAGEMENT**



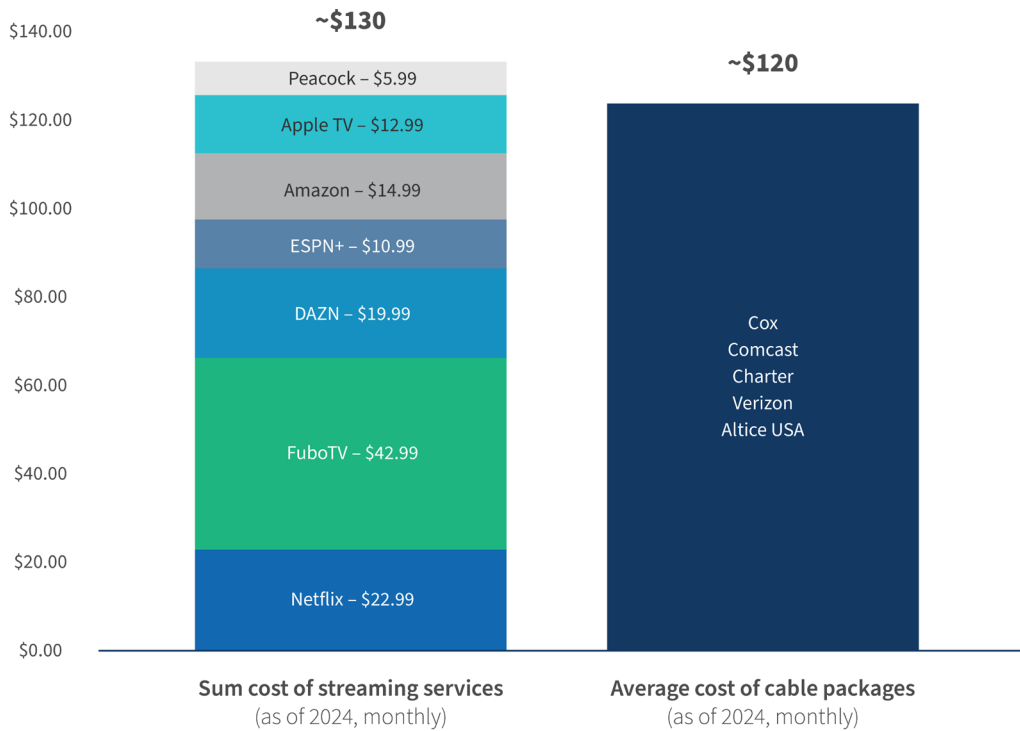
Source: [timetoast.com](http://timetoast.com), [habseysontheprize.com](http://habseysontheprize.com), [businessinsider.com](http://businessinsider.com), [wbur.com](http://wbur.com), [chatsports.com](http://chatsports.com), [digitalsport.com](http://digitalsport.com), [sportsbusinessjournal.com](http://sportsbusinessjournal.com), [hypesportsinnovation.com](http://hypesportsinnovation.com)

<sup>1</sup> Kagan

<sup>2</sup> Los Angeles Times

<sup>3</sup> S&P Global

**FIGURE 2: MONTHLY STREAMING SERVICES COST AND AVERAGE CABLE PACKAGES COST AS OF 2024**



Source: Service providers websites

## Smart stadiums

The recent COVID-19 pandemic ground live sports attendance to a standstill. While some competitions figured out a way to keep sports going (e.g., the NBA’s Bubble League), the void of empty bleachers was certainly felt. Now that post-pandemic recovery is well underway, the path to smart stadiums is back on track, as fans have come to expect innovative technologies to be included in their match day experience. A great example today is the recently-built SoFi Stadium in Los Angeles, home to the Rams (and matches for the upcoming FIFA World Cup in 2026). Investments in the stadium totaled more than \$5 billion as of April 2024, making it the most expensive (and smartest) sports stadium in the world. Some of its features include 2,500 Wi-Fi 6 access points, the capacity to support an average of 20 TB of network traffic, and 4K broadcasting on its 70,000 sq. ft infinity jumbotron screen (providing every fan in the stadium a view from any angle). Other fan-focused features allow spectators to use their mobile devices, hover the camera in their stadium apps over the field for 3D graphics, and obtain real-time data and statistics on players and teams.<sup>4</sup> Fans can also

make swift and contactless purchases (such as in-seat delivery) and they can experience rapid stadium entry on arrival.

Smart stadiums have become more common in Europe, too. Facilities like Real Madrid FC’s Santiago Bernabéu Stadium in Madrid have similar capabilities to SoFi Stadium, with 1,500 Wi-Fi 6 access points and more than 2,500 4K screens delivering high-quality broadcasts and robust connectivity for fans.<sup>5</sup>

With higher investments from teams and leagues, sports events have become more than just the game being watched, and ticket prices certainly reflect that evolution. This can be seen across some U.S. sports leagues: Major League Baseball (MLB) tickets have increased from an average of \$10 in 1995 to \$37 in 2023, while National Basketball Association (NBA) tickets have skyrocketed from an average of \$30 in 1995 to an average of \$218 in 2023.<sup>6</sup> This stark difference in consumer cost for single-match, in-person attendance versus potential year-long, at-home viewership might be another factor contributing to the growth of the digital fan.

<sup>4</sup> Cisco

<sup>5</sup> Cisco

<sup>6</sup> Bookies.com



Powered by Cisco's Wi-Fi 6, SoFi stadium has the capacity to handle over 20 TB of internet traffic at almost every event it hosts—feeding information and getting people back to their seats for sporting action in no time.



This 70,000 sq. foot Samsung 4K infinity screen is the largest video board in sports and features 2600+ displays and 80M+ pixels. The stadium's 14-acre rooftop is also equipped with an LED display projecting images visible by flights in the nearby LAX airport.



For broadcast feeds and in-person fans alike, media presentations such as team entrances, touchdowns and half-time shows can be viewed directly from attendees' mobile devices.

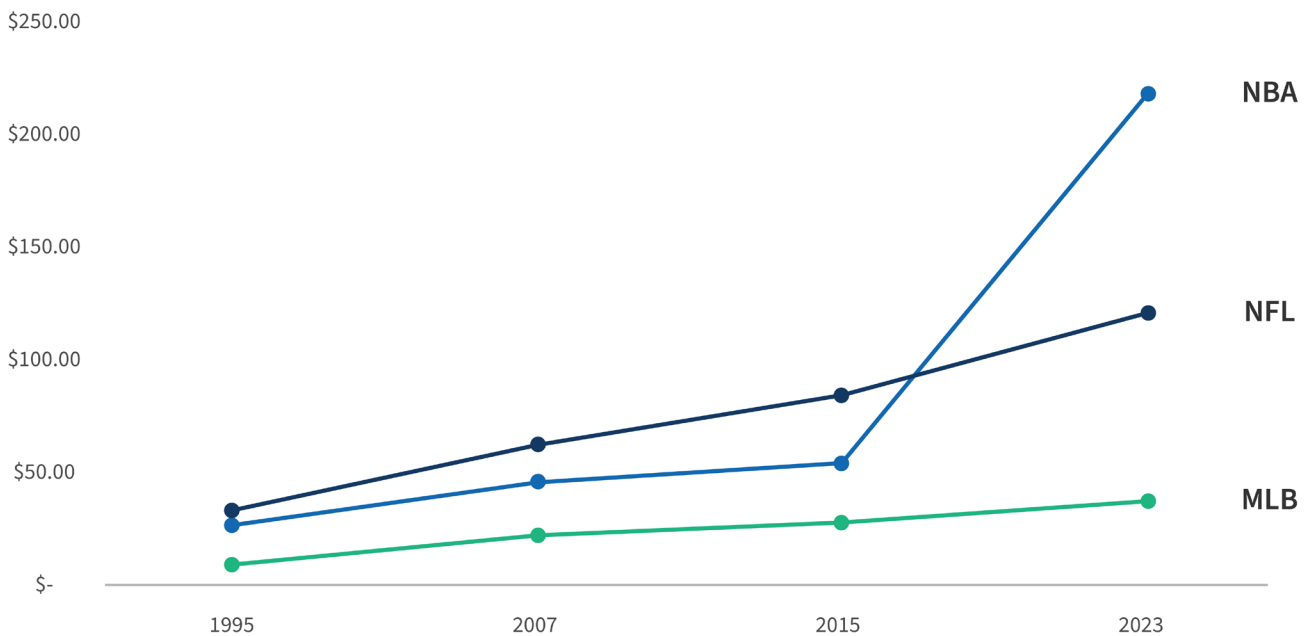


Fans can use their mobile devices to interact with stadium features such as mobile tickets and contactless purchases, connecting technology all the way from the parking lot, to concessions, to fans' seats.



Off the field, SoFi is a media behemoth, with infrastructure allowing for 4K HDR live content for fans inside — and even outside — the stadium and at home.

**FIGURE 3: LEAGUES AVERAGE TICKET PRICE PER GAME, HISTORICAL**



Source: teammarketing.com, sportsbusinessjournal.com

## AR/VR

Another technology fueling sports fan engagement is extended reality (“XR”): augmented (“AR”) and virtual reality (“VR”). Both technologies are considered to be in their infancy, with around 120 million users across the globe in 2023. The number of users is expected to grow to nearly 250 million by 2027, which could present a bold opportunity for sports content.<sup>7</sup> XR has the potential to redefine engagement by allowing fans to see statistical overlays and data analysis, have virtual athlete meet-ups, and even shop and try on merchandise in real time.<sup>8</sup> The technology also presents an opportunity for lifestyle, athletic and sports brands to advertise and offer promotions in a global VR ad market, where spending has already exceeded \$166 million as of 2023.<sup>9</sup> Some recent attempts in this space include the NBA and its integration with the Xtadium app delivering sports in the metaverse: Using a pre-determined VR game schedule, fans can watch NBA games with a Meta Quest VR headset from anywhere, selecting the angles, players and equipment that they want to view.<sup>10</sup>

Away from sports leagues, telecom operators like Deutsche Telekom in Germany have recently introduced their own XR offerings in partnership with tech providers to enrich fan experience.<sup>11</sup> Deutsche Telekom is one of the first operators in the world to have a dedicated XR sports streaming app (an extension of its MagentaSport SVoD service) with features allowing fans to see live statistics, multi-camera feeds, player cards and 3D-sponsored experiences.<sup>12</sup>

Similarly, the recently launched Apple Vision Pro has given fans a glimpse into XR sports viewership. Fans with the device can use specific apps like NBA Vision Pro, PGA Tour Vision and Apple TV to follow their favorite

teams, leagues and athletes, and receive news and highlights from several sports media outlets in addition to simultaneous sports feeds. Broadcasts from the likes of ESPN, Fox, NBC and more have also made their apps compatible with the Vision Pro.<sup>13</sup>

## Sports betting

Traditional ways of sports betting have evolved into digital platforms which play a role in further cementing fan engagement. Sports betting has fostered the creation of digital communities and has become integrated in some core sports websites and mobile apps that were originally intended for news or live feeds. Currently, the worldwide online sports betting market has amassed over \$39.25 billion in revenues, with the United States being the largest contributor at \$14.3 billion as of 2023.<sup>14</sup>

Some content providers have also entered the world of sports betting, as witnessed with ESPN’s 10-year, \$1.5 billion licensing and rebranding deal with Penn Entertainment to create ESPN BET.<sup>15</sup> Sports betting has not only evolved from in-person to digital platforms, but betting scope has also expanded to include pre-game coin tosses, player entrance songs, game-day happenings and more. The evolution of sports betting is continuing to leverage the latest buzz in sociocultural trends, such as using social media influencers, celebrities and retired athletes to promote betting books (e.g., BetMGM/Vanessa Hudgens and Jamie Foxx,<sup>16</sup> FanDuel/Charles Barkley,<sup>17</sup> Stake/Drake<sup>18</sup>).

From live, in-game betting to early cash-out options and integration of secure fintech, sports betting is driving fan engagement home and is poised to drive the ever-growing industry.<sup>19</sup>

<sup>7</sup> Statista

<sup>8</sup> ZealAR

<sup>9</sup> Statista

<sup>10</sup> NBA

<sup>11</sup> Telecoms.com [article requires a long-in]

<sup>12</sup> VideoWeek

<sup>13</sup> Sportico

<sup>14</sup> Statista

<sup>15</sup> ESPN

<sup>16</sup> BetMGM

<sup>17</sup> Variety

<sup>18</sup> Stake

<sup>19</sup> theScore



## A transformed experience

After decades of innovation and investments, sports fan engagement has transformed into an entertainment experience like none before. The traditional sports viewing experience has been impacted by technological offerings and advancements such as streaming platforms, smart stadiums, extended realities and sports betting, creating new ways to connect with audiences. In an era of increasing competition and expectations from sports fans, embracing these trends will be essential for sports content producers and media companies to set themselves apart and deliver a product that can propel the industry to the top of the entertainment ladder.

*The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates or its other professionals.*

*FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.*



FTI Delta is a global industry-specialized strategy consulting practice delivering end-to-end transformation. Our unrivaled team of experts offers a wide range of services that create value throughout the entire strategy-to-execution journey, serving top-tier corporations, private investors, mid-market companies and government authorities. FTI Delta is part of FTI Consulting (NYSE: FCN), a leading global advisory firm. For more information, please visit [ftidelta.com](https://ftidelta.com) and follow us on LinkedIn @FTI-Delta

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities

©2024 FTI Consulting, Inc. All rights reserved. [fticonsulting.com](https://fticonsulting.com)