NIELSEN SPORTS

# UNIFIED MEASUREMENT

## DEFINING A NEW SPONSORSHIP CURRENCY

# INTRODUCTION

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The way people consume media is changing almost before our eyes, and as the media industry adapts to new distribution methods – and grapples with changing audience habits – the world of sports faces its own related challenges.

For the sports industry, one stands above all others. How, in a truly multimedia environment, can sponsorships be accurately measured to provide a true picture of value generated for rights holders and brands?

As the following pages show, it's a challenge Nielsen Sports is meeting head-on: through months of development and drawing on years of experience and expertise as a trusted, credible and independent source, we have developed a unified measurement offering that brings together TV, social, online and print for the first time.

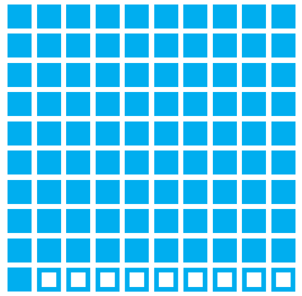
In particular, by unifying measurement of traditional media channels with social media valuation, Nielsen Sports is able to provide an objective, holistic analysis of how a sponsorship is performing. In addition, the ability to demonstrate that a decline in linear broadcast audience doesn't necessarily translate to a decrease in total audience is an essential asset for sports' key stakeholders.

Combined with our deep understanding of sports and the commercial pressures facing rights holders and sponsors, we're primed to assist the industry tackle the challenges thrown up in the modern media world and deliver a total picture of how value is generated through sports sponsorship.

## AN INCREASINGLY COMPLEX MEDIA LANDSCAPE

**91%**

OF THE TOP 100 LIVE U.S. TELECASTS IN 2016 WERE SPORTS PROGRAMMING



TIME SPENT WATCHING LIVE TELEVISION IN THE U.S. IS DOWN ACROSS ALL DEMOGRAPHICS EXCEPT 50+

MEDIA CONSUMPTION VIA SMARTPHONE IN THE U.S. HAS SURPASSED TELEVISION FOR ADULTS AGED 18-34

**78%**

OF FANS GLOBALLY GO ONLINE WHILE ALSO WATCHING SPORTS ON TELEVISION; 33% DO SO REGULARLY

SPORTS DRIVES MORE THAN 50% OF SOCIAL TV CONVERSATIONS ON TWITTER

Source: Nielsen U.S. National TV Toolbox; Nielsen Total Audience Report Q4, 2016; Nielsen Sports Sponsorlink 2016; Nielsen Social 2016

# WHAT ARE WE SEEING?

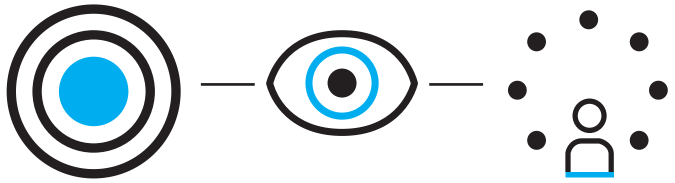
## THE BIG PICTURE

- The **media landscape is changing rapidly** and technology – new ways to watch, new devices on which to watch, more platforms to chat and share on – is driving the fragmentation of audiences.
- The way sports are consumed is transforming, with the advent of live streaming, near-live clips, OTT platforms and the **ability for anyone to 'go live'** on major social media platforms.
- The reverberations of this **technological and media revolution** are being felt throughout sports, as broadcasters and rights holders explore new ways of distributing and creating content for fans.
- At the same time, **sports rights holders are facing more competition** for people's attention, time and disposable income from a host of other entertainment and leisure activities.

## AUDIENCE ATTENTION IS BEING DILUTED

INTENSELY INTERESTED IN FEWER THINGS

GENERALLY INTERESTED IN MORE THINGS



15%

DECREASE IN NUMBER OF CATEGORIES IN WHICH PEOPLE ARE VERY INTERESTED

15%

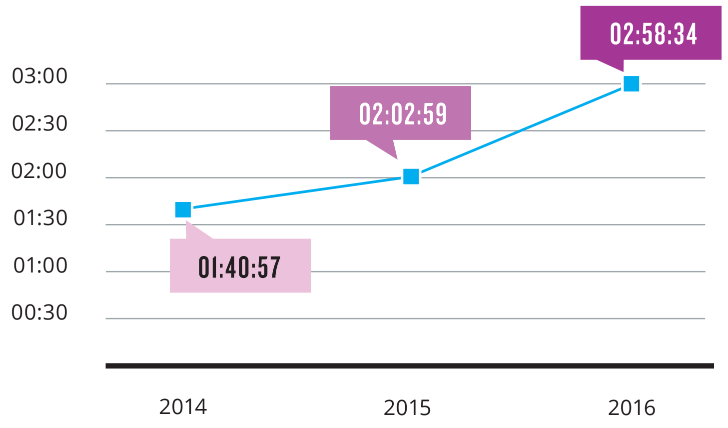
INCREASE IN NUMBER OF CATEGORIES IN WHICH PEOPLE ARE SLIGHTLY INTERESTED

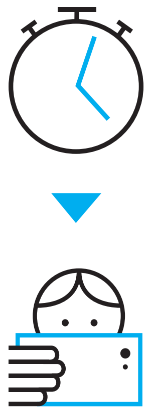
Source: Nielsen Sports SDNA (2008–2016)

- Brands and rights holders are grappling to **understand the value of their partnerships** in this new environment.
- These changing audience consumption habits, in particular the fragmentation of audiences across multiple distribution channels, are also **changing the dynamics of the relationships** between rights holders and partner brands.

## AVERAGE HOURS SPENT ON MOBILE APPS / WEB

### AVERAGE HOURS SPENT EACH DAY BY 18- TO 34-YEAR-OLDS



Source: Nielsen

- A **more sophisticated approach to measuring media and sponsorship** is required, one that takes into account emerging channels and the increasing coverage of sports on television – through pre- and post-event broadcasts, highlights, magazine and news programming.
- In particular, there is a **growing need for accurate, objective measurement** of the social media engagement and exposure a brand generates around sponsorship – to ensure that social media activation is valued as part of a holistic media measurement.

70% of U.S. homes tuned into this year's Super Bowl game broadcast.

# TV: A CRITICAL ASSET

There is more live sport available to watch on television, or made available by broadcast rights holders online, than ever, with the viewer of 2017 able to access a wealth of options unimaginable to previous generations.

Television continues to be a critical asset for sponsors looking to gain brand exposure through sponsorship investments.

Around the world, live sports continue to be 'appointment to view' television. February's Super Bowl LI, for example, recorded an average audience of 111.3 million viewers, with 70% of U.S. homes with televisions turned into the game broadcast. Even as audiences fragment, live sporting events on television attract major audiences, significant interest from advertisers, and major exposure for sponsors of teams, leagues, events and athletes.

This live sport offering, by networks and dedicated sports channels, is supplemented by an array of shoulder programming – news, highlights, analysis, discussion and features. Throw in the major social platforms, each generating and providing distribution for content, and other mediums including print and radio, and the consumer has never had so much choice.

**111.3**

**MILLION VIEWERS WATCHED THE TV BROADCAST OF SUPER BOWL LI**

# SOCIAL: RICHER ANALYSIS

It is essential for brands and rights holders across sports to fully grasp how much their digital assets are worth, in order to maximize and optimize partnerships. By spending time and effort in understanding how this content should be measured across different social platforms, Nielsen Sports, through its Social24 offering, is able to offer both logo exposure and branded content valuations to provide a richer analysis for sports teams, clubs, federations, leagues and sponsors.

## UNLOCKING REVENUE

IMPRESSIONS AND ENGAGEMENTS X SOCIAL MEDIA AD RATES (CPMs, CPEs & CPVs) X QUALITY INDEX (weighting approach used in TV) = VALUATION $

This social valuation methodology aligns with all of Nielsen Sports' media valuation methodologies, enabling apples-to-apples comparisons. In the social video space, it addresses how a platform quantifies a 'view', the duration watched and how advertisers buy.

Rights holders can maximize logo exposure for social content that is expected to have a high number of impressions – for example, goal or touchdown announcements, or player or jersey unveilings. Compared with TV, logos on traditional sponsorship inventory – for example, front of jersey or training kit positions – drive value when viewed by fans through social media. By contrast, pitch or courtside LED exposure generates comparatively little value through social. But there are limited opportunities for a sponsor to influence logo exposure within content, promote content through paid media and apply any further brand messaging.

When rights holders and sponsors work together, authentic content can be created and promoted to drive engagement. Increasingly, video is the focus on social. The leading rights holders across the world of sports understand not only what type of content – Fan Stories – engages fans, but what platform to utilize and when (for example, the type of content that will resonate best on a game day will differ from that which will be most engaging during the week building up to a match). Critically, they also understand when it is appropriate and beneficial to partner with sponsors. These rights holders are, in effect, becoming digital activation agencies: they understand their sponsors' marketing objectives and can build and deploy content that engages specific target groups of fans, creating a win-win for all stakeholders.

CASE STUDY

# EL CLÁSICO – WHAT A UNIFIED APPROACH TO MEASUREMENT LOOKS LIKE

El Clásico, FC Barcelona versus Real Madrid, is one of the world football's biggest games. The two great rivals play against each other twice per season in La Liga, Spain's top-tier division. The first encounter in the 2016/17 season came in December, a 1-1 draw played at FC Barcelona's Camp Nou stadium.

Nielsen Sports measured the value the game generated for each team's group of sponsors by monitoring the TV live broadcast, repeats, highlights, delayed broadcast and TV news coverage of the game globally, as well as social media platforms Facebook, Instagram and YouTube.

Between them, FC Barcelona and Real Madrid generated over $39 million of value for their partners through TV and social. As the home team, with partner brands appearing on LED perimeter advertising boards and throughout the Camp Nou, FC Barcelona generated over $37 million of that, with just over $5 million generated for Madrid's partners.

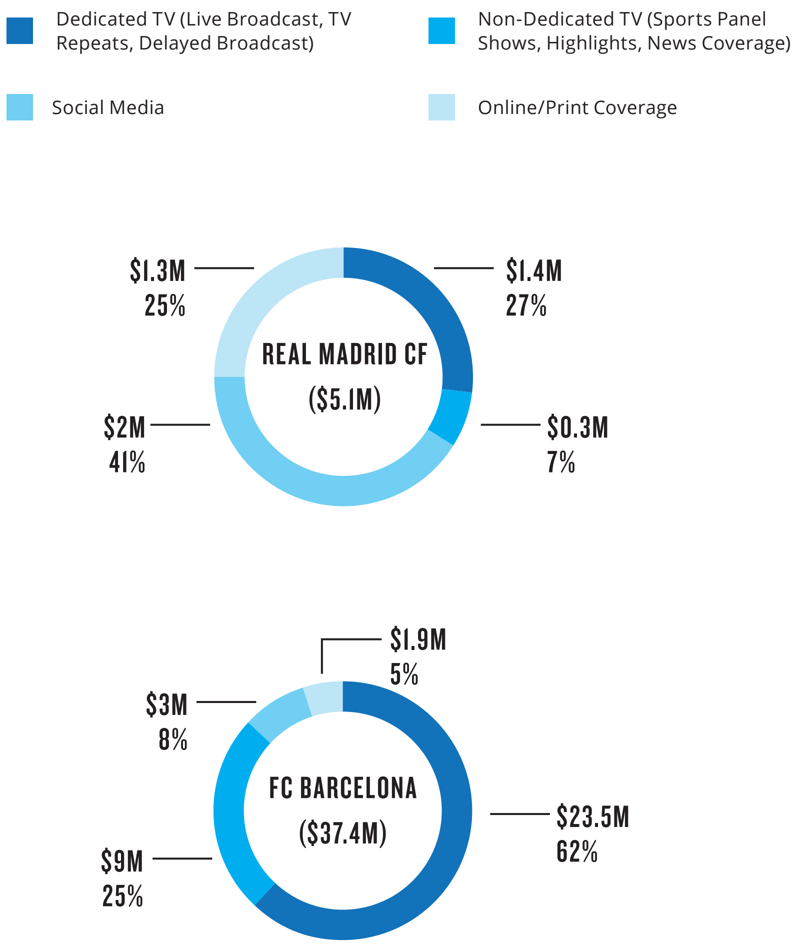
As might be expected, TV was responsible for 81% ($36 million) of value generated for partner brands, but social generated 12% of the total value, just over $5 million.

While the live television broadcast accounted for over $18 million of the total value generated for both clubs' partners, repeats and TV news coverage of the game both generated over $5 million worth of value, underlining the importance of a more unified approach to measurement of multiple media channels.

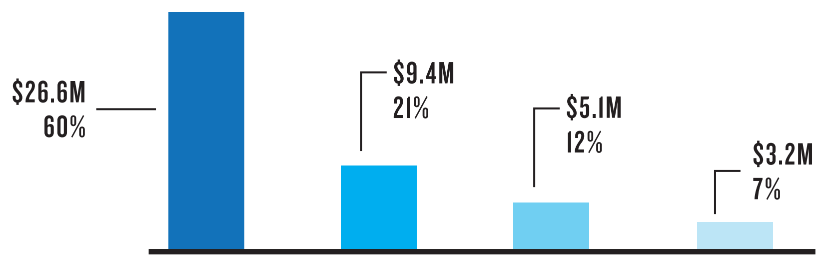
The analysis also points to the increasing importance of social media for an away team, as a tool to generate value for partners when there is no possibility for exposure through traditional in-stadium advertising inventory. While social was responsible for 8% of the overall value generated for home team FC Barcelona's partners, some 41% of the total value generated for Real Madrid's partners came through social logo exposure and branded content.

James Rodriguez celebrates a goal for Real Madrid during April 2017's El Clásico.

## TOTAL RETURN ACROSS MEDIA BY TEAM




## TOTAL RETURNS FROM BOTH TEAMS BY MEDIA




Source: Nielsen Sports Social24 (December 2016)

INSIGHT

# NIELSEN SPORTS' APPROACH

**Michael Tange is Senior Vice President, Global Strategy and Solutions for Nielsen Entertainment. Here he outlines Nielsen's plans for a unified approach to sponsorship measurement.**

**What's driving this need for unified measurement?**
**Tange ▸** Consumption is changing, and any change causes uncertainty. We're in the business of helping both sides – rights holders and brands – to be able to have a common base of understanding around the relative delivery of assets and exposure and all the things that live within sponsorship. As social becomes more important and video proliferates across digital sites, the total consumption of the sport or the team or the athlete a viewer loves may well actually be higher – it's just that they are watching less of a linear broadcast and consuming the content in different ways.

There's interesting strategies that different rights holders are employing – some are all about getting all content out, every channel, every platform; others are looking to protect existing rights. People are looking to Nielsen, as a measurement provider, to say 'what is that delivering, how should I be thinking about it?' It's our role to be considerate and thoughtful about all the different places where consumption is taking place. Where that really manifests itself most directly in terms of new data we're collecting is in social.

**Can you explain Nielsen Sports' plan in a bit more detail?**
**Tange ▸** Our role is to take a unified measurement approach across all media types and deliver a single number, and then allow you to break that number down to really understand over time what, for example, social is doing. The reporting platform we're developing will be really easy to use and highly functional. Furthermore, the ability to benchmark outside yourself and use that to help understand relative value and what the relative market prices are is where a lot of the power of our information comes in. We're going to have a very big focus on opening up access to more and more data from a benchmarking standpoint, particularly within our traditional core TV as well as our syndicated social product. Going a step further, we are leveraging Nielsen's Marketing Effectiveness framework of reach, resonance & reaction to take this reach-based data and link it to brand equity and sales data to move the industry deeper into the business impacts of sponsorship.

**How important is speed of delivery to this new approach?**
**Tange ▸** We definitely have a big emphasis on speed. This will be rolling data that flows in; that's just how social works, and increasingly it's how digital sponsorship assets from a broadcast perspective work. More broadly, we have a vision and a road map to significantly increase the speed of our turnaround across all media channels. We have a comprehensive approach – we're at scale, with consistency, using a methodology that the market understands and can transact around, so quality of data is paramount.

**What kind of technical challenge is this?**
**Tange ▸** Our capture and analysis capability is available across around five million hours of TV annually, as well as thousands of digital sites and the major social platforms, which gives an indication of the scaled technology that lives within our infrastructure. The question then becomes 'how do we use our expertise in understanding the media landscape to recommend the most effective use of a client's measurement budget?'

Nielsen has unique data partnerships and expertise in social and great data science that will help inform us how to operate with precision at scale. This isn't just about expanding capture in a technical sense; it's about the data we are adding and what we are linking it to.

**What's your message to the global sports industry?**
**Tange ▸** This will allow both sides – rights holders and brands – to better demonstrate the value and impact of sponsorship across screens and across platforms, and to be smarter in how they think about the various decisions they need to make about where they put their time and focus. Ultimately, we are big believers in the power of sponsorship, and Nielsen will provide the independent measurement and analytics to support the industry as it continues to grow in value within the media and marketing landscape.


Through Social24, Nielsen Sports offers both exposure and engagement valuations to provide a richer analysis for rights holders and brands.

# THE OUTLOOK

## UNIFIED MEASUREMENT

- **Consumption habits will continue to change,** enabled by new technologies, heightening the need for a unified approach to measurement of sponsorship across multiple media platforms.
- **Content will be consumed in different ways** – but fewer viewers of a linear broadcast does not necessarily translate to a smaller viewership; total consumption across a host of platforms may well be higher.
- **A comprehensive approach to media evaluation** – marrying speed with consistency and an easy-to-grasp methodology – is required to meet the challenges of this new age of multiple platforms and devices and to allow rights holders and brands to optimize their commercial performance.

# ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population. For more information, **visit www.nielsen.com**.

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