

Evolving capabilities for sports marketing and consultancy services in the UK and the opportunities in global markets for these services to 2022



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Overview

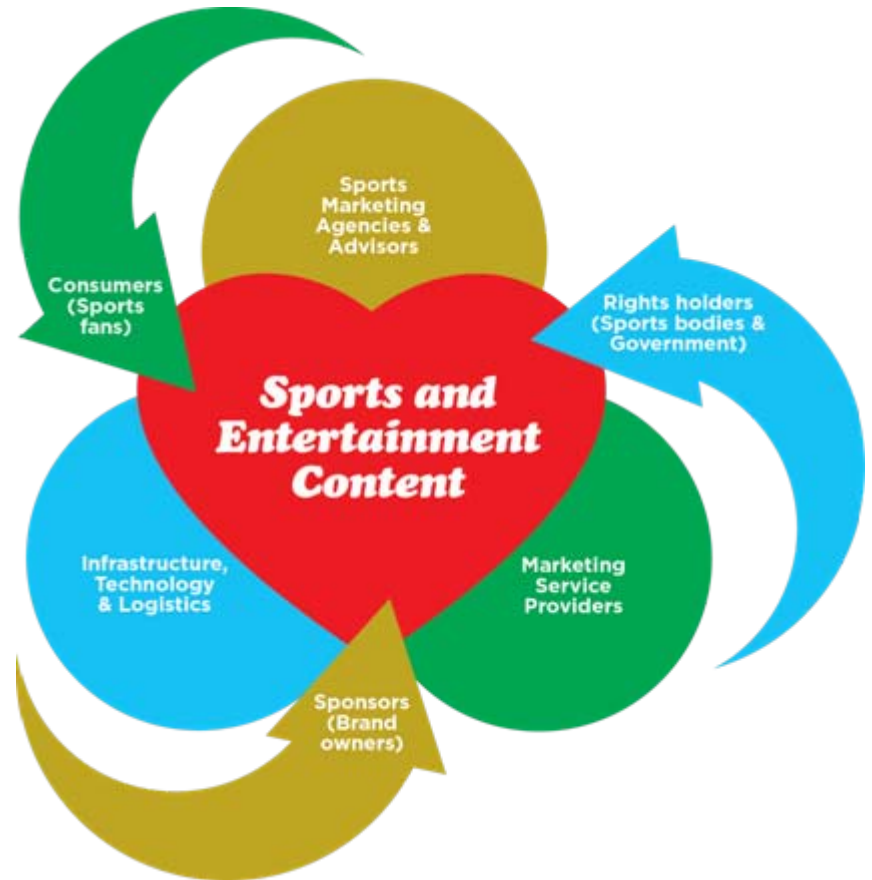
- BIS commissioned research from Ardi Kolah to build deeper understanding of this sector and to inform preparation of the Industry Strategy for Professional and Business Services in 2013

Key findings are:

- Sports marketing and consultancy services are an important and fast growing part of the UK's professional and business services sector
- UK sports marketing and consultancy services are forecast to be on course to surpass £1 billion in revenues by 2022
- There are large scale and growing global market opportunities
- This research identified and evaluated 55 non-recurring major global sports events scheduled to 2022. These offer the prospect of an estimated **£5.9 billion** worth of expenditure opening new business opportunities
- The UK sector is well placed to compete for these opportunities. The phenomenal success of London 2012 provides an unrivalled “shop window” for our excellence in sports and event-related services

The UK sector

- ... forms an eco-system of business services with sports and entertainment content at its heart
- ...is fragmented and mainly comprises small and medium-sized businesses
- ...covers three broad areas: sports marketing agencies and advisors, marketing services providers, and infrastructure, technology and logistics providers
- ... is growing strongly: currently valued at an estimated £500-750m, it is forecast to surpass £1bn in revenue by 2022
- ...is looking increasingly beyond mature European markets to opportunities in fast growing economies in Asia, Middle East
- Business interviewees for this research were uniformly positive about future growth prospects for the UK industry to 2022...



Drivers of growth

- The large scale operational and infrastructure budgets associated with forthcoming major global sports events are expected to open incremental business opportunities
- Growing economies are using sport as a catalyst to significant inward investment and tourism, e.g. FIFA World Cup Qatar 2022
- Sports sponsorship is seen as a powerful vehicle for global brands to advertise and connect with consumers - especially in growing economies like China, India, Russia
- The success of London 2012. The best showcase for the UK sector in a generation
- The impact of new technologies – opportunities and challenges in the “entertainment economy”, e.g. engagement of users via mobile devices, “second screen” viewing
- There is increasing recognition of the contribution of women consumers in sports marketing

Global market opportunities

- There are 55 non-recurring major global sports events to 2022 offering an estimated £5.9 billion worth of expenditure in incremental business opportunities
- One third of these events will be hosted in Western and Northern Europe.
- The top five national markets, ranked by the estimated values of events they will host, are:
 1. Qatar - £1.7bn, e.g. FIFA World Cup 2022
 2. Russia - £1.4bn, e.g. Winter Olympics & Paralympics 2014, FIFA World Cup 2018
 3. Brazil - £1.3bn, e.g. FIFA World Cup 2014; Olympics & Paralympics 2016
 4. South Korea - £0.5bn, e.g. Asian Games 2014, Winter Olympics & Paralympics 2018
 5. France- £0.3bn, e.g. UEFA European Football Championship 2016

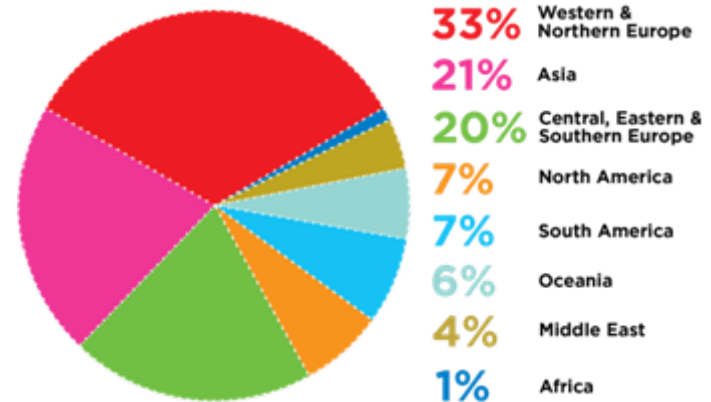


Table: Value of new business in 55 major non-recurring global sports events to 2022 – scenarios of varying proportions won

Region	Value of new business if 25% of deals secured	Value of new business if 10% of deals secured	Value of new business if 5% of deals secured
Middle East	£421m	£168m	£84m
Central, Eastern and Southern Europe	£354m	£141m	£70m
South America	£319m	£127m	£64m
Western and Northern Europe*	£158m	£63m	£31m
Asia	£154m	£61m	£30m
North America	£58m	£23m	£11m
Oceania	£30m	£12m	£6m
Africa	£2m	£819,000	£409,000
All regions	£1.5bn	£600m	£300m

*Excludes UK

Barriers to growth

Research contributors identified the following issues, which impact on the growth of UK sports marketing and consultancy businesses:

- The challenges of establishing local partnerships when targeting new overseas markets
- Getting to grips with unfamiliar legal frameworks in overseas markets, e.g. contract law, intellectual property
- The challenge for smaller businesses to find the resources for exploratory visits to potential clients overseas
- Growing international competition for the supply of services to major events, included some based on subsidy

Strategies and recommendations

- Make the most of the “London 2012 effect” as a catalyst for UK suppliers to secure new business overseas.
- Ensure that the UK continues to host large sports events to showcase our experience and expertise to international markets
- The need to build relationships with potential overseas clients to unlock new business at forthcoming global sports events
- Secure and sustain local partnerships in targeted overseas markets
- Deliver incremental services value by partnering with clients on their terms, e.g. to transfer knowledge/skills to them
- Achieve a stronger collective marketing approach from the sector to target new business in overseas markets...
- ... alongside cohesive enabling/facilitation by Government, including coordinated trade promotion, advice and mission activity

Research methodology

The approach to this research project combined

- Desk research on UK sports marketing and consultancy sector, including assessment of 163 businesses identified as operating in this sector.
- A forecast of the sector's future growth potential to 2022, based on estimation and assumptions, covering, inter alia, past performance, future outlooks, global market demand projections, and the reported value of non-recurring sports event outside the UK
- An assessment of fifty five non-recurring major sports events scheduled around the world up to 2022. These events were selected in an evaluation process which ranked events according to criteria, which included their scale and status, global reach, estimated values of organising committee budgets, sponsorship and TV rights fees
- A series of structured interviews with 18 leading individuals from across the sector, which invited their perspectives on current issues, future growth opportunities and challenges

About the author



Ardi Kolah BA, LL.M, FCIM, FCIPR

A highly respected and internationally recognised marketing and communications practitioner with substantial sports marketing, business and social media experience. In 2003, he was independently ranked by the CIM as one of the top 50 thinkers in marketing in the world.

He has worked with some of the world's most successful organisations including Westminster School, BBC, Andersen Consulting (Accenture), Disney, Ford, Speedo, Shell, WPP, Proctor & Gamble, The Scout Association, Brand Finance, Genworth Financial, ICC, WHO, Yahoo, Reebok, Pepsi, Reliance, ESPN, Emirates, Government of Abu Dhabi, Brit Insurance, Royal Navy, Royal Air Force, Defence Academy, Cranfield University, Imperial College and Cambridge University.

He is the author of the best-selling series on sales, marketing and law for Kogan Page, published worldwide in 2013 and is a Fellow of the Chartered Institute of Marketing, a Fellow of the Chartered Institute of Public Relations, Liveryman of the Worshipful Company of Marketors and Chair of its Law and Marketing Committee. He is a former Board Director of the CIPR and the European Sponsorship Association. He holds a master's degree in international law from King's College and University College, London.

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