THE FUTURE OF THE DIGITAL EXPERIENCE: SPORTS STREAMING EDITION

Executive Summary

CONSUMERS WANT IT ALL WHEN IT COMES TO THE MOBILE FUTURE OF LIVE SPORTS

As streaming live events, particularly sports events, on mobile devices continues to become increasingly commonplace in the digital world, consumers are seeking ways to enhance the experience through companion applications, exclusive interviews, customizable screens and other premium content that enables viewers to create a unique and personalized experience. According to survey results, consumers want it all, but won't pay more for it.

Through the Digital Future Report: Sports Streaming Edition, CSG polled more than 2,000 consumers between the ages of 18 and 64, evaluated when and how consumers watch live sports as well as what value-added services they would pay more to receive.

Key Findings: Global (U.S. and U.K. combined responses)

1. At home, cable subscriptions are the bedrock of live sports consumption.
   - The majority (71%) of global consumers watch live sports through a cable subscription, with digital channels like streaming or mobile trailing at 18% and 11% respectively. They prefer to enjoy the game at home (69%) compared to bars/restaurants (14%) or stadiums (8%).
2. Fans are committed to the experience.
   - Nearly two-thirds (59%) of fans will watch the full game, regardless of how long it may go.
3. Consumers already expect premium service at an everyday price.
   - When asked what types of services they would be willing to pay more for, among less intrusive ads, multi-game or split screen access; access to personalized content; access to extras such as stats or virtual-reality enabled camera angles, 64% of respondents said that they would not pay extra for any of these features. Of those that would pay extra, less intrusive advertising was the most popular choice at 18.5%.
4. In fact, consumers are increasingly advertisement averse.
   - If given the option to tailor their own personalized viewing package, 32% of consumers would prefer less intrusive advertisements, followed by a package tailored to only the teams they care about (28%).

CONSUMERS ALREADY EXPECT PREMIUM SERVICE AT AN EVERYDAY PRICE

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69% OF CONSUMERS SAY THEY ARE NOT INTERESTED AT ALL IN VR/AR AS A WAY TO ENHANCE THE VIEWING AT HOME EXPERIENCE

5 Facebook is the platform of choice while watching live sports, with one in four (27%) consumers using it in tandem with sports viewing.

6 Consumers primarily tap social platforms and other online resources for the consumption of other sports related content.

- 42% use it to keep tabs on other concurrent games and 37% use it to find relevant stats.

7 Cable providers are excited about the potential for VR/AR – consumers, less so.

- 69% of consumers say they are not interested at all in VR/AR as a way to enhance the viewing at home experience. Only 11% are very interested.

8 Consumers want a convenient way to upgrade their sports packages.

- Half of consumers (51%) prefer easy payment by rolling charges onto a recurring monthly bill.

Key Findings: United States

U.S. CONSUMERS ARE LOSING PATIENCE WITH TRADITIONAL ADVERTISING

1 Cable subscriptions continue to be the primary source of live sports in the U.S.

- Nearly three out of four consumers (72%) rely on traditional cable subscriptions to watch sports games. Millennials and Gen Z, however, are increasingly turning to alternative sources, with nearly one out of four (24%) leveraging streaming services such as Sling TV for their live sports consumption.

2 U.S. sports fans are dedicated.

- Half (50%) state they will watch the full game regardless of how long it goes.

FACEBOOK IS THE PLATFORM OF CHOICE WHILE WATCHING LIVE SPORTS, WITH ONE IN FOUR (25%) CONSUMERS USING IT IN TANDEM WITH SPORTS VIEWING

3 Consumers already expect premium service at an everyday price.

- When asked what types of services they would be willing to pay more for, among less intrusive ads, multi-game or split screen access; access to personalized content; access to extras such as stats or virtual-reality enables camera angles, nearly 59% of respondents said that they would not pay extra for any of these features. Of those that would pay extra, less intrusive advertising was the most popular choice at 21%.

4 U.S. consumers are losing patience with traditional advertising.

- When asked what kinds of services they would be willing to pay extra for, one in five (20%) consumers would pay a premium for less intrusive advertisements. Among Gen Z and millennials, this jumps to one in four (25%).

5 In fact, advertisements are the largest source of consumer frustration.

- If given the option to tailor their own personalized viewing package, a third (32%) of U.S. consumers would prefer less intrusive advertisements, followed by a package tailored to only the teams they care about (28%).

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GEN Z ARE ALSO MORE LIKELY TO SPEND THEIR TIME ON INSTAGRAM (22%) OR TWITTER (21%) THAN THEIR GENERATIONAL COUNTERPARTS (9% AND 13%)

WHILE INTRUSIVE ADVERTISEMENTS WAS REPEATEDLY CITED AS A LEADING PAIN-POINT FOR U.S. CONSUMERS, U.K. SPORTS FANS ARE LESS WILLING TO PAY EXTRA TO REMOVE ADS BY A MARGIN OF 5%

U.K. CONSUMERS PRIMARILY TAP SOCIAL PLATFORMS AND OTHER ONLINE RESOURCES FOR THE CONSUMPTION OF OTHER SPORTS RELATED CONTENT

6. Facebook is the platform of choice while watching live sports, with one in four (25%) consumers using it in tandem with sports viewing.
   - Gen Z are also more likely to spend their time on Instagram (22%) or Twitter (21%) than their generational counterparts (9% and 13% respectively).

7. U.S. consumers primarily tap social platforms and other online resources for the consumption of other sports related content.
   - 41% use it to keep tabs on other concurrent games and 40% use it to find relevant stats.

8. Gen Z and millennials are leading the charge for VR/AR
   - Nearly half of Gen Z and millennials (44%) are interested in VR/AR as a way to get the "in-stadium" experience at home.

9. Consumers want a convenient way to upgrade their sports packages.
   - Nearly half of consumers (46%) prefer easy payment by rolling charges onto a recurring monthly bill.

Key Findings: United Kingdom

1. Pay TV subscriptions continue to be the primary source of live sports in the U.K.
   - A large majority (65%) of U.K. sports fans rely on traditional Pay TV subscriptions. Online streaming is the second most popular option (17%), however it has yet to make strides against traditional options.

2. U.K. fans are the most avid consumers of live sports.
   - 63% say they will watch the full game regardless of how long it goes.

3. Consumers already expect premium service at an everyday price.
   - When asked what types of services they would be willing to pay more for, among less intrusive ads, multi-game or split screen access; access to personalized content; access to extras such as stats or virtual-reality enables camera angles, 56% of respondents indicated that they would not pay extra for any of these features. Of those that would pay extra, less intrusive advertising was the most popular choice at 18%.

4. U.K. fans are less bothered by advertisements than their U.S. counterparts.
   - While intrusive advertisements were repeatedly cited as a leading pain-point for U.S. consumers, U.K. sports fans are less willing to pay extra to remove ads by a margin of 5%. This also applies to those who would prioritize less intrusive advertisements as part of a personalized package.

5. Facebook is the platform of choice while watching live sports, with one in four (25%) consumers using in tandem with sports viewing.
   - Gen Z respondents are more likely to spend their time on Instagram (23%) or Twitter (21%) than their generational counterparts (9% and 18% respectively).

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MORE THAN HALF OF CONSUMERS (51%) PREFER EASY PAYMENT BY ROLLING CHARGES ONTO A RECURRING MONTHLY BILL

6. U.K. consumers primarily tap social platforms and other online resources for the consumption of other sports related content.
   - 40% use it to keep tabs on other concurrent games and 32% use it to find relevant stats.

7. U.K. consumers are less interested in VR/AR than their U.S. counterparts
   - While nearly half of U.S. millennials and Gen Z are interested in VR/AR capabilities for live sports viewing, this drops to 40% of Millennials and Gen Z in the U.K.

8. Consumers want a convenient way to upgrade sports packages.
   - More than half of consumers (51%) prefer easy payment by rolling charges onto a recurring monthly bill.

Join the discussion with CSG on LinkedIn or Twitter using the hashtag #DigitalSportsFutureReport.

About CSG

CSG simplifies the complexity of business transformation in the digital age for the most respected communications, media and entertainment service providers worldwide. With over 35 years of experience, CSG delivers revenue management, customer experience and digital monetization solutions for every stage of the customer lifecycle. The company is the trusted partner driving digital transformation for leading global brands, including Arrow Electronics, AT&T, Bharti Airtel, Charter Communications, Comcast, DISH, Eastlink, iflix, MTN, TalkTalk, Telefonica, Telstra and Verizon.

At CSG, we have one vision: flexible, seamless, limitless communications, information and content services for everyone.

The Digital Future Report: Sports Streaming Edition survey was conducted in July, 2018 using Google Consumer Surveys.

For more information, visit our website at csgi.com and follow us on LinkedIn, Twitter and Facebook.