Sports in India

July 2017
The sports sector in India has witnessed a number of recent developments, which have contributed to its significant growth. Although cricket continues to be the leading sport in the country, other sports have also gathered sizeable interest over the past few years. Establishment of new leagues in football, hockey and less established sports such as kabaddi is changing the face of Indian sports: players are getting a global stage to showcase their talent and viewers are getting the opportunity to get more involved in their favorite sports.

**New Sports IPs: Influx of sporting leagues between 2012 - 15, with 8+ new Leagues in the next 3 years**

- Indian Premier League
- Super Fight League
- World Series Hockey
- Indian Super League
- International Premier Tennis League
- Premier Futsal League
- Champions Polo League
- E-sports League
- Universal Basketball Alliance
- Pro Wrestling League
- Boxing League
- Poker League
- Pro Kabaddi League
- Ultimate Table Tennis League
- Indian Beach Volleyball League
- Sailing League
- Cue Sports
- Running
- Defunct
- Planned*
This rise in popularity of sports and the frequent hosting of large sporting events in India provide ample business opportunities for corporates. The result is not only increased branding and sponsorships but also growth in sports start-ups. Entrepreneurs – many of them former amateur sports people – are setting up new businesses ranging from e-tailing sports apparel and goods to providing sports analytics.

**Growth of sports other than cricket**

The emergence of several professional sports leagues has helped grow the popularity of several sports in India. These new leagues have not only offered an opportunity to spot new talent but also provided a sustainable livelihood to sportspersons. One such league currently making its mark in India at the moment is the Indian Super League (ISL) for football. Although the game was always popular across certain regions and pockets of society, the league has given it mainstream attention. The third edition of the ISL in 2016 had a total viewership of 224 million as compared to around 207 million in 2015. The ISL 2016 finale had a viewership of 41 million, up 41% as compared to 2015. One of the highlights of the season was the sharp increase in rural viewership, registering a cumulative figure of 101 million, indicating the widespread appeal of the sport.

<table>
<thead>
<tr>
<th>Viewership of sports leagues: unique viewers (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Premier League</td>
</tr>
<tr>
<td>362</td>
</tr>
<tr>
<td>Indian Super League</td>
</tr>
<tr>
<td>224</td>
</tr>
<tr>
<td>Pro Kabaddi League</td>
</tr>
<tr>
<td>220</td>
</tr>
<tr>
<td>Pro Wrestling League</td>
</tr>
<tr>
<td>109</td>
</tr>
<tr>
<td>Hockey India League</td>
</tr>
<tr>
<td>43</td>
</tr>
<tr>
<td>Pro Badminton League</td>
</tr>
<tr>
<td>36</td>
</tr>
</tbody>
</table>

Season 2016 - BARC COVs

Another sport that has gained significant traction over the past couple of years is kabaddi. Kabaddi grew manifold in 2016 with two editions of the Pro Kabaddi League (PKL) and the men’s World Cup. The league’s viewership has grown 51% in the last four seasons, and the game can now boast of a dedicated audience. Other sports such as Formula One racing and hockey have also shown some serious business potential that can be explored.

Female and rural audiences have been significant contributors to growth in sports viewership in the country, and they are expected to drive the next phase of growth as well. One of the reasons for growth in their viewership has been the availability of sports on non-sports channels.

2 “114 million people watched Kabaddi World Cup 2016,” Economic Times, 14 November 2016, via Factiva.
Sports broadcasting: a duopoly

Sports broadcasting in India has also evolved significantly, although, as expected, it is dominated by cricket, which accounts for an estimated 85% of the total sports broadcasting revenues. However, the dominance of cricket is reducing with the growth of other sports such as football, kabaddi, tennis, basketball, wrestling, etc. NBA, UFC and WWE. Indian sports leagues such as ISL, PKL and the Wrestling League are also attracting significant interests and have shown huge potential.

The deal between Sony Pictures Network (SPN) and Zee Entertainment Enterprises Ltd. has created a duopoly in the market, with both Star and SPN having a formidable content line-up. The companies are expected to put in greater effort in enhancing their sports properties and aggressively bid for marquee properties such as IPL and ISL to scale-up distribution. The network that makes itself more accessible and consumable and creates and sustains real-time conversations to engage with the audience and enhance their experience will emerge as the winner3.

Online consumption of sports

With increasing smartphone penetration and falling data tariff, online consumption of sports content is on the rise in India. Star India, which has the digital rights of the IPL, has witnessed significant viewership and engagement on its Hotstar mobile streaming app. Its viewership more than doubled to 110 million for the IPL in 2016 from 41 million in 2015. Cricbuzz, a platform owned by Times Internet, a part of the Times Group, recorded a 40% jump in viewership of its website during the IPL in 2016, and users consumed as much as 30 billion page views, spending more than 24 billion minutes.

Digital viewership for major leagues

<table>
<thead>
<tr>
<th>League</th>
<th>2016 Viewership</th>
<th>2015 Viewership</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Kabaddi League</td>
<td>26m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian Super League</td>
<td>32m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian Premier League</td>
<td>110m</td>
<td></td>
<td>62%</td>
</tr>
</tbody>
</table>

3 “Are we headed for a sports broadcasting 'Duopoly' in India?” IndianTelevision, 7 September 2016, via Factiva.
Growing online viewership indicates the sense of comfort that users have with the digital medium. Online viewers are no longer a small, niche category. While most do not watch entire matches online, the average time spent per user is in the range of 30–35 minutes (on Hotstar). The majority of users (61%) access matches on mobile handsets and live in the top 10 metros. The first screen for the IPL still remains TV, but OTT platforms allow consumers to watch anytime anywhere and catch up on matches during travel time.

Digital consumption has also been instrumental in driving fan engagement in new age sports properties. Sports properties are connecting with their audiences online, and this consumer database on digital will be key to connect with the audience for further downstream ancillary revenues (digital fan memorabilia, loyalty program, contests/polls etc.)

### Fan engagement through social media

<table>
<thead>
<tr>
<th>Total social media following for major leagues*</th>
<th>20.1m</th>
<th>2.9m</th>
<th>2.2m</th>
<th>0.6m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Premier League</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian Super League</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hockey India League</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro Kabaddi League</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Social media following includes Facebook and Twitter in 2016 as per industry report.

### Growing importance of data and analytics

Sports leagues and teams are increasingly leveraging data, ranging from fan engagement and ticketing to performance improvement and digital interactions. Today, most global professional sports teams, and increasingly Indian teams, have specialized analytics teams to:

- **Improve performance:** Analytics is increasingly being used in sports in the areas of training and strategy. Performance analytics is being used to identify weaknesses, track improvements and observe trends.

- **Engage audiences:** Sports broadcast programs are now using real-time analytics and animation to play out what-if scenarios to engage audiences, and social media analytics to gauge their sentiment.

- **Prevent sports injuries:** Analytics is also helping professional sports teams prevent sports injuries by analyzing the data collected from wearable devices.

India has evolved from a single sport nation to a multi-sport country. However, to further improve sports participation, there is a need to build a culture of sports in the country through better infrastructure, increased corporate investments and promotion by the Government. This will help realize the untapped business potential of sports across the fields of marketing/sponsorship, sports management, sports goods and apparel, sports infrastructure and sports tourism.

---


Raghav Anand
Director-Digital Media & Sports
raghav.anand@in.ey.com
While cricket still is the dominant sport in India from a viewership perspective, we definitely see increasing traction on other sports like kabaddi, football as well as badminton among others. This growth is driven by the increasing interest in the sport on account of India doing well and no. of events/games being telecast of non-cricket genre. As a matter of fact, our non-cricket live events will contribute to above 70% of total live events programming hours. Even from the ratings perspective, non-cricket events are contributing to more than 40% of the top 200 sport events of the entire year. This traction on viewership is also supported by the confidence of the advertisers, who have been increasing their outlays year on year on non-cricket sports. Advertisers have even started to commit to long-term associations with the non-cricket properties. Examples of Hero for ISL, Vodafone for PBL and the recent association of Vivo as title sponsors of the Pro Kabaddi League demonstrate the confidence that sponsors have on the non-cricket genre to commit to long-term associations and drive value for themselves. We are confident more advertisers will see similar value to associate with non-cricket sports and create unique associations and imagery for themselves in the market.

How do you see the growth of the non-cricket sports market in India from a broadcaster's perspective?

The approach to driving subscription revenue increase is to segment the market and cater to the various segments by driving localization, premiumization and differentiation. Through this 3-pronged approach we want to drive higher engagement with relevant segments and drive overall sports consumption as a genre. The international sports channel strategy has helped us identify and target a significant segment of viewers who are willing to pay premiums to watch premium international sports, and we are further working on how we can grow this viewer base and monetize this segment differentially.

How are sports channels looking to increase subscription revenue? Has the strategy to launch premium sports channel helped the industry?

Our core proposition to advertisers is to provide disproportionate value ownership of sports for select few advertisers, hence a strong through presence across formats. This enables our clients to effectively target their customers following that property. At the moment, our approach would be to keep HD channels as mirrors of the SD channels.
The TV viewing regional diaspora prefers content in regional languages. How will the industry look to cater to this diversified regional sports viewing audience?

Our experience with delivering sports in regional language started with Star Sports in Hindi, which received very good traction and adoption by viewers and indicated to us the potential of regional feeds. We broadcast the 2015 Cricket World Cup in different regional languages. This was further extended to our non-cricketing properties like ISL and PKL, which had regional languages feeds and helped in driving consumption of the leagues in those markets. Recently, we have launched Star Sports Tamil, and the initial response has been encouraging and we are confident that we are on the right track.

How will digital players look to monetize non-cricket sports on digital?

For us, through Hotstar we have seen increased engagement on all non-cricket properties, particularly on the Premier League and the Rio Olympics. The digital medium allows subscribers to access content personalized to their profiles. The advertisers also get value as the medium allows for customized messaging to be delivered to viewers basis customer profiling. These are still early days of digital monetization. Focus is on growing viewer base, which is growing at a significant pace driven by the explosion in data consumption.
Our M&E practice

EY India has a dedicated M&E practice of more than 300 professionals across 15 key segments of the industry. We provide services to many of the country’s leading M&E companies as well as to global media giants operating in the country.

We have developed a wide range of services, such as entry strategy, private equity placement, due diligence, IT security review, organization structure, performance improvement and tax structuring. This has enabled us to establish a strong presence in each segment of the industry.

As your advisors, we can help respond quickly and effectively to the challenges the entertainment industry faces today.

For further information, please contact

Farokh T. Balsara
Partner and Sector Leader – Media & Entertainment
Ernst & Young LLP
The Ruby, 29 Senapati Bapat Marg, Dadar (W)
Mumbai - 400028
T: +91 022 61920000
F: +91 022 61921000
E: farokh.balsara@in.ey.com

Ajay Shah
Television
E: ajay.shah@in.ey.com

Rakesh Jariwala
Filmed entertainment; Sports
E: rakesh.jariwala@in.ey.com

Ashish Pherwani
Print; Radio;
Out-of-home; Events; Marketing agencies
E: ashish.pherwani@in.ey.com

Raghav Anand
New Media
E: raghav.anand@in.ey.com

Radhika Pradhan
Marketing
E: radhika.pradhan@in.ey.com

Ernst & Young LLP
EY | Assurance | Tax | Transactions | Advisory

© 2017 Ernst & Young LLP. Published in India. All Rights Reserved.

EYIN1707-074
ED None