

nbn™



Australia's
broadband
network

Future of Sport Report

The revolution
in digital sports consumption



“The lines between sport and entertainment have blurred beyond recognition. Sport fans now demand non-stop entertainment, full immersion and unfettered access to athletes, team and events. Digital technologies and increased connectivity is at the core of this revolution. More sports, deeper engagement and a heightened experience. All enabled by a rapidly developing digital eco-system.”

ROB MILLS

CEO of the Gemba Group

About this report

The report was commissioned by **nbn™**, the company building Australia's broadband network, and offers research and insight into the future of sport consumption by the Gemba Group (Gemba).

The sources of data presented in this report include Gemba owned insights (from the Gemba Insights Program), and a customised online survey conducted with 1,500 Australians, aged 16-64, during February 2017.

About nbn

nbn (the company) was established on 9 April, 2009, to design, build and operate Australia's new broadband network.

nbn is a wholly-owned Commonwealth company – a Government Business Enterprise – and is represented by Shareholder Ministers; the Minister for Communications and the Minister for Finance.

For more information about **nbn**, visit:
nbn.com.au

About Gemba

Gemba is the authority on Sport and Entertainment in Australia, providing strategy, insights and communications services to a suite of leading sporting organisations and blue chip brands. Gemba has offices in Australia, China and New Zealand, and is the proprietor of the largest consumer study on Sport and Entertainment consumption globally.

Gemba is renowned for its insights and strategic perspective on all aspects of the digital landscape, and its role in driving change in sport consumption and participation.

For more information about gemba, visit:
thegembagroup.com



Brave new world

The world is changing at hyper speed, and with it our collective sporting experience. New fans, consuming new sports in new ways in new environments. It's a transformation as massive as Australia's passion for the events themselves.

Fast broadband such as services via the nbn™ network provide a platform to propel our sporting experiences into the stratosphere.

Australians are fanatical about sport. The nbn™ Future of Sport Report by the Gemba Group indicates that 16.4 million Australians are interested in one or more sports, and that's only those between the ages of 16 and 64.

The loungeroom is the fundamental destination for our fanaticism. Days and nights are punctuated by frenzied cheering, cursing and nail-biting as we watch our favourite athletes and teams succeed and fail. Whether through television, streaming through a connected computer or device – sometimes all three – you can count on Australians to actively pursue their love of sport as entertainment in the home.

But while fan passion is a constant, the sporting landscape is transforming at staggering speed. Gone are the days of being told what we can watch, when and how by broadcasters and rights holders. Today's fans want control. They want more of the best moments, athletes and content; all at once and all at their fingertips. The sports we love are adapting to suit. New formats, new storylines, new levels of access, new celebrities.

Modern sport is built to entertain, engross and keep us perched on the edge of our seats. The biggest change of all is not happening on the field of play, it's happening in the home.

Our loungerooms have transformed into sporting stadia, providing an in-depth experience resembling the traditional ring-side seat. New technologies and increased broadband connectivity are factors paving the way for a fully customised, high definition and 360-degree immersion.

We are on the verge of a new reality - virtual and augmented. Tools that will allow us to feel the action, become the athlete and share new social connections with millions of fellow fans.

The increased connectivity and internet speeds delivered via fast broadband such as services over the nbn™ network helps to remove existing barriers, enabling this evolution to continue at pace.

A snapshot of sport-mad Australians



Harness the internet to feel more connected to sport.



Australian fans are multi-screeners, using multiple devices when consuming sport at home.



Of sporting content consumed by Australians at home per week.



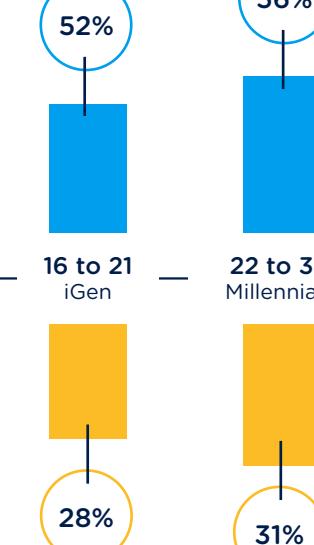
1 in 3 young Australians have stayed up all night streaming sports.



Growth in the proportion of Australian fans consuming sport online since 2015.

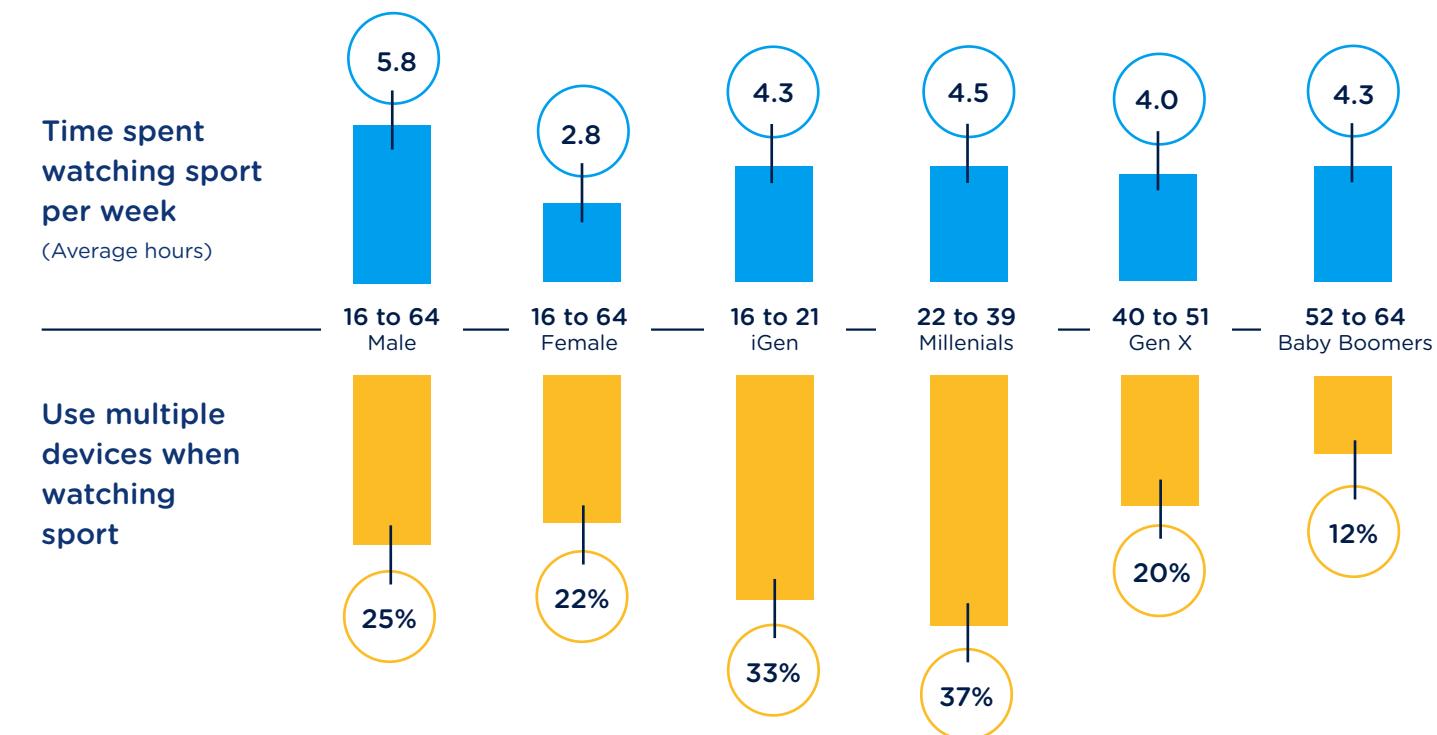


Australian eSports fanatics in 2016.



Harness internet to connect with sport

Consume new sports* via social media



Sport consumers: By the generations

What's next iGen	Insatiable millennials	Tech savvy parents	Old school boomers
More interested new formats of old sports (e.g. Big Bash League, Nitro Athletics) and overseas leagues (e.g. NBA, English Premier League)	Most likely to use multiple devices when watching sport (37%)	Most likely to use their laptop or PC to consume content at home (89%)	Highest passion for traditional sports (Cricket, Australian Rules, Rugby League)
Utilise the most devices (3.1 on average) to consume sport content	Most likely to consume sport through social media (31%)	Most likely to agree that the at-home experience is superior to the at-stadium experience (42%)	Most likely to consume sport in the home as opposed to 'on the go' (92% of content consumed at home)
Highest levels of interest in Virtual Reality technology to enhance the sport viewing experience (43%)			

Sport consumers: Battle of the sexes

Sport mad males	Female fanatics
More time spent watching sport per week (5.8 hours on average)	More likely to agree that the at-home experience is superior to the at-stadium experience (42%)
Higher proportion of multi-screener (25%)	More interested in Virtual Reality technology that provides multiple viewing angles to watch sport (38%)
Higher interest in a one-stop digital platform for sport (35%)	More likely to consume sport on handheld devices (17%)
More likely to consumer sport via social media (22%)	

01

The new age sport fan



Meet Johnny

The old school sport nut.



Then

Johnny is 55 and lives in Lewisham, in Sydney's Inner West. He loves cricket in the summer and footy in the winter. Trekking to Leichardt Oval on Sunday afternoons is a ritual - sitting in the grandstand with his mates, drinking beer and roaring with the crowd as the Tigers score. He recently bought an iPhone but hasn't figured out how to use it properly, and most websites don't seem to be compatible. He thinks Facebook and Twitter are for nerds who don't have any real friends.



Meet Ollie

The fully immersed fanatic.



Now

Meet Emma

The entertainment seeker.

Emma is 29 and lives in Cranbourne, on Melbourne's south eastern outskirts. She loves her soccer, just as much as she loves Game of Thrones and I'm a Celebrity...Get Me out of Here! She used to head into AAMI Park to watch every Melbourne City home game, but now she prefers to watch at home, where she can harness all her connected devices, see all the angles, and chat with her mates on WhatsApp. She constantly checks her Twitter feed whilst watching the game to engage with all the gossip about the latest incident. Late at night she streams the English Premier League on her laptop or Apple TV. Who needs sleep!

Ollie is 21 and lives in his own world. Ollie has many passions and a short attention span. This week he loves Ultimate Weapons Fighting. Last week it was Human Pinball, but that became a bit boring after the second season. Whether in the bathroom, on the couch or lying in bed, he is constantly streaming the latest game or bout. Virtual Reality glasses on, lost in the moment. When's he not watching, he's challenging his mates online. Last week he beat Carlos who lives in the remote hills of Guatemala. He's pretty excited about tomorrow, when he gets to train with the Lakers. Hopefully Coach Curry goes easy on him.

Next

Digitally savvy

01

Gone are the days of passive television viewing in a purely 'free-to-air' environment. We live in a digital age, where the possibilities are seemingly endless.

Today's sport fans are tech savvy and digitally driven. We engage with our favourite teams, leagues and athletes through any means possible. Through digital media, social media and with all manner of devices. This behaviour has seen many new players enter the sport content market. Twitter streamed the NFL and the Melbourne Cup to new, global audiences in 2016. A first for social media and a game changer for the broadcasting industry. The convergence of technology and media, providing sport to consumers how they want it, when they want it.

The future

Fans will demand technology advancements, and at pace.

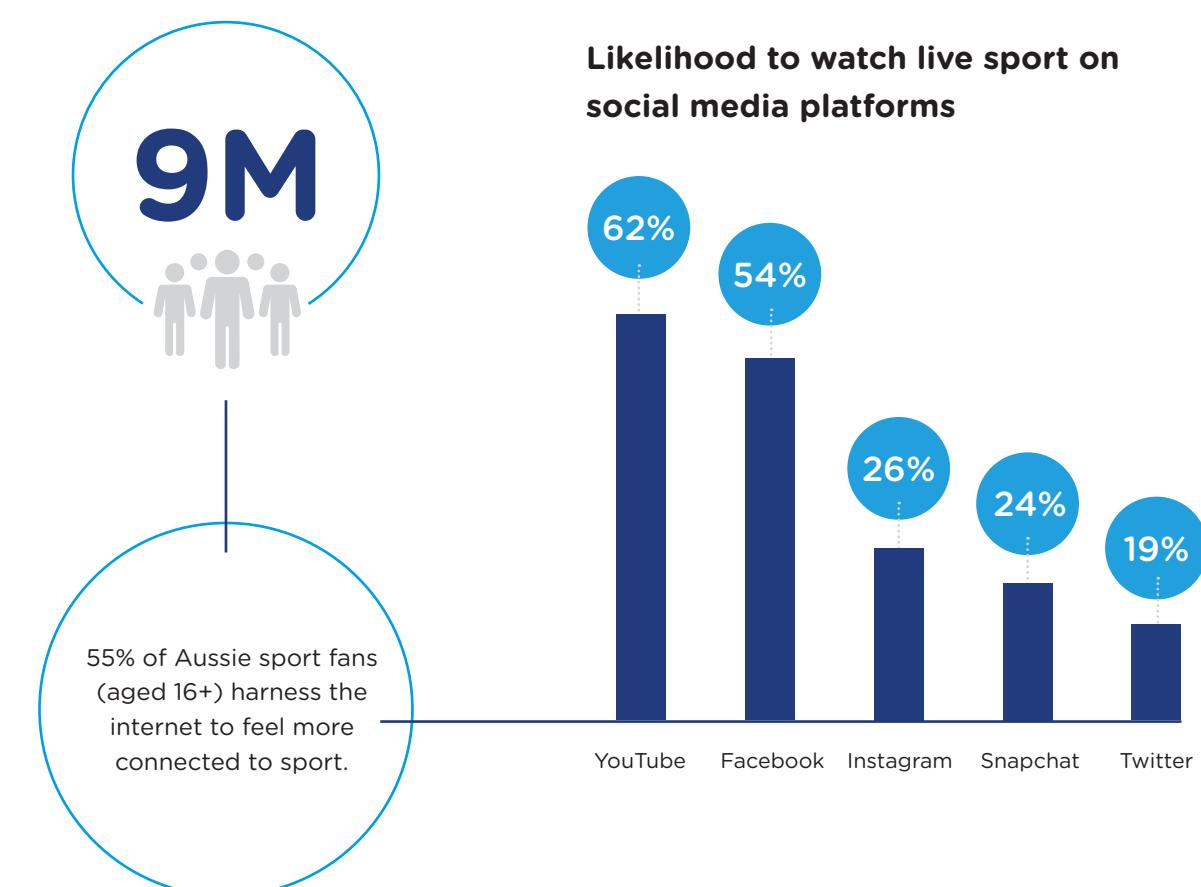
More connected devices used.
More channels watched.

Convergence of technology and media businesses to meet the needs of fans.

"The pathway into fandom has changed dramatically. Gaming, eSports, social media and digital content are now the first point of exposure for many. Kids are no longer just following the same sports, teams and athletes that their parents did."

GAVIN MACDONALD

Business Innovation at the Australian Sports Commission



01

Sport is entertainment and entertainment is sport



Whether watching live sport, a Hollywood thriller or reality TV, Australian viewers are looking for the same thing: consequence.

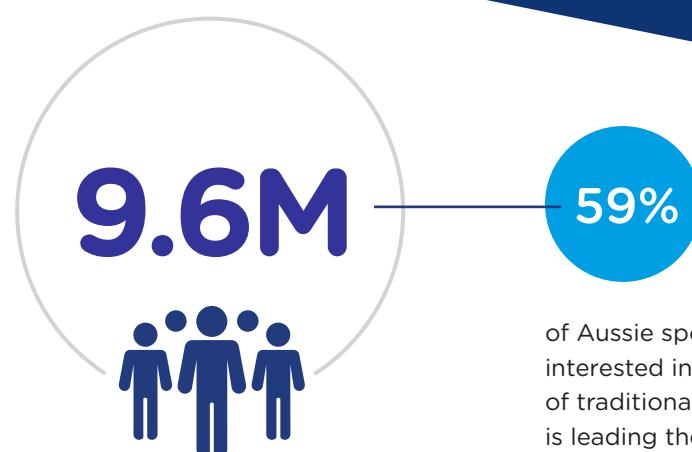
Twists and turns, heroes and villains, winner and loser. In sport, we want athletes, teams, and coaches to lay everything on the line, no holds barred and no quarter given. We love athletes with personalities larger than life, and crave intimate access to their lives away from the arena. This has led to the boom of new leagues and events that offer bigger hits, more decisive moments and increasingly colourful characters. Queue the Big Bash League, UFC, Fast4 and Nitro Athletics. These new 'entertainment' formats are hot on the tail of their traditional counterparts and could soon leave them in their wake.

The future

By design, more moments of consequence, more often. More drama. More emotion.

Athletes as celebrities – sports and athletes will have to accept this and embrace the pace.

Deep storylines and behind-the-scenes content a given.



Source: Gemba Insights

Hungry for more

“Every second, eight people hit play on a video on one of our platforms.”

—FINN BRADSHAW
Head of Digital at Cricket Australia

The future

The tidal wave of content will only get bigger

Ever shorter, sharper, more diverse content; something for everyone

Online channels driving the content to hungry consumers

01



8.5M

Australian fans consume Cricket, Australia's favourite sport, at home.



60M
HOURS

Of sporting content consumed by Australians at home per week.



57%

Growth in the proportion of Australian fans consuming sport online since 2015.

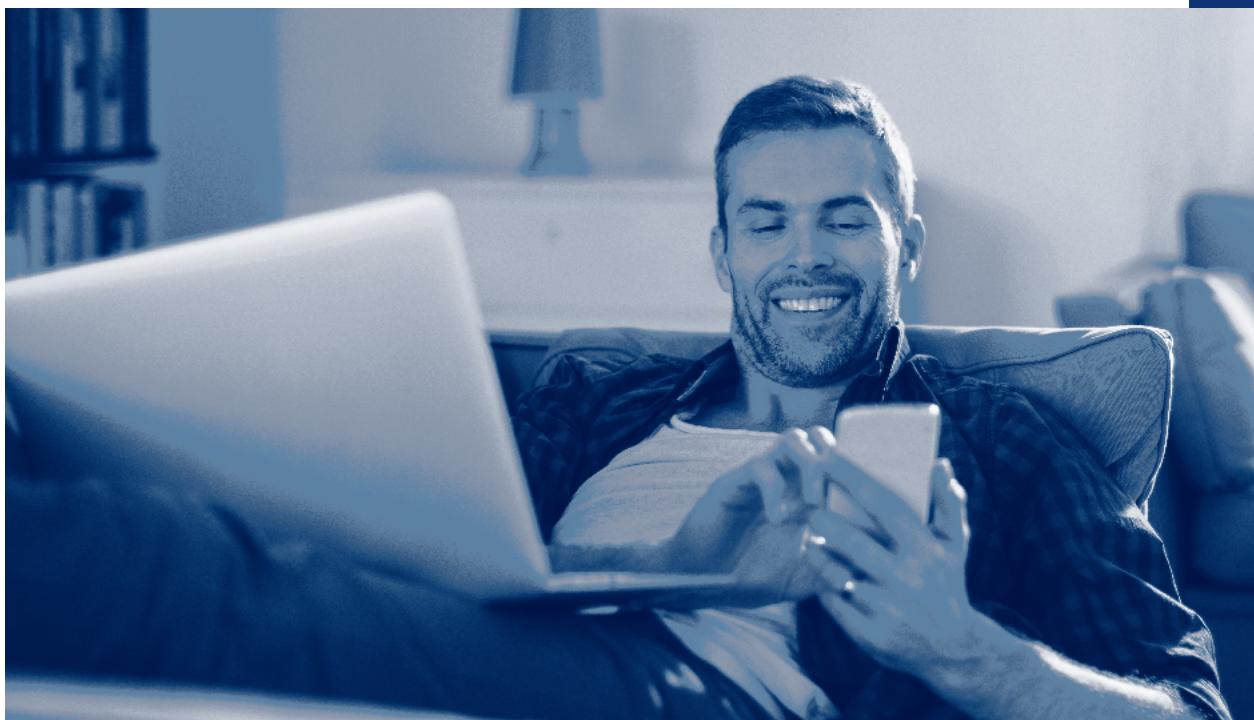
Source: Gemba Insights

Control freak

Australians don't like being told what to do, and the sporting public is perhaps the most demanding of the lot. Fans want to choose their own angles, their own replays, their own commentators, their own stats.

They want to choose what they watch, when they watch, where and how. When their demands are not met, social media is awash with complaints.

This is placing an ever-increasing demand on sporting organisations to provide tailored experiences to their fan bases, only possible via digital and social channels.



The future

Sports must have the ability to deliver a customised experience

Digital is the only platform that can provide the requisite flexibility

Clunky, traditional content could see the fans leave in droves

“Digital technology will drive the continued trend towards personal curation and customisation of content. Advancements in streaming technology will empower fans to choose their own camera angles and produce their own personal coverage of live events.”

—FINN BRADSHAW
Head of Digital at Cricket Australia



Source: Gemba Insights

01

The home as stadium



Your hair stands on end as the crowd roars around you. You're so close to the action you can feel the vibration as players collide. You look downfield and predict the play before it happens. But you're not on the field or in the grandstand. You're in your loungeroom.

New technology and fast broadband is helping to bring the stadium experience to the living room, and taking consumption to a new dimension.

02

The evolution

From unsophisticated to customised to fully immersed, the loungeroom stadium is turning sports viewing on its head. This change has seen Joe, the father of two from Brisbane, to evolve from an old school sport fan into a tech savvy dad.

02

Then
Joe pays the pizza delivery guy and joins the rest of the family on the couch. Turning on the rear-projection TV, he flicks to Channel 7 for Saturday Night Football. During the ad breaks he grabs a drink or flicks to the Saturday night movie. The Castle. Again. He wishes he could afford Foxtel, so he could watch the other game. At half time, his teenager gets bored and retreats to the bedroom to read a book.

Now
Joe settles in for a session of the Big Bash, at first on his smartphone because his daughter is watching the end of the Federer versus Djokovic match at the Australian Open. At his wife Sophie's request, the Big Bash migrates to the smart TV. Gee the home theatre system creates a great atmosphere. Sophie is enjoying the game too, when she's not messaging her friends on Facebook. Joe's son is in the same room but could be on another planet.

He's testing out the Cardboard VR Headset he just bought from Google. He must be watching the NBA All-Stars game because he keeps calling LeBron's name. Joe reports this all on Twitter whilst keeping track of the Big Bash conversation.

Next
Pulling on his helmet, Joe is transported to the middle of the MCG. The ball bounces and he feels the ruckman brush past as he launches at the ball. He touches a button on his wrist and now he's hovering above the play, the birds-eye angle affording Joe a view of the whole field as the play unfolds. His whole family is with him, for a while anyway. Then they're each in their own game. Soccer, Rugby League, UFC, eSports. He hears a beep and suddenly an image of his mate Tim appears in the corner of his vision. He makes a quick comment on the goal before disappearing again. Now he's thirsty so he hits another button on his wrist and instructs the mini-fridge to bring him a sponsored brew. This is the life.

02

The best seat in the house

The battle for supremacy between home and stadium is raging, and your loungeroom is grabbing the upper hand. For many Australian fans, the viewing experience at home is already the superior option. Advancement in the quality and flexibility of content, as well as the devices that transmit it, means you can replicate the atmosphere of the stadium experience, without battling public transport, queues and overpriced fast-food.

At home, it's easy to get insight and analysis from your favourite commentators, interact easily with your friends online, and surf a world of sporting passions at your heart's desire. Ultimate flexibility.

“The more data that sports gather on their fans, the more they can deliver a personalised and superior viewing experience at home.”

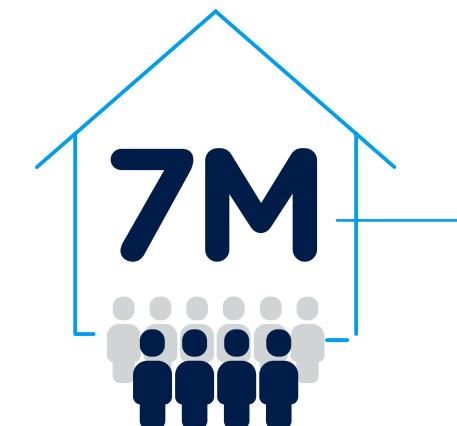
—DR. ADAM KARG

Senior Lecturer in Sport Management at Deakin University

The future

Technology, underpinned by factors including fast broadband and increased connectivity, could take the home viewing experience far beyond the confines of the stadium

More control. More immersion. More interaction.
Less hassle



Aussie adults agree that the at-home experience is better than the at-stadium experience as it allows you to get closer to the action.

Source: Gemba Insights

Fans turn athletes

Imagine standing in the middle of the field for the kick-off on NRL Grand Final Day. Or returning a Serena Williams serve, ducking under a Starc bouncer, or dunking over LeBron James.

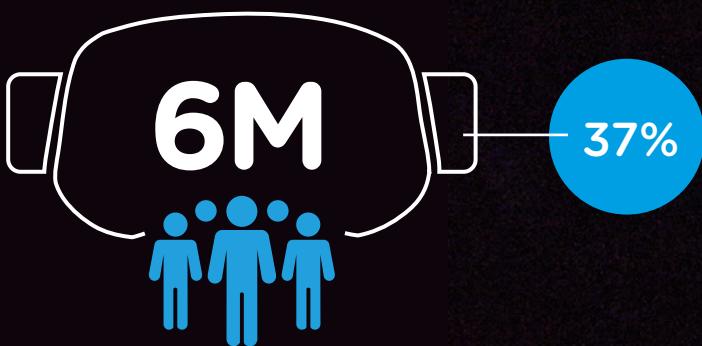
Becoming a player in your favourite sport is closer than you think. Virtual and augmented reality, supported by wearable tech, will provide new platforms to fully immerse yourself in the action and turn a passive experience into an active one.

In the loungeroom stadium, you could see the action from a player's perspective, feel the hits, and see how your technique and reactions stand up at the elite level.

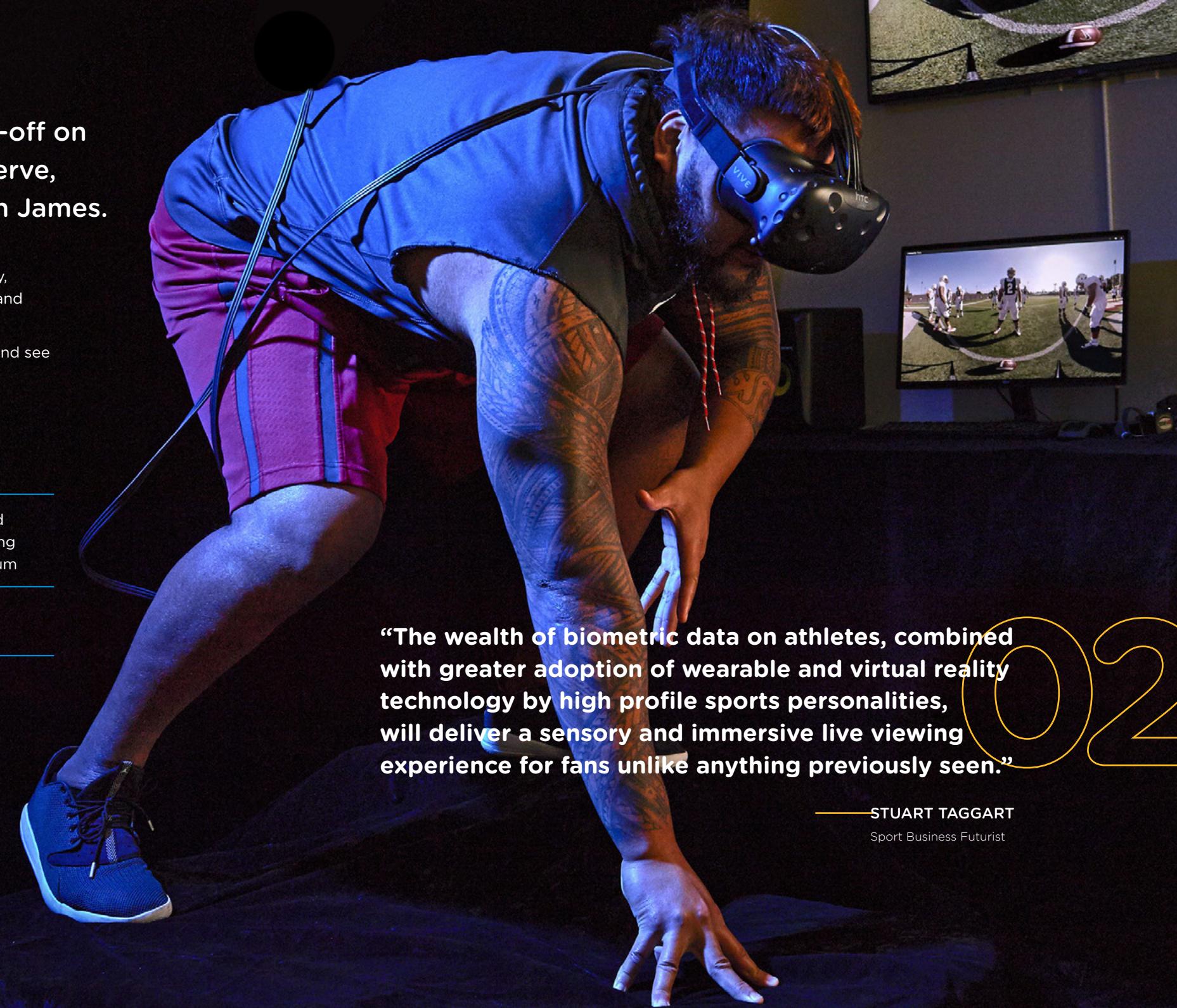
The future

Technology, underpinned by fast broadband and increased connectivity, will take the home viewing experience far beyond the confines of the stadium

More control. More immersion. More interaction.
Less hassle



of Australian sport fans
(aged 16+) want a virtual or
augmented viewing experience.



"The wealth of biometric data on athletes, combined with greater adoption of wearable and virtual reality technology by high profile sports personalities, will deliver a sensory and immersive live viewing experience for fans unlike anything previously seen."

— STUART TAGGART
Sport Business Futurist

Open all hours

Our demand for sporting content is increasing, but we are not seeking more of the same. Growth in engagement is being driven by short, sharp, more intimate content.

We're looking for highlights of the biggest and most extreme moments, and behind the scenes footage of our sporting stars. Such content is being delivered through digital and social media, accessed by fans at their own discretion online, turning on and off the tap at will.

“Fans want to be engrossed and immersed in their sporting passions at any time they choose. Cognitively & behaviourally.”

— DR. ADAM KARG

Senior Lecturer in Sport Management at Deakin University

The future

An endless stream of sporting content for the hungry fan

Digital technology delivering the best content; any time, and in real time

02



of Aussie sport fans (aged 16+) spend the equivalent of at least one working day (8 hours) watching sport each week.



Young Australians have stayed up all night streaming sports.

A hive of connectivity

02

The loungeroom stadium is bursting at the seams with devices, screens and gadgetry. All connected to fast internet powered by the nbn™ network, and built to satisfy our multi-screening pleasures.*

With this connectivity comes flexibility, with family members able to satisfy their varied sporting tastes simultaneously. And its not just the devices that are connected.

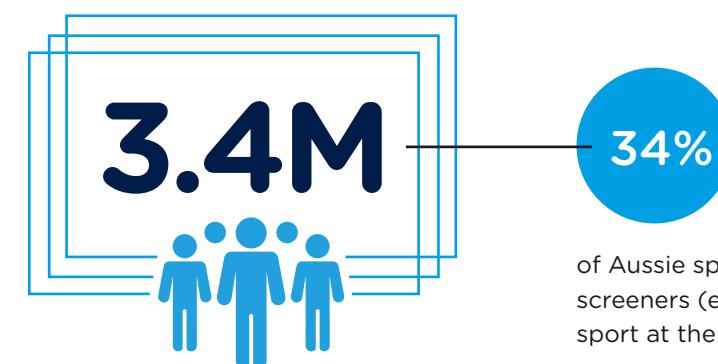
This network of technology is a driver of social connection, facilitating conversations with our millions of friends, followers and fans in an instant.

The future

Seamless transferral of content - device to device, person to person

Fans able to customise their viewing experience through multiple devices and content streams

The loungeroom is a gateway to global interaction. Allowing fans to engage with a multitude of sports, athletes and fellow fans in real time and high definition



34%

of Aussie sport consumers (aged 16+) are multi-screenerers (e.g. use multiple devices to consume sport at the same time).



Devices used on average by young Australians (aged 16-29) when watching live sport. 2.5 for the older population (aged 30+).

*End-user experience, including the speeds actually achieved over the nbn™ network, depends on the technology over which services are delivered to your premises and some factors outside our control like equipment quality, software, broadband plans, signal reception and how the end-user's service provider designs its network.

03

Sport of tomorrow



**Short and sharp. Littered with twists and turns.
More of the big hits, surprising moments and
outrageous personalities. The evolution of sport
is underway and who knows where it will end.**

Digital advancement will provide the sports of tomorrow with a platform for global engagement.

The evolution

From sport to 'sportainment'. From athletes to celebrities.
The sport of tomorrow will look very different than it does today.

THEN

Welcome to Day 1 of the First Test. It's 11am and there are five days of "action" ahead. Every few hours there is a moment of absolute brilliance, bringing the crowd to its feet.

The skipper is batting well. He seems like a good bloke, but it's hard to tell under that helmet. He is always very serious in the interviews you see on the news.

NOW

Welcome to UFC 205. The buzz in the arena is electric as the lights dim. McGregor enters to a deafening roar, the music pumping as he struts towards the Octagon. The banter between he and Alvarez the past few weeks - in person and a on social media - has been fascinating. They're both pretty funny dudes, not that you'd ever laugh at them. The bout begins in a flurry of fists as the cheering reaches fever pitch. Five minutes later Alvarez is laid out on the floor, McGregor crowned champion again. His 3.4 million followers left begging for more.

NEXT

Welcome to the final of the Rugby Sevens World Championship. 450m Chinese are watching online, with 10m virtual fans accompanying the 50k attendees at the stadium. Two minutes in and Australia has an early lead. Suddenly a siren blares to signal the Chinese fans have activated a power play for their team. This gives them an extra player for the next five minutes. As they score their third try in quick succession, holograms of virtual Chinese fans appear all over the stadium, celebrating wildly and giving cheek to their opponents. The Aussie fans grab their phones to seek revenge.

03

The anything and everything world championships

Gone are the days of a few big sports dominating the consumer landscape. Today, everything has a voice, and with competition, comes innovation. Niche sports are exploding into show-stopping sensations, developing new fan bases and bringing their own technology and platforms with them. The growth of such sports is assisted by enhanced internet connectivity and digital technology.

EXHIBIT A

eSports, with its legions of gamers, connected through platforms that combine digital broadcast with social media.

EXHIBIT B

Ninja Warrior, pitting fitness junkies against one another in a colourful world of obstacles and challenges, reminiscent of early Nintendo games. Sure, the big sports are still here, trying their utmost to keep the weird and wonderful at bay. Who will win this battle for supremacy?

THE FUTURE

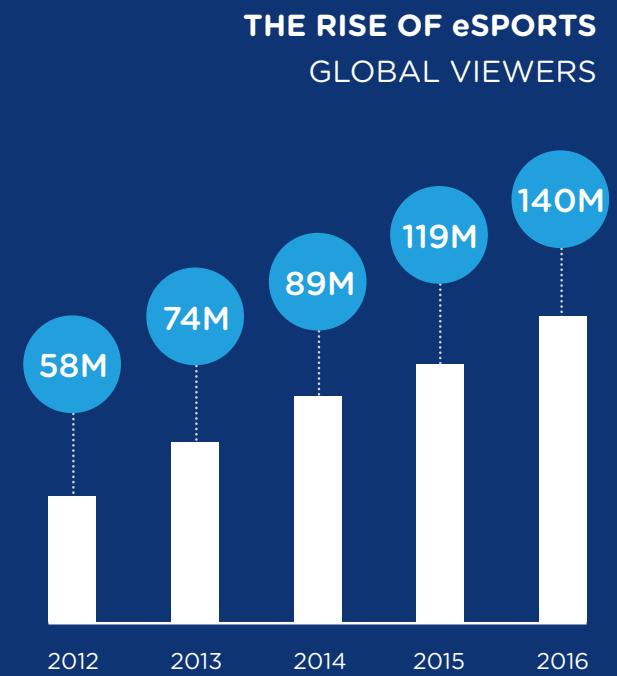
- Underground movements go mainstream
- Bringing new platforms and technology
- Driving innovation across the industry

03

“eSports has gone from niche to huge engagement very quickly. I can see the day when traditional sport and eSport operates out of the same stadium simultaneously. Two fan segments coming together for a shared experience.“

LEAH O'GORMAN

General Manager Sport Partnerships at Foxtel

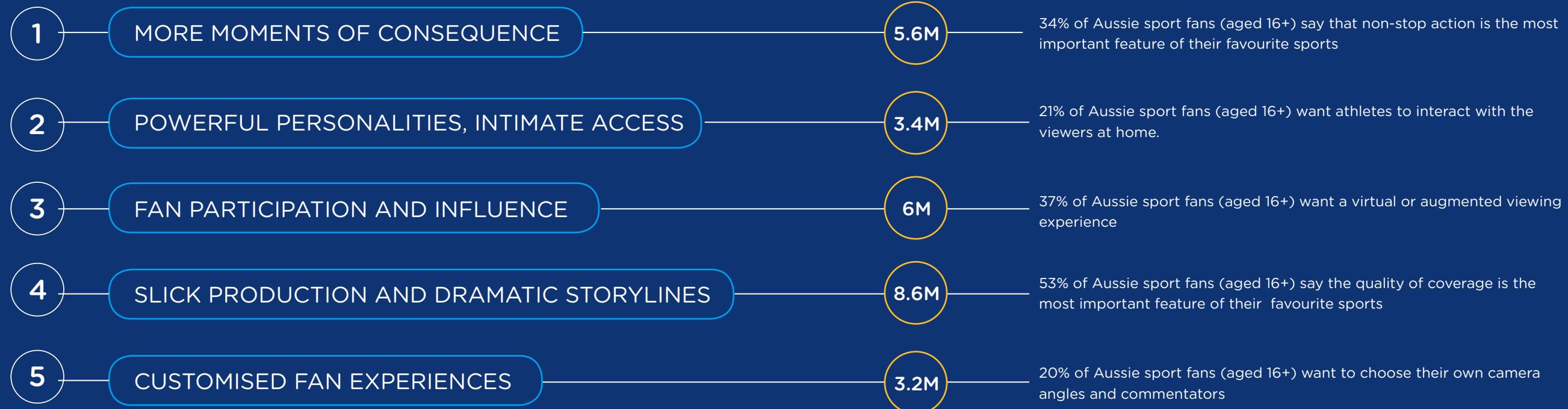


Source: Gemba Insights

Future sport

What will the sport of tomorrow look like?

We could see high definition content delivered to loungeroom stadiums in every region of Australia via the **nbn™** network.* Accessed by hungry fans through a multitude of connected devices. When they want it. How they want it.



what's next?

The sporting landscape is changing at an ever increasing rate. Fans are becoming more digitally savvy as they seek greater insight and content from their favourites sports and athletes, and more control over the viewership experience.

Our homes have adapted too, with digital technology turning our loungerooms into the ultimate viewing destination. A multitude of connected devices, all contributing to an immersive experience for the fans. And this is only going to be enhanced with faster internet connectivity via services over the nbn™ network. You're in for the ride of your life.

Fast internet delivered via services over the nbn™ network will help Australians access technologies that will take sport viewership into uncharted waters. Virtual and augmented reality will allow the fan to see and feel as the athlete does. One-stop digital platforms will provide the fans all the content they need or want on any sport of their choosing. This rapid evolution isn't going anywhere real soon. So buckle up sport fans...

"Today we see a glimpse of the sporting future – multiple camera angles, virtual reality, access to any sport in the world, and eSports. All of these innovations will be significantly enhanced by a fast broadband network. And what's even more exciting is the innovations that are yet to come. Innovations that will enhance all aspects of the viewership experience, and all made possible by increased digital connectivity."

ROB MILLS
CEO of the Gemba Group



Australia's
broadband
network