



Photo by Angel Gomez Herrero
Kearney, Madrid

From passion to profit: unlocking value in sports

KEARNEY

As the sports industry becomes big business, only investors and rights holders that adopt and successfully execute value levers stand to generate returns.

In 2025, the value of the global sports market stands at more than \$417 billion, having grown at an average annual rate of 5 percent since 2020. Once driven purely by passion and competition to win, the industry has evolved into a dynamic business environment where, like many other industries, value creation and capture are now paramount for most investors in the sports ecosystem. Winning on the pitch or court or in the arena must come with winning financially. As these actors navigate a rapidly changing landscape, the challenge lies in unlocking value while preserving the need for competitive success that defines the industry. This balance has become essential for sustaining long-term success in an increasingly commercialized environment.

The path to sustainable success in the sports industry is complex, with revenue shaped by three main value pools—commercializing IP and matchday, gaming, and broadcasting and streaming. Actors seeking to capitalize on these value pools must navigate a range of macro trends, including the shifting preferences of younger fans, regulatory pressures, persistent content piracy, and the commercial opportunities presented by the growth of new sports formats and women's sports. These trends, among others explored in this paper, highlight the evolving landscape that industry actors must strategically navigate to increase their share of the value pools.

In the context of these market changes, investors can increase the value of their organizations through a range of levers. From unlocking latent commercial potential to optimizing operational efficiencies to restructuring their finances and capturing synergies across a portfolio of assets, there are numerous ways to sustainably enhance profitability and returns. Balancing these efforts with the evolving landscape requires a business mindset not always associated with sports.

This paper begins by segmenting sports industry revenue into the three main value pools, analyzing their size and trends, connecting the revenue flows between them, and defining the primary drivers of growth. It then examines the rapidly evolving investment landscape and defines five levers that investors and sports organizations can use to create value and drive sustained growth.

As commercial interests increasingly shape sports, actors that master value creation and capture will define the industry's future.

Once driven purely by passion and competition to win, the sports industry has evolved into a dynamic business environment.

A \$600 billion market opportunity

Kearney values the global sports market at \$417 billion in 2025, with expected growth to about \$602 billion by 2030 (see figure 1 below and figure 2 on page 3).

For this paper, the sports market revenue is divided into three value pools:

- **Commercializing IP and matchday.** This encompasses revenue from all sport intellectual property (IP) owners such as clubs, franchises, leagues, and associations, as well as stadium revenue when the ownership doesn't sit with the local team. Non-sports-related stadium revenue is excluded.
- **Broadcasting and streaming.** This includes subscription- and advertising-based income generated by free-to-air or pay-TV broadcasters or online over-the-top (OTT) streaming providers.
- **Gaming.** This is composed of sports-themed video games, on PCs, consoles, and mobile devices. It also includes online and offline sports gambling and fantasy sports.

The sports industry has experienced growth since 2020, demonstrating resilience throughout the pandemic as well as an uncertain economic environment. Moreover, the annual growth rate is projected to increase from 5 percent to 8 percent between 2025 and 2030.

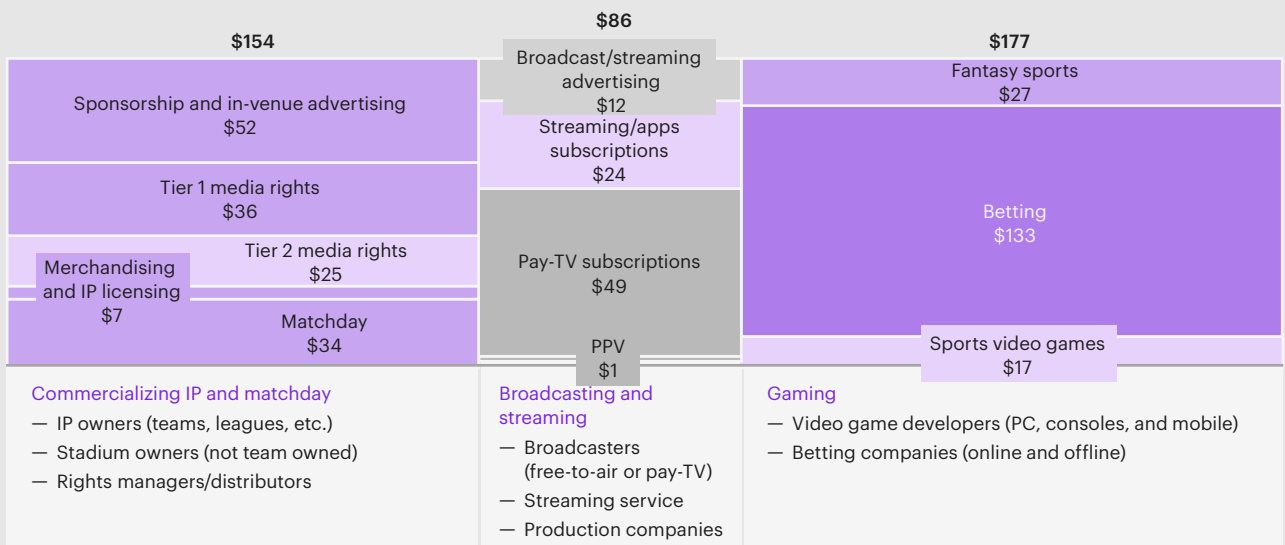
What's more striking is how the composition of market revenue has changed. Revenue from commercializing IP and matchday accounted for the largest share of the market in 2020 but has since been overtaken by gaming, whose share of industry revenue has grown by nearly 50 percent in 10 years, a trend projected to continue. A primary driver behind this is the liberalization of the sports betting market in the United States, as well as a growing appetite for it in Asia, most notably China and India. An additional driver is the growing number of young sports fans who prefer to experience sports through an interactive medium rather than watching passively in a stadium or on a screen.

Figure 1

The global sports market is valued at about \$417 billion in 2025

Total market size: USD 417 billion
2025–2030 CAGR: ~8%

Global sports revenue by segment, including segment CAGRs (2025, USD billion; CAGR 2025–2030)



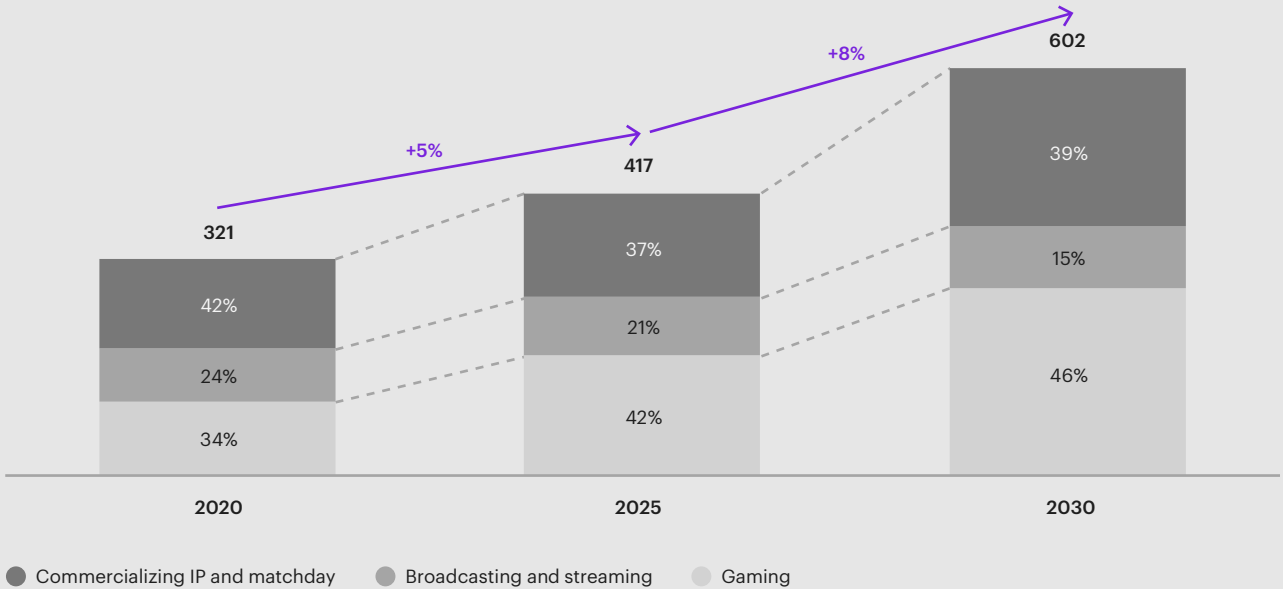
Growth rate 2025–2030: ● 10+% ● 8–9% ● 6–7% ● 0–5% ● <0%

Sources: Omdia, 2Circles, PwC, MAGMA, SNL Kagan, Bank of America, Sport Business, Licensing International, Statista; Kearney analysis

Figure 2

The global sports market is expected to grow to more than \$600 billion by 2030, predominantly driven by increase gaming revenue

Global sports revenue in billions of dollars



Sources: Omdia, 2Circles, PwC, MAGMA, SNL Kagan, Bank of America, Sport Business, Licensing International, Statista; Kearney analysis

Commercializing IP and matchday

The total revenue of this value pool is \$154 billion in 2025 with an expected 8 percent growth rate over the next five years. There are two main drivers behind this. Firstly, sports has enduring popularity and resilience as a media and entertainment genre in an ever more fractured landscape. In 2024, [75 of the top 100](#) most watched primetime TV slots in the US were sports. Secondly, sports IP owners are rapidly adopting data and analytics, especially fan-related, to enable more effective commercialization.

Media rights. This is the largest segment of the value pool, a \$61 billion global market in 2025, with approximately 60 percent accounted for by tier 1 rights. The proliferation of services and platforms broadcasting and streaming live sports and shoulder content has created a bigger and more complex market for rights. Entertainment content unbundling has left premium sports as the anchor genre in cable and satellite TV services. This, combined with the rising interest in sports content from technology platforms and streaming services such as Amazon and Netflix, has created increased competition that has driven up the value of many tier 1 rights. For example, the value of UEFA Champions League media rights have increased from approximately [\\$1.2 billion to \\$3.0 billion in 10 years](#) to 2024.

At the same time, tier 2 rights have seen more varied performance, in some cases decreasing in value or even not being sold at all. For example, Ligue 1, France's top-tier domestic football league, failed to sell its national and international rights in 2023, with potential buyers not seeing the opportunity to generate a return from the asking prices. We expect a plateauing in the value of tier 1 domestic rights as broadcasters reach "peak funding capacity" based on their economics while tech companies continue to be selective. The future of the media rights market will be partly determined by the growth of direct-to-consumer distribution models, which for rights holders are becoming a viable commercial alternative to traditional regional distribution deals.

There will also be some further growth in international rights. For example, the non-UK rights for the English Premier League, Europe's most valuable football league, only comprise 50 percent of the league's total global broadcast value despite the league's international appeal.¹ Some tier 2 properties that are strongly positioned with attractive fan segments, in particular women's sports, will see continued growth. On the other hand, many tier 2 properties will see a decline in the value of broadcast rights, leading many to adopt direct-to-consumer models, as the aforementioned Ligue 1 has done in the UK market with its "Ligue 1 Pass" service.

Sponsorship and in-venue advertising. This is a \$52 billion global market in 2025, growing steadily as rights holders start to unlock the power of fan data. As digital engagement has soared, richer and more granular data and insights on fans are available, allowing for sharper segmentation and greater monetization opportunities. Sponsors can now target specific audience groups with precision across apps, social media, in-stadium screens, and even by section of the stadium. Those that leverage increasing amounts of data and borrow principles from the [\\$790 billion](#) advertising market will continue to gain a competitive advantage.

This data-driven shift is driving a healthier return on investment (ROI) for sponsors and allowing rights holders to showcase the inherent value the sponsorship offers. Merchandise and branded content are also being tailored to fan segments and delivered across the most relevant channels, expanding reach beyond owned media. Formula 1 is a standout example, generating an [estimated \\$2.9 billion](#) in sponsorship, with different layers of sponsorship and bespoke packages supported by data-driven metrics. Looking ahead, sponsorship growth will be driven by the increasing number of athlete influencers, the commercial traction of women's sports, and the emergence of new sports formats such as the Kings League, as detailed later in this report.

We expect sponsorship to continue to be a growth engine in sports. Yann Baffalio, Head of Havas Sports, told us: *"Sponsoring is one of the best-performing media investments for a brand, with average ROIs between 3:1 and 6:1. Not only does sponsorship build brand awareness through visibility assets, but it also impacts the entire marketing funnel. Associating your brand to a passion point generates brand love via digital content and engagement, down to sales conversion leveraging fan data."*

Advances in technology infrastructure are also transforming sponsorship and in-venue advertising. Innovations such as virtual pitch-side advertising, offered by sports technology providers such as Supponor and uniqFEED, are increasing inventory and boosting the CPMs by serving geo-targeted, real-time ads during games. This allows broadcasters to display different ads to different viewers in different regions, as detailed later in this report. This geo-targeting significantly expands the number of advertising opportunities available and increases the value of each impression to advertisers. As stadiums continue to upgrade their digital infrastructure, these monetization opportunities will grow.

¹ For the purpose of this paper, "football" refers to association football, i.e., soccer.

Matchday. Matchday revenue is a \$34 billion market in 2025 that is being reshaped as stadiums evolve into full-scale entertainment destinations. In the United States, major league sports franchises have long treated live sports events as a multi-hour experience that encourages fans to build their day around the match, thus spending more time at the venue, resulting in higher matchday spend. There is significant growth potential should the IP and venue owners outside of the US commercialize their live offering more effectively. Some actors are now following suit, supported by stadium infrastructure investments that facilitate higher time and consumer spend, such as Real Madrid’s revamped Bernabéu stadium and Manchester City’s entertainment district. Again, new technology is a value driver here too, expanding the consumer experience and the revenue streams available to owners.

Merchandising and IP licensing. This is currently a relatively small market segment, valued at \$7 billion in 2025, but is forecasted to sustain steady annual growth of between 6 and 8 percent. This growth is primarily driven by the rise of e-commerce platforms, enabling clubs to realize the value of their global fanbases effectively. By partnering with specialized companies such as Legends, major clubs can establish sophisticated digital marketplaces, reaching fans directly, personalizing products, and significantly enhancing fan engagement. Furthermore, high-profile kit deals with global sports brands, structured through revenue-sharing agreements, create substantial, reliable revenue streams for clubs. Moving forward, continued innovation in e-commerce, greater product personalization through fan data analytics, and deeper collaboration between IP holders and retail partners will drive further growth, unlocking substantial untapped value in this market.

Broadcasting and streaming

The sports broadcasting and streaming market, while a crucial component of the sports ecosystem, currently represents the smallest of the three value pools. An \$86 billion market in 2025, this segment faces the dual pressures of changing consumption habits as high-margin broadcast is substituted for lower-margin streaming, and corresponding cost pressures that most broadcasters are facing. Broadcasters and rights holders need to adapt to the new entrants such as non-traditional content distribution channels. For example, the 2025 Premier Padel P1 finals were streamed on Cristiano Ronaldo’s YouTube channel in an effort to tap his large subscriber base.

Pay-TV subscription. Traditional pay-TV still forms the bulk of the market, accounting for roughly 70 percent of revenue at \$49 billion in 2025. As “cord-cutting” of traditional satellite pay-TV and cable contracts continues to erode the subscriber base and younger demographics increasingly migrate toward digital alternatives, sports linear broadcast is expected to experience an average annual revenue decline of 2 percent. This will limit the capacity of linear broadcasters to spend on sports content rights while they face increasing competition from streaming providers and amplify the need for cost efficiency elsewhere that can be invested in content.

Sports streaming. In contrast to other content distribution segments, sports streaming, valued at \$24 billion in 2025, stands out as a clear engine for future growth. Several trends are fueling this:

- **High-stakes rights acquisition.** We are seeing streaming giants make aggressive bids for exclusive streaming rights to major leagues—for example, YouTube committing \$14 billion over seven years to secure the exclusive rights to NFL Sunday Ticket in 2023 and Netflix spending \$5 billion over 10 years for exclusive global rights to WWE Raw. This is a strategic play, recognizing the immense value and loyalty that dedicated sports fans bring to their platforms. Diversified technology companies also see sports as a primary customer acquisition driver and may see sports content as loss leaders to grow the subscriber base of their core services.

— **Rise of direct-to-consumer (D2C) platforms.**

Leagues themselves are increasingly taking control of their distribution. Partnerships, such as MLS forging alliances to create D2C streaming and personalized content platforms, are becoming common. Some major sports organizations, including the NFL and Formula 1, launched their own streaming services several years ago to build the direct relationships that increase their fan insights and commercialization opportunities.

— **Digital acceleration.** Rising global Internet penetration continues to propel the cord-cutting trend forward. As audience preferences decisively shift toward digital consumption, we anticipate an accelerating migration of sports franchises toward streaming-first strategies to capitalize on this growing momentum.

Moreover, the increasing affordability of sports content creation, thanks to innovations such as camera automation and production technology that uses cellular networks, is enabling more live sports to be produced, primarily for D2C apps. As it stands, streaming already represents almost 30 percent of the total broadcasting and streaming value pool and is set to grow to \$34 billion by 2030. Streaming platforms track viewer behaviors at an increasingly granular level and are therefore becoming more objective and data-driven in their rights acquisition deals. Rights holders that deliver consistent, quantifiable value stand to generate the highest returns.

Broadcasting and streaming advertising. Advertising revenue, estimated at \$12 billion in 2025, remains largely tied to viewership. With traditional broadcasting experiencing declining audiences, advertising spend is naturally following suit. A notable portion of this revenue is actively migrating toward OTT platforms, many of which are leveraging advertising-based video on demand (AVOD), where revenue is mostly derived from advertising shown before/during/after a stream. While advertising rates on streaming platforms are growing, they are not yet at the level needed to fully offset the decline in broadcast advertising, thus creating value erosion.

Gaming

Valued at approximately \$177 billion in 2025, sports gaming and betting represents the largest and fastest-growing value pool in sports, fueled by mobile adoption, evolving consumer behaviors, and regulatory liberalization in many regions.

Betting. Sports betting has grown to be a \$133 billion global industry in 2025. This growth is largely fueled by US deregulation. The number of US states offering sports betting grew from one in 2018, when a US Supreme Court judgment legalized these services, to **36 five years later**. The US now accounts for 25 percent of global betting activity. Mobile-first platforms such as FanDuel and BetMGM have enabled fans to bet seamlessly alongside live viewing, embedding wagering into mainstream sports culture. Advances in real-time betting and immersive in-play betting experiences are anticipated to drive further engagement and industry growth.

While technology-enabled betting models such as in-game betting have helped to fuel growth, classic pre-match betting is proving resilient as fandom reorients around individual stars and short format viewing. Arno de Jong, CCO of the Dutch Lottery, one of the leading national sports betting providers in Europe, told us: *“For Gen Z, the experience of sports is no longer primarily about club loyalty or 90 minutes of football—it’s more and more about highlights, moments, and individual heroes. When the vast majority of them follow athletes rather than teams, and only a quarter watch full matches, it makes sense that pre-match betting is regaining ground and player prop markets are seeing double-digit growth annually. Sports betting operators will need to not only adapt their marketing strategies, but also evolve their product offerings to effectively respond to these trends.”*

Fantasy sports. Worth \$27 billion in 2025, this segment continues to grow steadily thanks to real-time data, mobile apps, and increasingly clear legal frameworks. Fantasy sports attract fans, especially younger ones, seeking deeper interaction, community building, and skill-based competition. Players such as DraftKings and Dream11 have built billion-dollar businesses, receiving significant private investment, by offering fans more interactive, social, and skill-based ways to engage with sports. Fantasy sports also provide leagues with an opportunity for engagement, data collection, data leverage, and sponsorship in their own digital ecosystems, creating a commercial long tail.

Valued at approximately \$177 billion, sports gaming and betting represents the largest and fastest-growing value pool in sports.

In the future, we expect further integration of live sports data, more personalized experiences via mobile apps, and expanded fantasy formats covering new leagues, niche sports, and broadening geographic reach, particularly in Asia and Europe.

Sports video games. The sports video game market is worth \$17 billion in 2025, anchored by titles such as EA Sports FC, NBA 2K, and Madden NFL [consistently ranking among best-selling games globally](#) on PC/console. These franchises thrive on loyal communities, annual release cycles synced with real-world seasons, and deep integration with professional leagues and athletes. On the other hand, sports games are significantly underrepresented in the mobile space, accounting for just 5 percent of mobile gaming revenue. In the future, this signals a major opportunity as mobile gaming is more than double the size of the PC/console gaming market; adapting gameplay for mobile-native formats could unlock access to younger, global audiences.

Notably connected to video games is the growth of e-sports. In our analysis, it is not aligned to a single value pool; the e-sports ecosystem is embedded across all value pools, including the broader gaming, media, and sponsorship landscape, with revenue reaching \$1.5 billion in 2024 (a 10 percent year-on-year growth rate). Many traditional sports clubs are now setting up their own e-sports teams, with [17 NBA franchises](#) joining the NBA 2K eSport League, recognizing it as an adjacent revenue opportunity. These ventures are not only monetized through media rights, sponsorships, and merchandising but also serve as a valuable tool for fan engagement. By establishing e-sports teams, clubs can reach younger, digitally native audiences who may not be as engaged with the club's traditional sport. This strategic expansion into e-sports helps sports clubs strengthen their digital footprint and diversify their revenue streams, creating a bridge between traditional sports and the rapidly growing gaming market. As we highlight in our recently published report on e-sports—[E-sports: leveling-up](#)—the window is open for investors to make smart, well-timed plays in e-sports.

Shifting revenue flows

The sports industry's value pools are underpinned by a complex web of actors and financial relationships. As the industry grows in scale and sophistication, the number, type, and intricacy of revenue flows continue to expand. Figure 3 maps these flows in the context of a sports club or franchise operating within a national league or association, illustrating how the money flows circulate between fans, leagues, media platforms, investors, and other actors. This reflects not only the increasing commercialization of sports, but also the accelerating convergence and interdependencies of sports rights holders and the media, technology, betting, and retail sectors.

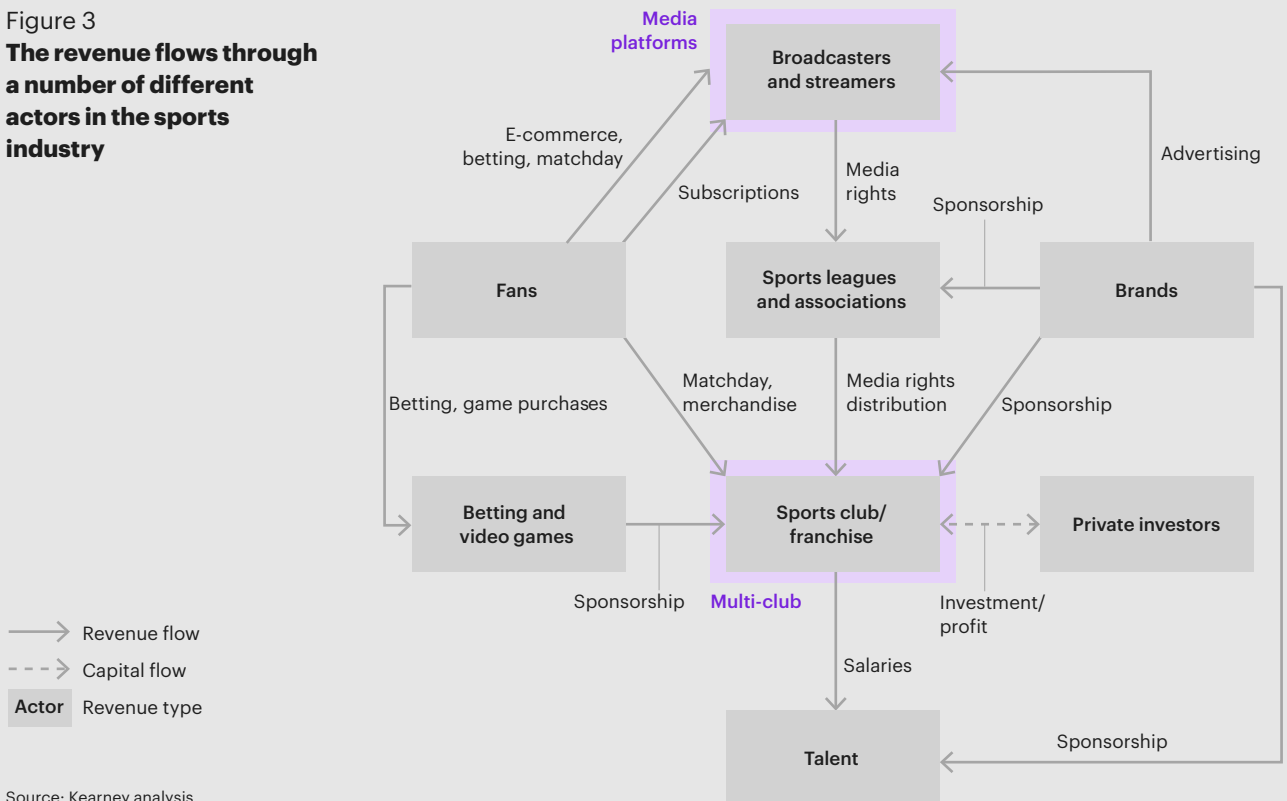
It is also notable that actors in this ecosystem are diversifying their revenue streams. Whereas the relationship between a fan and a pay-TV broadcaster or streaming service may historically have been a simple subscription, many such service providers now also provide betting, merchandising, and ticketing services.

It is important to call out social media as an increasingly influential actor in the sports ecosystem. Social media transcends the ecosystem as an amplifier to revenue flows. Most revenue linked to social media, such as boosted sponsorship exposure, influencer deals, or digital fan growth, flows through other primary channels we have captured (for example, media rights, merchandising, and ticketing).

Understanding these flows is essential for those looking to unlock greater value from the assets they manage or invest in. Which revenue types are underweight? Which adjacent revenue categories can be tapped? Where can spend be reduced? These are fundamental questions addressed later in this paper, where we outline the strategic levers that can enhance profitability and long-term sustainability.

In parallel, several transversal revenue growth trends are expanding the overall size of the sports economy, creating new segments, revenue lines, and engagement opportunities. For those seeking to grow or future-proof their position in the industry, recognizing and responding to these shifts is as crucial as optimizing what already exists.

Figure 3
The revenue flows through a number of different actors in the sports industry



Source: Kearney analysis

Three transversal trends creating new growth and opportunity

There are three cross-cutting trends that we believe will be key value growth drivers in the sports industry over the years to come. These are the continued professionalization and commercialization of women's sports; the rise of new and "spinoff" formats designed to engage younger, digital-first audiences; and the emergence of the Middle East as a well-funded, strategically positioned hub for global sports investment and events.

Women's sports

The rapid rise of women's sports marks a structural shift in the global sports industry. No longer an afterthought, the segment has emerged as a legitimate growth engine, drawing large audiences, unlocking new commercial partnerships, and gaining strategic importance for rights holders and investors. Women's elite sports is expected to generate \$2.35 billion in commercial revenue in 2025, a 240 percent rise since 2022. The 2023 FIFA Women's World Cup [drew more than 2 billion](#) viewers, nearly doubling its 2019 audience, while the 2024 WNBA season saw average viewership grow by [170 percent year-on-year](#). These figures highlight a major shift in scale and visibility.

This growth brings a fanbase that is both distinctive and commercially valuable. Analysis by Fifty, a specialist digital marketing and fan insights agency, shows that while audiences remain majority male, they are more gender-diverse than in men's sports. Fifty's data shows that 38 percent of the England women's national football team's audience is female, compared to 20 percent for the men's team. Online sentiment around women's football and rugby is also significantly more positive, 33 percent and 40 percent higher respectively in terms of the positivity of social media comments, creating a more inclusive and brand-safe environment. This opens distinct opportunities for brands to engage a new demographic.

Football is leading this shift. Fans of women's football tend to be less tribal and more open to campaigns featuring multiple teams or players, giving brands more flexibility and lower reputational risk. Fifty's segmentation identifies two highly valuable groups: "sporty and professional parents," with spending power and influence, and "trendy Gen Z-ers," a digital-first audience aligned with brand growth targets. Both groups offer demand profiles that are underserved in the men's game.

Ebru Koksall, who is Chair of Women in Football UK while also a board director at A-Leagues Australia and an independent non-executive director at the Professional Footballers Association UK, told us: *"The train has left the station—women's sport is no longer a side conversation, but a core pillar of value creation in the global sports industry. Its growth is unstoppable, fueled by shifting fan demographics, sponsor demand, and a new generation of athletes and leaders."*

As media rights, sponsorships, and monetization models evolve, key strategic choices are emerging around how to structure women's teams/clubs. Should they operate independently, like the London City Lionesses, or remain within men's clubs? The answer will depend on market context, but the case for standalone brands is strengthening. Women's teams often carry distinct IP and commercial appeal that can be diluted if managed as secondary assets. Koksall continued: *"Strategic choices around ownership, structure, and integration of women's teams are now critical—not just for financial return, but for long-term relevance and credibility. Those who delay risk missing the momentum entirely."* For investors and rights holders, the opportunity is clear: those that commit early and align a value-creating strategy to the unique audience and economics of women's sports will be best placed to shape the segment's future and capture the value potential.

New and spinoff sports formats

The rise of shorter, higher-tempo, more interactive sports formats represents a powerful shift in how younger generations engage with sports, prioritizing entertainment and interactivity over tradition. These formats are not just expanding fan reach; they are beginning to generate meaningful commercial value and attract serious investor interest.

The Kings League, launched in 2022 by former professional footballer Gerard Piqué, is a prime example of a spinoff format, in this case based on football. With a smaller team of seven compared with the traditional 11-a-side, celebrity involvement, interactive matchplay with fan voting on the format of the game, and livestreaming on Twitch, the Kings League has built a [global Gen-Z following](#). More than [85 percent of its viewers are under 34](#). Despite being a new entrant in a crowded sports market, the league is gaining commercial traction, with 65 percent of revenue coming from high-profile sponsors such as Adidas, Spotify, and Prime, alongside growing digital rights income.

Franchise-based short formats are also gaining traction. England's 100-ball cricket competition, The Hundred, has seen [significant commercial success](#). In 2025, the England and Wales Cricket Board (ECB) sold stakes in several franchises, with investment reaching up to \$189 million. Notable investors include Todd Boehly, who acquired a 49 percent stake in Trent Rockets for [\\$52 million](#). This signals both the financial appeal of newer formats and the potential for strong return on investment from the sport's originators when supported by compelling IP, audiences, and distribution models.

Major governing bodies are also reshaping the event landscape to unlock new commercial opportunities. FIFA's expansion into club competition, most notably with the inaugural 32-team Club World Cup launched in 2025, with a [prize pot of \\$1 billion](#), marks a bold move to capture more of club football's global value potential. This reflects a broader trend of federations seeking to assert greater control over high-growth assets traditionally dominated by domestic leagues. UEFA has long led the monetization of the club competition format through the UEFA Champions League, which generates billions annually from media and sponsorship, and had a prize pot of [more than \\$2.6 billion](#) in 2025. Other regional federations are now following suit: the AFC is launching the AFC Champions League Elite, while CONMEBOL continues to invest in growing the Copa Libertadores. These moves signal a broader recognition that elite club competitions are among the most valuable real estate in global sports, and a battleground for future growth.

Beyond spectator formats, participation-based alternatives are booming. Padel has [surpassed 25 million](#) players globally, with court infrastructure growing at more than [25 percent annually](#). Pickleball, now the fastest-growing sport in the US for four consecutive years, is especially popular with the 25–34 demographic, and is drawing substantial institutional investment, including major US sports team owners backing new pro-leagues and broadcast deals.

There is now an accepted trajectory of new formats expanding the sports economy by attracting new and traditional fans, participants, and capital that may not otherwise engage with sports. For rights holders, broadcasters, sponsors, or investors, these formats can offer earlier-stage assets with high growth potential, digitally native fanbases, and brand-building potential. New formats are competing for finite commercial income and fan attention and not all will be successful, so investors need careful diligence on where to invest. As more properties achieve scale, we expect continued growth in franchise valuations, media rights deals, and crossover commercial partnerships with traditional leagues.

New sports hub: the Middle East

The Middle East has rapidly positioned itself as a global hub for sports, both as a host of major international events and as an emerging center for long-term sports investment and innovation. This is not a short-term play. The region, led by Saudi Arabia, Qatar, and the UAE, is using sports as a strategic lever to diversify its economies, stimulate tourism, and engage its predominantly young, digital-native populations.

Three factors make this region's approach to sports distinct. First, it is heavily government-led, with state investment driving large-scale infrastructure and policy reform. Second, the region approaches sports with a relatively clean slate, unconstrained by legacy systems or entrenched sporting institutions, which allows for rapid innovation. Third, a digital-first mindset is enabling experimentation across fan engagement, data analytics, and e-sports. The result is a forward-looking ecosystem that blends elite sports, entertainment, and commercial ambition in ways few other regions can match.

Saudi Arabia is at the forefront of this transformation. Under Vision 2030, the country is investing tens of billions of dollars into sports across multiple fronts: infrastructure (for example, the [Riyadh Sports Boulevard](#)), events (for instance, LIV Golf, the 2023 FIFA Club World Cup, and the 2034 FIFA World Cup), and digital innovation (for example, a \$38 billion commitment to becoming a [global e-sports hub](#)). It is also driving domestic participation, particularly among women and youth, through initiatives led by the Saudi Sports for All Federation.

Importantly for investors and rights holders, far from just being a public spectacle, it is transforming the Middle East into a commercially meaningful market. Recent private equity interest in Saudi football clubs, growing international sponsorship portfolios, and long-term media rights ambitions all drive monetization. The pioneering Gulf states are not just importing sports; they are also building them into scalable business platforms with global visibility. Saudi Arabia's Public Investment Fund's recent investment into DAZN, the global sports streaming platform, is testament to this.

Sports in the Middle East is far from a copy-paste of existing models. Roland Nikolaou, Head of Football for MENA and APAC at IMG, was clear when he spoke with us: *"The Middle East isn't just investing in sport—it's reimagining its purpose. As the lines blur between competition, entertainment, and culture, the region is pioneering new models that could redefine how the world engages with sport in the digital age. With a blend of visionary policy, technological ambition, and cultural confidence, it is positioning itself not as a follower of global trends, but as the architect of sport's next chapter."*

Looking ahead, we expect to see increased private capital participation in Middle Eastern sports assets as governments gradually shift from seeding growth to enabling commercial sustainability. Franchises, facilities, and even national leagues may become investable at scale. As media rights mature and cross-border fanbases grow, especially in football, motorsport, and combat sports, the region's role in the global sports value chain will become even more central. For stakeholders willing to engage early, the Middle East offers both near-term opportunity and long-term strategic upside.

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Shifting landscape leading to six potential investment models

An influx of value-driven investors into sports, such as private equity and state investment funds, is reshaping the sports landscape. One of the major early deals was [CVC's 2006 acquisition of Formula 1, which delivered a roughly 450 percent return on exit a decade later](#). In 2008, Abu Dhabi's sovereign fund acquired Manchester City, using the football club as a basis to build one of the world's most successful multi-club franchises. Since then, value-driven investment has been on the rise, with an acceleration during the COVID pandemic when sports clubs sought liquidity. [\\$2 billion was invested in 2021 alone as investors took advantage of depressed valuations](#).

Alexander Robertson, Director of Sports Investment at Rothschild & Co, summarized the dynamic, telling us: *"The growing interest in sports investment is coming from an ever-wider array of investor types, including private equity, family offices, high-net-worth individuals, sovereign wealth funds, venture capital funds, and strategic investors. The focus of these investors is also broadening, beyond teams and leagues, and into sports tech, data, media, professional services, and youth and amateur sports. As sports continues to professionalize, a greater number of these opportunities become of scale and the power of sport becomes more greatly appreciated."*

There are several drivers making sports an attractive investment class. Sports assets offer downside protection, underpinned by regulatory guardrails, closed systems in many leagues, loyal fanbases, and strong brand equity that holds firm through economic downturns. This has resulted in heavy investment, especially in tier 1 European football and US sports.

This growth in investor interest is most evident in football. According to UEFA, majority stake acquisitions in European football by PE/VC firms rose [from 19 in 2021 to 31 in 2023](#). Figure 4 on page 13 shows select major sports IP-focused transactions up to 2024, where we can see the average deal multiple increasing. This demand has created scarcity. European football clubs have some of the highest upside potential, given there are [only 20 football clubs](#) with an enterprise value (EV) of \$1 billion or more, whereas all American pro sports franchises in the NFL, NBA, and MLB surpass this valuation mark. Despite rising scrutiny, regulation is on the whole favorable. Most European football leagues still allow private investors to acquire full ownership of clubs.

Strong growth is similarly visible in US sports in the 10-year period between 2012 and 2022. NBA teams delivered an average 954 percent return, compared to 217 percent from the S&P 500; over the same period, MLB teams generated a 508 percent average return, the NFL generated 476 percent, while MLS saw the biggest jump in value, gaining 1,465 percent, albeit from a lower base as football increases in popularity in the US. Skyrocketing media rights, increasing gate revenues, and new income streams are contributing to this.

The higher valuations in US sports are partly due to the closed ecosystem of US sports, where the absence of a team losing its place in the top tier through relegation provides protection against a sudden valuation drop. On the other hand, the European promotion- and relegation-based system in many professional leagues provides an opportunity for private investors to acquire teams in lower tiers, or "fallen giants" that have recently been relegated. These clubs are often available at lower entry valuations and have the potential to provide rapid returns if their performance can be improved. Achieving promotion to a higher league typically results in a significant increase in value. This strategy is already being pursued by sports investors. [Redbird acquired an 85 percent stake](#) in FC Toulouse after their 2020 relegation from Ligue 1 in France and post-investment the club was able to regain its place in the top tier.

Investment is not limited to IP. There has been a significant influx of private capital into non-IP classes, in particular sports technology. Danny Townsend, Chief Executive Officer of SURJ Sports Investments, told us: *"There is no doubt sports technology as a sub-sector of both the traditional sports and technology sectors will continue to grow in scale and influence. As the sporting economic model continues to transition from the analogue past into the digital future, how sports manage that change will have significant bearing on their financial sustainability. As a consequence, sports technology continues to grow as an investment class, as it enables significant change in how sports properties interact with their fans and generate a greater share of the digital economy around their sport."*

Figure 4

The sports landscape has shifted due to an influx of value-driven investors

Precedent transactions

EV/EBITDA, 2005–2022



Notes: CVC sold a 21% stake in F1 to Waddell & Reed, Norges Bank, and Blackrock in a series of private placements at a firm value of \$9.1 billion.

Sources: Bridgepoint, FactSet, Peers' Filings, Mergermarket, Wall Street research, project team research and analysis; Kearney analysis

The scale of returns has attracted a wide range of value-driven investors, each driven by distinct investment goals. In private equity, both large generalist funds and specialist sports-focused firms have entered the space with IP and non-IP investments, either adding sports to broader portfolios or targeting the sector exclusively. There has also been an influx of venture capital into non-IP investment classes, for example backing early-stage start-ups across fan engagement, performance tech, and media. Sports holding companies have emerged as another archetype, owning multiple clubs and adjacent assets under a unified strategy, benefiting from synergies across their portfolios. Sovereign wealth funds are taking long-term positions in flagship clubs, while some corporates are acquiring franchises to diversify their portfolios and amplify brand value.

Based on Kearney's experience, value-driven investors can follow one of six primary strategies to take advantage of growth opportunities while hedging their portfolios. Note that some investors follow multiple strategies simultaneously.

1. **Opportunistic IP-focused investment.** Selective investment into an isolated growth opportunity or undervalued asset, mainly IP-focused, to add to a broad existing sports/non-sports portfolio and drive long-term returns
2. **Multi-club ownership.** Investment into multiple tier 1/2/3 clubs, with synergy capture (for example, via player development, commercial levers)
3. **Commercial aggregation.** Aggregation of either club media rights through a centralized governing/commercial body, or multiple IP assets (for instance, rugby, tennis, volleyball) with centralized commercial capabilities
4. **Integrated sports platform.** Building a portfolio of IP and non-IP assets and capturing synergies between them, such as fan data companies supporting clubs to improve fan engagement or club real estate to drive revenue outside of matchday
5. **Market expansion.** Investing in sports assets in a specific city or region, to drive local economic and social benefit, capture local synergies, and increase global profile
6. **Media and/or tech focused.** Exclusively investing in non-IP sports assets; investing in content, marketing, and/or tech companies driven by a combination of business model preference, lower risk, and shorter-term investment horizons

Investors must navigate league regulations, fan sentiment, and volatility in sporting performance, particularly in open leagues with promotion and relegation that can materially affect asset financials and valuations. At the same time, clubs must vet potential investment partners carefully, ensuring investors have the financial strength and long-term commitment to deliver on their promises.

Looking ahead, as both competition between investors and the scarcity of attractive assets increases, value-driven investors need to have clarity on:

- Investment goals and exit pathways
- An investment strategy that aligns to these goals
- Rigorous focus on monetizing the assets

The capability that will separate the most successful investors from the rest is knowing how to identify and execute on commercial, operational, and technological value levers.

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Creating value in sports: five core levers

Creating value in sports requires more than capital; it requires vision, discipline, and an ability to align commercial ambition with the unique dynamics of sports. For investors, owners, and executives, the opportunity is significant: with the right strategic approach, sporting organizations can be transformed into financially resilient, digitally sophisticated, and culturally relevant businesses. Based on our experience, value creation in sports is driven by five core levers:

- 1. Commercial excellence: revving up the commercial engine.** Establishing and implementing a clear commercial strategy that maximizes sponsorship, partnerships, physical assets, and pricing to unlock sustainable revenue growth
- 2. Fan engagement and insights: standing with the fans.** Using insights to stay ahead of evolving fan behaviors and expectations to build trust and deepen emotional connections to support long-term loyalty and commercial value
- 3. Platform expansion: building/aligning to sports streaming platforms.** Creating multi-service sports platforms with immersive, personalized, and monetizable experiences that extend beyond live matches, leveraging data, content innovation, and seamless integrations to maximize fan engagement
- 4. Technology-driven innovation: unlocking the sports tech dividend.** Using emerging technologies, from AI to sustainability technology, to improve performance, reduce cost, and build future-ready operations
- 5. Operational efficiency: professionalizing operations with business best practices.** Bringing governance, financial discipline, and operational excellence in line with non-sports industries to close capability gaps, decrease costs, and make informed and value-creating investment decisions

This paper's primary focus is commercial levers that are applicable across a range of sports disciplines and organizations. Additional levers that directly impact sporting performance of clubs are not discussed in this paper—for example, using talent development and trading as a value creation lever, as some football clubs such as Brighton & Hove Albion are doing.

These levers must be shaped and executed in the context of the vision, values, and talent that underpins any sports organization (see figure 5 on page 16).

Lever 1: Commercial excellence: revving up the commercial engine

The commercial model is one of the key pillars to create new, sustainable value. A small number of sports organizations have been able to demonstrate a robust commercial strategy capable of maximizing key revenue streams in a financially sustainable manner that supports growth. Delivering on full commercial potential means innovation and execution on six elements, which are aligned to Kearney's Sports Commercial Excellence framework and diagnostic tool (see figure 6 on page 17).

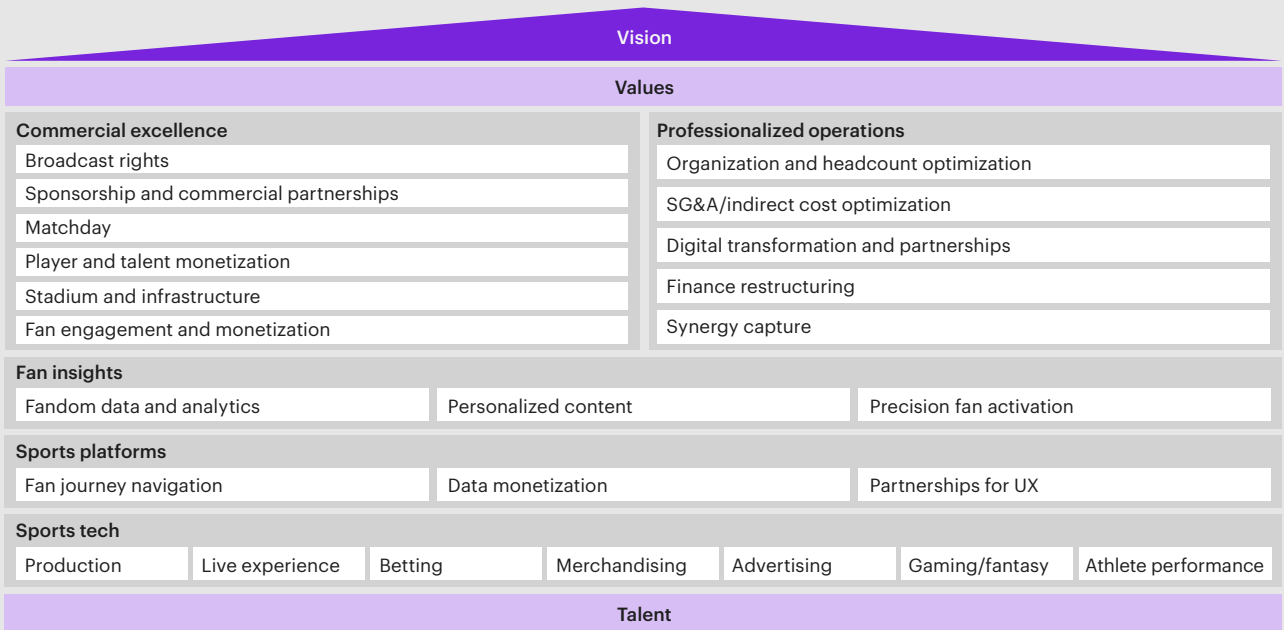
Broadcast rights. Maximizing value today requires an integrated content and media strategy, clearly defining what rights are owned, what can be created, and how they can be monetized across both owned and third-party platforms. The winning models blend live streaming and adjacent content offerings, while not forgetting that the viewing fundamentals of live sports remain strong. Ghassan Attié, who is in charge of strategy and investments at beIN Media Group, told us: *"In an era where streaming and catch-up TV are rapidly expanding, sport stands out as one of the few types of content that can still draw large audiences to live events—a crucial asset for broadcasters. It offers a unique blend of excitement, surprise, and emotions which makes it, in many ways, the original form of unscripted television."*

While the control over broadcast rights typically sits with the league or association, sports clubs can take control in monetizing "shoulder content" through their D2C channels. This can include behind-the-scenes access, training footage, friendly and youth matches, or lifestyle programming. This is enabled by the falling cost of original content production. Clubs can invest or partner to access this production capability. For example, [Manchester City's City Studios](#) produces original content such as documentaries and behind-the-scenes footage, both to feed the club's streaming platform and influence future broadcast negotiations.

Other clubs and leagues have gone further into entertainment production. The *Formula 1: Drive to Survive* docuseries on Netflix famously reshaped global interest in the sport and was followed by similar productions for tennis, golf, and rugby union. Owners with multi-club or multi-sport portfolios should explore common infrastructure, formats, and distribution channels to drive economies of scale in content development.

Figure 5

The five core levers of value creation in sport are most effective if shaped and executed in the context of the vision, values, and talent of organizations



Source: Kearney analysis

Sponsorship and commercial partnerships.

Sponsorship remains a cornerstone of the commercial model—covering front-of-shirt deals, kit suppliers, stadium naming rights, licensing partnerships, and sponsorship of other owned assets. Sports rights holders need to move beyond traditional categories to create diversified and multi-layered partnerships with brands across industries. [Spotify's partnership](#) with FC Barcelona is one example, combining shirt sponsorship, stadium naming rights, and unique activations such as placing artist names on kits during the El Clásico match versus arch rival Real Madrid. Formula 1 secured a landmark 10-year global deal with LVMH, integrating brands such as Louis Vuitton, TAG Heuer, and Moët Hennessy to align luxury with performance, and deliver premium fan and client experiences across race weekends.

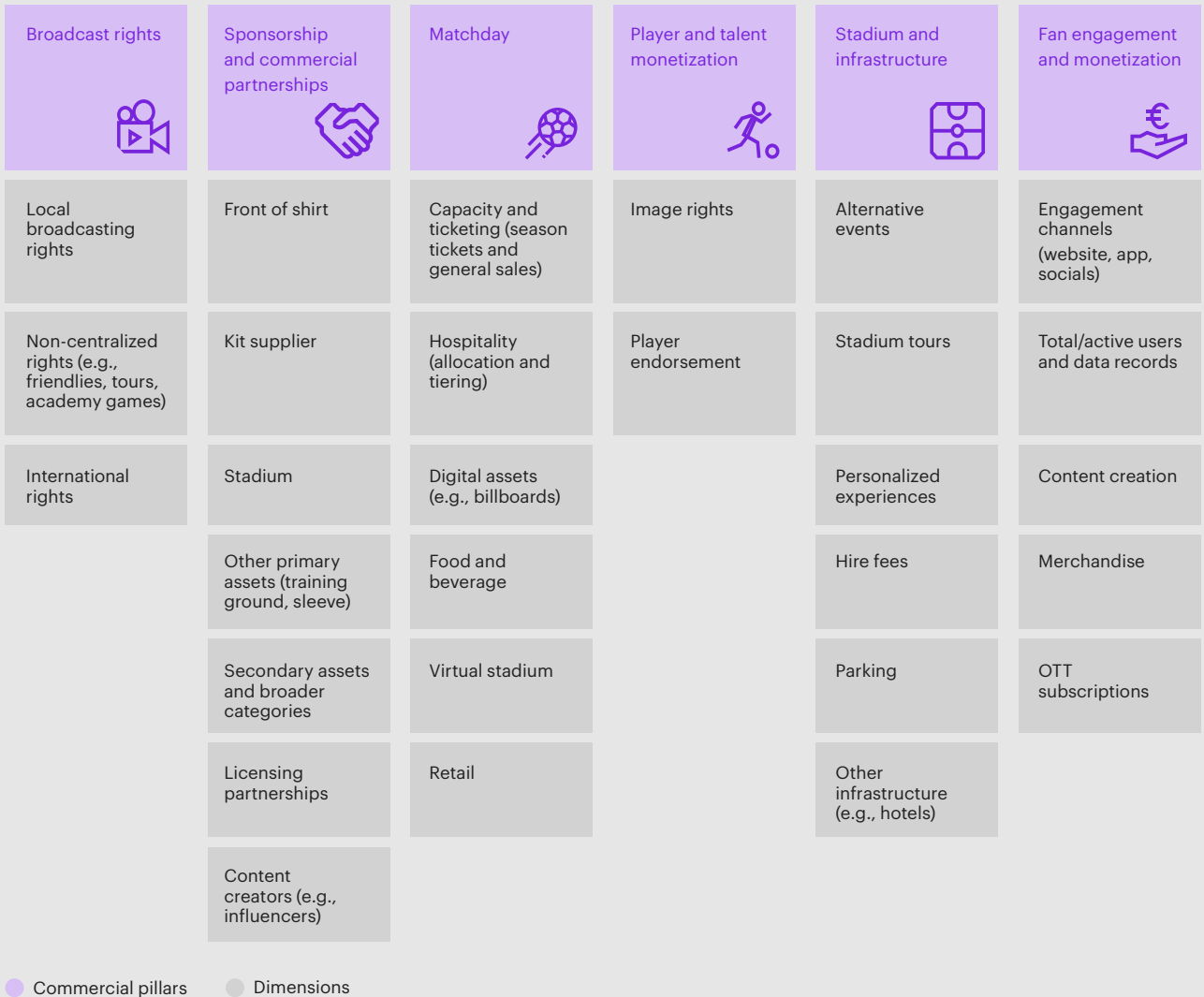
The requirement for rights holders is to elevate their sponsorships from transactional brand placements to long-term commercial platforms that connect with audiences in more continuous, immersive, differentiated ways. Jonny Haworth, Director of Commercial Partnerships at Formula 1, told us: *“Sports sponsorship is shifting from simple brand visibility to meaningful fan engagement through immersive storytelling that extends beyond the game itself into the lifestyle, culture, and values surrounding the sport. Rights holders are becoming increasingly innovative in how they collaborate with brands, enabling both parties to harness their unique marketing strengths and amplify the reach of their partnerships. Activations now span a broader spectrum from traditional sponsorship assets and brand licensing to experiential initiatives that take place outside the core sporting event, creating opportunities for continuous, ‘always-on’ engagement with fans.”*

Figure 6

Kearney's Sports Commercial Excellence framework can help deliver on full commercial potential

Kearney Sports Commercial Excellence framework

Supported by Kearney's Commercial Diagnostic Tool



Source: Kearney analysis

Matchday. Leading organizations are reimagining matchdays as a full-scale entertainment experience, not just the “whistle-to-whistle” sports event. While capacity can be increased through stadium expansion, a primary commercial lever is pricing via digital ticketing, dynamic pricing, and data-led yield management. Premium hospitality is a second important lever, with tailored experiences such as private member clubs and chef-led dining to target the upper end of the market. Thirdly, clubs need to extend the matchday beyond the stadium with

pre- and post-match activations across apps, social, and physical fan zones, creating more connected, gamified, and personalized experiences. Smart stadium technologies are an important enabler to drive value perception, such as in-seat ordering, AR wayfinding, and real-time crowd analytics. Moreover, these customer journeys can be replicated in a virtual environment for fans watching remotely. The value comes from blending digital and physical to turn attendance into a high-value ritual, rather than a one-off event.

Player and talent monetization.² Athletes are increasingly central to commercial strategy, with personal brands that often eclipse the teams they represent. This shift has elevated the importance of image rights, individual sponsorships, and endorsement income as part of the broader athlete monetization landscape. In the US, Caitlin Clark’s [\\$28 million](#) Nike deal, including a signature shoe and logo, reflects a wider trend of talent commanding direct commercial value independent of club affiliation (see sidebar: Talent influencers: the Caitlin Clark effect).

Top athletes across football, basketball, and tennis now manage diversified portfolios across apparel, lifestyle, and media—creating new revenue pathways and fan touchpoints. Clubs and federations need to adapt by securing rights to co-monetize player content, investing in joint IP opportunities, and integrating athletes more directly into marketing and content strategies. In a talent-driven era, value comes from maximizing the players and talent, while aligning institutional and individual brand value.

Talent influencers: the Caitlin Clark effect

The 23-year-old WNBA phenomenon from Iowa is one of women’s basketball’s most marketable assets. Her massive social media following during college has translated into real commercial influence. Clark’s loyal fanbase, the “Clarkies,” mirrors the intensity of Taylor Swift’s “Swifties” and she represents a personality-driven economic engine reshaping the business model of women’s professional sports.

The Caitlin Clark effect

- Clark’s Midwestern appeal has resonated with new audiences, including many who previously ignored the sport.
- Her games have driven record-breaking WNBA viewership, including the most-watched game and draft in league history.
- She has reversed traditional gender viewership patterns—her 2024 NCAA championship game drew a larger audience than the men’s final.

Figure

Caitlin Clark has had an undeniable effect on the popularity of women’s basketball

Women’s basketball viewership

	With Clark	Without Clark	Impact
NCAA viewership	18.9M	4.9M	+286%
WNBA viewership	9.9M	4.5M	+120%
Draft viewership	2.5M	0.6M	+307%

Source: Kearney analysis



² As per value lever definitions, this does not include monetization linked to sporting performance and player sales.

Stadium and infrastructure (non-matchday). Clubs are transforming stadiums into year-round revenue engines by hosting concerts, conferences, and immersive fan experiences. The Tottenham Hotspur Stadium in London exemplifies this shift, generating \$72 million from 16 non-football events in the 2023–2024 financial year, with approval to double such events to 30 annually, leading to potential annual earnings [of \\$143 million](#). This increase needs to be managed carefully as shown by Real Madrid’s attempts to diversify its revenue streams. The club faced challenges, including a [\\$15 million lawsuit](#), over its premium SkyBar suite and a suspension of concerts due to noise complaints. New revenue streams can be captured through stadiums and surrounding infrastructure such as real estate development and leisure offerings. For example, New York City FC’s new stadium will form part of a 23-acre neighborhood with [2,500 new housing units](#), a school, and hotels. To create value, modern stadiums must evolve into multifunctional venues, maximizing utilization and revenue beyond matchdays. This requires new capabilities.

Fan monetization. Leading sports organizations are no longer just deepening fan engagement—they are scaling it. Value needs to be driven by expanding reach into new geographies, younger demographics, and emerging platforms, including by targeting athlete-led audiences and non-traditional sports fans. The goal is to bring more fans into the ecosystem, not just through on-field performance, but via compelling digital content, influencer amplification, and community-first storytelling. Every interaction, whether through a social follow, app download, or newsletter sign-up, presents an opportunity to collect first-party data and build direct relationships. The MLS is aiming to intersect culture, entertainment, and sports to attract a broader audience. By collaborating with Grammy-winning rappers, creating eMLS (its own e-sports league), and [attracting Lionel Messi](#), fan engagement grew, as did revenue—by 27 percent from 2022 to 2023.

Sometimes, a more fundamental change to a sport can unlock new opportunities for fan engagement. Yoshikazu Nonomura, Chairman of the J.League, Japan’s premier football competition, told us: *“In 2023, the J.League made a pivotal decision to shift its season schedule in alignment with the global football calendar. With Europe at the center of the football ecosystem, maintaining an off-cycle schedule was increasingly seen as a structural barrier to Japan’s aspiration to not just catch up with, but surpass, the world’s best. This transition is more than a scheduling change—it is a strategic move to elevate competitive standards and create a foundation for sustainable growth. We believe this decision marks a new phase in which Japanese football can now realistically envision its place on the global stage.”*

Value needs to be driven by expanding reach into new geographies, younger demographics, and emerging platforms.

Lever 2: Fan engagement and insights: standing with the fans

Sitting behind the commercial levers is the need for deeper, real-time fan insight. Fandom is evolving rapidly, with younger audiences engaging differently with sports, characterized by more fluid loyalties, more fragmented consumption, and higher demand for authentic, interactive experiences and conversations. Gen Z fans favor short-form, behind-the-scenes, and personality-led content, consuming it in bursts across TikTok, YouTube, and social platforms rather than full-match broadcasts.

Increasingly, fans follow individual athletes over clubs, with many stars now boasting larger global followings than the teams they play for. At one extreme, Cristiano Ronaldo was the first person to reach more than [1 billion followers](#) across his various social media accounts. This shift is redistributing influence across the value chain, giving athletes greater leverage and making their personal brands a powerful commercial asset.

At the same time, fandom has become more participatory. Fans expect access, influence, and to feel like part of an always-on community. This evolution is placing pressure on traditional engagement models and forcing clubs to compete not just with other sports, but with the full breadth of digital entertainment.

Steven Gould, Founder and COO of UNTAPPED Partnerships, told us: *“Operationally, fans’ growing expectations are manifesting in the need for sports organizations to build increasingly sophisticated customer relationship management (CRM) capabilities, as well as an urgent need to understand and leverage large volumes of third-party data, where revenue can be unlocked at the intersection between AI, data, and creative fan engagement.”*

To capitalize on this shift, sports organizations must move beyond traditional engagement models and focus on three steps to unlock value from fans.

1. Understanding fandom through more sophisticated data and analytics

Investing in data and analytics enables sports organizations to gain actionable insights into fan behaviors, preferences, and engagement patterns. By scraping data from various touchpoints, such as social media interactions, app usage, and purchase histories, organizations can segment and profile their audiences effectively and then tailor content and experiences to different fan cohorts. This data-driven approach allows for more targeted marketing strategies and enhances the ability to predict and respond to fan needs. The NBA’s Orlando Magic is leveraging this data-forward strategy and has invested heavily in analytics capabilities, including partnering with SAS, an analytics solution provider. The franchise is specifically studying fan behavior and using behavioral segmentation and predictive analytics to implement variable ticket pricing, which led to a [50 percent jump in sales in the first season post-launch](#). The J.League has introduced a “J.League ID” for fans, enabling the collection and analysis of anonymized data on fan attendance, engagement, and purchasing behavior to support a more responsive, customer-focused system.

2. Designing personalized, high-impact content for brands

Data-driven fan insights allow organizations to co-create content with sponsors that is more targeted, relevant, and engaging. With Gen Z fans consuming content in shorter, personalized bursts—they consume 15 percent less sports on linear TV than their older counterparts—and more behind-the-scenes, short-form, and socially distributed content, brands must move beyond generic content and messaging. Sports organizations need to use analytics to help their brand partners identify the right formats, topics, and channels, including leveraging individual athletes, to create assets that align with fan interests and behaviors. This increases cut-through and brand recall, while positioning the club as a partner that delivers measurable value and return on marketing investment (ROMI). [The NBA uses generative AI to produce impactful highlight reels for every game](#), feeding into tailored social media and YouTube content that matches the preferences of targeted audience segments.

3. Executing precision fan activation

Smart fan activation requires timing, context, and relevance. With deeper understanding of when and how fans engage, sports organizations can help brands activate campaigns at the right moments, whether during a match, in-app, or around a cultural event. The main opportunities are in gamified sponsorships, real-time content drops, and dynamic e-commerce tie-ins that feel native rather than forced. By enabling these through data and owned platforms, clubs not only maximize impact for partners, but also command stronger sponsorship fees through demonstrable ROMI. The Sacramento Kings, another NBA team, has taken a new approach to sponsorship activation through [integration with Zoomph](#), a social media analytics platform. The platform allows the team to analyze its online content through a sponsorship lens by quantifying metrics such as logo clarity, size, and impressions to provide an assessment of engagement and social value for sponsors. This provides the team with data on reach and effectiveness to feed informed negotiations with sponsors.

To unlock the full commercial potential of modern fandom, sports organizations must shift from passive engagement to active orchestration, using data to deeply understand their audiences, enabling brands to deliver personalized, relevant content, and activating fans at the moments that matter most. Those that get this right won't just build stronger fan relationships, they'll create a compelling, data-rich platform that drives premium sponsorship, sustained loyalty, and long-term growth.

Lever 3: Platform expansion: building/aligning to sports streaming platforms

The continued rise of sports streaming platforms is reshaping how value is created and captured across the media value chain. As fans shift away from traditional broadcast models, diversified digital sports platforms are becoming the primary interface for consumption, and a core engine for monetization.

Today's platforms need to be comprehensive, all-in-one destinations that deeply engage fans, covering multiple services beyond the live main event, such as adjacent live and non-live content that facilitates storytelling around the event, betting, gaming including fantasy sports, merchandising, ticketing, and interactive features such as real-time stats or multi-angle viewing. By integrating these services, platforms can create seamless ecosystems that cater to fan needs while unlocking new monetization opportunities. Competition is evolving between traditional sports broadcasters and new digital-native platforms, while others will also enter this space.

Traditional broadcasters must evolve to capture this opportunity. ESPN+ exemplifies this shift, offering exclusive streaming content beyond ESPN's linear channels, including live sports events and original series and documentaries. This approach aligns with the growing preference for on-demand viewing and the rise of streaming as traditional broadcasters seek to generate additional value from sports. Similarly, Discovery+ has leveraged global events such as the Olympics to drive subscriber growth while integrating interactive features to compete with digital-native platforms.

Digital-native platforms are leading the sports streaming evolution and create new opportunities for monetization. DAZN has expanded its offerings with DAZN Bet, integrating live sports with in-play betting for a more interactive experience. DAZN has also teamed up with Fanatics to offer an integrated e-commerce experience, allowing DAZN's 60+ million sports fans to purchase licensed merchandise and sports apparel directly through the DAZN app.

FuboTV has successfully positioned itself as a sports-first streaming service, reporting a 19 percent increase in revenue in 2024. Fubo is benefiting from cord-cutting and is attracting new users through third-party subscriptions and its FAST offering. Integration through platforms under the Fubo model provides a compelling case study for the post-bundle world.

Multi-service sports platforms open up global reach and richer data insights, allowing sports properties to better understand and engage bigger audiences. This digital reach enables sports brands to grow their international markets without the limits of traditional broadcasting.

For clubs, leagues, and governing bodies, this shift creates both opportunity and risk. Owning more of the value chain, whether through direct-to-consumer offerings or co-investments with platforms, allows greater access to data, more targeted fan engagement, and higher-margin monetization. But it also requires a clear strategy, from platform selection to content creation and data usage. Stakeholders must decide whether to build their own OTT capabilities, partner with aggregators, or license selectively to retain strategic flexibility.

Martin Stewart, CEO of NEP, told us: *“Content remains king, but the importance of downstream distribution platforms and upstream production has never been greater. By choosing leading production and distribution partners that are at the leading edge of innovation with the capability to create and customize content economically for diverse audiences, content owners can unlock enormous value from their IP.”*

Capturing share of time and wallet in this competitive environment to be a primary sports platform means focusing on getting three factors right:

- 1. Maximizing time spent and journeys across platforms.** Make the platform a destination where fans spend their time before and after an event and on non-matchdays.
- 2. Leveraging platform data as a monetizable asset.** Use advanced analytics and AI-driven insights for tailored recommendations, personalized experiences, and targeted marketing.
- 3. Building partnerships to enhance and simplify user experiences.** Create seamless integrations with other services through APIs (for example, e-commerce or ticketing), simplify payment processes for users, and foster collaborations with sports clubs, stars, and associations.

Lever 4: Technology-driven innovation: unlocking the sports tech dividend

A common thread across IP commercialization, fan insights, and sports platform development is technology. Sports tech is evolving rapidly and is important both as an essential enabler to capture new top-line and operational value and as an investment asset class in its own right.

Sports tech plays into seven primary areas across the sports ecosystem.

1. Advanced content production and distribution

This includes specialty capture, automated cloud- and AI-based production, bonded network live production and contribution, and sports content-focused CDNs. In 2025, Tennis Australia generated real-time generative AI commentary and multilingual highlights for the Australian Open using the large sports model of WSC Sports, whose investors include HBSE Ventures (which owns the Philadelphia 76ers and New Jersey Devils) and Elysian Park Ventures (which owns the Los Angeles Dodgers).

2. Digital ticketing and live experience

Digital ticketing solutions and matchday augmented/virtual reality have the potential to unlock new revenue opportunities. Jump Inc’s platform provides digital ticketing transparency to stadium owners, enabling personalized fan experiences. The Golden State Warriors NBA team has partnered with technology firms such as Accenture, Adobe, and SAP to develop a sophisticated analytics platform that measures fan decibel levels during games to tailor its in-game entertainment.

3. Tech-enabled sports betting

Wagering is being revolutionized by live in-play and micro-betting, as well as by AI-enabled match predictions based on simulations. Sports Radar reports that in-play betting is favored by Gen Y and Gen Z and already comprises 80 percent of UK sports wagering transactions but only 50 percent of US ones, indicating upside potential.

4. E-merchandising

Digital merchandising and in-feed or retail integrated into a live event are new revenue opportunities for IP holders. Using sports merchandise as its anchor, Fanatics has expanded its digital platform to become an \$8 billion revenue company.

5. Tech-efficient advertising

Sports inventory owners can use virtual advertising overlays on stadium billboards, AI-powered fan analytics, and digital advertising marketplaces to drive increased reach, sell-through, and CPMs. Geo-targeted advertising based on virtual overlays has potential to unlock huge value by turning one advertising asset into multiple, localized experiences. The number of major rights holders adopting virtual advertising grew from fewer than five in 2019 to more than 30 in 2024, including Formula 1, Major League Baseball, and the DFL German football league. TGI Sport acquired Supponor, a leader in this space, in 2024.

Roger Hall, CEO of uniqFEED, a leading virtual advertising technology company, told us: *“Technology is shaping how sport is played, watched, and commercialized. AI-powered virtual advertising is at the heart of this transformation and is fast becoming a strategic tool for major rights holders to monetize impactful brand engagement in a highly targeted way. These opportunities for personalization have not existed before and create value for the fan and the rights holder where it matters most: in the live broadcast.”*

6. Gaming and fantasy

Fantasy platforms are a new opportunity to drive fan engagements. E-sports has become an essential channel for gaming companies, with many top clubs creating their own e-sports teams. Stats Perform, owned by Vista Equity Partners, has built a business providing data to fantasy sports platforms.

7. Digitalized athlete performance

Embedding coaching analytics, smart apparel, and AI-enabled athlete training enables sports organizations to maximize performance and reduce risk to their on-field talent. In 2024, Sony Sports acquired KinaTrax, which provides markerless motion capture technology to track and anticipate athletes' biomechanical performance.

For investors and IP owners, sports technology enables both top-line and bottom-line benefits, while also diversifying the investment portfolio away from pure IP assets.

Revenue can be increased through expanded commercial inventory. Virtual advertising overlays turn physical and broadcast space into dynamic, high-yield inventory. Property owners can now monetize new areas such as pitch surfaces or virtual broadcast elements, increasing both volume and CPM rates of inventory. Technology-enabled matchday experiences create new products and value-add services, such as XR-enabled stadium experiences, which were previously untapped and can be targeted through micro-transactions. Digital collectables are a new product category.

Cost efficiency can be increased through scalable, cost-efficient operations. Automated or remote production models and global talent pooling reduces cost while increasing flexibility and scalability. For example, a major Australian sports broadcaster teamed with a leading technical sports production provider to move to a centralized high-tech production hub, generating a 17 percent operating cost reduction.

Value creation in sports will favor those that treat tech not as a toolkit but as infrastructure. Sports organizations must build an adaptive foundation, blending in-house capability with strategic partnerships across AI, immersive media, and data platforms. Those that do will be able to:

- Launch new products faster (for example, streaming services, betting overlays, digital merch)
- Tailor fan and sponsor experiences at scale
- Attract higher-value investors and commercial partners

Lever 5: Operational efficiency: professionalizing operations with business best practices

Historically, sports organizations have often not been viewed as “businesses” and, as a result, lacked the operational rigor seen in other industries. Moreover, in club sports, the player-related costs (transfer fees, agent costs, player wages, bonuses) are at such a level that clubs have not always thought it worth looking at other cost categories. However, this perception is rapidly changing. As investors seek to generate returns from their sports assets, the focus is shifting beyond top-line growth to also include operational efficiency and effectiveness. There are five main operational levers to drive these efficiencies.

Organization and headcount optimization.

Optimizing headcount in sports clubs requires a careful balance. Unlike typical businesses, an increase in headcount can sometimes deliver significant commercial and operational benefit. This is particularly true in areas such as sponsorship, where many clubs have struggled with professionalization and lacked the resources to fully capture opportunities, especially through the use of digital such as data and technology. A notable example is AC Milan, which increased its shirt sponsorship revenue from about \$15 million to about \$62 million annually (see sidebar: Applying value creation in practice at AC Milan on page 25). This growth was more than sufficient to justify the cost of expanding their sponsorship team from six to 30 specialists.

However, as clubs scale their business operations, the same level of rigor applied in other industries must be adopted. This includes streamlining back-office functions for instance, through automation and AI, clearly defining roles and responsibilities as a lever for organizational delayering, and considering outsourcing.

SG&A/indirect cost optimization. Sports organizations are increasingly scrutinizing indirect expenses to improve operational efficiency, with stadium and facility operations often being key targets for greater efficiency. For example, the NFL’s Philadelphia Eagles partnered with an energy firm to [install 11,000](#) solar panels at Lincoln Financial Field, saving more than \$60 million in electricity costs over 20 years.

In addition to facility optimization, applying basic strategic sourcing principles to third-party vendor contracts to address main spend areas such as travel, marketing, and logistics has the opportunity to materially reduce costs. The effective management of SG&A can lead to substantial savings, which can be reinvested in player talent or fan experience without compromising on-field performance.

Digital transformation and partnerships. Embracing digital solutions and capabilities has enabled sports organizations to lead in operational efficiency and is a prerequisite to capture the above-mentioned opportunities in fan understanding and engagement. These technologies not only unlock revenue-generation opportunities but also reduce costs tied to inefficient workflows and ineffective data utilization.

Sports organizations need to build in-house capability and structure partnerships with technology firms. These partnerships are becoming increasingly common, offering sports organizations access to advanced technology at a lower cost. The [Women’s Rugby Union](#) partners with a global technology company that provides free access to its leadership training “university” for leaders in women’s sports.

Finance restructuring. Many clubs operate with significant debt and complex financial structures. Restructuring finances can improve operational efficiency and stability. [Tottenham Hotspur’s 2019 refinancing](#) of \$683 million in stadium debt involved converting short-term loans into long-term bonds. This substantially reduced interest payments and extended maturities by up to 30 years, lowering annual debt service costs and easing cash flow pressure.

Clubs facing high debt or interest payments can pursue similar strategies—renegotiating loans, consolidating liabilities, or securing better rates—to release capital. Proactive financial restructuring can improve liquidity, reduce financial risk, and allow clubs to reinvest in competitive areas while reducing the risk of financial penalties from non-compliance.

Applying value creation in practice at AC Milan

A prime example of where many of these levers have been activated to create significant value is at AC Milan, a leading Italian football club. Following the takeover by Elliot Capital for \$469 million in 2018, the club implemented a comprehensive turnaround program, launching multiple value levers to improve the club's on-field and commercial performance. The success of this ownership period was evidenced by the team winning its first Serie A title in 11 years and a sale of the club to Redbird Capital for \$1.3 billion in 2022 at nearly three times the acquisition cost.

The headline value-creation actions taken at AC Milan, aligned to the value levers, were:

- **Sponsorship revenue improvement.** Increased sponsorship revenue by growing the team from six to 30 sponsorship experts and forming specialized units, such as business intelligence to improve return on marketing investment for AC Milan's commercial partners, boosting annual shirt sponsorship revenue from \$15 million to \$62 million. [Core lever 1: Revving up the commercial engine]
- **Maximizing general admission revenue.** Matchday ticket revenue surged after reducing season ticket holders from more than 60 percent to under 50 percent of stadium capacity, allowing for more higher-value general admission ticket sales. [Core lever 1: Revving up the commercial engine]

- **Investing in digital and content creation capability.** The organization built an AC Milan media studio and in-house team to cut costs and accelerate content production, and monetized it via sponsorship rights. [Core lever 3: Building/aligning to sport streaming platforms]
- **Change in leadership.** The club recruited a new first- and second-line management team combining with elite football and non-football experience (for example, a former Goldman Sachs director). [Core lever 5: Professionalizing operations]
- **Refocused squad dynamic.** The club revamped its player recruitment strategy to slash the wage bill, which was the second highest in Serie A, by investing in young talent with future resale value and selectively adding proven veterans such as Zlatan Ibrahimović, while offloading older players on high wages. By 2020, AC Milan boasted the youngest team among Europe's top-five league. [Core lever 5: Professionalizing operations]



Synergy capture. As with non-sports businesses, entities owning multiple clubs can drive synergies, standardize best practices, and avoid cost duplication through centralization in areas such as analytics and youth development. City Football Group (CFG), which owns Manchester City and several sister clubs worldwide, acquired ESTAC Troyes and leveraged scouting expertise, shared sponsorship, marketing, and coaching knowledge from its portfolio of teams, which had a positive impact on ESTAC Troyes' performance both on and off the field.

Driving operational efficiency and enhancing financial performance will often mean adopting and adapting best practices from other industries with a longer record of sustained operational performance improvement.

Vision, values, talent: the trinity underpinning success

As with non-sports organizations, sustaining commercial and operational performance relies on three underlying factors: a clear vision, strong values, and the right people (depicted in figure 5 on page 16). Like any business, a sports organization is only as strong as its ability to mobilize individuals around a shared ambition, make consistent decisions, and build a culture that attracts and retains high-performers, on and off the field.

Vision sets direction

A clear, long-term vision gives purpose to day-to-day decisions and ensures resources are deployed where they will have the greatest impact. Brighton & Hove Albion F.C. exemplifies this with their stated aim to be a top-10 Premier League club and a top-four Women's Super League club. This ambition serves as a decision-making filter across the organization, ensuring investment, recruitment, and operations all contribute to that "north star." Does an action take the club closer to the vision? If not, don't do it. Brighton's ability to compete with more established, better-funded rivals stands in contrast to other challenger clubs without this clarity of vision that have often overreached and under-delivered. To be impactful, this vision cannot be a standalone statement. It must be crystalized in a wider strategy that links ambition to execution across every part of the sports organization.

Values shape culture and performance

Values define what high performance means, guiding decision-making among on-field success, financial results, societal impact, and other priorities based on the vision. The All Blacks—New Zealand's national men's rugby team—are a reference point in this regard, rooted in the values of humility, accountability, and respect. From the symbolic act of players cleaning their own changing rooms to the expectation that each individual "leaves the jersey in a better place," values are embedded into everyday actions. A well-defined values system sets the tone for how people behave, how teams work, and how performance is sustained.

Talent is the multiplier

Sports is a people business, from the talent on the field to the physio on the sidelines to the board members upstairs. Attracting, motivating, and developing talent across all areas of sports organizations is the glue that holds the operation together. The most successful organizations invest not just in star players but in the systems and people that support performance. Real Madrid and Bayern Munich use institutional identity, not just financial muscle, to attract elite players and coaches. Meanwhile, Brighton & Hove Albion F.C. has anchored its player recruitment on finding and developing undervalued footballing talent while building internal people capabilities in analytics and scouting to make the model repeatable and sustainable.

Off the pitch, clubs that focus on building expert teams across digital, content, data, and fan engagement are better placed to capture long-term value. Talent strategy today is as much about attracting a lead data scientist as it is about securing the next marquee signing. Tony Underwood, Chief Care Enforcer at Believe Solutions and former England rugby union international, told us: *"Sports organizations have millions invested in high performing talent on the pitch and need to mirror that with investment in high-performing talent off the pitch. By doing so, and nurturing a powerful culture, they can leverage their sporting success to drive authentic engagement and storytelling with fans and use the influence they have to make a positive difference in the communities in which they operate. Most sports organizations need a revolution, while even the best ones still need an evolution."*

Vision, values, and talent aren't intangibles, they are infrastructure. When embedded properly, they drive strategic alignment, performance culture, and commercial outcomes.

A pathway to value

The \$417 billion sports industry has become a global, high-performance business where value is no longer passively earned but actively created and strategically captured. As the market grows and diversifies, so do the opportunities and value at stake. New sports formats, platforms, and geographies are expanding the playing field, demanding sharper thinking, faster innovation, and smarter execution.

The influx of private capital and strategic investors has raised the bar, driving expectations for growth, discipline, and returns. In this environment, sports organizations must adopt a more holistic approach to value creation, driving their vision, values, and talent through excellence in front-end commercialization and sports platform models and capturing value from data-driven fan insights and sports technology, underpinned by efficient and effective operations. The traditional way of running a sports operation is no longer enough.

The opportunity is substantial, but the bar is high and competition relentless. Eighteen-time tennis Grand Slam winner Martina Navratilova famously stated, *"Whoever said, 'It's not whether you win or lose that counts' probably lost."*

Moving from passion to profit in sports will reward clarity of ambition combined with strength in execution. For those ready to act, the dividend is clear: not just growth, but the chance to shape the next era of global sports.

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Figure
Appendix

Segment	Definitions
Commercializing IP and matchday	
Sponsorship and in-venue advertising	Revenue received by sports properties from a company in exchange for marketing exposure. Also includes spend for in-venue advertising.
Media rights	Fees paid for the broadcast or streaming of sporting events (regardless of distribution technology). Tier 1 includes the top nine most valuable sports properties (in terms of media rights). Tier 2 includes all other sports properties.
Merchandising and IP licensing	Revenue received by IP owners from sale of licensed merchandise and other IP licensing.
Matchday	Revenue from primary ticket sales and matchday spending (e.g., F&B sales).
Broadcasting and streaming	
Broadcast/streaming advertising	Advertising revenue of free-to-air and pay-TV broadcasters, prorated for sports.
Streaming/apps subscriptions	Subscription revenue of over-the-top (OTT) services regardless of format (smart TV, browsers, phone apps, etc.), prorated for sports.
Pay-TV subscriptions	Subscription fee revenue generated by a pay-TV service, prorated for sports. Excludes fees earned from pure OTT streaming services.
PPV (pay-per-view)	Revenue generated from the purchase of viewing access for a specific sports event.
Gaming	
Fantasy sports	Revenue generated from fees paid by players to participate in virtual competitions held on online fantasy gaming platforms.
Betting	Revenue earned by gaming companies from sports betting after payouts (GGR).
Sports video games	Consumer spend on sports-themed video games including both traditional gaming platforms (consoles, PCs) and mobile/casual gaming ones.

Source: Kearney analysis

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