



CIT GROUP

Investment attitudes of sports fans in the UK

June 2023



Objectives

1. Identify the relative importance UK sports has in people's lives and examine why fans have these perceptions.
2. Explore the level of support for investment across sports and the role investment needs to play to drive support.
3. Provide insight into which sports are best positioned for future Private Equity (PE) investment and the bespoke messaging that needs to be delivered.

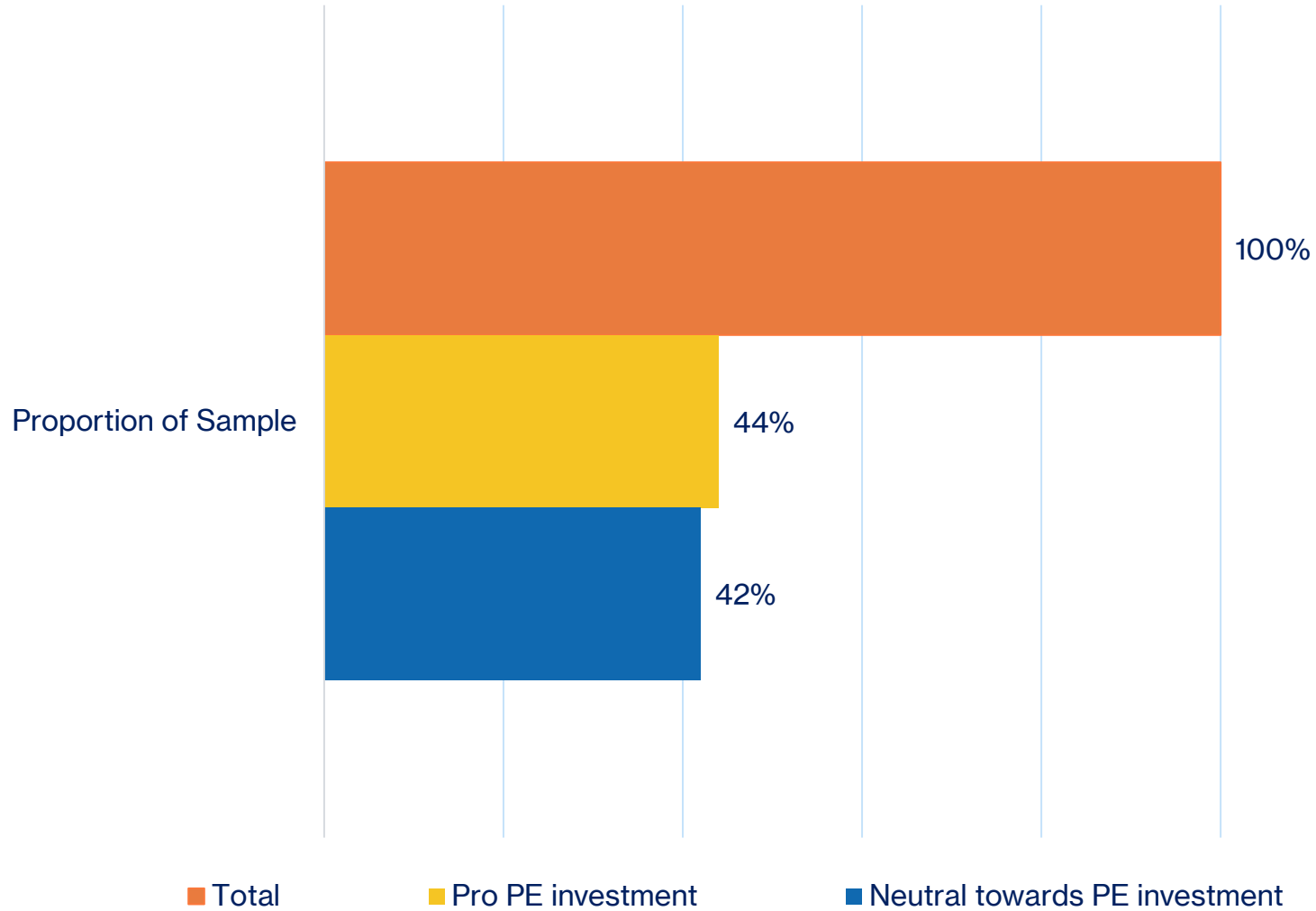


Methodology

- Nationally representative [online] survey of 1,000 England sports fans.
- A sports fan is defined as anyone who answered a 6 or above on a scale of 1-10 on how much they are a sports fan.
- A sample size of $n=1,000$ yields a theoretical maximum margin of error of $\pm 3.45\%$ at a 95% confidence interval. Margins of error varying according to question and analysis group.
- 'Net scores' are reported at various points throughout. A net score represents the total proportion of participants who give a positive response (e.g., 'agree') minus the total proportion who give a negative response (e.g., 'disagree'). For example, 'net agreement' would represent the total proportion who agree minus the total proportion who disagree. A positive net score (represented by a '+' symbol) means that a greater proportion give a positive response than give a negative response, while a negative net score (a '-' symbol) means the opposite.



Analysis groups



Total

The total population that was surveyed.

Pro PE investment

Those who said they were in favour of PE investing in sports.

Neutral towards PE investment

Those who said they were neither in favour or against PE investment in sports.

Executive summary

Sports remains an important part of sports fans lives, and due to an increased need for social engagement due to social isolation during the pandemic, has meant it has become even more important in recent times.

Sports for many is a social activity. It is a way for people to connect with their friends and family **(+59 NET)**, their community **(+57 NET)** as well as their social circles **(+51 NET)**.

- The role of sports has become more important in views of sports fans over the past 5 years **(+25 NET)**. Other research implies that this is likely due to the lack of socialising during COVID, leading to a rise in ‘competitive socialisation’.
- Majority of fans believe the industry in the UK is heading in the right direction **(+57 NET)**.
- The top 3 reasons for this is a view sports are becoming more diverse **(15%)**, their favourite team or athlete is doing well **(14%)** and that there is better investment and coverage of women’s sports **(12%)**.
- However, nearly 2 in 5 **(19%)** said the sports industry is going in the **wrong** direction, citing there is a sense that sports has become too financially driven **(37%)**, specifically that the sport is too expensive to consume **(13%)**, e.g., TV subscription or attending match games are too expensive, or that athletes are paid too much to care about performing in the sport **(10%)**.
- In general there is support for PE investment in UK sports amongst sports fans **(+33 NET)**

Executive summary

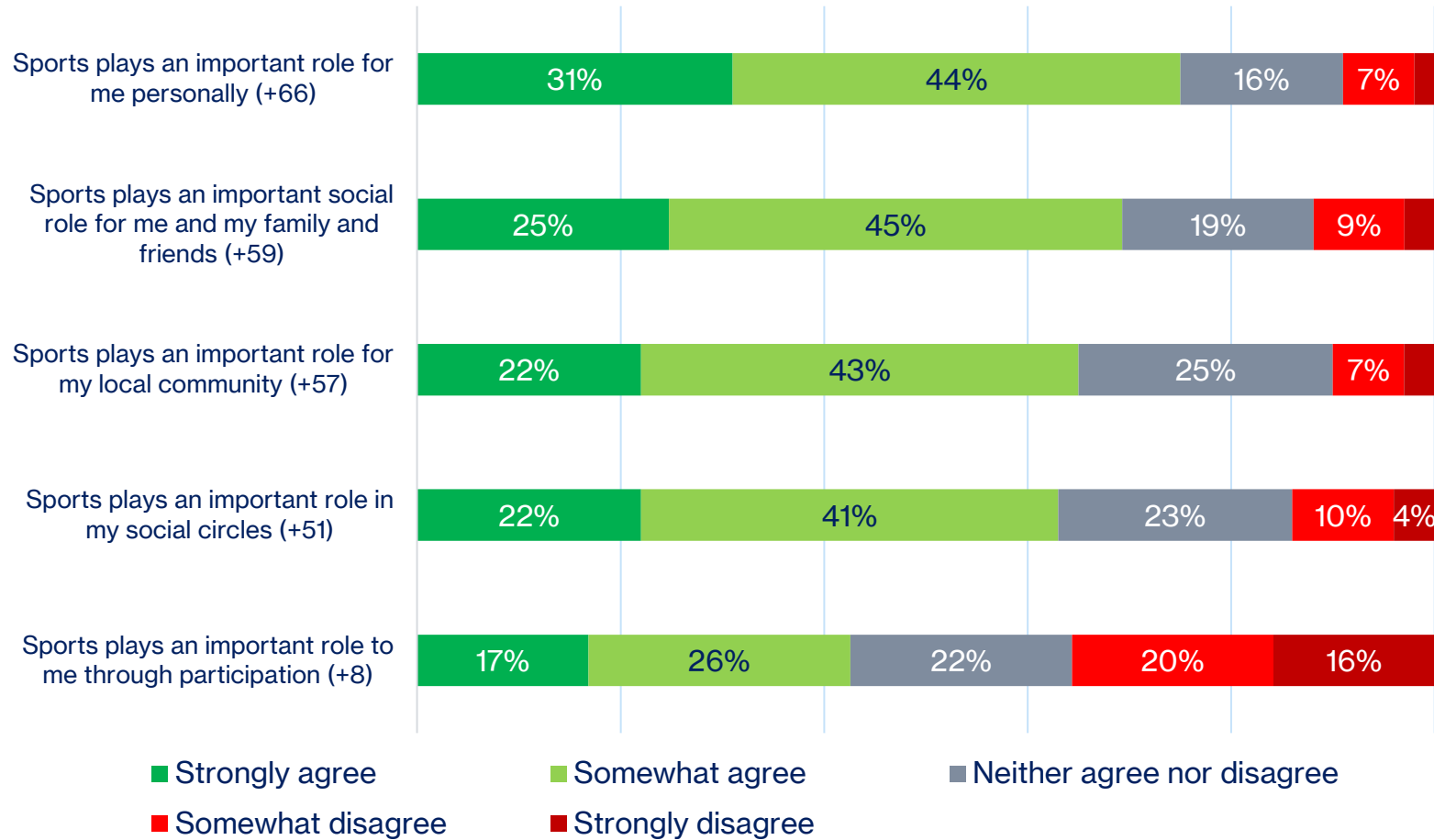
- **The opportunity for outside investment in the UK sports industry**
- However, there is a group of fans who are neutral towards PE investment who can be influenced (swing group). A third of the neutral audience believe that sports is heading in the wrong direction.
- At the heart of the negativity amongst the swing group is similar to the overall negative comments, there is a sense that sports has become too financially driven (**35%**), specifically that the sport is too expensive to consume (**16%**), e.g., TV subscription or attending match games are too expensive, or that athletes are paid too much to care about performing in the sport (**8%**).
- Fans of particular sports are more likely to support investment, specifically tier two sports **Basketball fans, Horse Racing, Swimming, Rowing, Rugby League, Rugby Union, EA Gaming, Cycling.**
 - Fans of these sports predominantly want more investment in grassroots participation, expanding TV coverage and enhancing fan engagement.
- What drives PE support is when investment improves performance and competitiveness, or improves the local community in a sustainable manner, such as investing in grassroots participation and ESG initiatives, such as diversity and inclusion.

Attitude towards sports



Role of sports to individuals

Net = total agree – total disagree



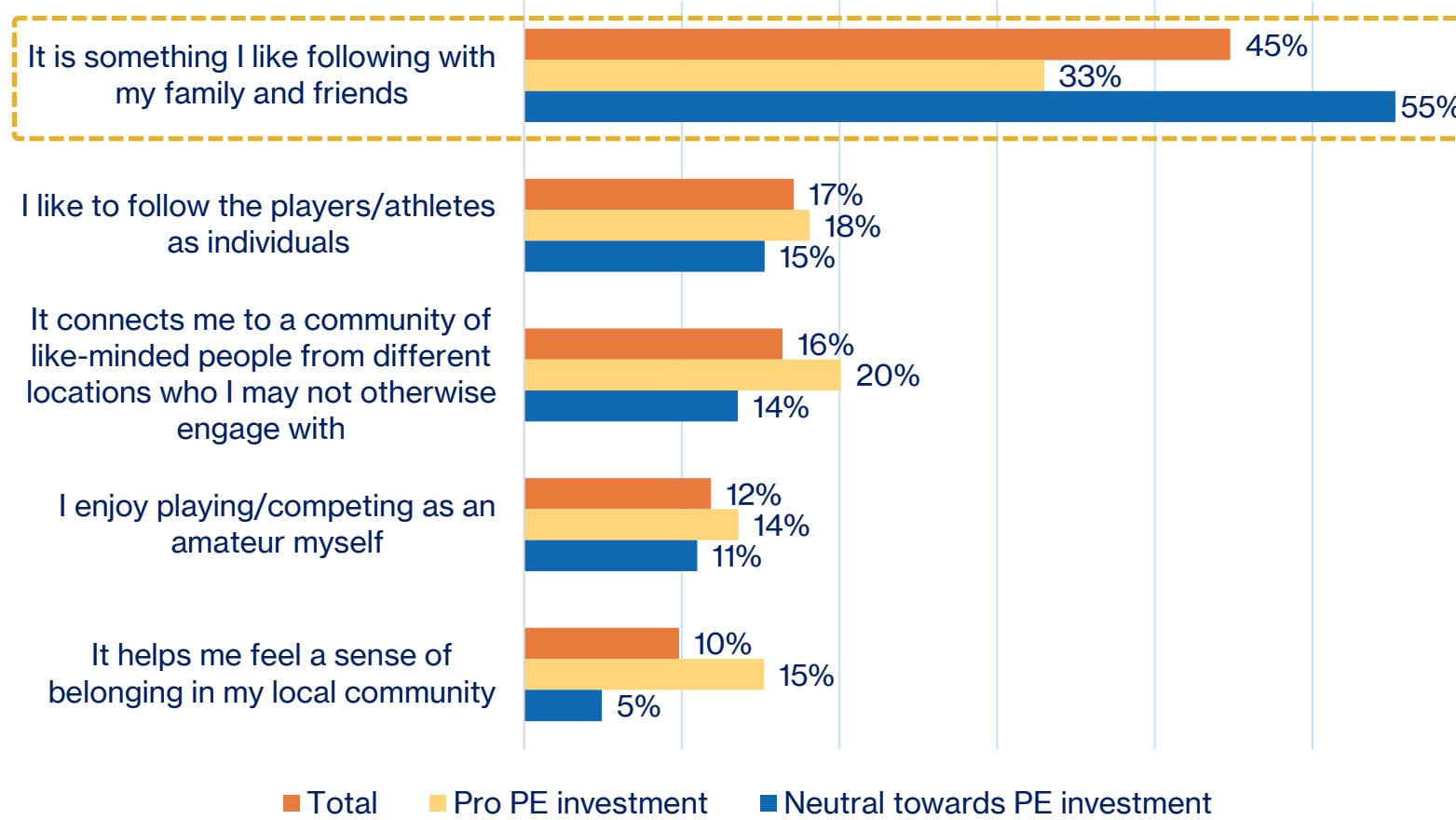
Sports for many is a social activity. It is a way for people to connect with their friends and family (**+58 NET**), their community (**+56 NET**) as well as their social circles (**+50 NET**).

Sports play a personal role for **men** and **women** alike, generally higher for men (**+75 NET**) compared to women (**+55 NET**).

Those who have **above degree qualifications** are more likely to be participating in sports (**+29 NET**) compared to those **below degree qualifications** (**-6 NET**).

Thinking about sports generally, how much do you agree or disagree with the following statements?

Personal connection to sports



A connection with sports is most likely motivated by creating an association with family and friends.

Those neutral to PE investment are more likely to see sport as a **social activity with family and friends (55%)** above all else.

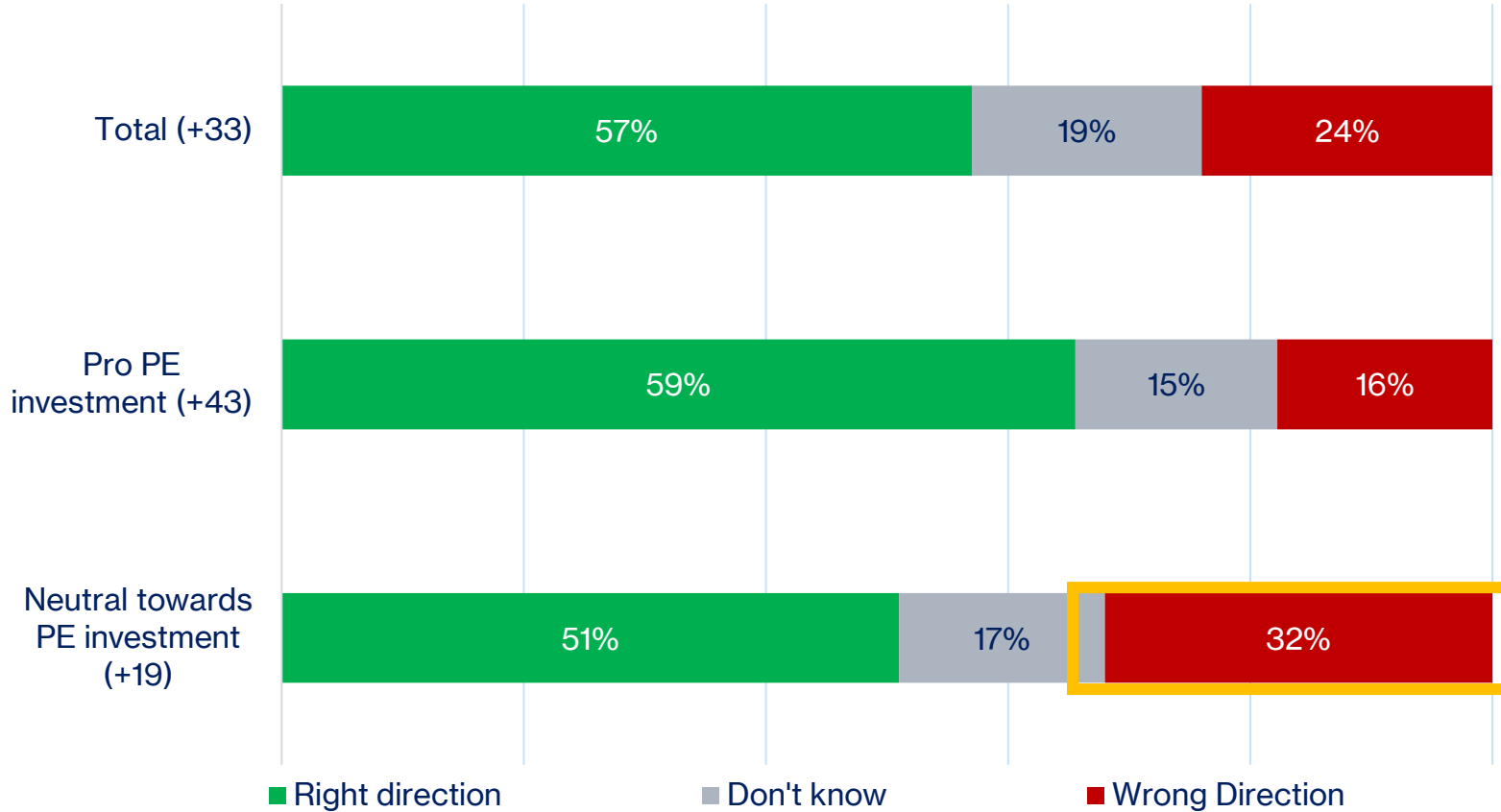
For **women**, the main connections to sport are **social activities with friends and family (49%)** followed by **following athletes as individuals (18%)**.

However for **men**, after social activities with friends (40%), they want to use sports to **connect with like-minded people they otherwise wouldn't have connected with (19%)**.

Thinking about your personal connection to professional sports, which of the following would you say is most important reason you are a sports fan?

Direction of sports

Net = total right direction – total wrong direction



The majority of sports fans believe the sports industry in the UK is heading in the right direction.

Those pro PE investment are much more likely to believe sports is heading in the right direction.

However potential swing group who are currently neutral to investment have a third of the audience thinking sports is heading in the wrong direction.

The primary concern amongst this group of sports fans is a view sports has **too much focus on money** over sporting achievement (**35%**), **sport is too expensive to consume** or partake in (**13%**) and **athletes are paid too much to care about performing in the sport** (**8%**).

Thinking about professional sports industry in the UK in general, do you believe that it is generally heading in the right or the wrong direction?

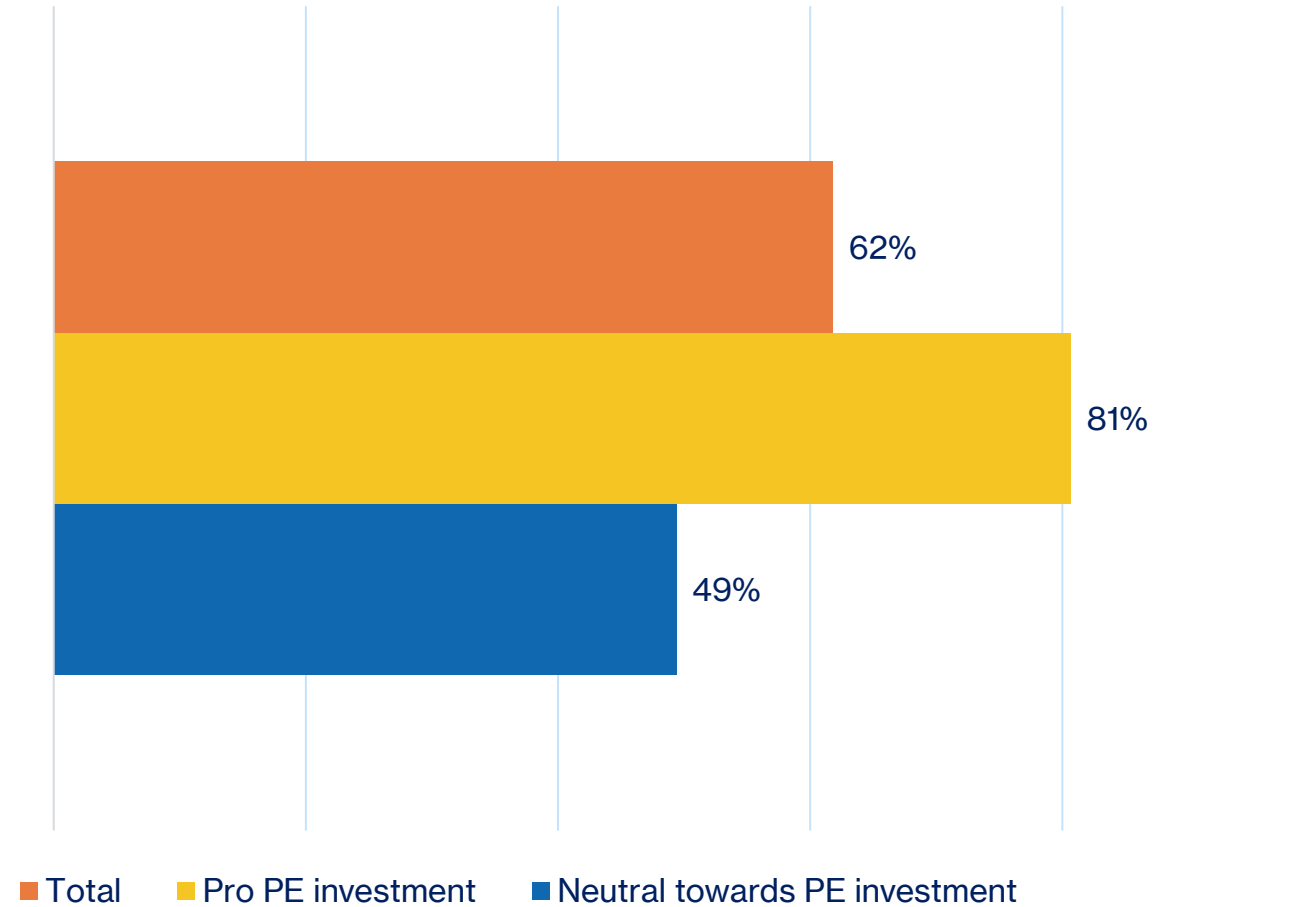


Focus on investment



Need for further investment in sport

Net = total agree - total disagree



Thinking about sports in the UK, do you agree or disagree that sports requires further investment?

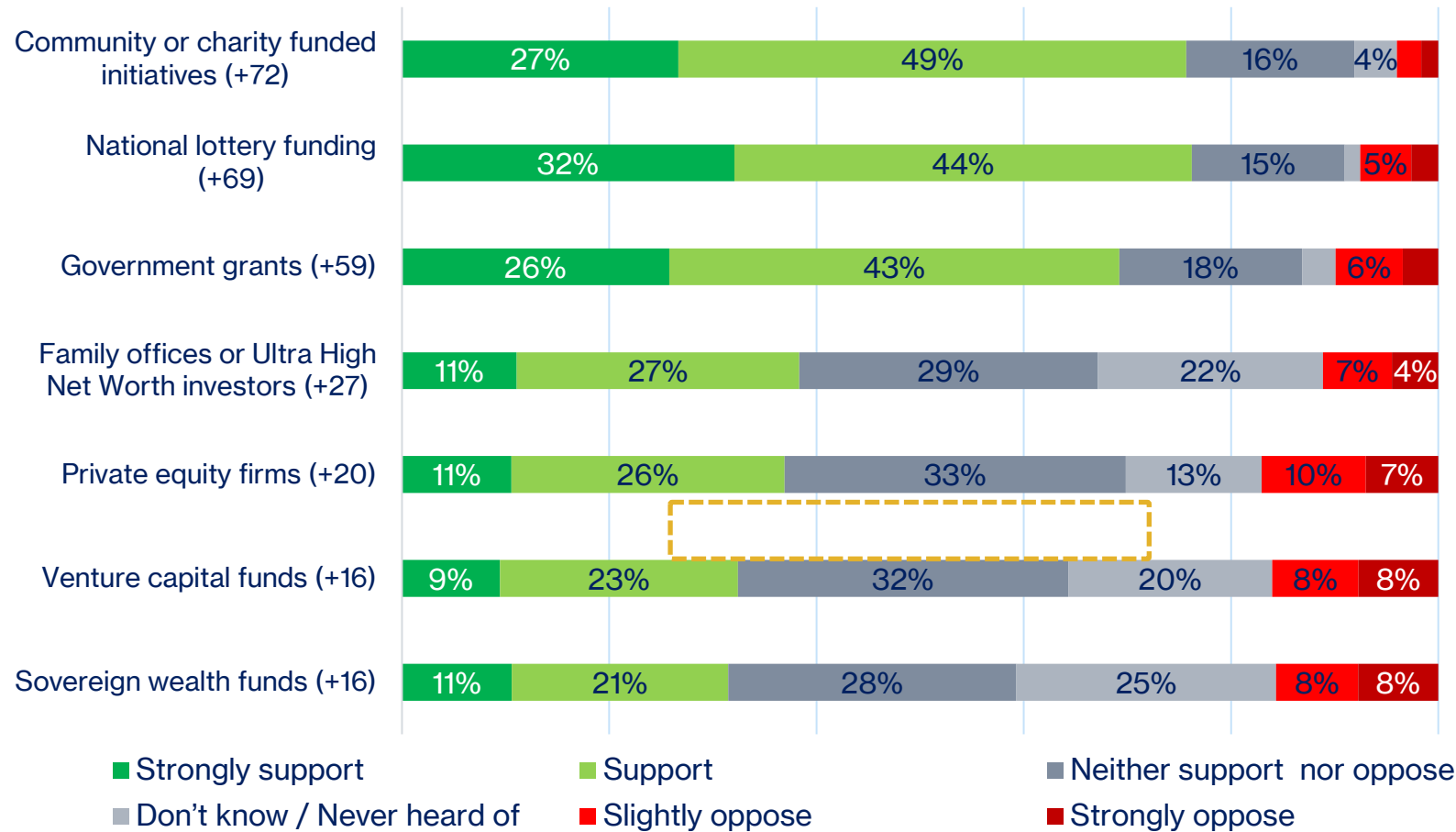
High levels of agreement that sports in the UK requires further investment.

Scores are markedly high amongst those aged **35-44 (NET +82)**, in the Northeast (**NET +71**) and supporters of;

- **Basketball fans**
- **Swimming**
- **Rowing**
- **Rugby league**
- **EA Gaming**
- **Cycling**
- **Rugby Union**
- **Horse Racing**

Support for types of investment

Net = total support - total oppose



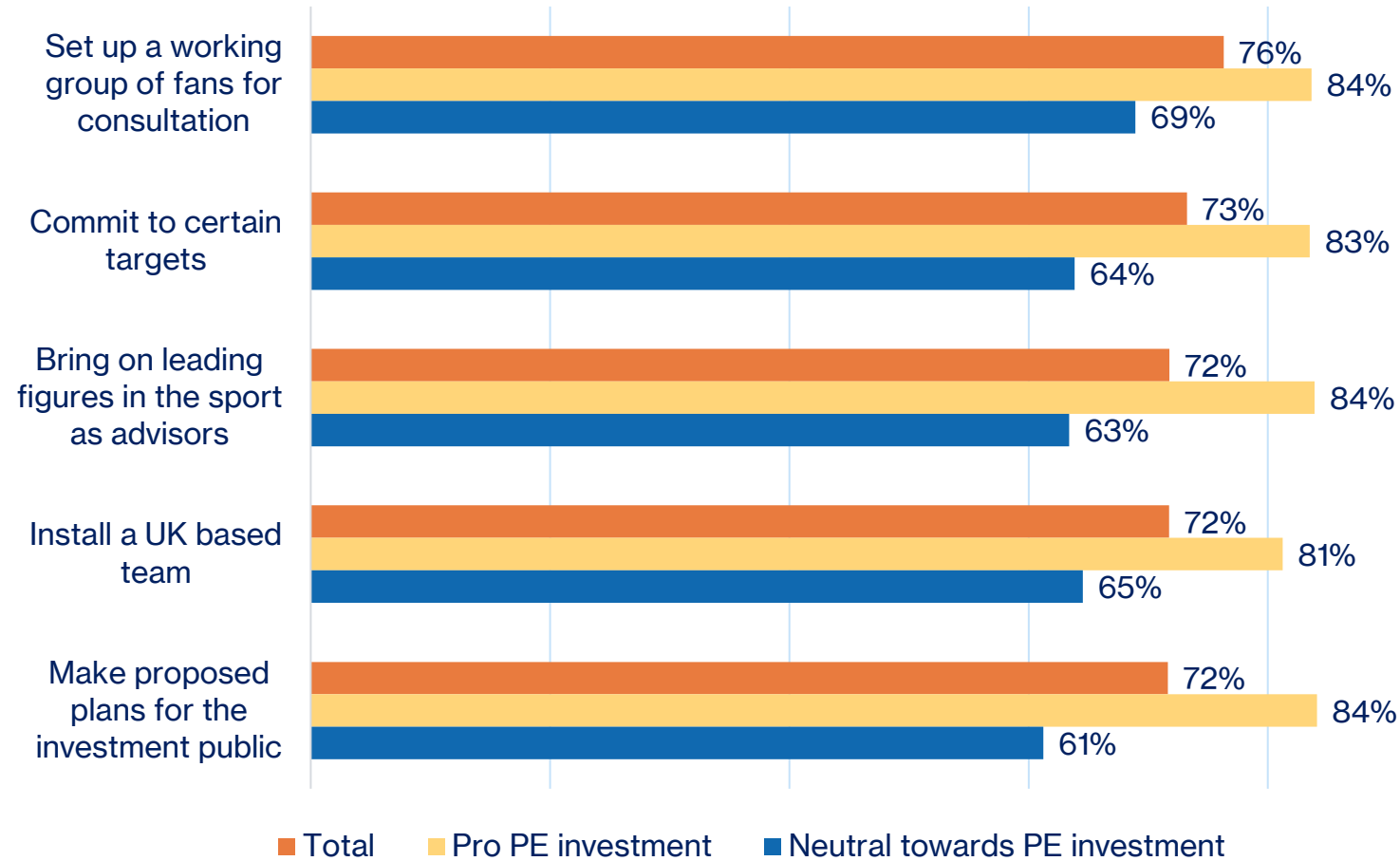
The types of investment that most appeals is through **community, lottery and government funding**. Sports fans generally have a formed opinion on these sources in funding, with approx. 2 in 5 or less unsure on how they feel.

Other sources of funding, sports fans are less decided on. Nearly half of sports fans (**46%**) don't know or are unsure on how they feel towards PE investment.

Below is a list of different types of investment and funding for UK sports. For each type, please indicate if you support or oppose it. If you don't know any of them that is okay, just say so

Support for PE activity

Net = total support - total oppose

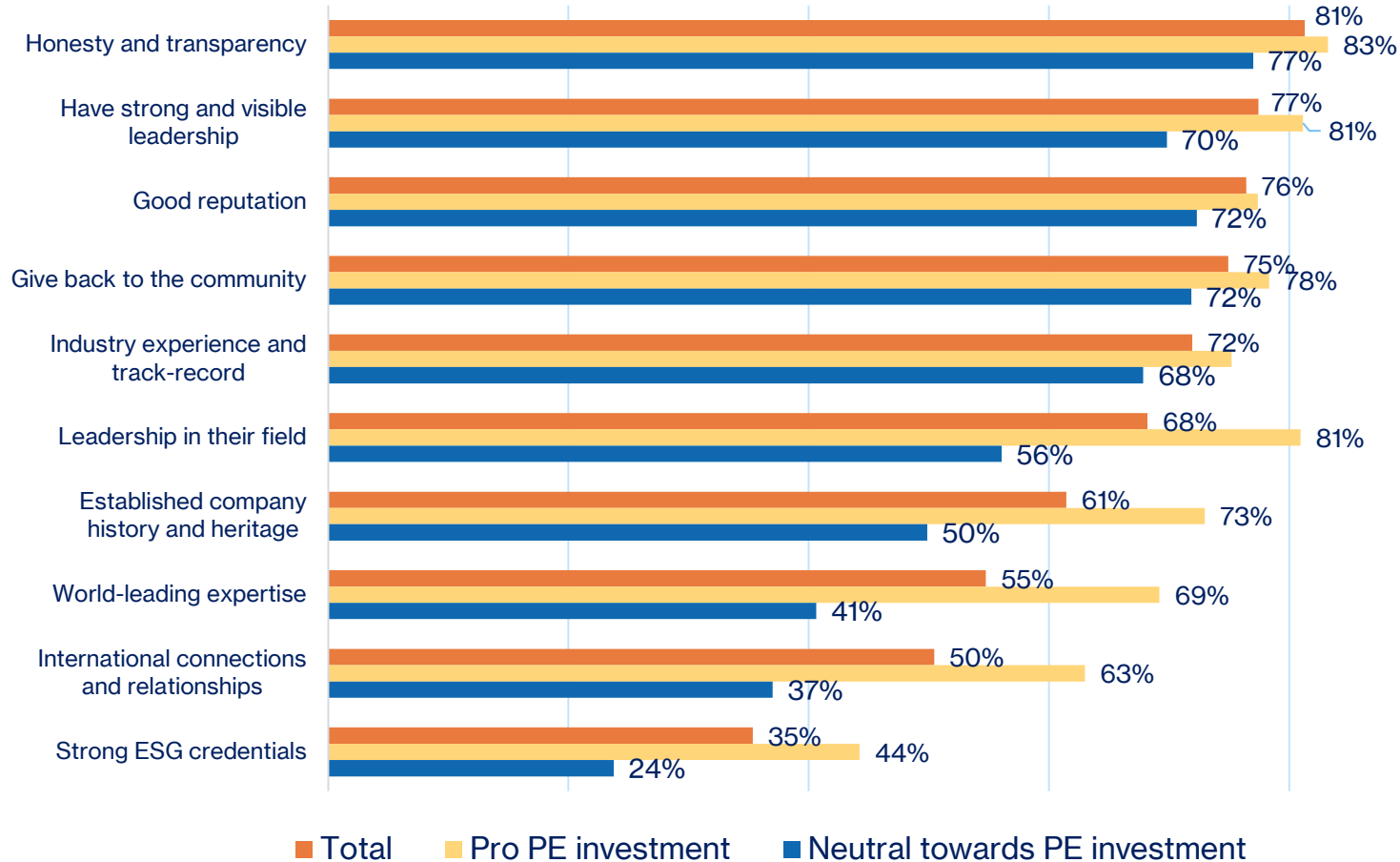


Sports fans want to **feel consulted** in the investment process.

Supporters of **Basketball** and **Cricket** are more likely to want to be involved in the consultation process.

Below are some actions private equity investors could take pre or post investment, how much would you support investment if it delivered the following?

PE characteristics attributes



Sports fans value **honesty and transparency** in PE firms. Those who are for PE investing also care about **strong leadership** and PE firms being a **leader in the field**.

Women in particular also care about **giving back to the community (79%)**.

Below is a list of attributes and statements that can be used to describe different companies. Thinking about private equity companies investing in UK sports, how important is it to you that they have each of these attributes and characteristics?

Opinion drivers - Explainer



The higher up the y-axis, the more influential the driver is on opinion.

Support for PE Investment in sports



In order to drive support two key areas of focus are most likely to drive support for PE investment.

- Private equity investment improve performance and competitiveness.**
- The terms of some deals include funding and embedding of sustainability initiatives.**

You will now be shown some arguments that people have made in support of greater investment from private equity investors. Please indicate to what extent you agree or disagree that each statement is a reason for support.

Targeting sports best placed for future investment

Top reasons why investment is needed in sports

	Rugby League	Rowing	EA Gaming	Basketball
1	Investing in grassroots participation	Investing in grassroots participation	Expanding coverage and access for TV/streaming	Increased safety and security at events
2	Expanding coverage and access for TV/streaming	Expanding coverage and access for TV/streaming	Enhanced fan engagement & experiences	Enhanced fan engagement & experiences
3	Financial sustainability	Develop coaching	Expanding opportunities for foreign players to compete e.g., visa access	Develop coaching

	Horse Racing	Athletics	Rugby Union	Cycling
1	Expanding coverage and access for TV/streaming	Investing in grassroots participation	Reviewing the levels of gambling advertising in and around these sports	Investing in grassroots participation
2	Increased safety and security at events	Develop coaching	Improving viewing experience e.g. personalised views or cameras	Diversity, equity & inclusion
3	Enhanced fan engagement & experiences	Expanding coverage and access for TV/streaming	Increased safety and security at events	Expanding coverage and access for TV/streaming

Low association with the key sports identified by supporters who would like greater investment.

- **Basketball fans**
- **Athletics**
- **Rugby League**
- **Rowing**
- **EA Gaming**
- **Cycling**
- **Rugby Union**
- **Horse Racing**



Recommendations

- The time is now for investment and will be accepted by sports fans, however it must look to deliver benefits for the community through social initiatives and provide better accessibility in the form of participation and viewing.
- In order to instill confidence investors must showcase the company's capability by having a strong and visible track record of success. This alone will not be enough and requires investors to showcase positive character traits of being honest and transparent and giving back to the community.
- Messaging needs to be linked to improving the sports performance but also embedding sustainability initiatives.
- Any investment will need to be framed carefully ensuring it mitigates concerns of investments adding to the feeling that sports is too commercial.
- Being able to set out clear targets and deliverables whilst involving supporters in the consultation process will be key to winning over sports fans.
- Tier two sports are those most primed for investment and investments should be framed through investing in grassroots, enhancing the fan experience and expanding coverage and accessibility.

Basketball in the UK



Basketball fan profile*



**55%
Female**



89% Aged 25-44



41% live in London



**58% University
degree or above**



**62% BBC
41% Daily Mail
39% Sky News**



**71% Football fans
51% Rugby League fans
44% Tennis fans**



32% Ethnic minority



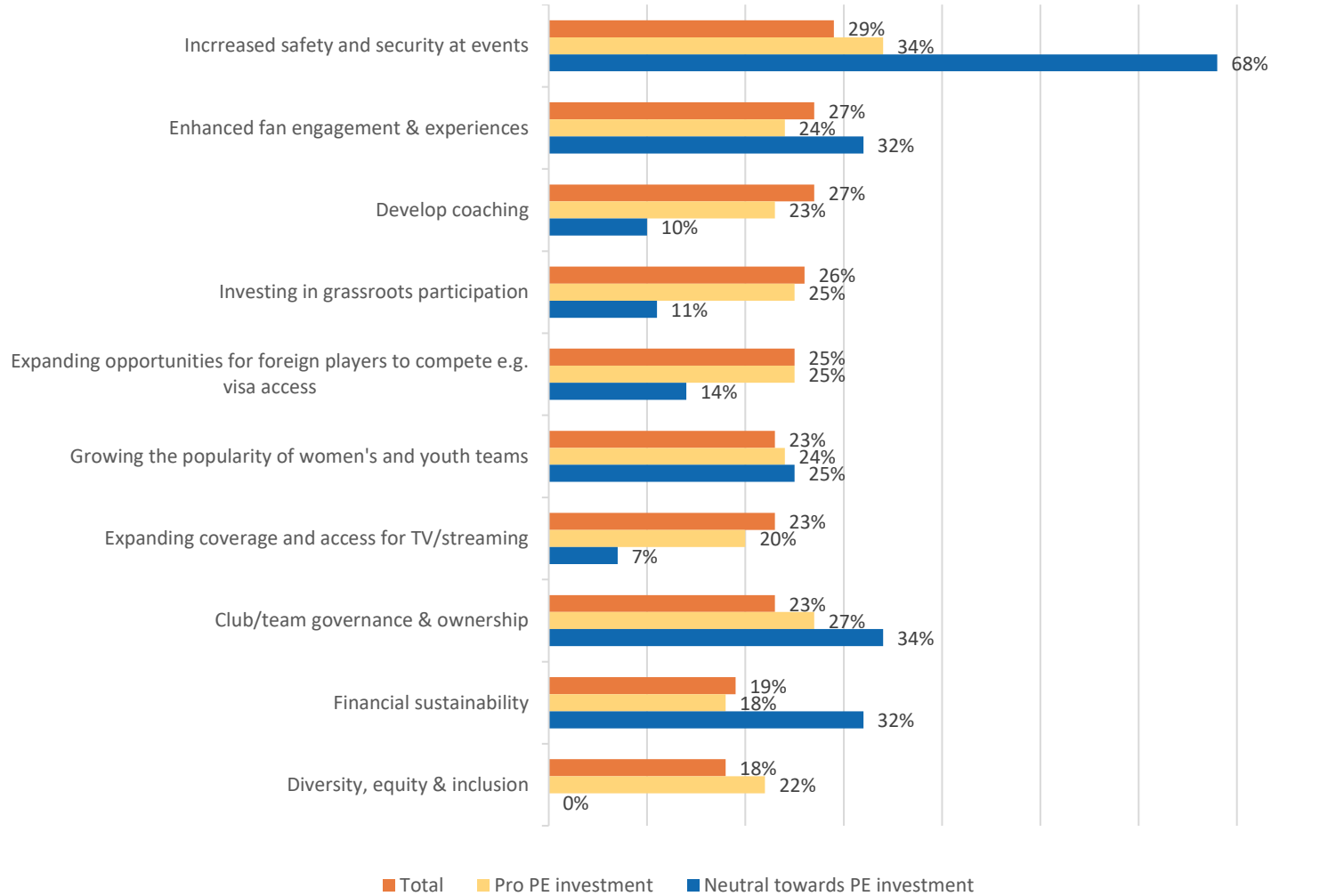
**35% earn £40k or
less**



**+70 NET support for
private equity investment
into sport**

*statistically significant characteristics against the average

Top 10 areas to invest in Basketball*



*indicative figures shown for subgroups due to the small sample size.

Which of the following do you think are the THREE most important areas to focus on in UK Basketball over the next few years?
Please select up to THREE options

Messages for investment

- **The main priority for BBL fans is to increase the popularity of the sport.**
 - BBL has been struggling to gain popularity in the UK. Any investment that can open up **access to new fanbases** and **geographies (+67 NET)** will increase support to for PE investment
 - In turn, if investment and new popularity can attract **sponsorships and new partnerships (+80 NET)** to sustain the sport, then this is seen as favourable amongst BBL fans
- **Improvement in the local community and infrastructure**
 - BBL fans care about the local community, so any improvements the area of local teams will be a driving factor for support. This includes:
 - An **increase jobs (+68 NET)** for the local community
 - An **improvement of the infrastructure and facilities (+67 NET)** such as stadiums, or
 - **Funding sustainability (+79 NET)** objectives

Messages to be mindful of

- **BBL fans want to still feel they have control of the sport**
 - There is a concern that investors will not care about the sport and focus on **making a quick return on investment (+58 NET)** at the detriment of what's best for the team.
 - They don't want the risk of **private investors mismanaging finances (+65 NET)**, or taking on a **large amount of debt (+68 NET)**, and letting fans down
 - If there is a majority or controlling stake, then the voice of the **fans, players or teams** may be **ignored (+65 NET)**
- **They want the sport to feel authentic and be accessible to all**
 - There is a concern that increased commercialisation of sports can reduce the **authenticity** and **restrict access (+57 NET)** to the athletes/players
 - Authenticity may further be reduced by the increased chance of a commercially focused 'European Super League' type proposal **(+73 NET)**.



eSports in the UK



eSport fan profile*



43% think the economy will get better in the next year



84% Aged 25-44



29% live in Greater London



46% expect personal finances to improve in the next year



**51% BBC
38% Sky News
33% The Daily Mail**



**70% Football
51% Boxing
42% Formula 1**



23% Ethnic minority



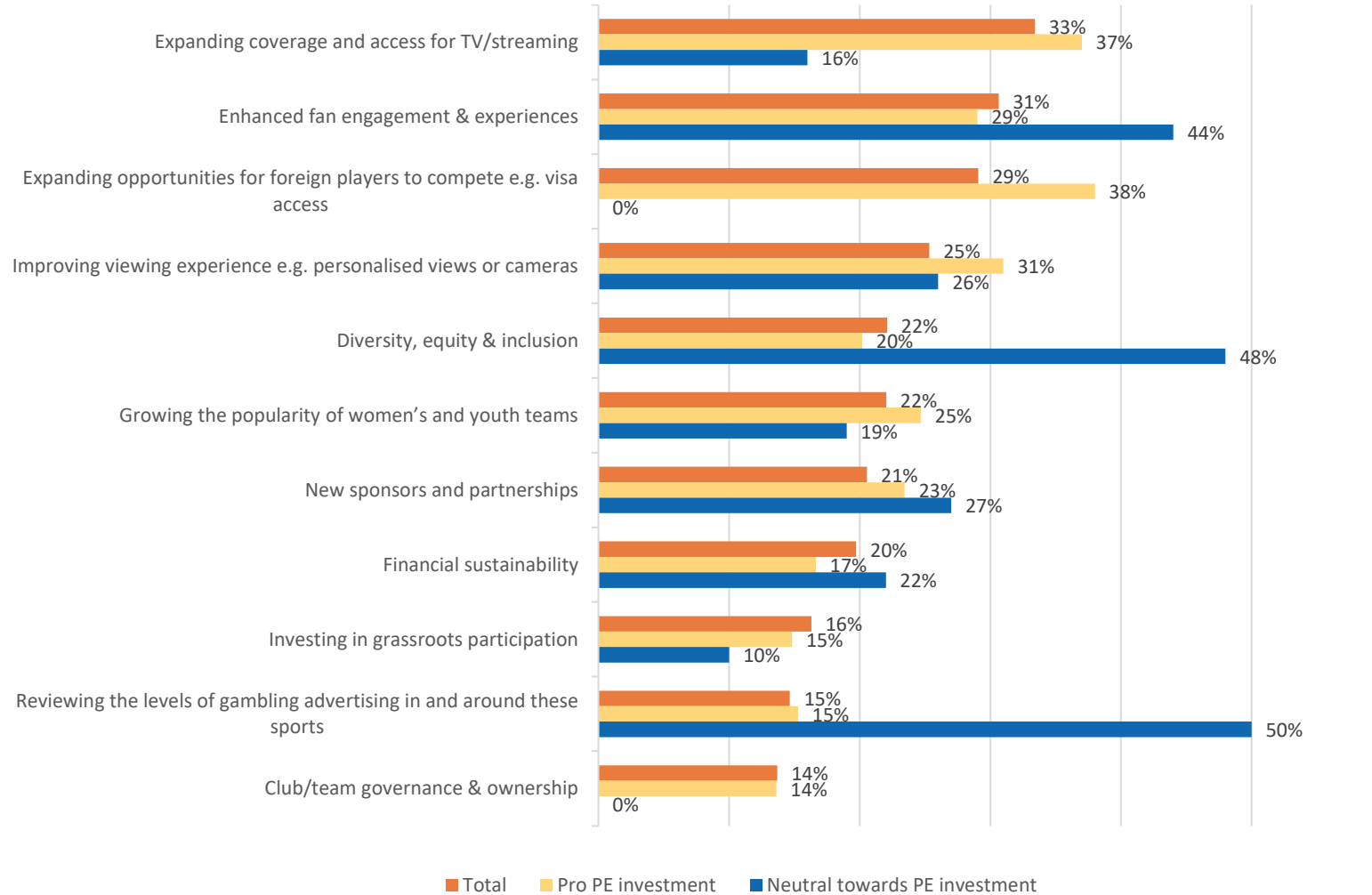
26% earn £41k - £80k



+71 NET support for private equity investment into sport

*statistically significant characteristics against the average

Top 10 areas to invest in UK EA Gaming*



*indicative figures shown for subgroups due to the small sample size.

Which of the following do you think are the THREE most important areas to focus on in EA Gaming over the next few years? Please select up to THREE options



Messages for investment

- **The main priority of eSports fans is to increase the profile and competitiveness of the sport**
 - eSports is relatively a new sports industry, therefore any investment that can promise to create **partnerships with new sponsors**, or give **access to media relationships (+58 NET)** to boost the profile of the sport, is more likely to drive support
 - **Increasing competitiveness (+44 NET)** into the sport will also drive support for private equity investment
- **eSports fans care about sustainable growth**
 - eSport fans want the opportunity to **fund and embed (+57 NET)** sustainability into the sport.
- **eSport fans want to get closer to the sport**
 - Creating opportunities for the fans to get closer to the sport **(+51 NET)** and get involved more is more likely to drive support for investment.

Messages to be mindful of

- **eSport fans are mindful of the stereotype of PE investors wanting a ‘quick buck’**
 - There have been some incidents/scams being run in the eSport industry of high-profile gamers taking advantage of the fans. As a result, some fans may need further convincing
 - eSports fans don't like the idea of PE's **taking on debt** to fund any buyouts, or any motivations to **sell** or make a **quick exit**, encouraging ‘short termism’ **(+59 NET)**
- **eSports fans want to keep the sport accessible**
 - eSport fans are reluctant on the idea of having a ‘super league’ type set up, leading to making the sport inaccessible **(+52 NET)**



Horse Racing in the UK



Horse Racing fan profile*



60% believe that the sports industry in the UK is going in the right direction



41% are undecided on how they feel towards private equity investment into sport



43% expect personal finances to get worse in the next year



**68% BBC
47% Sky News
41% The Daily Mail**



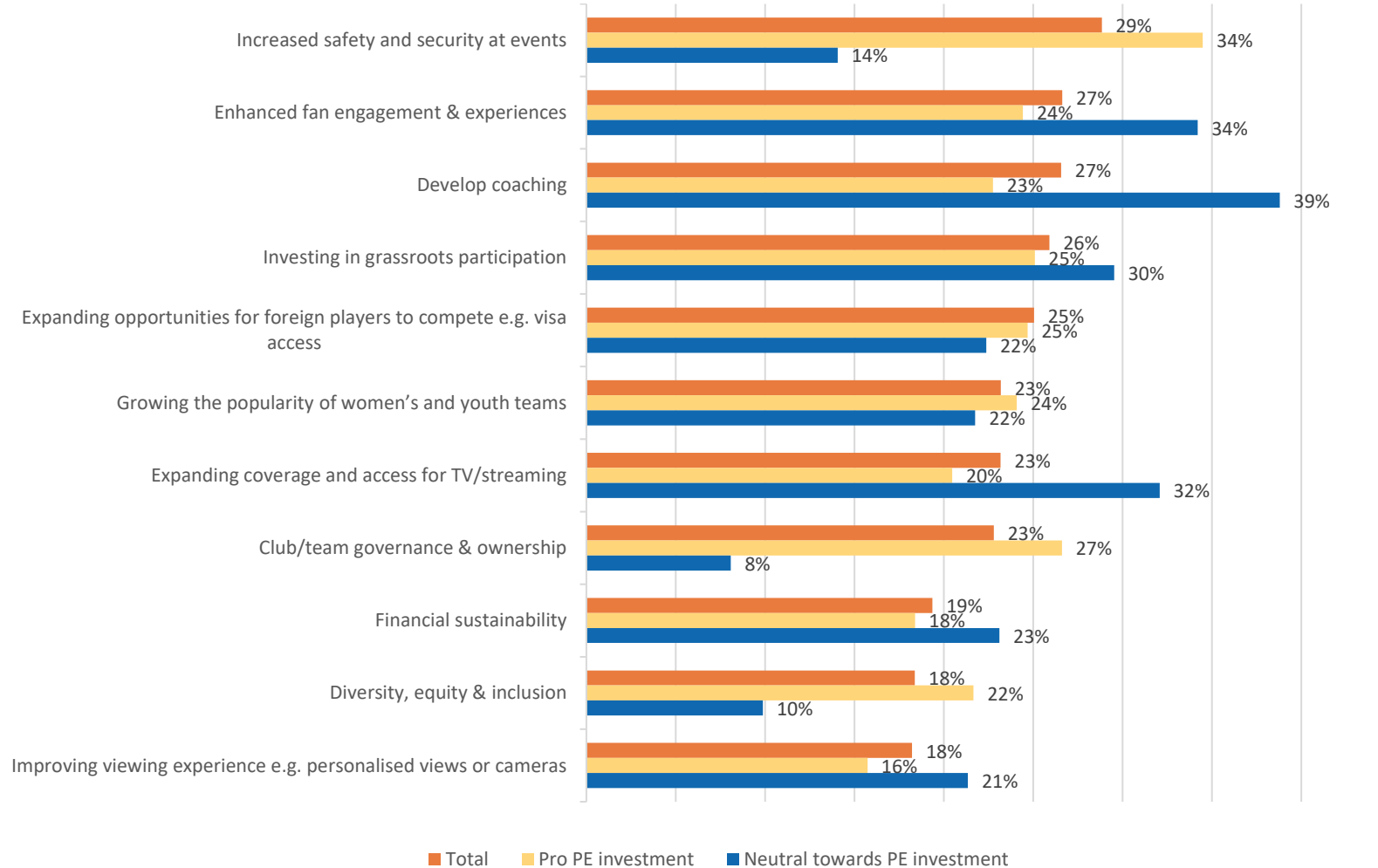
89% White



**77% Football
41% Athletics
41% Cricket**

*statistically significant characteristics against the average

Top 10 areas to invest in UK Horse Racing



The most popular areas overall to invest in are **increased safety and security at events, enhanced fan engagement and experiences and develop coaching.**

Nearly a third of those who were neutral towards PE investing also wanted to **expand coverage and access for TV/streaming.**

Just over a quarter of those who are pro PE investing wanted investment to go towards **governance and ownership.**

This tells us that horse racing fans want to be able to access the sport easier, but also invest in increasing the quality of the racing.

Which of the following do you think are the THREE most important areas to focus on in Horse Racing over the next few years? Please select up to THREE options

Messages for investment

- **Horse Racing fans want to make the sport more accessible**
 - This can take place in the form of increasing investments to **protect smaller teams (stables/trainers) from going bankrupt (+57 NET)** or opening up access to **new fanbases** and **geographies** through **international expansion (+62 NET)**
- **Investment that helps the local economy**
 - Horse Racing fans appreciate the role sports plays in their local community and they believe that in the last five years, sports is playing a more important role in their community **(+40 NET)**
 - Horse Racing fans are most likely to want investment if it **creates more jobs** for the benefit of the local economy **(+67 NET)**, or provide capital to **improve the infrastructure and facilities (+71 NET)**

Messages to be mindful of when talking about PE investing

- **Horse Racing fans aren't keen on taking on debt to fund deals**
 - Many racecourses have debt already that is having potential impacts on their operations so if investment or buyouts **include taking on a high level of debt (+57 NET)**, then there is less likely to be support for the investment
 - During COVID horse racing bodies were reluctant to accept money from the DCMS due to the levels of debt already on their balance sheet
 - Horse Racing fans are also less likely to be receptive to investing if PE firms have a lack of **sporting heritage or experience (+68 NET)** or if the PE firm is perceived to put **financial interest ahead of what's considered best interests for the team (+66 NET)**
- **Horse Racing don't want the sport to become too expensive**
 - If investment leads to **higher ticket prices, viewing access or merchandise**, Horse Racing fans are less likely to be receptive to PE Investment **(+68 NET)**



Rugby Union in the UK



Rugby Union fan profile*



+66 NET believe that UK Sports need further investment



52% Aged 45+



31% live in South of England



Low support for Private Equity investing (+25 NET)



**68% BBC
39% Sky News
36% The Daily Mail**



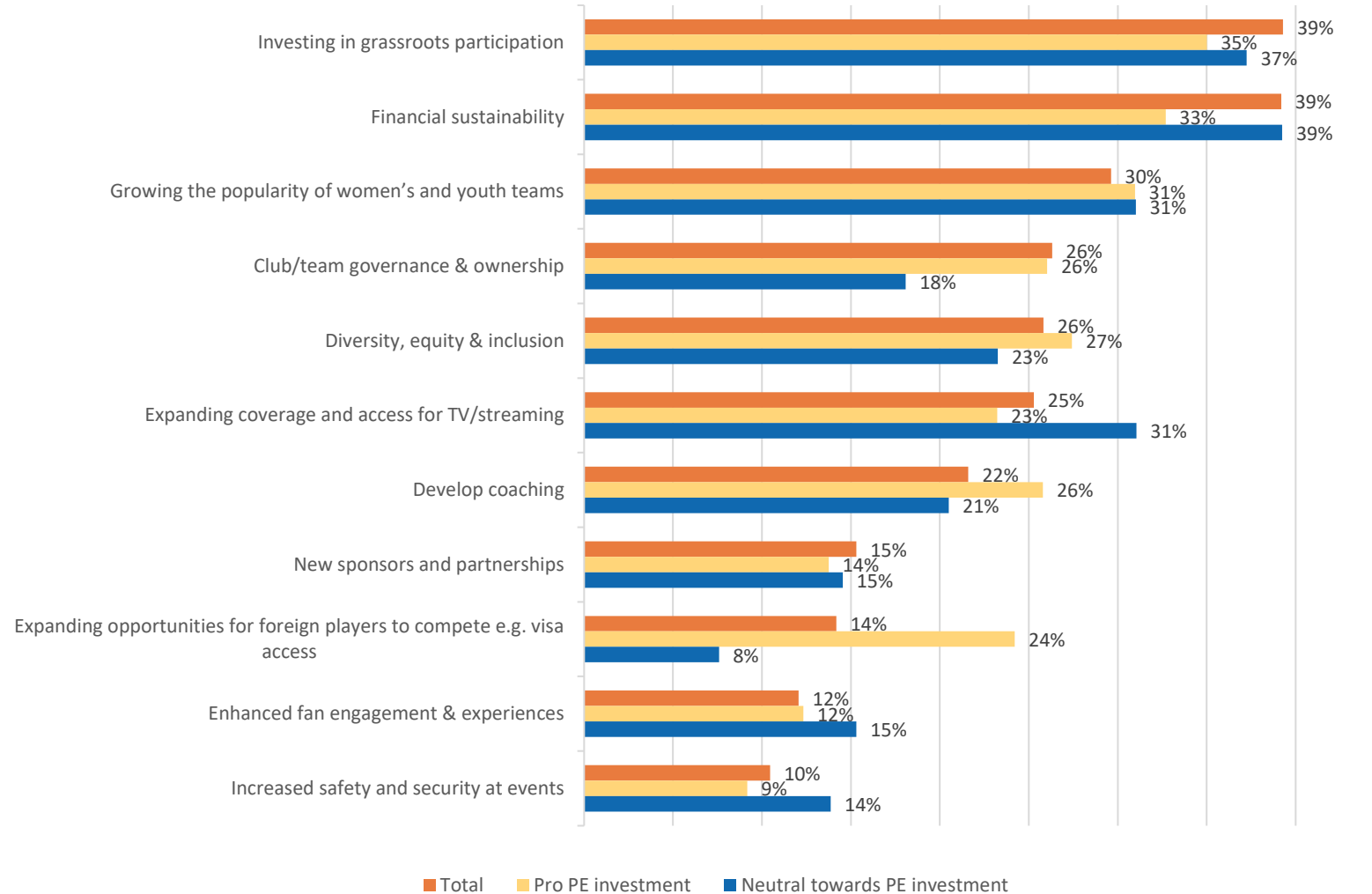
53% Cricket
41% Formula 1
37% Rugby League**
**Excluding Football



94% White

*statistically significant characteristics against the average

Top 10 areas to invest in UK Rugby Union



The most popular areas overall to invest in are **investing in grassroots participation, financial stability** and **growing the popularity of women's and youth teams**.

Amongst the top areas to invest, there wasn't much disagreement amongst the overall vote, those pro PE investment or those neutral towards PE investment.

However nearly a third of those neutral towards PE investment wanted investment in **expanding coverage and access for TV/streaming**.

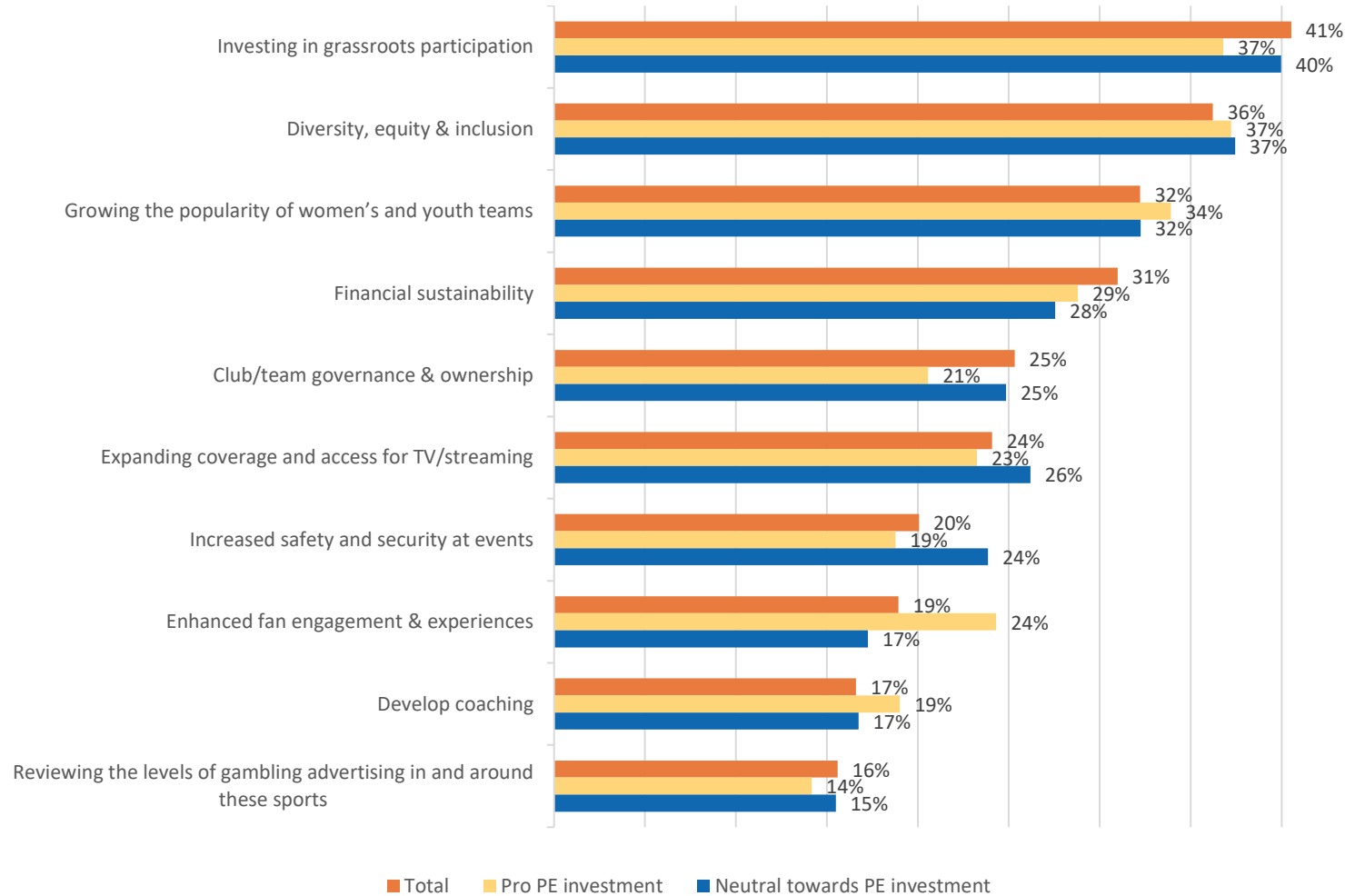
Nearly a quarter of those pro PE investing wanted to **expand opportunities for foreign players to compete**.

Which of the following do you think are the THREE most important areas to focus on in Rugby Union over the next few years? Please select up to THREE options

Messages for investment

- **Rugby fans want assurance that investment will be done with the best interest of the sport**
 - Rugby fans have the impression that **private investors** have been **known to let clubs, fans and communities down by mismanaging finances and governance (+69 NET)**, therefore investors may need to take additional steps to gain trust
 - These activities may include **setting up a working group of fans for consultation (+78 NET)**, **committing to targets (+77 NET)** or **making proposed plans for investment public (+77 NET)**
 - If investments will provide capital to **modernise and upgrade infrastructure** and facilities such as **stadiums (+65 NET)** or **protect smaller teams going bankrupt (+45 NET)**, then they are more likely to be receptive of investment
 - If there is an **increased chance of a ‘super league’ type proposal (+59 NET)** they would be less susceptible to investments. Rugby fans would want assurance that the funds would benefit all teams equally, and not be concentrated to the best teams
- **Rugby fans care about their local economy**
 - In addition to modernising the local infrastructure, Rugby fans would be more open to investment if it **created more jobs for the local economy (+50 NET)**
- **Rugby fans want the sport to expand and become more popular**
 - If investment **opens up access to new fanbases** or **geographies** through international expansion (**+45 NET**), they would be more open to investment

Top 10 areas to invest in Football



Overall, the top three most popular areas to invest in for football are **investing in grassroots participation, diversity, equity and inclusion** and **growing the popularity of women's and youth teams**.

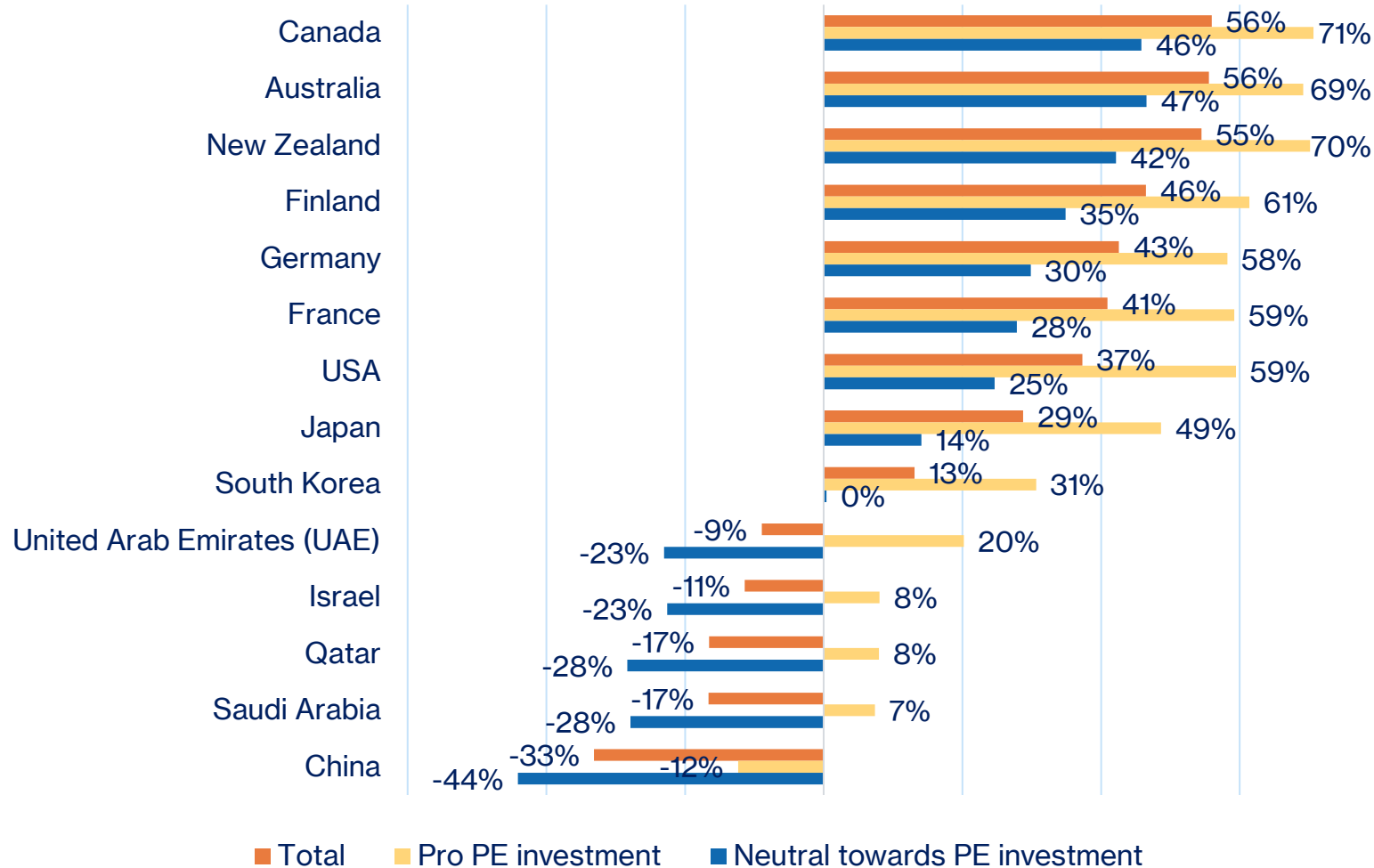
Diversity, equity and inclusion was the most popular area for **women (43%)** and those aged **18-24 (59%)**, followed by **growing the popularity of women's and youth teams (39% women, 36% 18-24)**.

Which of the following do you think are the THREE most important areas to focus on in UK Football over the next few years? Please select up to THREE options

Appendix



Support for investments from specific countries

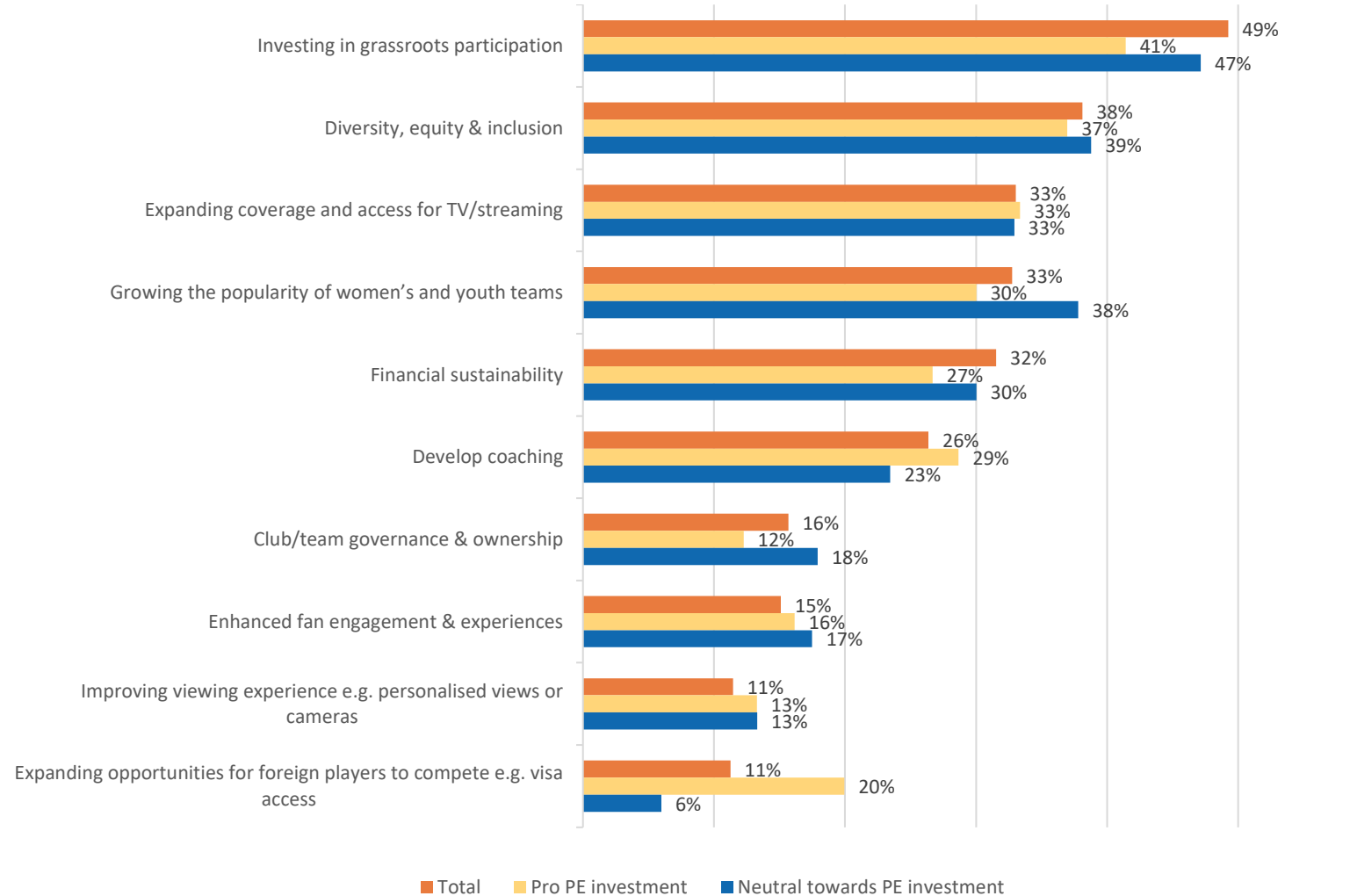


International investment is most likely to be supported from western countries who have historical strong links with the UK.

However investment from regions in particular the middle East and south east Asia fans are less supportive of.

Regardless of your overall view, to what extent do you support or oppose foreign investment in UK sports from the following countries and alliances?

Top 10 areas to invest in Cricket



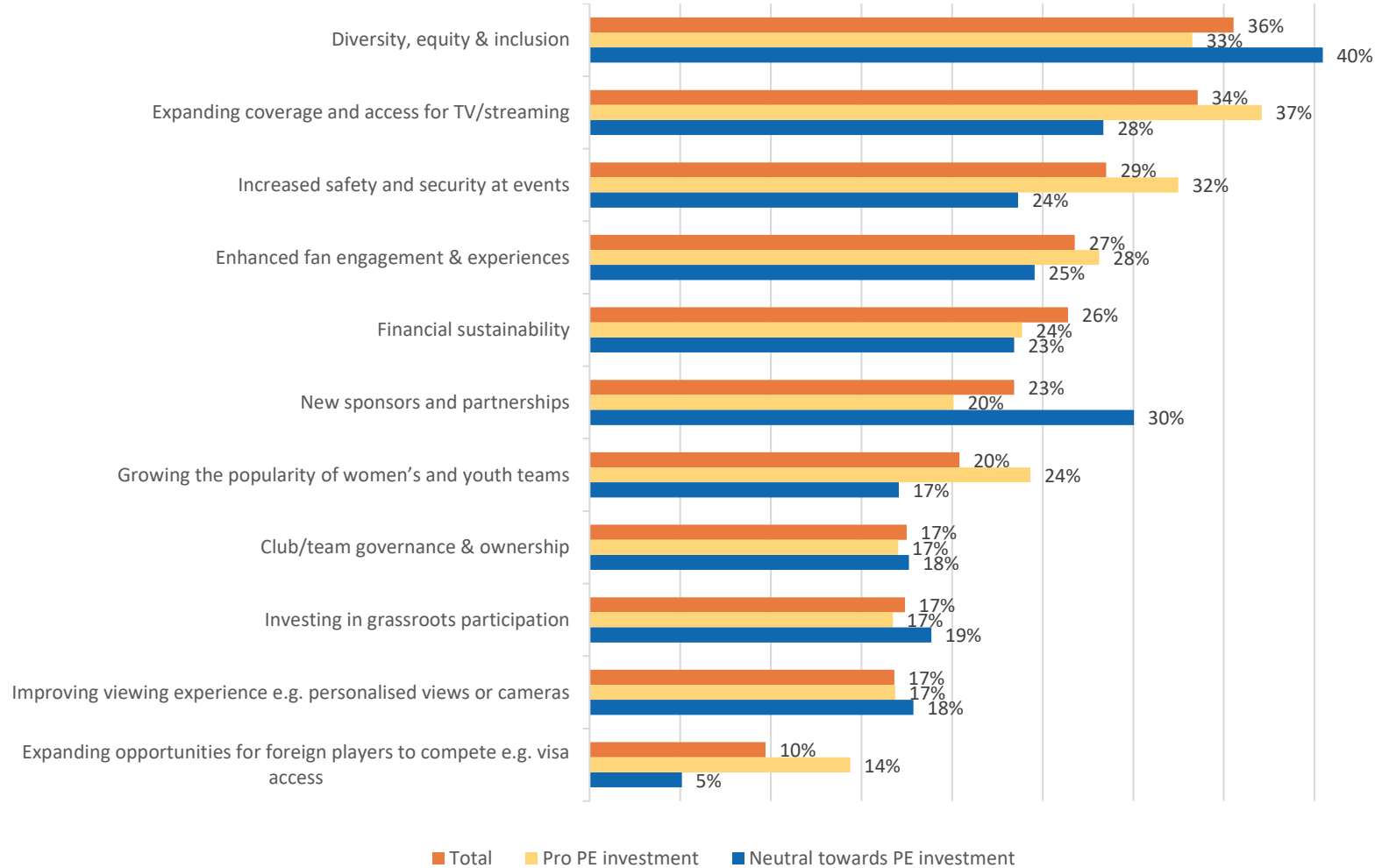
Overall, the top three most popular areas to invest in for cricket are **investing in grassroots participation, diversity, equity and inclusion and expanding coverage and access for TV/streaming.**

Nearly two fifths of those who are neutral to PE investing said they want investment to go towards **growing the popularity of women's and youth teams.**

Those between the ages **18-24** wanted investment in **enhanced fan engagement and experiences (54%).**

Which of the following do you think are the THREE most important areas to focus on in UK Cricket over the next few years? Please select up to THREE options

Top 10 areas to invest in Formula 1

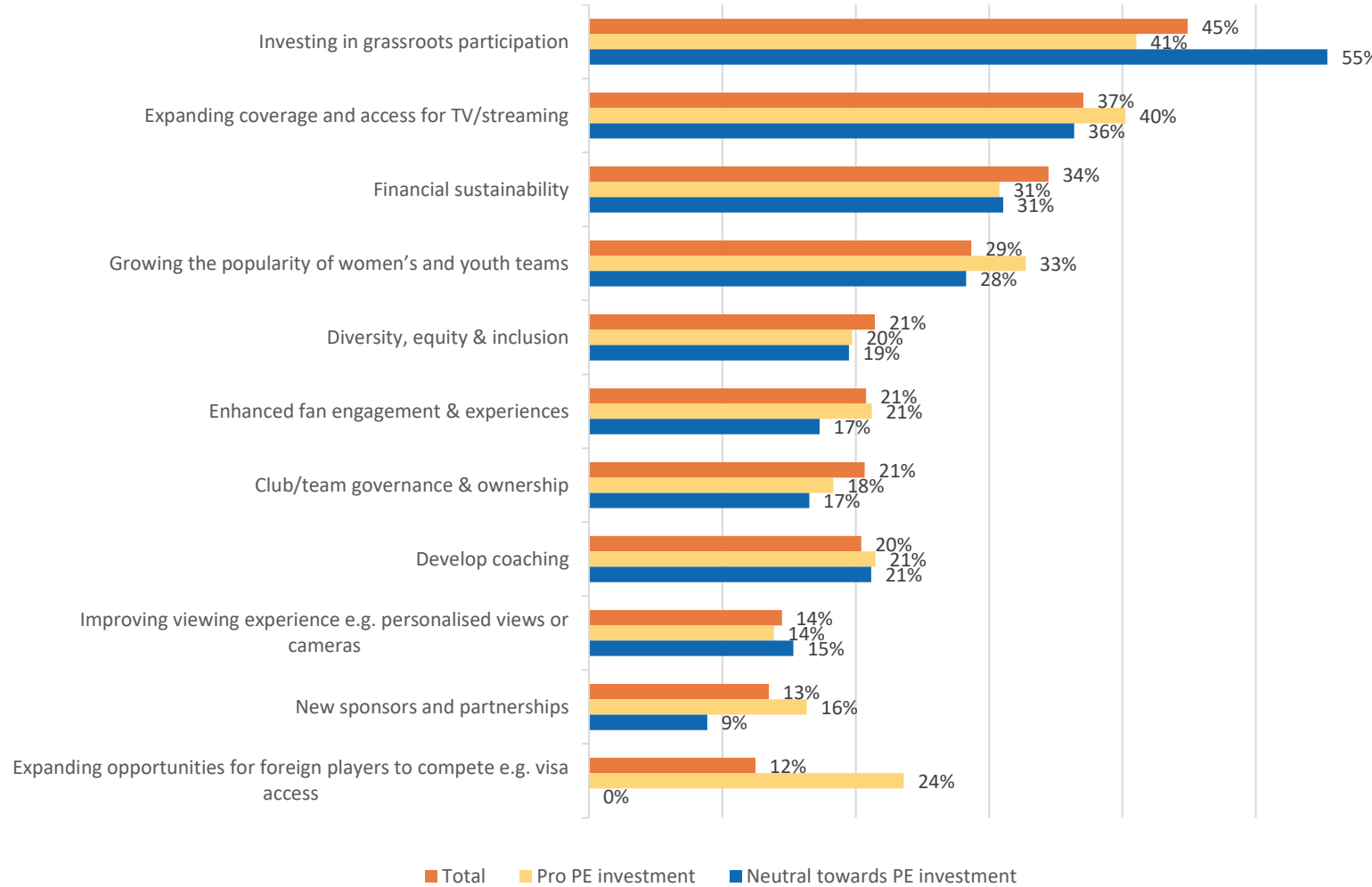


Overall, the top three most popular areas to invest in for formula 1 are **diversity, equity and inclusion, expanding coverage and access for TV/streaming and increased safety and security at events.**

A third of those who were neutral to PE investing would like to see investment in **new sponsors and partnerships.**

Which of the following do you think are the THREE most important areas to focus on in Formula 1 over the next few years? Please select up to THREE options

Top 10 areas to invest in UK Rugby League

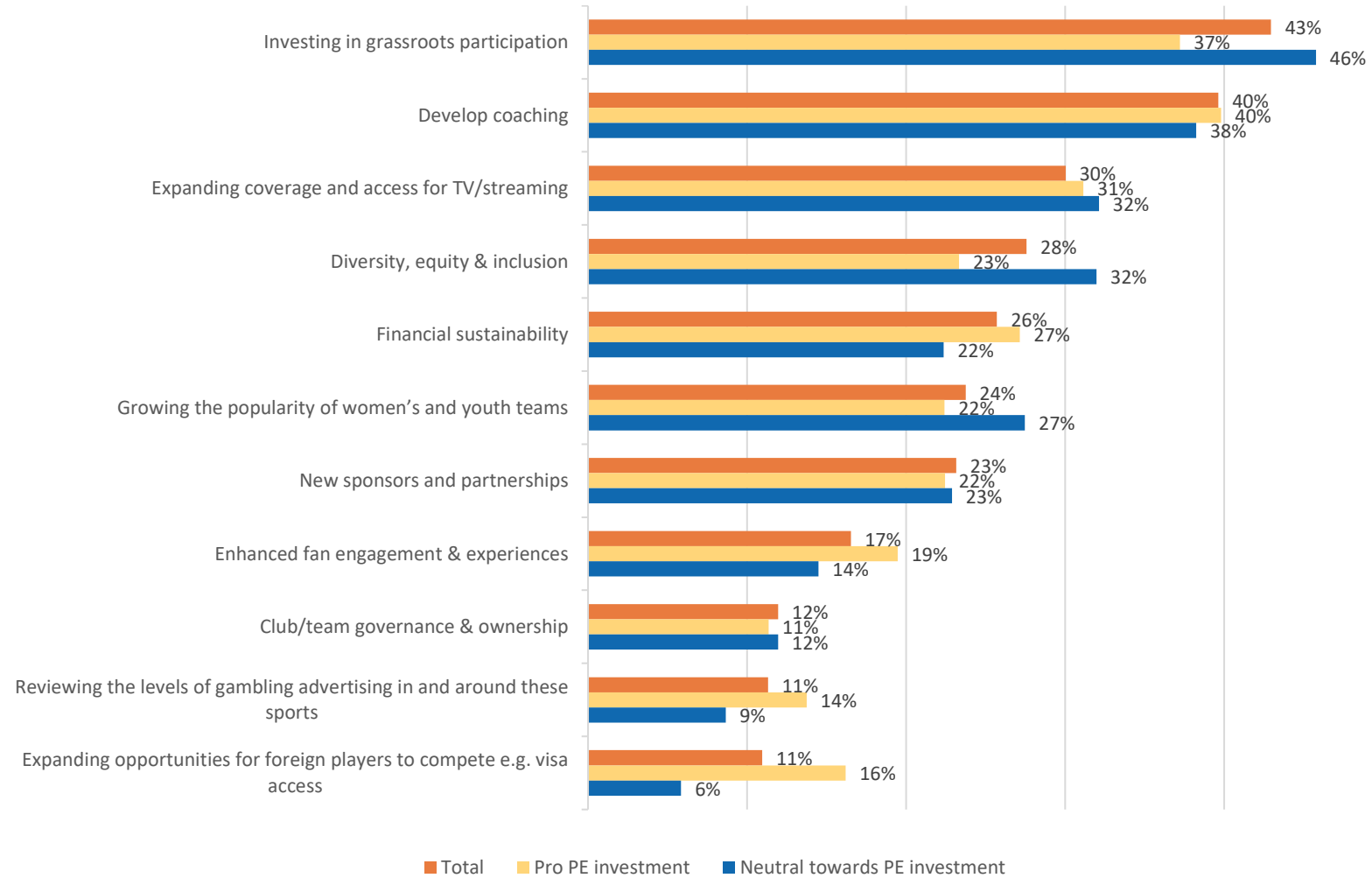


Overall, the top three most popular areas to invest in for rugby league are **investing in grassroots participation, expanding coverage and access for TV/streaming and financial sustainability.**

In the **north of England**, investing in grassroot participation came out particularly popular (**55%**), whereas in the **south of England**, the most popular area was financial stability (**45%**).

Which of the following do you think are the THREE most important areas to focus on in Rugby League over the next few years? Please select up to THREE options

Top 10 areas to invest in UK Athletics

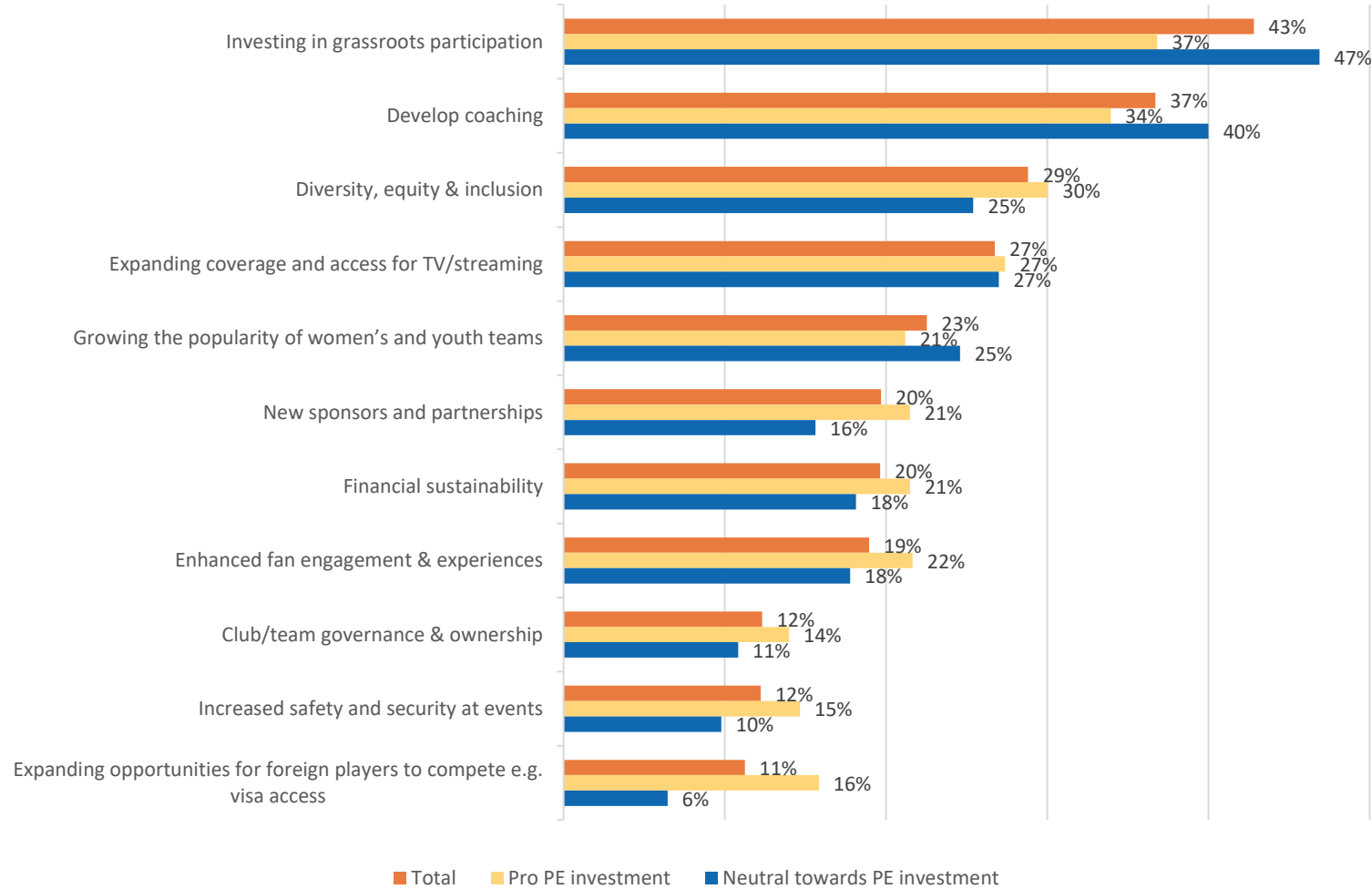


Overall, the top three most popular areas to invest in for athletics are **investing in grassroots participation, developing coaching and expanding coverage and access for TV/streaming.**

Those aged between **18-24** wanted investment to go towards **growing popularity of women's and youth teams (68%)** the most.

Which of the following do you think are the **THREE** most important areas to focus on in Athletics over the next few years? Please select up to **THREE** options

Top 10 areas to invest in UK Tennis

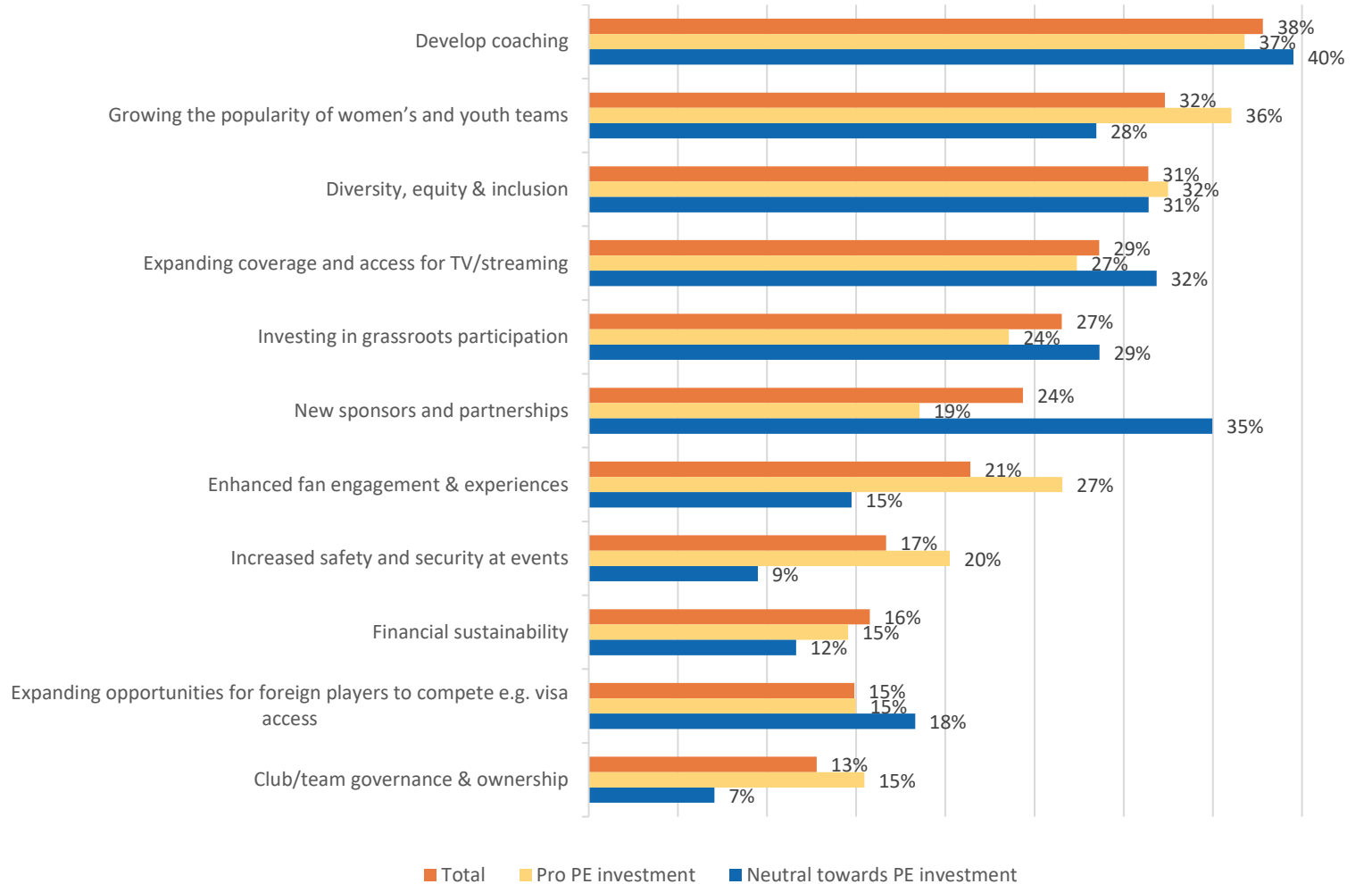


Overall, the top three most popular areas to invest in for tennis are **investing in grassroots participation, developing coaching and diversity, equity and inclusion.**

Expanding opportunities for foreign players to compete e.g., visa access was top three amongst the younger ages (**18-34, 25%**).

Which of the following do you think are the THREE most important areas to focus on in Tennis over the next few years? Please select up to THREE options

Top 10 areas to invest in UK Swimming

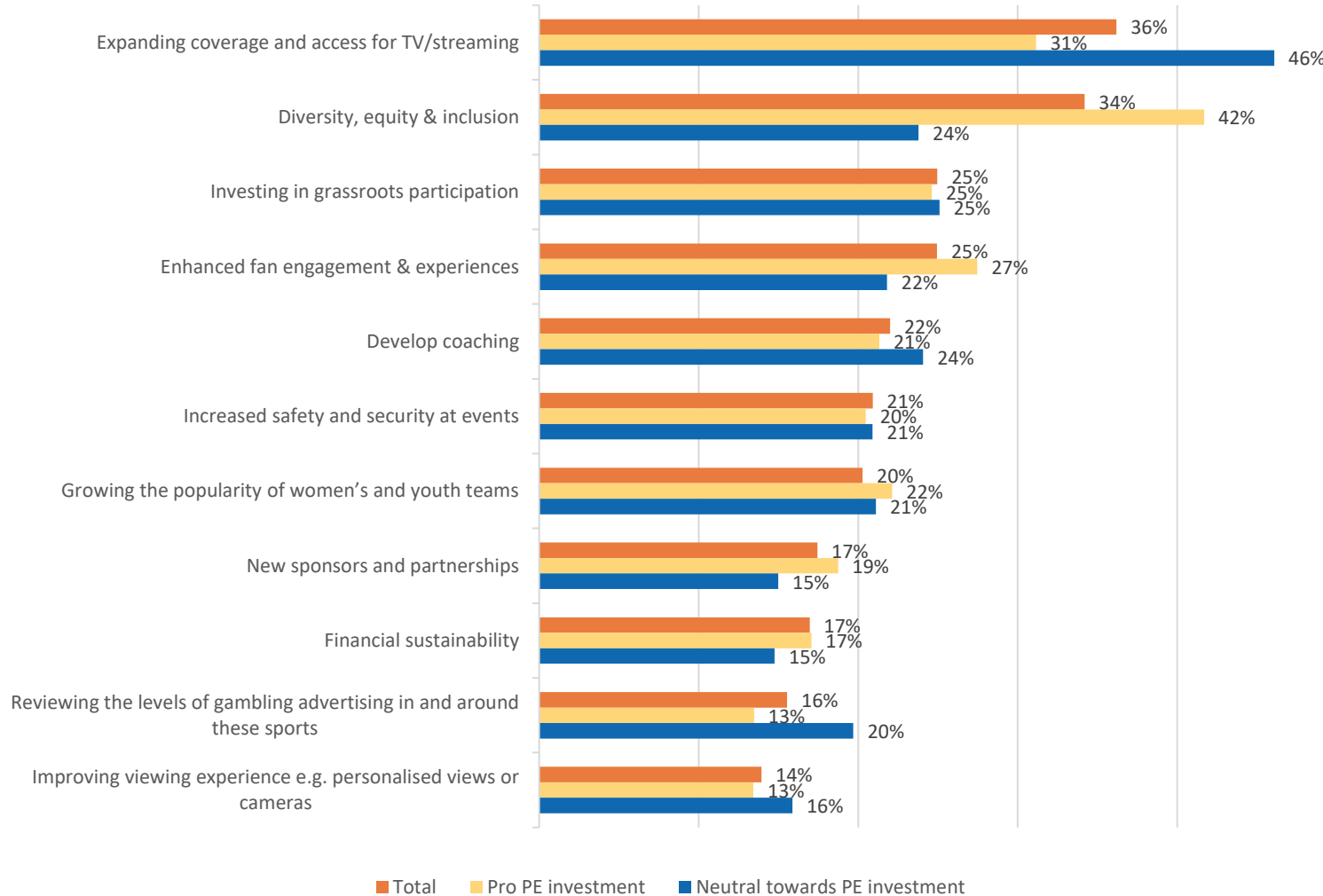


Overall, the top three most popular areas to invest in for swimming are **developing coaching, growing the popularity of women's and youth teams and diversity, equity and inclusion.**

Over one third of those who are neutral towards PE investing said **new sponsors and partnerships** is an important area to invest in for swimming.

Which of the following do you think are the THREE most important areas to focus on in Swimming over the next few years? Please select up to THREE options

Top 10 areas to invest in UK Boxing

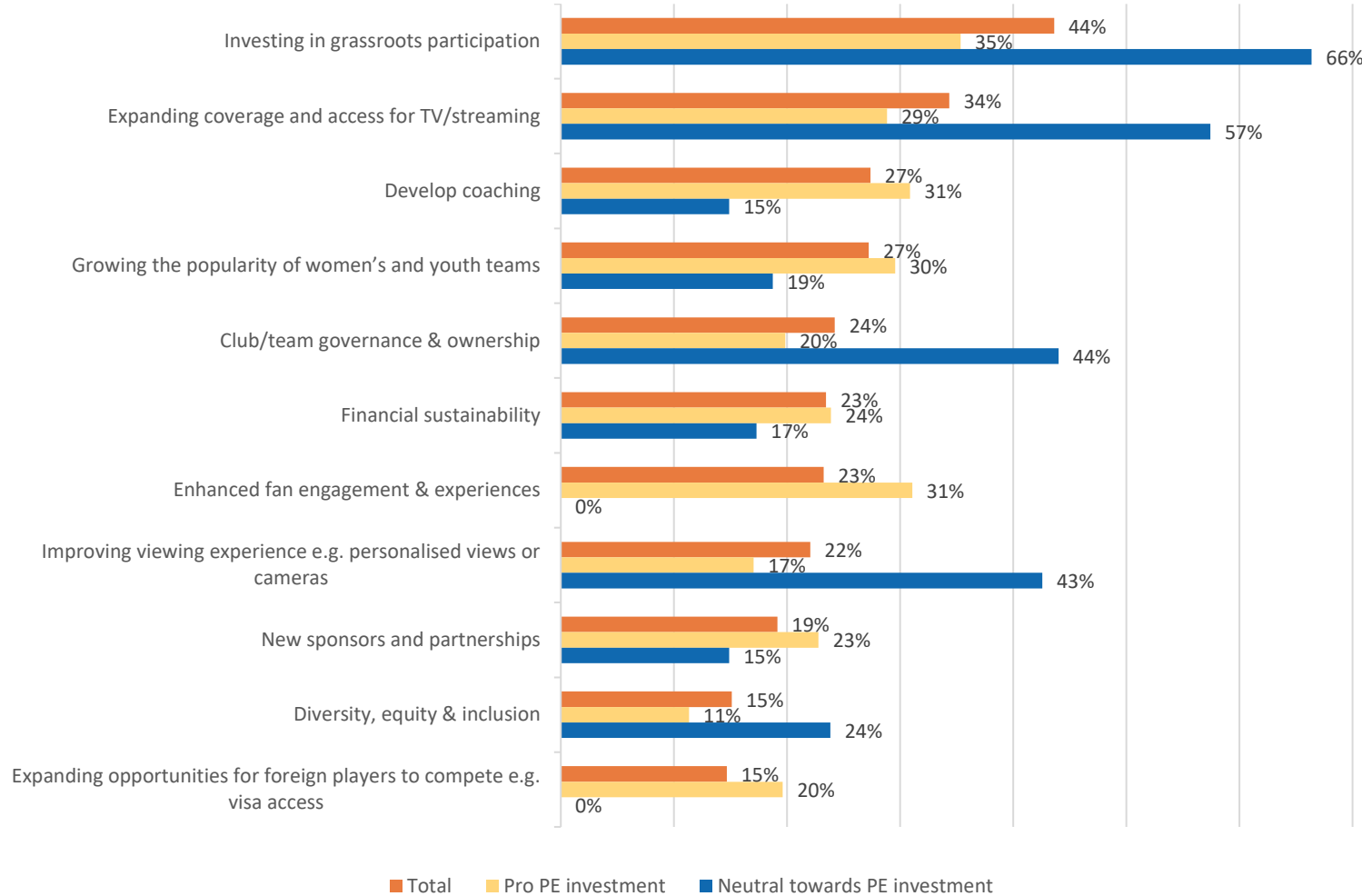


Overall, the top three most popular areas to invest in for boxing are **expanding coverage and access for TV/streaming, diversity, equity and inclusion and investing in grassroots participation.**

Enhanced fan engagement and experiences came in top two for those living in **London (38%).**

Which of the following do you think are the THREE most important areas to focus on in Boxing over the next few years? Please select up to THREE options

Top 10 areas to invest in UK Rowing



Overall, the top three most popular areas to invest in for rowing are **investing in grassroots participation, expanding coverage and access for TV/streaming and develop coaching.**

Of those who are neutral towards PE investing, over two in five said **club/team governance and ownership and improving viewing experience e.g., personalised views or cameras.**

The older generation said that **financial sustainability** is a top two area to invest in **(36%, 45+).**

Those in **east of England** said **financial sustainability (44%)** as a top two area to invest in.

Those in the **south of England** **growing the popularity of women's and youth teams** was the most important area **(47%).**

Which of the following do you think are the THREE most important areas to focus on in Rowing over the next few years? Please select up to THREE options



C|T GROUP