

Sports broadcasting on TV

A match made in heaven



November 2022

Foreword

Television continues to remain the dominant media platform in India despite the rapid growth of OTT platforms during the pandemic. The unparalleled reach of 900 million viewers, affordability, the volume of original content available coupled with the challenges in fixed broadband penetration in India provide a long runway for the growth and predominance of the TV platform in India. The number of TV households in India is expected to reach approximately 250 million by the year 2026, up from 210 million in the year 2020¹.

Amongst all the genres of content consumed through television, sports has the highest reach. During the first nine months of the year 2022, content related to sports was consumed by approximately 722 million² viewers. This genre has remained largely resilient to the COVID-19 headwinds and is expected to scale up to the 2019 highs by the close of this year. The Indian Premier League continues to be the biggest impact property on Indian television with a reach of 400 million³ – cutting across demographics. In recent years, we have also seen other sports like kabaddi, wrestling and football emerge with the audience and advertisers interest matching some of the popular GEC programmes like Bigg Boss, The Kapil Sharma Show etc.

The growth of India as a sporting nation is also being driven by the successes of Indian athletes on prestigious international platforms. India rising up to the 4th rank in the medals tally in the Commonwealth Games, 2022⁴ is a testimony to government's efforts in the development of

the sports ecosystem in the country. Coupled with the rise of domestic sports leagues with strong sponsors' and advertisers' interest, sports viewership in India has a significant headroom to grow.

The advertisers' interest in sports broadcasts has grown strongly with the increasing viewership and demographic reach offered by sports properties. Both traditional and new age businesses have turned the spotlight on sports broadcasting with this segment recording revenues of approximately INR7,560 crore⁵ in FY22. The growth trajectory in India is expected to continue with the increasing penetration of TV across NCCS AB demographics and the growing interest in sports.

Through this whitepaper, we aim to highlight the growth drivers for sports broadcasting in India, the future growth potential and how the various players in the value chain stand to gain from it.

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1. KPMG in India analysis, 2022
2. Broadcast Audience Research Council estimates, 2020, accessed on November 1, 2022
3. Broadcast Audience Research Council estimates, 2020, accessed on November 1, 2022
4. Olympics website accessed on November 7, 2022
5. KPMG in India analysis, 2022

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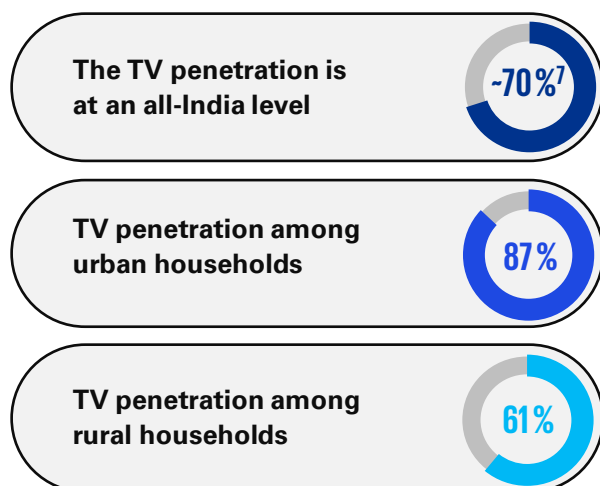


01

The television segment in India – Still a goliath!

The television segment in India – Still a goliath!

Television (TV) remains the largest media platform in India, both in terms of reach, as well as consumer engagement in terms of time spent. TV reached 210 million households in 2020⁶, as per the Broadcast Audience Research Council (BARC) TV Universe Estimates, translating into ~900 million individuals who watch TV. This user base far exceeds any other media platform in the country, outlining the large reach that TV enjoys.



The rural penetration has historically been low owing to socio-economic concerns, grid electricity issues and the relatively higher cost of TV infrastructure in remote areas of the country.

However, with the infrastructure improvements and rising per capita disposable income, rural TV penetration in India has significant headroom for growth, and along with the continued Pay TV growth in urban markets, the TV penetration in India is likely to steadily grow. The proposed growth is benchmarked to the US market, which saw an overall TV penetration of 85 per cent+⁸ at peak maturity; and Southeast Asian countries with a similar GDP per capita and have TV penetration close to 80-95 per cent.

Robust TV ownership across Hindi speaking markets

Television ownership across Hindi speaking markets (HSM) grew at a robust 8 per cent from 2018-20, outpacing the overall TV market growth of 6.6 per cent during the same period⁹. The growth across the HSM markets can possibly be attributed to the continued growth of DD FreeDish, which due to its content provides an affordable option to enter the TV universe.

DD FreeDish is estimated to have crossed 43 million households at the end of FY22¹⁰, making it the largest Direct to Home (DTH) player in India. This is also corroborated by the share of DD FreeDish in the Mode of Signal reception (MOSR) increasing from 13 per cent in 2018 to 19 per cent in 2020¹¹. The TV ownership in Southern markets grew at 5 per cent during 2018-2020, owing to an already high TV penetration of over 95 per cent¹².

TV owners moving up the socio-economic ladder – An exciting opportunity for advertisers

The analysis of TV ownership across various socio-economic classes, indicates that the TV owning population has been steadily moving up the affluence pyramid. The proportion of NCCS A and B among TV households has increased to 58 per cent in 2020 as compared to 48 per cent in 2016, while that of NCCS DE has reduced to 9 per cent from 19 per cent in 2016¹³.

6. Broadcast Audience Research Council estimates, 2020, accessed on November 1, 2022

7. KPMG in India analysis, 2022

8. KPMG in India analysis, 2022

9. Broadcast Audience Research Council estimates, 2020, accessed on November 1, 2022

10. DD FreeDish with 43 million homes announces new channel line-up, Press Information Bureau, dated March 2022, accessed on November 2, 2022

11. Broadcast Audience Research Council estimates, 2020

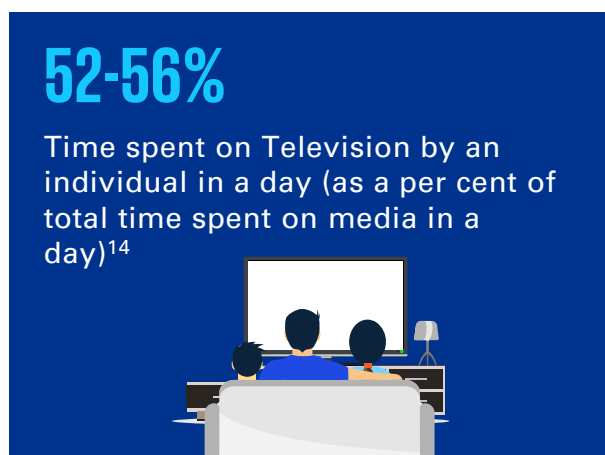
12. Broadcast Audience Research Council estimates, 2020

13. Broadcast Audience Research Council estimates, 2020

The increase in TV ownership, along with a higher proportion of NCCS A and B households (HHs) represents an increasingly attractive audience for advertisers, which can be effectively monetised with the right mix of content across genres.

The growth of television in India – A significant runway ahead

As outlined by the statistics around ownership and viewership, TV remains highly relevant in India despite the steep growth witnessed by digital platforms in last four years. Even during the hyper growth phase of digital consumption (especially aided by COVID-19 tailwinds), the TV HHs have witnessed a gradual increase, and more importantly.



While there was a spike in TV viewing during COVID-19 induced lockdowns, the average daily time spent on TV stands at 3 hours 34 minutes¹⁵

in 2022 ; and is close to the pre pandemic level, despite significant investments by Over the Top (OTT) video platforms on digital content.

This, coupled with the fact that TV is an ideal medium for family viewing, outlines the importance of the medium in meeting the daily entertainment needs of the Indian viewer.

TV penetration in India estimated at 76 per cent in 2026 with both FTA and Pay TV registering strong growth

We estimate 248 million households consuming linear television in 2026. This implies a TV penetration of 76 per cent in 2026, compared to 70 per cent in 2020¹⁶.

A bulk of the growth in TV HHs is likely to come from the rural markets, which are under-penetrated at 61 per cent of the total rural HHs. We expect the growth to be divided between towards Pay TV and Free to Air (FTA), with DD FreeDish expected to touch 52-55 million¹⁷ HHs , while high fresh content volumes and affordability of TV means that an increasing number of HHs are likely to jump onto the Pay TV bandwagon. Our estimates also assume a certain churn out from DD FreeDish towards upgrading to Pay TV, with rising disposable income across the board.

This resultant increase in Pay TV penetration is likely to be attractive to advertisers with them being able to reach a larger number of individuals.

Figures in million	2022	2023	2024	2025	2026	CAGR
Total HHs in India	314	321	329	336	344	2.3%
India TV HH Penetration	72%	73%	74%	75%	76%	
TV HHs (with no Cord Cutting - As Is Growth)	226	235	243	252	262	3.7%
VOD Subs - Cord Cutters	0	2	5	9	13	
TV HHs (with Cord Cutting)	226	232	239	244	248	2.4%

14. EMarketer data, accessed on November 3, 2022

15. BARC data, accessed on October 27, 2022

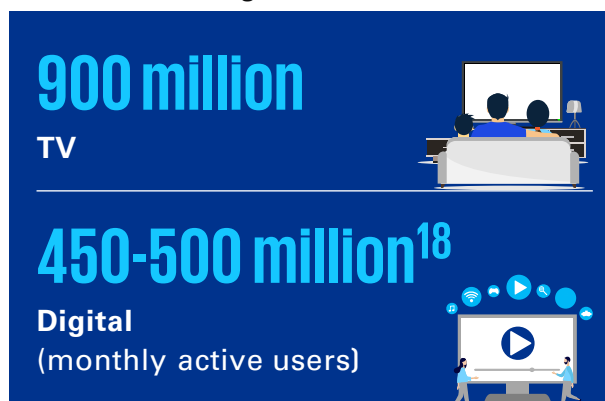
16. KPMG in India analysis, 2022

17. KPMG in India analysis, 2022

TV enjoys dominance over other media platforms

TV enjoys an overall reach of 900 million compared to the 450-500 million¹⁸ monthly active users of digital in 2022 – thus exceeding the reach of digital platforms by a significant margin. TV reach, while larger than that of digital, also has the advantage of being more inclusive, spanning various NCCS, age groups, and gender; which would take a fair while for digital platforms to catch up to.

Reach of TV vs. Digital in 2022



The dominance of TV is in part due to that TV lends itself well to family and co-viewing with certain genres like sport made for TV. Key genres of content like movies and sports in particular, are produced for the large screen, with the viewing experience significantly enhanced as compared to the smartphone screen. Further, aspects like family and appointment viewing can be best experienced on TV. Family remains an important part of the social fabric in India, and the ~97 per cent¹⁹ of TV HHs in India being single TV, lends credence to the importance of family viewing.

The adoption of connected TV in India is nascent at ~10 million²⁰ owing to low fixed broadband penetration and relatively higher entry costs. This

coupled with structural impediments around cord cutting, implies that TV will continue to dominate as a media platform.

Cord cutting remains a nascent phenomenon in India

Cord cutting in India remains a relatively nascent phenomenon, unlike the US or UK. There are an estimated 0.5 million cord cutters in India at present, which is ~0.2 per cent of the overall TV universe. We estimate ~13 million HHs cutting the cord by 2026, which at ~5 per cent²² of the projected TV universe would mean a large majority of the Indian population looking at TV as their primary source of entertainment in the medium to long term. In the subsequent sections, we dive deeper into the factors which suggest that large scale cord cutting in India may not be seen anytime soon.

Factors likely to drive the TV growth in India

- a. **Improving access to affordable TV sets** – The government focus on household electrification and increasing electricity uptime along with pro-manufacturing policy support like Make in India, PLI scheme are driving penetration of TV sets among rural households. Consumer goods companies are also building deeper retail presence in rural areas to capitalise on the rural opportunity.
- b. **TV continues to be very affordable** – The entry price for Pay TV - Cable and DTH – is INR153 (including taxes) which gives access to 200 FTA channels. The Pay TV ARPUs in India at ~USD3-4²³ are amongst the lowest in the world, as compared to traditional TV and home video ARPU of USD5 in the Philippines and USD24 in Malaysia.

18. KPMG in India analysis, 2022

19. KPMG in India analysis, 2022 based on industry discussions

20. KPMG in India analysis, 2022, based on industry discussions

22. KPMG in India analysis, 2022

23. Media Partners Asia report 2020

c. **There is little price arbitrage between TV and digital** – Unlike markets like the US, which had a very high gap between traditional Cable/Pay TV and OTT pricing, there is very little price arbitrage between TV and digital content in India. The combined cost of subscriptions to leading OTT platforms and a fixed broadband connection is 3.5-4x.²⁴ of watching similar content on Pay TV. This lack of price arbitrage is a structural factor, which is likely to ensure TV retaining its pole position for the foreseeable future.

d. **Headroom for growth of TV penetration** – Almost 61 per cent²⁵ TV penetration among rural households in India and 87 per cent among urban households, when compared to developed markets and Southeast Asian economies, underlines the strong headroom for growth in TV penetration. For example, in 2015 which is the very early stages of onset of cord-cutting, the Philippines had a TV penetration of 84 per cent while Thailand, Malaysia and Singapore had a TV penetration of 97-100 per cent²⁶. The growth of GDP per capita of India from USD1,981 in 2017 to USD2,277 in 2021²⁷ also showcases that the population is earning more and hence might spend on Pay TV more.

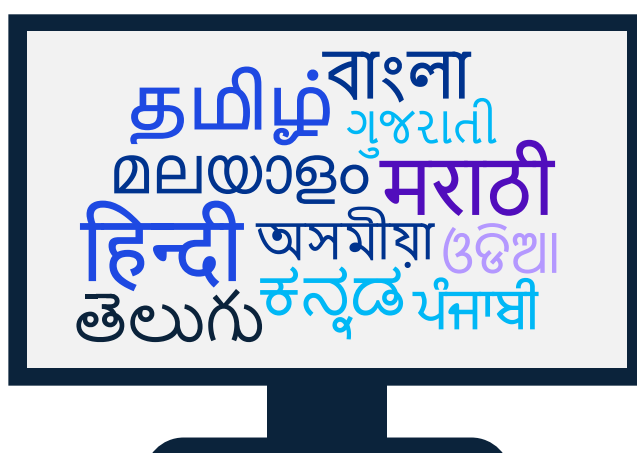
e. **Volume of content on TV, including regional language content, is the highest among entertainment media** – The scale at which original content for TV is produced, in Hindi and other regional languages, is far higher than that acquired or created by OTT platforms (~1,00,000 hours per annum for TV

compared to 2,500 hours for OTT²⁸). The creation of such volumes of content is helped by the robust content creation ecosystem (including production houses and talent) that has been created in the segment over the last four decades.

This is a major contributor to the importance of TV as a media platform. The diversity of language also ensures that TV industry in India remains lucrative across geographies. Further, regional language content is under-indexed (advertising revenue contribution to consumption contribution) and therefore likely to see robust growth in the future – thus providing an impetus to growth in content consumption on TV.

COVID-19 a short term challenge; cord cutting may not fundamentally change the structure of the TV segment

a. **Cord cutting** – The number of direct paid OTT subscribers in India grew 5X from 14 million in 2018 to ~70 million in 2021²⁹. As per our industry discussion, the digital elites and sophisticates residing in the top eight cities of India, largely account for this direct subscriber base. The convenience of any-time viewing, an ad-free experience (only for premium subscriptions), access to differentiated content and personalised recommendations are factors which have led to this subscription and consumption growth.



24. KPMG in India analysis, assuming Yearly subscription to Netflix, Disney+Hotstar, Amazon Prime Video and Sony LIV and a broadband connection with 200 Mbps speed

25. KPMG in India analysis, 2022

26. KPMG in India analysis, 2022, based on secondary research

27. World Bank data, accessed November 11, 2022

28. KPMG in India analysis, 2022, based on secondary research

29. KPMG in India analysis, 2022

However, TV penetration in NCCS AB households grew by 17 per cent from 2019 to 2022³⁰. Further, adults in India spent 3 hours 36 minutes³¹, daily on TV in 2022, highlighting that TV has been able to maintain its share despite the growth in digital consumption and subscriptions.



Further, an important thing to note is that the lack of fixed broadband penetration and higher cost of OTT vs pay TV (as highlighted earlier) are structural inhibitors to cord cutting in India. With 30.4 million fixed broadband connections in India at the end of August 2022³³, fixed broadband penetration is at 9 per cent³⁴ in India as compared to 95 per cent+ in developed nations. The experience of viewing content on the large screen (especially with family viewing) is difficult to replicate on smartphones.

As outlined earlier, the absence of price arbitrage between pay TV cost and cost of consuming content on OTT platforms, which is close to 3.5-4x in favour of TV, means that cord cutting at a large scale is unlikely to be witnessed in India in the near to medium term.



Having said that, there are instances of cord shaving being witnessed for genres such as English entertainment and English movies, and based on our industry discussions, kids' content and niche movies could also see an impact due to cord shaving in the years to come. However, genres which are experience based (like sports and movies) and depend on continued fresh content (GECs – Hindi and regional) are likely to continue seeing growth on TV due to the strong value proposition that they provide.

b. COVID headwinds – The TV segment saw a decline of 18-20 per cent³⁵ in advertisement revenues in FY21 owing to COVID-19 induced lockdowns, which negatively impacted the capacity of broadcasters to produce new content. However, this has been a short-term challenge, with TV advertisement revenues at FY22 (at INR26,500 crore), having exceeded the FY20 number of INR26,200 crore³⁶. This recovery bodes well for the broadcasting segment and would lead to greater investments in content creation.

As we have outlined in the discussion above, sports as a genre has seen robust growth on television due to the viewing experience it provides on the large screen, as well as environmental factors which include the proliferation of cricket and non-cricket sporting leagues in the country. In the coming sections, we dive deeper into the TV phenomenon that is sports.



30. Broadcast Audience Research Council data accessed on November 1, 2022

31. EMarketer data, accessed on November 1, 2022

33. Telecom Regulatory Authority of India, Telecom subscription data for August 2022, accessed on November 3, 2022

34. KPMG in India Analysis, 2022

35. A year off script, KPMG Media and Entertainment Report, 2020

36. A year off script, KPMG Media and Entertainment Report, 2020; KPMG in India analysis, 2022

A photograph of a family watching a cricket match on television. A man in a checkered shirt is sitting on the floor, raising his right fist in excitement. A woman is sitting next to him, holding a remote control. A young girl is also visible, looking at the TV. The television is on a wooden stand, displaying a cricket player in a white uniform and blue helmet, swinging a bat. The background shows a bookshelf with books and a small potted tree.

02

Sports broadcasting on television in India

Sports broadcasting on television in India

Sports viewership on TV is underpenetrated in India, with a significant headroom for growth

While India has been steadily improving when it comes to being a major sporting nation, the consumption of this genre in India is significantly under-indexed. Sports contributes only 3 per cent of the total viewing on television as compared to developed countries such as the US where the number is closer to 10 per cent³⁶. We expect that with the continued encouraging performance of Indian cricketers and other athletes on the global stage, this gap will steadily reduce over the years to come.

Sporting properties on TV are amongst the most watched pieces of content

What is unique about sports as a genre, is that it aggregates the largest viewer pool over a short period of time, something which both developed markets such as the US and markets such as India have witnessed.

Out of the top 5 most watched television shows in the US in 2021/2022 based on viewership, 3 were sporting events – National Football League

(NFL) Sunday night, NFL Thursday night and NFL Monday night football³⁷. Similarly, In India, IPL'22 with 400 million³⁸ viewers as well as non-IPL leagues such as PKL Season 8 with 227 million viewers and ISL 21-22 with 130 million viewers have achieved a significantly higher reach than full seasons of some of the highest impact GEC properties like KBC'21, BiggBoss'20-21 and The Kapil Sharma Show 20-21³⁹.

Even for markets with a high OTT penetration like the US, TV remains the dominant consumption platform for sporting content. 92 million viewers⁴⁰ watched the Super Bowl 2021 edition on TV compared to ~5.7 million viewers on digital. TV ad rates for 30 second slots have also been on the rise at USD5.5 million/slot⁴¹ in 2021 from USD4.8 million/slot⁴² in the 2018 edition.

The primary reason for this large difference in viewership is the fact that sport is essentially developed and shot for the large screen, owing to its ability to create a more engaging experience. Further, with co-viewing a phenomenon seen regularly in sports broadcasting, TV retains its status as the de facto medium for sports consumption.



36. Sportskeeda, accessed November 11, 2022

37. Nielsen data 2022

38. Broadcast Audience Research Council, accessed on October 27, 2022

39. BARC data, accessed on November 2, 2022

40. Sportskeeda, accessed November 11, 2022

41. Variety, accessed November 11, 2022

42. Nielsen data 2022

Sports viewership vis-à-vis other genres in India

Sports viewership in 2022 poised to exceed pre-pandemic levels...

Sports viewership in India stood at 722 million in the first nine months of 2022 and estimated to surpass the 776 million viewership of 2019⁴³. This is expected on the back of other marquee properties like T20 WC, India bilaterals, PKL, and ISL being lined up in the next three months. While COVID-19 and the lack of major sporting properties in 2020 led to a temporary blip in viewership, the recovery has been robust with 2022 YTD numbers higher than the full year viewership of 706 million in 2020⁴⁴.

..while most other genres are yet to touch the pre pandemic viewership numbers

While the COVID-19 related viewership decline was deep across genres, sports was among the least impacted with a YoY decline of only 9 per cent in 2020 vs 2019, compared to a decline of 28 per cent in Hindi GEC and ~20-31 per cent in regional GEC⁴⁵. The same highlights the importance, resilience, and user engagement of sporting properties on TV.

Sporting vs. GEC properties – A big difference in reach and time spent

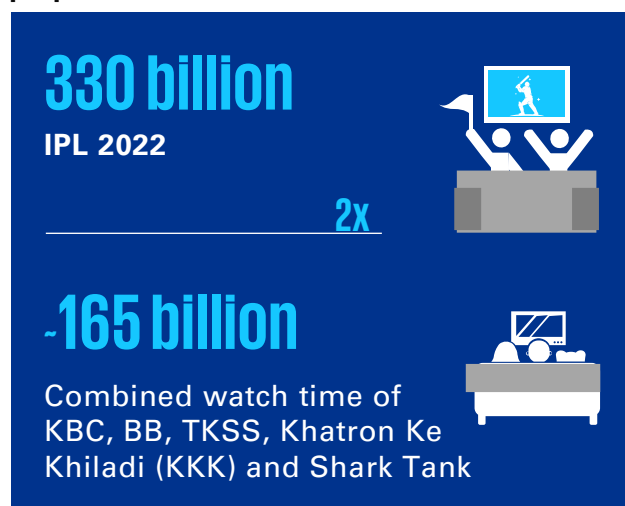
The reach provided by premium sporting properties is significantly higher than the reach provided by premium GEC properties. For example, the India vs Pakistan match of 2021 T20 World Cup alone achieved a reach of ~200 million viewers within four hours on the Star TV network, compared to the full season reach of ~115 million achieved by high impact properties

of Kaun Banega Crorepati (KBC), Bigg Boss (BB) and The Kapil Sharma Show (TKSS) which ran for 85 days, 120 days and 80 days respectively⁴⁶. The India vs. Pakistan 2021 T20 World Cup match also saw a ~9x difference in the concurrent users on TV (~116 million) as compared to digital (12.8 million)⁴⁷.

IPL 2022 had an overall reach of 400 million⁴⁸ which is 80 per cent higher than combined reach of KBC, Bigg Boss, The Kapil Sharma Show, Khatron Ke Khiladi and Shark Tank.

Marquee sporting events also perform better in terms of viewing time vis-à-vis impact GEC properties on TV.

Viewing minutes of IPL vs. other impact properties⁴⁹



The ability of sports to keep the audience engaged and hooked on, is unparalleled, as outlined by the above data.



43. Broadcast Audience Research Council data, accessed on October 27, 2022

44. Broadcast Audience Research Council data, accessed on October 27, 2022

45. Broadcast Audience Research Council data, accessed on October 27, 2022

46. Broadcast Audience Research Council data, accessed on October

27, 2022

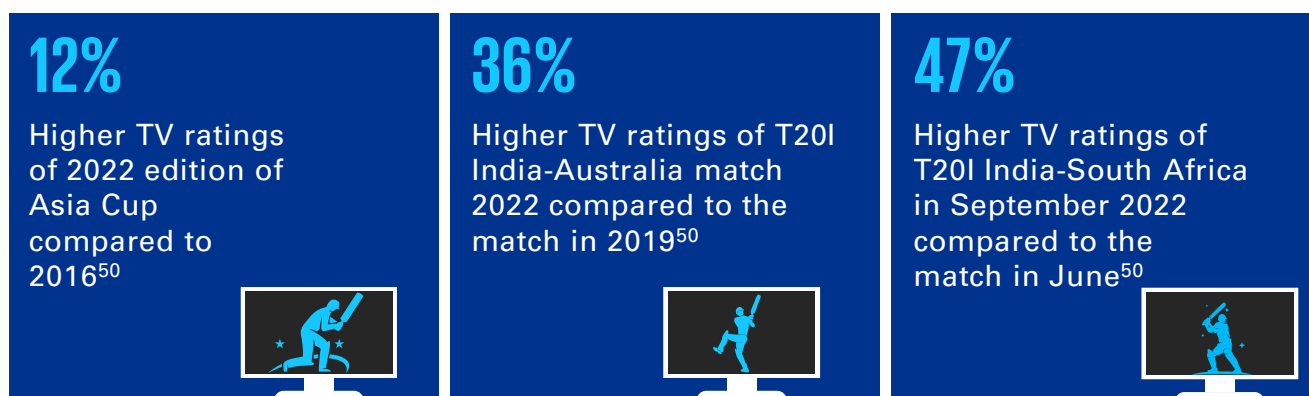
47. Based on industry discussions

48. Broadcast Audience Research Council data, accessed on October 27, 2022

49. Broadcast Audience Research Council data, accessed on October 27, 2022

Cricket ratings continue to dominate, and remain highly lucrative for advertisers

Amongst sporting properties, cricket (T20s and ODIs) including the IPL and bilateral India cricket continues to see an increase in ratings on TV.



One Day International (ODI) cricket, which some experts believe is struggling for relevance, also saw India-South Africa matches deliver a 21 per cent increase in ratings, as compared to previous series between the two nations⁵¹.

This consistent increase in ratings, acts as a catalyst for advertisers to continue investing heavily in TV advertising, in order to reach the wide audience across socio-economic classes.

Coming to the socio-economic classes, the viewership of sports is broad-based with NCCS AB households contributing ~60 per cent⁵² in the latest seasons of IPL, PKL and ISL, while the remaining viewership coming from NCCS CDE. This majority, affluent audience is extremely attractive to advertisers, given the purchasing power residing with this populace. Having said that, it is equally important for mass-based brands to reach to lower NCCS; and sport as a product, delivers on that promise as well.

Size of the sports broadcasting market in India⁵³

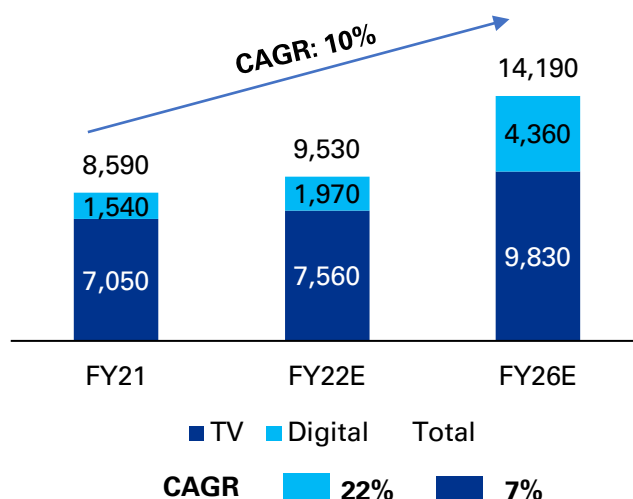
Sports on TV – Amongst the largest and most monetized genres

The overall TV sports market was estimated at INR7,050 crore in FY21, and the same is expected

to reach INR9,830 crore in FY26; growing at a steady CAGR of 7 per cent.

The TV ad revenue for sports growth is expected to be a premium to the overall TV market growth, given the advantage that sports as a genre enjoys over other genres, as outlined above.

Subscription revenues for sports are likely to be driven by the increase in TV HH penetration, upselling of packs (including sports channels), and organic growth in Pay TV ARPUs



50. Broadcast Audience Research Council data, accessed on October 27, 2022
 51. Broadcast Audience Research Council data, accessed on October 27, 2022

52. Broadcast Audience Research Council data, accessed on October 27, 2022
 53. KPMG in India analysis, 2022

Digital revenues for sports likely to see robust growth, but would still be roughly half of the TV revenues by FY26

The digital revenue for sports is estimated to grow from INR1,540 crore in FY21 to INR4,360 crore in FY26, at CAGR of 22 per cent⁵⁴. The same is likely to be driven by organic growth in the number of OTT viewers in India, as well as an increase in consumption of sports on OTT, fueled by the convenience of anywhere viewing.

Ad revenues for sports properties on digital platforms are likely to be driven by robust advertiser interest on digital and higher fill rates and CPMs as compared to other content genres. The subscription revenues for sports are expected to grow on the back of increase in OTT subscriptions, and a visible, concerted effort by OTT platforms to move towards a SVOD future.

Despite the rapid growth of digital consumption in the last few years, the TV sports market is still expected to be more than 2x of the overall digital sports market in the medium to long term, and TV as a platform for sports consumption and monetisation is likely to remain highly relevant for the foreseeable future.

Cricket rules, yet some non-cricketing leagues are seeing traction

Cricket continues to dominate sports viewership and reach in India, with IPL season being the largest impact sports property on TV. This is a property that most brands plan for months in advance and look forward to utilising to further their brand objectives. If we look at the overall volume of Live cricket content telecast in India, it stands at a staggering 16,217 hours (till Week 44 of 2022), up from 15,506 hours in 2021⁵⁵. No other sport comes close in terms of both volume of content, as well as the reach.

Volume of Live cricket content far exceeds any other sport



Having said that, the viewership of other non-cricket sports has been steadily growing and stands at a reasonable 20 per cent in 2022⁵⁶.

The proliferation of multiple franchisee-based sporting leagues in India (around kabaddi, football, kho-kho etc.) post the success of the IPL has meant that there is almost year-round sporting content available to the viewers. Further, India's improving performance in global events like Olympics, Asian and Commonwealth Games has resulted in a general rise in the interest levels of sport, which is evident with the viewership and reach data.

Conceptually, sporting leagues including cricket and non-cricket, look to package sport and entertainment as one, in order to attract audiences. Participation of international stars, generating buzz through auction processes, use of celebrities and Bollywood stars to attract audiences helps generate positive conversations around these leagues. We take a brief look below, at two of the most successful non-cricket sporting leagues in the country.

54. KPMG in India analysis, 2022

55. BARC data, accessed on November 11, 2022

56. KPMG in India analysis, 2022

A look at the growth of non-cricket leagues in India

- a. Pro Kabaddi League (PKL)** – Launched in 2014, the PKL has completed eight seasons and is by far the most successful non-cricket sporting league in the country. The TV viewership of PKL has been rising over the years with a viewership of 328 million viewers in 2019 as compared to 312 million in 2017 growing at 2.5 per cent CAGR and a TVR/match of 1.1⁵⁸.

Season 7 of PKL saw a viewership growth of 26 per cent⁵⁹ in the urban market within male 15+ AB group while season 8 of PKL has attracted 29 per cent new (first-time) viewers⁶⁰, indicating strong traction and consumer engagement potential for the league and sport from a future perspective.

The media rights for 2021-2025 have been acquired by Star Sports for ~INR180 crore/year compared to INR90 crore/year for the previous contract⁶¹.

The captive and compact indoor environment of PKL provides an optimal stage for sponsors to garner consistent and high intensity visibility enabling strong viewer recall, resonance, and impact as substantiated by a higher average integrated cost: benefit (ROI) factor of 1:17 to its central league sponsors, which is considerably higher than the average Indian industry standard of 1:8⁶².

- b. Indian Super League (ISL)** – Launched in 2014, the ISL has also completed eight seasons and has seen growing popularity over the years. The TV viewership was 167

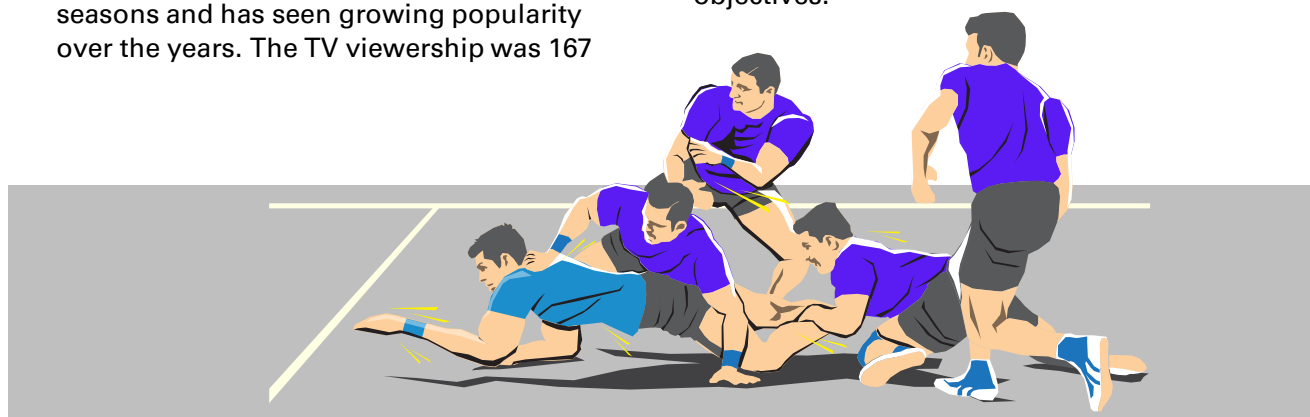
million viewers in 2019 and 158 million in 2017 with a CAGR of 2.8 per cent⁶³ while the 2021 season surpassed the previous season in terms of television ratings, time spent viewing, brand integrations, and social buzz.

Season 7 (2020-21) saw a pan-India spike in viewing percentage of 16 per cent, with an 18 per cent increase in Hindi-speaking markets and 14 per cent in the south⁶⁴. Male 15+AB urban viewers clocked a TVR of 0.41 which is a 5 per cent increase from the previous season (0.39)⁶⁵.

The title sponsorship for three years starting 2020 is valued at INR160 crore increasing from INR51 crore for the previous three years with a CAGR of 46 per cent⁶⁶.

The promotional campaign for ISL was unique where in it saw India's first ever commercial usage of a drone to deliver the match ball creating a spectacle. Similar to IPL, ISL has clubs owned or co-owned by celebrities like Abhishek Bachchan, Virat Kohli, Varun Dhawan, etc. which lends to the popularity of these clubs and helps pave the way for the league.

As discussed above, sports as a genre on TV remains as strong as ever, and more importantly, still has a significant growth runway ahead. Sports viewership is resilient, dedicated and broad-based. And this viewership is not just restricted to cricket, as individuals are slowly starting to embrace the nuances of other sporting properties. In the subsequent section, we look at sports consumption closely and understand how advertisers look at this genre to meet their brand objectives.



58. Broadcast Audience and Research Council data accessed on November 1, 2022

59. Broadcast Audience and Research Council data accessed on November 1, 2022

60. INTELENSA Market Research Insights 2022

61. Hindu Business Line article published on April 17, 2021

62. INTELENSA Market Research Insights 2022

63. Broadcast Audience and Research Council data accessed on November 1, 2022

64. Broadcast Audience and Research Council data accessed on November 1, 2022

65. BARC data, accessed on October 27, 2022

66. FSDL announcement, Economic times, Business-Standard, accessed November 11, 2022



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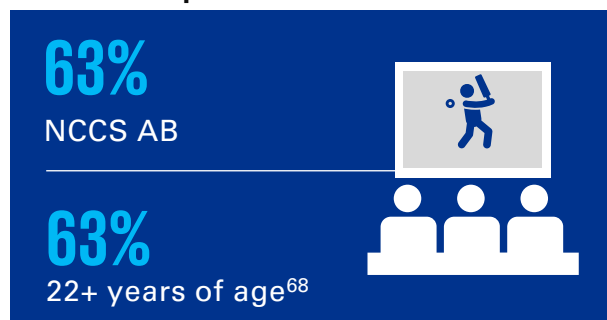
Sports consumption on TV – What's in it for the advertisers?

Sports consumption on TV – What’s in it for the advertisers?

Broad-based sports consumption helps advertisers effectively target their consumers

Sports consumption in India is broad-based across socio-economic classes with popular leagues having significant traction among NCCS AB households. Overall TV reach across NCCS AB households is increasing (17 per cent increase in 2022 vs 2019⁶⁷) and sports properties have higher share of viewers coming from the premium NCCS AB households.

IPL viewership



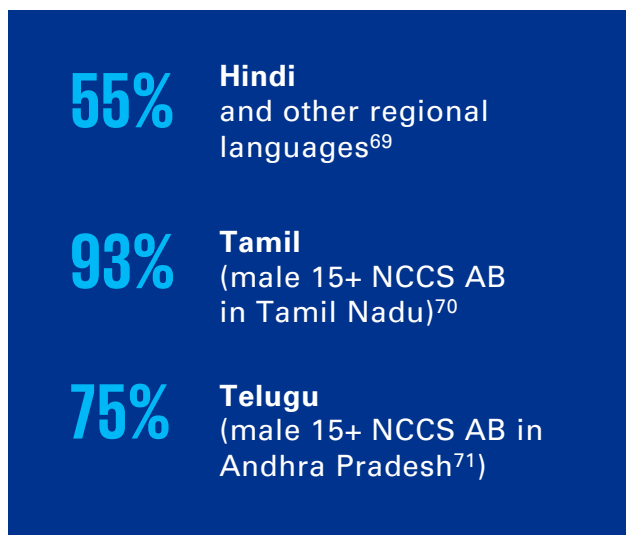
These data points have interesting implications of advertisers, both traditional and startup/new age based. A wider distribution of consumption across NCCS (including CDE as well) allows for traditional brands like FMCG reach a combination of urban and rural users. On the other hand, new age brands (including consumer, fintech and commerce) utilise sporting properties like the IPL to effectively reach their TG across age groups, and sport on TV is an extremely important cog in their brand building wheel.

Based on our discussions with advertisers, impact properties such as IPL help them build consumer connect and helps them gain the trust

of the consumer.

Sports consumption in Hindi and regional languages is of great importance to advertisers

IPL viewership, 2022 in regional language



The above data highlights the sports consumption preference of the audience in their native language, leading to a high engagement with the content. This also provides an opportunity to advertisers looking to build or fortify brand presence pan-India. This trend of native language consumption is also important for local advertisers, who find this proposition attractive and cost effective, given the reach benefits that these impact properties provide.

This relevance of sports properties across advertiser segments drives the high monetisation potential of sports vis-à-vis other genres.

“

While OTT platforms are on a growth trajectory, TV remains the dominant platform and will grow for the next 4-5 years. Wired broadband penetration is still low in most parts of the country and TV continues to be the preferred medium there. The higher penetration of TV in India and the large screen viewing experience that it provides, makes TV the de facto platform for sports consumption. Advertisers bear testimony to this sentiment with increasing focus and ad spend on sports properties. With the growing viewer interest in sports, brands have a massive opportunity to connect with their target audience.

**Rajesh Kaul, Chief Revenue Officer, Distribution and Head of Sports Business,
Sony Pictures Networks India**

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67. Broadcast Audience Research Council data, accessed on November 27, 2022

68. Broadcast Audience Research Council data, accessed on November 27, 2022

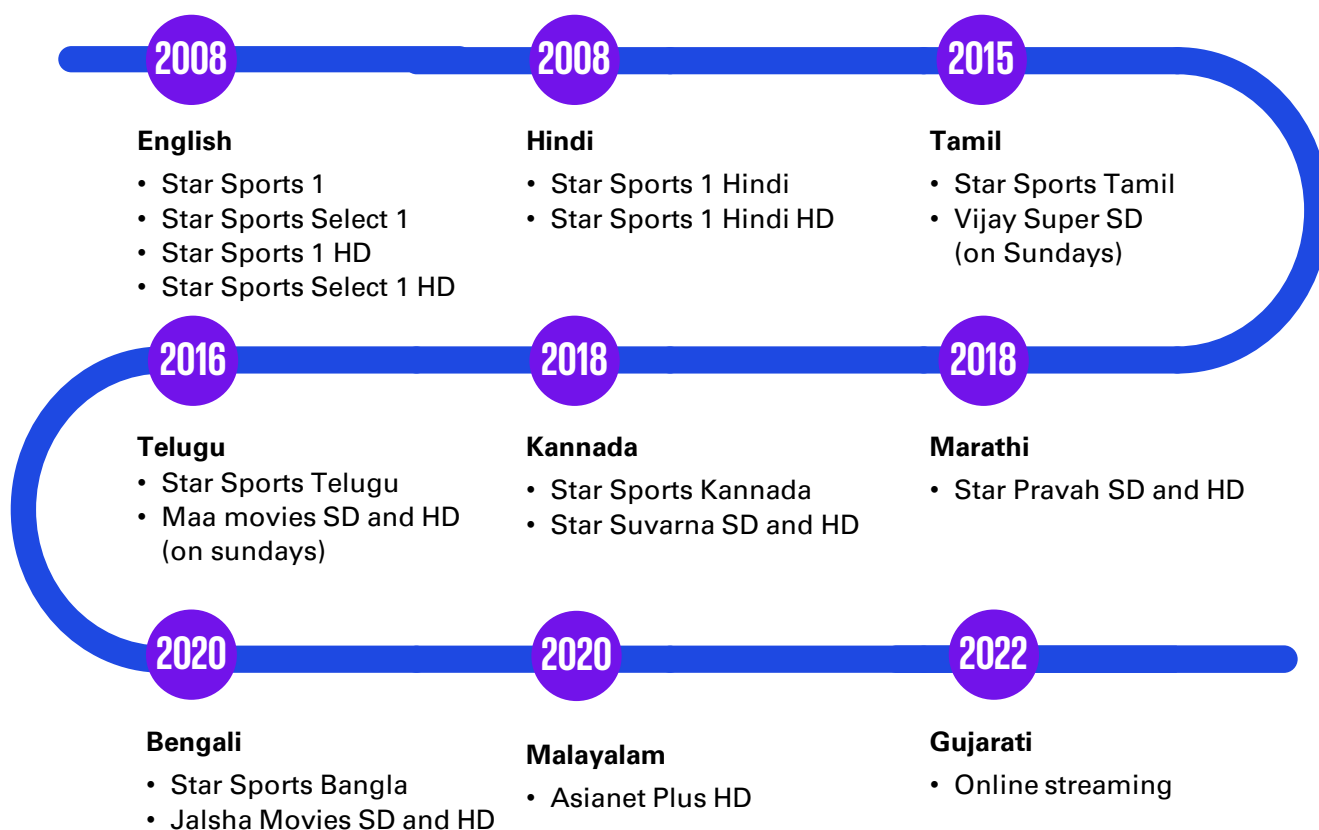
69. Broadcast Audience Research Council data, accessed on

November 27, 2022

70. Broadcast Audience Research Council data, accessed on November 27, 2022

71. Broadcast Audience Research Council data, accessed on November 27, 2022

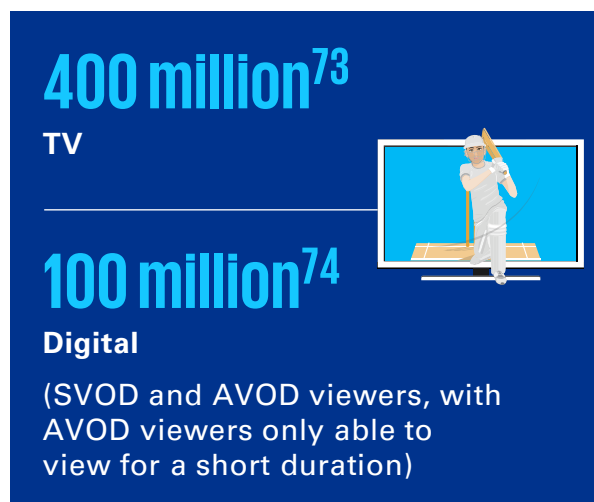
Evolution of broadcast of IPL in regional languages⁷²



TV enjoys a far higher reach for impact sports properties

The dominance of TV as the preferred platform for sports consumption is in part due to sports being shot for and designed for television. The camera setups coupled with the production values, provides the viewers a much better experience on the large TV screen. Despite the rapid growth of OTT streaming of sports, TV broadcasting still towers over OTT in terms of reach.

IPL reach: 2022



“

Sport on TV is an unrivalled aggregator of shared viewing experiences. It is highly enriching and unique as it brings together the 'lean back' nature of TV viewing with the highly immersive engagement of live sport. No other platform or content genre offers this rare combination of virtues, which beyond attracting 550+ million viewers, also serve as the ideal vehicle for brands trying to reach and engage consumers. There is immense headroom for growth for Sports on TV with viewership still under-indexed compared to other content genres, constrained primarily by paucity of relevant supply. Viewership for sports like Kabaddi, Football and Wrestling reaching critical mass, and the growth of Women's Cricket, have served as strong signals for the upward trajectory of sports on TV

Sanjog Gupta, Head - Sports, Disney Star

”

72. KPMG in India analysis, 2022 based on secondary research

73. BARC data, accessed on October 27, 2022

74. Financial express article, accessed on November 12, 2022

The role played by sports broadcasting in building brands⁷⁵

Traditional businesses and new age companies have leveraged sports properties, especially IPL to achieve their brand objectives – whether it be building a category, promoting new product launches, building brand recall and affinity in an existing market or entering a completely new market.

Advertisers targeting varied consumer segments vis-à-vis age, gender and other demographics, have seen brand conversations and search interests spike during sporting events. Online businesses or digital-first brands have been able to grow key metrics like share of downloads, traffic on app etc. by advertising on sports properties. The reach provided by TV against cost of impressions is unmatched by any other media platform which makes TV an attractive proposition for startups.

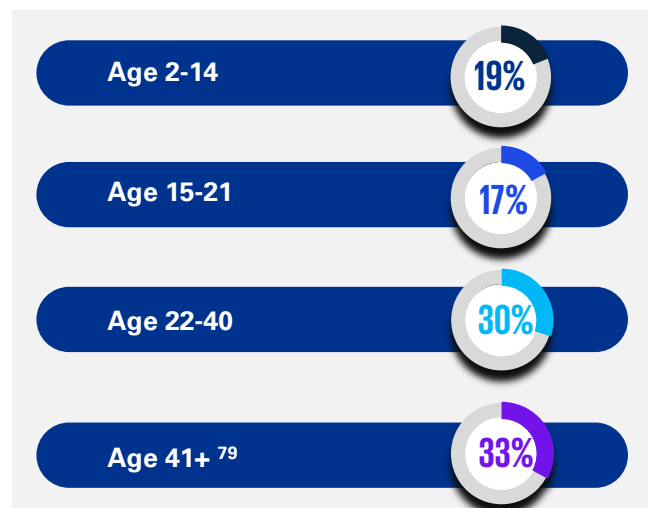
High user engagement of sports properties translates into the realisation of the advertisers' business potential and performance, and ultimately trust in the brand. Leveraging this, smaller or regional brands have been able to generate interest from the distribution value chain as well as the viewers in a new market.

The combined reach and engagement generated by TV – the largest media platform in the country coupled with the power of sports - the most viewed genre, have provided a compelling platform for advertisers to promote and build their brands.

Relevance of TV sports broadcasting for advertisers – A look at a few examples⁷⁶ from the IPL

IPL over the years has seen all the top Indian brands leverage the property to meet their brand objectives

IPL is the premium broadcast property across all genres in India and has generated tremendous viewer and advertiser interest over the years. The 2022 edition had a total of 74 matches that were played over 65 days with duration of each match being ~360 mins⁷⁷. The 2022 edition witnessed 330 BN⁷⁸ viewing minutes with broad-based reach across NCCS and age groups.



75. Based on industry discussions

76. Case studies based on industry discussions

77. Business today article published on March 25, 2022

78. Broadcast Audience Research Council data, accessed on October 27, 2022

79. Broadcast Audience Research Council data, accessed on October 27, 2022

IPL's reach and viewer engagement across viewers watching in Hindi and other regional languages has been strongly leveraged by advertisers across industries – both traditional and new age businesses. Below are the major advertisers on IPL across seasons.⁸⁰

 **New age companies**  **Traditional Business**

Category	Top Brands over the years
BFSI	AMFI, RBI, Muthoot, SBI
Auto (and related)	Maruti, Tata, Renault, Hero, Apollo, MRF
Durables/Appliances	Crompton, Havells, Voltas, Usha, Bluestar, Kent
Beverages	Coca-Cola, Pepsi, Frooti, Bisleri
FMCG	ITC, Mondelez, GSK
Paints	Asian Paints, Nerolac, Indigo, JSW
Telecom	Airtel, JIO, Vodafone Idea
Handsets	Samsung, Apple, Vivo, Oppo, Realme, Xiaomi
Online Shopping and Grocery	Tata Neu, Amazon, Flipkart, Meesho, Swiggy, Dunzo
Fintech	PhonePe, Cred, Groww, Upstox, Rupay, PayTM, GPay,
EdTech	Byjus, Vedantu, Upgrad
HealthTech	Pharmeasy, Netmeds, Apollo 24x7, Pristyn Care
Gaming, Fantasy	Dream11, A23, Winzo, Rummy Culture, My11Circle
Other Online Services	Google, Spotify, Lenskart, CarDekho, Urban Company

80. KPMG research 2022 based on industry discussions

Pan India brands leverage the viewership of sports in regional languages to advertise specific products for respective markets.

IPL reaches multiple TG simultaneously given its high and broad-based reach⁸¹. This has been leveraged by pan India brands to advertise multiple products with a single platform and also build overall brand recall. A few examples are presented below:

Paints



A leader in the paints category made multiple feeds across regions. The product targeted at South India witnessed a brand lift in Southern metros and key markets.

Awareness

increased by

25%



Consideration

increased by

92%



Automobile



An automobile manufacturer advertised in the 2019, 2020 and 2021 editions of IPL for a successful brand launch and subsequent product launches

Google search volumes

increased by

2x



Average product awareness

increased by

2x



IPL has strong engagement with the female audience as well⁸². This has been leveraged by FMCG staples brands targeting the female audience.

Summer brands like TV, ACs gain traction with advertising in IPL months given⁸³ the penetration of IPL in across multiple households and viewership in regional language.

FMCG



An FMCG brand aimed campaigns at female viewers in 2020 and 2021 editions of the IPL

Consideration

increased by
for biscuits

46%



Brand affinity

increased by
for noodle products

90%



AC manufacturer



An AC manufacturer ran campaigns during IPL 2018 and 2019

Google search volumes

increased by

20%



Brand salience

increased by

39%



Beverage brand



A beverage brand advertised in 2022 edition of IPL

Aided awareness

increased by

6%



Consideration

increased by

14%



Brand exclusivity

increased by

22%



81. Based on industry discussions

82. Based on industry discussions

83. Based on industry discussions

Digital first brands and IPL – A default choice

IPL has seen advertisement traction from B2C unicorns (many of them digital first brands) as well with more than 75 per cent of B2C unicorns having advertised across multiple seasons⁸⁴ owing to the high traction among NCCS AB households and pan India viewership.

TV is a critical platform for digital first brands as the reach achieved against cost of impressions is

unmatched vis-à-vis any other media platform. Digital brands have used TV, and sports as one of the major genres, to drive downloads, build recall and achieve key brand building objectives. Also, TV advertisements have been observed to result in better performance of campaigns on other media platforms – owing to the high recall of TV ads, especially on an impact sports property.

Grocery delivery



An online grocery delivery player campaigned in IPL 2022 which enabled it to reach the growth inflection point in terms of daily downloads.

Growth in downloads per day

3.8x



Fintech



A fintech player has achieved growth inflection in daily downloads through TV campaign in 2020, 2021 and 2022 IPL editions

Growth in downloads

2x



Advertisements by popular brands (and many a times featuring celebrities) in sporting events adds to the glitz of the event along with viewer excitement. It also helps foster the viability of sports events and leagues and thus in a way supports in development of the sports ecosystem in India. Some corporates have increased their involvement in sports beyond advertising and participated as franchise owners and/or engage in grassroot development programmes – thus playing an active role in the development of India

as a sporting nation. These efforts set in motion a virtuous cycle, as an increasing interest in sports fuels further consumption, which is beneficial for the entire value chain including the sports broadcasters. We briefly look at some of the key aspects which are helping India emerge more prominently on the world map as a sporting nation.



84. Based on industry discussions





04

Growth of India as a sporting nation

Growth of India as a sporting nation

The growth of India as a sporting nation is evidenced from improving results in global multi-sport events like the Commonwealth Games. India has done remarkably well at the CWG 2022 in Birmingham winning 61⁸⁵ medals to finish 4th in the medals standing this edition, of which eight were from athletics alone, including multiple firsts. This finish is despite shooting (a strong suite of India) not being a part of the disciplines at the CWG 2022.

This improvement in India's sports performance comes on the back of the government and the private sector giving a keen focus on the development of sports in India. These include increasing sports allocation in the budget, concerted efforts by the government, NGOs and the private sector for sports infrastructure development, financial support to sportspersons and grass root development.

Government efforts vis-à-vis sports related schemes

The Indian government's spending on sports has been rising over the years. In the Union Budget for the fiscal year 2022-23, the sports budget allocated is to the tune of INR3,062 crore⁸⁶ compared to INR1,943 crore in 2017, growing at a CAGR of 9.5 per cent.

The government is primarily focusing on four aspects - sports infrastructure development, improvement of financial condition for sports

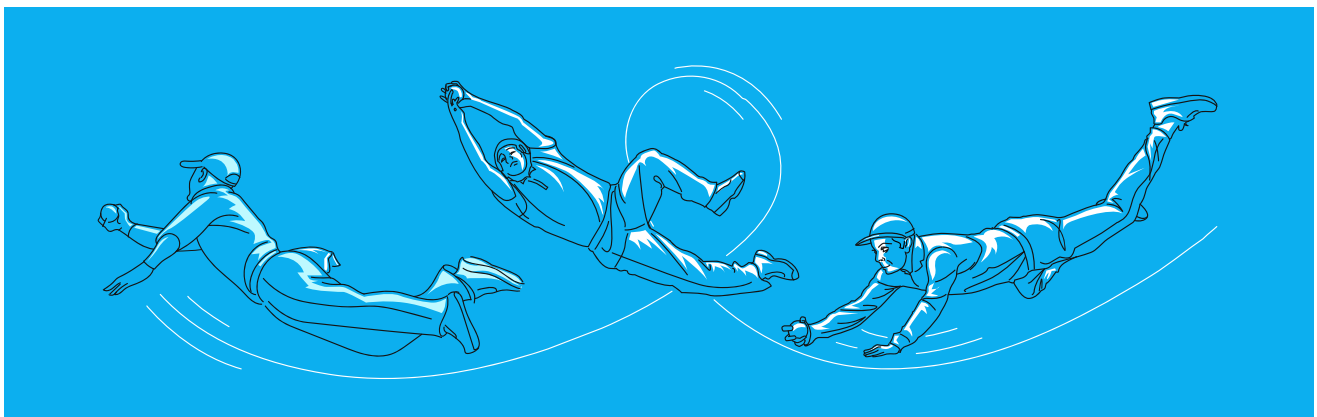
professionals, diversification of focus from cricket to other sports, and increasing participation across rural and less developed areas.

The prominent government led schemes that aim to foster the growth of sports and sporting culture at large in India include, **National Youth Empowerment Programme** (budget of INR138 crore⁸⁷) and **Khelo India Programme** (budget of INR974 crore). **Target Olympic Podium Scheme** (TOPS) focuses on finding and preparing potential athletes for the Olympic and Paralympic Games.

NGO efforts vis-à-vis Olympic missions and grassroots development programmes

NGOs like **Olympic Gold Quest** are working on preparing Indian athletes for the Olympics. In the last three Olympic Games, 9⁸⁸ out of the 14 individual-sport medal winners for India were supported by OGQ.

Apart from national level programmes, which have large budgets, there are various programmes which are being implemented in rural areas like **Bridges of Sports** - building one of India's first hyper-local talent identification and development systems. **The Oscar Foundation** and **Sanskriti Samvardhan Mandal** are bodies which focus on rural areas to help identify, nurture and train talented young individuals with the latter placing a higher focus on women and girls.



85. Olympics website, 2022 accessed on November 7, 2022

86. IISMWorld website, 2022 accessed on November 7, 2022

87. India Budget website, 2022 accessed on November 7, 2022

88. Olympic Gold Quest website, 2022 accessed on November 8, 2022

Special sports programmes for schools and youngsters have also been launched like **Khel Khel Mein Foundation** and **Victory Sports Foundation** which focus on ensuring that children get structured support, appropriate exposure and encouragement in the pursuit of sports as a career.

Corporate sector support for the development of sports in India

Major corporate spending emerges from companies such as **Reliance Industries**, that spent INR49 crore⁸⁹ in 2016 towards the setup of the Reliance Foundation Youth Sports (RFYS). Similarly, **Tata Group** and **Kotak Mahindra** have spent INR16 crore and INR17 crore respectively towards the betterment of various sports like football, hockey, polo, badminton, cricket, boxing etc. Hero MotoCorp has earlier been a global partner of the International Cricket Council (ICC) and a sponsor of the Indian Premier League (IPL) and currently a sponsor for Indian Soccer league (ISL).

JSW has also made significant contribution with their Sports Excellence Program (SEP). Athletes supported by SEP have so far won an Olympic gold medal (Neeraj Chopra), three world championships, five medals at the Asian Games, and 17 medals at the Commonwealth Games⁹⁰.

Sponsorship deals inked by corporates with domestic and international sporting events are

also playing a part in development of the sports ecosystem in India.

Increasing participation of women in sports

The participation of women in sports has been increasing in India with the Indian contingent comprising of 104 women (~50 per cent of the Indian contingent) for CWG 2022⁹¹. Women won 23 medals of the total of 61 medals, of which eight were gold⁹².

Sports events featuring female sportspersons are witnessing an increasingly higher viewer enthusiasm from both male and female viewers. The ratings for Women's T20 Challenge have seen a growth of 2.5x over 2018 to 2020 from 0.3 to 1.3⁹³. The WT20 Challenge's reach of 105 million outpaced that of the Men's India vs Australia 2020 ODI series which had a reach of 66 million⁹⁴. There was a 58 per cent increase in time spent by viewers watching women's cricket from 2018 to 2020⁹⁵.

With path breaking initiatives by the Board of Control for Cricket in India (BCCI) around introduction of a women's IPL and equal match fee for both men and women cricketers becoming a reality, an increased interest in women's sport from a viewership point of view is expected. Sportspersons wanting to make a mark in their selected sport will also feed into this increasing viewership interest.



89. Moneycontrol website for August 2022, accessed on November 4, 2022

90. JSW website accessed on November 4, 2022

91. Times of India news article, accessed on November 12, 2022

92. Hindustan Times article, accessed on November 12, 2022

93. BARC data, accessed on November 12, 2022

94. BARC data, accessed on November 12, 2022

95. BARC data, accessed on November 12, 2022

Growth in sporting culture to foster increased consumption for sport across media platforms

The success of Indian athletes globally and the gradual growth towards a strong sporting culture has meant that there have been multiple sporting properties that have come to the fore, starting with the IPL, and followed by leagues in other sports such as kabaddi, football etc. These have helped open up new frontiers for Indian TV broadcasters and advertisers, as consumption of sports is intrinsically linked to the sporting culture of a nation.

And as the data presented in the previous section suggests, there seems to be no stopping the growth of sports consumption on TV. We can thus, confidently expect that these initiatives by the government and the private sector will put in motion a virtuous cycle through which everyone in the value chain; right from the league owners, franchisees, sporting bodies, sportspersons, consumers, broadcasters; to the advertisers; stand to gain immensely from the rise of India as a major sporting nation.





05

Conclusion

Conclusion

Sports consumption on television in India has come a long way. Right from the telecast of the Asian Games in India in 1983, to globally recognised properties like the IPL and multiple live sports currently on TV, there is a plethora of choices available to the Indian sports fan/viewer. This has been a result of the growth that TV as a segment has seen, with HH penetration continuing to grow; innovations by sporting league owners in smartly packaging properties for the viewers; and supported by broadcasters making significant investments to produce and make the content available to the viewers.

The reach, cutting across socio-economic classes and age groups, that sport generates in a short period of time, is unparalleled as compared to any other major genre on television. And while digital consumption has been growing rapidly in India, especially after the launch of 4G services, TV continues to be the preferred mode of sports consumption for a majority of the populace. This is in part, due to the superior experience that the large screen provides for sporting spectacles.

Sports on TV is a critical genre for advertisers to reach their audiences and build strong brand connects. The broad-based

consumption of sports helps both national and local advertisers get their messages across to the audiences, resulting in a higher brand awareness. While advertising on premium properties is relatively costlier than other genres, the results it provides advertisers makes it a highly value-for-money proposition for brands. With sports consumption on TV continuing to grow, brands are likely to invest more in advertising on sporting properties on TV in the years to come, outpacing the overall ad spend growth on TV.

Sports consumption, in general and on TV, has also been a key factor in the rising interest levels of sport across the country. Young fans and their dreams can potentially turn them into sportspersons of the future, and with the initiatives of the government and private sector around development of sports in India, we can expect to see India emerge as a major sporting nation in the years to come. This, in turn, will definitely be beneficial for the entire sporting value chain, including the fans and sportspersons, and also help maintain the momentum of sports viewership on television.





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