

Sports ad inventory growth creates new, niche opportunities for brands

Article

Streaming has been a home run for sports-based advertising. Through sports rights, new and niche content, and creative ad formats, every major streamer is attempting to grab a share of

sports connected TV (CTV) ad spend.

As the numbers of digital live sports viewers increases, reaching 30.8% of the US this year per our forecast, advertisers have more opportunities to target this audience. But they also face a complicated landscape, where ad buys are fragmented across platforms and new events create opportunities and risks.

Playing for rights: Streamers are buying sports rights to increase CTV ad inventory. “The bifurcation of sports rights means that advertisers will have to work harder to build media plans when using live sports for reach,” said our analyst Ross Benes. “The benefit, particularly to digitally savvy advertisers, is there are more options where you can reach a large amount of people watching the same thing at the same time.”

- Peacock has the Olympics and is using them to raise streaming prices.
- Roku is negotiating with Major League Baseball for exclusivity on some games and is teaming up with the NBA on a free ad-supported streaming (FAST) offering.
- ESPN, Amazon, and Warner Bros. Discovery are negotiating for NBA streaming rights.
- Fox, Warner Bros. Discovery, and Disney are planning a joint sports venture to compete with Amazon, which has Thursday Night Football, even as smaller streamers like Fubo ask regulators to probe the plans.
- Netflix is about to become the home of World Wrestling Entertainment (WWE).

This division presents a challenge for advertisers who have to make purchases across many platforms, but it also means the advantages of CTV advertising like better measurement and targeting are now available for the 30.8% of people in the US watching live sports via digital.

Expanding the playing field: Streamers are also finding new or niche ways to capture sports viewers’ attention (and sports advertisers’ dollars). “For those who got priced out or missed out on NFL or NBA inventory, there are emerging options for using sports,” said Benes.

- Amazon’s Thursday Night Football is the model for taking an existing sport and expanding ad inventory on streaming.
- Netflix is a leader in creative sports events. The platform has featured a golf tournament with Formula 1 drivers and its own tennis tournament. Later this summer it will show a boxing

match between Mike Tyson and Jake Paul. And this week it found a way to attract sports viewers with a roast of Tom Brady.

- Previously underrated events like this year's women's NCAA March Madness tournament are another way streamers are boosting sports ad inventory.

These events create inventory for advertisers, and attract niche audiences, which means advertisers can make ad buys to reach smaller but more targeted audiences.

Game on for ad formats: As sports moves to streaming, advertisers are pioneering new ad formats, some of which have already been announced ahead of upfronts.

- Prime Video just announced shoppable, pause, and trivia ad formats, building off of the two new Thursday Night Football ad formats launched last year.
- Ahead of the Olympics, NBCUniversal is embracing shoppable TV.
- Vizio is launching an ad spot within its sports content hub.

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