



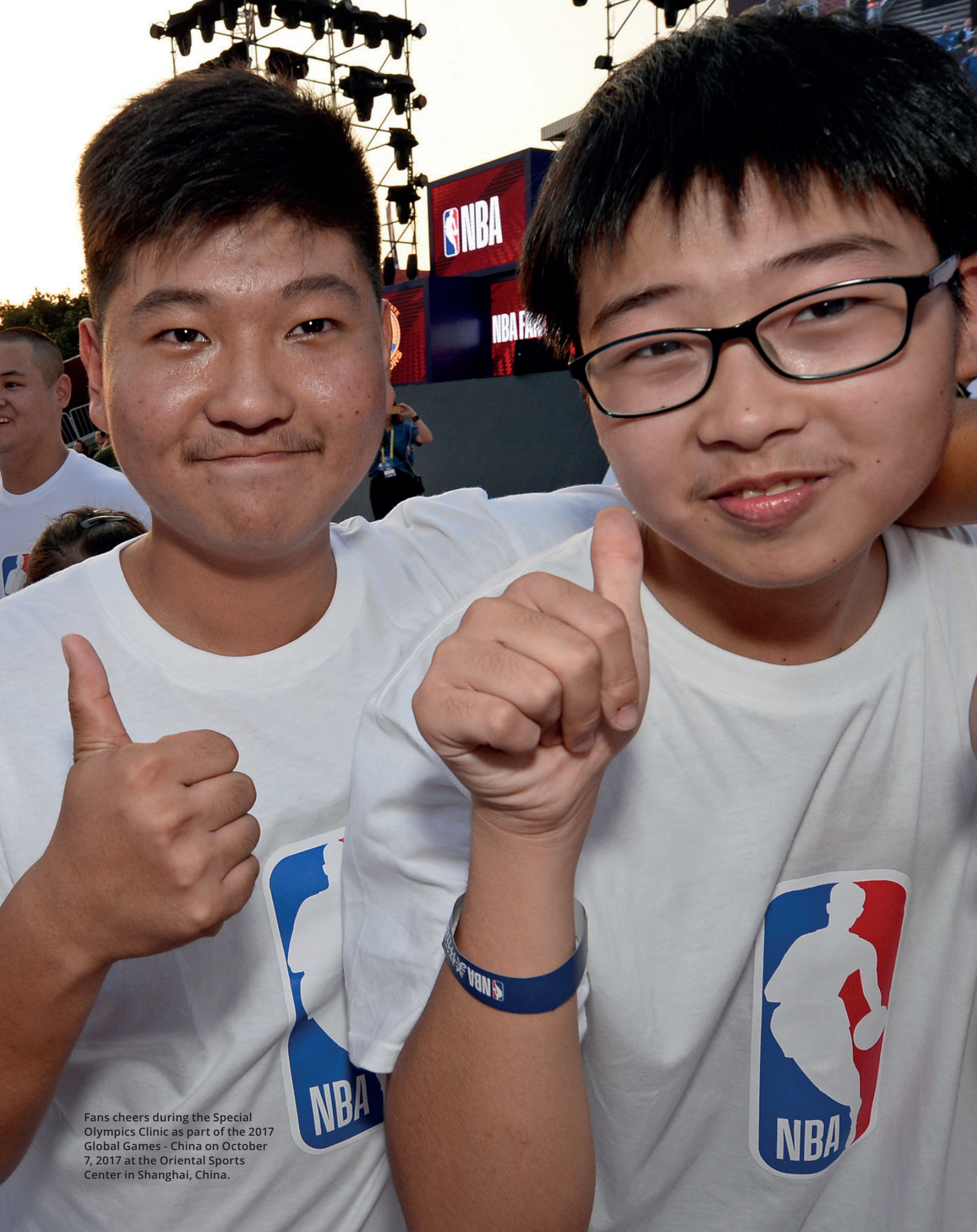
NIelsen SPORTS

# CHINA

## NEXT GENERATION SPORTS CONSUMERS







Fans cheer during the Special Olympics Clinic as part of the 2017 Global Games - China on October 7, 2017 at the Oriental Sports Center in Shanghai, China.

# CONTENTS

<b>THE CHANGING FACE OF CHINESE CONSUMERS</b>	06
<b>THE CONTINUING RISE OF BASKETBALL</b>	08
<b>CHINA'S GROWING FOOTBALL FOOTPRINT</b>	10
<b>ATTITUDES TOWARDS SPONSORSHIP</b>	14
<b>ESPORTS IN CHINA</b>	16



# INTRODUCTION

## THE CHINA OPPORTUNITY



**Glenn Lovett**  
Global Managing  
Director,  
Nielsen Sports

For rights holders and brands working to establish themselves in the market, or those still examining the opportunity, there is no doubt that China represents a challenging and complex playing field. The size of the opportunity, however, is undeniable. Of the world's 50 most populated cities, 17 are in China. The country's population – currently around 1.4 billion – represents over 18 percent of the world's total. Throw in the government's much-publicised national targets for sports development and the opportunity is unparalleled.

The global major events swing towards Asia over the next few years includes next year's FIBA World Cup, basketball's premier national team competition, which will be staged across eight Chinese cities, and the 2022 Winter Olympics, when Beijing will become the first city to have staged both the summer and winter versions. Hangzhou, meanwhile, is preparing for the Asian Games that same year. In between, China will continue to host its regular diet of annual sporting events – Shanghai, for example, has hosted a Formula 1 Grand Prix each year since 2004, the Women's Tennis Association has agreed to host its WTA Finals tournament in Shenzhen from 2019 until 2028, while in golf the WGC-HSBC Champions has established itself as one of golf's biggest tournaments outside the Majors.

**“OF THE WORLD’S 50 MOST  
POPULATED CITIES, 17 ARE IN CHINA.”**

Eyeing the opportunity to connect with, engage and ultimately monetize an enormous new fan base, the major leagues of North America and Europe are investing time and resources in China. These are wide-ranging strategies, covering everything from sponsorship acquisition and activation to strategic partnerships designed to

develop sports from the bottom up, broadcast rights arrangements to staging events and opening dedicated offices in the country. It has become common practice for Europe's major soccer teams to travel to China for pre-season matches during the summer, while the National Hockey League (NHL) played pre-season games in Beijing last year and will again this season, and the NBA – international pioneers in China – created a dedicated NBA China offshoot a decade ago.

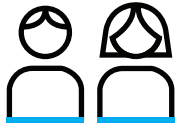
## “THIS REPORT EXAMINES THE EVOLVING CHINESE CONSUMER.”

In China, meanwhile, domestic leagues are rising in prominence and professionalism. The Chinese Super League (CSL), the country's top-level football competition, has grown its international profile largely through eye-catching transfer fees but is working towards a more sustainable long-term model. In basketball, a sport which, as this report shows, is regarded highly favourably by Chinese consumers, the top-tier China Basketball Association (CBA) has been through a restructure designed to take it into its next phase of growth.

As global and Chinese properties find a foothold in this fascinating market, a deep and rich understanding of the Chinese consumer – who they are, what they like and don't like, how they behave, how they are changing and how they are different from fans elsewhere in the world – becomes ever more critical, in order to create, drive and maximise commercial partnerships.

This report, a collaboration between Nielsen Sports and Leaders, examines the evolving Chinese consumer, in particular, the sometimes striking differences between younger and older generations.

# THE CHANGING FACE OF CHINESE CONSUMER INTERESTS



UNDER 30s



17%

DRONE RACING



24%

ESPORTS



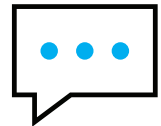
26%

VIRTUAL/AUGMENTED  
REALITY GAMING



28%

ONLINE GAMING



29%

SOCIAL MEDIA



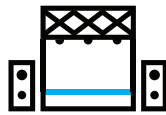
31%

CELEBRITIES



34%

COMEDY



35%

MUSIC CONCERTS  
AND FESTIVALS



36%

PARTICIPATING IN SPORTS



37%

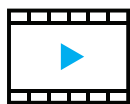
BASKETBALL



BUT BASKETBALL IN  
PARTICULAR

▶ 45%

FAVORITE  
SPORT



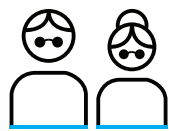
61%

FILM



65%

LISTENING TO MUSIC



OVER 30s



4%

GYMNASTICS



15%

TABLE TENNIS



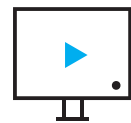
24%

VOLLEYBALL



28%

ASIAN GAMES



30%

WATCHING SPORT  
ON TV

Film, listening to music, fashion, esports and celebrity are some of the most popular activities and interest topics among under 30-year-olds in urban China today, with the appeal of these activities being significantly lower among over 30-year-olds.

The range of interests among the under 30s is also much broader than that of their peers. An increasingly fragmented media market and a shift in consumer habits has had an impact, opening audiences up to an array of choices. As a result, comparisons between the two age groups can be stark. Whilst almost a quarter (24%) of people over 30 years old are interested in volleyball, a greater proportion of the younger demographic prefer comedy (34%), music concerts (35%) and participating in sport (36%) – in particular, basketball.

# THE CONTINUING RISE OF BASKETBALL

## NBA IN CHINA



**37%**

UNDER 30s  
INTERESTED

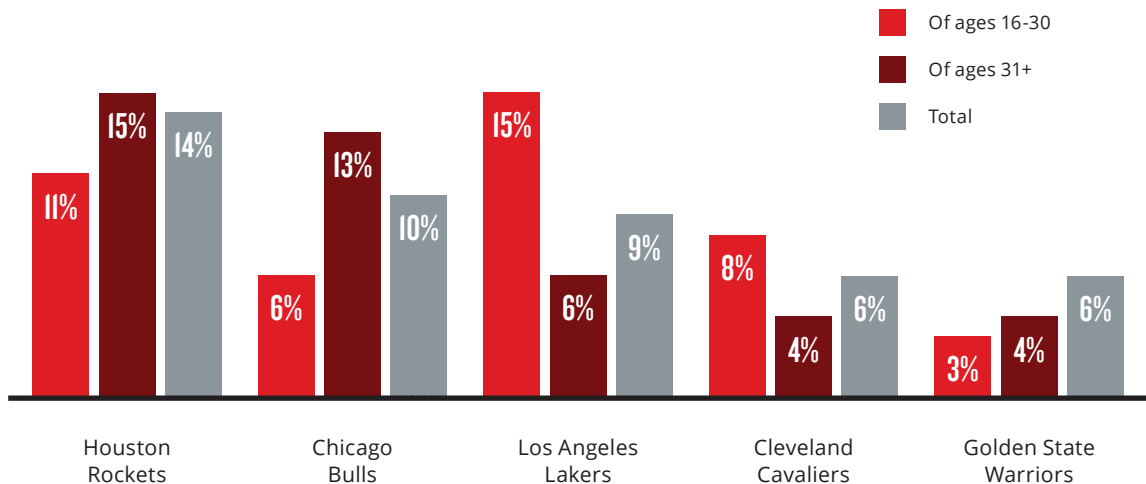
**25%**

OVER 30s  
INTERESTED

The National Basketball Association (NBA) began broadcasting games live in China on China Central Television as long ago as 1987 when the likes of Michael Jordan and Magic Johnson were in their pomp. Last year, according to the league, over 750 million different people in China watched at least one NBA game on television. Or, as the league's outgoing NBA China CEO David Shoemaker put it earlier this year: "If you took the population of China and lined them all up, more than one of every two watched at least one NBA game last year."

## ROCKET POWER: CHINA'S MOST POPULAR NBA TEAMS

The Houston Rockets, the former team of national hero Yao Ming, is China's most popular NBA team by a distance; like the Chicago Bulls, dominant during the Michael Jordan period when NBA games were first being broadcast to China, it is more popular with older fans. That stands in contrast with the Los Angeles Lakers, Cleveland Cavaliers and current champions Golden State Warriors, which attract a larger proportion of younger fans – a reflection, at least in part, of younger Chinese fans' interest in international stars and celebrities such as



Source: Nielsen Sports DNA



## LEADERS FOCUS

## NBA CHINA: PATIENT INVESTMENT PAYING DIVIDENDS

“We haven’t been able to do it more quickly than anyone; we’ve just been at it for much longer,” David Shoemaker, the outgoing CEO of NBA China told Leaders earlier this year. “One of the secrets to monetising the NBA in a challenging environment here in China is that we’ve got this long history and we’ve been very patient and we’ve invested over the course of decades. I say this to many people who ask me how to create a following in China: I think my first bit of advice is to be patient.” Shoemaker headed up NBA China between 2011 and 2018 before handing over the reins in May to former DirecTV executive Derek Chang. Leaders asked him to reflect on his period at the helm.

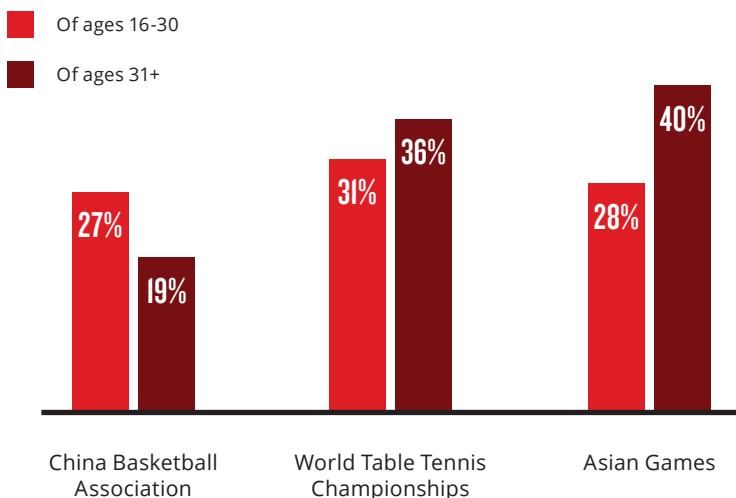
“I think the second thing that we have really committed ourselves to doing is to be really genuine with our fans, and, for example, when we bring our China games on an annual basis to China, we do our level best to stage the most authentic experience we possibly can for our fans so that, let’s say we’re in Shanghai in the Mercedes-Benz Arena – if you didn’t know better, you’d say you were in the Staples Center in Los Angeles. The teams are there, the dance teams are there, the dunk teams are there, the DJ shows up, the video boards are fully programmed, all of the entertainment that you come to expect with an NBA game we bring to China so that we can deliver that authentic NBA experience to our fans.

“The third thing is that we’ve been very fortunate, although we don’t always get it right, to work with a long list of great partners. And the last thing is we do our best to be creative and adapt; this is a very fast-moving and technologically advanced market and so there are many things that we do here in China that we don’t do anywhere else in the world. Adapting our business to the wants of our fans here in China has certainly served us well.

“We’ve hosted 13 NBA games in China since I started in 2011, all were sellouts, all big successes and all a lot of fun to do. And in fact, we haven’t yet crossed this milestone, but I’ll look at it with real pride when we do: we’ve nearly had half of the NBA come to China to play games – we’re at the 14-team mark so far and next October we’ll have crossed that threshold.

“And perhaps the partnership I take the most ownership of would have been our comprehensive partnership with Tencent, which is sort of huge for us here in China, but also the NBA’s largest international deal period. And I think it’s fair to say, looking back at it, that it’s really transformed the way in which the viewers of our sport watch and appreciate NBA games.”

## CHINESE INTEREST LEVELS IN SELECTED SPORTS PROPERTIES



The China Basketball Association (CBA) has firmly established itself as one of the country’s major sports properties over the past 20 years. Like the NBA, it tends to engage a younger audience, contrasting sharply with the likes of the World Table Tennis Championships and Asian Games.

Source: Nielsen Sports DNA

# CHINA'S GROWING FOOTBALL FOOTPRINT

For Europe's major football clubs, teams competing in the Chinese Super League, the country's top-tier domestic league, and partner brands the scale of the Chinese market represents a unique opportunity. In China, football has boomed off the back of the country's broader economic and sports industry strategies. The sport has benefited from President Xi Jinping's personal interest in it and his desire to one day host the FIFA World Cup. Investment by Chinese businesses in the domestic league has turned it from an obscurity into a competition that has lured genuine global star players.

## INTERESTED IN FOOTBALL



**187 M**

CHINA URBAN POPULATION

**131 M**

EUROPEAN LEAGUES: ENGLAND, FRANCE, GERMANY, SPAIN, ITALY

## CHINA (urban population)



**32%**  
OF URBAN POPULATION



**45%**  
OF MEN



**20%**  
OF WOMEN

Of ages 16-24	<b>42%</b>
Of ages 25-34	<b>33%</b>
Of ages 35-44	<b>33%</b>
Of ages 45-54	<b>29%</b>
Of ages 55-69	<b>28%</b>



**30%**  
of **low** income earners

**31%**  
of **medium** income earners

**36%**  
of **high** income earners

## SPONSORSHIP AND THE CHINESE SUPER LEAGUE

Sponsorship is an emerging revenue stream for the 16-team Chinese Super League and its clubs. As CSL General Manager Alex Dong told Leaders earlier this year: “From the company side, we signed a big TV deal two years ago and we still have that for the coming years. All the clubs have a share from the TV deal – not equally, because we give a share relating to their performance in the league – but also other sponsorship income. The clubs themselves can also sell a certain percentage of the LED boards and they also have ticketing income and licensing programmes, which is very small at the moment but something we’ve seen a big growth in over the past one or two years. We’re helping the clubs increase matchday income. The biggest proportion of the income still comes from the owners of the clubs, but now the clubs are having better revenues per year.”

Nearly half of all media value delivered for sponsors during the 2017 Chinese Super League season was via financial services companies that have likely been attracted to football to help improve brand perception.

## SPONSORSHIP BRAND EXPOSURE BY CATEGORY

### CHINESE SUPER LEAGUE 2017

1.	<b>Finance and insurance</b>	<b>46%</b>
2.	Apparel	<b>13%</b>
3.	Car manufacturers	<b>9%</b>
4.	Non-alcoholic beverages	<b>6%</b>
5.	Real estate	<b>5%</b>

## ADVERTISING SPEND ACROSS BROADCASTS BY CATEGORY

### CHINESE SUPER LEAGUE 2017

1.	<b>Car manufacturers</b>	<b>23%</b>
2.	Non-alcoholic beverages	<b>15%</b>
3.	Alcoholic beverages	<b>14%</b>
4.	Sports-related	<b>8%</b>
5.	Pharmaceutical	<b>8%</b>

Source: World Football Report 2018

# VALUE DELIVERED BY SPONSORSHIP POSITION

## CHINESE SUPER LEAGUE 2017

1.	LED board	32%
2.	Front of jersey	20%
3.	Back of shirt	15%

### LEADERS FOCUS

## CSL GENERAL MANAGER ALEX DONG ON TICKETING CULTURE

“The average ticket prices depend on the city – Beijing and Guangzhou are quite expensive, whereas other cities may have a cheaper price. People are getting used to buying tickets, especially season tickets – in Beijing they sell a

minimum of 25,000 season tickets before the season started, Guangzhou is the same, both Shanghai teams. In the past people have been used to getting tickets for free, but now they are really starting to buy tickets.”

## FOOTBALL CLUB INTEREST

Spain’s La Liga giants and both Manchester clubs are among those which skew younger in terms of interest in China. Over 30s – a group likely to have more disposable income - are more likely to be interested in Serie A clubs AC Milan, Internazionale and Juventus, a legacy of the Italian league being the first international football league to be broadcast into China in the 1980s. The Supercoppa Italiana – the annual season opener played between league and cup winners – has been played in China four times since 2009.



**UNDER 30S ARE MORE LIKELY TO BE INTERESTED IN:**

1. Guangzhou Evergrande
2. FC Barcelona
3. Real Madrid
4. Manchester City
5. Manchester United



**OVER 30S ARE MORE LIKELY TO BE INTERESTED IN:**

1. Shanghai Shenhua
2. AC Milan
3. Internazionale
4. Juventus
5. Chelsea





Chinese fans shout slogans to show their support for Beijing Sinobo Guoan.

## LEADERS FOCUS

# CSL GENERAL MANAGER ALEX DONG ON THE FUTURE

"We are trying to consolidate our position as the leading league in Asia but in a healthier way – not just to be number one in spending money, but also having better organisation, better performance in AFC club competition and asking

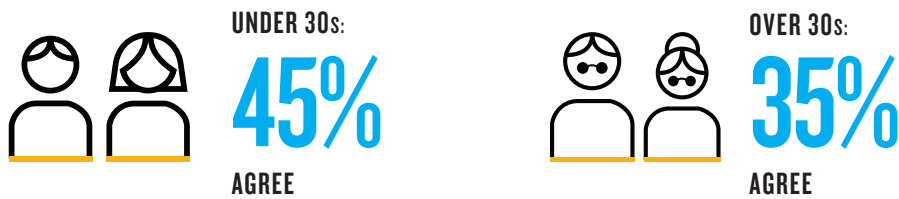
teams to have youth teams, which is compulsory policy now. This is an important policy of CSL, to have more sustainable development in future and to make sure we're not only buying players but producing players."

# ATTITUDES TOWARDS SPONSORSHIP

There is a clear generational split in Chinese attitudes towards sponsorship. In general, younger people believe that sponsorship makes brands more appealing. They are more likely to choose a sponsor's product if there's a choice, and in general are much more accepting than older people of the whole concept of sponsorship.

## CHOOSING A SPONSOR'S PRODUCT

TO WHAT EXTENT WOULD CHINESE CONSUMERS CHOOSE A SPONSOR'S PRODUCT VERSUS A RIVAL BRAND IF PRICE AND QUALITY WERE THE SAME:



## WHICH BRANDS DO CHINESE CONSUMERS ASSOCIATE (UNPROMPTED) WITH SPORT IN CHINA?

Company	Sector
Nike	Sportswear
Li-Ning	Sportswear
adidas	Sportswear
Anta	Sportswear
Jordan	Sportswear
Coca-Cola	Beverages
Pepsi	Beverages
361°	Sportswear
Xtep	Sportswear
Red Bull	Beverages

Source: Nielsen Sports DNA





Lebron James fans during his appearance at the Rise Academy Challenge on September 5th, 2017.

## LEADERS FOCUS

# ANTA: SIGNING STARS AND TARGETING CAMPUSES

Major Zhu is the Head of Marketing at Chinese sportswear giant Anta, responsible for brand strategy, monitoring the creative process and its PR and social media departments across three main categories: basketball, running and training. In a statement of intent last year, the company signed Golden State Warriors star Klay Thompson to a lucrative decade-long deal. “It was quite an easy decision for us to make because we find Klay really unique,” Zhu told Leaders.

**“WE WANT TO ENABLE MORE PEOPLE TO PARTICIPATE IN SPORTS.”**

“He is a very interesting character – he’s very un-star-like, he’s very human. We are a very accessible brand.

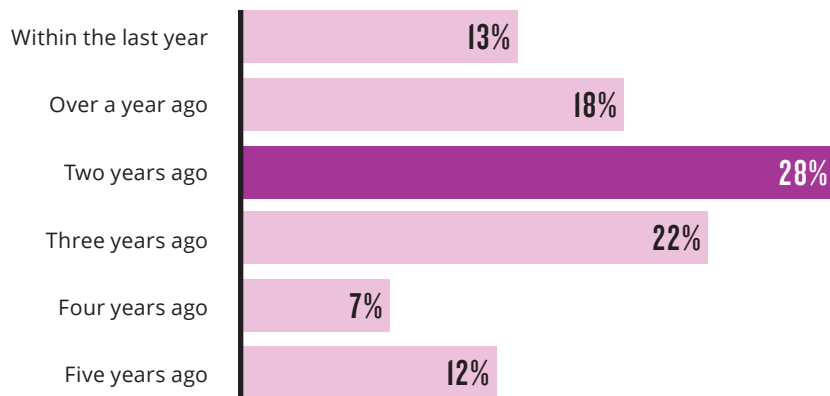
Our mission is to make participating in sports available for everyone. Especially young people, in colleges and high school – they’re at the age of loving sports but they don’t necessarily have the means to buy expensive sports apparel. Our existence is for them to be able to participate in sports. Klay gives that vibe, he has the quality – he inspires, he participates. Our strategy in basketball is focusing on the campus. They are the mainstream customers for basketball goods. Campuses are the strategic foundation of our basketball brand.

“We have a relatively unique position compared to our international competitors. We want to be more accessible, we want to enable more people to participate in sports. I think this is unique to other domestic brands as well as international competitors. We have a mission and all our company behaviours are around that. According to our study, there are still almost 600 million in China who cannot afford a pair of sports shoes, so there are a lot of people to serve where we can bring sports spirit into their life.”

# ESPORTS IN CHINA

The growth of esports in China is undeniable, although the pace of growth has been more gradual than, for example, in Japan with most fans following for around two or three years.

## WHEN DID CHINESE FANS START FOLLOWING ESPORTS?



## MOTIVATIONS FOR FOLLOWING ESPORTS

As with fans in the U.S. and Europe, fans across China are watching esports to share experiences with friends and see the best players compete against each other in competitive, entertaining matches. The pure entertainment factor that comes with gaming events is what drives, in large part, interest in esports across the country. A key factor is the feeling of connection; esports is seen as a way to engage more deeply and connect with the games fans love.

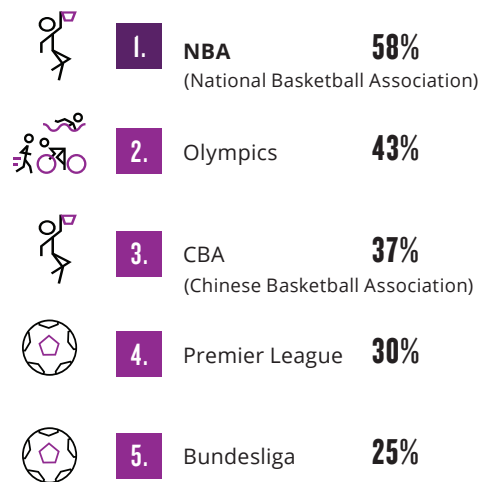
	China
<b>To have experiences with friends who also like esports</b>	35%
<b>To feel more connected/closer to your favorite games</b>	34%
<b>To experience games/gaming in a new and different way</b>	31%
<b>To experience the entertainment aspects</b>	30%
<b>To pass time/out of boredom</b>	29%



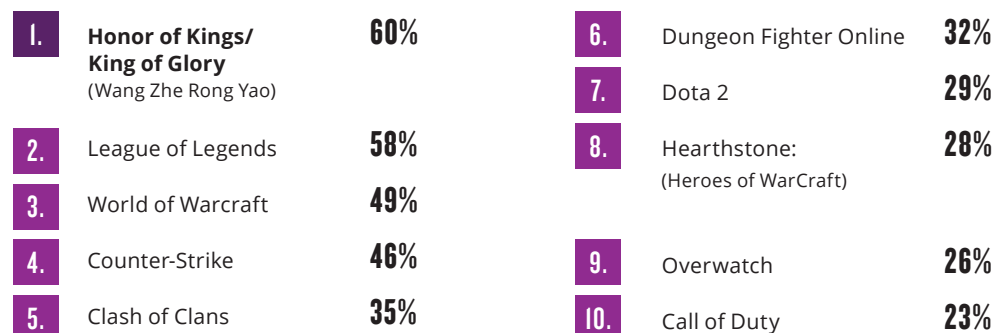
## TOP TRADITIONAL SPORTS LEAGUES/EVENTS FOLLOWED BY ESPORTS FANS

Perhaps, after predictably given the wider interest in basketball across China, the NBA is the sports league most followed by China's esports fans, with the Olympics (which includes a basketball competition) and the Chinese Basketball Association also making the top three.

### CHINA



### CHINA



Source: Nielsen Esports Playbook: Asia

# CONCLUSION

China's under 30-year-olds have a much broader range of interests, inside and outside sport, are more likely to be interested in international sports brands and are more accepting of the commercialisation of sport. Combined with China's shifting media landscape and the changing consumer habits of a new generation, notably a huge focus on communication through social media, it is those who build up a full picture of the Chinese fan that will thrive in this massive, complicated and increasingly competitive market.

## 1 | DISTRIBUTOR DISRUPTION

New communications channels, fueled by new technology and increased connectivity, have emerged, providing more choice and easier access for Chinese fans – and a more complex landscape for rights holders inside and outside China to navigate.

## 2 | ESPORTS EVOLUTION

As in other markets, esports is a rapidly emerging form of interactive entertainment for China's youth; there is a major opportunity growing for savvy brands looking to capitalise via new sponsorship assets such as teams, tournaments and players.

## 3 | CONTENT RULES

Given the significant differences in interest levels for various activities between younger and older Chinese consumers and the 24/7 nature of content consumption, developing the right content for the right target market will become an increasingly important element of any sports-related campaign in China.

## 4 | SPONSORSHIP TO PARTNERSHIP

Sponsorship remains a relatively new concept in China, but a new generation with more positive attitudes towards commercialisation is rising; for brands and rights holders understanding how a sponsorship works and what success looks like has never been more crucial.

## 5 | SPORTS IN OUR CHANGING SOCIETY

Increasing participation in sport – and promoting healthy lifestyles – is a key tenet of the Chinese government’s wider strategy for sports development. China’s under 30 population is more interested than older consumers in sports participation, so it will be no surprise to see more rights holders – domestic and foreign – lay out multifaceted strategies to engage and encourage this group to take up their sport. Basketball is already leading the way.

## ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit [www.nielsen.com](http://www.nielsen.com).

Photography: Front-Cover: AFP Photo/ Han jingyu; Page 2: Getty Images/ David Dow; Page 13: AFP/ Wu ao; Page 15: Getty Images/ Power Sport Images

For further information please contact:



**Mike Wragg**

Global Head of Research, Nielsen Sports

[mike.wragg@nielsen.com](mailto:mike.wragg@nielsen.com)



**THE SCIENCE BEHIND WHAT'S NEXT™**