



Are Sports Really the Glue Holding the Cable Bundle Together?

It's undeniable that the cable industry has been in a bit of turmoil over the last several years. The growth rate of cable subscriptions has been trending downwards, while the cord-cutting phenomenon and its effect on the television industry has been the subject of much speculation.

In the midst of this discussion, sports have long been pegged as the linchpin keeping the traditional cable bundle together. So when announcements came down that ESPN would be included in Dish's new \$20/month streaming TV service, and that NBC had decided to live-stream the Super Bowl for all viewers, there were plenty of people who assumed this would be the end of the cable bundle as we know it.

But were they right?

Clearleap, a company that works with the likes of Scripps, A+E Networks, Time Warner, and the NFL to get their content on every screen, set out to discover what role live sports really play in the well-being of the cable bundle. The results were interesting, and they challenge many of the widely held assumptions about what's keeping many consumers from cutting the cord.

METHODOLOGY

We conducted an online survey of 435 consumers between the ages 18-49 in January 2015. The goal was to examine how viewers consume sports programming in order to gain insight into the significance of this content for the broader pay-TV landscape. For the purposes of this study, a “sports fan” is any respondent who indicated that they often watch at least one sport.

SURVEY HIGHLIGHTS

Sports may not be the cable bundle’s linchpin after all:

There isn’t a lot of evidence to support the notion that sports are keeping subscribers tied to the bundle. Sixty-seven percent of cable subscribers stated that sports weren’t the reason they maintained a subscription, and that they watch many other cable

programs. Even those respondents who identified as sports fans weren’t overly tied to the bundle because they needed their sports fix – nearly half said they watch plenty of other shows that require a cable subscription.

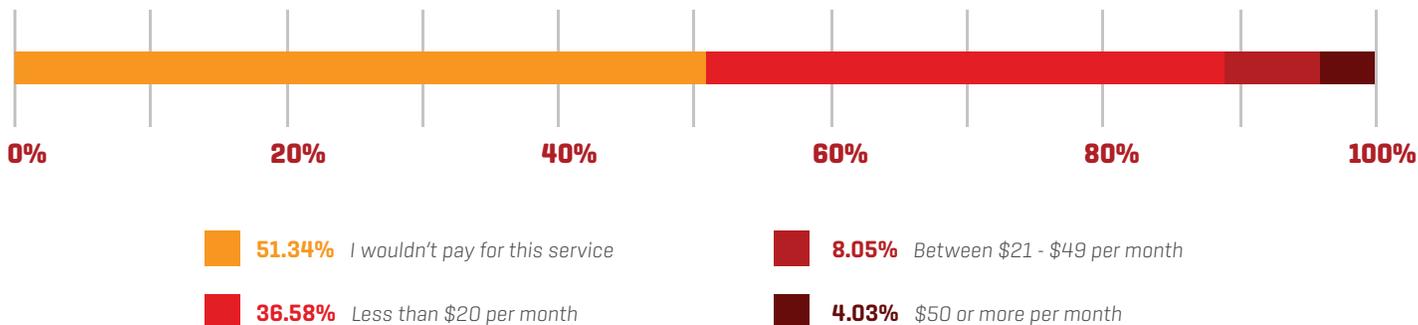
Roughly 1 in 3 sports fans would pay \$20 or less per month to stream sports without a cable subscription:

Of those sports fans surveyed, 36.58% agreed that they would pay \$20 per month (or less) in order to stream their favorite sport without a cable subscription. The price bracket suggests that perhaps fans have assigned sports content the same value as premium programming: Sling TV charges \$20 a month, HBO Now has a \$14.99 monthly fee, and -- while no official fee has been stated -- Showtime is rumored to charge no less than \$15, and likely upwards of \$18+ a month.

On the other hand, half of sports fans surveyed indicated that they wouldn’t subscribe to such a service at any price if it existed. This is particularly interesting when you consider that football fans seeking out-of-market games pay up to \$58 a month for NFL Sunday Ticket. (Even when accounting for those respondents who self-identified as football fans, less than 10% said they would pay more than \$20/month).

SURVEY HIGHLIGHTS

If a cable subscription was NOT required, what is the MOST you would pay to stream your favorite sport on your mobile device, laptop, or via a streaming box (Roku, Apple TV)?



Fans of the "Big Three" American sports are the least likely to watch sports on devices other than traditional TV:

When it comes to their preferred format for watching sports, football, basketball, and baseball fans overwhelmingly prefer traditional TV. When you look at sports outside of the Big 3, there is an interesting difference. Soccer and hockey fans were 14% and 13% more likely than fans of the Big Three to use

streaming boxes, gaming consoles, smart phones and laptops to watch live sports. This data suggests that fans of lesser-watched sports are especially passionate, making the effort to go above and beyond to find and view the games that they love.

The Second Screen Question

First, we attempted to get a baseline for how tech-savvy our respondents were by asking them how often they logged in via their cable provider to watch TV on other devices. Of those respondents who subscribe to cable, more than half had never used this service.



FINDINGS

How often do you log in via your cable provider to watch TV on another device?

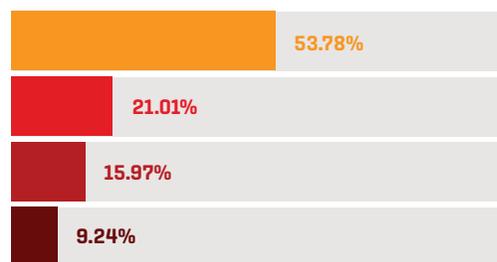


- **57.09%**
I have never watched TV on another device by using my cable log-in
- **20.76%**
A few times per year
- **7.96%**
At least once per month
- **7.27%**
At least once per week
- **6.92%**
At least once per day

For sports fans with a cable subscription that did report using TV Everywhere, we dug in a bit to see what kind of content they were watching. While TV shows and movies/documentaries continue to be the most-watched content -- clocking in at 51.43% and 21.9%, respectively -- there is an interesting trend to watch for sports.

Among sports fans that watched TV content on other devices, about one in five people -- 23.81% -- most often watch sporting events (both regular games and infrequent events like the Olympics) after logging in. This becomes even more significant when observed through the lens of potential growth: 46.22% of sports fans don't use TV Everywhere because they either didn't know the service was available, they don't know how to log in, or because they felt it was too difficult to use. If these issues are addressed, the number of consumers watching sports via TV Everywhere could increase.

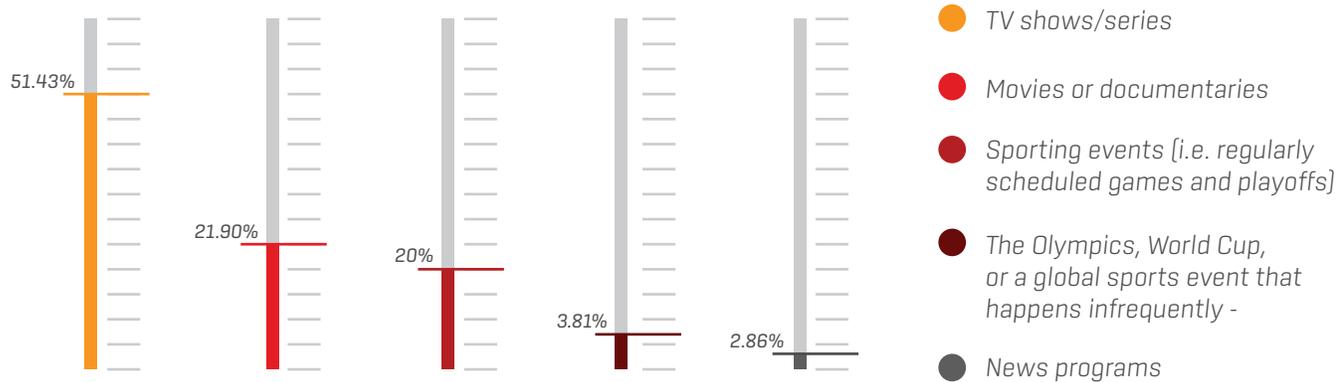
Choose the answer that best explains why you don't use TV Everywhere services:



- **53.78%** *I prefer to watch TV on a big screen only*
- **21.01%** *I did not know this service was available*
- **15.97%** *I don't know how to log in / I don't know my password*
- **9.24%** *It's too difficult to use / I don't like the user experience*

FINDINGS

Which type of content do you most often watch after logging in?

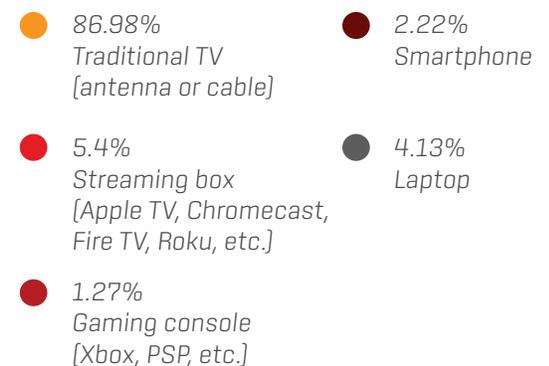
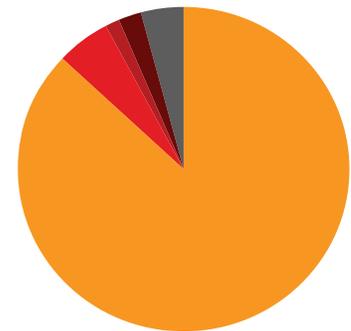


SMARTPHONES, APPS AND CONSOLES - OH MY!

Next we wanted to dig in and find out how sports fans were getting their content — both TV and otherwise. So we looked at what viewing platforms fans were most likely to use, as well as how they were using sports-related apps.

Unsurprisingly, traditional TV was far and away the most popular platform for watching sports. There are, however, interesting differences among fans of specific sports. The graph to the right illustrates responses from all sports fans surveyed.

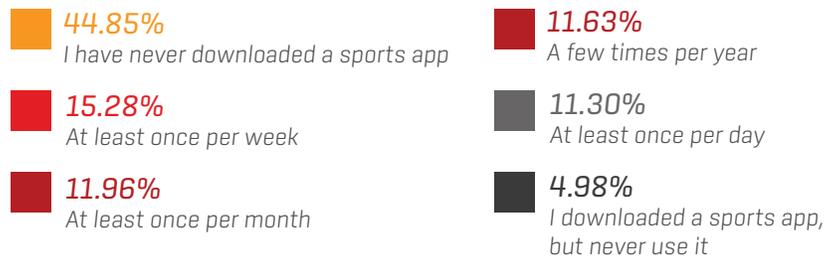
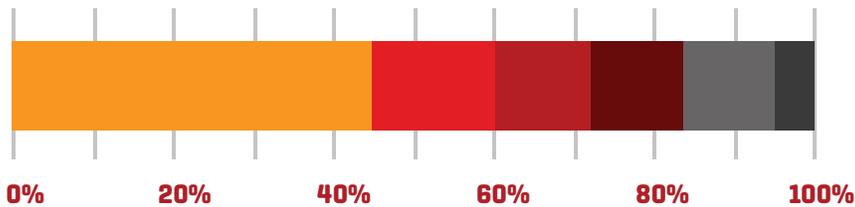
How do you typically watch live sports?



FINDINGS

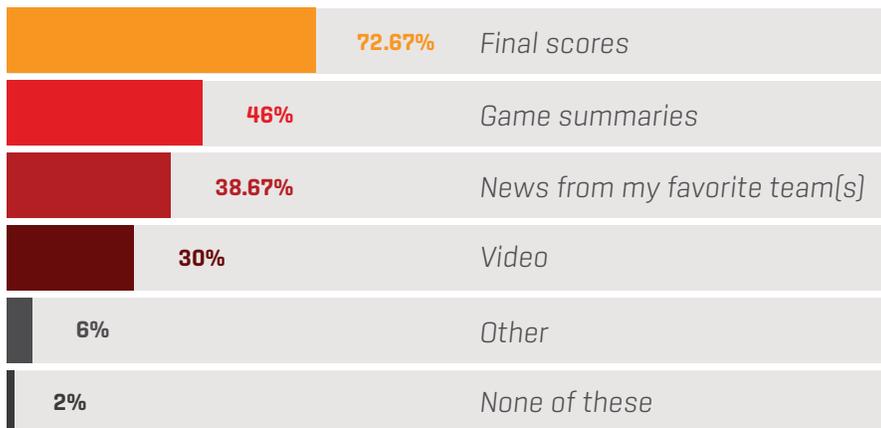
Interestingly, nearly 45% of sports fans had never downloaded a sports-related app. Usage amongst those who had was sporadic, with nearly equal numbers reporting daily, weekly, monthly and annual usage.

How often do you use apps to follow your favorite sport?



A closer look at the data revealed that final scores, game summaries, team news, and highlight clips are the most popular functions within sports-related app.

What features in the app do you use the most?



SPORTS FANS & CORD-CUTTING

It's long been thought that a standalone sports service would signal the death of the traditional cable package, so we were surprised to discover that sports aren't keeping most fans tied to the bundle. Nearly half of sports fans surveyed indicated that they watch enough other shows to prevent them from canceling their subscription.

ABOUT CLEARLEAP, INC.

Clearleap's multiscreen platform powers compelling new multiscreen business opportunities for premium content owners and pay TV providers. Today, household names such as HBO, A+E Networks, the NFL, BBC America, Sony Movie Channel, Scripps Networks Interactive, Time Warner Cable, and Verizon trust Clearleap with mission critical services. Privately held, Clearleap is headquartered in Atlanta, Georgia with an office in New York City, European headquarters in Amsterdam, Netherlands and Latin American Headquarters in Miami, Florida. Clearleap has data center hubs strategically placed across the United States and Europe. For more information, please visit www.clearleap.com.