**How We Got Here: The Sports Industry's Windfall**

*Sports didn't create a revolution—it successfully rode the wave of media fragmentation to unprecedented profitability*

The sports industry finds itself in an enviable position, having achieved unprecedented financial success not through radical innovation but by following the most logical financial optimization path as circumstances evolved around it. As the media landscape fragmented over recent decades, with audiences scattered across hundreds of cable channels, streaming platforms, and digital destinations, live sports emerged as one of the few remaining appointment-viewing experiences. This scarcity made sports content increasingly valuable to advertisers and broadcasters desperate for guaranteed audiences.

Sports organizations didn't orchestrate this transformation; they simply capitalized on favorable market conditions. Media rights deals now shatter records routinely, with multi-billion-dollar agreements becoming standard rather than exceptional. In 2025, U.S. sports media rights payments are projected to reach [$29.25 billion](https://www.spglobal.com/market-intelligence/en/news-insights/research/sports-rights-in-the-us-to-reach-37-billion-by-2030) across broadcast, cable, and streaming platforms, double the total from 2025. Franchise valuations have soared accordingly, with the average NFL team now worth [over $6.5 billion](https://www.cnbc.com/2024/09/05/official-nfl-team-valuations-2024.html). The US sports sponsorship market is projected to reach [$115 billion](https://www.pwc.com/us/en/industries/tmt/library/sports-outlook-north-america.html) in media value in 2025, while sports betting generated a record [$13.71 billion](https://www.cbssports.com/betting/news/2024-a-year-of-growth-for-sports-betting-revenue/) in revenue in 2024.

This windfall stemmed from sports content being historically under monetized relative to its audience engagement and loyalty. As consumer spending power increased and the media landscape fragmented, sports organizations systematically monetized what was previously undervalued inventory. They diversified revenue streams through documentaries, fantasy leagues, betting platforms, and social media content, multiplying touchpoints for fan engagement while extracting extraordinary value from a fundamentally stable fanbase.

When you have been so successful making money in the entertainment paradigm increasing revenue by effectively monetizing deep desires and fragmented access, it becomes tempting to start relying on the entire entertainment playbook also when you are faced with challenges that don’t really fit that.

**The Hidden Challenge: Fan Acquisition Has Flatlined**

*You might assume that amid this significant revenue growth, we would see similar growth in the number of sports fans. But that's not true. Sports fandom has stagnated and the fan replacement rate is at risk.*

Beneath this financial success lies a concerning reality that threatens long-term sustainability.

Outside of natural demographic replacement, we don't actually see more people becoming sports fans. From a fandom perspective, the industry has remained remarkably stable for many decades. While time spent watching the games and revenue per fan have exploded, the total addressable market of core fans—those with consistent and long-term sports viewership rather than ad-hoc and situation consumption—has not grown proportionally. [Dave/Ben to insert data point]

Why is this a problem? Because acquiring fans today is harder than ever before, and this difficulty could ultimately threaten market size from a participation perspective, leading to long-term revenue impacts that current metrics don't capture.

Two overarching challenges explain why fan acquisition has stagnated, each representing distinct but interconnected barriers to building new audiences:

**Access Barriers**  
The very success of sports monetization creates systematic obstacles that exclude potential fans. Games consistently scheduled at 8:30 PM or later to maximize television revenue prevent family viewing rituals that historically created lifelong fans. Extensive paywalls and premium pricing optimize short-term revenue while inadvertently excluding families and communities from shared experiences. The collapse of RSNs is significantly impacting the ability fans’ ability to watch MLB games, particularly in their local markets. When the mechanisms that traditionally built fandom become less accessible, organic growth inevitably slows.

**Societal Structure Changes**  
Beyond access, fundamental shifts in how Americans live and spend time together have undermined the social infrastructure that enabled intergenerational transfer of sports traditions. Two key dynamics, that are continuing to evolve and change, drive this transformation:

*Attention Competition and ‘Alone Together’ Experiences*: Digital distractions have fragmented even rare family viewing occasions. When families watch sports together, at home or in stadiums, phones immediately create individual entertainment bubbles that prevent the shared emotional experiences and memories that build lasting connections. Sports-related ‘distractions’ – e.g., fantasy leagues, sports betting – while meant to enhance the fan experience, contribute to these bubbles. In a study we did exploring the on-ramps for kids into sports fandom, one mom said:

*"My husband is in 4 fantasy leagues…on Sundays he’s watching games and texting friends the whole day. The boys don’t want to watch with him, and I get it.”*

It’s not only parents. [Only 19% of younger fans](https://www.pwc.com/us/en/industries/tmt/library/engaging-younger-sports-fans.html) say they watch an entire game when they tune in at home - and when they do, they’re almost always doing something else at the same time. More than two-thirds said they use social media during an event, 47% surf the web and 24% play video games while watching sports. In sum: even when physically present together, family members inhabit separate digital worlds, resulting in fewer opportunities for children to develop emotional bonds with sports through parental enthusiasm.

*Evolving Family Dynamics*: Traditional family roles that historically facilitated sports transmission are changing rapidly. It used to be that a father could watch the full slate of NFL games on a Sunday with his kids, neighbors, and friends. It was the rare moment for kids to connect with their dads, with mothers often playing a supporting role – setting out the food, drinks, to make this kind of communal gathering happen. But the classic American family of the SUV driving, stay at home mom and busy, often absent, dad, with a TV at the center of family life is no longer the default family archetype. Today, 18 % of stay-at-home parents in the US are fathers, a 15% increase from 30 years ago[[1]](#footnote-1), and 72% of moms in the US are employed, a 34% increase from 50 years ago.[[2]](#footnote-2)  Fathers no longer have presumed weekend viewing privileges, while mothers increasingly reject supporting roles in family sports rituals without meaningful participation opportunities. As family time becomes more negotiated and egalitarian, sports is competing for attention rather than commanding it by default. As a result, kids aren’t naturally being onboarded to sports through their father at the same rates they once were.

**Therefore, We Must Take the Customer Acquisition Problem Seriously**

*And the answer to our problem is to invest in belonging.*

**Reframing the Core Product: From Entertainment to Belonging**

*Because classic entertainment strategies have worked, it's easy to think purely in entertainment terms—but that misses sports' greatest asset*

The success of entertainment-focused monetization strategies has created a cognitive trap that prevents the industry from recognizing its most valuable asset. When premium pricing, spectacular production values, and exclusive content consistently drive revenue growth, it becomes natural to view sports through an entertainment lens. Consider how leagues invest millions in halftime shows, video boards, and celebrity partnerships designed to increase spectacle and production value.

Sports is entertaining, but sports isn’t entertainment, it’s belonging. Yes, sports can be entertaining, and at times it certainly needs to deliver the benefit of being entertained, but reducing it to entertainment fundamentally misunderstands what drives people to remain loyal through decades of disappointment, to pay premiums that defy rational economic behavior, and to integrate team loyalties into their core identities. When we frame sports as entertainment, we compete directly with Netflix, gaming, and social media for audience attention. When we recognize sports as belonging, we occupy an entirely different economic category with different competitive dynamics and pricing power.

Consider the paradox that reveals this distinction: tens of thousands of fans remaining at Soldier Field in freezing temperatures to watch their team lose an unimportant game. This behavior makes no sense through an entertainment lens but perfect sense through a belonging lens. These fans aren't consuming an entertainment product; they're affirming membership in a community that transcends individual game outcomes or seasonal performance.

**The Economic Power of Belonging**

*Belonging transforms fan relationships through three economic advantages: reduced acquisition costs, extended lifetime value, and premium pricing power*

Understanding this distinction reveals three distinct economic advantages that fundamentally transform the unit economics of fan relationships:

**1. Belonging Dramatically Reduces Customer Acquisition Costs**

Using the marketing playbook of the entertainment industry to acquire sports fans is expensive and increasingly ineffective in a fragmented attention economy. Belonging creates organic customer acquisition through both intergenerational transfer and broader community activation that has so far operated at virtually zero cost to the industry.

The mechanism is elegantly simple yet economically powerful. Fans with deep emotional connections become natural evangelists who integrate sports into communal traditions rather than merely consuming content. A father takes his daughter to her first baseball game not as entertainment but as cultural initiation. A passionate fan hosts neighbors for Sunday football barbecues, gradually converting casual observers into invested community members through repeated exposure to belonging-driven experiences. They bring the party.

This evangelism doesn't just reduce acquisition costs—it actively generates revenue during the acquisition process. Parents buy youth jerseys and enroll children in local leagues. Hosts upgrade to premium cable packages for watch parties. Fans introduced by age 14 are [92% more engaged](https://twocircles.com/gb/articles/report-5-foundations-for-fan-origination/), [active, and enthused](https://twocircles.com/gb/articles/report-5-foundations-for-fan-origination/) throughout their lives.

**2. Belonging Extends and Sustains Customer Lifetime Engagement, ultimately generating greater Customer Lifetime Value**

Belonging creates a persistent community that transcends game calendars and winning streaks entirely.

When fans develop authentic connections to team identity and community, they don't hibernate between seasons. They remain actively engaged, creating multiple touchpoints for revenue generation throughout the year. [92%](https://www.statista.com/statistics/1336291/loyalty-sports-team-by-age-usa/) of lifelong fans (age 55+) stay loyal through losing seasons. [55% report](https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/developing-sports-marketing-strategies-year-round.html) that meaningful year-round engagement would increase their likelihood of purchasing tickets when games resume. According to the [Florida Sports Foundation](https://www.forbes.com/sites/berniepleskoff/2024/02/22/mlb-spring-training-could-bring-1-4-billion-to-arizona-and-florida/), nearly 1.4 million fans attended Florida spring training games in 2023.[[3]](#footnote-3) 775,000 people attended the [2024 NFL Draft](https://www.cbsnews.com/detroit/news/detroit-reports-213-million-dollar-economic-impact-from-nfl-draft/) setting the record and generating more than $213 million in total spending for Detroit and Southeast Michigan. These are some of the many examples of sustained engagement and revenues from fans who experience a deep sense of belonging.

**3. Belonging Unlocks Premium Pricing Through Identity Economics**

Fans experiencing deep belonging aren't just consumers but community members willing to pay premiums for that privilege. Traditional economic models struggle to explain why fans pay significantly more for community experiences than their apparent utility would suggest. The answer lies in identity economics: belonging creates value through connection rather than consumption.

Consider the Green Bay Packers' community ownership model as the ultimate expression of this dynamic. When the Packers offered shares in 2021, more than [176,000 fans purchased over $65 million in stock](https://www.packers.com/news/packers-sixth-stock-offering-adds-176-160-new-shareholders) that provides no dividends, equity appreciation, or tangible benefits. This wasn't a financial investment. It was an investment in belonging, demonstrating fans’ willingness to pay premiums for a deeper community connection.

Premium experiences that foster community connections command prices less susceptible to market forces and performance downturns. A standard jersey costing $60 transforms into a precious artifact commanding over $200 when it represents community membership rather than mere apparel.

**The Strategic Imperative**

*Belonging through sports was built over decades, with societal structures supporting this transmission. We need to actively cultivate it, no matter where we sit in the industry.*

Sports fandom wasn't always a conscious business strategy—it emerged organically through generations of shared family experiences, community traditions, and social rituals that happened naturally within American culture. Fathers automatically passed team loyalties to sons. Neighborhood bars became unofficial team headquarters. Local newspapers covered every game in detail. This infrastructure operated invisibly, creating millions of passionate fans without deliberate cultivation.

That infrastructure no longer functions reliably. The societal structures that supported the intergenerational transmission of sports traditions have fundamentally changed. Family roles have evolved. Digital distractions fragment shared experiences. Alternative entertainment options compete for attention. What once happened organically now requires intentional cultivation.

As competition for consumer attention intensifies and traditional fan acquisition methods face increasing structural headwinds, **every dollar sports organizations spend optimizing entertainment value represents a dollar not invested in the belonging infrastructure that creates sustainable competitive advantages.** The opportunity cost of continuing to compete directly with streaming platforms and gaming for audience attention, while hoping for unpredictable cultural moments to drive temporary revenue spikes, is forgoing free organic fan acquisition and the development of resilient revenue streams that provide stability during inevitable downturns and amplify success during peak moments.

The most successful sports organizations will be those who understand that belonging isn't just an emotional benefit for fans; it's their most valuable economic asset and competitive advantage in an increasingly fragmented entertainment landscape.

**So, how can we build the next generation of fans?**

The sports industry’s current approach to cultivating young fans rests on a fundamental misunderstanding of how fandom actually develops. Faced with declining youth engagement, leagues have doubled down on flashy digital strategies, TikTok highlights, gamified apps, and celebrity athlete partnerships, operating under the assumption that today's kids lack the attention span for traditional sports consumption.

However, research consistently shows that deep sports allegiances form not through viral content or casual exposure, but through early, repeated shared experiences, typically before age fourteen, when family rituals and tribal belonging have their most profound psychological impact. A child who watches games with grandparents, learns team history from parents, or experiences the alchemy of collective hope and disappointment in a stadium doesn't just become a fan; they inherit an identity. Research indicates that fans introduced to sports by age 14 are [92%](https://twocircles.com/gb/articles/report-5-foundations-for-fan-origination/) more engaged, active, and enthused about sports throughout their lives. True fandom isn’t downloaded; it is inherited.

For Gen Z, the communal aspect of watching sports supersedes the content. [61%](https://www2.deloitte.com/us/en/insights/industry/media-and-entertainment/immersive-sports-fandom.html) of Gen Z fans say they’re watching sporting events with other people, and [40%](https://www2.deloitte.com/us/en/insights/industry/media-and-entertainment/immersive-sports-fandom.html) say they’d be more likely to watch an event from home if they were watching with friends or family.

The industry’s current digital-first strategy produces casual consumers who might engage with sports content but lack the emotional investment that drives season ticket purchases, merchandise sales, and generational loyalty that sustains franchises through losing seasons. TikTok can deliver eyeballs but cannot manufacture the deep, irrational attachment that makes someone drive three hours in a snowstorm to watch their team play.

In pursuit of keeping the attention of distracted kids, sports organizations are overlooking their most receptive audience: *families* seeking the shared rituals and belonging that sports can uniquely offer.

1. Pew Research, 2023 [↑](#footnote-ref-1)
2. Pew Research, 2020 [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)