

THE FACTORS DEFINING TALENT  
MARKETING AND ACTIVATION

# Activation's Driving Forces.

in 2021 and beyond

# The six defining factors shaping activation today.

Social trends, the evolution of digital technology and the tastes of younger generations have pushed athletes to the centre of sport's commercial ecosystem.

High-profile individuals may be better placed than organisations to move between the lines of a fluid, complex media environment, but managing their time intelligently to deliver maximum impact has never been more important.



## FACTOR 1

# The future of sports sponsorship and marketing.

**Athletes have always had a central role in growing and refining the appeal of professional sport, through their competitive exploits and commercial endorsements. In the digital era, however, the balance of influence has tipped further in their direction, and it is easier than ever to measure their commercial impact.**

Shorter clips on digital media naturally highlight the individual – the scorer of a goal or performer of a standout piece of skill – over the team. That trend could well be reinforced as rights holders lean into mobile and digital-first consumption patterns for live sport. The National Basketball Association (NBA) began its experiments with low-cost 'microtransactions' back in 2018 and Andrea Agnelli, president of Italian football team Juventus and of the European Club Association, has said he sees them as part of the future of the Uefa Champions League.

In March 2021, the National Hockey League (NHL) and golf's PGA Tour signed partnerships with startup sports content aggregator Buzzer, whose direct-to-consumer service alerts fans of an unmissable period of play developing in an event and allows them to access live short-form

clips. Products like these will only emphasise the role of key moments – and the stars who make them happen – in the sports media ecosystem of the 2020s.

At the same time, the apparent intimacy of social networks has driven the profile of the most prominent athletes ahead of the teams they represent. In this space, the combination of lifestyle elements and personality-driven content has been more appealing than the output of official team and league accounts.

Early in 2021, Portuguese footballer Cristiano Ronaldo became the first person to amass over 500 million followers across Facebook, Instagram and Twitter. 274 million people follow him on Instagram, where the most recent figures indicate there are 1.08 billion monthly active users.

The effects of this have only been accelerating. In its 2019 whitepaper 'Game Changer: Rethinking Sports Experiences for Generation Z', Nielsen Sports noted that Ronaldo had three times as many followers across Twitter and Instagram as his club team, Juventus, and his domestic league, Serie A, combined. As of April 2021, that margin had swollen to five times: Ronaldo has 365.7 million followers on those

two platforms; Juventus and Serie A had just over 67 million across their different language accounts.

Similarly, cricketer Virat Kohli's 147.3 million followers across Twitter and Instagram are nearly three times as many as the combined 53.29 million audiences of the two teams he captains, India and Royal Challengers Bangalore, and the Indian Premier League.

All of that corresponds to wider trends in media and advertising, with Insider Intelligence

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estimating that brands will spend over \$15 billion on influencer marketing by 2022. That outlay will become more targeted and segmented, involving individuals who serve smaller but desirable, identifiable niches.

A similar delineation is likely in sport. In the Olympic movement, for example, athletes are pressuring national bodies to relax Rule 40 restrictions that prevent them promoting non-Games sponsors on their own

channels during each event. Meanwhile, new International Olympic Committee partner Airbnb has created the first directly monetisable activation for athletes with its Experiences programme.

Increasingly, athletes have the tools available to build awareness outside of sport, through interests in fashion, gaming and other forms of entertainment. That offers some compelling possibilities

in brand storytelling, but what comes next could further alter the balance between athletes, teams and governing bodies. The development of uniquely owned IP will allow sports stars to create new sources of value that they control themselves, while the arrival of digital-only products like non-fungible tokens – unique, tradable, blockchain-enabled assets that have already rejuvenated the collectibles market – offers other avenues to explore independently.

# Gen Z.

## FACTOR 2

**The story so far of Generation Z, typically referring to those born between 1997 and 2012, is of a group who move with ease between the digital and physical worlds. As much as young people always set new markers in cultural tastes and political standards, this is the first generation in decades to have its behaviours reinforced by technological and economic change.**

The world as Gen Z sees it is increasingly the one everyone else will live in. It is the first generation with no memory of life before the internet or fully on-demand media. It has only known physical media

in its decline – for many young people, tangible products are valuable as collectibles but not to access their favourite entertainment. Content has always been manipulated for personal expression, in everything from meme culture to creative call and response on platforms like TikTok.

For brands and rights holders, those behaviours are challenging to well-established ways of selling sport. In August 2020, Morning Consult released a survey which said that just 53 per cent of Americans aged 13 to 24 identified as sports fans, compared to 63 per cent of all adults and 69 per cent of millennials. According to the same poll, 24 per cent of those in Gen Z watch sport weekly, compared to 50 per cent of millennials, and 39 per cent say they never watch it at all.

However, it is also a generation engaged in what Nielsen described in 2019 as 'the festivalisation of sport'. Its study suggested that, relative to those aged 25 to 69, those in Gen Z over-index on their interest in music, video games, social media,





fashion, and celebrity culture. Those are elements that promoters and organising bodies can weave into their presentation of sport but it is more straightforward for athletes to move between those lines. In digital third spaces like online gaming, it is possible to shorten the distance even further.

Moreover, life experience has shaped this cohort as much as technological advances. In countries like the US, for example, the collective Gen Z memory is defined economically by the global financial crash of 2008. According to a June 2020 report by BCG, that has tended to make them more financially cautious than millennials, who grew up in more optimistic times even if they entered the workforce in that challenging period.

In developed economies, BCG notes, those in Gen Z are also maturing after many years in which non-discretionary outgoings on expenses like housing have been rising ahead of incomes. Those with independent spending power are more discriminate in what they pay for, concentrating on ecommerce and real-world experiences. According to 2020 research by Nielsen, younger consumers are happy to pay for premium products if they feel they are getting a tailored offer.

This also affects the way Gen Z consumes products in another way, making them likelier than any previous group to make purchasing decisions based on social responsibility. That is significant for brands. It also makes for a more powerful connection between

Gen Z and issue-focused athletes, many of whom will be their peers. As they grapple with challenges like climate change, inequality and racial justice, members of Gen Z are gravitating towards other young people who can represent them in public life.

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**KEY** questions for brands and businesses today must be, what are you doing to ensure you're connecting with Gen Z?

**WHAT** talent are you selecting and why?

**ARE** you sure they have the right attributes to engage this target market?





# Equality, diversity and inclusion.

## FACTOR 3

An important concern for the sports business in the first few months of the Covid-19 pandemic was that recent progress in women's sport, as seen in the audiences for events like the 2019 FIFA Women's World Cup and the ICC Women's T20 World Cup in early 2020, was being lost. Bigger financial commitments made in men's sport were prioritised, giving rise to fears of a visibility gap.

Nonetheless, just as women's events have made a sustained return amid more consistent Covid measures, so the continued financial interest in women's sport has been evident. In England in March 2021, for example, Sky Sports and the BBC confirmed a landmark three-year deal for the domestic broadcast rights to Women's Super League football, with a first-ever rights fee, wider exposure on free-to-air television, and guaranteed marketing spend.

Angel City FC, a future entrant in the NWSL, launched in July 2020 with a starry majority female ownership group including actress Natalie Portman, tennis icon Serena Williams, venture capital leader Kara Nortman and entrepreneur Julie Uhrman,

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who will be the club's president.

As much as brands and investors, however, it is athletes who are driving popular and commercial recognition for women's sport. In March 2021, soccer star Alex Morgan, snowboarder Chloe Kim, swimmer Simone Manuel and basketball's Sue Bird collaborated on the creation of Togethxr, a new media and commerce venture that aims to tell the stories of women involved in elite sport and encompass coverage of culture, fashion and wellness.



'We got tired of waiting for someone to build it,' the founders wrote in a launch statement. 'So we did.'

Actions like those more closely align with the expectations of women's sports fans.

According to the March 2021 Athlete Activism study by MarketCast, the University of Central Florida College of Business Administration and The Institute for Diversity and Ethics in Sport (TIDES), 72 per cent of American fans react positively to athletes calling for gender equality and equal pay. Among US leagues, the fanbases of the Women's National Basketball Association (WNBA) and the National Women's Soccer League (NWSL) are the most supportive of athlete activism.

Individual athletes have also been forthright in demanding more from the industry. In 2019, American sprinter Allyson Felix revealed that she ended an endorsement deal with Nike after it asked her to take a cut in fees when she was expecting her first child. Felix signed with Athleta, but her criticism forced Nike to review its policies around maternity protections and it has since guaranteed athlete pay and bonuses for 18 months around pregnancy and the enforced break from competition.

When Nike released a new campaign aimed at pregnant women in March,

Felix issued a response on her social media accounts.

'I think you should watch this ad,' she wrote. 'It reminds mothers that they are athletes. It celebrates mothers. It speaks truth. It's powerful. It's brilliant marketing. I agree with every word in this ad. I also think you should watch this ad so that you will hold Nike accountable for it.'

Felix's example is one of many demonstrating the power individual performers can exercise when they bring their own experiences to light. Several communities continue to be greatly underrepresented in sport and it will be athlete stories, at every level, that have a major role in fostering greater understanding of what those people face.



**PICKSTAR'S** machine learning software defines talent by over 50 attributes, transforming the common and often unhelpful talent selection process which focuses on gender and perceived ability. Businesses need to define what they want from talent, and importunately, why they want it. Creating authenticity in activation is something increasingly vital for today's engaged, astute, and empowered consumers.



## FACTOR 4

# Talent activism.

**The phenomenon of athlete protest is not new. Sports stars have been using their public profile to speak out on the causes that matter to them for generations with some, like sprinters Tommie Smith and John Carlos at the 1968 Olympics, working with organised groups to develop statements that could make the maximum impact.**

A few things have changed, however, to inspire greater waves of social activism in the past decade. One is that digital media outlets have given individuals greater autonomy in their communication, while also allowing them the means to correct the record when their image is co-opted by political movements and leaders they do not support. Being clear in a public position is an act of control over identity.

The other is that they have been more able to depend on support not just from teams and leagues but from brands. Many sports bodies still place limits on political expression but collective campaigning has become more common, especially in the case

of coordinated action on Black Lives Matter and other inclusivity drives. Similarly, companies faced with more values-driven consumer groups are finding they are better served by firmer stances on social issues.

Nike's 2018 endorsement deal with Colin Kaepernick, signed when his NFL career was effectively over in the wake of his 2016 protests against police brutality and racial injustice, has become a case in point. The sportswear giant weighed any potential backlash against the boost in perception among consumers of its products – many of them in younger demographics – and its decision was proven correct in its financial returns.

There is still considerable nuance to take into account. In some countries, while support for athlete protests has risen in the past decade, it can still break along partisan lines. For example, after the police shooting of Jacob Blake in Kenosha last August, YouGov found that 57 per cent of Americans supported a boycott of games by NBA players while just 28 per cent opposed. However,

while 82 per cent of Democrats gave their backing, just 21 per cent of Republicans did.

That has driven some athletes to be discerning in how they construct campaigns, seeking to engage with issues constructively and deliver meaningful change. NBA players used their leverage last summer to bring about league measures that promoted voting access among minority communities, with several arenas opened up as polling stations in November's general election.

In the UK, meanwhile, Manchester United footballer Marcus Rashford has centred his efforts on the provision of free school meals for disadvantaged children kept at home during Covid-19 closures. Working with the FareShare charity and the Roc Nation Sports agency, Rashford fronted a campaign that focused relentlessly on the popular central cause, rather than being distracted by party political rhetoric, and was able to outflank and win over the UK government as a result. His experience of the free school meals scheme as a child gave him further legitimacy and insight.

The most prominent athletes have also put their networks and their capital to use in support of direct community action. In 2018, LA Lakers icon LeBron James' foundation put \$600,000 towards the opening of the I Promise School in his hometown of Akron, Ohio. While it offers extra resources for children in and out of the classroom, the school is run in partnership with public authorities and open to all eligible children in the local area.

**WHAT** people stand for, what they say, and how they say it is crucial in talent selection. It is as important for spokespeople as it is for partnering brands and businesses that their vision is aligned. Correctly identified, that connection can ensure messages are accelerated and impactful.



# Life after sport.

## FACTOR 5



**In January 2021, National Basketball Players' Association president Michele Roberts confirmed that the union would seek to overturn a rule prohibiting NBA stars from taking a stake in teams. The idea would be raised for the next set of negotiations on the league's collective bargaining agreement, with players wanting a fair return on any value grown through the liberalisation of investment regulations around private equity investment.**

Roberts is not the only figure in sport to have discussed such an innovation. Jean-Michel Aulas, president of French football club Olympique Lyonnais, suggested in February that he would be open to offering higher-paid players shares in the team in exchange for emergency salary cuts after the Covid-19 crisis.

Athletes have short careers, and there is now a long history of leading stars taking control of their financial destiny. The modern template was set by Michael Jordan, whose Nike endorsement contract and dedicated line of basketball footwear in the 1980s eventually grew into Jordan Brand, valued by Forbes at over \$10 billion in 2020. Jordan himself is now the owner of the NBA's Charlotte Hornets and has expanded his portfolio in the last year to include Nascar team 23XI Racing.

Some parts of that pattern are still repeating. Late in 2020 Under Armour released the Curry Brand, a new part of its business built around Golden State Warriors superstar Stephen Curry. Other athletes have taken a different route to personal lines: former world men's tennis number one Andy Murray's AMC range is the result of a seed investment he made in premium British sportswear startup Castore, which has since established partnerships in football, cricket and golf.

Murray and Curry are among dozens of elite competitors to have spread their investments across rising businesses in sport, entertainment and technology. A number of influential ventures can count on star backing, from youth-focused media brand Overtime, whose investors include basketball's Carmelo Anthony and Kevin Durant, to \$1.2 billion wearable fitness company Whoop, which has financial backing from the likes of NFL star Patrick Mahomes and golfer Rory McIlroy.

Team ownership also continues to be a way for athletes to make a statement. Sustainable motorsport series Extreme E, which this year began racing fully electric SUVs in a range of global locations to highlight climate issues, has sold teams to Formula One world champions Lewis Hamilton, Nico Rosberg and Jenson Button.

Current and former icons have also taken an entrepreneurial route through media creation. In 2014, Major League Baseball hall of famer Derek Jeter launched The Players' Tribune, an online media platform where scores of athletes have told their stories in an unfiltered format. LeBron James and his longtime business partner, Maverick Carter, have launched a range of media businesses including production company SpringHill Entertainment and athlete-led content platform Uninterrupted. Last year, they consolidated those ventures into the SpringHill Company after raising \$100 million to pursue new projects.

# Changing communications landscape.

## FACTOR 6

**With the communications environment becoming more fluid all the time, it has never been more important to work with tools that are intuitive, powerful and flexible.**

Disintermediation has been a function of sports marketing for over a decade but as new services rise to prominence, brands have to think more carefully about how and why they reach out to disparate audiences. Conventional social networks have built massive, one-to-many communication relationships but these may not deliver the right balance of reach and engagement for a campaign. More recent platforms like Snapchat and Tiktok offer a younger user base but demand greater creativity and a rich understanding of their community dynamics, with a more participative approach to content development.

Gaming-first communities on Twitch and Discord are growing in relevance among younger audiences while the migration to private messaging platforms like WhatsApp and Signal is consistent across many demographics. Vast regional variations on digital media ecosystems have emerged, with services like Weibo and WeChat not just dominating in China but also plugging directly into ecommerce.

On the other hand, athlete concerns about the more toxic elements of the social media experience are only growing. A number of sports organisations have issued strong statements about racist, sexist and homophobic abuse on social networks like

Twitter and Facebook, with some supporting boycotts until more effective action is taken. Any athletes who followed through on that stance would need to consider the effect on their promotional strategies.

Direct messaging is now also possible through services like Cameo, which allows celebrities to send personalised videos to fans for a set fee. More than 1.3 million Cameos were made in 2020, with in-person activities limited due to pandemic-related public health restrictions, and the company achieved a \$1 billion valuation in February 2021. Hundreds of current and former athletes are already active on the platform.

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**VLAST was created to improve commercial outcomes between the talent management process for talent, talent managers and rights owners. It also redefines how communications are managed, with group and private messaging, and ensuring all key information sits in the right place, at the right time.**



Yet as the current crisis recedes and mass events return around the world, public appearances will also once again be a crucial part of the mix. These, too, will evolve, with the familiarity of video calling and connected fitness technologies accelerating the rise of hybrid events for hospitality and fan engagement.

Amid all that complexity, having the ability to manage, measure and adapt public profiles is invaluable. VLAST provides the ideal, all-in-one, software as a service solution. It boasts a wealth of capabilities that make it easier for agents, rights holders and brands to coordinate the commercial appearances and goals of their athletes, optimising talent workloads with automated, intelligent communications and scheduling.

With its centralised dashboard, VLAST ensures all parties involved with an athlete's activities are kept up to date. It also delivers vital insights into the effectiveness of each activation,



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generating reports on return on investment and return on opportunity. Machine learning means that these services become more efficient over time, adjusting to the needs of each client.

Athletes are at the centre of the commercial opportunity for sport and their influence is only rising. Making the most of their potential will be paramount to future success.



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