



**DIGITAL
SPORT**

BY HOT PAPER LANTERN

**STATE OF
THE MARKET**
MEDIA PERCEPTION ON NIL

Since 2021, the market for NIL (Name, Image and Likeness) has brought about massive excitement for college athletes focused on how brands can create new partnerships and reach new audiences through these athletes. However, the understanding of how the NIL market operates and the collectives which fund the market, has always been a murky area clouded by secrecy.

At its core, the mission of a collective is relatively the same across the board.

- The first objective, and most notable, is to raise capital while building a strong and sustainable fundraising channel with its fans and donors.
- The second is to attract the nation's top talent. An athlete's understanding of the university's NIL opportunities is a major consideration alongside factors like location, playing time, etc.
- The third is to then retain those athletes they brought to campus in the first place. With the fluidity of the transfer portal offering a chance to start fresh at any moment, athletes are looking for "what's next" vs. "last year's deal."
- And the last goal is to execute its mission through goodwill and strong community/fan/donor relations.

While this market moves forward, there is significant confusion and uncertainty around it.

Digital Sport by Hot Paper Lantern (DSBHPL) conducted a first-of-its-kind survey of the media writing on the business of NIL. The study found that the NIL media have the same concerns and pain points (sample answers seen below).

- ***The industry needs transparency***
- ***[Collectives] can't communicate their strategy***
- ***A large percentage of fans don't understand the mission [of the collectives]***
- ***Often fans are torn between supporting the university or the collective, rather than both***

This lack of transparency with the public, and specifically the media, has created an uninformed fan community, a confused donor base, reports of over-inflated valuations and deals and a public perception of shady activity.

While our data shows inconsistencies in the market, ***there is an inherent opportunity to effectively achieve the mission and goals of the collectives*** by leveraging strong communication and media relations strategies.

These strategies can help build strong brand awareness for potential strategic partnerships, create direct actions to attract/retain athletes, and drive sustainable revenue, all while helping to positively influence the collective's unique and specific audiences.

Revenue Gains and Talent Acquisition Suffer Due To NIL Miscommunications



More than

85%

of NIL-focused media cite that collectives don't do a good job communicating why athletes should sign or stay with the university.



Collectives aim to prioritize fundraising and sustainable capital, but

75%

of NIL-focused media believe fans and donors lack understanding of the business model.



Where is all the money going?

HALF OF

NIL-focused media do not know how the collective funds are distributed or allocated to the athletes or sports within their universities.

92%

of collegiate sports reporters said collectives provide inconsistent communications relating towards its goals, missions and wins.



Choosing between supporting a booster club, a collective or a specific team is confusing.

59%

of NIL-focused media find communication on this issue inconsistent.