

Insights

AI IN SPORTS SPONSORSHIP AND FAN ENGAGEMENT: OPPORTUNITIES AND CHALLENGES

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SUMMARY

In our previous article, we explored how AI is reshaping contractual negotiations with athletes, bringing advanced data analytics and predictive modelling into a process once driven largely by statistics and instinct. AI is now having an equally profound impact on the commercial side of sport, transforming how sponsorship deals are valued, structured and activated, and redefining how fans can connect with their favourite teams, athletes and brands.

This article explores how AI is allowing rights holders and sponsors to deploy innovative solutions to engage with their audiences, and how innovation in this space also raises new commercial and legal questions around data privacy, image rights and the accuracy of AI-generated insights.

AI AND SPONSORSHIPS IN PROFESSIONAL SPORTS

Sponsorship is one of the most lucrative elements of professional sports. Sponsorship decisions have traditionally been based on metrics focussed on exposure such as TV audiences and stadium attendance. With the advent of AI, sponsors can now rely on granular insight to make commercial decisions.

Machine learning models are able to analyse fan demographics, engagement patterns, visibility data and purchasing behaviour to produce a far more detailed picture of audience value and brand impact.

Where human analysis once took weeks or months, AI systems can process and interpret vast data sets in seconds, turning consumer trends or data into immediately actionable insights, allowing sponsors and organisations to adapt campaigns mid-season, or even mid-game to capitalise on trends and maximise fan engagement. For rights holders, such insights have become powerful sales tools, enabling teams and leagues to demonstrate tangible return on investment in real time, rather than waiting for end of season audits.

While speed is Al's greatest advantage, speed comes with risk. As with any Al system, the accuracy of the analysis relies on the quality of the data used. Errors or bias in data can lead to flawed insights or poor and inaccurate decision making, which is a significant risk when multi million pound sponsorship deals are on the line.

Al generated content often makes use of likeness, logos or other protected IP assets. Sponsors must take care to ensure that they have understood the manner in which third party IP is used and ensure they have secured, through contractual protections, all appropriate rights to use such imagery across their activations.

Sponsors, when relying on AI tools must also keep in mind that all AI generated advertising campaigns and marketing content will need to comply with advertising laws of different countries, such as the FTC guidelines in the United States and ASA rules in the UK.

PERSONALISING THE EXPERIENCE: AI AND FAN ENGAGEMENT

Al is also redefining the fan experience and the way fans are able to consume and interact with sport. Al driven tools can drive engagement making the fan experience personal and dynamic in various ways, such as personalised content, real time advanced statistics, interactive experiences and ticket packages based on preferences of individual fans. These systems can serve millions of fans simultaneously, each receiving tailored content reflecting their own preferences and habits creating a more immersive experience for fans. Various sporting bodies have recognised new avenues for fan engagement and monetisation that Al presents with the Premier League, NBA and Formula 1 each entering into partnerships with Microsoft, AWS and Salesforce respectively.

With greater personalisation comes greater scrutiny. Personalised fan engagement relies on analysing huge amounts of personal data such as browsing history, location, and purchasing behaviour which may qualify as personal information under data protection regimes such as the GDPR and emerging AI legislative regimes such as the EU's AI Act. Sports organisations must ensure that they review their obligations under applicable laws such as the ePrivacy Directive and obtain consents that may be required from individuals for profiling and targeted marketing, provide transparency as may be required on automated decision making and offer clear and accessible opt-outs for personalisation features in line with applicable legal requirements. Care must also be taken to ensure that the requirements of local legislations in various jurisdictions are taken into account when dealing with global fanbases spanning multiple jurisdictions. Failure to do so risks both legal sanctions and reputational damage.

DATA: THE NEW SPONSORSHIP CURRENCY

Data is now at the foundation of sponsorship deals and engagement strategies, with rights holders packaging Al-driven insights such as audience segmentation, engagement metrics and consumer sentiment as part of sponsorship offerings. These offerings give rise to various legal issues such

as ownership of the data, scope of sponsors rights to use the data and cross border data transfer rules. Compliance with regulations in various jurisdictions is a complex, but essential step for global sports bodies and sponsors that have footprint in various jurisdictions. As such, the proper contractual allocation of data rights specifying the ownership and control over data, scope of use and any restrictions on use are now essential elements of any commercial agreement.

LOOKING AHEAD

Just as the 'Moneyball' era redefined how teams evaluated players, AI is redefining how the sports industry values sponsorships and engages with fans. Commercial teams now negotiate with algorithms, and marketing departments craft personalised experiences powered by predictive models unlocking enormous potential across the sports market. For sponsors, this mean greater precision and commercial return on investment with fans also benefitting through immersive and more interactive experiences.

However, the promise the efficiencies AI can deliver also brings with it the responsibility to act within guardrails ensuring compliance with legal frameworks.

As AI continues to evolve, the most successful sports organisations and sponsors will be those that harness the power of AI responsibly, combining innovation with sound governance mechanisms and keeping the human connection at the heart of sport.

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