

Original Article

The English Premier League Mobile Phone Broadcasting Rights Selling Model - Historical Study

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Abstract

Indicative of those rights increasing use was that for the 2004-2007 period Premier League games, 3/Vodafone bought the rights for 11,5 million euro, while for the 2007-2010 period, BSkyB bought the rights for 12,4 million euro. In 2010, the Walt Disney Co's sports TV network ESPN has acquired the rights to screen Premier League highlights on UK mobile phones. The rights to all 380 Barclays Premier League matches were previously held by pay-TV rival British Sky Broadcasting. In 2013, News International, owned by the pay-TV broadcaster's controlling shareholder News Corporation, prevailed against BSkyB in the battle to acquire the Premier League exclusive rights to internet and mobile highlights for 30 million pounds, for three years. Sun, Times and Sunday Times publisher shut out fellow News Corp division as well as Yahoo, O2 and Perform Group.

1. Introduction

Boyle (2004) states that “mobile media has long been important to the sports fan, specifically those who attend a live event and that while much will change over the coming years as mobile technologies become more deeply rooted in our everyday lives, there will also be substantial aspects of continuity in how sports fans use media”. Sports broadcasting, used in the past as a popular strategy for driving the growth of the digital premium content marketplace in the past, is now targeted by mobile service operators. They face though significant barriers to enter the market, by traditional rights holders such. That is why content regulation is seen as essential for the development of mobile television platforms (Evens, Lefever, Valcke, Schuurman, & De Marez, 2011). The gradually increasing use of

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smartphones and tablet computers in developed economies transforms the way people access sports footage, highlights and information. New commercial arrangements are made and legal conflicts rise over broadcast (pay-for-view and free-to-air television), online (desktop and laptop computers), and mobile platforms (smartphone and tablets) content. As Hutchins (2012) argues, mobile and wireless communications highlight that the media sport content economy is now “on the move” from technology, commercial, regulatory, and legal perspectives.

2. Material and methods

In 2001, the mobile phone company Hutchison 3G signed a 35 million pounds three year deal with the Premier League to provide football news and clips to their customers. Based on that deal Hutchison users got news of Premier League goals on their mobile phones, seconds after they have been scored. Clips of matches, match commentaries, archive material, still photographs, results and fixture listings will be available as well. According to a Hutchison spokesman "All operators are working towards the same goal: securing the most valuable content to give that level of differentiation between ourselves and other operators when we launch. We all launch at the same time. We are all looking for the stuff that is really going to enthuse the customer." (<http://news.bbc.co.uk>).

The contract defined different delay times for various broadcasted games categories, with the largest delay being for the three main games broadcasted on the ITV non subscription highlights program. Hutchison 3G became the Premier League's “Official Mobile Service Partner”, and its customers could see footage of match highlights on hi-tech mobile phones. Colin Tucker, managing director of Hutchison 3G, said: "We are putting together a wide range of sports services for customers, ahead of our launch in 2002, and this is a great starting point for us. We believe these rights give us a head start on our competitors and will be a strong subscription driver at launch. "Football supporters are major users of mobile phones and online services, so we feel this will make our products very attractive." Richard Scudamore, Premier League chief executive, added that "This is the first time that the FA Premier League has sold mobile rights and we are sure that Hutchison 3G will be able to provide a valuable and innovative range of new services for football fans to enjoy up and down the country."(<http://www.dailymail.co.uk>).

Hutchinson didn't operate its 3G network until March 2003 and thus exploited its rights for only one season.

In 2004, the mobile phone companies Vodafone and -3 got the rights in separate three year deals, paying 14 million pounds each, in a total 28 million pounds per year. The companies could broadcast clips from the 380 games, five minutes after the end of the game. BSkyB got the 2007-10 period rights for 30 million dollars, in an average of 10 million dollars per year. Its offer was higher than those of a five mobile phone companies venture (3, Vodafone, T-Mobile, Orange και O2) consulted by the TW1 agency, that offered 22 million euro. BSkyB could broadcast up to eight clips per game, each one of them lasting up to 30

seconds. The package included also the rights for a half time clip and after the game highlights, available from the final whistle and lasting no more than two minutes. Also pregame and postgame packages were available. BSkyB and News International launched 24-7 Football, an on-demand football clips service for mobile users. For £5 a month, or 50p per video clip, users bought access to goal highlights.

In 2010, the Walt Disney Co's sports TV network ESPN has acquired the rights to screen Premier League highlights on UK mobile phones. The rights to all 380 Barclays Premier League matches were previously held by pay-TV rival British Sky Broadcasting. ESPN could transmit in-match and post-match highlights to fans' phones for the next three seasons. Lynne Frank, ESPN's senior vice president and managing director stated that "Mobile devices are an indispensable lifeline for football fans, who expect easy, quick access to the latest goals and action wherever they are. Adding these rights will allow us to advance our commitment to delivering great sport across the many screens UK fans use each day." In 2009, ESPN won the right to show 46 live Premier League matches for the 2009/10 season, after Setanta, the previous rights holder, collapsed, and 23 matches for the following three years in Britain in a hastily arranged auction (<https://uk.reuters.com/article/uk-espn/espn-wins-premier-league-mobile-rights>).

The channel picked up the TV rights to 46 Premier League games for season. ESPN has the rights to 23 Premier League games over the next three seasons. The news came a week after Ofcom ordered BSkyB to drastically cut the price it charges rivals Virgin Media and BT Vision to screen its flagship Sky Sports 1 and 2 channels. Richard Scudamore, chief executive of the Premier League, stated that "ESPN's purchase of Barclays Premier League mobile clip rights demonstrates their commitment to the competition and the fans. Mobile is an increasingly important technology as handheld devices become ever more sophisticated, therefore a good offering with a strong partner is important to us both in terms of accessibility and complementing live coverage." ESPN also secured the rights to 25 FA Cup matches, 27 Europa League games, 43 Premiership rugby matches and 30 Scottish Premier League clashes (<http://www.telegraph.co.uk>).

In 2013, News International, owned by the pay-TV broadcaster's controlling shareholder News Corporation, prevailed against BSkyB in the battle to acquire the Premier League exclusive rights to internet and mobile highlights. Sun, Times and Sunday Times publisher shut out fellow News Corp division as well as Yahoo, O2 and Perform Group. Even though Sky was developing a mobile content strategy, launching Sky Go and Sky Now services in 2012, they ailed to top the offer submitted to the Premier League by News International, worth about £30m over three years. The bid was almost double the 17 million pounds of the last three year deal of Yahoo (for the internet clips) and ESPN (for mobile rights). Based on the previous deal Yahoo had syndicated highlights to third parties including the Daily Mail, Guardian, Sun, Times, Daily Telegraph, London Evening Standard and Independent. It was also the first time ever that Premier League combined the internet and mobile rights in a single deal. Mobile rights were regarded as having

the most revenue potential, due to factors including the huge growth of smartphone and tablet sales, which has fuelled the rise of paid app usage. News International could offer up to eight 30-second highlights clips during all live Premier League matches. Even though the internet highlights offered longer clips, they could not be shown online until the Monday after matches have aired, making them less valuable. (<https://www.theguardian.com>).

In 2015 Sky Sports acquired the Premier League video clip rights, in a three years deal, starting from the 2016/17 season. Sky Sports show in-game clips and highlights from every Premier League game across its digital platforms. As part of the deal, *Sky Sports* has entered into an exclusive distribution partnership with News UK that will see clips also being made available across The Sunday Times, The Times and The Sun digital services. Sky Sports Managing Director Barney Francis stated that "Sky Sports is the home of the Premier League and this will allow us to offer our customers even more content across mobile and online. The way people watch sport is changing rapidly and this agreement ensures *Sky Sports* will continue to offer the best coverage across TV, mobile, online and social media. However they choose to watch, our customers will have all the defining moments from the Premier League at their fingertips for years to come." Mike Darcey, CEO, News UK, from his side, stated that "We are delighted to be teaming up with Sky Sports for this exclusive distribution partnership, which gives us the green light to continue bringing Premier League clips to our engaged customers for another three years. It was a competitive process with lots of interest from across the industry, which is testament to the innovation displayed by, and intuitive marketing campaigns created by, teams at News UK since first winning the rights in 2013. This new partnership with Sky Sports will undoubtedly bring a better product to market for our customers." Sky offers extensive news, reviews and analysis on Sky Sports News HQ, along with a multi-platform digital sports service. Sky Sports for Mobile is the country's most downloaded sports content App, skysports.com is read by 10m users each week, while Sky Sports has a reach of 20m each month on social media. (<http://www.skysports.com>).

3. Results and Discussions

The mobile phone rights of Premier League have geometrically increased during the last 15 years alongside the respective increase in use of smart phones. What once were supposed to be just an extra package the traditional tv platform would get in the general tv rights deal, now is a package of ultimate importance for the PL rights bidders, who see it as tool attract more subscribers and sell new customized mobile phone services and apps. In this battle, many different types of bidders are met, such as traditional tv platforms, mobile telephony companies, internet providers and currently global technology giants. PL higher management, holding in its hands one of the world's most valuable sporting products, takes into account the dynamics of the product value and off course the potential positioning of the product globally, in each bidder scenario.

4. Conclusions

In the rapidly changing mobile rights economy, Premier League media rights exploitation system is a guide for numerous low-mid level professional football leagues, including the Greek Superleague, to use in order to market and sell their mobile rights. Even though most of those leagues operate in small countries with much less population, fans base and mobile telephony subscription base, than the large and financially strong countries, they could apply a parallel to the PL model, to package their mobile rights and sell it to interested bidders usually mobile telephony companies, in order not only to generate an income, but also to attract new fans by offering them new services and apps. In case of largely populated countries, like China, India etc, there and despite the sporting competition low level, it is more than certain that the world's technology titans like Google and Amazon are keen to enter bids to acquire the leagues mobile rights

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